

INCOME STATEMENT AND PROFIT APPROPRIATION STATEMENT

for the year ended 31 December 2001

	Note	2001 RMB millions	2000 RMB millions
Income from principal operations	32	218,675	222,337
Less: Cost of sales		186,674	190,184
Sales taxes and surcharges	33	7,488	7,656
Profit from principal operations		24,513	24,497
Add: Profit from other operations		951	675
Less: Selling expenses		8,635	7,940
Administrative expenses		8,933	11,651
Financial expenses	34	1,859	2,990
Exploration expenses, including dry holes	35	2,375	1,568
Operating profit		3,662	1,023
Add: Investment income	36	19,329	23,431
Non-operating income		265	137
Less: Non-operating expenses	37	2,353	751
Profit before taxation		20,903	23,840
Less: Taxation	38	6,885	7,686
Net profit		14,018	16,154
Add: Undistributed profits at the beginning of the year as previously reported		6,212	—
Less: Write-off debit balance of Housing Revolving Fund, net of amount attributable to minority interests		484	—
Undistributed profits at the beginning of the year (as restated)		5,728	—
Distributable profits		19,746	16,154
Less: Transfer to statutory surplus reserve	31	1,402	1,615
Transfer to statutory public welfare fund	31	1,402	1,615
Distributable profits to shareholders		16,942	12,924
Less: Dividends	39	6,936	6,712
Undistributed profits		10,006	6,212

The notes on the financial statements form part of these financial statements.