

Financial Summary

For the Five-Years ended 31 December 2003

(Expressed in million of RMB, except per share data and per ADS information)

Selected financial summary, including selected income statement data and balance sheet data for relevant years presented below, were prepared in accordance with HK GAAP.

RESULTS

Selected Income Statement Data

	2003	2002 As restated	2001 As restated	2000 As restated	1999 As restated
Operating revenue (Turnover):					
GSM Business	40,304	27,388	20,505	12,188	5,314
CDMA Business	16,623	3,224	—	—	—
Data, Internet and Long Distance Business	5,710	5,559	3,309	1,096	79
Paging Business	1,403	2,161	4,342	8,483	9,047
Total service revenue	64,040	38,332	28,156	21,767	14,440
Sales of telecommunications products	3,596	2,244	1,237	1,925	3,010
Total operating revenue	67,636	40,576	29,393	23,692	17,450
Operating expenses:					
Leased lines and network capacities	(4,320)	(1,583)	(853)	(1,158)	(1,099)
Interconnection charges	(5,921)	(3,230)	(2,073)	(1,380)	(693)
Depreciation and amortisation	(16,385)	(11,256)	(8,262)	(5,734)	(3,691)
Personnel	(4,575)	(3,335)	(2,487)	(1,770)	(1,713)
Selling and marketing	(15,157)	(5,981)	(3,613)	(2,492)	(1,557)
General, administrative and other expenses	(9,112)	(5,632)	(5,499)	(3,743)	(2,587)
Cost of telecommunications products sold	(3,652)	(2,236)	(1,342)	(2,193)	(3,294)
Total operating expenses	(59,122)	(33,253)	(24,129)	(18,470)	(14,634)
Operating profit	8,514	7,323	5,264	5,222	2,816
Loss on sale of discontinued operation (Guoxin Paging)	(663)	—	—	—	—
Net financial (charges) income	(1,763)	(1,004)	180	395	(704)
Loss arising from terminations of CCF Arrangements	—	—	—	(1,194)	(224)
Other income (expenses), net	8	(16)	19	59	(129)
Profit before taxation	6,096	6,303	5,463	4,482	1,759
Taxation	(1,888)	(1,720)	(896)	(1,014)	(468)
Profit after taxation	4,208	4,583	4,567	3,468	1,291
Minority interests	9	15	35	(144)	(364)
Profit attributable to shareholders	4,217	4,598	4,602	3,324	927
Basic earnings per share (RMB)	0.336	0.366	0.367	0.297	0.095
Diluted earnings per share (RMB)	0.336	0.366	0.367	0.297	0.095
Basic earnings per ADS (RMB)	3.359	3.663	3.666	2.966	0.953
Diluted earnings per ADS (RMB)	3.355	3.663	3.666	2.966	0.953

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Selected Balance Sheet Data

	2003	2002 As restated	2001 As restated	2000 As restated	1999 As restated
Property, plant and equipment, net	118,105	107,487	75,748	52,864	33,227
Current assets	22,243	31,902	50,331	57,983	10,635
Accounts receivable, net	5,472	4,327	2,498	1,545	895
Bank balances and cash	9,220	14,433	18,413	44,717	6,002
Total assets	149,838	149,628	128,278	113,057	45,504
Current liabilities	43,907	44,609	28,917	27,468	21,844
Accounts payable and accrued liabilities	17,098	19,812	15,329	619	1,675
Short-term loans	18,173	15,330	7,933	8,501	7,894
Long-term loans	36,213	37,686	36,337	27,151	12,234
Total liabilities	80,223	82,409	65,394	54,721	34,297
Shareholders' equity	69,615	66,653	62,054	57,452	8,676