

FINANCIAL HIGHLIGHTS

	Year ended December 31,				
	1997	1998	1999	2000	2001
	RMB million	RMB million	RMB million	RMB million	RMB million
TURNOVE	157,381	147,287	175,969	241,992	238,893
OPERATING EXPENSES					
Purchases, services and other	(56,980)	(58,190)	(61,470)	(62,598)	(76,859)
Employee compensation costs	(8,826)	(9,752)	(11,064)	(14,430)	(13,992)
Exploration expenses, including exploratory dry holes	(6,830)	(5,990)	(7,344)	(8,680)	(7,344)
Depreciation, depletion and amortisation	(16,450)	(17,803)	(23,533)	(33,760)	(33,367)
Selling, general and administrative expenses	(9,827)	(9,838)	(12,596)	(16,649)	(20,837)
Employee separation costs and shut down of manufacturing assets	-	-	-	(6,579)	(478)
Revaluation loss	-	-	(1,122)	-	-
Impairment loss on assets retained by CNPC	-	(310)	(2,007)	-	-
Taxes other than income taxes	(9,279)	(9,579)	(10,278)	(13,230)	(13,916)
Other income/(expense),net	(557)	(336)	345	(307)	117
TOTAL OPERATING EXPENSES	(108,749)	(111,798)	(129,069)	(156,233)	(166,676)
PROFIT FROM OPERATIONS	48,632	35,489	46,900	85,759	72,217
FINANCE COSTS					
Exchange gain	3,291	44	129	1,406	390
Exchange loss	(165)	(1,916)	(2,362)	(234)	(140)
Interest income	1,048	1,326	632	584	799
Interest expense	(10,928)	(12,276)	(8,896)	(6,048)	(4,149)
TOTAL FINANCE COSTS	(6,754)	(12,822)	(10,497)	(4,292)	(3,100)
SHARE OF PROFIT OF ASSOCIATED COMPANIES					
PROFIT BEFORE TAXATION	42,209	22,755	36,531	82,051	69,458
TAXATION	(12,200)	(7,537)	(9,403)	(26,985)	(23,054)
PROFIT BEFORE MINORITY INTERESTS	30,009	15,218	27,128	55,066	46,404
MINORITY INTERESTS	(161)	57	(127)	165	404
NET PROFIT	29,848	15,275	27,001	55,231	46,808
Basic and diluted earnings per share (in RMB) ⁽¹⁾	<u>0.19</u>	<u>0.10</u>	<u>0.17</u>	<u>0.32</u>	<u>0.27</u>
NON CURRENT ASSETS					
Net assets to be retained by CNPC	7,494	8,478	-	-	-
Property, plant and equipment	212,970	228,710	324,990	341,229	365,063
Long-term investments	3,152	3,579	3,799	4,784	5,436
Intangible and other assets	1,361	1,724	1,888	2,586	3,963
	<u>224,977</u>	<u>242,491</u>	<u>330,677</u>	<u>348,599</u>	<u>374,462</u>

	Year ended December 31,				
	1997	1998	1999	2000	2001
	RMB	RMB	RMB	RMB	RMB
	million	million	million	million	million
CURRENT ASSETS					
Inventories	17,924	17,493	17,602	31,514	27,961
Accounts receivable	14,676	19,355	14,883	12,695	7,909
Prepaid expenses and other current assets	22,249	20,582	28,788	11,397	24,667
Short-term investments	16	53	1,487	-	-
Receivables under resale agreement	-	-	-	5,815	11,505
Cash and cash equivalents	16,456	15,109	17,848	18,060	14,370
TOTAL CURRENT ASSETS	<u>71,321</u>	<u>72,592</u>	<u>80,608</u>	<u>79,481</u>	<u>86,412</u>
CURRENT LIABILITIES					
Accounts payable and accrued liabilities	36,906	39,462	45,190	36,802	51,214
Taxes payable	4,325	3,884	4,739	16,570	14,423
Short-term borrowings	55,195	63,474	59,959	39,076	23,111
	<u>96,426</u>	<u>106,820</u>	<u>109,888</u>	<u>92,448</u>	<u>88,748</u>
NET CURRENT LIABILITIES	<u>(25,105)</u>	<u>(34,228)</u>	<u>(29,280)</u>	<u>(12,967)</u>	<u>(2,336)</u>
TOTAL ASSETS LESS					
CURRENT LIABILITIES	<u>199,872</u>	<u>208,263</u>	<u>301,397</u>	<u>335,632</u>	<u>372,126</u>
FINANCED BY:					
Share capital			160,000	175,824	175,824
Retained earnings			3,326	33,057	40,724
Reserves			47,085	64,076	76,574
Shareholders' equity	<u>72,867</u>	<u>78,133</u>	<u>210,411</u>	<u>272,957</u>	<u>293,122</u>
Minority interests	<u>3,291</u>	<u>3,798</u>	<u>4,200</u>	<u>4,989</u>	<u>5,136</u>
NON CURRENT LIABILITIES					
Payable to CNPC	7,494	8,478	-	-	-
Long-term borrowings	105,522	105,354	84,458	53,341	65,484
Deferred credits and other long-term obligations	929	2,119	1,146	1,176	1,354
Deferred taxation	9,769	10,381	1,182	3,169	7,030
	<u>123,714</u>	<u>126,332</u>	<u>86,786</u>	<u>57,686</u>	<u>73,868</u>
	<u>199,872</u>	<u>208,263</u>	<u>301,397</u>	<u>335,632</u>	<u>372,126</u>
Other Financial Data					
Capital expenditure ⁽²⁾	(53,440)	(43,420)	(42,870)	(56,759)	(51,118)
Net cash provided by operating activities	54,809	37,651	54,053	104,169	84,492
Net cash used for investing activities ⁽³⁾	(52,469)	(38,832)	(40,418)	(60,401)	(61,624)
Net cash provided by (used for) financing activities ⁽⁴⁾	(2,063)	(166)	(10,896)	(43,556)	(29,811)
Fixed assets, net of accumulated amortisation, depletion and depreciation	212,970	228,710	324,990	341,229	365,063
Total assets	296,298	315,083	411,285	428,080	460,874
Owner's equity	72,867	78,133	210,411	272,957	293,122

Notes:

- (1) Basic and diluted earnings per share for the year ended December 31, 1997, 1998 and 1999 have been computed by dividing net profit by the 160 billion State-owned shares issued and outstanding upon the establishment of the Company on November 5, 1999 as if such shares had been outstanding for all the accounting periods. Basic and diluted earnings per share for the year ended December 31, 2000 have been computed by dividing net profit by the weighted average number of 171.63 billion shares issued and outstanding for the year. Basic and diluted earnings per share for the year ended December 31, 2001 have been computed by dividing net profit by the number of 175.82 billion shares issued and outstanding for the year.
- (2) Excludes capital expenditures for assets to be retained by CNPC of RMB1,692 million, RMB1,687 million, RMB111 million, nil and nil in each year and period presented, respectively.
- (3) Includes capital expenditures for assets to be retained by CNPC of RMB1,692 million, RMB1,687 million, RMB111 million, nil and nil in each year and period presented, respectively.
- (4) Includes contributions from CNPC for assets to be retained by CNPC of RMB1,692 million, RMB1,687 million, RMB111 million, nil and nil in each year and period presented, respectively.