

# CONSOLIDATED STATEMENT OF INCOME (UNAUDITED)

for the six-month period ended 30 June 2004  
(Amounts in millions, except per share data)

		Six-month periods ended 30 June	
		2004	2003
	Note	RMB	RMB
<b>Operating revenues</b>	11	<b>80,217</b>	74,068
<b>Operating expenses</b>			
Depreciation and amortisation		(23,255)	(22,666)
Network operations and support		(20,325)	(20,767)
Selling, general and administrative		(14,105)	(10,866)
Other operating expenses		(1,796)	(1,541)
<b>Total operating expenses</b>		<b>(59,481)</b>	(55,840)
<b>Operating profit</b>		<b>20,736</b>	18,228
Net finance costs	12	(2,341)	(1,728)
Investment loss		—	(85)
Share of profit from associates		6	—
<b>Profit before taxation and minority interests</b>	13	<b>18,401</b>	16,415
Taxation	14	(3,681)	(3,333)
<b>Profit before minority interests</b>		<b>14,720</b>	13,082
Minority interests		(12)	(24)
<b>Profit attributable to shareholders</b>		<b>14,708</b>	13,058
<b>Basic earnings per share</b>	16	<b>0.19</b>	0.17
<b>Weighted average number of shares</b>		<b>76,725</b>	75,614

The notes on pages 15 to 30 form part of these interim financial statements.