

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

for the year ended 31 December 2003
(Amounts in millions except per share data)

	Note	2003 RMB	2002 RMB
Turnover and other operating revenues			
Turnover	3	424,318	329,116
Other operating revenues	4	18,818	16,029
		443,136	345,145
Operating expenses			
Purchased crude oil, products and operating supplies and expenses		(312,488)	(237,581)
Selling, general and administrative expenses	5	(25,940)	(21,461)
Depreciation, depletion and amortisation		(26,735)	(25,286)
Exploration expenses, including dry holes		(6,133)	(4,363)
Personnel expenses	6	(16,182)	(14,417)
Employee reduction expenses	7	(1,014)	(244)
Taxes other than income tax	8	(13,491)	(11,956)
Other operating expenses, net	9	(3,886)	(1,158)
Total operating expenses		(405,869)	(316,466)
Operating profit		37,267	28,679
Finance costs			
Interest expense	10	(3,728)	(4,176)
Interest income		308	345
Foreign exchange losses		(413)	(384)
Foreign exchange gains		30	60
Net finance costs		(3,803)	(4,155)
Gain from issuance of shares by a subsidiary	11	136	—
Investment income		75	229
Share of profits less losses from associates		406	332
Profit from ordinary activities before taxation		34,081	25,085
Taxation	12	(10,545)	(7,650)
Profit from ordinary activities after taxation		23,536	17,435
Minority interests		(1,943)	(1,120)
Profit attributable to shareholders		21,593	16,315
Basic earnings per share	16	0.25	0.19
Dividends attributable to the year:			
Interim dividend declared during the year	17	2,601	1,734
Final dividend proposed after the balance sheet date		5,202	5,202
		7,803	6,936

Financial Statements (International)

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