

Financial Summary

(Expressed in Renminbi)

Results

	2008 RMB million	2007 RMB million	2006 RMB million	2005 RMB million	2004 RMB million
Operating revenue					
Usage fees	260,889	226,488	189,710	156,710	128,534
Monthly fees	18,096	20,856	21,629	25,055	24,760
Value-added services fees	113,444	91,609	69,309	50,187	30,236
Other operating revenue	19,914	18,006	14,710	11,089	8,851
	412,343	356,959	295,358	243,041	192,381
Operating expenses					
Leased lines	2,641	2,330	2,451	3,224	3,861
Interconnection	22,264	21,500	18,783	15,309	12,072
Depreciation (Note 2)	71,509	67,354	64,574	56,368	44,186
Personnel (Note 2)	19,960	18,277	16,853	14,200	9,972
Other operating expenses (Note 2)	153,354	123,430	100,772	80,254	62,811
	269,728	232,891	203,433	169,355	132,902
Profit from operations (Note 2)	142,615	124,068	91,925	73,686	59,479
Amortization of goodwill	–	–	–	–	(1,930)
Other net income	2,159	2,323	2,872	3,284	3,167
Non-operating net income	517	657	285	499	548
Interest income	6,002	4,015	2,604	1,615	1,014
Finance costs	(1,550)	(1,825)	(1,510)	(1,346)	(1,679)
Profit before taxation	149,743	129,238	96,176	77,738	60,599
Taxation	(36,789)	(42,059)	(30,062)	(24,149)	(18,828)
Profit for the year	112,954	87,179	66,114	53,589	41,771
Equity shareholders of the Company	112,793	87,062	66,026	53,549	41,749
Minority interests	161	117	88	40	22
Profit for the year	112,954	87,179	66,114	53,589	41,771

Financial Summary (Continued)

(Expressed in Renminbi)

Assets and liabilities

	2008 RMB million	2007 RMB million	2006 RMB million	2005 RMB million	2004 RMB million
Property, plant and equipment (Note 2)	327,783	257,170	218,274	216,505	212,459
Construction in progress (Note 2)	35,482	47,420	52,436	34,201	30,510
Land lease prepayments (Note 2)	10,102	8,383	7,675	7,243	6,333
Goodwill (Note 2)	36,894	36,894	36,894	35,300	35,300
Other intangible assets	298	469	700	–	–
Interest in associates	–	–	–	–	–
Interest in jointly controlled entity	7	–	–	–	–
Deferred tax assets	6,884	5,445	7,113	6,625	4,068
Other financial assets	77	77	77	77	77
Deferred expenses	–	–	–	–	96
Net current assets/(liabilities)	59,597	52,682	30,900	11,122	(17,757)
Total assets less current liabilities	477,124	408,540	354,069	311,073	271,086
Interest-bearing borrowings	(33,553)	(33,582)	(33,574)	(36,545)	(36,633)
Deferred revenue, excluding current portion	(584)	(597)	(930)	(1,324)	(944)
Deferred tax liabilities	(80)	(122)	(192)	(97)	(105)
Net assets	442,907	374,239	319,373	273,107	233,404

Notes:

(1) The above tables summarize the results of the Group for the years ended 31 December 2004, 2005, 2006, 2007 and 2008, together with the Group's assets and liabilities as at 31 December 2004, 2005, 2006, 2007 and 2008.

The Group's results for the years ended 31 December 2004, 2005, 2006, 2007 and 2008 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 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.