

## PRINCIPAL FINANCIAL DATA AND INDICATORS

### 1. FINANCIAL DATA AND OPERATING DATA PREPARED IN ACCORDANCE WITH THE PRC ACCOUNTING RULES AND REGULATIONS

#### (1) Summary of principal financial data and operating data for the year 2001

Profit before taxation and minority interests:	RMB21,651 million
Net profit:	RMB14,018 million
Net profit before non-operating profits/losses:	RMB15,853 million
Profit from principal operations:	RMB56,349 million
Profit from other operations:	RMB1,535 million
Operating profit:	RMB23,844 million
Investment income:	RMB546 million
Subsidy income:	Nil
Net non-operating income/expenses:	RMB-2,739 million
Net cash flow from operating activities:	RMB59,692 million
Net increase in cash and cash equivalents:	RMB1,719 million

Net profit before the non-operating profits/losses reflects net profit of RMB14,018 million adjusted for non-operating income of RMB769 million and non-operating expenses of RMB3,508 million, and an adjustment of RMB904 million of reduction in taxation for the above items.

#### (2) Principal financial data and indicators

	(Note)	For the year ended 31 December		
		2001 RMB millions	2000 RMB millions	1999 RMB millions
Income from principal operations		304,347	322,932	231,047
Net profit		14,018	16,154	5,665
Earnings per share (RMB)				
Fully diluted	(i)	0.162	0.193	0.082
Weighted average	(ii)	0.165	0.227	0.082
Fully diluted return on net assets (%)	(iii)	10.08	13.37	6.47
Net cash-flow from operating activities per share (RMB)		0.688	0.411	

		At 31 December		
		2001 RMB millions	2000 RMB millions	1999 RMB millions
Total assets		360,294	340,918	276,174
Shareholders' funds				
(excluding minority interests)		139,039	120,793	87,604
Net assets per share (RMB)		1.604	1.440	1.273
Adjusted net assets per share (RMB)		1.584	1.420	

Notes:

- (i) Fully diluted earnings per share = net profit for the year / total number of shares in issue at the end of the year
- (ii) Weighted average earnings per share = net profit for the year / (number of shares at the beginning of year + number of shares increased due to the transfer from reserves to capital or share dividend dispatched + (increase in number of shares during the year due to issuance of new shares or the capitalization of debt x number of months from the month

- following the increase of shares to the end of the year / number of months in the year) – (number of shares decreased due to share repurchases or reduction in share capital x number of months from the month following the decrease of shares to the end of year / number of months for the year))
- (iii) Fully diluted return on net assets basis = (net profit for the year / shareholders' equity at the end of the year) x 100%

### (3) Appendix to income statement

	For the year ended 31 December 2001		For the year ended 31 December 2000	
	Return on net assets		Return on net assets	
	Fully diluted	Weighted average	Fully diluted	Weighted average
Profit from principal operations	40.53%	42.63%	50.99%	62.12%
Operating profit	17.15%	18.04%	21.64%	26.37%
Net profit	10.08%	10.61%	13.37%	16.29%
Net profit before non-operating profits/losses	11.40%	11.99%	13.62%	16.59%

	For the year ended 31 December 2001		For the year ended 31 December 2000	
	Earnings per share		Earnings per share	
	Fully diluted RMB	Weighted average RMB	Fully diluted RMB	Weighted average RMB
Profit from principal operations	0.650	0.662	0.734	0.864
Operating profit	0.275	0.280	0.312	0.367
Net profit	0.162	0.165	0.193	0.227
Net profit before non-operating profits/losses	0.183	0.186	0.196	0.231

**(4) Changes of the shareholders' funds and the reasons for changes for the year**

Unit: RMB million

Items	Share capital	Capital reserve	Statutory			Total shareholders' funds
			surplus reserve	public welfare fund	Undistributed profits	
Beginning of the year	83,902	27,449	1,615	1,615	6,212	120,793
Increase in the year	2,800	9,016	1,402	1,402	14,018	28,638
Decrease in the year		168			10,224	10,392
End of the year	86,702	36,297	3,017	3,017	10,006	139,039

Pursuant to the distribution policy approved by the shareholders' general meeting of 2001 which was submitted by the first term of Board of Directors at the 19th meeting, the reasons for changes are as follows:

- a. Share capital at the end of 2001 increased by 2.8 billion to 86.702 billion compared with the beginning of the year, which was mainly due to the listing of Sinopec Corp. in the PRC in 2001 and the issue of 2.8 billion publicly listed domestic shares ("A" shares);
- b. Capital reserve at the end of 2001 increased by RMB 8.848 billion to RMB 36.297 billion compared with the beginning of the year, which was mainly due to the share capital premium of RMB 9.016 billion for issuing A shares less the issue expenses of RMB 168 million;
- c. Statutory surplus reserve at the end of 2001 increased by RMB 1.402 billion to RMB 3.017 billion compared with the beginning of the year, which was mainly due to the fact that the Company transferred 10% of the net profit for 2001 (RMB 14.018 billion) prepared in accordance with the PRC Accounting Rules and Regulations to the statutory surplus reserve;
- d. Statutory public welfare fund at the end of 2001 increased by RMB 1.402 billion to RMB 3.017 billion compared with the the beginning of year, which was mainly due to the fact that the Company transferred 10% of the net profit for 2001 (RMB 14.018 billion) prepared in accordance with the PRC Accounting Rules and Regulations to statutory public welfare fund;
- e. Undistributed profits at the end of 2001 increased by RMB 3.794 billion to RMB 10.006 billion, which was mainly due to the fact that the Company had realized a net profit of RMB 14.018 billion, of which RMB 2.804 billion was used for the appropriation of statutory surplus reserve and statutory public welfare fund and RMB 6.936 billion was declared as final dividend for 2001, and the offsetting of a debt balance of RMB484 million in respect of housing revolving fund.
- f. Total shareholders' funds at the end of 2001 increased by RMB 18.246 billion to RMB 139.039 billion, compared with the beginning of the year.

## 2. FINANCIAL INFORMATION PREPARED IN ACCORDANCE WITH THE INTERNATIONAL ACCOUNTING STANDARDS

	For the year ended 31 December		
	2001	2000	1999
	RMB millions	RMB millions	RMB millions
<b>Turnover and other operating revenues</b>	<b>318,471</b>	<b>331,576</b>	<b>241,671</b>
Operating expenses			
Purchased crude oil, products and operating supplies and expenses	(220,313)	(226,533)	(161,168)
Selling, general and administrative expenses	(17,138)	(19,519)	(18,558)
Depreciation, depletion and amortization	(22,430)	(20,781)	(18,431)
Exploration expenses (including dry holes)	(3,775)	(3,030)	(2,309)
Personnel expenses	(12,889)	(13,264)	(12,696)
Employee reduction expenses	(2,546)	—	—
Taxes other than income tax	(11,887)	(12,220)	(9,536)
Other operating expenses, net	(193)	(718)	(3,261)
<b>Total operating expenses</b>	<b>(291,171)</b>	<b>(296,065)</b>	<b>(225,959)</b>
<b>Operating profit</b>	<b>27,300</b>	<b>35,511</b>	<b>15,712</b>
Net finance costs	(3,152)	(4,936)	(10,282)
Gains from issuance of shares by subsidiaries	—	—	607
Investment income	199	191	596
Share of profits less losses from associates and jointly controlled entities	320	270	218
<b>Profit from ordinary activities before tax</b>	<b>24,667</b>	<b>31,036</b>	<b>6,851</b>
Taxation	(8,029)	(9,638)	(351)
<b>Profit from ordinary activities after tax</b>	<b>16,638</b>	<b>21,398</b>	<b>6,500</b>
Minority interests	(613)	(1,814)	(1,577)
<b>Profit attributable to shareholders</b>	<b>16,025</b>	<b>19,584</b>	<b>4,923</b>
<b>Basic earnings per share (RMB) (Note (i))</b>	<b>0.19</b>	<b>0.27</b>	<b>0.07</b>
<b>Earnings per share (Based on total number of shares in issue at the year end) (RMB)</b>	<b>0.18</b>	<b>0.23</b>	<b>0.07</b>

  

	For the year ended 31 December		
	2001	2000	1999
<b>Return on capital employed (%)</b>	<b>6.96</b>	<b>9.99</b>	<b>7.03</b>

Notes:

- (i) The amount of diluted earnings per share is not presented as there were no dilutive potential ordinary shares in existence for the three years.