

## Financial Highlights

Prepared under PRC Accounting Rules and Regulations (*Unaudited*)

### 1. Major business data for the first half of 2003

| Item                                      | RMB'000        |
|---|----------------|
| Total profit                              | 584,567        |
| Net profit                                | 471,680        |
| Profit from principal operations          | 1,470,606      |
| Profit from other operations              | 42,458         |
| Profit from operations                    | 598,904        |
| Investment loss                           | (1,178)        |
| Non-operating loss, net                   | (13,159)       |
| Net increase of cash and cash equivalents | <u>200,419</u> |

### 2. Major financial data and financial indicators prepared under PRC Accounting Rules and Regulations

|  | <b>30 June<br/>2003</b> | 31 December<br>2002 | Increase/decrease<br>compared to the beginning<br>of the year (%) |
|--|-------------------------|---------------------|---|
| Current assets (RMB'000)   | <b>7,227,295</b>        | 6,945,672           | 4.05  |
| Current liabilities (RMB'000)                                    | <b>7,841,312</b>        | 7,425,576           | 5.60  |
| Total assets (RMB'000)   | <b>26,961,899</b>       | 26,562,285          | 1.50  |
| Shareholders' equity (excluding<br>minority interests) (RMB'000) | <b>14,593,140</b>       | 14,121,460          | 3.34  |
| Net asset value per share (RMB)                                  | <b>2.027</b>            | 1.961               | 3.37  |
| Adjusted net asset value per share (RMB)                         | <b>2.021</b>            | 1.946               | 3.85  |
|  | <b>2003</b>             | 2002                | Increase/decrease<br>compared to the same<br>period last year (%) |
|  | <b>2003</b>             | 2002                |   |
| Income from principal operations (RMB'000)                       | <b>14,139,070</b>       | 9,523,023           | 48.47   |
| Net profit (RMB'000)   | <b>471,680</b>          | 203,369             | 131.93  |
| Net profit before non-operating<br>income / expenses* (RMB'000)  | <b>482,865</b>          | 242,771             | 98.90   |
| Earnings per share (RMB)   | <b>0.066</b>            | 0.028               | 135.71  |
| Return on net assets (%)   | <b>3.232</b>            | 1.476               | 118.97  |
| Net cash flows from operating<br>activities (RMB'000)            | <b>1,512,763</b>        | 1,058,324           | 42.94   |

|                                     |                     |
|-------------------------------------|---------------------|
| *Non-operating income/expenses      | Amount<br>(RMB'000) |
| Non-operating income                | 9,264               |
| Non-operating expenses              | (22,423)            |
| Tax adjustments for the above items | 1,974               |
| Total                               | <u>(11,185)</u>     |

3. Differences between financial statements prepared under PRC Accounting Rules and Regulations and IFRS

|            |   |                 |
|------------|---|-----------------|
|            | PRC Accounting Rules and Regulations<br>RMB'000 | IFRS<br>RMB'000 |
| Net profit | <u>471,680</u>                                  | <u>484,059</u>  |

Explanation of differences: Please refer to Section C in the interim financial report

4. Return on net assets and earnings per share prepared in compliance with the "Regulation on the preparation of information disclosures by companies publicly issuing securities, No. 9" issued by the China Securities Regulatory Commission:

| Profit in reporting period                           | Return on net assets(%)   |      |                  |      | Earnings per share(RMB)   |      |                  |      |
|--|---------------------------|------|------------------|------|---------------------------|------|------------------|------|
|  | Fully diluted             |      | Weighted average |      | Fully diluted             |      | Weighted average |      |
|  | For the six-month periods |      |                  |      | For the six-month periods |      |                  |      |
|  | ended 30 June             |      |                  |      | ended 30 June             |      |                  |      |
|  | 2003                      | 2002 | 2003             | 2002 | 2003                      | 2002 | 2003             | 2002 |
| Profit from principal operations                     | <b>10.08</b>              | 8.60 | <b>10.24</b>     | 8.66 | <b>0.20</b>               | 0.17 | <b>0.20</b>      | 0.17 |
| Profit from operations                               | <b>4.10</b>               | 2.15 | <b>4.17</b>      | 2.16 | <b>0.08</b>               | 0.04 | <b>0.08</b>      | 0.04 |
| Net profit   | <b>3.23</b>               | 1.48 | <b>3.29</b>      | 1.49 | <b>0.07</b>               | 0.03 | <b>0.07</b>      | 0.03 |
| Net profit before non-operating<br>income / expenses | <b>3.30</b>               | 1.76 | <b>3.36</b>      | 1.78 | <b>0.07</b>               | 0.03 | <b>0.07</b>      | 0.03 |

Note: The above indicators were derived from the unaudited figures for the six-month periods ended 30 June 2002 and 2003. The weighted average number of shares in issue during the six-month periods ended 30 June 2002 and 2003 was 7,200,000,000. The total number of shares was based on the 7,200,000,000 shares issued as at 31 December 2002 and 30 June 2003.

5. Various provisions under PRC Accounting Rules and Regulations:

|   | 31 December<br>2002<br>RMB'000 | Increase for<br>the period<br>RMB'000 | Write-off for<br>the period<br>RMB'000 | 30 June<br>2003<br>RMB'000 |
|---|--------------------------------|---------------------------------------|--|----------------------------|
| (1) Total provision for bad debts                 | 66,581                         | 19,225                                | (22,080)                               | <b>63,726</b>              |
| of which: Trade debtors                           | 43,339                         | 14,870                                | (1,080)                                | <b>57,129</b>              |
| Other debtors                                     | 23,242                         | 4,355                                 | (21,000)                               | <b>6,597</b>               |
| (2) Total provision for diminution in inventories | 26,672                         | 1,345                                 | (4,595)                                | <b>23,422</b>              |
| of which: Finished goods                          | 9,048                          | 1,345                                 | (4,595)                                | <b>5,798</b>               |
| Spare parts and consumables                       | 17,624                         | -                                     | -                                      | <b>17,624</b>              |
| (3) Total provision for impairment losses         |                                |                                       |  |                            |
| of long-term investments                          | 9,658                          | 6,550                                 | -                                      | <b>16,208</b>              |
| of which: Long-term equity investments            | 9,658                          | 6,550                                 | -                                      | <b>16,208</b>              |

6. Changes in the financial reporting items

(Details of reporting items with changes of 30% or more, and occupying 5% or more of total assets at the end of reporting period or 10% or more of net profits reported of the Company, together with reasons for the change)

| Item                             | For the six-month periods ended 30 June |                 | Change<br>(%) | Reasons for change   |
|----------------------------------|---|-----------------|---------------|--|
|                                  | 2003<br>RMB'000                         | 2002<br>RMB'000 |               |  |
| Income from principal operations | <b>14,139,070</b>                       | 9,523,023       | 48            | Substantial increase in sales volume, increase in selling price as compared to the same period last year   |
| Cost of sales                    | <b>12,393,952</b>                       | 8,063,143       | 54            | Substantial increase in sales volume, cost of crude oil increased as compared to the same period last year |
| Income tax                       | <b>99,512</b>                           | 46,657          | 113           | Profit before tax increased as compared to the same period last year                                       |

7. Changes in shareholders' equity

| Item                           | Share<br>capital<br>(RMB'000) | Capital<br>reserve<br>(RMB'000) | Surplus<br>reserve<br>(RMB'000) | of which:                              |   |  | Total of<br>shareholders'<br>equity<br>(RMB'000) |
|--------------------------------|-------------------------------|---------------------------------|---------------------------------|--|---|--|--|
|                                |                               |                                 |                                 | Statutory<br>welfare fund<br>(RMB'000) | public<br>Undistributed<br>profits<br>(RMB'000) |  |  |
| At the beginning of the period | 7,200,000                     | 2,856,278                       | 3,124,730                       | 840,019                                | 940,452   |  | 14,121,460                                       |
| Increase during the period     | -                             | -                               | -                               | -                                      | 471,680   |  | 471,680  |
| Decrease during the period     | -                             | -                               | -                               | -                                      | -   |  | -  |
| At the end of the period       | <b>7,200,000</b>              | <b>2,856,278</b>                | <b>3,124,730</b>                | <b>840,019</b>                         | <b>1,412,132</b>                                |  | <b>14,593,140</b>                                |