

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	98,334	117,036
Less: Cost of sales		81,870	100,805
Sales taxes and surcharges	33	3,550	3,751
Profit from principal operations		12,914	12,480
Add: Profit from other operations		18	371
Less: Selling expenses		4,463	4,028
Administrative expenses		4,800	3,577
Financial expenses	34	1,597	1,356
Exploration expenses, including dry holes	35	1,244	989
Operating profit		828	2,901
Add: Investment income	36	5,922	9,919
Non-operating income		72	40
Less: Non-operating expenses	37	249	1,015
Profit before taxation		6,573	11,845
Less: Taxation	38	2,069	3,334
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.