

# CONSOLIDATED STATEMENT OF INCOME (UNAUDITED)

for the six-month period ended 30 June 2005  
(Amounts in millions, except per share data)

	Note	Six-month periods ended 30 June	
		2005 RMB	2004 RMB
			(Note 3)
<b>Operating revenues</b>	9	<b>84,023</b>	80,217
<b>Operating expenses</b>			
Depreciation and amortisation		(24,178)	(23,255)
Network operations and support		(22,224)	(20,325)
Selling, general and administrative		(13,354)	(14,105)
Other operating expenses		(2,524)	(1,796)
<b>Total operating expenses</b>		<b>(62,280)</b>	(59,481)
<b>Operating profit</b>		<b>21,743</b>	20,736
Net finance costs	10	(2,468)	(2,341)
Investment loss		(9)	—
Share of profit from associates		3	6
<b>Profit before taxation</b>	11	<b>19,269</b>	18,401
Income tax	12	(4,556)	(3,681)
<b>Profit for the period</b>		<b>14,713</b>	14,720
<b>Attributable to:</b>			
Equity holders of the Company		<b>14,696</b>	14,708
Minority interests		<b>17</b>	12
<b>Profit for the period</b>		<b>14,713</b>	14,720
<b>Basic earnings per share</b>	14	<b>0.18</b>	0.19
<b>Weighted average number of shares</b>	14	<b>80,932</b>	76,725

The notes on pages 12 to 29 form part of these interim financial statements.