

Unaudited Condensed Interim Financial Report

Unaudited Condensed Consolidated Income Statement

For the six months ended 30 June 2002

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

		Unaudited For the six months ended 30 June	
	Note	2002	2001
Operating revenue (Turnover):			
GSM Business	4, 16, 19	12,938,301	9,023,049
CDMA Business	4, 16, 19	354,030	—
Long Distance, Data and Internet Business	4, 16, 19	2,424,086	1,366,329
Paging Business	4, 16, 19	1,231,021	2,535,254
Total service revenue		16,947,438	12,924,632
Sales of telecommunications products	4, 16, 19	1,043,406	694,294
		17,990,844	13,618,926
Operating expenses:			
Leased lines and network capacities	10(a), 16	(736,960)	(516,171)
Interconnection charges	16	(1,268,184)	(1,006,905)
Depreciation and amortisation	5	(5,347,998)	(3,878,314)
Personnel	5, 9	(1,409,262)	(1,100,671)
Selling and marketing	10(b), 16	(2,089,966)	(1,506,998)
General, administrative and other expenses	5, 16	(2,535,536)	(2,248,042)
Cost of telecommunications products sold	16	(1,167,509)	(731,616)
Total operating expenses		(14,555,415)	(10,988,717)
Operating profit		3,435,429	2,630,209
Interest income	5	266,658	1,289,206
Finance costs	5	(761,267)	(953,923)
Other income, net	5	42,158	65,905
Profit before taxation	5	2,982,978	3,031,397
Taxation	6	(728,659)	(850,590)
Profit after taxation		2,254,319	2,180,807
Minority interests		(2,789)	11,413
Profit attributable to shareholders		2,251,530	2,192,220
Earnings per share			
Basic	7(a)	RMB0.179	RMB0.175
Fully diluted	7(b)	RMB0.179	RMB0.175