



## Hong Kong GAAP

(in RMB millions, except earnings/losses per share)

	2003	2004
Revenue	59,898	<b>64,922</b>
Including: upfront connection fees	3,965	<b>3,378</b>
EBITDA <sup>(1)</sup>	31,648	<b>34,190</b>
Profit/(loss)for the year	(11,111)	<b>9,248</b>
CAPEX	28,528	<b>21,239</b>
Basic earnings/(losses) per Share	(RMB2.02)	<b>RMB1.64</b>
Basic earnings/(losses) per ADS	(RMB40.40)	<b>RMB32.80</b>

## Unaudited pro forma figures <sup>(2)</sup>

(in RMB millions)

	2003	2004
Revenue	60,021	<b>64,433</b>
Including: upfront connection fees	3,965	<b>3,378</b>
EBITDA <sup>(1)</sup>	31,504	<b>34,371</b>
Earnings/(losses) for the year	(9,797)	<b>10,410</b>

- (1) EBITDA refers to profit before finance costs, interests income, dividend income, income tax, depreciation and amortisation, share of loss of associated companies and jointly controlled entity, and minority interests. 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 believes that EBITDA provides useful information to both management and investors to further analyse 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 operating results and liquidity and does not represent operating cash flows. In addition, our EBITDA may not be comparable to similar indicators of other companies.
- (2) The pro forma figures are prepared in accordance with Rule 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. Please refer to page 172 of the "Unaudited Pro Forma Financial Information" section for details of the basis of preparation of the pro forma financial information. If such information is adjusted in accordance with the requirements under Article 11 of Regulation S-X under the Securities Act of 1933 issued by the Securities and Exchange Commission of United States of America ("Article 11"), the EBITDA for year 2004 would be RMB33,757 million, and the profit for year 2004 would be RMB10,001 million. Please refer to page 176 of the "Unaudited Pro Forma Financial Information" section for details of the adjustments under Article 11.