

Selected financial summary were prepared in accordance with HK GAAP

Selected Consolidated Income Statement Data

	2004 RMB million	2003 RMB million	2002 RMB million	2001 RMB million
Revenues	64,922	59,898	54,443	48,632
Domestic telecommunications services	62,279	58,519	53,871	48,454
Local usage fees	18,661	18,567	17,362	16,367
Monthly fees	13,743	12,580	11,505	9,610
Upfront installation fees	1,338	1,044	944	806
DLD usage fees	8,813	8,871	8,423	7,459
ILD usage fees	1,121	1,410	1,344	1,141
Value-added services	2,146	1,516	863	476
Interconnection fees	3,903	2,580	2,378	2,226
Upfront connection fees	3,378	3,965	4,316	4,460
Broadband and other				
Internet-related service	5,058	3,493	2,189	1,384
Managed data service	1,217	1,215	1,177	1,057
Leased line income	1,825	2,446	2,196	1,929
Other services	1,076	832	1,174	1,539
International telecommunications services	2,643	1,379	572	178
Operating expense	(49,486)	(48,733)	(43,022)	(37,029)
Network, operations and support	(11,591)	(11,990)	(10,578)	(9,313)
Depreciation and amortisation	(18,754)	(20,483)	(18,808)	(16,153)
Staff cost	(8,041)	(7,547)	(6,433)	(5,030)
Selling, general and administrative	(9,566)	(7,053)	(5,682)	(4,997)
Other operating expense	(1,534)	(1,660)	(1,521)	(1,536)

Financial Summary

	2004 RMB million	2003 RMB million	2002 RMB million	2001 RMB million
Operating profit before interest income, dividend income and deficit on revaluation of fixed assets	15,436	11,165	11,421	11,603
Interest income	76	79	82	158
Dividend income	17	45	78	181
Deficit on revaluation of fixed assets	—	(25,778)	—	—
Profit/(loss) from operations	15,529	(14,489)	11,581	11,942
Financial cost	(2,932)	(3,026)	(2,848)	(1,979)
Share of profit/(loss) of				
Associated companies	(1)	(1)	(1)	4
Jointly controlled entity	—	(415)	—	—
Profit/(loss) before taxation	12,596	(17,931)	8,732	9,967
Taxation	(3,348)	6,819	(2,212)	(2,568)
Profit/(loss) after taxation	9,248	(11,112)	6,520	7,399
Minority interests	—	1	—	1
Profit/(loss) for the year	9,248	(11,111)	6,520	7,400

Selected Consolidated Balance Sheet Data

	2004 RMB million	2003 RMB million	2002 RMB million	2001 RMB million
Fixed assets	125,582	133,919	146,164	138,482
Construction in progress	8,073	15,695	17,783	22,727
Other non-current assets	10,583	12,428	9,579	8,138
Cash and bank deposits	10,053	6,316	6,802	6,952
Other current assets	10,884	11,176	10,589	10,740
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Total assets	165,175	179,534	190,917	187,039
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Short-term bank loans	29,339	32,217	26,371	17,837
Accounts payables	14,653	14,786	13,302	14,223
Other current liabilities	28,312	39,868	29,156	25,539
Long-term bank and other loans	21,861	22,309	29,480	37,446
Deferred revenues	11,817	14,604	15,781	19,355
Other non-current liabilities	4,028	12,371	14,610	13,429
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Total liabilities	110,010	136,155	128,700	127,829
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Minority interests	—	3	4	4
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Shareholders' equity	55,165	43,376	62,213	59,206
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Total liabilities and shareholders' equity	165,175	179,534	190,917	187,039
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Selected Consolidated Cash Flow Statement Data

	2004 RMB million	2003 RMB million	2002 RMB million	2001 RMB million
Net cash inflow from operating activities	26,870	25,332	23,928	22,874
Net cash outflow from investing activities	(21,707)	(27,001)	(25,922)	(41,461)
Purchase of fixed assets and construction in progress	(21,239)	(28,528)	(25,814)	(40,163)
Net cash inflow/(outflow) from financing activities	(1,413)	1,262	1,734	18,420