

FINANCIAL SUMMARY

(Expressed in Renminbi)

RESULTS

	Note	2005 RMB million	2004 RMB million	2003 RMB million	2002 RMB million	2001 RMB million
Operating revenue						
Usage fees		156,710	128,534	111,027	93,272	73,458
Monthly fees		25,055	24,760	20,666	16,901	14,085
Connection fees		—	—	—	—	711
Other operating revenue		61,276	39,087	26,911	18,388	12,077
		243,041	192,381	158,604	128,561	100,331
Operating expenses						
Leased lines		3,224	3,861	4,914	5,287	5,005
Interconnection		15,309	12,072	12,868	12,975	13,055
Depreciation	2	56,368	44,186	36,488	26,725	17,597
Personnel	2	14,200	9,972	7,700	6,757	5,325
Other operating expenses	2	80,254	62,811	43,431	28,021	18,337
		169,355	132,902	105,401	79,765	59,319
Profit from operations	2	73,686	59,479	53,203	48,796	41,012
Amortization of goodwill		—	(1,930)	(1,850)	(936)	—
Other net income		3,284	3,167	2,464	1,686	1,594
Non-operating net income/(expenses)		1,025	900	434	571	(6)
Interest income		1,615	1,014	807	713	857
Finance costs		(1,346)	(1,679)	(2,099)	(1,852)	(1,740)
Profit before taxation		78,264	60,951	52,959	48,978	41,717
Taxation	4	(24,675)	(19,180)	(17,412)	(16,375)	(13,763)
Profit for the year		53,589	41,771	35,547	32,603	27,954
Equity shareholders of the Company		53,549	41,749	35,556	32,601	27,955
Minority interests		40	22	(9)	2	(1)
Profit for the year		53,589	41,771	35,547	32,603	27,954

FINANCIAL SUMMARY (CONT'D)

(Expressed in Renminbi)

ASSETS AND LIABILITIES

	Note	2005 RMB million	2004 RMB million	2003 RMB million	2002 RMB million	2001 RMB million
Property, plant and equipment	2	216,505	212,459	167,177	161,355	103,076
Construction in progress	2	34,201	30,510	27,789	22,524	19,581
Land lease prepayments	2	7,243	6,333	5,008	4,543	2,532
Goodwill	2	35,300	35,300	34,373	36,223	—
Interest in associates		—	—	16	16	16
Other financial assets		77	77	77	77	77
Deferred tax assets	4	6,625	4,068	3,263	4,991	2,680
Deferred expenses		—	96	143	190	180
Net current assets/(liabilities)		11,122	(17,757)	(8,693)	(4,012)	8,096
Total assets less current liabilities		311,073	271,086	229,153	225,907	136,238
Interest-bearing borrowings		(36,545)	(36,633)	(29,383)	(51,524)	(21,591)
Obligations under finance leases, excluding current installments		—	—	—	—	(812)
Deferred revenue, excluding current portion		(1,324)	(944)	(688)	(869)	(820)
Deferred tax liabilities	4	(97)	(105)	(97)	(58)	—
Net assets		273,107	233,404	198,985	173,456	113,015

Notes:

- (1) The above tables summarize the results of the Group for the years ended 31 December 2001, 2002, 2003, 2004 and 2005, together with the Group's assets and liabilities as at 31 December 2001, 2002, 2003, 2004 and 2005.

The Group's results for the years ended 31 December 2001, 2002, 2003, 2004 and 2005 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) The HKICPA has issued a number of new and revised HKFRSs that are effective or available for early adoption for accounting periods beginning on or after 1 January 2005. Information on the changes in accounting policies resulting from initial application of these new and revised HKFRSs is provided in note 2 on the financial statements. Figures for 2001 to 2005 have been adjusted for these new and revised policies in accordance with the transitional provisions and as disclosed in note 2. Earlier years have only been restated to the extent that the new accounting policies are adopted retrospectively as disclosed in note 2.
- (3) Prior to 2001 positive or negative goodwill was taken directly to reserves at the time it arose and was not recognized in the income statement until disposal or impairment of the acquired business. Pursuant to the transitional provision set out in Hong Kong Statement of Standard Accounting Practice No. 30 "Business Combinations", the change in accounting policy for goodwill in 2001 was applied to the figures for 2001 and onwards and no adjustments were made in respect of goodwill which arose previously, whether or not the acquired business was still held.
- (4) Figures for the years from 2001 to 2002 have been adjusted as the Group adopted retrospectively the Hong Kong Statement of Standard Accounting Practice No. 12 (revised) "Income taxes".