



Financial Summary

Selected Consolidated Balance Sheet Data

	As at December 31,			
	2005	2004	2003	2002
	RMB million	RMB million Restated	RMB million Restated	RMB million Restated
Fixed assets	168,663	166,897	181,638	190,752
Construction in progress	6,822	10,597	18,049	21,301
Other non-current assets	12,856	14,468	15,728	12,448
Cash and bank deposits	4,895	10,633	7,430	7,899
Other current assets	9,604	13,822	13,236	12,881
Total assets	202,840	216,417	236,081	245,281
Short-term bank loans	47,341	44,882	47,991	36,590
Accounts payable	16,719	21,125	20,195	18,934
Other current liabilities	34,339	40,037	50,164	41,493
Long-term bank and other loans	18,143	26,052	30,172	40,404
Deferred revenues	10,925	13,988	17,585	19,744
Other non-current liabilities	12,363	5,738	16,312	18,345
Total liabilities	139,830	151,822	182,419	175,510
Minority interests	—	—	3	4
Shareholders' equity	63,010	64,595	53,659	69,767
Total liabilities and shareholders' equity	202,840	216,417	236,081	245,281

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Selected Consolidated Cash Flow Statement Data

	For the year ended December 31,			
	2005	2004	2003	2002
	RMB million	RMB million Restated	RMB million Restated	RMB million Restated
Net cash inflow from operating activities	33,557	33,653	30,917	30,012
Net cash outflow from investing activities	(24,608)	(28,702)	(34,875)	(34,219)
Purchase of fixed assets and construction in progress, Pepayments for land	(27,562)	(28,256)	(36,450)	(34,186)
Net cash inflow/(outflow) from financing activities	(14,656)	(1,743)	3,595	3,212

Financial Summary

Selected Consolidated income Statement Data

	Year ended December 31,			
	2005	2004	2003	2002
	RMB million	RMB million Restated	RMB million Restated	RMB million Restated
Revenues	87,232	83,494	77,598	70,675
Domestic telecommunications services	83,977	80,851	76,219	70,103
Local usage fees	24,582	24,858	24,685	23,229
Monthly fees	18,261	17,964	16,476	14,987
Upfront installation fees	1,442	1,568	1,267	1,147
DLD usage fees	10,260	11,266	11,425	10,947
ILD usage fees	1,180	1,234	1,543	1,478
Value-added services	4,000	2,993	2,095	1,140
Interconnection fees	6,517	5,441	3,763	3,242
Upfront connection fees	3,405	4,346	5,122	5,596
Broadband service	7,812	5,202	2,914	2,468
Other Internet-related service	540	1,004	1,418	214
Managed data service	1,395	1,520	1,553	1,501
Leased line income	2,238	2,095	2,820	2,805
Other services	2,345	1,360	1,138	1,349
International telecommunications services	3,255	2,643	1,379	572
Operating expense	(66,727)	(65,973)	(65,372)	(58,324)
Depreciation and amortisation	(25,049)	(25,180)	(26,800)	(24,796)
Network, operations and support	(14,417)	(13,973)	(15,108)	(14,665)
Staff cost	(12,333)	(11,950)	(10,945)	(9,035)
Selling, general and administrative	(13,438)	(12,877)	(10,322)	(7,927)
Other operating expense	(1,490)	(1,993)	(2,197)	(1,901)
Operating profit before interest income, dividend income and deficit on revaluation of fixed assets	20,505	17,521	12,226	12,351
Interest income	157	87	95	110
Dividend income	29	17	45	78
Deficit on revaluation of fixed assets	—	(11,318)	(25,778)	—
Profit/(Loss) from operations	20,691	6,307	(13,412)	12,539
Financial cost	(3,374)	(3,930)	(4,296)	(4,131)
Share of loss of Associated companies	—	(1)	(416)	(1)
Profit/(Loss) before taxation	17,317	2,376	(18,124)	8,407
Taxation	(3,429)	323	7,217	(1,789)
Profit/(Loss) after taxation	13,888	2,699	(10,907)	6,618
Minority interests	—	—	1	—
Profit/(Loss) for the year	13,888	2,699	(10,906)	6,618