

Financial Summary

(Amounts in thousands, except per share data)

	For the years ended 31 December				
	2009 RMB	2008 RMB (Note 1&2)	2007 RMB (Note 1&2)	2006 RMB (Note 1&2)	2005 RMB (Note 1&2)
Results					
Revenue from telecommunications infrastructure services	19,289,579	15,329,464	11,093,007	10,941,175	10,450,989
Revenue from business process outsourcing services	15,943,326	13,743,789	9,695,630	6,787,975	5,752,371
Revenue from applications, content and other services	4,266,545	3,932,119	3,251,874	2,448,019	2,412,772
Total revenues	39,499,450	33,005,372	24,040,511	20,177,169	18,616,132
Depreciation and amortization	(351,402)	(336,629)	(307,149)	(328,393)	(306,074)
Direct personnel costs	(7,073,351)	(5,962,414)	(4,600,240)	(3,975,421)	(3,476,979)
Purchase of materials and telecommunications products	(12,364,499)	(11,167,207)	(7,993,192)	(6,420,470)	(6,225,594)
Subcontracting charges	(9,064,577)	(6,970,705)	(4,580,668)	(3,583,645)	(2,784,981)
Operating lease charges and others	(4,273,684)	(3,195,413)	(2,428,831)	(2,235,047)	(2,055,029)
Cost of revenues	(33,127,513)	(27,632,368)	(19,910,080)	(16,542,976)	(14,848,657)
Gross profit	6,371,937	5,373,004	4,130,431	3,634,193	3,767,475
Other operating income	520,810	524,353	465,396	321,775	203,302
Selling, general and administrative expenses	(4,691,507)	(3,905,116)	(2,843,607)	(2,528,507)	(2,762,015)
Other operating expenses	(76,782)	(70,749)	(39,336)	(37,009)	(33,793)
Deficit on revaluation of property, plant and equipment	–	–	(388)	(135,629)	–
Finance costs	(88,435)	(176,334)	(56,086)	(30,928)	(22,446)
Share of profits less (losses) of associates	1,571	2,161	3,575	(14)	14,676
Negative goodwill	–	–	–	4,039	159,499
Profit before tax	2,037,594	1,747,319	1,659,985	1,227,920	1,326,698
Income tax	(427,356)	(403,675)	(462,930)	(375,904)	(349,292)
Profit for the year	1,610,238	1,343,644	1,197,055	852,016	977,406
Attributable to:					
Equity shareholders/owner	1,598,589	1,326,770	1,181,108	829,288	769,162
Minority interests	11,649	16,874	15,947	22,728	208,244
Profit for the year	1,610,238	1,343,644	1,197,055	852,016	977,406
Basic and diluted earnings per share (RMB)	0.277	0.233	0.217	0.204	0.194

Financial Summary

(Amounts in thousands, except per share data)

	At 31 December				
	2009	2008	2007	2006	2005
	RMB	RMB	RMB	RMB	RMB
		(Note 1)	(Note 1)	(Note 1)	(Note 1)
Financial condition					
Property, plant and equipment, net	3,912,721	3,642,735	3,381,792	3,007,364	3,330,232
Other non-current assets	1,950,723	1,988,406	1,740,261	1,228,466	1,966,025
Inventories	1,659,626	1,182,471	1,042,854	995,167	669,845
Accounts and bills receivable, net	10,467,689	9,330,772	6,826,220	5,949,868	5,209,012
Prepayments and other current assets	3,140,398	2,975,964	2,253,543	2,181,501	2,906,361
Cash and cash equivalents	8,870,424	8,538,142	6,769,323	8,262,305	5,033,287
Restricted deposits	160,525	178,312	251,129	–	–
Total assets	30,162,106	27,836,802	22,265,122	21,624,671	19,114,762
Interest-bearing borrowings	1,268,280	1,993,426	2,593,256	157,700	302,547
Accounts and bills payable	8,844,718	7,746,786	4,837,946	4,278,768	3,158,142
Receipts in advance for contract work	1,088,327	808,197	520,725	680,048	1,067,701
Accrued expenses and other payables	5,553,079	4,826,825	4,318,266	3,756,661	4,019,396
Income tax payable	194,701	186,525	200,213	224,426	495,685
Non-current liabilities	35,769	31,453	12,601	31,473	12,000
Total liabilities	16,984,874	15,593,212	12,483,007	9,129,076	9,055,471
Equity attributable to equity holders of the Company	13,068,686	12,086,861	9,704,685	12,348,886	9,378,818
Minority interests	108,546	156,729	77,430	146,709	680,473
Total equity	13,177,232	12,243,590	9,782,115	12,495,595	10,059,291
Total liabilities and equity	30,162,106	27,836,802	22,265,122	21,624,671	19,114,762

Note 1: On 26 May 2009, the Group acquired the Target Interests from CTC. Since the Group and the Target Interests are under common control of CTC, the Target Interests have been accounted for as a combination of entities under common control in manner similar to pooling-of-interests. Accordingly, the assets and liabilities of the Target Interests have been accounted for at historical costs and the consolidated financial statements of the Company prior to the acquisition of the Target Interests have been restated to include the results of operations and assets and liabilities of the Target Interests on a combined basis. Our financial summary of 2005, 2006, 2007 and 2008 have been restated to include the results and financial condition of the Target Interests in the relevant period.

Note 2: As a result of the application of IAS 1 (revised 2007), presentation of financial statement, certain comparative figures have been adjusted to conform to current year's presentation and to provide comparative amounts in respect of items disclosed for the first time in 2009.