

CONSOLIDATED INCOME STATEMENT

Year ended 31 December 2003

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

	Notes	2003	2002
REVENUE			
Oil and gas sales	7, 29	28,116,831	23,779,294
Marketing revenues	8	12,398,661	2,377,469
Other income		434,781	217,052
		40,950,273	26,373,815
EXPENSES			
Operating expenses		(4,512,809)	(3,775,334)
Production taxes		(1,238,598)	(1,023,049)
Exploration expenses		(848,072)	(1,318,323)
Depreciation, depletion and amortisation		(4,642,753)	(4,019,532)
Dismantlement	30	(167,326)	(126,139)
Crude oil and product purchases	8	(12,295,238)	(2,326,338)
Selling and administrative expenses	10	(1,212,523)	(1,006,540)
Other		(350,232)	(30,866)
		(25,267,551)	(13,626,121)
PROFIT FROM OPERATING ACTIVITIES		15,682,722	12,747,694
Interest income		183,576	147,870
Interest expenses	11	(354,940)	(294,792)
Exchange gain/(loss), net		(6,746)	(113,814)
Short term investment income		123,483	193,277
Share of profit of an associate		220,263	165,387
Non-operating income/(expense), net		314,968	(71,379)
PROFIT BEFORE TAX	9	16,163,326	12,774,243
Tax	14	(4,627,836)	(3,541,416)
NET PROFIT	15	11,535,490	9,232,827
DIVIDENDS			
– Interim	16	1,220,132	958,314
– Special interim	16	1,568,741	–
– Proposed final	16	1,050,460	1,307,408
– Proposed special final	16	1,575,691	1,307,408
		5,415,024	3,573,130
EARNINGS PER SHARE			
– Basic	17	RMB 1.40	RMB 1.12
– Diluted	17	RMB 1.40	RMB 1.12
DIVIDEND PER SHARE			
– Interim	16	RMB 0.15	RMB 0.12
– Special interim	16	RMB 0.19	N/A
– Proposed final	16	RMB 0.13	RMB 0.16
– Proposed special final	16	RMB 0.19	RMB 0.16