

# Consolidated Income Statement

For the year ended 31 December 2003

(Expressed in thousands of Renminbi ("RMB"), except per share data)	Note	2003	2002 As restated (Note 3 (a))
Operating revenue (Turnover):			
GSM Business	6, 32, 35	40,303,611	27,387,925
CDMA Business	3(f), 6, 20(a), 23, 32, 35	16,623,518	3,225,347
Data and Internet Business	6, 32, 35	3,437,083	2,793,039
Long Distance Business	6, 32, 35	2,273,148	2,765,723
Paging Business	6, 32, 35	1,403,053	2,161,188
Total service revenue		64,040,413	38,333,222
Sales of telecommunications products	6, 32, 35	3,595,912	2,243,303
Total operating revenue	6, 35	67,636,325	40,576,525
Operating expenses:			
Leased lines and network capacities	7, 8, 32	(4,320,382)	(1,583,255)
Interconnection charges	8, 32	(5,920,793)	(3,229,640)
Depreciation and amortisation	7	(16,385,293)	(11,255,724)
Personnel	7, 8, 12, 13	(4,574,546)	(3,335,218)
Selling and marketing	7, 20(a), 23, 32	(15,156,835)	(5,980,948)
General, administrative and other expenses	7, 8, 32	(9,112,385)	(5,631,850)
Cost of telecommunications products sold	32	(3,652,045)	(2,236,206)
Total operating expenses		(59,122,279)	(33,252,841)
Operating profit		8,514,046	7,323,684
Loss on sale of discontinued operation (Guoxin Paging)	5	(663,279)	—
		7,850,767	7,323,684
Interest income	7	173,033	470,282
Finance costs	9	(1,936,022)	(1,474,441)
Other income (expense), net	10	8,071	(16,359)
Profit before taxation	7	6,095,849	6,303,166
Taxation	3(a), 14	(1,888,381)	(1,720,205)
Profit after taxation		4,207,468	4,582,961
Minority interests		9,629	15,252
Profit attributable to shareholders	15	4,217,097	4,598,213
Proposed final dividend	15	1,255,317	1,255,300
Dividend paid	15	1,255,300	—
Basic earnings per share (RMB)	16	0.336	0.366
Diluted earnings per share (RMB)	16	0.336	0.366
Number of shares outstanding for basic earnings (in thousands)	16	12,553,010	12,552,996
Number of shares outstanding for diluted earnings (in thousands)	16	12,568,683	12,552,996
Basic earnings per ADS (RMB)	16	3.359	3.663
Diluted earnings per ADS (RMB)	16	3.355	3.663
Number of ADS outstanding for basic earnings (in thousands)	16	1,255,301	1,255,300
Number of ADS outstanding for diluted earnings (in thousands)	16	1,256,869	1,255,300