

CONSOLIDATED STATEMENT OF INCOME

for the year ended 31 December 2003

(Amounts in millions, except per share data)

	Note	2003 RMB	2002 RMB
Operating revenues	20	118,451	109,564
Operating expenses			
Depreciation and amortisation		(32,921)	(33,005)
Network operations and support		(31,883)	(32,228)
Selling, general and administrative		(18,303)	(15,461)
Other operating expenses	21	(2,896)	(2,873)
Total operating expenses	22	(86,003)	(83,567)
Operating profit		32,448	25,997
Deficit on revaluation of property, plant and equipment	3	—	(14,690)
Net finance costs	23	(1,814)	(2,144)
Investment income		7	63
Share of profit from associates		34	37
Profit before taxation and minority interests		30,675	9,263
Taxation	24	(5,933)	582
Profit before minority interests		24,742	9,845
Minority interests		(56)	(72)
Profit attributable to shareholders	27	24,686	9,773
Basic earnings per share	29	0.33	0.14
Weighted average number of shares	29	75,614	69,242

The notes on pages 73 to 121 form part of these financial statements.