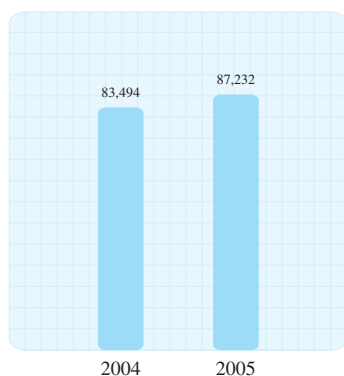


Financial Highlights

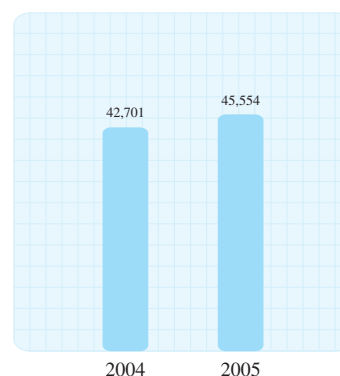
Hong Kong GAAP (in RMB millions, except earnings per share)	2004	2005
Revenues:	83,494	87,232
Including: upfront connection fees	4,346	3,405
EBITDA ⁽¹⁾	42,701	45,554
Operating profit ⁽²⁾	17,521	20,505
Profit for the year/period	2,699	13,888
CAPEX	28,256	27,562
Basic earnings/ per Share	RMB0.48	RMB2.11
Basic earning/ per ADS	RMB9.6	RMB42.2

- (1) EBITDA refers to profit before finance costs, interests income, dividend income, deficit on revaluation of fixed assets, income tax, depreciation and amortization, share of profit of associated companies. To supplement our consolidated financial statements presented in accordance with the Hong Kong GAAP, we use the non-Hong Kong GAAP measure of EBITDA, which is adjusted from our results based on Hong Kong GAAP. We believe that EBITDA provides useful information to both management and investors to further analyze our operating results since we, as a company operating in the capital intensive telecommunication industry, incurred significant capital expenditure and finance costs which have significant impact to our results based on Hong Kong GAAP. EBITDA should only be considered in addition to our Hong Kong GAAP results. It should not be considered a substitute for or superior to our Hong Kong GAAP results as it cannot be used to measure operation results and liquidity and does not represent operation cash flows. In addition, our EBITDA may not be comparable to similar indicators of other companies.
- (2) Operating profit refers to profit before interests income, dividend income and deficit on revaluation of fixed assets.

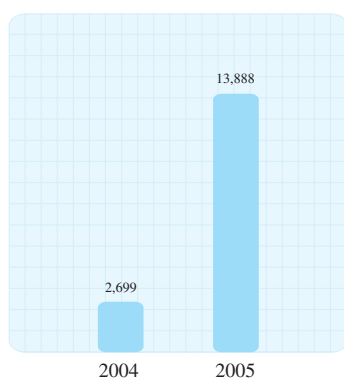
2004-2005 Revenue (in RMB millions)



2004-2005 EBITDA (in RMB millions)



2004-2005 Profit (in RMB millions)



2004-2005 EPS (in RMB)

