

Financial Summary

(Expressed in Renminbi)

RESULTS

	2010 <i>RMB million</i>	2009 <i>RMB million</i>	2008 <i>RMB million</i>	2007 <i>RMB million</i>	2006 <i>RMB million</i>
Operating revenue					
Usage and monthly fees (Note 2)	312,349	300,632	278,608	247,727	210,039
Value-added services fees (Note 2)	151,435	131,434	113,288	91,744	68,813
Other operating revenue	21,447	20,037	19,914	18,006	14,710
	485,231	452,103	411,810	357,477	293,562
Operating expenses					
Leased lines	3,897	3,006	2,641	2,330	2,451
Interconnection	21,886	21,847	22,264	21,500	18,783
Depreciation	86,230	80,179	71,509	67,354	64,574
Personnel	24,524	21,480	19,960	18,277	16,853
Other operating expenses (Note 2)	197,940	178,583	153,041	124,303	99,894
	334,477	305,095	269,415	233,764	202,555
Profit from operations (Note 2)	150,754	147,008	142,395	123,713	91,007
Other net income	2,336	1,780	2,159	2,323	2,872
Non-operating net income	685	359	517	657	285
Interest income	5,658	5,940	6,002	4,015	2,604
Finance costs	(902)	(1,243)	(1,550)	(1,825)	(1,510)
Share of profit of associate	558	–	–	–	–
Share of loss of jointly controlled entity	(18)	(8)	–	–	–
Profit before taxation	159,071	153,836	149,523	128,883	95,258
Taxation	(39,047)	(38,413)	(36,735)	(42,143)	(29,760)
PROFIT FOR THE YEAR	120,024	115,423	112,788	86,740	65,498
Other comprehensive income for the year					
Exchange differences on translation of financial statements of overseas entities	(135)	42	(393)	(645)	(43)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	119,889	115,465	112,395	86,095	65,455

*Financial Summary (Continued)**(Expressed in Renminbi)***RESULTS** (Continued)

	2010 <i>RMB million</i>	2009 <i>RMB million</i>	2008 <i>RMB million</i>	2007 <i>RMB million</i>	2006 <i>RMB million</i>
Profit attributable to:					
Equity shareholders of the Company	119,640	115,166	112,627	86,623	65,410
Non-controlling interests	384	257	161	117	88
PROFIT FOR THE YEAR	120,024	115,423	112,788	86,740	65,498
Total comprehensive income attributable to:					
Equity shareholders of the Company	119,505	115,208	112,234	85,978	65,367
Non-controlling interests	384	257	161	117	88
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	119,889	115,465	112,395	86,095	65,455

Financial Summary (Continued)

(Expressed in Renminbi)

ASSETS AND LIABILITIES

	As at 31 December 2010 RMB million	As at 31 December 2009 RMB million	As at 31 December 2008 RMB million	As at 31 December 2007 RMB million	As at 31 December 2006 RMB million
Property, plant and equipment	385,296	360,075	327,783	257,170	218,274
Construction in progress	54,868	46,094	35,482	47,420	52,436
Land lease prepayments	12,040	11,201	10,102	8,383	7,675
Goodwill	36,894	36,894	36,894	36,894	36,894
Other intangible assets	813	727	298	469	700
Interest in associates	40,175	–	–	–	–
Interest in jointly controlled entity	8	6	7	–	–
Deferred tax assets (Note 2)	9,720	8,939	7,614	6,121	7,873
Pledged bank deposits	162	–	–	–	–
Other financial assets	77	77	77	77	77
Net current assets (Note 2)	66,252	77,550	56,611	49,916	28,489
Total assets less current liabilities (Note 2)	606,305	541,563	474,868	406,450	352,418
Interest-bearing borrowings	(28,615)	(33,551)	(33,553)	(33,582)	(33,574)
Deferred revenue, excluding current portion	(248)	(317)	(584)	(597)	(930)
Deferred tax liabilities	(39)	(61)	(80)	(122)	(192)
Net assets	577,403	507,634	440,651	372,149	317,722

Notes:

(1) The above tables summarize the results of the Group for the years ended 31 December 2006, 2007, 2008, 2009 and 2010, together with the Group's assets and liabilities as at 31 December 2006, 2007, 2008, 2009 and 2010.

The Group's results for the years ended 31 December 2006, 2007, 2008, 2009 and 2010 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) Figures for 2006, 2007 and 2008 have been adjusted as the Group adopted retrospectively the new accounting policy of IFRIC/HK(IFRIC) Interpretation 13, Customer loyalty programmes. Besides, certain comparative figures have been adjusted to conform to current year's presentation.