

## CONSOLIDATED INCOME STATEMENT

for the year ended 31 December 2003 (Expressed in Renminbi)

	Note	2003 RMB million	2002 restated RMB million
<b>Operating revenue (Turnover)</b>	3		
Usage fees		111,027	93,272
Monthly fees		20,666	16,901
Other operating revenue		26,911	18,388
		<b>158,604</b>	128,561
<b>Operating expenses</b>			
Leased lines		4,914	5,287
Interconnection		12,868	12,975
Depreciation		36,611	26,827
Personnel		7,700	6,757
Other operating expenses	4	43,308	27,919
		<b>105,401</b>	79,765
<b>Profit from operations</b>		<b>53,203</b>	48,796
<b>Amortisation of goodwill</b>	16	<b>(1,850)</b>	(936)
<b>Other net income</b>	5	<b>2,464</b>	1,686
<b>Non-operating net income</b>	6	<b>434</b>	571
<b>Interest income</b>		<b>807</b>	713
<b>Finance costs</b>	7(a)	<b>(2,099)</b>	(1,852)
<b>Profit from ordinary activities before taxation</b>	7	<b>52,959</b>	48,978
<b>Taxation</b>	10(a)	<b>(17,412)</b>	(16,375)
<b>Profit from ordinary activities after taxation</b>		<b>35,547</b>	32,603
<b>Minority interests</b>		<b>9</b>	(2)
<b>Profit attributable to shareholders</b>	11 & 33(a)	<b>35,556</b>	32,601
<b>Dividends attributable to the year:</b>			
Interim dividend declared and paid during the year	12(a)	3,339	—
Final dividend proposed after the balance sheet date	12(a)	4,178	6,678
		<b>7,517</b>	6,678
<b>Earnings per share</b>			
<b>Basic</b>	13(a)	<b>RMB1.81</b>	RMB 1.70
<b>Diluted</b>	13(b)	<b>RMB1.81</b>	RMB 1.70

The notes on pages 74 to 112 form part of these financial statements.