

Financial Summary

(Amounts in thousands, except per share data)

	2010 RMB	For the years ended 31 December			
		2009 RMB	2008 RMB (Note 1)	2007 RMB (Note 1)	2006 RMB (Note 1)
Results					
Revenue from telecommunications infrastructure services	21,636,545	19,289,579	15,329,464	11,093,007	10,941,175
Revenue from business process outsourcing services	18,508,424	15,943,326	13,743,789	9,695,630	6,787,975
Revenue from applications, content and others	5,272,263	4,266,545	3,932,119	3,251,874	2,448,019
Total revenues	45,417,232	39,499,450	33,005,372	24,040,511	20,177,169
Depreciation and amortization	(359,100)	(351,402)	(336,629)	(307,149)	(328,393)
Direct personnel costs	(7,459,665)	(7,073,351)	(5,962,414)	(4,600,240)	(3,975,421)
Purchase of materials and telecommunications products	(13,506,740)	(12,364,499)	(11,167,207)	(7,993,192)	(6,420,470)
Subcontracting charges	(11,883,574)	(9,064,577)	(6,970,705)	(4,580,668)	(3,583,645)
Operating lease charges and others	(4,809,167)	(4,273,684)	(3,195,413)	(2,428,831)	(2,235,047)
Cost of revenues	(38,018,246)	(33,127,513)	(27,632,368)	(19,910,080)	(16,542,976)
Gross profit	7,398,986	6,371,937	5,373,004	4,130,431	3,634,193
Other operating income	629,685	520,810	524,353	465,396	321,775
Selling, general and administrative expenses	(5,627,043)	(4,691,507)	(3,905,116)	(2,843,607)	(2,528,507)
Other operating expenses	(70,920)	(76,782)	(70,749)	(39,336)	(37,009)
Deficit on revaluation of property, plant and equipment	-	-	-	(388)	(135,629)
Net financing income	(57,732)	(88,435)	(176,334)	(56,086)	(30,928)
Share of profits less (losses) of associates	3,126	1,571	2,161	3,575	(14)
Negative goodwill	-	-	-	-	4,039
Profit before tax	2,276,102	2,037,594	1,747,319	1,659,985	1,227,920
Income tax	(459,711)	(427,356)	(403,675)	(462,930)	(375,904)
Profit for the year	1,816,391	1,610,238	1,343,644	1,197,055	852,016
Attributable to:					
Equity shareholders of the Company/ Equity owners	1,817,805	1,598,589	1,326,770	1,181,108	829,288
Non-controlling interests	(1,414)	11,649	16,874	15,947	22,728
Profit for the year	1,816,391	1,610,238	1,343,644	1,197,055	852,016
Basic and diluted earnings per share (RMB)	0.315	0.277	0.233	0.217	0.204

Financial Summary

(Amounts in thousands, except per share data)

	2010 RMB	At 31 December			
		2009 RMB	2008 RMB (Note 1)	2007 RMB (Note 1)	2006 RMB (Note 1)
Financial condition					
Property, plant and equipment, net	4,025,579	3,912,721	3,642,735	3,381,792	3,007,364
Other non-current assets	2,414,036	1,950,723	1,988,406	1,740,261	1,228,466
Inventories	1,833,186	1,659,626	1,182,471	1,042,854	995,167
Accounts and bills receivable, net	12,887,557	10,467,689	9,330,772	6,826,220	5,949,868
Prepayments and other current assets	3,967,876	3,140,398	2,975,964	2,253,543	2,181,501
Cash and cash equivalents	8,470,249	8,870,424	8,538,142	6,769,323	8,262,305
Restricted deposits	269,099	160,525	178,312	251,129	–
Total assets	33,867,582	30,162,106	27,836,802	22,265,122	21,624,671
Interest-bearing borrowings	1,780,523	1,268,280	1,993,426	2,593,256	157,700
Accounts and bills payable	9,768,792	8,844,718	7,746,786	4,837,946	4,278,768
Receipts in advance for contract work	1,083,587	1,088,327	808,197	520,725	680,048
Accrued expenses and other payables	6,564,306	5,553,079	4,826,825	4,318,266	3,756,661
Income tax payable	284,941	194,701	186,525	200,213	224,426
Non-current liabilities	31,589	35,769	31,453	12,601	31,473
Total liabilities	19,513,738	16,984,874	15,593,212	12,483,007	9,129,076
Equity attributable to shareholders of the Company/Equity owners	14,221,042	13,068,686	12,086,861	9,704,685	12,348,886
Non-controlling interests	132,802	108,546	159,729	77,430	146,709
Total equity	14,353,844	13,177,232	12,243,590	9,782,115	12,495,595
Total liabilities and equity	33,867,582	30,162,106	27,836,802	22,265,122	21,624,671

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 2006, 2007 and 2008 have been restated to include the results and financial condition of the Target Interests in the relevant period.