



Consolidated Statement of Income (Unaudited)

for the six-month period ended 30 June 2003
(Amounts in millions, except per share data)

| | Note | Six-month periods ended 30 June | |
|--|------|------------------------------------|--------------------------|
| | | 2003 RMB | 2002 RMB (Audited) |
| Operating revenues | 6 | 39,536 | 36,868 |
| Operating expenses | | | |
| Depreciation and amortisation | | (10,859) | (10,030) |
| Network operations and support | | (9,693) | (10,019) |
| Selling, general and administrative | | (5,476) | (4,517) |
| Other operating expenses | | (1,310) | (1,404) |
| Total operating expenses | | (27,338) | (25,970) |
| Operating profit | | 12,198 | 10,898 |
| Net finance costs | 7 | (176) | (421) |
| Investment income | | 2 | 1 |
| Share of profit from associates | | — | 9 |
| Profit before taxation and minority interests | 8 | 12,024 | 10,487 |
| Taxation | 9 | (2,743) | (1,965) |
| Profit before minority interests | | 9,281 | 8,522 |
| Minority interests | | (21) | (39) |
| Profit attributable to shareholders | | 9,260 | 8,483 |
| Basic earnings per share | 11 | 0.12 | 0.12 |
| Weighted average number of shares | | 75,614 | 68,317 |

The notes on pages 13 to 20 form part of these interim financial statements.