

FINANCIAL SUMMARY

(Amounts in thousands, except per share data)

	For the five years ended 31 December				
	2012 RMB	2011 RMB (Note 3)	2010 RMB (Note 2&3)	2009 RMB (Note 2&3)	2008 RMB (Note 1&2&3)
Results					
Revenue from telecommunications infrastructures services	28,413,360	25,377,847	21,881,864	19,762,362	15,779,110
Revenue from business process outsourcing services	26,304,137	22,325,184	18,508,424	15,954,982	13,755,609
Revenue from applications, content and others	6,799,878	6,077,096	5,272,263	4,266,546	3,932,119
Total Revenues	61,517,375	53,780,127	45,662,551	39,983,890	33,466,838
Depreciation and amortization	(439,095)	(430,290)	(397,591)	(388,110)	(371,825)
Direct personnel costs	(9,229,460)	(8,517,004)	(7,502,935)	(7,115,485)	(6,001,001)
Purchase of materials and telecommunications products	(17,645,654)	(16,253,237)	(13,560,958)	(12,393,848)	(11,256,929)
Subcontracting charges	(18,447,867)	(14,528,052)	(11,887,623)	(9,311,553)	(7,117,159)
Operating lease charges and others	(5,969,932)	(5,470,054)	(4,854,272)	(4,312,924)	(3,297,549)
Cost of revenues	(51,732,008)	(45,198,637)	(38,203,379)	(33,521,920)	(28,044,463)
Gross profit	9,785,367	8,581,490	7,459,172	6,461,970	5,422,375
Other operating income	851,336	684,821	631,825	525,582	515,327
Selling, general and administrative expenses	(7,514,881)	(6,464,571)	(5,674,824)	(4,738,380)	(3,947,433)
Other operating expenses	(69,258)	(64,408)	(71,983)	(77,806)	(70,897)
Deficit on revaluation of property, plant and equipment	–	–	–	–	–
Net financing income	(26,030)	(64,556)	(57,803)	(92,097)	(176,405)
Share of profits less (losses) of associates	4,844	(2,600)	3,126	1,571	2,161
Negative goodwill	–	–	–	–	–
Profit before tax	3,031,378	2,670,176	2,289,513	2,080,840	1,745,128
Income tax	(585,514)	(538,778)	(461,750)	(432,778)	(403,013)
Profit for the year	2,445,864	2,131,398	1,827,763	1,648,062	1,342,115
Attributable to:					
Equity shareholders of the Company	2,406,792	2,129,212	1,820,506	1,616,447	1,318,314
Non-controlling interests	39,072	2,186	7,257	31,615	23,801
Profit for the year	2,445,864	2,131,398	1,827,763	1,648,062	1,342,115
Basic and diluted earnings per share					
(RMB)	0.353	0.358	0.306	0.272	0.225

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(Amounts in thousands, except per share data)

	2012 RMB	At 31 December			
		2011 RMB (Note 3)	2010 RMB (Note 2&3)	2009 RMB (Note 2&3)	2008 RMB (Note 1&2&3)
Financial condition					
Property, plant and equipment, net	4,517,754	4,495,582	4,223,420	4,071,432	3,818,559
Other non-current assets	3,306,161	3,093,541	3,012,928	2,534,419	2,596,147
Inventories	1,894,825	1,705,641	1,839,009	1,665,474	1,188,927
Accounts and bills receivables, net	21,321,955	17,323,211	12,943,390	10,513,532	9,530,408
Prepayments and other current assets	4,773,469	4,636,968	3,975,362	3,148,469	2,981,594
Cash and cash equivalents	8,879,491	7,380,435	8,570,349	9,051,954	8,726,264
Restricted deposits	266,979	320,039	269,099	160,526	178,312
Total assets	44,960,634	38,955,417	34,833,557	31,145,806	29,020,211
Interest-bearing borrowings	409,805	998,335	1,780,523	1,268,280	2,063,047
Accounts and bills payable	14,843,934	12,780,549	9,809,836	8,918,367	7,850,195
Receipts in advance for contract work	1,386,805	1,166,285	1,089,174	1,091,715	827,147
Accrued expenses and other payables	6,763,252	6,853,292	6,597,266	5,582,089	4,859,350
Income tax payable	309,761	305,717	285,618	195,563	191,040
Non-current liabilities	244,918	215,015	54,333	60,768	105,896
Total liabilities	23,958,475	22,319,193	19,616,750	17,116,782	15,896,675
Equity attributable to shareholders of the Company	20,502,739	16,284,108	14,864,494	13,709,638	12,745,820
Non-controlling interests	499,420	352,116	352,313	319,386	377,716
Total equity	21,002,159	16,636,224	15,216,807	14,029,024	13,123,536
Total liabilities and equity	44,960,634	38,955,417	34,833,557	31,145,806	29,020,211

Note 1: On 26 May 2009, the Group acquired the Target Business from CTC. Since the Group and the Target Business are under common control of CTC, the Target Business 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 Business have been accounted for at historical costs and the consolidated financial statements of the Company prior to the acquisition of the Target Business 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 2008 has been restated to include the results and financial condition of the Target Business in the relevant period.

Note 2: As a result of the amendment to IFRS 1, the Group has retrospectively adjusted the amounts reported for previous periods in the respective IFRS financial statements to be consistent with the retrospective recognition of property, plant and equipment, investment properties, lease prepayment, other intangible assets and other investments assumed during the Restructuring and acquired during the acquisition of Target Business at their deemed cost in the respective first IFRS financial statements based on the results of valuations, with consequential adjustments for depreciation and amortisation charged in subsequent periods.

Note 3: On 30 June 2012 and 26 July 2012, the Group acquired the Target Interests and SBSS from CTC. Since the Group, the Target Interests and SBSS are under common control of CTC, the Target Interests and SBSS 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 and SBSS have been accounted for at historical costs and the consolidated financial statements of the Company prior to the acquisition of the Target Interests and SBSS have been restated to include the results of operations and assets and liabilities of the Target Interests and SBSS on a combined basis. Our financial summary from 2008 to 2011 have been restated to include the results and financial condition of the Target Interests and SBSS in the relevant period.