

(1) BASIS OF PRESENTATION

The condensed interim financial report reflects the unaudited consolidated financial position of the Company and its subsidiaries (“the Group”) as at 30 June 2002 and the unaudited consolidated results of operations and cash flows of the Group for the six months ended 30 June 2002.

The accompanying unaudited condensed interim financial report is prepared in accordance with Hong Kong Statement of Standard Accounting Practice (“SSAP”) 25, Interim Financial Reporting, issued by the Hong Kong Society of Accountants.

(2) PRINCIPAL ACTIVITIES

The Group is principally engaged in the provision of telecommunications services, including GSM, CDMA, paging, long distance, data and Internet services in the People’s Republic of China (“PRC”).

(3) PRINCIPAL ACCOUNTING POLICIES

The principal accounting policies used in the preparation of this unaudited condensed interim report are consistent with those used in the annual report for the year ended 31 December 2001 except that the Group has changed certain of its accounting policies following its adoption of the following SSAPs issued by the Hong Kong Society of Accountants which are effective for accounting periods commencing on or after 1 January 2002:

- | | |
|----------------------|--------------------------------------|
| • SSAP 1 (revised): | Presentation of financial statements |
| • SSAP 11 (revised): | Foreign currency translation |
| • SSAP 15 (revised): | Cash flow statements |
| • SSAP 25 (revised): | Interim financial reporting |
| • SSAP 33: | Discontinuing operations |
| • SSAP 34: | Employee benefits |

The impact of the adoption of the new standards on the Group’s unaudited condensed consolidated operating results and financial position is not significant and, accordingly, no prior period adjustment has been required.

(4) OPERATING REVENUE

Operating revenue is primarily comprised of usage fees, monthly fees, connection fees, interconnection revenue, leased line rental income and sales of telecommunications products earned by the Group from GSM, CDMA, paging, long distance, data and Internet services. Tariffs for these services are subject to regulations by various government authorities, including the State Development Planning Commission, the Ministry of Information Industry (“MII”) and the relevant provincial price regulatory authorities.

Operating revenue is net of business tax and government surcharges.

Notes to the Condensed Interim Financial Accounts (Cont'd)

(Expressed in thousands of RMB unless otherwise stated)

(5) PROFIT BEFORE TAXATION

Profit before taxation is stated after crediting and charging the following:

	Unaudited For the six months ended 30 June	
	2002 RMB'000	2001 RMB'000
After charging/(crediting):		
Share of losses from associated companies	1,312	806
Dividends from investment securities	(5,981)	(19,504)
Realised (gains) losses on investment securities	(385)	619
Realised (gains) losses on trading securities	(1,569)	10,657
Unrealised (gains) losses on trading securities	(15,117)	12,666
Interest income	(266,658)	(1,289,206)
Finance costs	972,277	1,111,745
Less: amounts capitalised in construction-in-progress	(237,286)	(168,814)
	734,991	942,931
Depreciation:		
- Assets held under finance leases	4,844	—
- Other assets	5,080,057	3,572,313
Total	5,084,901	3,572,313
Amortisation of goodwill	22,409	74,261
Amortisation of deferred expenditures	240,688	231,740
Loss on disposal and provision for impairment in value of property, plant and equipment	70,241	72,656
Provision for doubtful debts	526,752	330,147
Write-down of inventories to net realisable value	2,821	20,508
(Reversal of) additional provision for impairment in value of investments in:		
- Associated companies	(5,663)	1,219
- Investment securities	650	2,595
Total	(5,013)	3,814

(5) PROFIT BEFORE TAXATION (Cont'd)

	Unaudited For the six months ended 30 June	
	2002 RMB'000	2001 RMB'000
After charging/(crediting):		
Personnel:		
- Salaries and wages	1,096,144	959,312
- Contributions to defined contribution pension schemes	88,733	81,750
- Special monetary housing benefits	170,570	—
- Contributions to housing fund	50,148	55,942
- Other housing benefits	3,667	3,667
Total	1,409,262	1,100,671

(6) TAXATION

There is no Hong Kong profits tax liability for the six months ended 30 June 2002 as the Group does not have any assessable income sourced from Hong Kong. The PRC operations are subject to the standard PRC income tax rate of 33% for the six months ended 30 June 2002 (2001: 33%), except for certain provincial entities which are subject to local preferential income tax rates.

The amount of taxation charged to the condensed consolidated income statement represents:

	Unaudited For the six months ended 30 June	
	2002 RMB'000	2001 RMB'000
PRC enterprise income tax	337,395	998,547
Deferred taxation	391,264	(147,957)
	728,659	850,590

(7) EARNINGS PER SHARE

(a) Basic earnings per share

Basic earnings per share for the six months ended 30 June 2001 was computed by dividing the profit attributable to shareholders of RMB2,192,220,000 by the weighted average number of 12,552,996,070 shares in issue during the period.

Basic earnings per share for the six months ended 30 June 2002 was computed by dividing the profit attributable to shareholders of RMB2,251,530,000 by the weighted average number of 12,552,996,070 shares in issue during the period.

(b) Fully diluted earnings per share

For the six months ended 30 June 2002 and 2001, all potential dilutive shares arose from share options granted under (i) the Pre-Global Offering Share Option Scheme in 2000 and (ii) the Share Option Scheme in 2001. There was no dilution of profit attributable to shareholders per share after taking into account the dilutive effect of the share options. For the six months ended 30 June 2002, anti-dilutive shares arising from the share options of approximately 33,841,000 shares (2001: 27,135,000 shares) were not included in the calculation of fully diluted earnings per share.

(8) DISTRIBUTION OF PROFIT ATTRIBUTABLE TO SHAREHOLDERS

During the six months ended 30 June 2002, the Group has not made any appropriations to reserves or declared any dividends to the shareholders (2001: Nil).

(9) HOUSING REFORM

In 2001, the Group finalised its monetary housing benefit scheme as a special employee incentive scheme for all qualified employees.

For the six months ended 30 June 2002, only certain provinces were anticipated to meet the criteria for the 2002 distribution of such monetary housing benefits. The provision for special monetary housing benefits for qualified employees of these provinces for the six months ended 30 June 2002 amounted to approximately RMB170 million.

(10) COMMENCEMENT OF CDMA BUSINESS

(a) Leasing of CDMA network capacity

On 22 November 2001, China Unicom Corporation Limited (a subsidiary of the Company, hereafter referred as “China Unicom”) entered into a conditional CDMA capacity lease agreement (the “CDMA Lease Agreement”) with Unicom Group and Unicom New Horizon Mobile Telecommunications Company Limited (“Unicom New Horizon”, a subsidiary of Unicom Group). Pursuant to the CDMA Lease Agreement, Unicom New Horizon agreed to lease the capacity of CDMA network to China Unicom covering the 9 provinces of Guangdong, Jiangsu, Zhejiang, Fujian, Liaoning, Shandong, Anhui, Hebei, Hubei and the 3 municipalities of Beijing, Shanghai and Tianjin.

Major terms of the CDMA Lease Agreement include the following:

- China Unicom has the exclusive right to lease and operate the CDMA network capacity in the aforementioned provinces/municipals from Unicom New Horizon;
- The term of the CDMA Lease Agreement is for an initial period of one year (the “Initial Lease Term”), renewable for further one year terms at the option of China Unicom;
- The lease fee per unit of capacity is determined at the outset of the CDMA Leasing Agreement; and
- China Unicom has the option to add or reduce the capacity leased by giving specified period of advance notice and has the option to purchase the network assets. There is no minimum requirement on the network capacity to be leased beyond the Initial Lease Term.

Commencement of the CDMA Lease Agreement was conditional upon, among others, the testing and initial acceptance and delivery of phase I of the CDMA network, the receipt of all necessary government approvals and the passing of resolutions by the independent shareholders of the Company approving the CDMA Lease Agreement and the related connected transactions. Upon the fulfillment of all the conditions precedent to the commencement of the CDMA Lease Agreement, the Initial Lease Term commenced in January 2002. The lease arrangement has been accounted for as an operating lease of the network assets.

(b) CDMA mobile handset costs

As part of the arrangement with certain CDMA contractual subscribers under special promotion packages, CDMA mobile phone handsets were provided to certain subscribers for their use at no additional cost during the specified contract periods. The costs of such handsets are treated as deferred customer acquisition costs and, to the extent recoverable, deferrable costs are amortised over the contractual period not exceeding 2 years to match with the prepaid revenue stream expected to be recognised over the same contractual period. For the six months ended 30 June 2002, amortisation of these deferred customer acquisition costs amounted to approximately RMB66 million. As at 30 June 2002, the carrying amount of unamortised deferred expenditures amounted to approximately RMB481 million.

Notes to the Condensed Interim Financial Accounts (Cont'd)

*(Expressed in thousands of RMB unless otherwise stated)***(11) DEFERRED EXPENDITURES**

	Unaudited 30 June 2002 RMB'000	Audited 31 December 2001 RMB'000
Interconnection facilities	493,308	464,575
Long-term prepaid rental and leased line	1,070,221	957,361
Others	927,785	343,531
	2,491,314	1,765,467
Less: Accumulated amortisation	(990,717)	(750,029)
	1,500,597	1,015,438

(12) ACCOUNTS RECEIVABLE, NET

	Unaudited 30 June 2002 RMB'000	Audited 31 December 2001 RMB'000
Accounts receivable	4,488,435	3,504,000
Less: Provision for doubtful debts	(1,528,711)	(1,005,937)
	2,959,724	2,498,063

The aging analysis of accounts receivable was as follows:

	Unaudited 30 June 2002 RMB'000	Audited 31 December 2001 RMB'000
Less than 6 months	3,315,906	2,939,485
6 months to 1 year	652,254	314,028
Above 1 year	520,275	250,487
	4,488,435	3,504,000

The normal credit period granted by the Group is on average 30 days from the date of invoice.

(13) PAYABLES AND ACCRUED LIABILITIES

The aging analysis of payables and accrued liabilities was as follows:

	Unaudited 30 June 2002 RMB'000	Audited 31 December 2001 RMB'000
Within 1 year	12,307,563	13,916,953
Over 1 year	1,990,171	1,412,483
	14,297,734	15,329,436

(14) BANK LOANS AND OBLIGATIONS UNDER FINANCE LEASES

	Unaudited 30 June 2002 RMB'000	Audited 31 December 2001 RMB'000
Short-term bank loans - Unsecured	4,975,521	7,089,000
Long-term bank loans:		
— Unsecured	8,202,295	19,933,362
— Secured	15,520,204	17,247,009
Sub-total	23,722,499	37,180,371
Obligations under finance leases	104,832	108,908
Current portion of long-term bank loans	(1,291,408)	(843,603)
Current portion of obligations under finance leases	(8,151)	(8,151)
	22,527,772	36,437,525

(15)SHARE CAPITAL

	Unaudited 30 June 2002 HK\$'000			Audited 31 December 2001 HK\$'000		
Authorised:						
30,000,000,000 ordinary shares of HK\$0.1 each	3,000,000			3,000,000		
	Unaudited 30 June 2002			Audited 31 December 2001		
	Number of shares (‘000)	RMB equivalent HK\$'000	RMB equivalent RMB'000	Number of shares (‘000)	RMB equivalent HK\$'000	RMB equivalent RMB'000
Issued and fully paid:						
China Unicom (BVI) Limited	9,725,000	972,500	1,030,850	9,725,000	972,500	1,030,850
Public investors	2,827,996	282,799	300,521	2,827,996	282,799	300,521
	12,552,996	1,255,299	1,331,371	12,552,996	1,255,299	1,331,371

(16) RELATED PARTY TRANSACTIONS

The table set forth below summarises the name of significant related parties and nature of relationship with the Company as at 30 June 2002:

Name of related parties	Nature of relationship
China United Telecommunications Corporation ("Unicom Group")	Ultimate parent company
China Unicom NewSpace Co., Ltd ("Unicom NewSpace", originally known as China United Telecommunications Satellite Communication Company Limited or Unisat, which changed to its present name on 10 July 2002)	A subsidiary of Unicom Group
Unicom Xingye Science and Technology Trade Co. ("Unicom Xingye")	A subsidiary of Unicom Group
Beijing Unicom Xingye Science and Technology Company Limited ("Beijing Xingye")	A subsidiary of Unicom Group
Unicom Import and Export Company Limited ("Unicom I/E Co")	A subsidiary of Unicom Group
China Unicom International Limited ("Unicom International")	A subsidiary of Unicom Group
Unicom International (HK) Limited ("Unicom International (HK)")	A subsidiary of Unicom Group
Unicom New Horizon Mobile Telecommunications Company Limited ("Unicom New Horizon")	A subsidiary of Unicom Group
China Unicom Corporation Limited ("China Unicom")	A subsidiary of the Company
Guoxin Paging Corporation Ltd. ("Guoxin")	A subsidiary of China Unicom

Notes to the Condensed Interim Financial Accounts (Cont'd)

(Expressed in thousands of RMB unless otherwise stated)

(16) RELATED PARTY TRANSACTIONS (Cont'd)

The following is a summary of significant recurring transactions carried out with Unicom Group and its subsidiaries for the six months ended 30 June 2002. In the directors' opinion, these transactions were carried out on normal commercial terms in the ordinary course of business.

		Unaudited For the six months ended 30 June	
	Note	2002 RMB'000	2001 RMB'000
Transactions with Unicom Group:			
Interconnection and roaming revenues	(i), (iii)	682,834	282,633
Interconnection and roaming charges	(ii), (iii)	146,066	114,553
Rental charges for premises, equipment and facilities	(iv)	10,356	10,731
Revenue for leasing of transmission line capacity	(v)	277,614	86,215
Commission revenue for sales agency services	(vi)	—	7,857
Sale of CDMA mobile handsets	(vii)	358,740	—
Charges for the international gateway services	(viii)	6,732	—
Transactions with subsidiaries of Unicom Group:			
Leasing of satellite transmission capacity	(ix)	31,117	31,025
Purchase of telecom cards	(x)	528,574	470,482
CDMA network capacity lease rental	(xi)	368,671	—
Commission expenses for sales agency services incurred for telecom cards	(xii)	8,972	—
Rental charges for leasing of transmission line	(xiii)	—	8,441
Agency fee incurred for procurement of telecommunications equipment	(xiv)	68,916	31,592
Rental for the PRC corporate office	(xv)	5,066	5,066

Note:

- (i) Interconnection revenues represent the amounts received or receivable from Unicom Group for calls from its networks to the Group's networks. Roaming revenues represent revenue for calls made using the Group's networks by Unicom Group's subscribers.
- (ii) Interconnection charges are for calls made from the Group's networks to Unicom Group's networks. Roaming expenses represent expenses for calls made by the Group's subscribers using Unicom Group's networks.

(16) RELATED PARTY TRANSACTIONS (Cont'd)

- (iii) Interconnection settlement between Unicom Group's network and the Group's network is based on standards established from time to time by the MII. In the case of calls between cellular subscribers in different provinces, settlement is based on either the standards established by the MII or an internal settlement arrangement applied by Unicom Group based on their respective internal costs of providing this service. Also, charges for roaming services between the Group and Unicom Group are based on their respective internal costs of providing these services.
- (iv) China Unicom signed a service agreement with Unicom Group to lease premises, equipment and facilities from Unicom Group. Rentals are based on the lower of depreciation costs and market rates.
- (v) Unicom Group leases transmission line capacity from the Group in accordance with the relevant provision of the services agreement. Revenue for leases of transmission line capacity is based on tariffs stipulated by MII from time to time less a discount of up to 10%.
- (vi) Guoxin acted as the sales agent of Unicom Group to sell telecommunications products (such as SIM cards and prepaid cards) in 2001. In return, Guoxin receives agency commission from Unicom Group at fixed rates based on commission rates stipulated by Unicom Group applicable to third party sales agents. This sales agency service was terminated in April 2001.
- (vii) According to the sales of CDMA mobile phones agreement entered between Unicom Guomai Communications Co., Ltd ("Unicom Guomai", a subsidiary of the Group) and Unicom Group on 10 May 2002, Unicom Guomai agreed to sell certain CDMA mobile phone handsets to Unicom Group. The selling price is negotiated on an arm's length basis which is not lower than the price sold by Unicom Guomai to independent third parties.
- (viii) Charges for international gateway services represent the amounts paid or payable to Unicom Group for international gateway services provided for the Group's international long distance networks. The charge for this service is based on the cost of operation and maintenance of the international gateway facilities incurred by Unicom Group, including depreciation, together with a margin of 10% over cost.
- (ix) Satellite transmission capacity leasing fees represent the amounts paid or payable to Unicom NewSpace for the use of satellite transmission capacity. The charges are based on the MII regulations then in effect less the applicable discount up to 10% as agreed with Unicom NewSpace.
- (x) The Group purchased SIM cards, UIM cards, Internet protocol phone cards and prepaid rechargeable calling cards at fixed prices from Unicom Xingye. Upon the establishment of China Unicom in 2000, China Unicom signed a service agreement with Unicom Group to purchase telecom cards from Unicom Group (to be imported by Unicom Xingye) at cost plus a margin to be agreed from time to time, but not to exceed 20%, and subject to appropriate volume discounts.
- (xi) According to the CDMA Lease Agreement entered among China Unicom, Unicom Group and Unicom New Horizon, Unicom New Horizon agreed to lease the capacity of CDMA network to China Unicom covering 9 provinces and 3 municipalities. The lease rental is calculated on a basis which would enable Unicom New Horizon to recover its investment in constructing the CDMA network in 7 years, together with an internal return of 8% (See Note 10(a)).
- (xii) Unicom International and Unicom International (HK) provided sales agency services such as selling of telecommunications cards to the Group. The commission expenses are charged based on contractual prices which approximated market rates.

Notes to the Condensed Interim Financial Accounts (Cont'd)

(Expressed in thousands of RMB unless otherwise stated)

(16)RELATED PARTY TRANSACTIONS (Cont'd)

- (xiii) In 2001, the Group leased transmission line capacity from Unicom International (HK) and Unicom International in accordance with the relevant provision of the services agreement. Leased line expenses are charged based on market rates. There were no leased line rental charges in 2002 since this service was terminated in October 2001.
- (xiv) China Unicom signed a service agreement with Unicom I/E Co., in which Unicom I/E Co. agreed to provide equipment procurement services to China Unicom. Unicom I/E Co. charges the Group 0.7% of the value of imported equipment and 0.5% of the value of domestic equipment for such services.
- (xv) China Unicom signed a rental agreement with Beijing Xingye, under which Beijing Xingye leases office premises to China Unicom at its PRC corporate office. Monthly rental is calculated on the basis of US\$20 per square meter.
- (xvi) Unicom Group is the registered proprietor of the “Unicom” trademark in English and the trademark bearing the “Unicom” logo, which are registered at the PRC State Trademark Bureau. Pursuant to an exclusive PRC trademark license agreement entered into between Unicom Group and China Unicom, China Unicom and its affiliates are granted the right to use these trademarks on a royalty free basis for an initial period of 5 years, renewable at China Unicom’s option.
- (xvii) According to the Multiple Service Agreement (the “Agreement”) signed between the Group and Unicom Paging Limited (“Unicom Paging, a subsidiary of Unicom Group”) dated 1 August 2001, the Group and Unicom Paging agree to share the right to use the other party’s logo and trademark in the paging business at no cost. In addition, the Agreement also specifies the basis of allocating common expenses incurred by each party for any shared resources and facilities. For the six months ended 30 June 2002, the amount of common expenses involved was insignificant.

(17)COMMITMENTS AND CONTINGENT LIABILITIES

(a) Capital commitments

As at 30 June 2002, the Group had capital commitments, mainly in relation to the construction of telecommunications networks, as follows:

	Unaudited 30 June 2002			Audited 31 December 2001 Total RMB'000
	Land and buildings RMB'000	Equipment RMB'000	Total RMB'000	
Authorised and contracted for	621,420	7,261,228	7,882,648	9,956,935
Authorised but not contracted for	3,450	520,361	523,811	78,676
Total	624,870	7,781,589	8,406,459	10,035,611

(17) COMMITMENTS AND CONTINGENT LIABILITIES (Cont'd)**(b) Commitments under operating leases**

As at 30 June 2002, the Group had total future aggregate minimum operating lease payments under operating leases as follows:

	Unaudited 30 June 2002		Audited 31 December 2001	
	Land and buildings RMB'000	Equipment RMB'000	Land and buildings RMB'000	Equipment RMB'000
Within one year	227,196	654,388	231,064	1,723,897
In the second to fifth year inclusive	683,700	191,960	595,921	207,559
After the fifth year	727,884	50,603	481,206	278,490
Total	1,638,780	896,951	1,308,191	2,209,946

In addition, the Group estimated that CDMA network capacity lease rental payable to Unicom New Horizon amounted to approximately RMB500 million for the forthcoming six months ending 31 December 2002. It was based on estimates of the forecasted CDMA subscriber growth within the 9 provinces and 3 municipalities and the anticipated CDMA network capacity to be leased (see Note 10(a) and 16(xi)).

As at 30 June 2002, the Group has no significant contingent liabilities.

(18) COMPARATIVE FIGURES

Certain comparative figures have been adjusted as a result of changes in accounting disclosures for condensed cash flow statement in order to comply with SSAP 15 (revised) Cash flow statements.

(Expressed in thousands of RMB unless otherwise stated)

(19)SEGMENT INFORMATION

The Group organises its business segments based on the various types of telecommunications services provided to customers in the PRC. The major business segments operated by the Group are classified as below:

- GSM Business - the provision of GSM telephone and related services;
- CDMA Business - the provision of CDMA telephone and related services (the operation commenced in January 2002);
- Long Distance, Data and Internet Business - the provision of domestic and international long distance telephony, data, Internet and other related services; and
- Paging Business - the provision of paging and related services.

The operating segments are managed separately because each operating unit represents a strategic business unit that provides various kinds of telecommunications services. All the operating segments of the Group have been aggregated into the above reportable segments since they are expected to exhibit similar future economic characteristics under central management at separate locations. Most of the assets, liabilities, revenue and expenses are clearly identifiable to business segments. Allocation of commonly incurred costs amongst different segments is not significant.

The Group's primary measure of segment results is based on segment profit (loss) before taxation.

	Unaudited For the six months ended 30 June												
	2002							2001					
	Long Distance, Data and							Long Distance, Data and					
	GSM	CDMA	Internet	Paging	Unallocated			GSM	Internet	Paging	Unallocated		
	Business	Business	Business	Business	amounts	Elimination	Total	Business	Business	Business	amounts	Elimination	Total
RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Operating revenue (Turnover):													
Usage fee	9,766,465	243,819	1,478,974	—	—	—	11,489,258	6,592,595	825,352	—	—	—	7,417,947
Monthly fee	2,073,919	86,098	8,256	1,119,141	—	—	3,287,414	1,544,698	—	2,479,948	—	—	4,024,646
Connection fee	—	—	—	—	—	—	—	204,986	—	1,193	—	—	206,179
Interconnection revenue	715,797	18,200	438,420	—	—	—	1,172,417	552,093	408,913	—	—	—	961,006
Leased line rental	—	—	458,166	—	—	—	458,166	—	118,983	—	—	—	118,983
Other revenue	382,120	5,913	40,270	111,880	—	—	540,183	128,677	13,081	54,113	—	—	195,871
Total services revenue	12,938,301	354,030	2,424,086	1,231,021	—	—	16,947,438	9,023,049	1,366,329	2,535,254	—	—	12,924,632
Sales of telecommunications products	376,241	99,912	—	567,253	—	—	1,043,406	427,086	—	267,208	—	—	694,294
Total operating revenue from external customers	13,314,542	453,942	2,424,086	1,798,274	—	—	17,990,844	9,450,135	1,366,329	2,802,462	—	—	13,618,926
Inter-segment revenue	—	—	704,920	400,582	—	(1,105,502)	—	—	437,295	61,309	—	(498,604)	—
	13,314,542	453,942	3,129,006	2,198,856	—	—	17,990,844	9,450,135	1,803,624	2,863,771	—	—	13,618,926

Unaudited Condensed Interim Financial Report

Notes to the Condensed Interim Financial Accounts (Cont'd)

(Expressed in thousands of RMB unless otherwise stated)

(19) SEGMENT INFORMATION (Cont'd)

	Unaudited													
	For the six months ended 30 June													
	2002							2001						
	Long Distance, Data and							Long Distance, Data and						
	GSM Business RMB'000	CDMA Business RMB'000	Internet Business RMB'000	Paging Business RMB'000	Unallocated amounts RMB'000	Elimination RMB'000	Total RMB'000	GSM Business RMB'000	Internet Business RMB'000	Paging Business RMB'000	Unallocated amounts RMB'000	Elimination RMB'000	Total RMB'000	
Operating expenses:														
Leased lines and network capacities	(174,423)	(384,086)	(100,447)	(78,004)	—	—	(736,960)	(295,539)	(239,019)	(193,433)	—	211,820	(516,171)	
Interconnection charges	(1,625,489)	(32,049)	(364,554)	—	—	753,908	(1,268,184)	(883,634)	(348,217)	—	—	224,946	(1,006,905)	
Depreciation and amortisation	(3,976,010)	(51,103)	(590,140)	(728,173)	(2,572)	—	(5,347,998)	(2,613,152)	(357,005)	(906,469)	(1,688)	—	(3,878,314)	
Personnel	(720,478)	(97,799)	(288,821)	(288,575)	(13,589)	—	(1,409,262)	(497,849)	(102,792)	(490,790)	(9,240)	—	(1,100,671)	
Selling and marketing	(1,228,698)	(212,711)	(528,641)	(119,916)	—	—	(2,089,966)	(1,098,515)	(203,817)	(265,975)	—	61,309	(1,506,998)	
General, administrative and other expenses	(1,705,902)	(149,072)	(319,405)	(330,792)	(30,365)	—	(2,535,536)	(1,443,165)	(196,260)	(586,147)	(22,999)	529	(2,248,042)	
Cost of telecommunications products sold	(468,128)	(129,858)	—	(914,713)	—	345,190	(1,167,509)	(399,639)	—	(331,977)	—	—	(731,616)	
Total operating expenses	(9,899,128)	(1,056,678)	(2,192,008)	(2,460,173)	(46,526)	—	(14,555,415)	(7,231,493)	(1,447,110)	(2,774,791)	(33,927)	—	(10,988,717)	
Operating profit (loss)	3,415,414	(602,736)	936,998	(261,371)	(46,526)	—	3,435,429	2,218,642	356,514	88,980	(33,927)	—	2,630,209	
Interest income	25,884	2,939	6,631	11,902	219,302	—	266,658	13,512	861	11,198	1,263,635	—	1,289,206	
Finance costs	(644,000)	(964)	(101,673)	(368)	(14,262)	—	(761,267)	(786,374)	(136,922)	(21,924)	(8,703)	—	(953,923)	
Other (expenses) income, net	(1,545)	58	(605)	35,979	8,271	—	42,158	38,308	4,353	23,254	(10)	—	65,905	
Segment profit (loss) before taxation	2,795,753	(600,703)	841,351	(213,804)	166,785	—	2,982,978	1,484,088	224,806	101,508	1,220,995	—	3,031,397	
Taxation							(728,659)						(850,590)	
Profit after taxation							2,254,319						2,180,807	
Minority interests							(2,789)						11,413	
Profit attributable to shareholders							2,251,530						2,192,220	
Total segment assets	67,250,532	626,482	17,494,125	11,040,930	57,587,239	(40,654,887)	113,344,421	51,253,414	11,054,555	13,604,313	48,083,963	—	123,996,245	
Total segment liabilities	39,179,738	1,028,238	5,450,860	2,995,039	40,264	—	48,694,139	50,783,003	8,504,310	4,429,818	7,454	—	63,724,585	
Other information:														
Capital expenditures for segment assets ⁽¹⁾	3,449,960	—	3,924,343	139,039	1,459,223	—	8,972,565	11,185,598	1,661,304	450,741	971,350	—	14,268,993	

- (1) Capital expenditure classified under “unallocated amounts” represents capital expenditure on common facilities, which benefits all business segments.