

**(B) FINANCIAL STATEMENTS PREPARED UNDER INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRS”)
CONSOLIDATED INCOME STATEMENT**

for the year ended 31 December 2004

(Amounts in millions, except per share data)

	Note	2004 RMB	2003 RMB
Turnover and other operating revenues			
Turnover	3	597,197	429,949
Other operating revenues	4	22,586	19,052
		619,783	449,001
Operating expenses			
Purchased crude oil, products and operating supplies and expenses		(443,590)	(313,238)
Selling, general and administrative expenses	5	(31,843)	(27,228)
Depreciation, depletion and amortisation		(32,342)	(27,951)
Exploration expenses, including dry holes		(6,396)	(6,133)
Personnel expenses	6	(18,634)	(16,972)
Employee reduction expenses	7	(919)	(1,040)
Taxes other than income tax	8	(16,324)	(13,581)
Other operating expenses, net	9	(6,666)	(3,975)
Total operating expenses		(556,714)	(410,118)
Operating profit		63,069	38,883
Finance costs			
Interest expense	10	(4,583)	(4,365)
Interest income		374	322
Foreign exchange losses		(223)	(450)
Foreign exchange gains		61	30
Net finance costs		(4,371)	(4,463)
Gain from issuance of shares by a subsidiary		—	136
Investment income		111	89
Share of profits less losses from associates		797	396
Profit from ordinary activities before taxation		59,606	35,041
Taxation	11	(17,815)	(10,645)
Profit from ordinary activities after taxation		41,791	24,396
Minority interests		(5,772)	(1,972)
Profit attributable to shareholders		36,019	22,424
Basic earnings per share	15	0.42	0.26
Dividends attributable to the year:	16		
Interim dividend declared during the year		3,468	2,601
Final dividend proposed after the balance sheet date		6,936	5,202
		10,404	7,803

Financial Statements (International)

The notes on pages 133 to 158 form part of these financial statements.