

Consolidated Income Statement

For the Year Ended 31 December 2001

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

	Note	Year ended 31 December	
		2001	2000
Revenue:			
Cellular Business		20,505,058	12,187,804
Paging Business		4,341,824	8,483,490
Long Distance, Data and Internet Business		3,308,944	1,096,394
Total service revenue		28,155,826	21,767,688
Sales of telecommunications products		1,237,060	1,924,770
Total revenue	4	29,392,886	23,692,458
Operating expenses:			
Leased lines		(853,306)	(1,158,123)
Interconnection charges		(2,072,584)	(1,379,465)
Depreciation and amortisation		(8,262,296)	(5,734,315)
Personnel		(2,487,218)	(1,769,840)
Selling and marketing		(3,612,890)	(2,492,433)
General, administrative and other expenses	7 (iv)	(5,498,997)	(3,743,063)
Cost of telecommunications products sold		(1,342,244)	(2,192,938)
Total operating expenses	7	(24,129,535)	(18,470,177)
Operating income		5,263,351	5,222,281
Financial income	5	2,096,972	1,748,805
Financial expense	6	(1,917,566)	(1,353,746)
Loss arising from terminations of CCF Arrangements	11	—	(1,193,838)
Other income, net	8	19,831	59,229
Income before taxation and minority interests	6	5,462,588	4,482,731
Taxation	10	(1,041,137)	(1,104,969)
Income before minority interests		4,421,451	3,377,762
Minority interests		35,310	(143,711)
Net income		4,456,761	3,234,051

Consolidated Income Statement (Cont'd)

For the Year Ended 31 December 2001

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

	Note	Year ended 31 December	
		2001	2000
Basic net income per share (RMB)	15	0.36	0.29
Diluted net income per share (RMB)	15	0.36	0.29
Number of shares outstanding for basic net income (in thousand)	15	12,552,996	11,208,224
Number of shares outstanding for diluted net income (in thousand)	15	12,552,996	11,219,679
Basic net income per ADS (RMB)	15	3.55	2.89
Diluted net income per ADS (RMB)	15	3.55	2.88
Number of ADS outstanding for basic net income (in thousand)	15	1,255,300	1,120,822
Number of ADS outstanding for diluted net income (in thousand)	15	1,255,300	1,121,968