

# Financial Summary

(Expressed in Renminbi)

## Results

	Note	2007 RMB million	2006 RMB million	2005 RMB million	2004 RMB million	2003 RMB million
<b>Operating revenue</b>						
Usage fees		226,488	189,710	156,710	128,534	111,027
Monthly fees		20,856	21,629	25,055	24,760	20,666
Value-added services fees		91,609	69,309	50,187	30,236	16,205
Other operating revenue		18,006	14,710	11,089	8,851	10,706
		<b>356,959</b>	<b>295,358</b>	<b>243,041</b>	<b>192,381</b>	<b>158,604</b>
<b>Operating expenses</b>						
Leased lines		2,330	2,451	3,224	3,861	4,914
Interconnection		21,500	18,783	15,309	12,072	12,868
Depreciation	2	67,354	64,574	56,368	44,186	36,488
Personnel	2	18,277	16,853	14,200	9,972	7,700
Other operating expenses	2	123,430	100,772	80,254	62,811	43,431
		<b>232,891</b>	<b>203,433</b>	<b>169,355</b>	<b>132,902</b>	<b>105,401</b>
<b>Profit from operations</b>	2	<b>124,068</b>	<b>91,925</b>	<b>73,686</b>	<b>59,479</b>	<b>53,203</b>
Amortization of goodwill		–	–	–	(1,930)	(1,850)
Other net income		2,323	2,872	3,284	3,167	2,464
Non-operating net income		657	285	499	548	246
Interest income		4,015	2,604	1,615	1,014	807
Finance costs		(1,825)	(1,510)	(1,346)	(1,679)	(2,099)
<b>Profit before taxation</b>		<b>129,238</b>	<b>96,176</b>	<b>77,738</b>	<b>60,599</b>	<b>52,771</b>
Taxation		(42,059)	(30,062)	(24,149)	(18,828)	(17,224)
<b>Profit for the year</b>		<b>87,179</b>	<b>66,114</b>	<b>53,589</b>	<b>41,771</b>	<b>35,547</b>
<b>Equity shareholders of the Company</b>		<b>87,062</b>	<b>66,026</b>	<b>53,549</b>	<b>41,749</b>	<b>35,556</b>
Minority interests		117	88	40	22	(9)
<b>Profit for the year</b>		<b>87,179</b>	<b>66,114</b>	<b>53,589</b>	<b>41,771</b>	<b>35,547</b>

## Financial Summary (Continued)

(Expressed in Renminbi)

### Assets and liabilities

	Note	2007 RMB million	2006 RMB million	2005 RMB million	2004 RMB million	2003 RMB million
Property, plant and equipment	2	257,170	218,274	216,505	212,459	167,177
Construction in progress	2	47,420	52,436	34,201	30,510	27,789
Land lease prepayments	2	8,383	7,675	7,243	6,333	5,008
Goodwill	2	36,894	36,894	35,300	35,300	34,373
Other intangible assets		469	700	–	–	–
Interest in associates		–	–	–	–	16
Deferred tax assets		5,445	7,113	6,625	4,068	3,263
Other financial assets		77	77	77	77	77
Deferred expenses		–	–	–	96	143
Net current assets/(liabilities)		52,682	30,900	11,122	(17,757)	(8,693)
<b>Total assets less current liabilities</b>		<b>408,540</b>	<b>354,069</b>	<b>311,073</b>	<b>271,086</b>	<b>229,153</b>
Interest-bearing borrowings		(33,582)	(33,574)	(36,545)	(36,633)	(29,383)
Deferred revenue, excluding current portion		(597)	(930)	(1,324)	(944)	(688)
Deferred tax liabilities		(122)	(192)	(97)	(105)	(97)
<b>Net assets</b>		<b>374,239</b>	<b>319,373</b>	<b>273,107</b>	<b>233,404</b>	<b>198,985</b>

#### Notes:

- (1) The above tables summarize the results of the Group for the years ended 31 December 2003, 2004, 2005, 2006 and 2007, together with the Group's assets and liabilities as at 31 December 2003, 2004, 2005, 2006 and 2007.

The Group's results for the years ended 31 December 2003, 2004, 2005, 2006 and 2007 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) 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. Figures for 2003 to 2004 have been adjusted for these new and revised policies in accordance with the transitional provisions. Earlier years have only been restated to the extent that the new accounting policies are adopted retrospectively.