

Financial Summary

For the five-year ended 31 December 2006

(All amounts in RMB millions, except per share data and per ADS information)

Selected financial summary, including selected consolidated income statement data and consolidated balance sheet data for relevant years presented below, were prepared in accordance with HKFRS.

RESULTS

Selected Income Statement Data

	2006	2005	2004	2003	2002
Revenue (Turnover)					
GSM Business	59,290	52,135	47,509	41,153	27,890
CDMA Business	27,293	27,577	24,377	16,666	3,222
Data and Internet Business	2,376	3,050	3,663	3,437	2,793
Long Distance Business	1,068	1,525	1,848	2,273	2,766
Paging Business	—	—	—	1,403	2,161
Total service revenue	90,027	84,287	77,397	64,932	38,832
Sales of telecommunications products	4,267	2,762	1,690	2,221	1,411
Total revenue	94,294	87,049	79,087	67,153	40,243
Leased lines and network capacities	(8,764)	(8,748)	(7,398)	(4,320)	(1,583)
Interconnection charges	(9,596)	(8,372)	(7,517)	(5,921)	(3,230)
Depreciation and amortisation	(22,422)	(20,368)	(19,011)	(16,359)	(11,256)
Employee benefit expenses	(6,649)	(5,616)	(4,615)	(4,596)	(3,335)
Selling and marketing	(19,252)	(20,558)	(19,523)	(15,264)	(5,986)
General, administrative and other expenses	(13,415)	(11,742)	(10,500)	(9,139)	(5,632)
Cost of telecommunications products sold	(4,930)	(3,575)	(2,563)	(2,939)	(1,890)
Loss on sale of discontinued operating (New Guoxin)	—	—	—	(663)	—
Interest income	259	96	103	173	470
Finance costs	(654)	(1,099)	(1,696)	(1,946)	(1,474)
Other gains – net	21	35	103	18	(16)
	8,892	7,102	6,470	6,197	6,311
Unrealised loss on changes in fair value of derivative component of convertible bonds	(2,396)	—	—	—	—
Profit before income tax	6,496	7,102	6,470	6,197	6,311
Income tax expenses	(2,764)	(2,171)	(1,977)	(1,929)	(1,662)
Profit for the year	3,732	4,931	4,493	4,268	4,649

Financial Summary

For the five-year ended 31 December 2006

(All amounts in RMB millions, except per share data and per ADS information)

RESULTS (continued)

Selected Income Statement Data (continued)

	2006	2005	2004	2003	2002
Attributable to:					
Equity holders of the Company	3,732	4,931	4,493	4,278	4,634
Minority interest	—	—	—	(10)	15
	3,732	4,931	4,493	4,268	4,649
Basic earnings per share (RMB)	0.296	0.392	0.358	0.341	0.369
Diluted earnings per share (RMB)	0.295	0.391	0.357	0.341	0.369
Basic earnings per ADS (RMB)	2.962	3.923	3.577	3.408	3.691
Diluted earnings per ADS (RMB)	2.950	3.911	3.568	3.407	3.691

Selected Balance Sheet Data

	2006	2005	2004	2003	2002
Property, plant and equipment	111,382	112,373	118,492	117,863	107,216
Current assets	20,426	15,276	17,246	21,370	30,912
Accounts receivable, net	3,419	4,548	5,230	5,472	4,327
Cash and cash equivalents	12,182	5,472	4,655	9,220	14,433
Total assets	146,438	142,630	149,038	152,870	152,095
Current liabilities	50,303	50,862	46,124	43,907	44,611
Payable and accrued liabilities	26,290	18,527	16,786	17,098	19,812
Short-term loans	3,984	12,170	20,014	18,173	14,607
Long-term loans	4,139	11,982	26,137	36,213	37,686
Convertible bonds	10,325	—	—	—	—
Total liabilities	67,026	66,343	76,596	83,818	85,523
Total equity	79,412	76,287	72,442	69,052	66,572