

CONSOLIDATED INCOME STATEMENT AND PROFIT APPROPRIATION STATEMENT

for the six-month period ended 30 June 2002

	Note	Six-month periods ended 30 June	
		2002 RMB millions	2001 RMB millions (unaudited)
Income from principal operations	32	140,628	160,314
Less: Cost of sales		109,372	124,248
Sales taxes and surcharges	33	5,776	5,926
Profit from principal operations		25,480	30,140
Add: Profit from other operations		498	606
Less: Selling expenses		6,468	5,816
Administrative expenses		8,017	6,889
Financial expenses	34	2,452	2,297
Exploration expenses, including dry holes	35	1,909	1,879
Operating profit		7,132	13,865
Add: Investment income	36	186	303
Non-operating income		144	111
Less: Non-operating expenses	37	345	1,759
Profit before taxation		7,117	12,520
Less: Taxation	38	2,174	3,411
Minority interests		439	598
Net profit		4,504	8,511
Add: Undistributed profits at the beginning of the period as previously reported		10,006	6,212
Less: Write-off of debit balance of Housing Revolving Fund, net of the amount attributable to minority interests		—	484
Undistributed profits at the beginning of the period (as restated)		10,006	5,728
Distributable profits		14,510	14,239
Less: Transfer to statutory surplus reserve	31	450	—
Transfer to statutory public welfare fund	31	450	—
Distributable profits to shareholders		13,610	14,239
Less: Dividends	39	1,734	—
Undistributed profits		11,876	14,239

The notes to the financial statements form part of these interim financial statements.