



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.