

# CONSOLIDATED INCOME STATEMENT

Year ended 31 December 2004

(All amounts expressed in thousands of Renminbi, except per share data)

	Notes	2004	2003
<b>REVENUE</b>			
Oil and gas sales	7, 29	36,886,019	28,116,831
Marketing revenues	8	18,191,353	12,398,661
Other income		144,691	434,781
		<b>55,222,063</b>	<b>40,950,273</b>
<b>EXPENSES</b>			
Operating expenses		(5,070,344)	(4,512,809)
Production taxes		(1,725,674)	(1,238,598)
Exploration expenses		(1,316,160)	(848,072)
Depreciation, depletion and amortisation		(5,455,062)	(4,642,753)
Dismantlement	30	(201,637)	(167,326)
Crude oil and product purchases	8	(17,963,461)	(12,295,238)
Selling and administrative expenses	10	(1,057,706)	(1,212,523)
Others		(45,844)	(350,232)
		<b>(32,835,888)</b>	<b>(25,267,551)</b>
<b>PROFIT FROM OPERATING ACTIVITIES</b>			
		<b>22,386,175</b>	<b>15,682,722</b>
Interest income		206,872	183,576
Interest expenses	11	(441,825)	(354,940)
Exchange gains/(losses), net		29,269	(6,746)
Short term investment income		72,438	123,483
Share of profits of associates		344,469	220,263
Non-operating income/(expenses), net		519,206	314,968
<b>PROFIT BEFORE TAX</b>			
	9	<b>23,116,604</b>	<b>16,163,326</b>
Tax	14	(6,930,826)	(4,627,836)
<b>NET PROFIT</b>			
	15	<b>16,185,778</b>	<b>11,535,490</b>
<b>DIVIDENDS</b>			
– Special interim dividend declared in place of 2003 final dividend *	16	2,617,526	—
– Interim	16	1,306,451	1,220,132
– Special interim	16	2,177,418	1,568,741
– Proposed final *	16	1,310,022	—
– Proposed special final *	16	2,183,371	—
		<b>9,594,788</b>	<b>2,788,873</b>
<b>EARNINGS PER SHARE</b>			
Basic	17	<b>RMB 0.39</b>	RMB 0.28
Diluted	17	<b>RMB 0.39</b>	RMB 0.28
<b>DIVIDEND PER SHARE</b>			
– Special interim dividend declared in place of 2003 final dividend*	16	<b>RMB 0.06</b>	—
– Interim	16	<b>RMB 0.03</b>	RMB 0.03
– Special interim	16	<b>RMB 0.05</b>	RMB 0.04
– Proposed final*	16	<b>RMB 0.03</b>	—
– Proposed special final*	16	<b>RMB 0.05</b>	—

\* The proposed final dividend and special final dividend for 2003 were cancelled and replaced by the special interim dividend declared in 2004.