

CONSOLIDATED INCOME STATEMENT

For the Year Ended 31 December, 2000

(Expressed in thousands of RMB, except per share data and number of shares)

	Note	Year ended 31 December,	
		2000	1999
Revenue:			
Cellular Business		12,187,804	5,314,249
Paging Business		8,483,490	9,046,911
Long distance, Data and Internet Business		1,096,394	79,159
Total service revenue		21,767,688	14,440,319
Sales of telecommunication products		1,924,770	3,009,688
Total revenue	4	23,692,458	17,450,007
Operating expenses:			
Leased lines		(1,158,123)	(1,099,251)
Interconnection charges		(1,379,465)	(693,090)
Depreciation and amortisation		(5,734,315)	(3,691,019)
Personnel		(1,769,840)	(1,713,172)
Selling and marketing		(2,492,433)	(1,557,259)
General, administrative and other expenses	7(iv)	(3,743,063)	(2,586,402)
Cost of telecommunication products sold		(2,192,938)	(3,293,984)
Total operating expenses	7	(18,470,177)	(14,634,177)
Operating income		5,222,281	2,815,830
Net financial income (charges)	5	395,059	(703,211)
Loss arising from terminations of CCF Arrangements	11	(1,193,838)	(224,270)
Other income (expenses), net	8	59,229	(129,343)
Income before taxation and minority interests	6	4,482,731	1,759,006
Taxation	10	(1,104,969)	(555,659)
Income before minority interests		3,377,762	1,203,347
Minority interests		(143,711)	(364,200)
Net income		3,234,051	839,147

CONSOLIDATED INCOME STATEMENT (Cont'd)

For the Year Ended 31 December, 2000

(Expressed in thousands of RMB, except per share data and number of shares)

	Note	Year ended 31 December,	
		2000	1999
Basic net income per share (RMB)	15	0.29	0.09
Diluted net income per share (RMB)	15	0.29	N/A
Number of shares outstanding for basic net income (in thousand)	15	11,208,224	9,725,000
Number of shares outstanding for diluted net income (in thousand)	15	11,219,679	N/A
Basic net income per ADS (RMB)	15	2.89	0.86
Diluted net income per ADS (RMB)	15	2.88	N/A
Number of ADS outstanding for basic net income (in thousand)	15	1,120,822	972,500
Number of ADS outstanding for diluted net income (in thousand)	15	1,121,968	N/A