

Consolidated Income Statement

For the year ended 31 December 2005

(All amounts in RMB thousands, except per share data)

	Note	Year ended 31 December	
		2005	2004 Restated (Note 2.2)
Revenue (Turnover)			
GSM Business	2.2, 5, 21, 32	52,135,528	47,508,952
CDMA Business	2.2, 5, 21, 32	27,576,936	24,377,674
Data and Internet Business	5, 21, 32	3,049,967	3,662,734
Long Distance Business	5, 21, 32	1,524,573	1,848,009
Total service revenue		84,287,004	77,397,369
Sales of telecommunications products	2.2, 5, 21, 32	2,761,827	1,689,755
Total revenue	2.2, 5, 21	87,048,831	79,087,124
Leased lines and network capacities	22, 32	(8,747,317)	(7,398,128)
Interconnection charges	32	(8,372,370)	(7,516,586)
Depreciation and amortisation	2.2, 22	(20,368,181)	(19,011,074)
Employee benefit expenses	2.2, 22, 23, 24, 25	(5,616,312)	(4,615,057)
Selling and marketing	2.2, 22, 32	(20,557,878)	(19,523,280)
General, administrative and other expenses	2.2, 22, 32	(11,741,560)	(10,500,241)
Cost of telecommunications products sold	2.2, 22, 32	(3,575,316)	(2,562,645)
Finance costs	26	(1,099,321)	(1,696,075)
Interest income		96,196	102,907
Other gains, net		34,925	103,647
Profit before income tax		7,101,697	6,470,592
Income tax expenses	2.2, 9	(2,170,411)	(1,977,141)
Profit for the year		4,931,286	4,493,451
Attributable to:			
Shareholders of the Company		4,931,052	4,493,451
Minority interest		234	—
		4,931,286	4,493,451
Proposed final dividend	30	1,383,169	1,256,349
Dividend paid	30	1,256,924	1,256,160

		Year ended 31 December	
		2005	2004 Restated (Note 2.2)
	Note		
Earnings per share for profit attributable to the shareholders of the Company during the year			
Basic earnings per share (RMB)	2.2, 29	0.392	0.358
Diluted earnings per share (RMB)	2.2, 29	0.391	0.357
Number of shares outstanding for basic earnings (in thousands)	29	12,570,398	12,561,242
Number of shares outstanding for diluted earnings (in thousands)	29	12,607,476	12,593,054
Basic earnings per ADS (RMB)	29	3.923	3.577
Diluted earnings per ADS (RMB)	29	3.911	3.568
Number of ADS outstanding for basic earnings (in thousands)	29	1,257,040	1,256,124
Number of ADS outstanding for diluted earnings (in thousands)	29	1,260,748	1,259,305

The notes on pages 80 to 171 are an integral part of these consolidated financial statements.