

# Financial Summary

(Amounts in millions, except per share data)

		Year ended 31 December			
	2006 RMB	2005 RMB	2004 RMB	2003 RMB	2002 RMB
<b>Results</b>					
Upfront connection fees	4,971	6,781	8,458	9,771	10,564
Upfront installation fees	2,913	2,970	2,865	2,643	2,305
Monthly fees	28,973	30,351	29,827	27,499	25,338
Local usage fees	46,188	47,624	47,646	45,815	44,440
DLD	25,517	25,993	26,231	25,460	25,726
ILD	3,140	3,407	3,788	3,943	3,878
Internet	23,630	17,862	14,109	10,007	5,998
Managed data	3,031	2,958	3,015	3,210	3,147
Interconnections	14,095	12,838	10,719	8,365	7,524
Leased line	4,503	4,464	4,154	5,103	5,520
Value-added services and others	18,132	14,062	10,400	9,737	6,466
<b>Operating revenues</b>	<b>175,093</b>	169,310	161,212	151,553	140,906
Depreciation and amortisation	51,272	49,652	47,170	46,597	45,810
Network operations and support	30,723	30,334	27,611	31,338	34,403
Selling, general and administrative	22,214	19,892	19,229	16,778	13,503
Personnel expenses	26,019	24,960	23,233	20,812	18,894
Other operating expenses	6,255	5,518	4,139	3,176	3,188
<b>Operating expenses</b>	<b>136,483</b>	130,356	121,382	118,701	115,798
<b>Operating profit</b>	<b>38,610</b>	38,954	39,830	32,852	25,108
Deficit on revaluation of property, plant and equipment	–	–	(1,262)	(14,832)	(14,690)
Net finance costs	(4,667)	(4,895)	(5,340)	(3,606)	(4,071)
Investment (loss)/income	(25)	(7)	6	(42)	50
Share of profit from associates	61	62	29	35	38
<b>Profit before taxation</b>	<b>33,979</b>	34,114	33,263	14,407	6,435
Income tax	(6,754)	(6,160)	(5,187)	(469)	1,856
<b>Profit for the year</b>	<b>27,225</b>	27,954	28,076	13,938	8,291
<b>Attributable to:</b>					
Equity holders of the Company	27,142	27,912	28,023	13,882	8,219
Minority interests	83	42	53	56	72
<b>Profit for the year</b>	<b>27,225</b>	27,954	28,076	13,938	8,291
<b>Basic earnings per share</b>	<b>0.34</b>	0.34	0.36	0.18	0.12

		As at 31 December			
	2006 RMB	2005 RMB	2004 RMB	2003 RMB	2002 RMB
<b>Financial condition</b>					
Property, plant and equipment, net	<b>328,304</b>	328,281	320,179	309,896	311,241
Construction in progress	<b>18,416</b>	23,567	29,450	31,617	37,192
Other non-current assets	<b>27,758</b>	28,625	29,409	29,336	32,290
Cash and bank deposits	<b>18,310</b>	15,413	13,780	13,194	24,254
Other current assets	<b>21,253</b>	21,250	19,752	19,899	18,724
<b>Total assets</b>	<b>414,041</b>	417,136	412,570	403,942	423,701
Current liabilities	<b>156,575</b>	156,976	151,944	149,135	147,478
Non-current liabilities	<b>53,593</b>	77,199	100,007	102,744	88,012
<b>Total liabilities</b>	<b>210,168</b>	234,175	251,951	251,879	235,490
Total equity attributable to equity holders of the Company	<b>202,425</b>	181,517	159,206	150,794	187,025
Minority interests	<b>1,448</b>	1,444	1,413	1,269	1,186
<b>Total equity</b>	<b>203,873</b>	182,961	160,619	152,063	188,211
<b>Total liabilities and equity</b>	<b>414,041</b>	417,136	412,570	403,942	423,701