

**1. PRINCIPAL FINANCIAL DATA AND INDICATORS OF THE COMPANY FOR THE FIRST HALF OF 2002 PREPARED UNDER THE PRC ACCOUNTING RULES AND REGULATIONS**

	Six-month period ended 30 June 2002 RMB millions	Six-month period ended 30 June 2001 RMB millions
Net profit	4,504	8,511
Net profit before non-operating income/expenses*	4,639	9,615
Return on net assets (%) (Fully diluted)	3.18	6.61
Earnings per share (RMB Yuan) (Fully diluted)	0.052	0.101
Net cash flows from operating activities per share (RMB Yuan)	0.250	0.099
Return on net assets before non-operating income/expenses (%) (Weighted average)	3.28	7.72

	At 30 June 2002 RMB millions	At 31 December 2001 RMB millions
Shareholders' funds (excluding minority interests)	141,809	139,039
Net assets value per share (RMB Yuan) (Fully diluted)	1.636	1.604
Adjusted net assets value per share (RMB Yuan)	1.614	1.584

\* Net profit before non-operating income/expenses reflects net profit for the reporting period of RMB4.504 billion adjusted for non-operating income of RMB144 million and non-operating expenses of RMB345 million, and an adjustment of RMB66 million of taxation as a result of the above adjustments.

**2. PRINCIPAL FINANCIAL DATA AND INDICATORS OF THE COMPANY FOR THE FIRST HALF OF 2002 PREPARED UNDER INTERNATIONAL FINANCIAL REPORTING STANDARDS**

	Six-month period ended 30 June 2002 RMB millions	Six-month period ended 30 June 2001 RMB millions
Operating profit	10,707	16,458
Net profit	5,433	9,975
Return on capital employed (%)	2.85	4.48
Earnings per share (RMB Yuan)	0.063	0.119
Net cash flows from operating activities per share (RMB Yuan)	0.213	0.078

	At 30 June 2002 RMB millions	At 31 December 2001 RMB millions
Shareholders' funds (excluding minority interests)	145,572	147,669
Net assets value per share (RMB Yuan)	1.679	1.703
Adjusted net assets value per share (RMB Yuan)	1.657	1.683
Debt/Equity ratio* (%)	32.62	31.21

\* Debt/Equity ratio = Long-term loans/(Shareholders' funds + Long-term loans) x 100%

### 3. DIFFERENCES BETWEEN NET INCOME AND SHAREHOLDERS' FUNDS PREPARED UNDER THE PRC ACCOUNTING RULES AND REGULATIONS AND INTERNATIONAL FINANCIAL REPORTING STANDARDS

1. Analysis of the effects of the major differences between the PRC Accounting Rules and Regulations and IFRS on net income:

	Six-month period ended 30 June 2002 RMB millions	Six-month period ended 30 June 2001 RMB millions
Net income under the PRC Accounting Rules and Regulations	4,504	8,511
Adjustments:		
Depreciation of oil and gas properties	1,211	1,855
Capitalisation of general borrowing costs	72	235
Acquisition of Sinopec National Star	58	58
Revaluation of land use rights	8	—
Effects of the above adjustments on taxation	(420)	(684)
Net income under IFRS	5,433	9,975

2. Analysis of the effects of the major differences between the PRC Accounting Rules and Regulations and IFRS on shareholders' funds:

	At 30 June 2002 RMB millions	At 31 December 2001 RMB millions
Shareholders' funds under the PRC Accounting Rules and Regulations	141,809	139,039
Adjustments:		
Depreciation of oil and gas properties	8,012	6,801
Capitalisation of general borrowing costs	470	398
Acquisition of Sinopec National Star	(2,988)	(3,046)
Revaluation of land use rights	(832)	—
Reversal of impairment losses on long-lived assets	(113)	(113)
Dividends	1,734	6,936
Effects of the above adjustments on taxation	(2,520)	(2,346)
Shareholders' funds under IFRS	145,572	147,669