

Financial Summary

Consolidated Balance Sheet information prepared under Hong Kong Financial Reporting Standards

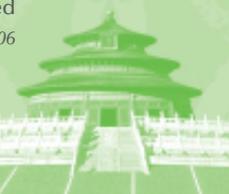
	As at December 31,				
	2006	2005	2004	2003	2002
	RMB million	RMB million	RMB million	RMB million	RMB million
Fixed assets	168,044	168,663	166,897	181,638	190,752
Construction in progress	6,355	6,822	10,597	18,049	21,301
Other non-current assets	11,377	12,856	14,468	15,728	12,448
Cash and bank deposits	7,571	4,895	10,633	7,430	7,899
Other current assets	10,488	9,604	13,822	13,236	12,881
Total assets	203,835	202,840	216,417	236,081	245,281
Short-term bank loans	30,980	47,341	44,882	47,991	36,590
Accounts payable	17,654	16,719	21,125	20,195	18,934
Other current liabilities	42,168	34,339	40,037	50,164	41,493
Long-term bank and other loans	23,219	18,143	26,052	30,172	40,404
Deferred revenues	6,198	10,925	13,988	17,585	19,744
Other non-current liabilities	9,638	12,363	5,738	16,312	18,345
Total liabilities	129,857	139,830	151,822	182,419	175,510
Minority Shareholder's equity	—	—	—	3	4
Shareholders' equity	73,978	63,010	64,595	53,659	69,767
Total liabilities and shareholders' equity	203,835	202,840	216,417	236,081	245,281



Financial Summary

Consolidated Cash Flow information prepared under the Hong Kong Financial Reporting Standards

	Year ended December 31,				
	2006	2005	2004	2003	2002
	RMB million	RMB million Restated	RMB million Restated	RMB million	RMB million
Continuing operations:					
Net cash inflow from operating activities	33,950	33,483	34,127	30,917	30,012
Net cash outflow from investing activities	(25,973)	(24,296)	(28,474)	(34,875)	(34,219)
Purchase of fixed assets and construction in progress, repayments for leased land	(26,474)	(27,247)	(28,027)	(36,450)	(34,186)
Net cash inflow/(outflow) from financing activities	(6,447)	(14,764)	(2,246)	3,595	3,212
Discontinued operations:					
Cash flows from discontinued operations	1,165	(130)	(199)	—	—
Increase/(decrease) in cash and cash equivalents	2,695	(5,707)	3,208	(363)	(995)



Financial Summary

Consolidated Income Statement information prepared under Hong Kong Financial Reporting Standards

	Year ended December 31,				
	2006	2005	2004	2003	2002
	RMB million	RMB million Restated Note 2	RMB million Restated Note 2	RMB million	RMB million
Continuing operations:					
Revenues	86,921	85,861	82,281	77,598	70,675
Local usage fees	22,274	24,582	24,858	24,685	23,229
Monthly fees	16,689	18,261	17,964	16,476	14,987
Upfront installation fees	1,369	1,442	1,568	1,267	1,147
DLD usage fees	10,185	10,260	11,266	11,425	10,947
ILD usage fees	1,160	1,180	1,285	1,543	1,478
Value-added services	5,421	4,000	2,993	2,095	1,140
Interconnection fees	8,400	7,783	6,453	4,980	3,814
Upfront connection fees	2,406	3,405	4,346	5,122	5,596
Broadband service	10,556	7,824	5,307	2,928	2,468
Other Internet-related service	692	591	1,075	1,418	214
Managed data service	1,505	1,656	1,584	1,617	1,501
Leased line income	2,974	2,596	2,591	2,883	2,805
International telecommunications services	788	—	—	—	—
Other services	2,502	2,281	991	1,159	1,349
Operating expense	(67,562)	(65,130)	(64,194)	(65,372)	(58,324)
Depreciation and amortization	(25,608)	(24,919)	(24,873)	(26,800)	(24,796)
Network, operations and support	(14,383)	(13,465)	(13,092)	(15,108)	(14,665)
Staff cost	(12,151)	(12,034)	(11,630)	(10,945)	(9,035)
Selling, general and administrative	(13,366)	(13,322)	(12,617)	(10,322)	(7,927)
Other operating expense	(2,054)	(1,390)	(1,982)	(2,197)	(1,901)
Other income	621	—	—	—	—
Interest income	132	131	68	95	110
Dividend income	—	29	17	45	78
Deficit on revaluation of fixed assets	(1,524)	—	(11,318)	(25,778)	—
Profit from operations	18,588	20,891	6,854	(13,412)	12,539
Financial cost	(3,888)	(3,347)	(3,769)	(4,296)	(4,131)
Share of loss of associated companies/jointly controlled entity	—	—	(1)	(416)	(1)
Profit before taxation	14,700	17,544	3,084	(18,124)	8,407
Taxation	(3,559)	(3,430)	326	7,217	(1,789)
Profit after taxation	11,141	14,114	3,410	(10,907)	6,618
Minority interests	—	—	—	1	—
Profit for the year	11,141	14,114	3,410	(10,906)	6,618
Discontinued operations:					
Profit/(loss) for the year from discontinued operations	1,819	(226)	(711)	—	—
Profit for the year	12,960	13,888	2,699	(10,906)	6,618