

# Financial Summary

(Expressed in Renminbi)

## Results

	2004 RMB million	2003 RMB million	2002 RMB million	2001 RMB million	2000 RMB million
<b>Operating revenue</b>					
Usage fees	128,534	111,027	93,272	73,458	46,287
Monthly fees	24,760	20,666	16,901	14,085	9,623
Connection fees	—	—	—	711	2,213
Other operating revenue	39,087	26,911	18,388	12,077	6,861
	192,381	158,604	128,561	100,331	64,984
<b>Operating expenses</b>					
Leased lines	3,861	4,914	5,287	5,005	5,501
Interconnection	12,072	12,868	12,975	13,055	8,329
Depreciation	44,320	36,611	26,827	17,664	9,759
Personnel	9,717	7,700	6,757	5,325	3,991
Other operating expenses	62,677	43,308	27,919	18,270	10,578
	132,647	105,401	79,765	59,319	38,158
<b>Profit from operations</b>	59,734	53,203	48,796	41,012	26,826
<b>Write-down and write-off of analog network equipment</b>	—	—	—	—	(1,525)
<b>Amortisation of goodwill</b>	(1,930)	(1,850)	(936)	—	—
<b>Other net income</b>	3,167	2,464	1,686	1,594	915
<b>Non-operating net income/(expenses)</b>	900	434	571	(6)	(5)
<b>Interest income</b>	1,014	807	713	857	1,006
<b>Finance costs</b>	(1,679)	(2,099)	(1,852)	(1,740)	(824)
<b>Profit from ordinary activities before taxation</b>	61,206	52,959	48,978	41,717	26,393
<b>Taxation</b>	(19,180)	(17,412)	(16,375)	(13,763)	(8,153)
<b>Profit from ordinary activities after taxation</b>	42,026	35,547	32,603	27,954	18,240
<b>Minority interests</b>	(22)	9	(2)	1	—
<b>Profit attributable to shareholders</b>	42,004	35,556	32,601	27,955	18,240

## Assets and liabilities

	2004 RMB million	2003 RMB million	2002 RMB million	2001 RMB million	2000 RMB million
Fixed assets	218,063	171,604	165,409	105,208	87,465
Construction in progress	31,239	28,370	23,013	19,981	13,527
Goodwill	35,300	34,373	36,223	—	—
Interest in associates	—	16	16	16	46
Investment securities	77	77	77	77	61
Deferred tax assets	4,068	3,263	4,991	2,680	4,310
Deferred expenses	96	143	190	180	164
Net current (liabilities)/assets	(17,757)	(8,693)	(4,012)	8,096	4,959
<b>Total assets less current liabilities</b>	<b>271,086</b>	229,153	225,907	136,238	110,532
Long term bank loans and other interest-bearing borrowings	(13,000)	(19,407)	(36,348)	(21,591)	(23,134)
Obligations under finance leases, excluding current instalments	—	—	—	(812)	(1,235)
Amount due to immediate holding company	(23,633)	(9,976)	(15,176)	—	—
Deferred revenue, excluding current portion	(944)	(688)	(869)	(820)	(1,122)
Deferred tax liabilities	(105)	(97)	(58)	—	—
Minority interests	(243)	(182)	(191)	(32)	(17)
<b>Net assets</b>	<b>233,161</b>	198,803	173,265	112,983	85,024

Notes:

- (1) The above tables summarise the results of the Group for the years ended 31 December 2000, 2001, 2002, 2003 and 2004, together with the Group's assets and liabilities as at 31 December 2000, 2001, 2002, 2003 and 2004.

The Group's results for the years ended 31 December 2000, 2001, 2002, 2003 and 2004 include the results of the Company and its subsidiaries for the period from 1 January or the date of incorporation or acquisition, if later, to 31 December of the year.

- (2) Despite a change in accounting policy for goodwill, figures for the year 2000 have not been adjusted as the Group has taken advantage of the transitional provisions set out in paragraph 88 of Statement of Standard Accounting Practice ("SSAP") 30 with the effect that the new accounting policy has been adopted prospectively from 1 January 2001 onwards.
- (3) Figures for the years from 2000 to 2002 have been adjusted as the Group adopted retrospectively the accounting policy of SSAP 12 (revised).