

Consolidated Income Statement

(All amounts expressed in thousands of Renminbi, except per share data)

	Note	Six months ended June 30	
		2001 (Unaudited)	2000 (Unaudited)
Turnover			
Oil and gas sales	3	9,561,986	9,043,552
Marketing revenues	3	1,377,457	2,829,610
Other income		301,462	88,152
Total revenues		<u>11,240,905</u>	<u>11,961,314</u>
Expenses			
Operating expenses		(1,047,984)	(991,532)
Production taxes		(491,371)	(486,433)
Exploration costs		(451,619)	(238,345)
Depreciation, depletion and amortisation		(1,295,221)	(1,188,546)
Dismantlement and site restoration allowance		(53,794)	(51,155)
Crude oil and product purchases		(1,327,994)	(2,797,365)
Selling and administrative expenses		(262,141)	(202,004)
Interest, net		31,945	(217,602)
Exchange gain, net		175,778	153,674
Other		(206,650)	(46,472)
Total expenses		<u>(4,929,051)</u>	<u>(6,065,780)</u>
Share of profit of associated company		103,798	121,140
Investment income		42,563	-
Non-operating loss, net		(1,787)	(218,051)
Profit before tax		6,456,428	5,798,623
Provision for taxation	4	(1,838,330)	(977,061)
Net profit		<u>4,618,098</u>	<u>4,821,562</u>
Earnings per share – basic	5	<u>RMB 0.60</u>	<u>RMB 0.79</u>
Earnings per share – diluted	5	<u>RMB 0.60</u>	<u>N/A</u>