

# Financial Summary

(Amounts in thousands, except per share data)

For the year ended 31 December					
	2007 RMB	2006 RMB (note)	2005 RMB (note)	2004 RMB (note)	2003 RMB (note)
<b>Results</b>					
Revenue from telecommunications infrastructure services	11,093,007	10,941,175	10,450,989	10,171,724	6,693,087
Revenue from business process outsourcing services	9,365,152	6,167,397	5,328,100	4,493,214	3,157,619
Revenue from applications, content and others	3,080,222	2,204,160	2,229,839	1,790,748	1,066,558
<b>Total revenues</b>	<b>23,538,381</b>	19,312,732	18,008,928	16,455,686	10,917,264
Depreciation and amortisation	(305,205)	(326,673)	(304,441)	(264,240)	(168,268)
Direct personnel costs	(4,556,857)	(3,937,327)	(3,448,097)	(2,227,276)	(1,268,439)
Purchase of materials and telecommunications products	(7,632,433)	(5,712,317)	(5,746,430)	(5,597,860)	(3,889,030)
Subcontracting charges	(4,577,237)	(3,582,311)	(2,782,283)	(3,298,311)	(2,210,650)
Operating lease charges and others	(2,401,900)	(2,187,169)	(2,011,648)	(1,737,022)	(1,102,517)
<b>Cost of revenues</b>	<b>(19,473,632)</b>	(15,745,797)	(14,292,899)	(13,124,709)	(8,638,904)
<b>Gross profit</b>	<b>4,064,749</b>	3,566,935	3,716,029	3,330,977	2,278,360
Other operating income	341,485	196,681	140,864	226,395	94,260
Selling, general and administrative expenses	(2,794,662)	(2,476,881)	(2,724,744)	(2,485,734)	(1,619,517)
Other operating expenses	(12,579)	(28,350)	(33,794)	(43,419)	(24,715)
Deficit on revaluation of property, plant and equipment	–	(135,629)	–	–	–
Net financing income	41,682	87,315	39,641	44,104	39,311
Share of profits less (losses) of associates	3,575	(14)	14,676	7,386	6,508
Negative goodwill	–	4,039	159,499	43,299	62,526
<b>Profit before tax</b>	<b>1,644,250</b>	1,214,096	1,312,171	1,123,008	836,733
Income tax	(461,056)	(374,614)	(348,431)	(347,928)	(262,793)
<b>Profit for the year</b>	<b>1,183,194</b>	839,482	963,740	775,080	573,940
<b>Attributable to:</b>					
Equity shareholders/owner	1,167,247	816,754	755,496	679,948	458,436
Minority interests	15,947	22,728	208,244	95,132	115,504
<b>Profit for the year</b>	<b>1,183,194</b>	839,482	963,740	775,080	573,940
<b>Basic and diluted earnings per share (RMB)</b>	<b>0.214</b>	0.201	0.191	0.172	0.116

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(Amounts in thousands, except per share data)

	As at 31 December				
	2007 RMB	2006 RMB (note)	2005 RMB (note)	2004 RMB (note)	2003 RMB (note)
<b>Financial condition</b>					
Property, plant and equipment, net	3,371,755	2,997,587	3,321,805	3,249,959	2,518,819
Other non-current assets	1,740,195	1,228,384	1,965,800	1,864,567	1,583,686
Inventories	1,035,761	980,230	646,692	772,598	402,110
Accounts and bills receivable, net	6,627,607	5,804,769	5,113,091	4,315,334	2,250,221
Prepayments and other current assets	2,181,571	2,116,936	2,879,928	2,471,735	1,341,103
Cash and cash equivalents	6,632,252	8,163,755	4,955,868	5,648,870	5,347,013
Restricted Deposits	251,128	—	—	—	—
<b>Total assets</b>	<b>21,840,269</b>	21,291,661	18,883,184	18,323,063	13,442,952
Interest-bearing borrowings	2,560,256	157,700	302,045	289,583	250,116
Accounts and bills payable	4,686,643	4,182,105	3,092,209	3,093,906	1,833,419
Receipts in advance for contract work	520,725	680,048	1,067,701	1,381,222	1,418,884
Accrued expenses and other payables	4,223,476	3,652,347	3,945,826	3,828,160	3,252,620
Income tax payable	198,360	224,166	495,018	482,605	304,913
Non-current liabilities	12,601	31,473	12,000	22,000	—
<b>Total liabilities</b>	<b>12,202,061</b>	8,927,839	8,914,799	9,097,476	7,059,942
Equity attributable to equity shareholders/owner of the Company	9,560,778	12,217,113	9,287,912	8,275,614	5,380,526
Minority interests	77,430	146,709	680,473	949,973	1,002,484
<b>Total equity</b>	<b>9,638,208</b>	12,363,822	9,968,385	9,225,587	6,383,010
<b>Total liabilities and equity</b>	<b>21,840,269</b>	21,291,661	18,883,184	18,323,063	13,442,952

Note:

On 31 August 2007, we acquired the Target Business from CTC. As we and Target Business was under common control of CTC, the acquisition of the Target Business has been reflected in the accompanying consolidated financial statements as a combination of entities under common control and accounted for in a manner similar to pooling-of-interests. Accordingly, the assets and liabilities of the Target Business have been accounted for at historical costs and the consolidated financial statements of the Company prior to the foregoing acquisition have been restated to include the results of operations and assets and liabilities of the Target Business on a combined basis. Our financial summary of 2004, 2005 and 2006 have been restated to include the results and financial condition of the Target Business in the relevant period. As the results and financial condition of the Target Business in 2003 was not published, our financial summary of 2003 includes only the results and financial condition stated in the Company's prospectus dated 27 November 2006.