

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

for the year ended 31 December 2006  
(Amounts in millions, except per share data)

	Note	2006 RMB	2005 RMB
<b>Turnover and other operating revenues</b>			
Turnover	3	1,044,652	799,259
Other operating revenues	4	26,750	24,013
		<b>1,071,402</b>	<b>823,272</b>
<b>Other income</b>			
	5	<b>5,000</b>	<b>9,415</b>
<b>Operating expenses</b>			
Purchased crude oil, products and operating supplies and expenses		(861,437)	(651,201)
Selling, general and administrative expenses	6	(37,758)	(33,880)
Depreciation, depletion and amortisation		(34,235)	(31,618)
Exploration expenses, including dry holes		(7,983)	(6,411)
Personnel expenses	7	(19,857)	(18,649)
Employee reduction expenses	8	(236)	(369)
Taxes other than income tax	9	(28,639)	(17,185)
Other operating expenses, net	10	(2,437)	(5,128)
<b>Total operating expenses</b>		<b>(992,582)</b>	<b>(764,441)</b>
<b>Operating profit</b>			
		<b>83,820</b>	<b>68,246</b>
<b>Finance costs</b>			
Interest expense	11	(7,437)	(5,926)
Interest income		555	384
Foreign exchange losses		(153)	(79)
Foreign exchange gains		935	996
<b>Net finance costs</b>		<b>(6,100)</b>	<b>(4,625)</b>
Investment income		256	178
Share of profits less losses from associates		947	857
<b>Profit before taxation</b>			
		<b>78,923</b>	<b>64,656</b>
Taxation	12	(23,515)	(19,880)
<b>Profit for the year</b>			
		<b>55,408</b>	<b>44,776</b>
<b>Attributable to:</b>			
Equity shareholders of the Company		53,912	41,455
Minority interests		1,496	3,321
<b>Profit for the year</b>			
		<b>55,408</b>	<b>44,776</b>
<b>Dividends payable to equity shareholders of the Company attributable to the year:</b>			
Interim dividend declared during the year		3,468	3,468
Final dividend proposed after the balance sheet date		9,537	7,803
		<b>13,005</b>	<b>11,271</b>
<b>Basic and diluted earnings per share</b>			
	17	<b>0.62</b>	<b>0.48</b>

Financial Statements (International)

The notes on pages 123 to 160 form part of these financial statements.