

# Financial Summary

(Amounts in millions, except per share data)

	Year ended 31 December				
	2009 RMB	2008 RMB (restated)	2007 RMB (restated)	2006 RMB (restated)	2005 RMB
<b>Results of operation</b>					
Wireline voice	78,432	96,258	111,573	121,492	123,897
Mobile voice	20,027	3,955	—	—	—
Internet	51,567	40,727	31,802	24,308	18,347
Managed data and leased line	11,499	10,231	9,183	7,920	7,741
Upfront connection fees	1,151	2,022	3,294	4,971	6,781
Value-added services, integrated information application services and others	46,694	33,336	24,952	18,527	14,450
<b>Operating revenues</b>	<b>209,370</b>	<b>186,529</b>	<b>180,804</b>	<b>177,218</b>	<b>171,216</b>
Depreciation and amortisation	52,243	53,880	52,607	51,690	49,980
Network operations and support	42,903	36,096	29,856	29,487	29,553
Selling, general and administrative	40,507	27,501	24,130	22,442	20,241
Personnel expenses	32,857	28,946	27,419	26,390	25,232
Other operating expenses	17,449	10,794	9,051	8,209	7,068
Impairment loss on property, plant and equipment	753	24,167	—	—	—
<b>Operating expenses</b>	<b>186,712</b>	<b>181,384</b>	<b>143,063</b>	<b>138,218</b>	<b>132,074</b>
<b>Operating profit</b>	<b>22,658</b>	<b>5,145</b>	<b>37,741</b>	<b>39,000</b>	<b>39,142</b>
Deficit on revaluation of property, plant and equipment	—	—	(2,755)	—	—
Net finance costs	(4,375)	(5,076)	(4,288)	(4,472)	(4,872)
Investment income/(loss)	791	5	83	(25)	(7)
Share of profits of associates	101	112	215	61	62
<b>Profit before taxation</b>	<b>19,175</b>	<b>186</b>	<b>30,996</b>	<b>34,564</b>	<b>34,325</b>
Income tax	(4,549)	793	(6,704)	(6,919)	(6,222)
<b>Profit for the year</b>	<b>14,626</b>	<b>979</b>	<b>24,292</b>	<b>27,645</b>	<b>28,103</b>
<b>Other comprehensive income/(loss) for the year</b>					
Change in fair value of available-for-sale securities	538	(92)	78	66	—
Deferred tax on change in fair value of available-for-sale equity securities	(120)	23	(14)	(22)	—
Exchange difference on translation of financial statements of subsidiaries outside mainland PRC	(2)	(83)	(103)	(309)	(187)
Effect of changes in tax rates	—	—	(1,577)	5	(5)
Surplus on revaluation of property, plant and equipment	—	—	4,809	—	—
Deferred tax on revaluation surplus	—	—	(1,136)	—	—
Other comprehensive (loss)/income for the year, net of tax	416	(152)	2,057	(260)	(192)
<b>Total comprehensive income for the year</b>	<b>15,042</b>	<b>827</b>	<b>26,349</b>	<b>27,385</b>	<b>27,911</b>
<b>Profit attributable to</b>					
Equity holders of the Company	14,422	884	24,195	27,562	28,061
Minority interests	204	95	97	83	42
<b>Profit for the year</b>	<b>14,626</b>	<b>979</b>	<b>24,292</b>	<b>27,645</b>	<b>28,103</b>
<b>Total comprehensive income attributable to</b>					
Equity holders of the Company	14,763	732	26,252	27,302	27,869
Minority interests	279	95	97	83	42
<b>Total comprehensive income for the year</b>	<b>15,042</b>	<b>827</b>	<b>26,349</b>	<b>27,385</b>	<b>27,911</b>
<b>Basic earnings per share</b>	<b>0.18</b>	<b>0.01</b>	<b>0.30</b>	<b>0.34</b>	<b>0.35</b>

Note: As a result of the adoption of IFRIC 13 which is effective for accounting period beginning on or after 1 July 2008, operating revenues, selling, general and administrative expenses, as well as other operating expenses have been restated accordingly.



## Financial Summary (continued)

(Amounts in millions, except per share data)

	Year ended 31 December				
	2009 RMB	2008 RMB	2007 RMB	2006 RMB	2005 RMB
<b>Financial condition</b>					
Property, plant and equipment, net	286,328	299,159	329,292	330,436	330,300
Construction in progress	11,567	13,615	13,626	19,563	24,923
Other non-current assets	67,689	72,064	26,303	28,187	28,774
Cash and bank deposits	35,246	28,263	21,649	23,492	19,898
Other current assets	25,690	27,236	22,461	22,179	21,949
<b>Total assets</b>	<b>426,520</b>	<b>440,337</b>	<b>413,331</b>	<b>423,857</b>	<b>425,844</b>
Current liabilities	143,481	176,790	140,245	159,451	159,437
Non-current liabilities	60,426	48,999	47,114	53,609	77,205
<b>Total liabilities</b>	<b>203,907</b>	<b>225,789</b>	<b>187,359</b>	<b>213,060</b>	<b>236,642</b>
Total equity attributable to equity holders of the Company	221,732	213,036	224,521	209,349	187,758
Minority interests	881	1,512	1,451	1,448	1,444
<b>Total equity</b>	<b>222,613</b>	<b>214,548</b>	<b>225,972</b>	<b>210,797</b>	<b>189,202</b>
<b>Total liabilities and equity</b>	<b>426,520</b>	<b>440,337</b>	<b>413,331</b>	<b>423,857</b>	<b>425,844</b>