

CONSOLIDATED STATEMENT OF INCOME ►►►

For the year ended 31 December 2004
(Amounts in millions, except per share data)

	Note	2004 RMB	2003 RMB
Operating revenues	20	161,212	151,553
Operating expenses			
Depreciation and amortisation		(47,170)	(46,597)
Network operations and support		(43,070)	(44,118)
Selling, general and administrative		(27,003)	(24,810)
Other operating expenses	21	(4,139)	(3,176)
Total operating expenses	22	(121,382)	(118,701)
Operating profit		39,830	32,852
Deficit on revaluation of property, plant and equipment	3	(1,262)	(14,832)
Net finance costs	23	(5,340)	(3,606)
Investment income/(loss)		6	(42)
Share of profit from associates		29	35
Profit before taxation and minority interests		33,263	14,407
Taxation	24	(5,187)	(469)
Profit before minority interests		28,076	13,938
Minority interests		(53)	(56)
Profit attributable to shareholders	27	28,023	13,882
Basic earnings per share	29	0.36	0.18
Weighted average number of shares	29	78,840	75,614

The notes on pages 79 to 127 form part of these financial statements.