

# Financial Summary

For the five-years ended 31 December 2005 (Expressed in millions of RMB, 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

|                                                        | 2005     | 2004<br>As restated | 2003<br>As restated | 2002<br>As restated | 2001<br>As restated |
|--------------------------------------------------------|----------|---------------------|---------------------|---------------------|---------------------|
| Revenue (Turnover)                                     |          |                     |                     |                     |                     |
| GSM Business                                           | 52,135   | 47,509              | 41,153              | 27,890              | 20,640              |
| CDMA Business                                          | 27,577   | 24,377              | 16,666              | 3,221               | —                   |
| Data, Internet and<br>Long Distance Business           | 4,575    | 5,511               | 5,710               | 5,559               | 3,309               |
| Paging Business                                        | —        | —                   | 1,403               | 2,161               | 4,342               |
| Total service revenue                                  | 84,287   | 77,397              | 64,932              | 38,831              | 28,291              |
| Sales of telecommunications products                   | 2,762    | 1,690               | 2,221               | 1,412               | 556                 |
| Total revenue                                          | 87,049   | 79,087              | 67,153              | 40,243              | 28,847              |
| Leased lines and network capacities                    | (8,748)  | (7,398)             | (4,320)             | (1,583)             | (853)               |
| Interconnection charges                                | (8,372)  | (7,517)             | (5,921)             | (3,230)             | (2,073)             |
| Depreciation and amortisation                          | (20,368) | (19,011)            | (16,385)            | (11,256)            | (8,262)             |
| Employee benefit expenses                              | (5,616)  | (4,615)             | (4,597)             | (3,335)             | (2,487)             |
| Selling and marketing                                  | (20,558) | (19,523)            | (15,264)            | (5,986)             | (3,312)             |
| General, administrative and other expenses             | (11,742) | (10,500)            | (9,112)             | (5,632)             | (5,499)             |
| Cost of telecommunications products sold               | (3,575)  | (2,564)             | (2,939)             | (1,890)             | (1,067)             |
| Loss on sale of discontinued<br>operating (New Guoxin) | —        | —                   | (663)               | —                   | —                   |
| Net financial (charges) income                         | (1,003)  | (1,593)             | (1,763)             | (1,004)             | 180                 |
| Other income (expenses), net                           | 35       | 104                 | 8                   | (16)                | 19                  |
| Profit before income tax                               | 7,102    | 6,470               | 6,197               | 6,311               | 5,493               |
| Income tax expenses                                    | (2,171)  | (1,977)             | (1,929)             | (1,662)             | (833)               |
| Profit for the year                                    | 4,931    | 4,493               | 4,268               | 4,649               | 4,660               |

## Financial Summary

For the five-years ended 31 December 2005 (Expressed in millions of RMB, except per share data and per ADS information)

### RESULTS (continued)

#### Selected Income Statement Data (continued)

|                                  | 2005  | 2004<br>As restated | 2003<br>As restated | 2002<br>As restated | 2001<br>As restated |
|----------------------------------|-------|---------------------|---------------------|---------------------|---------------------|
| Attributable to:                 |       |                     |                     |                     |                     |
| Shareholders of the Company      | 4,931 | 4,493               | 4,268               | 4,649               | 4,660               |
| Minority interests               | —     | —                   | 9                   | 15                  | 35                  |
|                                  | 4,931 | 4,493               | 4,277               | 4,664               | 4,695               |
| Basic earnings per share (RMB)   | 0.392 | 0.358               | 0.341               | 0.372               | 0.374               |
| Diluted earnings per share (RMB) | 0.391 | 0.357               | 0.341               | 0.372               | 0.374               |
| Basic earnings per ADS (RMB)     | 3.923 | 3.577               | 3.407               | 3.715               | 3.740               |
| Diluted earnings per ADS (RMB)   | 3.911 | 3.568               | 3.406               | 3.715               | 3.740               |

#### SELECTED BALANCE SHEET DATA

|                                          | 2005    | 2004<br>As restated | 2003<br>As restated | 2002<br>As restated | 2001<br>As restated |
|------------------------------------------|---------|---------------------|---------------------|---------------------|---------------------|
| Property, plant and equipment, net       | 116,056 | 118,492             | 117,863             | 107,216             | 75,493              |
| Current assets                           | 15,276  | 17,246              | 22,243              | 31,902              | 50,331              |
| Accounts receivable, net                 | 4,548   | 5,230               | 5,472               | 4,327               | 2,498               |
| Bank balances and cash                   | 5,472   | 4,655               | 9,220               | 14,433              | 18,413              |
| Total assets                             | 142,630 | 149,038             | 153,877             | 152,954             | 130,540             |
| Current liabilities                      | 50,862  | 46,124              | 43,907              | 44,609              | 28,917              |
| Accounts payable and accrued liabilities | 18,527  | 16,786              | 17,098              | 19,812              | 15,329              |
| Short-term loans                         | 12,170  | 20,014              | 18,173              | 15,330              | 7,933               |
| Long-term loans                          | 11,982  | 26,137              | 36,213              | 37,686              | 36,337              |
| Total liabilities                        | 66,343  | 76,596              | 80,223              | 82,409              | 65,394              |
| Shareholders' equity                     | 76,287  | 72,442              | 69,051              | 66,007              | 61,342              |