

FINANCIAL HIGHLIGHTS

	Year ended December 31				
	2000	2001	2002	2003	2004
	RMB (million)				
TURNOVER	245,279	241,320	244,424	303,779	388,633
OPERATING EXPENSES					
Purchases, services and other	(64,251)	(78,529)	(71,690)	(90,850)	(116,353)
Employee compensation costs	(15,129)	(14,608)	(16,248)	(19,542)	(22,309)
Exploration expenses, including exploratory dry holes	(8,680)	(7,344)	(8,095)	(10,577)	(11,723)
Depreciation, depletion and amortisation	(34,209)	(33,615)	(36,782)	(40,531)	(46,411)
Selling, general and administrative expenses	(17,621)	(21,735)	(22,474)	(23,930)	(26,377)
Employee severance costs and closure of manufacturing facilities	(6,579)	(487)	(2,121)	(2,355)	(220)
Taxes other than income taxes	(13,258)	(13,951)	(14,613)	(15,879)	(18,685)
Revaluation loss on property, plant and equipment	-	-	-	(391)	-
Other (expense) / income net	(119)	88	(60)	(538)	31
TOTAL OPERATING EXPENSES	(159,846)	(170,181)	(172,083)	(204,593)	(242,047)
PROFIT FROM OPERATIONS	85,433	71,139	72,341	99,186	146,586
FINANCE COSTS					
Exchange gain	1,406	390	133	53	50
Exchange loss	(234)	(140)	(449)	(233)	(123)
Interest income	591	809	463	677	1,107
Interest expense	(6,286)	(4,408)	(3,516)	(2,346)	(2,303)
TOTAL FINANCE COSTS	(4,523)	(3,349)	(3,369)	(1,849)	(1,269)
SHARE OF PROFIT OF ASSOCIATES	584	341	268	985	1,824
PROFIT BEFORE TAXATION	81,494	68,131	69,240	98,322	147,141
TAXATION	(27,014)	(23,066)	(22,231)	(28,072)	(42,563)
PROFIT BEFORE MINORITY INTERESTS	54,480	45,065	47,009	70,250	104,578
MINORITY INTERESTS	165	404	(99)	(636)	(1,651)
NET PROFIT	54,645	45,469	46,910	69,614	102,927
BASIC AND DILUTED EARNINGS PER SHARE (RMB) ⁽²⁾	0.32	0.26	0.27	0.40	0.59
NON-CURRENT ASSETS					
Property, plant and equipment	341,175	363,367	393,296	427,875	468,519
Long-term investments	4,948	5,530	5,680	7,410	9,433
Advance operating lease payments	3,924	5,383	6,249	7,252	12,248
Intangible and other assets	901	2,368	2,760	3,024	2,987
	350,948	376,648	407,985	445,561	493,187
CURRENT ASSETS					
Inventories	32,499	28,313	28,441	28,872	45,771
Accounts receivable	12,786	7,392	6,079	3,263	2,662
Prepaid expenses and other current assets	11,913	24,427	18,269	15,944	22,387



	Year ended December 31				
	2000	2001	2002	2003	2004
	RMB (million)				
Receivables under resale agreement	5,815	11,505	9,786	24,224	33,217
Time deposits with maturities over three months	-	3,253	2,612	2,640	1,400
Cash and cash equivalents	18,085	11,127	9,977	11,231	11,304
TOTAL CURRENT ASSETS	81,098	86,017	75,164	86,174	116,741
CURRENT LIABILITIES					
Accounts payable and accrued liabilities	39,550	53,210	57,793	64,180	70,696
Taxes payable	16,570	14,434	10,927	20,959	22,117
Short-term borrowings	41,514	25,323	20,633	28,890	27,276
	97,634	92,967	89,353	114,029	120,089
NET CURRENT LIABILITIES	(16,536)	(6,950)	(14,189)	(27,855)	(3,348)
TOTAL ASSETS LESS CURRENT LIABILITIES	334,412	369,698	393,796	417,706	489,839
FINANCED BY:					
Share capital	175,824	175,824	175,824	175,824	175,824
Retained earnings	29,279	35,607	59,004	89,577	143,624
Reserves	66,543	79,175	81,848	91,212	105,764
Shareholders' equity	271,646	290,606	316,676	356,613	425,212
Minority interests	4,989	5,136	4,854	5,608	9,391
NON-CURRENT LIABILITIES					
Long-term borrowings	53,412	65,546	60,655	41,959	38,458
Other long-term obligations	1,196	1,380	1,684	2,000	2,438
Deferred taxation	3,169	7,030	9,927	11,526	14,340
	57,777	73,956	72,266	55,485	55,236
	334,412	369,698	393,796	417,706	489,839
Other Financial Data					
Capital expenditure	(59,311)	(59,964)	(72,766)	(82,929)	(95,349)
Net cash generated by operating activities	102,490	82,854	97,290	137,236	137,299
Net cash used for investing activities	(59,307)	(59,906)	(70,611)	(96,213)	(98,533)
Net cash provided by (used for) financing activities	(43,188)	(29,906)	(27,829)	(39,769)	(38,693)
Fixed assets, net of accumulated depreciation	341,175	363,367	393,296	427,875	468,519
Total assets	432,046	462,665	483,149	531,735	609,928
Owner's equity	271,646	290,606	316,676	356,613	425,212

Notes:

- (1) The Company acquired from CNPC the assets, liabilities and interests related to CNPC's refined products sales enterprises in 2002, and has accounted for the acquisition in a manner similar to a uniting of interests.
- (2) 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 accounting year. Basic and diluted earnings per share for the years ended December 31 of 2001, 2002, 2003 and 2004 have been computed by dividing net profits by the number of 175.82 billion shares issued and outstanding for such accounting years.