

CONSOLIDATED INCOME STATEMENT AND PROFIT APPROPRIATION STATEMENT

for the year ended 31 December 2002

	Note	2002 RMB millions	2001 RMB millions
Income from principal operations	31	324,184	304,347
Less: Cost of sales		251,182	236,135
Sales taxes and surcharges	32	11,852	11,863
Profit from principal operations		61,150	56,349
Add: Profit from other operations		889	1,535
Less: Selling expenses		13,279	12,300
Administrative expenses		17,253	14,369
Financial expenses	33	4,327	3,596
Exploration expenses, including dry holes	34	4,363	3,775
Operating profit		22,817	23,844
Add: Investment income	35	505	546
Non-operating income		333	769
Less: Non-operating expenses	36	1,643	3,508
Profit before taxation		22,012	21,651
Less: Taxation	37	6,809	7,092
Minority interests		1,082	541
Net profit		14,121	14,018
Add: Undistributed profits at the beginning of the year		10,006	5,728
Distributable profits		24,127	19,746
Less: Transfer to statutory surplus reserve	30	1,412	1,402
Transfer to statutory public welfare fund	30	1,412	1,402
Transfer to discretionary surplus reserve	30	7,000	—
Distributable profits to shareholders		14,303	16,942
Less: Interim dividend	38	1,734	—
Final dividend	38	5,202	6,936
Undistributed profits		7,367	10,006

The notes on pages 89 to 112 form part of these financial statements.