

FINANCIAL SUMMARY

(Expressed in Renminbi)

Results

	2003 RMB million	2002 RMB million	2001 RMB million	2000 RMB million	1999 RMB million
Operating revenue					
Usage fees	111,027	93,272	73,458	46,287	25,812
Monthly fees	20,666	16,901	14,085	9,623	4,981
Connection fees	—	—	711	2,213	4,319
Other operating revenue	26,911	18,388	12,077	6,861	3,511
	158,604	128,561	100,331	64,984	38,623
Operating expenses					
Leased lines	4,914	5,287	5,005	5,501	3,723
Interconnection	12,868	12,975	13,055	8,329	6,453
Depreciation	36,611	26,827	17,664	9,759	7,411
Personnel	7,700	6,757	5,325	3,991	2,256
Other operating expenses	43,308	27,919	18,270	10,578	5,140
	105,401	79,765	59,319	38,158	24,983
Profit from operations	53,203	48,796	41,012	26,826	13,640
Write-down and write-off of analog network equipment	—	—	—	(1,525)	(8,242)
Amortisation of goodwill	(1,850)	(936)	—	—	—
Other net income	2,464	1,686	1,594	915	552
Non-operating net income/(expenses)	434	571	(6)	(5)	70
Interest income	807	713	857	1,006	767
Finance costs	(2,099)	(1,852)	(1,740)	(824)	(343)
Profit from ordinary activities before taxation	52,959	48,978	41,717	26,393	6,444
Taxation	(17,412)	(16,375)	(13,763)	(8,153)	(1,628)
Profit from ordinary activities after taxation	35,547	32,603	27,954	18,240	4,816
Minority interests	9	(2)	1	—	—
Profit attributable to shareholders	35,556	32,601	27,955	18,240	4,816

Assets and liabilities

	2003 RMB million	2002 RMB million	2001 RMB million	2000 RMB million	1999 RMB million
Fixed assets	171,604	165,409	105,208	87,465	42,699
Construction in progress	28,370	23,013	19,981	13,527	6,735
Goodwill	34,373	36,223	—	—	—
Interest in associates	16	16	16	46	46
Investment securities	77	77	77	61	—
Deferred tax assets	3,263	4,991	2,680	4,310	2,708
Deferred expenses	143	190	180	164	51
Net current (liabilities)/assets	(8,693)	(4,012)	8,096	4,959	14,031
Total assets less current liabilities	229,153	225,907	136,238	110,532	66,270
Long term bank loans and other interest-bearing borrowings	(19,407)	(36,348)	(21,591)	(23,134)	(7,177)
Obligations under finance leases, excluding current instalments	—	—	(812)	(1,235)	(107)
Amount due to immediate holding company	(9,976)	(15,176)	—	—	—
Deferred revenue, excluding current portion	(688)	(869)	(820)	(1,122)	(1,492)
Deferred tax liabilities	(97)	(58)	—	—	—
Minority interests	(182)	(191)	(32)	(17)	—
Net assets	198,803	173,265	112,983	85,024	57,494

Notes:

- (1) The above tables summarise the results of the Group for the years ended 31 December 1999, 2000, 2001, 2002 and 2003, together with the Group's assets and liabilities as at 31 December 1999, 2000, 2001, 2002 and 2003.

The Group's results for the years ended 31 December 1999, 2000, 2001, 2002 and 2003 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 years from 1999 to 2000 have not been adjusted as the Group has taken advantage of the transitional provisions set out in paragraph 88 of 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 1999 to 2002 have been adjusted as the Group adopted retrospectively the new accounting policy of SSAP 12 (revised).