

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

for the year ended 31 December 2005
(Amounts in millions, except per share data)

	Note	2005 RMB	2004 RMB
Turnover and other operating revenues			
Turnover	3	799,115	597,197
Other operating revenues	4	24,002	22,586
		823,117	619,783
Other income			
	5	9,415	—
Operating expenses			
Purchased crude oil, products and operating supplies and expenses		(653,056)	(443,590)
Selling, general and administrative expenses	6	(33,709)	(31,843)
Depreciation, depletion and amortisation		(31,413)	(32,342)
Exploration expenses, including dry holes		(6,411)	(6,396)
Personnel expenses	7	(18,483)	(18,634)
Employee reduction expenses	8	(369)	(919)
Taxes other than income tax	9	(17,152)	(16,324)
Other operating expenses, net	10	(5,125)	(6,666)
Total operating expenses		(765,718)	(556,714)
Operating profit			
		66,814	63,069
Finance costs			
Interest expense	11	(5,920)	(4,583)
Interest income		382	374
Foreign exchange losses		(79)	(223)
Foreign exchange gains		996	61
Net finance costs		(4,621)	(4,371)
Investment income		178	111
Share of profits less losses from associates		857	797
Profit before taxation			
		63,228	59,606
Taxation	12	(19,388)	(17,815)
Profit for the year			
		43,840	41,791
Attributable to:			
Equity shareholders of the Company		40,920	36,019
Minority interests		2,920	5,772
Profit for the year			
		43,840	41,791
Dividends payable to equity shareholders of the Company attributable to the year:			
Interim dividend declared during the year		3,468	3,468
Final dividend proposed after the balance sheet date		7,803	6,936
		11,271	10,404
Basic earnings per share			
	17	0.47	0.42

The notes on pages 130 to 163 form part of these financial statements.