

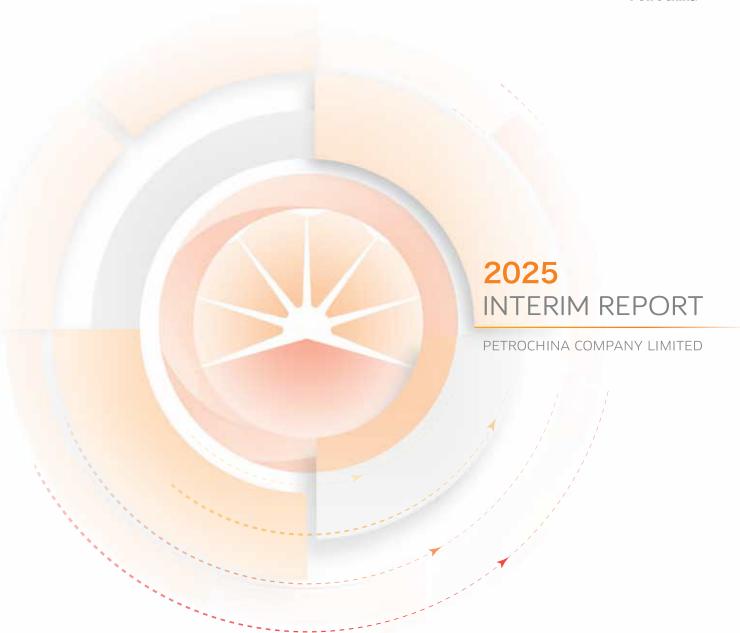
2025 INTERIM REPORT

PETROCHINA COMPANY LIMITED













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MANAGEMENT

IMPORTANT NOTICE 50

The board of directors (the "Board" or "Board of Directors"), supervisory committee (the "Supervisory Committee") and all directors ("Directors"), supervisors ("Supervisors") and senior management of PetroChina Company Limited (the "Company") warrant the truthfulness, accuracy and completeness of the information contained in this interim report and that there are no misrepresentation or misleading statements contained in, or material omissions from this interim report, and severally and jointly accept legal responsibility hereof. No substantial shareholder of the Company has utilized any funds from the Company for non-operating purpose. This interim report has been approved at the 11th meeting of the 9th session of the Audit Committee of the Board of Directors of the Company and the 14th meeting of the 9th session of the Board of Directors of the Company. Save for the executive Director, Mr. Ren Lixin, and the non-executive Director, Mr. Xie Jun, who were absent due to work arrangement, other members of the Board have attended the 14th meeting of the 9th session of the Board of Directors of the Company. Among which, Mr. Ren Lixin has authorized Mr. Huang Yongzhang in writing to attend this meeting by proxy and exercise the voting rights on his behalf. Mr. Xie Jun has authorized Mr. Zhang Daowei in writing to attend this meeting by proxy and exercise the voting rights on his behalf. Mr. Dai Houliang, Chairman of the Board, Mr. Huang Yongzhang, Director and President of the Company, and Mr. Wang Hua, Chief Financial Officer of the Company, warrant the truthfulness, accuracy and completeness of the financial statements included in this interim report.

The financial statements of the Company and its subsidiaries (the "Group") have been prepared in accordance with China Accounting Standards ("CAS") and IFRS Accounting Standards, respectively. The financial statements in this interim report are unaudited.

In overall consideration of situations such as the operating results, financial position and cash flows of the Company and to provide returns to the shareholders, the Board has resolved to declare an interim dividend of RMB0.22 (inclusive of applicable tax) per share for 2025 on the basis of a total of 183,020,977,818 shares of the Company as of June 30, 2025. The total amount of the interim dividends payable is approximately RMB40,265 million.

This interim report contains certain forward-looking statements with respect to the financial position, operational results and business of the Group. These forward-looking statements are, by their nature, subject to significant risks and uncertainties because they relate to events and depend on circumstances that may occur in the future and are beyond our control. The forward-looking statements reflect the Group's current views with respect to future events and are not a guarantee of future performance. Actual results may differ from information contained in the forward-looking statements.



CORPORATE PROFILE

The Company was established as a joint stock company with limited liability under the Company Law of the People's Republic of China (the "PRC" or "China") (the "Company Law") on November 5, 1999 as part of the restructuring of China National Petroleum Corporation (its Chinese name having been changed from 中國石油天然氣集團公司 to 中國石油天然氣集團有限公司, abbreviated as "CNPC" before and after the change of name).

The Group is the largest oil and gas producer and seller occupying a leading position in the oil and gas industry in the PRC and one of the largest companies in the PRC in terms of revenue and one of the largest oil companies in the world. The Group principally engages in, among other things, the exploration, development, production, transportation and marketing of crude oil and natural gas, and new energy business; the refining of crude oil and petroleum products; the production and marketing of primary petrochemical products, derivative petrochemical products and other chemical products, and new materials business; the marketing of refined products and non-oil products and trading business; and the transportation and sale of natural gas business.

H shares and A shares of the Company were listed on The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange") and Shanghai Stock Exchange on April 7, 2000 and November 5, 2007, respectively.

Registered Chinese Name of the Company: 中國石油天然氣股份有限公司

English Name of the Company: PetroChina Company Limited Legal Representative of the Company: Dai Houliang

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Company's Email Address: ir@petrochina.com.cn

Newspapers for Information Disclosure:

A shares: China Securities Journal, Shanghai Securities News, Securities Times and Securities Daily

Website publishing this interim report designated by the China Securities Regulatory Commission:

Copies of this interim report are available at:

https://www.sse.com.cn

No. 9 Dongzhimen North Street, Dongcheng

District, Beijing, PRC

Places of Listing:

Shanghai Stock Exchange A Shares:

Stock Name: PetroChina Stock Code: 601857

Hong Kong Stock Exchange H shares:

Stock Name: PETROCHINA

Stock Code: 857



SUMMARY OF FINANCIAL DATA AND FINANCIAL INDICATORS 50

1. Key Financial Data Prepared under IFRS Accounting Standards

				Unit: RMB million
Items	For the reporting period	For the same period of the preceding year (after retrospective adjustments) ^(a)	For the same period of the preceding year (before retrospective adjustments)	Changes over the same period of the preceding year (%)
Revenue	1,450,099	1,554,973	1,553,869	(6.7)
Profit for the period attributable to owners of the Company	84,007	88,806	88,611	(5.4)
Net cash flows from operating activities	227,063	218,419	217,329	4.0
Basic earnings per share (RMB Yuan)	0.46	0.49	0.48	(5.4)
Diluted earnings per share (RMB Yuan)	0.46	0.49	0.48	(5.4)
Return on net assets (%)	5.4	5.9	5.9 (0.5) percentage point

	A		Changes from the end of the preceding
Items	the reporting period	As of the end of the preceding year	year to the end of the reporting period (%)
Total assets	2,849,390	2,752,751	3.5
Total equity attributable to owners of the Company	1,555,667	1,515,132	2.7



2. Key Financial Data Prepared under CAS

- 1	Land St.		211	
l	Jnit:	RMB	mill	ion

Items	For the reporting period	For the same period of the preceding year (after retrospective adjustments)(a)	For the same period of the preceding year (before retrospective adjustments)	•
Operating income	1,450,099	1,554,973	1,553,869	(6.7)
Net profit attributable to shareholders of the Company	83,993	88,802	88,607	(5.4)
Net profit after deducting non-recurring profit/loss items attributable to shareholders of the Company	84,116	91,788	91,590	(8.4)
Net cash flows from operating activities	227,063	218,419	217,329	4.0
Basic earnings per share (RMB Yuan)	0.46	0.49	0.48	(5.4)
Diluted earnings per share (RMB Yuan)	0.46	0.49	0.48	(5.4)
Weighted average returns on net assets (%)	5.4	5.9	6.0	(0.5) percentage point
Items	,	As of the end of the reporting period	the preceding	Changes from the end of the preceding year to the end of the reporting period (%)
Total assets		2,849,632	2,753,007	3.5
Equity attributable to shareholders of the Co	mpany	1,555,893	1,515,371	2.7

(a) In 2024, Daqing Oilfield Company Limited ("Daqing Oilfield"), a wholly-owned subsidiary of the Company, acquired 100% interest in China Petroleum Electric Energy Co., Ltd. ("CNPC Electric Energy") from Daqing Petroleum Administration Bureau Co., Ltd.. The financial statements of CNPC Electric Energy have been consolidated into the financial statements of the Group since October 29, 2024. The Group has made retrospective adjustments in relation to relevant financial data of the comparative periods when preparing consolidated financial statements according to the accounting treatment requirement for business combinations involving entities under common control. Relevant financial data of the comparative periods in the following parts of this announcement refers to the data after retrospective adjustments.



3. Non-recurring Profit/Loss Items

Unit: RMB million

Non-recurring Profit/Loss Items	For the six months ended June 30, 2025
Gains on disposal of non-current assets	727
Government grants recognised in the income statement	773
Losses arising from financial assets and financial liabilities not relating to the ordinary course of activities	(246)
Other non-operating income and expenses	(1,550)
Other items of profit or loss conforming to the definition of non-recurring profit/loss items	193
Sub-total	(103)
Tax impact	14
Impact of non-controlling interests	(34)
Total	(123)

4. Differences between CAS and IFRS Accounting Standards

The consolidated net profit of the Group under IFRS Accounting Standards and CAS were RMB93,680 million and RMB93,666 million, respectively, with a difference of RMB14 million. The consolidated shareholders' equity under IFRS Accounting Standards and CAS were RMB1,752,916 million and RMB1,753,142 million, respectively, with a difference of RMB226 million. These differences under the different accounting standards were primarily due to the revaluation for assets other than fixed assets and oil and gas properties revalued in 1999.

During the restructuring of the Company in 1999, a valuation was carried out in 1999 for assets and liabilities injected by CNPC. Valuation results on assets other than fixed assets and oil and gas properties were not recognised in the financial statements prepared under IFRS Accounting Standards.



CHANGES IN SHAREHOLDINGS AND INFORMATION ON SHAREHOLDERS

1. Changes in Shareholdings

During the reporting period, there was no matter concerning preference shares and no change in the total number or structure of shares of the Company arising from bonus issues or rights issue or otherwise.

2. Shareholdings of Substantial Shareholders

The total number of shareholders of the Company as of June 30, 2025 was 482,353, including 477,228 holders of A shares and 5,125 registered holders of H shares.

(1) Shareholdings of the top ten shareholders

Unit: Share

Name of shareholders	Nature of shareholders	Number of shares held		-	of shares with selling	Number of shares pledged, marked or subject to lock- ups
CNPC	State-owned legal person	150,923,565,570 ^(a)	82.46	0	0	0
HKSCC Nominees Limited ^(b)	Overseas legal person	20,920,040,091 ^(c)	11.43	+875,483	0	0
China Petrochemical Corporation ("Sinopec Group")	State-owned legal person	1,830,210,000	1.00	0	0	0
China Securities Finance Corporation Limited	State-owned legal person	1,020,165,128	0.56	0	0	0
Hong Kong Securities Clearing Company Limited ^(d)	Overseas legal person	856,396,772	0.47	-35,042,453	0	0
ICBC – SSE 50 Exchange Traded Openended Securities Investment Fund	State-owned legal person	222,334,797	0.12	+9,387,834	0	0
Guofeng Xinghua (Beijing) Private Fund Management Co., Ltd. – Guofeng Xinghua Honghu Zhiyuan Private Securities Investment Fund II	Others	217,213,578	0.12	-	0	0
Industrial and Commercial Bank of China Limited – Huatai-Pinebridge CSI 300 Exchange Traded Open- ended Index Securities Investment Fund	Others	202,412,946	0.11	+6,753,498	0	0
Central Huijin Asset Management Ltd.	State-owned legal person	201,695,000	0.11	0	0	0
Bank of Communication Co., Ltd. – E Fund SSE 50 Index Enhanced Securities Investment Fund	Others	168,423,661	0.09	-16,099,940	0	0

- (a) Such figure excludes the H shares indirectly held by CNPC through Fairy King Investments Ltd., an overseas wholly-owned subsidiary of CNPC.
- (b) HKSCC Nominees Limited is a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited and acts as the nominee on behalf of other corporate or individual shareholders to hold the H shares of the Company.
- (c) 291,518,000 H shares were indirectly held by CNPC through Fairy King Investments Ltd., an overseas wholly-owned subsidiary of CNPC, representing 0.16% of the total share capital of the Company. These shares were held in the name of HKSCC Nominees Limited.
- (d) Hong Kong Securities Clearing Company Limited is a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited and acts as the nominee on behalf of investors of Hong Kong Stock Exchange to hold the A shares of the Company listed on Shanghai Stock Exchange.

(2) Shareholdings of the top ten shareholders of shares without selling restrictions

Unit: Share

Ranking	Name of shareholders	Number of shares held	Type of shares
1	CNPC	150,923,565,570 ^(a)	A shares
2	HKSCC Nominees Limited	20,920,040,091	H shares
3	Sinopec Group	1,830,210,000	A shares
4	China Securities Finance Corporation Limited	1,020,165,128	A shares
5	Hong Kong Securities Clearing Company Limited	856,396,772	A shares
6	ICBC – SSE 50 Exchange Traded Open-ended Securities Investment Fund	222,334,797	A shares
7	Guofeng Xinghua (Beijing) Private Fund Management Co., Ltd. — Guofeng Xinghua Honghu Zhiyuan Private Securities Investment Fund II	217,213,578	A shares
8	Industrial and Commercial Bank of China Limited - Huatai-Pinebridge CSI 300 Exchange Traded Open-ended Index Securities Investment Fund	202,412,946	A shares
9	Central Huijin Asset Management Ltd.	201,695,000	A shares
10	Bank of Communication Co., Ltd. – E Fund SSE 50 Index Enhanced Securities Investment Fund	168,423,661	A shares

(a) Such figure excludes the H shares indirectly held by CNPC through Fairy King Investments Ltd., an overseas wholly-owned subsidiary of CNPC, which H shares were held in the name of HKSCC Nominees Limited.

Description on the special repurchase accounts under the above-mentioned shareholders: there is no special repurchase account among the above-mentioned shareholders.

Description on the voting rights entrusted by or to, or waived by the above-mentioned shareholders: the Company is not aware of any voting rights entrusted by or to, or waived by the above-mentioned shareholders.

Description on related parties or parties acting in concert among the above-mentioned shareholders: except for the fact that HKSCC Nominees Limited and Hong Kong Securities Clearing Company Limited are wholly-owned subsidiaries of Hong Kong Exchanges and Clearing Limited, the Company is not aware of any other connection among or between the above top ten shareholders or that they are parties acting in concert as provided for in the Measures for the Administration of Acquisitions by Listed Companies.

Description on participation of margin financing and securities lending and refinancing businesses by the abovementioned shareholders during the reporting period: the above-mentioned shareholders did not participate in margin financing and securities lending business during the reporting period.

(3) Changes in the top ten shareholders from the previous period due to the shares lent/returned under refinancing business

☐ Applicable √Not Applicable.

(4) Disclosure of substantial shareholders under the Securities and Futures Ordinance of Hong Kong

As of June 30, 2025, so far as the Directors are aware, persons other than a Director, Supervisor or senior management of the Company who had interests or short positions in the shares or underlying shares of the Company which are disclosable under Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance were as follows:

Name of shareholders	Nature of shareholding	Number of shares	Capacity	Percentage of such shares in the same class of the issued share capital (%)	Percentage of total share capital (%)
	A Shares	150,923,565,570 (L)	Beneficial Owner	93.21	82.46
CNPC	H Shares	291,518,000 (L) ^(a)	Interest of Corporation Controlled by the Substantial Shareholder	1.38	0.16
BlackRock, Inc. ^(b)	H Shares	1,498,310,952 (L)	Interest of Corporation Controlled by the Substantial Shareholder	7.10	0.82

(L) Long position

- (a) 291,518,000 H shares (long position) were held by Fairy King Investments Ltd., an overseas wholly-owned subsidiary of CNPC. CNPC is deemed to be interested in the H shares held by Fairy King Investments Ltd..
- (b) BlackRock, Inc., through various subsidiaries, had an interest in the H shares of the Company, and 1,498,310,952 H shares (long position) were held in the capacity as interest of corporation controlled by the substantial shareholder including 32,358,000 underlying shares through its holding of certain unlisted derivatives (cash settled).

As of June 30, 2025, so far as the Directors are aware, save for disclosed above, no person (other than a Director, Supervisor or senior management of the Company) had an interest or short position in the shares of the Company according to the register of interests in shares and short positions kept by the Company pursuant to Section 336 of the Securities and Futures Ordinance.

3. Information on Changes of Controlling Shareholder and Ultimate Controller

There was no change in the controlling shareholder or the ultimate controller of the Company during the reporting period.



DIRECTORS' REPORT

The Board hereby presents its directors' report for review.

1. Discussion and Analysis of Operations

In the first half of 2025, the world economy maintained growth despite an increase in uncertainties such as tariff policies. The Chinese economy was stable overall, and new drivers of development grew and strengthened, showing a 5.3% year on year growth rate of the gross domestic product (GDP). With the loose supply-demand balance in the global oil market, the international crude oil prices fluctuated but showed a general downward trend, with the average price significantly decreasing from the same period of the previous year. The domestic refined oil products market continued to be affected by alternative energies, and the consumption of natural gas domestically was basically stable.

The Group took the initiative to strengthen the analysis, study and judgment of market situations, and adhered to the overall principle of steadily making progress while maintaining stability. The Group fully, accurately and comprehensively implemented new development concepts, implemented high-quality development requirements, and promoted works such as production and operation, quality and profitability enhancement, reform and innovation, transformation and upgrading, and safety and environmental protection in an overall manner. The oil and gas production increased steadily, the transformation and upgrading of refining and chemicals business was implemented deeply, the sales of domestic refined oil products, natural gas, and chemical products maintained growth, the market shares of refined oil and natural gas further increased, emerging industries

such as new energy and new materials maintained rapid development, major costs and expenses were effectively controlled, and the safety and environmental protection situation remained stable. The operating profitability of the Company in the first half of the year was better than expected, all operating segments remained profitable, the financial position was healthy, and the quality and effect of environmental, social and governance (ESG) work improved continuously.

(1) Market Review

Crude Oil Market

In the first half of 2025, influenced by factors such as global macroeconomic environment and geopolitical conflicts, the international oil prices showed a "V-shaped" trend overall, and the average price declined year-on-year. The average spot price of Brent crude oil was USD71.87 per barrel, representing a decrease of 14.5% as compared with USD84.06 per barrel in the same period of the last year; the average spot price of U.S. West Texas Intermediate crude oil was USD67.60 per barrel, representing a decrease of 14.4% as compared with USD78.95 per barrel in the same period of the last year.

According to the data from the National Bureau of Statistics and the General Administration of Customs, for the first half of 2025, the domestic crude oil production for industries above a designated size was 108.48 million tons, representing an increase of 1.3% as compared with that in the same period of last year; the quantity of imported crude oil was 279.39 million tons, representing an increase of 1.4% as compared with that in the same period of last year.



Refined Oil Products Market

In the first half of 2025, the competition of alternative energy accelerated and the consumption of gasoline and diesel in China continued to be suppressed. As the air travel market continued to recover, kerosene consumption kept growing.

According to the data of the National Bureau of Statistics, for the first half of 2025, the processed volume of the domestic crude oil for industries above a designated size was 361.61 million tons, representing an increase of 1.6% as compared with that in the same period of last year. The trend of domestic refined oil products prices was basically consistent with that of oil prices in the international market. The PRC government made adjustments for 10 times to the prices of domestic gasoline and diesel products, and the prices of gasoline and diesel standard products decreased, in aggregate, by RMB330 per ton and RMB315 per ton, respectively.

Chemical Products Market

In the first half of 2025, due to the government's policies to promote consumer spending, the demand for chemical products increased steadily. But with the commissioning of new capacity, the supply-demand balance of the chemical products market remained loose. The prices of the main chemical products decreased as a result of the decrease in international oil prices. The production profit remained at a low level.

Natural Gas Market

In the first half of 2025, the supply-demand balance in the global natural gas market was structurally tight, and prices in major international natural gas markets rose sharply year-on-year. China's economy grew steadily, but the consumption of natural gas was suppressed due to the relatively higher temperatures during the heating seasons.

According to the data of the National Bureau of Statistics, the General Administration of Customs and the National Development and Reform Commission, the domestic natural gas production for industries above a designated size was 130.8 billion cubic meters for the first half of 2025, representing an increase of 5.8% as compared with that in the same period of last year. The import volume of natural gas was 59.55 million tons, representing a decrease of 7.8% as compared with that in the same period of last year. The apparent consumption of natural gas was 211.97 billion cubic meters, representing a decrease of 0.9% with that in the same period of last year.

(2) Business Review

Oil, Gas and New Energy

Domestic Oil and Gas

In the first half of 2025, in respect of the domestic oil and gas business, the Group focused on improving the balance of its reserves and output, strived to achieve the virtuous cycle of increase in reserves and output, focused on key basins and key zones, vigorously implemented high-efficient exploration, and achieved multiple important breakthroughs and significant discoveries. The Group adhered to profitable development, optimized the deployment of productivity construction, and took multiple measures simultaneously to improve the recovery rate and control the decline rate. The Group accelerated the construction of the national demonstration zones for shale oil in Jimusa and Gulong and the coal rock gas demonstration project in Daning-Ji County, Eastern Hubei, and promoted the construction of gas storage and the conversion between injection and production. In the first half of 2025, the domestic crude oil output of the Group amounted to 395.2 million barrels, representing an increase of 0.6% as compared with the 392.8 million barrels in the same period of last year; the marketable



natural gas output amounted to 2,602.6 billion cubic feet, representing an increase of 4.7% as compared with 2,486.8 billion cubic feet in the same period of last year; and the oil and natural gas equivalent output amounted to 828.9 million barrels, representing an increase of 2.7% as compared with the output of 807.3 million barrels in the same period of last year.

Overseas Oil and Gas

In the first half of 2025, in respect of the overseas oil and gas business, the Group took into account both mature and new areas, strengthened efficient stereoscopic exploration, and made new progress and new discoveries in risk exploration and progressive exploration. The Group strengthened professional management, focused on productivity succession, and integrated efforts to promote production of new wells and unlock potential of existing

wells. The Group steadily promoted increased production, actively ensured the development of new projects and the extension for existing projects, promoted the disposals or withdrawal of low profit assets, and continued to optimize asset structure. In the first half of 2025, the Group's overseas crude oil output amounted to 81.2 million barrels, representing a decrease of 1.0% as compared with the 82.0 million barrels in the same period of last year; the marketable natural gas output was 81.0 billion cubic feet, representing a decrease of 16.8% as compared with 97.4 billion cubic feet in the same period of last year; the oil and natural gas equivalent output was 94.7 million barrels, representing a decrease of 3.6% as compared with the 98.2 million barrels in the same period of last year, accounting for 10.3% of the total oil and natural gas equivalent output of the Group.

In the first half of 2025, the Group recorded the crude oil output of 476.4 million barrels, representing an increase of 0.3% as compared with the output of 474.8 million barrels in the same period of last year; the marketable natural gas output was 2,683.6 billion cubic feet, representing an increase of 3.8% as compared with the output of 2,584.2 billion cubic feet in the same period of last year. The oil and natural gas equivalent output was 923.6 million barrels, representing an increase of 2.0% as compared with the output of 905.5 million barrels in the same period of last year. The proportion of natural gas production in oil and natural gas equivalent output further increased, and the structure of oil and gas production was further optimized.

New Energy

In the first half of 2025, the Group's new energy business followed market trends and policy guidance and further optimized its business layout and development strategies. The Group newly obtained 16.38 million kilowatts of wind power and photovoltaic power quota, and newly signed geothermal heating contracts covering an area of 55.42 million square meters. The Group accelerated the construction of key projects, connected the Tarim Shangku Photovoltaic Project (塔里木上庫光伏 項目) to the power grid, and efficiently operated the Jilin Angge Wind Power Project. In the first half of 2025, energy output from wind and photovoltaic power plants amounted to 3.69 billion kilowatts, representing an increase of 70.0% as compared with the 2.17 billion kilowatts in the same period of last year. The Group promoted the carbon capture, utilization, and storage ("CCUS") businesses through coordinated efforts across the entire industry chain, and captured and utilized 1.305 million tons of carbon dioxide in the first half of the year, promoting the production of 300,000 tons of crude oil.

Key Figures for the Oil, Gas and New Energy Segment

	Unit	For the first half of 2025	For the first half of 2024	Changes (%)
Crude oil output ^(a)	Million barrels	476.4	474.8	0.3
of which: Domestic	Million barrels	395.2	392.8	0.6
Overseas	Million barrels	81.2	82.0	(1.0)
Marketable natural gas output(a)	Billion cubic feet	2,683.6	2,584.2	3.8
of which: Domestic	Billion cubic feet	2,602.6	2,486.8	4.7
Overseas	Billion cubic feet	81.0	97.4	(16.8)
Oil and natural gas equivalent output	Million barrels	923.6	905.5	2.0
of which: Domestic	Million barrels	828.9	807.3	2.7
Overseas	Million barrels	94.7	98.2	(3.6)
Energy output from wind and photovoltaic power plants	100 million kilowatts	36.9	21.7	70.0

⁽a) Figures have been converted at the rate of 1 ton of crude oil = 7.389 barrels and 1 cubic meter of natural gas = 35.315 cubic feet.



Refining, Chemicals and New Materials

In the first half of 2025, the Group carefully organized safe, stable, long-term, full-capacity and optimal operation of production facilities for its refining, chemicals and new materials businesses, optimized the allocation of crude oil resources, paid close attention to market changes, dynamically adjusted product structure, and increased production and sales of high-profitable refined products and high value-added chemical products. The Company increased efforts on research and development of new chemical products and new chemical materials, and created competitive products through the collaboration of production, sales and research. It adhered to the direction of high-end, smart, and green operations, and continuously promoted the transformation and upgrading of refining and chemical businesses. The Group successfully achieved the intermediate hand-over of the refining and chemical transformation and upgrading project of Jilin Petrochemical Company, as well as Guangxi Petrochemical Company's integration of refining and petrochemical transformation and upgrading project, and actively promoted Blue Ocean New Materials Company's high-end polyolefins project and Dushanzi Petrochemical Company's Tarim phase II ethane-to-ethylene project, and successfully started Urumqi Petrochemical Company's aromatics industrial chain project. The Group strengthened the marketing of specialty refined and chemical products, established online sales channels, and promoted the connection of key customers, strengthened channel expansion and inventory operation. Sales of chemical products maintained growth, and the market share of bonded marine fuel oil, paraffin and other products maintained its leading edge. In the first half of 2025, the Group processed 694.3 million barrels of crude oil, representing an increase of 0.1% from 693.3 million barrels in the same period of last year. The Group produced 59.572 million tons of refined oil products, representing a decrease of 0.9% as compared with 60.119 million tons



in the same period of last year. The commodity volume of chemical products was 19.971 million tons, representing an increase of 4.9% as compared with 19.043 million tons in the same period of last year. The output of synthetic resin was 6.938 million tons, representing an increase of 5.3% as compared with 6.590 million tons in the same period of last year. The output of synthetic fiber raw materials and polymers was 667,000 tons, representing an increase of 14.2% as compared with 584,000 tons in the same period of last year. The output of synthetic rubber was 542,000 tons, representing an increase of 8.7% as compared with 499,000 tons in the same period of last year. The output of new materials was 1.665 million tons, representing an increase of 54.9% as compared with the 1.074 million tons in the same period of last year.



Key Figures for the Refining, Chemicals and New Materials Segment

-		For the first half of	For the first half of	
	Unit	2025	2024	Changes (%)
Processed crude oil ^(a)	Million barrels	694.3	693.3	0.1
Gasoline, kerosene and diesel output	'000 tons	59,572	60,119	(0.9)
of which: Gasoline	'000 tons	23,355	24,403	(4.3)
Kerosene	'000 tons	9,631	8,954	7.6
Diesel	'000 tons	26,586	26,762	(0.7)
Refining yield	%	94.53	94.98	(0.45) percentage point
Ethylene	'000 tons	4,473	4,249	5.3
Synthetic resin	'000 tons	6,938	6,590	5.3
Synthetic fibre raw materials and polymers	'000 tons	667	584	14.2
Synthetic rubber	'000 tons	542	499	8.7
Urea	'000 tons	1,296	1,487	(12.8) ^(b)

⁽a) Figures have been converted at the rate of 1 ton of crude oil = 7.389 barrels.

⁽b) The year-on-year decrease in urea output was primarily due to the planned maintenance of fertilizer production facilities of some enterprises.



Marketing

Domestic Operations

In the first half of 2025, the Group's domestic marketing business strengthened the market quantitative analysis, carried out differentiated marketing based on product type, region and customer, promoted inverse growth in the sales of domestic refined oil and saw a steady increase in market share. It actively deployed LNG terminal refueling and charging and swapping business, with vehicle LNG refueling volume growing by 58.9% year-on-year, and electricity charged and swapped volume increasing by 213.0%. It carried out key online and offline channels of non-oil products business, increased efforts to promote operations of key categories, and steadily expanded new businesses and new markets.

International Trading Operations

In the first half of 2025, the Group's trade business strengthened international market analysis, improved the global trade network system, and made overall use of domestic and international markets and resources to help reduce costs and increase profitability of the whole industry chain.

In the first half of 2025, the Group sold a total of 77.831 million tons of gasoline, kerosene and diesel, representing a decrease of 1.5% as compared with the sales of 79.053 million tons in the same period of last year, among which the domestic sales of gasoline, kerosene and diesel were 58.646 million tons, representing an increase of 0.3% as compared with the sales of 58.447 million tons in the same period of last year.

Key Figures for the Marketing Segment

		For the first half of	For the first half of	
Production and Operations Data	Unit	2025	2024	Changes (%)
Total sales volume of gasoline, kerosene and diesel	'000 tons	77,831	79,053	(1.5)
of which: Gasoline	'000 tons	30,872	32,503	(5.0)
Kerosene	'000 tons	11,510	10,243	12.4
Diesel	'000 tons	35,449	36,307	(2.4)
Domestic sales volume of gasoline, kerosene and diese	el '000 tons	58,646	58,447	0.3
of which: Gasoline	'000 tons	24,399	25,217	(3.2)
Kerosene	'000 tons	5,370	5,173	3.8
Diesel	'000 tons	28,877	28,057	2.9

		As of December 31,		
Number of gas stations and convenience stores	Unit	As of June 30, 2025	2024	Changes (%)
Number of gas stations	unit	22,223	22,441	(1.0)
of which: self-operated gas stations	unit	20,458	20,429	0.1
Number of convenience stores	unit	19,963	19,700	1.3



Natural Gas Sales

In the first half of 2025, the Group's natural gas sales business continued to optimize the structure of the resource pool and effectively controlled the overall procurement cost. The Group adhered to integrated wholesale and retail marketing, continued to optimize the distribution of sales, actively expanded direct customers and industrial customers, and strived to increase the share of sales in high-profitable markets and among high-end customers.

In the first half of 2025, the Group achieved sales of 151.495 billion cubic meters of natural gas, representing an increase of 2.9% as compared with sales of 147.217 billion cubic meters in the same period of last year, of which 119.767 billion cubic meters were sold domestically, representing an increase of 4.2% as compared with the sales of 114.937 billion cubic meters in the same period of last year.

2. Review of Operating Results

(1) The financial data set out below is extracted from the Group's interim condensed consolidated financial statements prepared under IFRS Accounting Standards

Consolidated Operating Results

In the first half of 2025, the Group achieved a revenue of RMB1,450,099 million, representing a decrease of 6.7% as compared with the revenue of RMB1,554,973 million in the same period of last year. Profit for the period attributable to owners of the Company was RMB84,007 million, representing a decrease of 5.4% as compared with RMB88,806 million in the same period of last year. There was a basic earnings per share of RMB0.46.

Revenue The revenue of the Group was RMB1,450,099 million in the first half of 2025, representing a decrease of 6.7% as compared with the revenue of RMB1,554,973 million in the same period of last year. This was primarily due to the combined impact of lower prices of the Group's crude oil and refined oil products and changes in the sales volume of oil and gas products. The table below sets out the external sales volume and average realized price of the major products sold by the Group in the first half of 2025 and 2024 and their respective percentages of change:

	Sales	Volume ('000 f	tons)	Average Realized Price (RMB/ton)			
	For the first half of 2025	For the first I half of 2024	Percentage of change (%)	For the first half of 2025	For the first half of 2024	Percentage of change (%)	
Crude oil ^(a)	71,125	67,129	6.0	3,690	4,207	(12.3)	
Natural gas (100 million cubic metres, RMB/'000 cubic metres)(b)	1,514.95	1,472.17	2.9	2,334	2,219	5.2	
Gasoline	30,872	32,503	(5.0)	7,742	8,341	(7.2)	
Kerosene	11,510	10,243	12.4	5,011	5,833	(14.1)	
Diesel	35,449	36,307	(2.4)	6,213	6,857	(9.4)	
Polyethylene	3,791	3,132	21.0	7,132	7,434	(4.1)	
Polypropylene	1,621	1,866	(13.1)	6,935	6,801	2.0	
Lubricant	1,003	1,010	(0.7)	7,999	8,526	(6.2)	

⁽a) The crude oil listed above represents all the external sales volume of crude oil of the Group.

⁽b) The natural gas listed above represents all the external sales volume of natural gas of the Group; the average realized price of natural gas is the external sales price of the Group, the year-on-year increase of which was primarily due to the increase of international trading price.



Operating Expenses Operating expenses amounted to RMB1,333,066 million for the first half of 2025, representing a decrease of 6.8% as compared with expenses of RMB1,429,774 million in the same period of last year, of which:

Purchases, Services and Other Purchases, services and other amounted to RMB982.604 million for the first half of 2025, representing a decrease of 7.7% as compared with RMB1,064,373 million in the same period of last year. This was primarily due to the reduction in the Group's procurement costs of crude oil and stock oil as the international oil prices declined.

Employee Compensation Costs Employee compensation costs (including salaries, various types of insurance, housing provident fund, training costs and other relevant additional costs of employees and marketoriented temporary and seasonal contractors) for the first half of 2025 amounted to RMB82,582 million, basically the same as the costs of RMB82,697 million in the same period of last year.

Exploration Expenses Exploration expenses amounted to RMB6,016 million for the first half of 2025, representing a decrease of RMB1,926 million as compared with RMB7,942 million in the same period of last year. This was primarily due to the Group's insistence on efficient exploration and development and optimization of oil and gas exploration deployment.

Depreciation, Depletion and Amortisation Depreciation, depletion and amortisation amounted to RMB121,348 million for the first half of 2025, representing an increase of 4.0% as compared with RMB116,702 million in the same period of last year. This was primarily due to the increase of the production in crude oil and natural gas, the value of fixed assets and oil and gas properties, and an increase in the depletion rate of oil and gas properties as the oil prices declined.

Selling, General and Administrative Expenses Selling, general and administrative expenses amounted to RMB25,995 million for the first half of 2025, representing a decrease of 4.5% as compared with RMB27,206 million in the same period of last year. This was primarily due to the Group's insistence on low-cost development and continuing to reduce non-productive expenses.

Taxes other than Income Taxes Taxes other than income taxes amounted to RMB125,828 million for the first half of 2025, representing a decrease of 6.7% as compared with taxes of RMB134,850 million in the same period of last year, of which the consumption taxes was RMB86,782 million, representing a decrease of 0.2% as compared with RMB86,936 million in the same period of last year; the resource taxes was RMB14,580 million, representing a decrease of 5.3% as compared with resource taxes of RMB15,396 million in the same period of last year; the crude oil special gain levy was RMB1,998 million, representing a decrease of RMB7,279 million as compared with the levy of RMB9,277 million in the same period of last year; the levy for mineral rights concessions was RMB2,293 million, representing an increase of 6.0% as compared with RMB2,164 million in the same period of last year.

Other Income, Net Other income, net amounted to RMB11,307 million for the first half of 2025, representing an increase of RMB7,311 million as compared with RMB3,996 million in the same period of last year. This was primarily due to the changes in this year's investment returns from financial derivatives.

Profit from Operations Profit from operations amounted to RMB117,033 million in the first half of 2025, representing a decrease of 6.5% as compared with profits of RMB125,199 million in the same period of last year.

Net Exchange (Loss)/Gain Net exchange loss amounted to RMB21 million for the first half of 2025, net



exchange gain amounted to RMB247 million in the same period of last year. This was primarily due to the change of average exchange rate of US dollar against Renminbi.

Net Interest Expense Net interest expense amounted to RMB5,590 million for the first half of 2025, representing a decrease of 11.6% as compared with the expense of RMB6,327 million in the same period of last year. This was primarily due to the Group reducing unit cost of debt financing.

Profit before Income Tax Expense Profit before income tax expense amounted to RMB121,098 million for the first half of 2025, representing a decrease of 6.4% as compared with the profit of RMB129,411 million in the same period of last year.

Income Tax Expense Income tax expense amounted to RMB27,418 million for the first half of 2025, representing a decrease of 7.4% as compared with the expense of RMB29,602 million in the same period of last year. This was primarily due to the decrease in the profit before income tax expense.

Profit for the Period Profit for the first half of 2025 amounted to RMB93,680 million, representing a decrease of 6.1% as compared with RMB99,809 million in the same period of last year.

Profit for the Period Attributable to Non-controlling Interests Profit for the period attributable to noncontrolling interests amounted to RMB9,673 million for the first half of 2025, representing a decrease of 12.1% as compared with RMB11,003 million in the same period of last year. This was primarily due to the decrease of profits generated from non-wholly owned subsidiaries of the Group.

Profit for the Period Attributable to Owners of the Company Profit for the period attributable to owners of the Company amounted to RMB84,007 million for the first half of 2025, representing a decrease of 5.4% as compared with profits of RMB88,806 million in the same period of last year.

Segment Results

Oil, Gas and New Energy

Revenue The revenue of the Oil, Gas and New Energy segment for the first half of 2025 was RMB422,667 million, representing a decrease of 6.3% from RMB451,206 million as compared with the same period of last year. This was primarily due to the combined impact of the decrease in the prices of crude oil and increase in the production of oil and gas. The average realized crude oil price was USD66.21 per barrel, representing a decrease of 14.5% from USD77.45 per barrel as compared with the same period of last year.

Operating Expenses Operating expenses of the Oil, Gas and New Energy segment were RMB336,981 million for the first half of 2025, representing a decrease of 6.2% from RMB359,277 million as compared with the same period of last year. This was primarily due to the decrease in procurement costs and tax expenses. The unit oil and gas lifting cost amounted to USD10.14 per barrel, representing a decrease of 8.1% from USD11.03 per barrel as compared with the same period of last year, which was primarily due to the decrease in basic operation expenses.

Profit from Operations In the first half of 2025, the Group's Oil, Gas and New Energy segment continuously promoted high-efficient exploration and development, while strengthening oil and gas production cost management. The Oil, Gas and New Energy segment recorded a profit from operations of RMB85,686 million, representing a decrease of 6.8% from RMB91,929 million as compared with the same period of last year, which was primarily due to the decrease in sales price of crude oil.



Refining, Chemicals and New Materials

Revenue The revenue of the Refining, Chemicals and New Materials segment for the first half of 2025 was RMB554,170 million, representing a decrease of 12.8% from RMB635,566 million as compared with the same period of last year. This was primarily due to the decrease in prices of refined products and most chemical products.

Operating Expenses Operating expenses of the Refining, Chemicals and New Materials segment were RMB543,114 million for the first half of 2025, representing a decrease of 12.7% from RMB621,937 million as compared with the same period of last year. This was primarily due to the decrease in the procurement costs of crude oil and stock oil and external purchasing power. The unit cash processing cost of refineries of the Group was RMB211.07 per ton, representing a decrease of 2.2% from RMB215.91 per ton as compared with the same period of last year.

Profit from Operations In the first half of 2025, the Refining, Chemicals and New Materials segment adopted a market-oriented approach, adhered to fine management practices, timely optimized its products structure based on market demand, promoted the reduction of refined products and increase of chemical production, and the reduction of traditional refined products and increase of specialty refined products, and strengthened cost benchmarking analysis. The Refining, Chemicals and New Materials segment recorded a profit from operations of RMB11,056 million, representing a decrease of RMB2,573 million from RMB13,629 million as compared with the same period of last year, of which, the refining business recorded a profit from operations of RMB9,664 million, representing a decrease of 8.0% from RMB10,503 million as compared with the same period of last year, which was primarily due to the narrowing in the profit margins of the refining business as the crude oil and refined oil prices

decreased; the chemical business recorded a profit from operations of RMB1,392 million, representing a decrease of RMB1,734 million compared with RMB3,126 million in the same period of last year, which was primarily due to the narrowing in the profit margins of the chemical business as a result of the decrease in prices of most chemical products.

Marketing

The revenue of the Marketing segment Revenue for the first half of 2025 was RMB1,169,751 million, representing a decrease of 7.8% from RMB1,269,126 million as compared with the same period of last year. This was primarily due to the decrease in revenue from international trading and the decrease in the sales price of refined oil products.

Operating Expenses Operating expenses of the Marketing segment were RMB1,162,189 million for the first half of 2025, representing a decrease of 7.7% from RMB1,259,022 million as compared with the same period of last year. This was primarily due to the decrease in the expenditures relating to the purchase of refined oil products and international trading procurement.

Profit from Operations In the first half of 2025, the Marketing segment continuously strengthened marketing, actively expanded sales and reduced inventory, strived to maximize the value of the industry chain while ensuring smooth production, and vigorously developed LNG terminal refueling, automotive charging and battery swapping, and non-oil product businesses. The Marketing segment recorded a profit from operations of RMB7,562 million, representing a decrease of 25.2% from RMB10,104 million as compared with the same period of last year, primarily due to the lower sales prices of refined oil products and lower profit margins from international trading businesses.

Natural Gas Sales

Revenue The revenue of the Natural Gas Sales segment was RMB310,943 million for the first half of 2025, representing an increase of 4.3% from RMB298,079 million as compared with the same period of last year. This was primarily due to the increase in sales volume of natural gas in the domestic market.

Operating Expenses Operating expenses of the Natural Gas Sales segment were RMB292,317 million for the first half of 2025, representing an increase of 3.9% from RMB281,274 million in the same period of last year. This was primarily due to the increase in procurement volume of natural gas.

Profit from Operations In the first half of 2025, the Natural Gas Sales segment consistently optimized the

structure of resource pools and customers, reinforced its dominant position in the market, and strived to enhance the profitability of the natural gas industrial chain. The Natural Gas Sales segment recorded a profit from operations of RMB18,626 million, representing an increase of 10.8% from RMB16,805 million in the same period of last year.

In the first half of 2025, the Group's overseas operations realized a revenue of RMB496,494 million, accounting for 34.2% of the total revenue of the Group; profit before income tax expense was RMB19,113 million, accounting for 15.8% of the profit before income tax expense of the Group. (Overseas operations do not constitute a separate operating segment of the Group, and the financial data of overseas operations is included in the financial data of each relevant operating segment mentioned above.)

Assets, Liabilities and Equity

The following table sets out the key items in the consolidated balance sheet of the Group:

	As of June 30, 2025	As of December 31, 2024	Percentage of Change
	RMB million	RMB million	%
Total assets	2,849,390	2,752,751	3.5
Current assets	710,678	590,844	20.3
Non-current assets	2,138,712	2,161,907	(1.1)
Total liabilities	1,096,474	1,043,128	5.1
Current liabilities	684,270	637,317	7.4
Non-current liabilities	412,204	405,811	1.6
Equity attributable to owners of the Company	1,555,667	1,515,132	2.7
Share capital	183,021	183,021	0.0
Reserves	347,225	344,840	0.7
Retained earnings	1,025,421	987,271	3.9
Total equity	1,752,916	1,709,623	2.5



Total assets amounted to RMB2,849,390 million, representing an increase of 3.5% from RMB2,752,751 million as of the end of 2024, of which:

Current assets amounted to RMB710,678 million, representing an increase of 20.3% as compared with RMB590,844 million as of the end of 2024, primarily due to the increase in cash and cash equivalents, and accounts receivable.

Non-current assets amounted to RMB2,138,712 million, representing a decrease of 1.1% as compared with RMB2,161,907 million as of the end of 2024, primarily due to the decrease in net book value of property, plant and equipment.

Total liabilities amounted to RMB1,096,474 million, representing an increase of 5.1% from RMB1,043,128 million as of the end of 2024, of which:

Current liabilities amounted to RMB684,270 million, representing an increase of 7.4% from RMB637,317 million as of the end of 2024, primarily due to the increase in accounts payable and accrued liabilities of trading business, and the increase in short-term borrowings.

Non-current liabilities amounted to RMB412,204 million, representing an increase of 1.6% from RMB405,811 million as of the end of 2024, primarily due to the increase in lease liabilities.

Equity attributable to owners of the Company amounted to RMB1,555,667 million, representing an increase of 2.7% from RMB1,515,132 million as of the end of 2024, primarily due to the increase in retained earnings.

Cash Flows

As of June 30, 2025, the primary sources of funds of the Group were cash from operating activities and short-term and long-term borrowings. The funds of the Group were mainly used for operating activities, capital expenditures, repayment of short-term and long-term borrowings and distribution of dividends to the owners.

The table below sets out the cash flows of the Group for the first half of 2025 and 2024, respectively, and the amount of cash and cash equivalents as of the end of each period:

	For the six months ended June 30			
	2025	2024		
	RMB million	RMB million		
Net cash flows from operating activities	227,063	218,419		
Net cash flows used for investing activities	(121,159)	(141,375)		
Net cash flows used for financing activities	(54,912)	(133,006)		
Translation of foreign currency	655	(935)		
Cash and cash equivalents at the end of the period	224,124	192,104		



Net Cash Flows from Operating Activities

The net cash flows from operating activities for the first half of 2025 amounted to RMB227,063 million, representing an increase of 4.0% from RMB218,419 million as compared with the same period of last year. This was primarily due to the combined impact of the decrease in profits, and changes in working capital and tax during the Reporting Period. As of June 30, 2025, the Group had cash and cash equivalents of RMB224,124 million, of which, approximately 47.3% were denominated in Renminbi, approximately 47.2% were denominated in US dollars, approximately 3.9% were denominated in Hong Kong Dollars, and approximately 1.6% were denominated in other currencies.

Net Cash Flows Used for Investing Activities

The net cash flows used for investing activities for the first half of 2025 amounted to RMB121,159 million, representing a decrease of 14.3% as compared with RMB141,375 million in the same period of last year. This was primarily due to a decrease in the time deposits with maturities over three months and cash capital expenditure.

Net Cash Flows Used for Financing Activities

The net cash flows used for financing activities for the first half of 2025 amounted to RMB54,912 million, representing a decrease of 58.7% as compared with RMB133,006 million in the same period of last year. This was primarily due to the year-on-year decrease of repayment of interest-bearing debt.

The net borrowings of the Group as of June 30, 2025 and December 31, 2024, respectively, were as follows:

	As of June 30, 2025	As of December 31, 2024
_	RMB million	RMB million
Short-term borrowings (including current portion of long-term borrowings)	149,239	138,783
Long-term borrowings	91,905	98,072
Total borrowings	241,144	236,855
Less: Cash and cash equivalents	224,124	172,477
Net borrowings	17,020	64,378

The following table sets out the borrowings' remaining contractual maturities at the date of the statement of financial position, which are based on contractual undiscounted cash flows including principal and interest, and the earliest contractual maturity date:

	As of June 30, 2025	As of December 31, 2024
	RMB million	RMB million
Within 1 year	152,724	143,250
Between 1 and 2 years	11,156	30,656
Between 2 and 5 years	34,157	42,314
After 5 years	55,499	46,005
	253,536	262,225

Of the total borrowings of the Group as of June 30, 2025, approximately 47.3% were fixed- rate loans and approximately 52.7% were floating-rate loans; approximately 57.5% were denominated in Renminbi, approximately 39.7% were denominated in US dollars and approximately 2.8% were denominated in other currencies.

As of June 30, 2025, the gearing ratio of the Group (gearing ratio = interest-bearing borrowing / (interest-bearing borrowing + total equity)) was 12.1% (December 31, 2024: 12.2%).

Capital Expenditures

For the first half of 2025, the Group adhered to the concept of rigorous, precise and profitable investment, enhanced lean investment management, and strived to improve investment returns. The capital expenditures of the Group amounted to RMB64,229 million. The capital expenditures throughout 2025 are estimated at RMB262,200 million. The following table sets out the capital expenditures incurred by the Group for the first half of 2025 and for the first half of 2024 and the estimated capital expenditures for each of the business segments of the Group throughout the year of 2025.

	For the first half of 2025		For the first hal	f of 2024	Estimates for 2025	
	RMB million	(%)	RMB million	(%)	RMB million	(%)
Oil, Gas and New Energy	49,432	76.96	67,418	85.40	210,000	80.09
Refining, Chemicals and New Materials	12,651	19.70	9,666	12.24	36,500	13.92
Marketing	589	0.92	827	1.05	7,600	2.90
Natural Gas Sales	936	1.46	576	0.73	5,500	2.10
Head Office and Other	621	0.96	460	0.58	2,600	0.99
Total	64,229	100.00	78,947	100.00	262,200	100.00

Oil, Gas and New Energy

Capital expenditures for the Oil, Gas and New Energy segment of the Group amounted to RMB49,432 million for the first half of 2025. In domestic operations, the capital expenditures were primarily used to continue to focus on the large-scale and efficient exploration and development of key domestic basins such as Songliao, Ordos, Junggar, Tarim, Sichuan and Bohai Bay, devoting greater efforts in the exploration of unconventional resources such as shale gas and shale oil, accelerating the construction of gas storage capacity, and promoting new energy projects such as clean electricity, geothermal heat, CCUS, and hydrogen energy. In overseas operations, the capital expenditures were used to promote the construction of self-exploration projects and steadily promote the exploration of new

projects while continuing to operate existing projects in cooperation areas such as the Middle East, Central Asia, the Americas and the Asia Pacific region.

The Group anticipates that capital expenditures for the Oil, Gas and New Energy segment throughout 2025 will amount to RMB210,000 million.

Refining, Chemicals and New Materials

Capital expenditures for the Refining, Chemicals and New Materials segment of the Group amounted to RMB12,651 million for the first half of 2025, which were primarily used for the completion and commissioning of Jilin Petrochemical Company's refining and chemical transformation and upgrading project and Guangxi

Petrochemical Company's integration of refining and petrochemical transformation and upgrading project, and the implementation of Dushanzi Petrochemical Company's Tarim 1.2 million tons per year phase II ethylene project and Blue Ocean New Material Company's high-end polyolefin new material project, and steadily advanced transformation and upgrading projects such as those of Fushun Petrochemical Company.

The Group anticipates that capital expenditures for the Refining, Chemicals and New Materials segment throughout 2025 will amount to RMB36,500 million.

Marketing

Capital expenditures for the Marketing segment of the Group amounted to RMB589 million for the first half of 2025, which were used primarily for the construction of domestic "oil, gas, hydrogen, power and non-oil products" integrated energy stations, the strengthening of the construction of charging and swapping power stations, the optimization of deployment of terminal network layout, and the construction of overseas oil and gas storage and transportation and sales facilities.





The Group anticipates that capital expenditures for the Marketing segment throughout 2025 will amount to RMB7,600 million.

Natural Gas Sales

Capital expenditures for the Natural Gas Sales segment of the Group amounted to RMB936 million for the first half of 2025, which were primarily used for the construction of projects such as the Fujian LNG terminals and the supporting pipelines, expansion of Jiangsu LNG storage tanks, natural gas branch lines and market development projects for urban gas end market.

The Group anticipates that the capital expenditures for the Natural Gas Sales segment throughout 2025 will amount to RMB5,500 million.

Head Office and Other

Capital expenditures for the Head Office and Other segment for the first half of 2025 amounted to RMB621 million, which were primarily used for the construction of scientific research facilities and IT system.

The Group anticipates that capital expenditures of the Head Office and Other segment throughout 2025 will amount to RMB2,600 million.

(2) The financial data set out below is extracted from the consolidated financial statements of the Group prepared under CAS

Principal operations by segment under CAS

	Income from principal operations for the first half of 2025	Cost of principal operations for the first half of 2025	Gross margin ^(a)	Changes in income from principal operations over the same period of the preceding year	Changes in cost of principal operations over the same period of the preceding year	Increase/ (decrease) in gross margin
	RMB million	RMB million	%	%	%	Percentage points
Oil, Gas and New Energy	413,186	271,642	28.8	(6.6)	(9.3)	3.8
Refining, Chemicals and New Materials	551,749	426,869	4.9	(12.8)	(15.4)	0.1
Marketing	1,156,557	1,122,936	2.8	(7.7)	(7.5)	(0.2)
Natural Gas Sales	308,071	285,574	7.3	4.4	1.3	2.8
Head Office and Other	425	83	-	7.3	(17.8)	-
Intersegment elimination	(1,009,281)	(997,381)	-	-	-	-
Total	1,420,707	1,109,723	13.3	(6.7)	(7.2)	0.4

⁽a) Gross margin = Profit from principal operations / Income from principal operations.



• Principal operations by region under CAS

	For the first half of 2025	For the first half of 2024	Changes over the same period of the preceding year
Revenue from external customers	RMB million	RMB million	%
China's mainland	953,605	981,873	(2.9)
Others	496,494	573,100	(13.4)
Total	1,450,099	1,554,973	(6.7)

• Principal subsidiaries and associates of the Group

	Registered capital	Shareholding	Amount of total assets	Amount of total liabilities	Amount of net assets/ (liabilities)	Net profit / (loss)
Company name	RMB million	%	RMB million	RMB million	RMB million	RMB million
Daqing Oilfield	47,500	100.00	395,424	153,337	242,087	6,701
CNPC Exploration and Development Company Limited ("CNPC E&D")	16,100	50.00	227,816	25,675	202,141	7,467
PetroChina Hong Kong Limited	HKD7,592 million	100.00	165,280	47,308	117,972	5,686
PetroChina International Investment Company Limited	31,314	100.00	106,775	201,869	(95,094)	(2,438)
PetroChina International Co., Ltd.	18,096	100.00	327,022	213,894	113,128	5,523
PetroChina Sichuan Petrochemical Company Limited	10,000	90.00	28,199	2,686	25,513	809
Guangdong Petrochemical Company	20,000	90.00	65,891	36,263	29,628	388
China Oil & Gas Pipeline Network Corporation ("PipeChina")	500,000	29.90	934,956	318,834	616,122	18,535
China Petroleum Finance Co., Ltd. ("CNPC Finance")	16,395	32.00	495,292	405,184	90,108	3,303
CNPC Captive Insurance Co., Ltd.	6,000	49.00	12,220	4,492	7,728	172
China Marine Bunker (PetroChina) Co., Ltd.	1,000	50.00	13,809	11,142	2,667	9
Mangistau Investment B.V.	USD131 million	50.00	11,981	3,914	8,067	387
Trans-Asia Gas Pipeline Co., Ltd.	5,000	50.00	48,550	6,930	41,620	1,327

Note: For the nature of business and net profit of principal subsidiaries and associates, please refer to Note 6 and Note 15 to the financial statements prepared in accordance with CAS.



3. Business Prospects for the Second Half of 2025

In the second half of 2025, the world economy is expected to maintain slow growth, and China's economy will have a more solid foundation for steady improvement as boosted by macroeconomic policies such as expanding domestic demand and optimizing market competition order, but will still face considerable external instability and uncertainty. The supply-demand balance in the international crude oil market will remain loose, and international oil prices are expected to experience downward pressure. The domestic refined oil products market will continue to face competition from alternative energy, and the demand of the natural gas market will recover to relatively rapid growth. The Group will keep pace with international and domestic markets changes, strengthen the analysis, study and judgment of market situations, adhere to the general keynote of seeking progress while maintaining stability, promote the safe, stable and high-quality development of main oil and gas businesses, deeply implement traditional industrial transformation and upgrade, make overall plans for emerging industries such as new energy and new materials, accelerate the development of new quality productive forces by building on its distinctive advantages, and constantly strive to create greater value for shareholders.

In terms of oil, gas and new energy segment, domestically, the Group will deeply implement highefficient exploration, improve risk exploration and step-out preliminary prospecting, efficiently organize concentrated exploration in large-scale reserves increasing fields in basins such as Ordos, Junggar, and Sichuan, deeply tap the potential for the increase of profitable reserves in mature exploration areas, strengthen reserves management, and strive to achieve the targets of reserves replacement ratio and reserves production ratio. The Group will focus on high-profitable development, strive to improve the recovery ratio of old oil and gas fields, focus on enhancing the production and profitability of

unconventional oil and gas such as shale oil in Gulong, shale gas in southern Sichuan and coal rock gas in eastern Hubei, and organize high-quality expansion of gas storages to achieve production capacity and construction of new storages. In overseas, the Group will focus on more risk exploration of projects such as the one in Suriname, intensify the concentrated exploration and fine exploration of projects such as the one in Aktobe, Kazakhstan, strive to acquire more reserves with economies of scale, accelerate the drilling and production of new wells in Rumaila and Halfayain Iraq, focus on the production of the first phase in Surat, Australia, ensure the simultaneous improvement of output and profitability, continuously optimize the structure of oil and gas assets, and improve business concentration. The Group will actively obtain wind power and photovoltaic power quota, and efficiently organise the construction of large new energy bases and key wind power and photovoltaic power generation projects. The Group will develop the natural gas power generation business in light of local conditions, accelerate the implementation of energy storage projects, and promote the construction of geothermal heating projects.

In respect of refining, chemicals and new materials segment, the Group will refine the supply and demand and price trend forecasts, flexibly adjust the structure of refined oil products according to market changes, dynamically adjust gasoline and diesel production ratios by region, effectively use aviation kerosene production capacity, and increase specialty refined products such as paraffin, lubricating oil, low-sulphur petroleum coke, asphalt, and low-sulphur marine fuel oil. It will maintain high-load operation of chemical equipment, intensify research and development efforts for new chemical products and new materials, accelerate the construction of biological manufacturing and fine chemical incubation platforms, promote the construction of projects such as Daging Petrochemical Company's q-alkene and Jilin Petrochemical Company's carbon fiber, intensify development of new products such as polypropylene vehicle materials, extra high voltage electric cables insulation materials and solution-polymerized styrene



butadiene rubber, and strive to increase the output of high value-added chemical products. The Group will continue to improve chemicals marketing mechanisms to enhance marketing capabilities, and further develop high-end new materials markets in eastern and southern China to improve profit-making capacity.

In terms of marketing segment, domestically, the Group will refine the study and judgment of supply and demand of different regions and products, implement the differentiation and integrated wholesale and retail fine marketing, promote gasoline sales at gas stations, strengthen the development of big diesel customers, and strive to increase the market share of refined oil products. The Group will increase the number of LNG refueling stations and its market share, promote the large-scale development of charging and swapping business and platform-based operations, enhance the quality and profitability of the development of non-oil products, and accelerate the coordinated development of "oil, gas, hydrogen, power and non-oil" businesses. For international trade businesses, the Group will closely follow the changes in the international situation, strengthen the integration of global resources, take multiple measures

to reduce procurement costs, improve sales profitability, and promote cost reduction and profit increase in the industry chain.

In terms of the natural gas sales segment, the Group will coordinate resource procurement, strive to control the overall cost of the resource pool, continue to optimize the regional layout and sales structure, vigorously expand direct sales customers, consolidate and expand highquality market share, strive to increase sales volume and market share, improve transaction mechanisms such as purchasing spot goods on a commission basis and contract transfer transactions, flexibly carry out online transactions, and further improve the level of profitability.

> By Order of the Board of Directors Dai Houliang Chairman Beijing, the PRC August 26, 2025

SIGNIFICANT EVENTS

1. Governance, environment and society of the Company

(1) Governance of the Company

During the reporting period, the Company strictly operated business in a regularized manner in accordance with domestic and overseas regulatory requirements. Pursuant to the Articles of Association of PetroChina Company Limited (the "Articles of Association"), relevant laws and regulations and the securities regulatory rules of the jurisdictions in which the Company is listed and in light of the actual conditions of the Company, the Company formulated, improved and effectively implemented the various working policies and rules of procedure for the Board of Directors and its respective committees. The general meeting, the Board and its respective committees, the Supervisory Committee and the management led by the president of the Company operated in a coordinated manner with effective checks and balances; the roles of the governing bodies such as the Board and the management were further utilized and the efficient management and organizational system were further improved; and the internal management operation of the Company was further standardized, and the management level and the value creation ability and the market competitiveness of the Company were further improved with the implementation of effective internal control management system.





During the reporting period, the Company's corporate governance met the requirements set out in the normative documents relating to governance of listed companies issued by the regulatory authorities and stock exchanges of the places where the Company is listed, and no person with access to inside information was found dealing in the shares of the Company against the relevant regulations.

For the six months ended June 30, 2025, the Company has complied with all the code provisions of Part 2 of the Corporate Governance Code set out in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Hong Kong Listing Rules").

On January 10, 2025, Mr. Jiang Shangjun resigned as a supervisor of the Company due to age reason.

On March 30, 2025, Mr. Zhang Laibin resigned as an independent non-executive Director, the chairman of the examination and remuneration committee and a member of the sustainable development committee of the Board due to work arrangements. On April 3, 2025, Mr. Cai Yong resigned as a supervisor of the Company due to work adjustments. On June 5, 2025, the Company's 2024 general meeting approved the "Resolution on the Election of Independent Directors of the Company" and Mr. Zhang Yuxin was elected as an independent nonexecutive Director. On June 20, 2025, the 13th meeting of the 9th session of the Board of Directors of the Company approved the "Proposal for the Supplementary of Members of Special Committees of the Company" and Mr. Zhang Yuxin was elected as the chairman of the examination and remuneration committee and a member of the sustainable development committee of the Board. On June 30, 2025,





Mr. Hou Qijun resigned as a non-executive Director, the vice chairman and the chairman of the investment and development committee due to work adjustments.

(2) Performance of Liability of Environmental Protection

The Group has always integrated sustainable development concepts deeply into its strategic planning, steadfastly pursuing a green and low-carbon development path. In strict compliance with laws and regulations such as the Environmental Protection Law of the People's Republic of China, and adhering to the principle of "giving priority to environmental protection, combining prevention and control", the Group comprehensively advances ecological and environmental protection efforts, continuously improves environmental governance standards, and is committed to becoming a global benchmark for sustainable development in the industry.

Guided by the philosophy of "integration and coordination between development activities and environmental protection, giving priority to environmental protection," the Group systematically promotes the development of its environmental protection system. Through the implementation of clean production and enhanced energy saving and carbon reduction management, the Group has achieved standard discharge of wastewater and waste gases in accordance with relevant requirements, a continuous reduction in total pollutant emissions, and standardized disposal of solid waste. Significant progress has been made in the construction of environmentally friendly mines. Additionally, the Group has established a robust environmental risk prevention and control system, with no relatively major or above environmental pollution and ecological damage events occurring during the reporting period.

During the reporting period, three of the Group's major subsidiaries—Daging Oilfield Co., Ltd., PetroChina Sichuan Petrochemical Company Limited, and Guangdong Petrochemical Co., Ltd.—were included in the list of enterprises legally required to disclose environmental information. Detailed environmental data can be found on the Provincial Enterprise Environmental Information Legal Disclosure Websites:

Heilongjiang Province: http://111.40.190.123:8082/ eps/index/enterprise-search

Sichuan Province: https://103.203.219.138:8082/eps/ index/enterprise-search

Guangdong Province: https://www-app.gdeei.cn/ gdeepub/front/dal/report/list

or can be found on the National Pollutant Discharge Permit Management Information Platform: http://permit.mee.gov.cn/permitExt/defaults/defaultindex!getInformation.action

(3) Performing Social Responsibilities

The Company has steadily carried out poverty designated assistance and paired support initiatives, focusing on people-enriching industries, rural construction, and living environment improvement. The Company has promoted and implemented various projects including agricultural product deep-processing parks, the construction of modern facility agriculture, specialty dairy product factories, water-saving irrigation upgrades, and the construction of youth cultural centers, helping farmers and herdsmen increase their incomes and become prosperous, thereby driving rural revitalization. We have established a diversified training system for rural revitalization talent. Through programs such as "Prosperity in Agriculture Lecture Hall", "Village Craftsmen Project", "Teacher Training Programme", and "Cloud Hospital Departments," we have trained various personnel in assisted areas and strengthened endogenous development momentum. The Company has deepened educational and medical assistance, steadily advanced the "Xuhang Program", provided living and educational stipends for high school students from economically disadvantaged families, and expanded the project's influence through activities like college entrance

examination service stations and themed class meetings, mobilizing more social forces to participate in public welfare. The Company has continued to implement the "Come on, Baby" children's health protection project, purchased insurance for children from impoverished families, provided more comprehensive and efficient health protection, prevented assisted populations from returning to poverty due to illness, and helped consolidate and expand the connection between poverty alleviation achievements with rural revitalization.

2. Formulation and Implementation of the Cash Dividend Policy

In order to protect the interests of the shareholders, the Company provides in the Articles of Association that, for the year when the net profit attributable to the parent company and the cumulative undistributed profit are positive and so long as the cash flows of the Company may support its normal course of operation and sustainable development, any cash dividends shall not be less than 30% of the net profit attributable to the parent company for that year. The dividend of the Company shall be distributed twice a year. The final dividend of the Company shall be decided by the shareholders by way of an ordinary resolution. The shareholders may by way of an ordinary resolution authorize the Board of Directors to decide on the interim dividends. Since listing, the Company has been strictly complying with the Articles of Association and relevant regulatory requirements and making decisions on dividend distribution based on the principle of rewarding shareholders. The shareholders also welcome the Company's prudent and active dividend distribution policy. The independent Directors have performed their duties conscientiously and diligently, expressed independent and objective opinions on dividend distribution and played their due role. The Board has been authorised by the shareholders to decide the distribution of 2025 interim dividend and has considered and approved the 2025 interim dividend at the 14th meeting of the 9th session of the Board of Directors of the Company, with the consent of independent Directors.

3. The Implementation of Final Dividend for 2024 and the Distribution Plan of the Interim Dividend for 2025 and Closure of Register of Members

(1) The Implementation of Final Dividend for the Year Ended December 31, 2024

The final dividend in respect of 2024 of RMB0.25 (inclusive of applicable tax) per share, amounting to a total of RMB45,755 million, was approved by the shareholders at the 2024 annual general meeting of the Company on June 5, 2025 and was paid on June 25, 2025 (A shares) and July 24, 2025 (H shares), respectively.

(2) The Distribution Plan of the Interim Dividend for 2025 and Closure of Register of Members

The Board was authorised by the shareholders to approve the distribution of the interim dividend for 2025 at the 2024 annual general meeting of the Company on June 5, 2025. To provide returns to the shareholders, the Board has resolved to declare an interim dividend of RMB0.22 (inclusive of applicable tax) per share for 2025 on the basis of a total of 183,020,977,818 shares of the Company as of June 30, 2025. The total amount of the interim dividends payable is approximately RMB40,265 million and is expected to be paid on September 17, 2025 (A Shares) and October 23, 2025 (H Shares), respectively.

The interim dividend of the Company will be paid to shareholders whose names appear on the register of members of the Company at the close of trading on September 16, 2025. The register of members of H shares will be closed from September 11, 2025 to September 16, 2025 (both days inclusive) during which period no transfer of H shares will be registered. In order to qualify for the interim dividend, holders of H shares must lodge all transfer documents together with the relevant share certificates at ComputerShare Hong Kong Investor Services Limited on or before 4:30 p.m., September 10, 2025. Holders of A shares whose names appear on the

register of members of the Company maintained at China Securities Depository and Clearing Corporation Limited ("CSDC") at the close of trading on the Shanghai Stock Exchange in the afternoon of September 16, 2025 will be eligible for the interim dividend.

In accordance with the relevant provisions of the Articles of Association of PetroChina Company Limited and relevant laws and regulations, dividends payable to the shareholders of the Company shall be declared in Renminbi. Dividends payable to the holders of A shares shall be paid in Renminbi, and for the A shares of the Company listed on the Shanghai Stock Exchange and invested by the investors through the Hong Kong Stock Exchange, dividends shall be paid in Renminbi to the accounts of the nominal shareholders through CSDC. Save for the H shares of the Company listed on the Hong Kong Stock Exchange and invested by the investors through the Shanghai Stock Exchange and the Shenzhen Stock Exchange (the "H Shares under the Southbound Trading Link"), dividends payable to the holders of H shares shall be paid in Hong Kong Dollars. The applicable exchange rate shall be the average of the medium exchange rate for Renminbi to Hong Kong Dollar as announced by the People's Bank of China for the week prior to the declaration of the dividends by the Board. Dividends payable to the holders of H Shares under the Southbound Trading Link shall be paid in Renminbi. In accordance with the Agreement on Payment of Cash Dividends on the H Shares under the Southbound Trading Link (《港股通 H 股股票現金紅利派發協議》) between the Company and CSDC, CSDC will receive the dividends payable by the Company to holders of the H Shares under the Southbound Trading Link as a nominal holder of the H Shares under the Southbound Trading Link on behalf of investors and assist the payment of dividends on the H Shares under the Southbound Trading Link to investors thereof. The average of the medium exchange rate for Renminbi to Hong Kong Dollar as announced by the People's Bank of China for the week prior to the declaration of the 2025 interim dividend by the Board is RMB0.91266 to 1.00 Hong Kong Dollar. Accordingly,

the interim dividend will be 0.24105 Hong Kong Dollar (inclusive of applicable tax) per H share.

The Company has appointed Bank of China (Hong Kong) Limited as the receiving agent in Hong Kong (the "Receiving Agent") and will pay the declared interim dividend to the Receiving Agent for its onward payment to the holders of H shares. The interim dividend will be paid by the Receiving Agent around October 23, 2025 to the holders of H shares by ordinary mail at their own risks.

According to the Law on Corporate Income Tax of the People's Republic of China (《中華人民共和國企業 所得税法》) and the relevant implementing rules which came into effect on January 1, 2008 and was amended on February 24, 2017 and December 29, 2018, the Company is required to withhold corporate income tax at the rate of 10% before distributing dividends to nonresident enterprise shareholders whose names appear on the register of members of H share of the Company. Any H shares registered in the name of non-individual shareholders, including HKSCC Nominees Limited, other nominees, trustees or other groups and organisations, will be treated as being held by non-resident enterprise shareholders and therefore will be subject to the withholding of the corporate income tax. Any holders of H shares wishing to change their shareholder status should consult their agents or trust institutions on the relevant procedures. The Company will withhold and pay the corporate income tax strictly in accordance with the relevant laws or requirements of the relevant governmental departments based on the information that will have been registered on the Company's H share register of members on September 16, 2025.

According to the Notice on Issues Concerning the Collection and Management of Individual Income Tax after the Abolishment of Guo Shui Fa [1993] No.045 promulgated by the State Taxation Administration (Guo Shui Han [2011] No.348) (《關於國稅發〔1993〕045 號文件廢止後有關個人所得稅征管問題的通知》(國稅函〔2011〕348 號)), the Company is required to withhold

and pay the individual income tax for individual H shareholders and individual H shareholders are entitled to certain tax preferential treatments according to the tax agreements between those countries where the individual H shareholders are residents and China and the provisions in respect of tax arrangements between China's Mainland and Hong Kong (Macau). The Company will withhold and pay the individual income tax at the tax rate of 10% on behalf of the individual H shareholders who are Hong Kong residents, Macau residents or residents of those countries having agreements with China for individual income tax rate in respect of dividend of 10%. For individual H shareholders who are residents of those countries having agreements with China for individual income tax rates in respect of dividend of lower than 10%, the Company would make applications on their behalf to seek entitlement of the relevant agreed preferential treatments pursuant to the Circular on Issuing Administrative Measures on Preferential Treatment Entitled by Non-residents Taxpayers under Treaties (SAT Circular [2019] No.35) (《關於發布〈非居民納税人享受協定待遇管 理辦法〉的公告》(國家税務總局公告 2019 年第 35 號)) issued by the State Taxation Administration. For individual H shareholders who are residents of those countries having agreements with China for individual income tax rates in respect of dividend of higher than 10% but lower than 20%, the Company would withhold the individual income tax at the agreed-upon effective tax rate. For individual H shareholders who are residents of those countries without any taxation agreements with China or having agreements with China for individual income tax in respect of dividend of 20% or in other situations, the Company would withhold the individual income tax at a tax rate of 20%.

The Company will determine the country of domicile of the individual H shareholders based on the registered address as recorded in the register of members of the Company (the "Registered Address") on September 16, 2025 and will accordingly withhold and pay the individual income tax. If the country of domicile of an individual H



shareholder is not the same as the Registered Address, the individual H shareholder shall notify the share registrar of the Company's H shares and provide relevant supporting documents on or before 4:30 p.m., September 10, 2025 (address: ComputerShare Hong Kong Investor Services Limited, Shops 1712-1716, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong). If the individual H shareholder does not provide the relevant supporting documents to the share registrar of the Company's H shares within the time period stated above, the Company will determine the country of domicile of the individual H shareholder based on the recorded Registered Address on September 16, 2025.



The Company will not entertain any claims arising from and assumes no liability whatsoever in respect of any delay in, or inaccurate determination of, the status of the shareholders of the Company or any disputes over the withholding and payment of tax.

In accordance with the Notice of Ministry of Finance, the State Taxation Administration, and the China Securities Regulatory Commission on Taxation Policies concerning the Pilot Program of an Interconnection Mechanism for Transactions in the Shanghai and Hong Kong Stock Markets (Cai Shui [2014] No.81) (《財政部 國家税務總局 證監會關於滬港股票市場交易互聯互通機制試點有關稅收政 策的通知》(財税[2014]81號)), which became effective

on November 17, 2014, and the Notice of the Ministry of Finance, the State Taxation Administration, and the China Securities Regulatory Commission on Taxation Policies concerning the Pilot Program of an Interconnection Mechanism for Transactions in the Shenzhen and Hong Kong Stock Markets (Cai Shui [2016] No. 127) (《財政部 國家税務總局 證監會關於深港股票市場交易互聯互通機制 試點有關税收政策的通知》(財税[2016]127號)), which became effective on December 5, 2016, with regard to the dividends obtained by individual China's Mainland investors from investment in the H shares of the Company listed on the Hong Kong Stock Exchange through the Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect, the Company will withhold their

individual income tax at the tax rate of 20% in accordance with the register of individual China's Mainland investors provided by CSDC. As to the withholding tax having been paid abroad, an individual investor may file an application for tax credit with the competent tax authority of CSDC with an effective credit document. With respect to the dividends obtained by China's Mainland securities investment funds from investment in the H shares of the Company listed on the Hong Kong Stock Exchange through the Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect, the Company will withhold tax with reference to the provisions concerning the collection of tax on individual investors. The Company will not withhold income tax on dividends obtained by China's Mainland enterprise investors, and China's Mainland enterprise investors shall file their income tax returns and pay tax themselves instead.

With regard to the dividends obtained by the investors (including enterprises and individuals) from

investment in the A shares of the Company listed on Shanghai Stock Exchange through the Hong Kong Stock Exchange, the Company will withhold income tax at the rate of 10%, and file tax withholding returns with the competent tax authority. Where any Hong Kong investor is a tax resident of a foreign country and the rate of income tax on dividends is less than 10%, as provided for in the tax treaty between the country and the PRC, the enterprise or individual may directly, or entrust a withholding agent to, file an application for the tax treatment under the tax treaty with the competent tax authority of the Company. Upon approval, the competent tax authority will refund tax based on the difference between the amount of tax having been collected and the amount of tax payable calculated at the tax rate as set out in the tax treaty.

4. Material Litigation and Arbitration

During the reporting period, the Company has no material litigations or arbitrations.





5. Items to which Fair Value Measurement Is Applied

Unit: RMB million

Name of Items	Balance at the beginning of the reporting period	Balance at the end of the reporting period	Changes in the reporting period	Profit/loss on the changes in fair value of the reporting period
Investments in other equity instruments	707	690	(17)	0
Account receivables	8,868	15,177	6,309	0
Financial assets at fair value through profit or loss	2,816	9,028	6,212	190
Financial liabilities at fair value through profit or loss	3,808	3,698	(110)	0
Derivative financial instruments	1,969	2,162	193	3,135

6. Material Acquisition, Disposal and **Restructuring of Assets**

During the reporting period, the Company has no material acquisition, disposal or restructuring of assets.

7. Material Connected Transactions

- (1) Continuing connected transactions
- (a) Connected transactions with CNPC

According to the Hong Kong Listing Rules and the SSE Listing Rules, as CNPC is the controlling shareholder of the Company, the transactions between the Group and CNPC/jointly-held entities constitute connected transactions of the Group. The Group and CNPC/jointlyheld entities are carrying out certain existing continuing connected transactions. The above existing continuing connected transactions and their annual caps from January 1, 2024 to December 31, 2026 have been approved by the independent Directors at the 3rd meeting of the 9th session of the Board and by independent shareholders at the 2023 first extraordinary general meeting of the Company convened on August 30, 2023 and November 9, 2023.

The Group and CNPC/jointly-held entities will continue to carry out the continuing connected transactions referred to in the following agreements:

- 1) Comprehensive Products and Services Agreement;
- 2) Land Use Rights Leasing Contract and Supplemental Agreement;
 - 3) Buildings Leasing Contract (Amended);
 - 4) Intellectual Property Rights Licensing Contracts;
- 5) Contract for the Transfer of Rights under Production Sharing Contracts.

Please refer to the section of "Connected Transactions" of the 2023 annual report published by the Company on the website of the Hong Kong Stock Exchange and Shanghai Stock Exchange on March 25, 2024 for details of these agreements. The details of the Comprehensive Products and Services Agreement, Land Use Rights Leasing Contract and Supplemental Agreement, Buildings Leasing Contract (Amended) have been published on the websites of the Shanghai Stock Exchange (Announcement No: Lin 2023-028) and the Hong Kong Stock Exchange on August 30, 2023 and the circular published on the website of the Hong Kong Stock Exchange on September 20, 2023 and the information

of the 2023 first extraordinary general meeting of the Company published on the website of the Shanghai Stock Exchange on November 3, 2023.

(b) Continuing connected transactions with CNPC Finance

According to the Hong Kong Listing Rules and the SSE Listing Rules, CNPC Finance is a connected person of the Group. During the reporting period, the beginning balance of the Group's deposits with CNPC Finance was RMB62,843 million, with cash inflows of RMB2,789,287 million and cash outflows of RMB2,788,166 million during the reporting period, and the end-of-period balance was RMB63,964 million, with the Renminbi interest rate range varying from 0.05% to 2.85%. The beginning balance of the loans provided by CNPC Finance to the Group was RMB65,594 million, the amount of loans increased RMB16,425 million and the amount of loans decreased RMB12,057 million during the reporting period, and the end-of-period balance was RMB69,962 million, with the interest rate range varying from 1.85% to 3.58%. During the reporting period, the acceptance bill of exchange issued and bill discounted by CNPC Finance for the Group were RMB11,944 million and RMB40 million.

The Company entered into a currency derivatives service framework agreement with CNPC Finance on December 20, 2024. Pursuant to the agreement, the Group conducted currency derivatives transactions with CNPC Finance in 2025, to lock in exchange rates, avoid market risks and achieve the purpose of hedging in advance through currency derivatives transactions. The term of the agreement will expire on December 31, 2025. Please refer to the announcement published by the Company on the websites of the Hong Kong Stock Exchange and the Shanghai Stock Exchange on December 20, 2024, respectively. During the reporting period, the transaction amount of currency derivatives transactions between CNPC Finance and the Group amounted to USD520 million.

(2) Implementation of the continuing related party transactions during the reporting period

During the reporting period, in accordance with CAS, the actual total transaction amounts of the related party transactions between the Group and its related parties were RMB251,435 million, among which the sales of goods and provision of services by the Group to its related parties amounted to RMB65,370 million, representing 4.51% of the same category transactions of the Group; the provision of goods and services by the related parties to the Group amounted to RMB186,065 million, representing 14.96% of the same category transactions of the Group. The balance of the capital provided by the related parties to the Group amounted to RMB153,668 million.

(3) Details of the related party transactions during the reporting period have been set out in note 62 under the financial statements prepared under CAS and note 18 under the financial statements prepared under IFRS Accounting Standards.

8. Material Contracts and the Implementation Thereof

- (1) During the reporting period, there were no trusteeship, contractors and leasing of properties of other companies by the Company or trusteeship, contractors and leasing of properties of the Company by other companies which was enacted during the reporting period or extended from periods prior to the reporting period and has generated profit to the Company of 10% (inclusive) or more of its total profit for the reporting period.
- (2) As of the end of the reporting period, the Company and its subsidiaries had a guarantee balance of RMB151,161 million, including RMB125 million for credit guarantee, RMB148,350 million for performance guarantee, RMB2,686 million for financing guarantee, and the balance of guarantees as of the end of the reporting period accounted for approximately 9.72% of the Group's

net asset. The guarantee balance of the Company as of the end of the reporting period did not include any quarantee provided to the controlling shareholder, ultimate controller and related parties of the Company.

- (3) The Company did not entrust any other person to carry out cash management during the reporting period nor was there any such entrustment that was extended from periods prior to the reporting period.
- (4) The Company had no material external entrusted loans during the reporting period.
- (5) Save as disclosed in this interim report, during the reporting period, the Company did not enter into any material contract which requires disclosure.

9. Performance of Undertakings

In order to support the business development of the Company, consolidate the relevant quality assets and avoid industry competition, CNPC, the controlling shareholder of the Company, entered into the Agreement on Non-Competition and Pre-emptive Right to Transactions (the "Agreement") with the Company on March 10, 2000. After execution of the Agreement, as the oil and gas exploration and development business at certain overseas countries and regions in which the resources owned by CNPC were insufficient or uncertain, CNPC obtained certain business opportunities that competed or were likely to compete with the principal business of the Company.

In connection with matters described above, CNPC issued a Letter of Undertaking to the Company on June 20, 2014 and among the additional undertakings, one that has not yet been fully performed is: for business opportunities relating to investment in offshore oil and gas assets after the date of the Letter of Undertaking, the relevant prior approval procedure of the Company shall be initiated strictly in accordance with the Agreement. Subject





to the applicable laws, contractual agreements and procedure requirements, CNPC will sell to the Company offshore oil and gas assets as described in the Agreement at the request of the Company.

As of the end of the reporting period, CNPC has duly fulfilled the undertaking within the performance period of the Letter of Undertaking. Save for the above additional undertakings, undertakings made by CNPC in the Agreement remain unchanged.

Save for the above undertakings, there is no material undertakings given by the Company, any shareholders, ultimate controllers, purchasers, Director, Supervisor or senior management or other related parties during the reporting period.

10. Penalties on the Company and its Directors, Supervisors, Senior Management, Controlling Shareholder and Ultimate Controller and Remedies Thereto

During the reporting period, none of the Company or its current Directors, Supervisors, senior management, controlling shareholder or ultimate controller of the Company was subject to any investigation by competent authorities, enforcement by judicial or disciplinary departments, or was handed over to judicial departments or subject to criminal liabilities, or subject to investigation or administrative penalties by the China Securities Regulatory Commission, or any denial of participation in the securities market or was deemed as unsuitable candidates, or was imposed on material administrative



penalty by other administrative authorities or was subject to any public criticisms made by a stock exchange.

11. Purchase, Sale or Redemption of Securities

Save as described in the section of the "Relevant Information on the Bonds" of this interim report, the Company and its subsidiaries did not purchase, sell or redeem any listed securities of the Group during the six months ended June 30, 2025.

12. Compliance with the Model Code for Securities Transactions by Directors of Listed Issuers

The Company has adopted the provisions in relation to dealing in shares of the Company by Directors as set out in the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 to the Hong Kong Listing Rules (the "Model Code"). After specific enquiries being made to all the Directors and Supervisors, each Director and Supervisor has confirmed to the Company that each of them has complied with the requirements set out in the Model Code in the reporting period.

13. Interests of Directors, Supervisors and Chief Executive in the Share Capital of the Company

As of June 30, 2025, none of the Directors, Supervisors or chief executive of the Company had any interest and short positions in any shares, underlying shares or debentures of the Company or any associated corporation within the meaning of Part XV of the Securities and Futures Ordinance required to be recorded in the register mentioned under Section 352 of the Securities and Futures Ordinance or as otherwise notifiable to the Company and the Hong Kong Stock Exchange by the Directors, Supervisors and chief executive pursuant to the Model Code.

14. Creditworthiness of the Company and its Controlling Shareholder and Ultimate Controller

During the reporting period, the Company and its controlling shareholder did not incur any material unperformed liabilities arising from court judgment that had come into force or any significant outstanding debt that had become due and payable.

15. Audit Committee

The audit committee of the Company comprises of Ms. Liu Xiaolei, Mr. Duan Liangwei and Mr. Jiang, Simon X. The main responsibilities of the audit committee are to review and monitor the financial reporting system and internal control procedures of the Group and to provide opinions to the Board.

The audit committee of the Company has reviewed and confirmed the interim report for the six months ended June 30, 2025.

16. Disclosure of Other Information

Save as disclosed in this interim report, there have been no material changes in the information disclosed in the annual report of the Group for the year ended December 31, 2024 in respect of matters required to be disclosed under paragraph 32 of Appendix D2 to the Hong Kong Listing Rules.

17. Employees

As of June 30, 2025, the Group had 363,224 employees (excluding 216,984 market-oriented temporary and seasonal staff).

The Group has in place various remuneration systems to cater for different positions in accordance with the requirements of being fair internally and being relatively competitive externally. An annual salary system has been adopted for managements of its affiliated enterprises, a

positional level-based wage system has been adopted for managements and specialized technical staff, and a positional skill-based wage system has been adopted for skilled operators. In addition, technical subsidies and skill subsidies are offered to high-level technical and skilled talents. Each employee is remunerated according to the level of their job position, individual competence and contribution, and with changes in the relevant factors, such remuneration will also be adjusted in a timely manner.

The Group has always attached great importance to staff training as an important measure to implement the strategy of strengthening the enterprise with talents, improving the quality of staff, enhancing the competitiveness of the enterprise and building a harmonious enterprise. Employee training of the Group covers basic theories, policies and regulations, knowledge required for job positions, safety awareness, cultural knowledge and technical skills as a fundamental basis. The three improvement programmes adopted by the Group cover political and ideological abilities, performance abilities of talents and abilities of special talents, which actively promotes "traditional industries+AI" and "Al+emerging industries, future industries" training, and provides diversified and differentiated training opportunities for employees, satisfying the requirements for the growth of the Group and the construction of talents team.

18. Risk Factors

In its course of production and operation, the Group actively took various measures to avoid and mitigate various types of risks. However, in practice, it may not be possible to prevent all risks and uncertainties completely.

(1) Industry Regulations and Tax Policies Risk

The PRC government exercises supervision and regulation over the domestic oil and natural gas industry. These regulatory measures include the obtaining of exploration and production licences, the payment of industry-specific taxes and levies, and the implementation of environmental protection policies and safety standards, which may affect the Group's operating activities. Any future changes in the PRC governmental policies in respect of the oil and natural gas industry may also affect the Group's business operations.

Taxes and levies are one of the major external factors affecting the operations of the Group. The PRC government has been actively implementing taxation reforms, which may lead to future changes in the taxes and levies relating to the operations of the Group, thereby affecting the operating results of the Group.

(2) Price Fluctuations of Oil and Gas Products Risk

The Group is engaged in a wide range of oil and gas products-related activities and part of its oil and gas products demands are met through external purchases in international market. The prices of crude oil, refined oil products and natural gas in the international market are affected by various factors such as changes in global and regional politics and economy, demand and supply of oil and gas, as well as unexpected events and disputes with international repercussions. The domestic crude oil price is determined by reference to international price of crude oil and the prices of domestic refined oil products are adjusted to reflect the price changes in international crude oil market. Domestic natural gas prices are prescribed by PRC government.



(3) Foreign Exchange Rate Risk

The Group conducts its business primarily in Renminbi in the PRC, but it keeps certain foreign currencies to pay for the imported oil and gas, equipment and other raw materials as well as to repay financial liabilities denominated in foreign currencies. Currently, the PRC government has implemented a regulated floating exchange rate regime based on market supply and demand with reference to a basket of currencies. However, Renminbi is still regulated in capital projects. The exchange rates of Renminbi are affected by domestic and international economic and political changes, and demand and supply for Renminbi. Future exchange rates of Renminbi against other currencies may vary from the current exchange rates, which in turn would affect the operating results and financial position of the Group.

(4) Market Competition Risk

The Group has distinctive advantages in resources and is in a leading position in the oil and gas industry in the PRC. At present, major competitors of the Group are other large domestic oil and petrochemical producers and distributors. With the gradual opening of the domestic oil and petrochemical market, large foreign oil and petrochemical companies have become competitors of the Group in certain regions and segments.

(5) Uncertainty of the Oil and Gas Reserves Risk

According to industry characteristics and international practices, both the crude oil and natural gas reserve data disclosed by the Group are estimates only. The reliability of reserves estimates depends on a number of factors, assumptions and variables, such as the quality and quantity of technical and economic data, the prevailing oil and gas prices of the Group etc., many of which are beyond the control of the Group and may be adjusted over time. Results of drilling, testing and exploration after

the date of the evaluation may also result in revision of the reserves data of the Group to a certain extent.

(6) Overseas Operations Risk

As the Group operates in a number of countries around the world, it is subject to the influences of different political, legal and regulatory factors prevailing in the countries of operation. The risks involved primarily include instability in political environment, taxation policies, import and export restrictions as well as regulatory requirements.

(7) Risk Relating to Climate Change

In recent years, the oil industry has been facing ever increasing challenges posed by global climate change. A number of international, domestic and regional agreements restricting greenhouse gas emission have been signed and become effective. China or countries in which the Company operates take more stringent measures to reduce greenhouse gas emission, the revenue and profits earned by the Group may be reduced as a result of increases in substantial capital expenditures and taxation expenditures and operating costs incurred, etc., and the strategic investments of the Group may be subject to the unfavourable impact posed by the related laws, regulations and regulatory requirements.

(8) Hidden Hazards and Force Majeure Risk

Oil and gas exploration, development, storage and transportation and the production, storage and transportation of refined oil products and petrochemical products involve certain risks, which may cause unexpected or dangerous events such as personal injuries or death, property damage, environmental damage and disruption to operations, etc. With the expansion in the scale and area of operations, the hazard risks faced by the Group also increase accordingly. The Group has implemented a strict HSE management system and used





its best endeavours to avoid the occurrence of accidents. However, the Group cannot completely avoid potential financial losses caused by such contingent incidents. The Group has adopted strict implementation of laws and regulations of the PRC and addressed the major safety and environmental risks identified timely. In addition, natural disasters such as earthquake, typhoon, tsunami may cause losses to properties and personnel of the Group and may affect the normal operations of the Group.

19. Other Significant Events

(1) Events after the reporting period

Each of PetroChina Taihu (Beijing) Investment Co., Ltd. ("Taihu Company"), a wholly-owned subsidiary of the Company, National Pipe Network Group Energy Storage Technology Co., Ltd., and Panjin State-owned Capital Investment and Operation Group Co., Ltd., propose to contribute capital in cash to establish three new companies controlled by Taihu Company. Those three new companies propose to enter into an "Equity Acquisition Agreement" with Sichuan Petroleum Administration Bureau Co., Ltd., Xinjiang Petroleum Administration Bureau Co., Ltd., and Liaohe Petroleum Exploration Bureau Co., Ltd., which are wholly-owned subsidiaries of CNPC, to acquire 100% equity interest in their wholly-owned subsidiary, namely Chongqing Xiangguosi Gas Storage Co., Ltd., Xinjiang Oilfield Gas Storage Co., Ltd., and Liaohe Oilfield (Panjin) Gas Storage Co., Ltd. (the "Transaction"), at a consideration of RMB9.995billion, RMB17.066billion and RMB12.955 billion, respectively. This Transaction constitutes a connected transaction of the Company and has been considered and approved at the 14th meeting of the 9th session of the Board of Directors of the Company on August 26, 2025. According to the Rules Governing the Listing of Stocks on Shanghai Stock Exchange, the



Articles of Association and other applicable regulations, the Transaction is not subject to approval by the Shareholders in a general meeting. The details are set out in the Company's announcement published on August 26, 2025 on the websites of the Hong Kong Stock Exchange and Shanghai Stock Exchange. As of the date of this interim report, the relevant "Equity Acquisition Agreement" has not yet been signed. The final terms of this Transaction will be subject to the "Equity Acquisition Agreement" signed by all parties. The Company will further publish an announcement upon signing.

This event does not affect the continuity of the business and the stability of the management of the Group and is conducive to the sustainable and healthy development of and positive operating results of the business of the Group.

(2) PRC government extends the support policy for unconventional exploration and use of natural gas

On March 13, 2025, the Ministry of Finance publicly issued the Notice on Issuing the "Management Measures for Special Funds for Clean Energy Development" (Cai Jian [2025] No. 35), clarifying that from 2025 to 2029, special funds for clean energy development will be used to provide subsidies and incentives for the exploration and utilization of unconventional natural gas such as coalbed methane (coal mine gas), shale gas, and tight gas. The subsidy funds will be allocated based on the principles of "more production, more subsidies" and "increase subsidies during the winter". This event does not affect the continuity of the business and the stability of the management of the Group and is conducive to the sustainable and healthy development of and positive operating results of the Group.



DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

1. Change of Directors, Supervisors and senior management of the Company

On January 10, 2025, Mr. Jiang Shangjun resigned as a supervisor of the Company due to age reason.

On March 30, 2025, Mr. Zhang Laibin resigned as an independent non-executive Director, the chairman of the examination and remuneration committee and a member of the sustainable development committee of the Board due to work arrangements.

On April 3, 2025, Mr. Cai Yong resigned as a supervisor of the Company due to work adjustments.

On June 5, 2025, the Company's 2024 general meeting approved the "Resolution on the Election of Independent Directors of the Company" and Mr. Zhang Yuxin was elected as an independent non-executive Director. On June 20, 2025, the 13th meeting of the 9th session of the Board of Directors of the Company approved the "Proposal for the Supplementary of Members of Special Committees of the Company" and Mr. Zhang Yuxin was elected as the chairman of the examination and remuneration committee and a member of the sustainable development committee of the Board.

On June 30, 2025, Mr. Hou Qijun resigned as a non-executive Director, the vice chairman and the chairman of the investment and development committee due to work adjustments.

2. Basic Particulars of the Current Directors, Supervisors and Other Senior Management

Directors

Name	Gender	Age	Position
Dai Houliang	Male	61	Chairman of the Board
Duan Liangwei	Male	57	Non-executive Director
Huang Yongzhang	Male	58	Executive Director and President
Ren Lixin	Male	58	Executive Director and Senior Vice President
Xie Jun	Male	57	Non-executive Director
Zhang Daowei	Male	52	Executive Director and Senior Vice President
Jiang, Simon X.	Male	71	Independent Non-executive Director
Ho Kevin King Lun	Male	49	Independent Non-executive Director
Yan, Andrew Y	Male	67	Independent Non-executive Director
Liu Xiaolei	Female	51	Independent Non-executive Director
Zhang Yuxin	Male	62	Independent Non-executive Director



Supervisors

Name	Gender	Age	Position
Zhou Song	Male	53	Chairman of the Supervisory Committee
Zhao Ying	Female	57	Supervisor
Li Zhanming	Male	52	Employee Representative Supervisor
Jin Yanjiang	Male	59	Employee Representative Supervisor
Fang Qing	Male	52	Employee Representative Supervisor
Wang Binquan	Male	54	Employee Representative Supervisor

Other Senior Management

Name	Gender	Age	Position
Zhu Guowen	Male	58	Vice President
Wan Jun	Male	59	Vice President
Wang Hua	Male	51	Chief Financial Officer, Secretary to the Board (Company Secretary)
Li Ruxin	Male	58	Vice President
He Jiangchuan	Male	59	Vice President
Jiang Tongwen	Male	57	Chief Geologist
Yang Weisheng	Male	53	Chief Engineer
Shen Fuxiao	Male	55	Chief Safety Director

3. Shareholdings of the Directors, Supervisors and Senior Management

As of June 30, 2025, no current Directors, Supervisors or other senior management of the Company or those ceased to be Directors, Supervisors or other senior management of the Company during the reporting period held any shares of the Company.

4. Change in Information

Below is the latest information of the Directors, Supervisors and chief executives of the Company disclosed pursuant to Rule 13.51B(1) of the Hong Kong Listing Rules:

Ms. Liu Xiaolei has served as a director of COFCO Capital Holdings Co., Ltd. since May 16, 2025.

RELEVANT INFORMATION ON THE BONDS

1. Information on Bonds of the Company Issued and Not Yet Due

Bond Name	Abbreviation	Code	Issue Date	Value Date	Due Date	Bond Balance (RMB 100 million)	Rate (%)	Mode of Repayment	Stock Exchange for Listing
2012 Corporate Bond (First Tranche) (15- year term)	12 PetroChina 03	122211.SH	2012-11-22	2012-11-22	2027-11-22	20	5.04	Annual payment of interests, and one lump sum repayment of principal at maturity	Shanghai Stock Exchange
2016 Corporate Bond (First Tranche) (10- year term)	16 PetroChina 02	136165.SH	2016-01-18	2016-01-19	2026-01-19	47	3.50	Annual payment of interests, and one lump sum repayment of principal at maturity	Shanghai Stock Exchange
2016 Corporate Bond (Second Tranche) (10- year term)	16 PetroChina 04	136254.SH	2016-03-01	2016-03-03	2026-03-03	23	3.70	Annual payment of interests, and one lump sum repayment of principal at maturity	Shanghai Stock Exchange
2016 Corporate Bond (Third Tranche) (10- year term)	16 PetroChina 06	136319.SH	2016-03-22	2016-03-24	2026-03-24	20	3.60	Annual payment of interests, and one lump sum repayment of principal at maturity	Shanghai Stock Exchange
2024 First Tranche (Lvseliangxin) Medium-term Green Notes	24 PetroChina MTN001 (Lvseliangxin)	102484131.IB	2024-09-13	2024-09-14	2034-09-14	30	2.24	Annual payment of interests, and one lump sum repayment of principal at maturity	National Inter-bank Bond Market
2024 Second Tranche Medium-term Notes	24 PetroChina MTN002	102484130.IB	2024-09-13	2024-09-14	2029-09-14	100	2.08	Annual payment of interests, and one lump sum repayment of principal at maturity	National Inter-bank Bond Market

Notes:

- 1. Trading venue: the trading venue for 12 PetroChina 03, 16 PetroChina 02, 16 PetroChina 04 and 16 PetroChina 06 is the Shanghai Stock Exchange, and the trading venue for 24 PetroChina MTN001 (Lyseliangxin) and 24 PetroChina MTN002 is the National Inter-bank Bond
- 2. Repayment of principal and payment of interest: for 12 PetroChina 03, 16 PetroChina 02, 16 PetroChina 04, 16 PetroChina 06, 24 PetroChina MTN001 (Lvseliangxin) and 24 PetroChina MTN002, payment of interests shall be made annually, and one lump sum repayment of principal shall be made at maturity.
- 3. Investor suitability arrangements: 12 PetroChina 03 is offered and traded publicly to public investors (ordinary investors); 16 PetroChina 02, 16 PetroChina 04 and 16 PetroChina 06 are offered and traded publicly to qualified investors (professional investors); 24 PetroChina MTN001 (Lvseliangxin) and 24 PetroChina MT002 are offered and traded publicly to institutional investors in the National Inter-bank Bond Market.
- 4. Applicable trading mechanisms: matching transaction, click transaction, inquiry transaction, bidding transaction and negotiation transaction at Shanghai Stock Exchange are applicable to 12 PetroChina 03, 16 PetroChina 02, 16 PetroChina 04 and 16 PetroChina 06; circulation and transfer in the National Inter-bank Bond Market. market are applicable to 24 PetroChina MTN001 (Lvseliangxin) and 24 PetroChina MTN002.
- 5. Interest Payment Redemption: during the reporting period, the principals and interests of 22 PetroChina GN001 and 22 PetroChina GN002 were duly paid; the interests of 12 PetroChina 03, 16 PetroChina 02, 16 PetroChina 04, 16 PetroChina 06, 24 PetroChina MTN001 (Lvseliangxin) and 24 PetroChina MTN002 were duly paid.
- 6. The bonds issued by the Company were not overdue and there is no risk of termination of listing and trading of the bonds issued by the Company.
- 7. Triggering and implementation of special clauses: there is no triggering and implementation of special clauses during the reporting period.

2. Information on Follow-up Credit Rating of Bonds

During the reporting period, no adjustment was made by the credit rating agencies to the credit rating of the Company or bonds.

3. Credit Enhancement Mechanism, Debt Repayment Plan and Safeguard Measures for Debt Repayment

During the reporting period, the credit enhancement mechanism, debt repayment plan and the safeguard measures for debt repayment were consistent with the provisions and relevant undertakings set out in the offering circular, without any change made thereto.

4. Mortgage, Pledge, Seizure, Freezing, Conditional Realization, Impossible Realization, Impossible Use to Offset Debts and Other Situations and Arrangements under Which Rights Are Restricted Relating to Assets

As of the end of the reporting period, there was no material restriction on the Company's assets.



5. Key Financial Data and Financial Indicators Relating to Corporate Bonds

Items	As of June 30, 2025	As of December 31, 2024
Liquidity ratio	1.04	0.93
Quick ratio	0.81	0.66
Asset-liability ratio (%)	38.48	37.89

Items	For the first half of 2025	For the first half of 2024
Earnings before interest, taxes, depreciation and amortization (EBITDA) (RMB million)	251,728	256,866
Net profit after deducting non-recurring profit items (RMB million)	93,755	102,788
Net cash flows used for investing activities (RMB million)	(121,159)	(141,375)
Net cash flows used for financing activities (RMB million)	(54,912)	(133,006)
Cash and cash equivalents at the end of the period (RMB million)	224,124	192,104
Debt-to-EBITDA Ratio	1.04	1.20
Debt service coverage ratio	26.67	24.79
Cash debt service coverage ratio	35.01	27.68
EBITDA interest coverage ratio	51.49	45.44
Loan repayment ratio (%)	100	100
Interest coverage ratio (%)	100	100

PETROCHINA COMPANY LIMITED UNAUDITED CONSOLIDATED AND COMPANY BALANCE SHEETS AS OF JUNE 30, 2025

(All amounts in RMB millions unless otherwise stated)

		June 30, 2025	December 31, 2024	June 30, 2025	December 31, 2024
ASSETS	Note	The Group	The Group	The Company	The Company
Current assets					
Cash at bank and on hand	7	284,493	216,246	94,962	25,199
Financial assets held for trading		9,028	2,816	-	-
Derivative financial instruments	8	7,261	9,020	314	15
Accounts receivable	9	119,715	71,610	16,307	7,219
Receivables financing	10	15,177	8,868	14,528	7,556
Advances to suppliers	11	21,047	14,192	13,911	8,734
Other receivables	12	36,791	34,387	12,349	8,454
Inventories	13	155,724	168,338	96,388	97,297
Other current assets	14	61,442	65,367	38,500	47,551
Total current assets	_	710,678	590,844	287,259	202,025
Non-current assets					
Investments in other equity instruments		690	707	156	181
Long-term equity investments	15	295,267	290,077	556,698	541,146
Fixed assets	16	461,529	480,407	247,377	262,146
Oil and gas properties	17	827,863	875,436	636,915	669,677
Construction in progress	18	228,990	214,967	142,846	129,145
Right-of-use assets	19	129,576	120,865	61,345	49,817
Intangible assets	20	91,696	92,790	63,863	66,006
Goodwill	21	7,424	7,436	77	77
Long-term prepaid expenses	22	13,850	14,018	8,036	8,607
Deferred tax assets	36	29,818	26,765	6,458	5,045
Other non-current assets	23	52,251	38,695	69,785	65,944
Total non-current assets	_	2,138,954	2,162,163	1,793,556	1,797,791
TOTAL ASSETS	_	2,849,632	2,753,007	2,080,815	1,999,816

The accompanying notes form an integral part of these financial statements.

Chairman	Director and President	Chief Financial Officer
Dai Houliang	Huang Yongzhang	Wang Hua



PETROCHINA COMPANY LIMITED UNAUDITED CONSOLIDATED AND COMPANY BALANCE SHEETS AS OF JUNE 30, 2025 (CONTINUED)

(All amounts in RMB millions unless otherwise stated)

		June 30, 2025	December 31, 2024	June 30, 2025	December 31, 2024
LIABILITIES AND SHAREHOLDERS' EQUITY	/ Note	The Group	The Group	The Company	The Company
Current liabilities					
Short-term borrowings	25	46,409	45,955	52,417	49,315
Financial liabilities held for trading		3,698	3,808	-	-
Derivative financial instruments	8	5,099	7,051	6	-
Notes payable	26	12,837	14,895	12,828	13,785
Accounts payable	27	257,871	272,785	85,811	99,068
Contract liabilities	28	77,565	80,266	62,688	59,194
Employee compensation payable	29	15,038	8,095	12,147	5,884
Taxes payable	30	57,151	60,245	30,659	34,857
Other payables	31	72,676	24,198	164,111	133,888
Current portion of non-current liabilities	32	112,544	101,757	26,159	18,458
Other current liabilities		23,382	18,262	14,943	8,501
Total current liabilities	_	684,270	637,317	461,769	422,950
Non-current liabilities	_				
Long-term borrowings	33	76,905	74,072	41,690	33,641
Debentures payable	34	15,000	24,000	15,000	23,300
Lease liabilities	19	118,472	109,968	49,237	38,622
Provisions	35	164,521	162,019	123,863	122,300
Deferred tax liabilities	36	26,386	25,688	-	-
Other non-current liabilities		10,936	10,080	5,968	5,116
Total non-current liabilities	=	412,220	405,827	235,758	222,979
Total liabilities	_	1,096,490	1,043,144	697,527	645,929
Shareholders' equity					
Share capital	37	183,021	183,021	183,021	183,021
Capital surplus	38	121,729	121,812	122,302	122,368
Special reserve		9,414	6,747	5,560	3,648
Other comprehensive income	57	(30,932)	(30,748)	1,339	1,347
Surplus reserves	39	252,305	252,305	241,213	241,213
Undistributed profits	40	1,020,356	982,234	829,853	802,290
Equity attributable to shareholders of the Company	_	1,555,893	1,515,371	1,383,288	1,353,887
Non-controlling interests	41	197,249	194,492	-	-
Total shareholders' equity	-	1,753,142	1,709,863	1,383,288	1,353,887
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		2,849,632	2,753,007	2,080,815	1,999,816

The accompanying notes form an integral part of these financial statements.

Chairman	Director and President	Chief Financial Officer
Dai Houliang	Huang Yongzhang	Wang Hua

PETROCHINA COMPANY LIMITED UNAUDITED CONSOLIDATED AND COMPANY INCOME STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2025

(All amounts in RMB millions unless otherwise stated)

		For the six months ended June 30, 2025	For the six months ended June 30, 2024	For the six months ended June 30, 2025 The	For the six months ended June 30, 2024 The
Items	Note	The Group	The Group	Company	Company
Operating income Less: Cost of sales Taxes and surcharges Selling expenses General and administrative expenses Research and development expenses Finance expenses	42 42 43 44 45 46 47	1,450,099 (1,147,144) (125,441) (28,693) (32,274) (9,899) (6,328)	1,554,973 (1,228,848) (134,494) (30,015) (29,903) (9,657) (6,793)	871,479 (668,709) (91,377) (19,785) (19,448) (8,446) (4,409)	919,997 (713,704) (95,875) (19,773) (17,785) (8,232) (4,977)
Including: Interest expenses Interest income Add: Other income Investment income Including: Income from investment in associates	48 49	9,296 3,706 8,415 7,874	10,755 4,428 7,895 1,139	5,258 1,129 8,072 17,804	5,819 1,088 7,534 25,459
and joint ventures Gains from changes in fair value Credit impairment reversal /(losses) Asset impairment losses Gains on asset disposal	50 51 52 53	9,676 5,082 101 (510) 992	10,292 8,634 (169) (216) 263	6,943 305 11 (15) 723	7,283 10 (79) (18) 235
Operating profit Add: Non-operating income Less: Non-operating expenses Profit before income tax Less: Income tax expenses	54(a) 54(b) 55	122,274 1,559 (2,749) 121,084 (27,418)	132,809 719 (4,119) 129,409 (29,604)	86,205 1,166 (3,146) 84,225 (10,756)	92,792 617 (3,811) 89,598 (10,075)
Net profit Classified by continuity of operations: Net profit from continuous operation Net profit from discontinued operation Classified by ownership:		93,666 93,666	99,805	73,469	79,523 79,523
Shareholders of the Company Non-controlling interests		83,993 9,673	88,802 11,003	73,469 -	79,523 -
Other comprehensive income, net of tax Other comprehensive income (net of tax) attributable to shareholders of the Company	57	(347) (170)	(5,539) (5,214)	(8) (8)	27 27
(1) Item that will not be reclassified to profit or loss Changes in fair value of investments in other equity instruments (2) Items that may be reclassified to profit or loss	0.	(18)	(69)	(16)	(18)
Other comprehensive income recognised under equity method Cash flow hedges Currency translation differences Other comprehensive income (net of tax) attributable to non-controlling interests		(344) (933) 1,125 (177)	63 (4,605) (603) (325)	(38) 46 -	111 (66) -
Total comprehensive income		93,319	94,266	73,461	79,550
Attributable to: Shareholders of the Company Non-controlling interests		83,823 9,496	83,588 10,678	73,461	79,550
Earnings per share Basic earnings per share (RMB Yuan) Diluted earnings per share (RMB Yuan)	56 56	0.46 0.46	0.49	0.40 0.40	0.43 0.43

Note: For a business combination involving entities under common control which occurred in 2024, the net profit of the CNPC Electric Energy Co., Ltd. ("CNPC Electric Energy") before being consolidated was RMB195 for the six months ended June 30, 2024.

The accompanying notes form an integral part of these financial statements						
 Chairman	Director and President	Chief Financial Officer				
Dai Houliang	Huang Yongzhang	Wang Hua				



PETROCHINA COMPANY LIMITED UNAUDITED CONSOLIDATED AND COMPANY CASH FLOW STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2025

(All amounts in RMB millions unless otherwise stated)

		For the six months ended June 30, 2025	For the six months ended June 30, 2024 Note	For the six months ended June 30, 2025 The	For the six months ended June 30, 2024 The
Items	Note	The Group	The Group	Company	Company
Cash flows from operating activities Cash received from sales of goods and rendering of services Cash received relating to other operating activities Sub-total of cash inflows Cash paid for goods and services Cash paid to and on behalf of employees Payments of various taxes Cash paid relating to other operating activities Sub-total of cash outflows	59(a) 59(b)	1,498,470 53,671 1,552,141 (986,955) (77,237) (197,584) (63,302) (1,325,078)	1,717,120 31,042 1,748,162 (1,193,681) (73,894) (205,430) (56,738) (1,529,743)	954,038 9,639 963,677 (614,223) (54,337) (126,000) (22,456) (817,016)	979,483 28,978 1,008,461 (633,216) (51,998) (139,713) (17,111) (842,038)
Net cash flows from operating activities	59(f)	227,063	218,419	146,661	166,423
Cash flows from investing activities Cash received from disposal of investments Cash received from returns on investments Net cash received from disposal of fixed assets, oil and gas properties, intangible assets and other long-term assets Net cash received from disposal of subsidiaries and other	59(c)	32,101 10,834 1,124	24,649 6,768 370	3,985 14,665 270	87 25,411 148
business units		28	709	527	-
Sub-total of cash inflows		44,087	32,496	19,447	25,646
Cash paid to acquire fixed assets, oil and gas properties, intangible assets and other long-term assets Cash paid to acquire investments Net cash paid for the acquisition of subsidiaries and other business entities	59(d)	(114,795) (50,438)	(117,758) (56,101) (12)	(49,819) (5,938)	(75,930) (9,724)
Sub-total of cash outflows		(165,246)	(173,871)	(55,757)	(85,654)
Net cash flows used for investing activities		(121,159)	(141,375)	(36,310)	(60,008)
Cash flows from financing activities Cash received from capital contributions Including: Cash received from non-controlling interests' capital contributions to subsidiaries		498 498	489 489	-	-
Cash received from borrowings		329,324	287,703	50,722	37,255
Sub-total of cash inflows		329,822	288,192	50,722	37,255
Cash repayments of borrowings Cash payments for interest expenses and distribution of dividends or profits Including: Subsidiaries' cash payments for distribution of		(324,924) (53,797)	(363,737) (52,208)	(41,831) (45,019)	(106,785) (41,736)
dividends or profits to non-controlling interests Cash payments relating to other financing activities Sub-total of cash outflows	59(e)	(5,959) (6,013) (384,734)	(5,143) (5,253) (421,198)	(4,400) (91,250)	(3,193) (151,714)
Net cash flows used for financing activities		(54,912)	(133,006)	(40,528)	(114,459)
Effect of foreign exchange rate changes on cash and cash equivalents		655	(935)		
Net increase/(decrease) in cash and cash equivalents Add: Cash and cash equivalents at the beginning of the period	59(g)	51,647 172,477	(56,897) 249,001	69,823 25,139	(8,044) 60,652
Cash and cash equivalents at the end of the period	59(i)	224,124	192,104	94,962	52,608

Note: The comparative amounts in the financial statements are presented as if CNPC Electric Energy had been consolidated from the beginning of the earliest financial year presented (see Note 6(2)).

The accompanying	notes form	an integral	part of these	financial	statements.
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Chairman	Director and President	Chief Financial Officer
Dai Houliang	Huang Yongzhang	Wang Hua

PETROCHINA COMPANY LIMITED UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE SIX MONTHS ENDED JUNE 30, 2025

(All amounts in RMB millions unless otherwise stated)

	Shareholders' equity attributable to the Company								
Items	Share capital	Capital surplus		Other comprehensive income	Surplus reserves	Undistributed profits	Sub-total	Non- controlling interests	Total shareholders' equity
Balance at January 1, 2024	183,021	123,078	6,858	(18,724)	237,802	914,375	1,446,410	184,211	1,630,621
Adjusted for the acquisition of CNPC Electric Energy (Note 6(2))		4,600	27		_	296	4,923		4,923
Balance at January 1, 2024 (restated)	183,021	127,678	6,885	(18,724)	237,802	914,671	1,451,333	184,211	1,635,544
Changes in the six months ended June 30, 2024				, ,					
Total comprehensive income	-	-	-	(5,214)	-	88,802	83,588	10,678	94,266
Special reserve - safety fund reserve									
Appropriation	-	-	3,466	-	-	-	3,466	110	3,576
Utilisation	-	-	(1,069)	-	-	-	(1,069)	(61)	(1,130)
Profit distribution Distribution to shareholders	-	-	-	-	-	(42,095)	(42,095)	(7,410)	(49,505)
Other equity movement									
Equity transaction with non-controlling interests	-	(1)	_	_	_	(196)	(197)	185	(12)
Capital contribution from non-controlling interests	_	<u>-</u>	-	_	-	-	-	572	572
Acquisition of subsidiaries	-	-	-	_	-	_	-	74	74
Disposal of subsidiaries	-	-	-	-	-	-	-	(105)	(105)
Others	-	14	-	-	-	7	21	(5)	16
Balance at June 30, 2024	183,021	127,691	9,282	(23,938)	237,802	961,189	1,495,047	188,249	1,683,296
Balance at January 1, 2025	183,021	121,812	6,747	(30,748)	252,305	982,234	1,515,371	194,492	1,709,863
Changes in the six months ended June 30, 2025									
Total comprehensive income	-	-	-	(170)	-	83,993	83,823	9,496	93,319
Special reserve - safety fund reserve									
Appropriation	-	-	3,436	-	-	-	3,436	383	3,819
Utilisation	-	-	(769)	-	-	-	(769)	(117)	(886)
Profit distribution									
Distribution to shareholders	-	-	-	-	-	(45,755)	(45,755)	(7,048)	(52,803)
Other equity movement									
Capital contribution from non-controlling interests	-	-	-	-	-	-	-	498	498
Disposal of subsidiaries	-	-	-	-	-	-	-	(520)	(520)
Others		(83)	-	(14)		(116)	(213)	65	(148)
Balance at June 30, 2025	183,021	121,729	9,414	(30,932)	252,305	1,020,356	1,555,893	197,249	1,753,142

Note: The comparative amounts in the financial statements are presented as if CNPC Electric Energy had been consolidated from the beginning of the earliest financial year presented (see Note 6(2)).

The accompanying notes form an integral part of these financial statement	The	accompanying	notes form a	n integral p	part of these	financial	statements
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Chairman	Director and President	Chief Financial Officer
Dai Houliang	Huang Yongzhang	Wang Hua

PETROCHINA COMPANY LIMITED UNAUDITED COMPANY STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE SIX MONTHS ENDED JUNE 30, 2025

(All amounts in RMB millions unless otherwise stated)

Items	Share capital	Capital surplus	Special reserve	Other comprehensive income	Surplus reserves	Undistributed profits	Total shareholders' equity
Balance at January 1, 2024	183,021	122,678	3,945	1,099	226,710	754,155	1,291,608
Changes in the six months ended June 30, 2024							
Total comprehensive income	-	-	-	27	-	79,523	79,550
Special reserve - safety fund reserve							
Appropriation	-	-	2,548	-	-	-	2,548
Utilisation	-	-	(605)	-	-	-	(605)
Profit distribution							
Distribution to shareholders	-	-	-	-	-	(42,095)	(42,095)
Others	-	60	-	-	-	-	60
Balance at June 30, 2024	183,021	122,738	5,888	1,126	226,710	791,583	1,331,066
Balance at January 1, 2025	183,021	122,368	3,648	1,347	241,213	802,290	1,353,887
Changes in the six months ended June 30, 2025							
Total comprehensive income	-	-	-	(8)	-	73,469	73,461
Special reserve - safety fund reserve							
Appropriation	-	-	2,477	-	-	-	2,477
Utilisation	-	-	(565)	-	-	-	(565)
Profit distribution							
Distribution to shareholders	-	-	-	-	-	(45,755)	(45,755)
Others	-	(66)	-	-	-	(151)	(217)
Balance at June 30, 2025	183,021	122,302	5,560	1,339	241,213	829,853	1,383,288

The accompanying notes form an integral part of these financial statements.

Chairman	Director and President	Chief Financial Officer
Dai Houliang	Huang Yongzhang	Wang Hua

1 COMPANY BACKGROUND

PetroChina Company Limited (the "Company") was established as a joint stock company with limited liability on November 5, 1999 by 中國石油天然气集團公司 (China National Petroleum Corporation ("CNPC")) as the sole proprietor in accordance with the approval Guo Jing Mao Qi Gai [1999] No. 1024 "Reply on the approval of the establishment of PetroChina Company Limited" from the former State Economic and Trade Commission of the People's Republic of China ("China" or "PRC"). CNPC restructured ("the Restructuring") and injected its core business and the related assets and liabilities into the Company. 中國石油天然气集團公司 was renamed 中國石油天然气集團有限公司 ("CNPC" before and after the change of name) on December 19, 2017. CNPC is a wholly state-owned company registered in China. The Company and its subsidiaries are collectively referred to as the "Group".

The Group is principally engaged in (i) the exploration, development, production and transportation and marketing of crude oil and natural gas, and new energy business; (ii) the refining of crude oil and petroleum products, production and marketing of primary petrochemical products, derivative petrochemical products and other chemical products, and new materials business; (iii) the marketing of refined products and non-oil products, and trading business; and (iv) the transportation of natural gas and the sale of natural gas. The principal subsidiaries of the Group are listed in Note 6(1).

The financial statements were approved by the Board of Directors on August 26, 2025.

2 BASIS OF PREPARATION

The financial statements of the Group are prepared in accordance with Accounting Standards for Business Enterprises issued by the Ministry of Finance (the "MOF") and other regulations issued thereafter (hereafter referred to as the "Accounting Standard for Business Enterprises", "China Accounting Standards" or "CAS"). The financial statements have been prepared on the going concern basis.

These financial statements also comply with the disclosure requirements of the financial statements and notes of "Regulation on the Preparation of Information Disclosures by Companies Issuing Securities, No.15: General Requirements for Financial Reports" as revised by the China Securities Regulatory Commission ("CSRC").

3 STATEMENT OF COMPLIANCE WITH THE ACCOUNTING STANDARDS FOR BUSINESS ENTERPRISES

The financial statements for the six months ended June 30, 2025 truly, accurately and completely present the consolidated and company's financial position as of June 30, 2025 and their financial performance and their cash flows for the six months then ended in compliance with the Accounting Standards for Business Enterprises.

4 SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

(1) Accounting Period

The accounting period of the Group starts on January 1 and ends on December 31.

(2) Operating Cycle

The Group takes the period from the exploration or acquisition of the crude oil, natural gas and other assets for exploring, transporting and processing and etc. to their realisation in cash and cash equivalent as a normal operating cycle.

(3) Recording Currency

The recording currency of the Company and most of its subsidiaries is Renminbi ("RMB"). The Group's consolidated financial statements are presented in RMB.

(4) Measurement Properties

Generally are measured at historical cost unless otherwise stated at fair value, net realisable value or present value.

(5) Foreign Currency Translation

(a) Foreign currency transactions

Foreign currency transactions are translated into RMB at the exchange rates prevailing at the date of the transactions.

Monetary items denominated in foreign currencies at the balance sheet date are translated into RMB at the exchange rates prevailing at the balance sheet date. Exchange differences arising from these translations are recognised in profit or loss except for those arising from foreign currency specific borrowings for the acquisition, construction of qualifying assets in connection with capitalisation of borrowing costs. Non-monetary items denominated in foreign currencies measured at historical cost are translated into RMB at the historical exchange rates prevailing at the date of the transactions at the balance sheet date. The effect of exchange rate changes on cash is presented separately in the cash flow statement.

(b) Translation of financial statements represented in foreign currency

Assets and liabilities of each balance sheet of the foreign operations are translated into RMB at the closing rates at the balance sheet date, while the equity items are translated into RMB at the exchange rates at the date of the transactions, except for the undistributed profits and the translation differences in other comprehensive income. Income and expenses for each income statement of the foreign operations are translated into RMB at the exchange rates or the approximate exchange rates at the date of the transactions. The currency translation differences resulted from the above-mentioned translations are recognised as other comprehensive income. The cash flows of overseas operations are translated into RMB at the approximate exchange rates at the date of the transactions. The effect of exchange rate changes on cash is presented separately in the cash flow statement.

(6) Cash and Cash Equivalents

Cash and cash equivalents refer to all cash on hand and deposit held at call with banks, short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(7) Financial Instrument

Financial instruments include cash at bank and on hand, financial assets held for trading, derivative financial instruments, accounts receivables, equity securities other than those classified as long-term equity investments, accounts payables, financial liabilities held for trading, borrowings, debentures payable and share capital, etc..

(a) Recognition and initial measurement of financial assets and financial liabilities

A financial asset or financial liability is recognised in the balance sheet when the Group becomes a party to the contractual provisions of a financial instrument.

A financial asset (unless it is an accounts receivable without a significant financing component) and financial liability is measured initially at fair value. For financial assets and financial liabilities at fair value through profit or loss, any related directly attributable transaction costs are charged to profit or loss; for other categories of financial assets and financial liabilities, any related directly attributable transaction costs are included in their initial costs. A trade receivable, without significant financing component or practical expedient applied for one year or less contracts is initially measured at the transaction price according to Note 4(23).

(b) Classification and subsequent measurement of financial assets

(i) Classification of the financial assets held by the Group

The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. On initial recognition, a financial asset is classified as measured at amortised cost, at fair value through other comprehensive income ("FVOCI"), or at fair value through profit or loss ("FVTPL").

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to collect contractual cash flows;
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets;
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to designate it as a financial asset at FVOCI. This election is made on an investment-by-investment basis, and from the perspective of the issuer, related investment is in line with the definition of equity instruments.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL.

The business model in which a financial asset is managed refers to how the Group manages its financial assets in order to generate cash flows. That is, the Group's business model determines whether cash flows will result from collecting contractual cash flows, selling financial assets, or both. The Group determines the business model for managing financial assets according to the facts and based on the specific business objectives for the managing the financial assets determined by the Group's key management personnel.

In assessing whether the contractual cash flows are solely payments of principal and interest on the principal amount outstanding, the Group considers the contractual cash flow characteristics of the instrument. For the purposes of this assessment, "principal" is defined as the fair value of the financial assets at initial recognition. "Interest" is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin. The Group also assesses whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

- (ii) Subsequent measurement of the financial assets
- Financial assets at FVTPL:

These financial assets are subsequently measured at fair value. Gains and losses, including any interest or dividend income, are recognised in profit or loss, unless the financial assets are a part of hedging relationship.

• Financial assets measured at amortised cost:

These assets are subsequently measured at amortised cost using the effective interest method. Gains or losses on financial assets that are measured at amortised cost and are not a part of any hedging relationship shall be recognised in profit or loss when the financial asset is derecognised, through the amortisation process or in order to recognise impairment gains or losses.

• Debt investments at FVOCI:

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, impairment and foreign exchange gains and losses are recognised in profit or loss. Other gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

• Equity investments at FVOCI:

These assets are subsequently measured at fair value. Dividends are recognised in profit or loss. Other gains or losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to retained earnings.

(c) Classification and subsequent measurement of financial liabilities

Financial liabilities are classified as measured at FVTPL or amortised cost.

• Financial liabilities at FVTPL:

A financial liability is classified as at FVTPL if it is classified as held-for-trading (including derivative financial liability) or it is designated as such on initial recognition.

Financial liabilities at FVTPL are subsequently measured at fair value. Gains and losses, including any interest expense, are recognised in profit or loss, unless the financial liabilities are part of a hedging relationship.

• Financial liabilities at amortised cost:

Other financial liabilities are subsequently measured at amortised cost using the effective interest method.

(d) Offsetting

Financial assets and financial liabilities are generally presented separately in the balance sheet, and are not offset. However, a financial asset and a financial liability are offset and the net amount is presented in the balance sheet when both of the following conditions are satisfied:

- the Group currently has a legally enforceable right to set off the recognised amounts;
- the Group intends either to settle on a net basis, or to realise the financial asset and settle the financial liability simultaneously.

(e) Derecognition of financial assets and financial liabilities

Financial asset is derecognised when one of the following conditions is met:

- the Group's contractual rights to the cash flows from the financial asset expire;
- the financial asset has been transferred and the Group transfers substantially all of the risks and rewards of ownership of the financial asset; or
- the financial asset has been transferred, although the Group neither transfers nor retains substantially all of the risks and rewards of ownership of the financial asset, it does not retain control over the transferred asset.

Where a transfer of a financial asset in its entirety meets the criteria for derecognition, the difference between the two amounts below is recognised in profit or loss:

- the carrying amount of the financial asset transferred measured at the date of derecognition;
- the sum of the consideration received from the transfer and, when the transferred financial asset is a debt
 investment at FVOCI, any cumulative gain or loss that has been recognised directly in other comprehensive
 income for the part derecognised.

The Group derecognises a financial liability (or part of it) only when its contractual obligation (or part of it) is extinguished, the difference between the carrying amount extinguished and the consideration paid is recognised in profit or loss.

(f) Impairment

The Group recognises loss allowances for expected credit loss ("ECL") on financial assets measured at amortised cost, contract assets and debt investments measured at FVOCI.

Financial assets measured at fair value, including debt investments or equity investments at FVTPL, equity investments designated at FVOCI and derivative financial assets, are not subject to the ECL assessment.

(i) Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

The maximum period considered when estimating ECLs is the maximum contractual period (including extension options) over which the Group is exposed to credit risk.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the balance sheet date (or a shorter period if the expected life of the instrument is less than 12 months).

Loss allowances for accounts receivable, contract assets and receivables financing at fair value through other comprehensive income are always measured at an amount equal to lifetime ECL. ECLs on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both the current and forecast general economic conditions at the balance sheet date.

Except for accounts receivable, contract assets and receivables financing at fair value through other comprehensive income, the Group measures loss allowance at an amount equal to 12-month ECL for the following financial instruments that have low credit risk for which credit risk has not increased significantly since initial recognition, and at an amount equal to lifetime ECL for accounts receivable, contract assets and receivables financing at fair value through other comprehensive income.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort, including forward-looking information.

(ii) Provisions for bad and doubtful debts arising from receivables

Categories of groups for collective assessment based on credit risk characteristics and basis for determination

Categories	Basis for determination
Accounts receivable	Historically, there is significant difference in terms of occurrence of losses among different operating segment and geography. Therefore, the Group makes provisions for bad and doubtful debts arising from accounts receivable on the basis of different operating segment and geography.
Receivables financing	The Group's receivables financing are bank acceptance bills held for dual purposes. As the accepting banks have high credit ratings, the Group considers all receivables financing as a single group.
Other receivables	The Group's other receivables mainly include cash pledges and deposits receivable, interest receivables, dividends receivable, etc. Based on the credit risk, the Group classifies other receivables with different aging as a group to calculate bad debt provision.

Criteria for individual assessment

Accounts receivable, other receivables, and receivables under financing are usually assessed collectively as a group based on credit risk characteristics to make provisions. When a counterparty is significantly different from other counterparties in the group in terms of credit risk characteristics, or if there has been a significant change in its credit risk characteristics, the individual approach is adopted for receivables due from this counterparty.

(iii) Financial instruments that have low credit risk

The credit risk on a financial instrument is considered low if the financial instrument has a low risk of default, the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

(iv) Significant increases in credit risk

In assessing whether the credit risk of a financial instrument has increased significantly since initial recognition, the Group compares the risk of default occurring on the financial instrument assessed at the balance sheet date with that assessed at the date of initial recognition.

(v) Credit-impaired financial assets

At each balance sheet date, the Group assesses whether financial assets carried at amortised cost and debt investments at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract, such as a default or delinquency in interest or principal payments;

- for economic or contractual reasons relating to the borrower's financial difficulty, the Group having granted to the borrower a concession that would not otherwise consider;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.
- (vi) Presentation of allowance for ECL

ECLs are remeasured at each balance sheet date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. The Group recognises an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for debt investments that are measured at FVOCI, for which the loss allowance is recognised in other comprehensive income.

(vii) Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. A write-off constitutes a derecognition event. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, according to the Group's procedures for recovery of amounts due, financial assets that are written off could still be subject to enforcement activities.

Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

(g) Determination of financial instruments' fair value

Regarding financial instruments, for which there is an active market, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. If there is no active market for a financial instrument, valuation techniques shall be adopted to determine the fair value.

When measuring fair value, the Group takes into account the characteristics of the particular asset or liability (including the condition and location of the asset and restrictions, if any, on the sale or use of the asset) that market participants would consider when pricing the asset or liability at the measurement date, and uses valuation techniques that are appropriate in the circumstances and for which sufficient data and other information are available to measure fair value. Valuation techniques mainly include the market approach, the income approach and the cost approach.

(h) Derivative financial instruments and hedge accounting

Derivative financial instruments are recognised initially at fair value. At each balance sheet date, the fair value is remeasured. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss, except where the derivatives qualify for hedge accounting.

Hedge accounting is a method which recognises inprofit or loss (or other comprehensive income) the gain or loss on the hedging instrument and the hedged item in the same accounting period, to represent the effect of risk management activities.

Hedged items are the items that expose the Group to risks of changes in future fair value or future cash flows and that are designated as being hedged and that must be reliably measurable. The Group's hedged items include the purchase or sale transactions that exposes the Group to the risk of variability in cash flows, at an undetermined future market price.

A hedging instrument is a designated derivative whose changes in future fair value or cash flows are expected to offset changes in the fair value or the cash flows of the hedged item. The hedging relationship meets all of the following hedge effectiveness requirements:

- (i) There is an economic relationship between the hedged item and the hedging instrument, which share a risk and that gives rise to opposite changes in fair value that tend to offset each other.
- (ii) The effect of credit risk does not dominate the value changes that result from that economic relationship.
- (iii) The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the entity actually hedges and the quantity of the hedging instrument that the entity actually uses to hedge that quantity of hedged item. However, that designation shall not reflect an imbalance between the weightings of the hedged item and the hedging instrument.
- · Cash flow hedges

Cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with all, or a component of, a recognised asset or liability or a highly probable forecast transaction, and could affect profit or loss. As long as a cash flow hedge meets the qualifying criteria for hedge accounting, the amount of cash flow hedges reserve is the lower of the following two absolute amounts:

- The cumulative gain or loss on the hedging instrument from inception of the hedge;
- The cumulative change in present value of the expected future cash flows on the hedged item from inception of the hedge.

The change in the amount of the cash flow hedge reserve is recognised in other comprehensive income in each period.

The portion of the gain or loss on the hedging instrument that is determined to be an ineffective hedge is recognised in profit or loss.

The amount of cash flow hedge reserve shall be accounted for as follows:

- If a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability, or a hedged forecast transaction for a non-financial asset or a non-financial liability becomes a firm commitment for which fair value hedge accounting is applied, the entity shall remove that amount from the cash flow hedge reserve and include it directly in the initial cost or other carrying amount of the asset or the liability;
- For cash flow hedges, other than those covered by the preceding two policy statements, that amount shall be reclassified from the cash flow hedge reserve to profit or loss as a reclassification adjustment in the same period or periods during which the hedged expected future cash flows affect profit or loss;
- If the amount that has been accumulated in the cash flow hedge reserve is a loss and the Group expects that all or a portion of that loss will not be recovered in one or more future periods, the Group reclassify the amount that is not expected to be recovered into profit or loss.

In case of the following circumstances, the Group discontinues the use of hedge accounting:

- when the hedging relationship no longer meets the risk management objective on the basis of which it qualified for hedge accounting (ie. the entity no longer pursues that risk management objective);
- or when a hedging instrument expires or is sold, terminated, exercised;
- or there is no longer an economic relationship between the hedged item and the hedging instrument or the effect of credit risk starts to dominate the value changes that result from that economic relationship;
- or no longer meets the other criteria for applying hedge accounting.

When the Group discontinues hedge accounting for a cash flow hedge, the amount of the accumulated cash flow hedge reserve recognised in other comprehensive income is accounted for as follows:

- If the hedged future cash flows are still expected to occur, that amount shall remain in the cash flow hedge reserve and be accounted for in accordance with the above policy;
- If the hedged future cash flows are no longer expected to occur, the amount is immediately reclassified from the cash flow hedge reserve to profit or loss as a reclassification adjustment. A hedged future cash flow that is no longer highly probable to occur may still be expected to occur, if the hedged future cash flows are still expected to occur, that amount shall remain in the cash flow hedge reserve and be accounted for in accordance with the above policy.

(8) Inventories

Inventories include crude oil and other raw materials, work in progress, finished goods and spare parts and consumables, and are measured at the lower of cost and net realisable value.

Inventories are initially measured at cost. Cost of inventories comprises all costs of purchase, costs of conversion and other expenditure incurred in bringing the inventories to their present location and condition. In addition to the purchase cost of raw materials, work in progress and finished goods include direct labour costs and an appropriate allocation of production overheads.

Cost of inventories is determined primarily using the weighted average method. The cost of finished goods and work in progress comprises cost of crude oil, other raw materials, direct labour and production overheads allocated based on normal operating capacity. Spare parts and low cost consumables include low cost consumables and packaging materials. Low cost consumables are amortised with graded amortisation method and packaging materials are expensed off in full.

Provision for decline in the value of inventories is measured as the excess of the carrying value of the inventories over their net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion, the costs to fulfil a contract with a customer, and the estimated costs necessary to make the sale and relevant taxes. The net realisable value of materials held for use in the production is measured based on the net realisable value of the finished goods in which they will be incorporated. The net realisable value of the inventory held to satisfy sales or service contracts is measured based on the contract price, to the extent of the quantities specified in sales contracts, and the excess portion of inventories is measured based on general selling prices.

The Group adopts perpetual inventory system.

(9) Long-term Equity Investments and Joint Operations

Long-term equity investments comprise the Company's equity investments in subsidiaries, and the Group's equity investments in joint ventures and associates.

Long-term equity investments acquired through business combinations: For a long-term equity investment acquired through a business combination under common control, the proportionate share of the carrying value of equity of the combined entity in the consolidated financial statements of the ultimate controlling party shall be treated as initial cost of the investment on the acquisition date. For a long-term equity investment obtained through a business combination not involving entities under common control, the initial cost comprises the aggregate of the fair value of assets transferred, liabilities incurred or assumed, and equity securities issued by the Company, in exchange for control of the acquiree.

Long-term equity investments acquired through other than business combinations: For an acquisition settled in cash, the initial cost of investment shall be the actual cash consideration paid. For an acquisition settled by the issuance of equity securities, the initial cost of investment shall be the fair value of equity securities issued.

(a) Subsidiaries

Investments in subsidiaries are accounted for at cost in the financial statements of the Company and are consolidated after being adjusted by the equity method accounting in consolidated financial statements.

Long-term equity investments accounted for at cost are measured at the initial investment cost unless the investment is classified as held for sale. The cash dividends or profit distributions declared by the investees are recognised as investment income in the income statement.

A listing of the Group's principal subsidiaries is set out in Note 6(1).

(b) Joint ventures and associates

Joint ventures are arrangements whereby the Group and other parties have joint control and rights to the net assets of the arrangements. Associates are those in which the Group has significant influence over the financial and operating policies.

The term "joint control" refers to the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities (activities with significant impact on the returns of the arrangement) require the unanimous consent of the parties sharing control.

The term "significant influence" refers to the power to participate in the formulation of financial and operating policies of an enterprise, but not the power to control, or jointly control, the formulation of such policies with other parties.

The investments in joint ventures and associates are accounted for using the equity method accounting. The excess of the initial cost of the investment over the share of the fair value of the investee's net identifiable assets is included in the initial cost of the investment. While the excess of the share of the fair value of the investee's net identifiable assets over the cost of investment is instead recognised in profit or loss in the period in which the investment is acquired and the cost of the long-term equity investment is adjusted accordingly.

Under the equity method accounting, the Group's share of its investees' post-acquisition profits or losses and other comprehensive income is recognised as investment income or losses and other comprehensive income respectively. When the Group's share of losses of an investee equals or exceeds the carrying amount of the longterm equity investment and other long-term interests which substantively form the net investment in the investee, the Group does not recognise further losses as provisions, unless it has obligations to bear extra losses which meet the criteria of recognition for liabilities according to the related standards for contingencies. Movements in the investee owner's equity other than profit or loss, other comprehensive income and profit distribution should be proportionately recognised in the Group's equity, provided that the share interest of the investee remained unchanged. The share of the investee's profit distribution or cash dividends declared is accounted for as a reduction of the carrying amount of the investment upon declaration. The profits or losses arising from the intra-Group transactions between the Group and its investees are eliminated to the extent of the Group's interests in the investees, on the basis of which the investment income or losses are recognised. The unrealised loss on the intra-Group transaction between the Group and its investees, of which nature is asset impairment, is recognised in full amount, and the relevant unrealised loss is not allowed to be eliminated. If the Group invests a business to investee as a long-term equity investment but not obtain control, the fair value of the invested business shall be used as the initial investment cost of the long-term equity investment. The difference between the carrying amount of the initial cost of investment and the invested business is recognised in profit or loss.

(c) Impairment of long-term equity investments

For investments in subsidiaries, joint ventures and associates, if the recoverable amount is lower than its carrying amount, the carrying amount shall be written down to the recoverable amount (Note 4(16)). After an impairment loss has been recognised, it shall not be reversed in future accounting periods for the part whose value has been recovered.

(d) Joint Operations

A joint operation is an arrangement whereby the Group and other joint operators have joint control and the Group has rights to the assets and obligation for the liabilities, relating to the arrangement.

The Group recognises items related to its interest in a joint operation as follows:

- its solely-held assets, and its share of any assets held jointly;
- its solely-assumed liabilities, and its share of any liabilities incurred jointly;
- its revenue from the sale of its share of the output arising from the joint operation;
- its share of the revenue from the sale of the output by the joint operation;
- its solely-incurred expenses, and its share of any expenses incurred jointly.

(10) Fixed Assets

Fixed assets comprise buildings, equipment and machinery, motor vehicles and others. Fixed assets purchased or constructed are initially recorded at cost. The fixed assets injected by the state-owned shareholder during the Restructuring were initially recorded at the valuated amount approved by the relevant authorities managing state-owned assets.

Subsequent expenditures for fixed assets are included in the cost of fixed assets only when it is probable that in future economic benefits associated with the items will flow to the Group and the cost of the items can be measured reliably. The carrying amount of the replaced part is derecognised. All other subsequent expenditures are charged to profit or loss during the financial period in which they are incurred.

Fixed assets are depreciated using the straight-line method based on the balance of their costs less estimated residual values over their estimated useful lives. For those fixed assets being provided for impairment loss, the related depreciation charge is determined based on the net value lessening the impairment recognised over their remaining useful lives.

The estimated useful lives, estimated net residual value ratios and annual depreciation rates of the fixed assets are as follows:

	Estimated useful lives	Estimated net residual value ratio %	Annual depreciation rate %
Buildings	8 to 40 years	5	2.4 to 11.9
Equipment and machinery	4 to 30 years	3 to 5	3.2 to 24.3
Motor vehicles	4 to 14 years	5	6.8 to 23.8
Others	5 to 12 years	5	7.9 to 19.0

The estimated useful lives, estimated net residual values and depreciation method of the fixed assets are reviewed, and adjusted if appropriate, at year end.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its recoverable amount (Note 4(16)).

The carrying amounts of fixed assets are derecognised when the fixed assets are disposed or no future economic benefits are expected from their use or disposal. When fixed assets are sold, transferred, disposed or damaged, the amount of disposal gains after deducting its book value and related taxes are recorded in profit or loss.

(11) Oil and Gas Properties

Oil and gas properties include the mineral interests in properties, wells and related facilities arising from oil and gas exploration and production activities.

The costs of obtaining the mineral interests in properties are capitalised when they are incurred and are initially recognised at acquisition costs. Exploration license fee, production license fee, rent and other costs for retaining the mineral interests in properties, subsequent to the acquisition of the mineral interests in properties, are charged to profit or loss.

The Ministry of Natural Resources in China issues production licenses to applicants on the basis of the reserve reports approved by relevant authorities.

The oil and gas properties are accrued depletion based on the unit of production method except for the mineral interests in unproved properties which are not subjected to depletion. Unit of production rates are based on oil and gas reserves estimated to be recoverable from existing facilities based on the current terms of production licenses.

The carrying amount of oil and gas properties is reduced to the recoverable amount when their recoverable amount is lower than their carrying amount. The recoverable amount is the higher of an asset's fair value less costs to sell and the present value of the estimated future cash flow expected to be derived from the asset (or asset group, a set of asset groups, the same below) (Note 4(16)).

(12) Construction in Progress

Construction in progress is recognised at actual cost. The actual cost comprises construction costs, other necessary costs incurred and the borrowing costs eligible for capitalisation to prepare the asset for its intended use. Construction in progress is transferred to fixed assets when the assets are ready for their intended use, and depreciation begins from the following month.

Oil and gas exploration costs include drilling exploration costs and the non-drilling exploration costs, the successful efforts method is used for the capitalisation of the drilling exploration costs. Drilling exploration costs included in the oil and gas exploration costs are capitalised as wells and related facilities when the wells are completed and economically proved reserves are found. Drilling exploration costs related to the wells without economically proved reserves less the net residual value are recorded in profit or loss. The related drilling exploration costs for the sections of wells with economically proved reserves are capitalised as wells and related facilities, and the costs of other sections are recorded in profit or loss. Drilling exploration costs are temporarily capitalised pending the determination of whether economically proved reserves can be found within one year of the completion of the wells. For wells that are still pending determination of whether economically proved reserves can be found after one year of completion, the related drilling exploration costs remain temporarily capitalised only if sufficient reserves are found in those wells and further exploration activities are required to determine whether they are economically proved reserves or not, and further exploration activities are under way or firmly planned and are about to be implemented. Otherwise the related costs are recorded in profit or loss. If proved reserves are discovered in a well, for which the drilling exploration costs have been expensed previously, no adjustment should be made to the drilling exploration costs that were expensed, while the subsequent drilling exploration costs and costs for completion of the well are capitalised. The non-drilling exploration costs are recorded in profit or loss when incurred. Oil and gas development costs are capitalised as the respective costs of wells and related facilities for oil and gas development based on their intended use. The economically proved reserves are the estimated quantities of crude oil and natural gas, which, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be economically producible from a given date forward, from known reservoirs, and under existing economic conditions, operating methods, and government supervision regulation before the time at which contracts providing the right to operate expire, unless evidence indicates that renewal is reasonably certain, regardless of whether the estimate is a deterministic estimate or probabilistic estimate.

The Group sells the products or by-products produced before the fixed assets reach the scheduled useable state, or in the research and development process, which be determined as trial operation sales. Related income and cost are present respectively in financial statements according to the daily activities and non-daily activities, which generated from daily activities are shown in "Operating income" and "Cost of sales", and which generated from non-daily activities are shown in "Gains on asset disposal" and other items.

(13) Intangible Assets and Goodwill

Intangible assets include land use rights and patents, etc., and are initially recorded at cost. The intangible assets injected by the state-owned shareholder during the Restructuring were initially recorded at the valued amount approved by the relevant authorities managing the state-owned assets.

Land use rights are amortised using the straight-line method over 30 to 50 years. If it is impracticable to allocate the amount paid for the purchase of land use rights and buildings between the land use rights and the buildings on a reasonable basis, the entire amount is accounted for as fixed assets.

The franchise is initially recorded at actual cost, and amortised using the straight-line method over estimated useful lives of gas station.

Patent and other intangible assets are initially recorded at actual cost, and amortised using the straight-line method over their estimated useful lives.

The carrying amount of intangible assets is written down to its recoverable amount when the recoverable amount is lower than the carrying amount (Note 4(16)). The estimated useful years and amortisation method of the intangible assets with finite useful life are reviewed, and adjusted if appropriate, at each financial year-end.

The initial cost of goodwill represents the excess of cost of acquisition over the acquirer's interest in the fair value of the identifiable net assets of the acquiree under a business combination not involving entities under common control.

Goodwill is not amortised and is stated in the balance sheet at cost less accumulated impairment losses (Note 4(16)). On disposal of an asset group or a set of asset groups, any attributable goodwill is written off and included in the calculation of the profit or loss on disposal.

(14) Research and Development

The Group's expenditures on research and development mainly include expenditures on materials consumed for the implementation of the research and development activities, research and development department employee benefits, depreciation and amortisation of assets such as equipment and software used in research and development, research and development testing, and research and development technical service fees.

Research expenditure incurred is recognised as an expense. Costs incurred on development projects shall not be capitalised unless they satisfy the following conditions simultaneously:

- In respect of the technology, it is feasible to finish the intangible asset for use or sale;
- It is intended by management to finish and use or sell the intangible asset;
- It is able to prove that the intangible asset is to generate economic benefits;
- With the support of sufficient technologies, financial resources and other resources, it is able to finish the development of the intangible asset, and it is able to use or sell the intangible asset; and
- The costs attributable to the development of the intangible asset can be reliably measured.

Costs incurred on development projects not satisfying the above conditions shall be recorded in profit or loss of the current period. Costs incurred on development recorded in profit or loss in previous accounting periods shall not be re-recognised as asset in future accounting periods. Costs incurred on development already capitalised shall be listed as development expenditure in the balance sheet, which shall be transferred to intangible asset from the date when the expected purposes of use are realised.

(15) Long-term Prepaid Expenses

Long-term prepaid expenses are the expenses that should be borne by current and subsequent periods and should be amortised over more than one year. Long-term prepaid expenses are amortised using the straight-line method over the expected beneficial periods and are presented at cost less accumulated amortisation.

(16) Impairment of Non-current Assets

Fixed assets, oil and gas properties except for mineral interests in unproved properties, construction in progress, intangible assets with finite useful life, long-term equity investments, long-term prepaid expenses and right-of-use assets are tested for impairment if there is any indication that an asset may be impaired at the balance sheet date. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount if the impairment test indicates that the recoverable amount is less than its carrying amount. The recoverable amount is the higher of an asset's fair value less costs to sell and the present value of the estimated future cash flow expected to be derived from the asset. Impairment should be assessed and recognised for each individual asset. If it is not possible to estimate the recoverable amount of an individual asset, the recoverable amount of the group of assets to which the asset belongs is determined. A group of assets is the smallest group of assets that is able to generate independent cash flow.

The goodwill, presented separately in financial statements, is allocated to each asset group or set of asset groups, which is expected to benefit from the synergies of the combination for the purpose of impairment testing, and should be subject to impairment assessment at least on an annual basis regardless whether there exists any indicators of impairment. Where the impairment assessment indicates that, for the cash-generating unit (that includes the allocated goodwill), the recoverable amount is lower than the carrying value, then an impairment loss will be recorded.

The mineral interests in unproved properties are tested annually for impairment. If the cost incurred to obtain a single property is significant, the impairment test is performed and the impairment loss is determined on the basis of the single property. If the cost incurred to obtain a single property is not significant and the geological structure features or reserve layer conditions are identical or similar to those of other adjacent properties, impairment tests are performed on the basis of a group of properties that consist of several adjacent mining areas with identical or similar geological structure features or reserve layer conditions.

Once an impairment loss of these assets is recognised, it is not allowed to be reversed even if the value can be recovered in subsequent period.

(17) Borrowing Costs

Borrowing costs incurred that are directly attributable to the acquisition and construction of fixed assets and oil and gas properties, which require a substantial period of time for acquisition and construction activities to get ready for their intended use, are capitalised as part of the cost of the assets when capital expenditures and borrowing costs have already incurred and the activities of acquisition and construction necessary to prepare the assets to be ready for their intended use have commenced. The capitalisation of borrowing costs ceases when the assets are ready for their intended use. Borrowing costs incurred thereafter are recognised as financial expense. Capitalisation of borrowing costs should be suspended during periods in which the acquisition or construction of a fixed asset is interrupted abnormally, and the interruption lasts for more than 3 months, until the acquisition or construction is resumed.

For a borrowing taken specifically for the acquisition or construction activities for preparing fixed asset and oil and gas property eligible for capitalisation, the to-be-capitalised amount of interests shall be determined according to the actual costs incurred less any income earned on the unused borrowing fund as a deposit in the bank or as a temporary investment.

Where a general borrowing is used for the acquisition or construction of fixed asset and oil and gas property eligible for capitalisation, the Group shall calculate and determine the to-be-capitalised amount of interests on the general borrowing by multiplying the part of the accumulative asset disbursements in excess of the weighted average asset disbursement for the specifically borrowed fund by the weighted average actual rate of the general borrowing used. The actual rate is the rate used to discount the future cash flow of the borrowing during the expected existing period or the applicable shorter period to the originally recognised amount of the borrowing.

(18) Employee Compensation

(a) Short-term benefits

Employee wages or salaries, bonuses, social security contributions such as medical insurance, work injury insurance, maternity insurance and housing provident fund, measured at the amount incurred or at the applicable benchmarks and rates, are recognised as a liability as the employee provides services, with a corresponding charge to profit or loss or included in the cost of assets where appropriate.

(b) Post-employment benefits - Defined Contribution Plans

Pursuant to the relevant laws and regulations of the People's Republic of China, the Group participated in a defined contribution basic pension insurance in the social insurance system established and managed by government organisations. The Group makes contributions to basic pension insurance plans based on the applicable benchmarks and rates stipulated by the government. The Group has similar defined contribution plans for its employees in its overseas operations. Basic pension insurance contributions are recognised as part of the cost of assets or charged to profit or loss as the related services are rendered by the employees.

In addition, the Group joined the corporate annuity plan approved by relevant PRC authorities. Contribution to the annuity plan is charged to expense as incurred.

The Group has no other material obligation for the payment of pension benefits associated with schemes beyond the contributions described above.

(19) Government Grants

Government grants are non-reciprocal transfers of monetary or non-monetary assets from the government to the Group except for capital contributions from the government in the capacity as an investor in the Group.

A government grant is recognised when there is reasonable assurance that the grant will be received and that the Group will comply with the conditions attaching to the grant.

If a government grant is in the form of a transfer of a monetary asset, it is measured at the amount received or receivable. If a government grant is in the form of a transfer of a non-monetary asset, it is measured at fair value.

Government grants related to assets are grants whose primary condition is that the Group qualifying for them should purchase, construct or otherwise acquire long-term assets. Government grants related to income are grants other than those related to assets. A government grant related to an asset is recognised initially as deferred income and amortised to profit or loss in a reasonable and systematic manner within the useful life of the relevant assets. A government grant related to income that compensates the Group for expenses or losses to be incurred in the future is recognised initially as deferred income and recognised in profit or loss or released to relevant cost in the period in which the expenses or losses are recognised. A government grant related to income that compensates the Group for expenses or losses already incurred is recognised to profit or loss or released to related cost immediately.

Government grants related to daily activities are recognised in other income or written down the related cost and expenses according to the nature of business activities. Government grants related to non-daily activities are recognised in non-operating income or expenses.

(20) Provisions

Provisions for product quality guarantee, onerous contracts, etc. are recognised when the Group has present obligations, and it is probable that an outflow of economic benefits will be required to settle the obligations, and the amounts can be reliably estimated.

Provisions are measured at the best estimate of the expenditures expected to be required to settle the present obligation. Factors surrounding the contingencies such as the risks, uncertainties and the time value of money shall be taken into account as a whole in reaching the best estimate of provisions. Where the effect of the time value of money is material, the best estimate is determined by discounting the related future cash flows. The increase in the discounted amount of the provision arising from the passage of time is recognised as interest expense.

Asset retirement obligations which meet the criteria of provisions are recognised as provisions and the amount recognised is the present value of the estimated future expenditure determined in accordance with local conditions and requirements, while a corresponding addition to the related oil and gas properties of an amount equivalent to the provision is also created. This is subsequently depleted as part of the costs of the oil and gas properties. Interest expenses from the assets retirement obligations for each period are recognised with the effective interest method during the useful life of the related oil and gas properties. Due to technological progress, legal requirements or changes in the market environment, changes in the provisions caused by changes in the amount of expenditure, estimated time of retirement obligations, discount rate, etc., may occur in fulfilling the retirement obligation. For an increase in provisions, the cost of oil and gas properties will be increased accordingly; for a decrease in provisions, the cost of oil and gas properties will be deducted within the limit of the carrying amount of assets related to decommissioning expenses. If a decrease in the provision exceeds the carrying amount of the oil and gas properties recognised corresponding to the provision, the excess shall be recognised immediately in profit or loss.

If the conditions for the recognition of the provisions are not met, the expenditures for the decommissioning, removal and site cleaning will be expensed in profit or loss when occurred.

(21) Specific reserve

The Group recognises a safety fund in the specific reserve pursuant to relevant government regulations, with a corresponding increase in the costs of the related products or expenses.

When the safety fund is subsequently used for expenditure as expense, the specific reserve is reduced accordingly. When the safety fund is subsequently used for the construction or acquisition of fixed assets, the Group recognises the capitalised expenditure incurred as the cost of the fixed assets when the related assets are ready for their intended use. In such cases, the specific reserve is reduced by the amount that corresponds to the cost of the fixed assets and the credit side is recognised in the accumulated depreciation with respect to the related fixed assets. Consequently, such fixed assets are not depreciated in subsequent periods.

(22) Income Tax

Current and deferred taxes are recognised in profit or loss, except for income tax arising from business combination or transactions or events which are directly included in owners' equity (including other comprehensive income).

Current tax is the expected tax payable on the taxable income for the year, using tax rates stipulated by the tax law, and any adjustment to tax payable in respect of previous years.

At the balance sheet date, current tax assets are offset against current tax liabilities if the Group has a legal right to settle on a net basis and intends to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax assets and deferred tax liabilities are calculated and recognised based on the differences (temporary differences) arising between the tax bases of assets and liabilities and their carrying amounts. The deductible losses, which can be utilised against the future taxable profit in accordance with tax law, are regarded as temporary differences and a deferred tax asset is recognised accordingly. The deferred tax assets and deferred tax liabilities are not accounted for the temporary differences resulting from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profits (or deductible loss) and do not result in an equivalent amount of taxable and deductible temporary differences. At the balance sheet date, deferred tax assets and deferred tax liabilities are determined using tax rates that are expected to apply to the period when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets of the Group are recognised for deductible temporary differences and deductible losses and tax credits to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, deductible losses and tax credits can be utilised.

Deferred tax liabilities are recognised for taxable temporary differences arising from investments in subsidiaries, associates and joint ventures, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets are recognised for deductible temporary differences arising from investments in subsidiaries, associates and joint ventures, to the extent that, and only to the extent that, it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and deferred tax liabilities which meet the following conditions shall be presented on a net basis after offset:

- Deferred tax assets and deferred tax liabilities are related to the income tax of the same entity within the Group levied by the same authority;
- This entity within the Group is legally allowed to settle its current tax assets and liabilities on a net basis.

(23) Revenue Recognition

Revenue is the gross inflow of economic benefits arising in the course of the Group's ordinary activities when the inflows result in increase in shareholders' equity, other than increase relating to contributions from shareholders.

Revenue is recognised when the Group satisfies the performance obligation in the contract by transferring the control over relevant goods or services to the customers.

Where a contract has two or more performance obligations, the Group determines the stand-alone selling price at contract inception of the distinct good or service underlying each performance obligation in the contract and allocates the transaction price in proportion to those stand-alone selling prices. The Group recognises as revenue the amount of the transaction price that is allocated to each performance obligation. The stand-alone selling price is the price at which the Group would sell a promised good or service separately to a customer. If a stand-alone selling price is not directly observable, the Group considers all information that is reasonably available to the entity, maximises the use of observable inputs to estimate the stand-alone selling price.

For the contract which the Group grants a customer the option to acquire additional goods or services (such as loyalty points), the Group assesses whether the option provides a material right to the customer. If the option provides a material right, the Group recognises the option as a performance obligation, and recognises revenue when those future goods or services are transferred or when the option expires. If the stand-alone selling price for a customer's option to acquire additional goods or services is not directly observable, the Group estimates it, taking into account all relevant information, including the difference in the discount that the customer would receive when exercising the option or without exercising the option, and the likelihood that the option will be exercised.

The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties. The Group recognises the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved. To determine the transaction price for contracts in which a customer promises consideration in a form other than cash, the Group measures the non-cash consideration at fair value. If the Group cannot reasonably estimate the fair value of the non-cash consideration, the Group measures the consideration indirectly by reference to the stand-alone selling price of the goods or services promised to the customer in exchange for the consideration. The consideration which the Group expects to refund to the customer is recognised as refund liabilities and excluded from transaction price. Where the contract contains a significant financing component, the Group recognises the transaction price at an amount that reflects the price that a customer would have paid for the promised goods or services if the customer had paid cash for those goods or services when (or as) they transfer to the customer. The difference between the amount of promised consideration and the cash selling price is amortised using an effective interest method over the contract term. The Group does not adjust the consideration for any effects of a significant financing component if it expects, at contract inception, that the period between when the Group transfers a promised good or service to a customer and when the customer pays for that good or service will be one year or less.

The Group satisfies a performance obligation over time if one of the following criteria is met; or otherwise, a performance obligation is satisfied at a point in time:

- The customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- The customer can control the asset created or enhanced during the Group's performance;
- The Group's performance does not create an asset with an alternative use to it and the Group has an enforceable right to payment for performance completed to date.

For performance obligation satisfied over time, the Group recognises revenue over time by measuring the progress towards complete satisfaction of that performance obligation. When the outcome of that performance obligation cannot be measured reasonably, but the Group expects to recover the costs incurred in satisfying the performance obligation, the Group recognises revenue only to the extent of the costs incurred until such time that it can reasonably measure the outcome of the performance obligation.

For performance obligation satisfied at a point in time, the Group recognises revenue at the point in time at which the customer obtains control of relevant goods or services. To determine whether a customer has obtained control of goods or services, the Group considers the following indicators:

- The Group has a present right to payment for the product or service;
- The Group has transferred physical possession of the goods to the customer;
- The Group has transferred the legal title of the goods or the significant risks and rewards of ownership of the goods to the customer;
- The customer has accepted the goods or services.

The Group determines whether it is a principal or an agent, depending on whether it obtains control of the specified good or service before that good or service is transferred to a customer. The Group is a principal if it controls the specified good or service before that good or service is transferred to a customer, and recognises revenue in the gross amount of consideration to which it has received (or receivable). Otherwise, the Group is an agent, and recognises revenue in the amount of any fee or commission to which it expects to be entitled. The fee or commission is the net amount of consideration that the Group retains after paying the other party the consideration, or is the established amount or proportion.

A contract asset is the Group's right to consideration in exchange for goods or services that it has transferred to a customer when that right is conditional on something other than the passage of time. The Group recognises loss allowances for expected credit loss on contract assets (Note 4(7)(f)). Accounts receivable is the Group's right to consideration that is unconditional (only the passage of time is required). A contract liability is the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

The following is the description of accounting policies regarding revenue from the Group's principal activities:

(a) Sales of goods

The Group shall recognise revenue when (or as) the customer obtains control of relevant product. Obtaining control of relevant product means that a customer can dominate the use of the product and obtain almost all the economic benefits from it.

(b) Rendering of services

The Group recognises its revenue from rendering of services on performance progress. Customers simultaneously receive the service as the Group performs its obligation over time and consume the benefits arising from the Group's performance. Otherwise, a performance obligation is satisfied at a point in time, the Group shall recognise revenue when (or as) the customer obtains control of revenue service.

(c) Loyalty points

Under its customer loyalty programme, the Group allocates a portion of the transaction price received to loyalty points that are redeemable against any future purchases of the Group's goods or services. This allocation is based on the relative stand-alone selling prices. The amount allocated to the loyalty programme is deferred, and is recognised as revenue when loyalty points are redeemed or expire.

(d) Recognition of sales income under the trade mode

In the trading of crude oil, natural gas, refined oil and chemical products, the Group procures related products according to the supply and demand relationship and the customer order demand. For such business, the Group is responsible for delivering products and ensuring that the specifications and quality meet the customer's requirements. The Group has the right to determine suppliers and purchase pricing, and there are various alternative qualified suppliers. Meanwhile, the Group has the right to determine the products sold and the selling price, and bears the risk of product price fluctuation. As a result, the Group has obtained control of a product before it is sold to a customer, and has recognised the revenue from the sales of the product accordingly on the basis of the gross carrying amount.

(24) Contract Costs

Contract costs are either the incremental costs of obtaining a contract with a customer or the costs to fulfil a contract with a customer.

Incremental costs of obtaining a contract are those costs that the Group incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained. The Group recognises as an asset the incremental costs of obtaining a contract with a customer if it expects to recover those costs, unless the expected amortisation period is one year or less from the date of initial recognition of the asset, in which case the costs are expensed when incurred. Other costs of obtaining a contract are expensed when incurred.

If the costs to fulfil a contract with a customer are not within the scope of inventories or other accounting standards, the Group recognises an asset from the costs incurred to fulfil a contract only if those costs meet all of the following criteria:

- The costs relate directly to an existing contract or to a specifically identifiable anticipated contract, including
 direct labour, direct materials, allocations of overheads (or similar costs), costs that are explicitly chargeable
 to the customer and other costs that are incurred only because the Group entered into the contract;
- The costs generate or enhance resources of the Group that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and
- The costs are expected to be recovered.

Assets recognised for the incremental costs of obtaining a contract and assets recognised for the costs to fulfil a contract (the "assets related to contract costs") are amortised on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the assets relate and recognised in profit or loss for the current period. The Group recognises the incremental costs of obtaining a contract as an expense when incurred if the amortisation period of the asset that the entity otherwise would have recognised is one year or less.

The Group recognises an impairment loss in profit or loss to the extent that the carrying amount of an asset related to contract costs exceeds:

- Remaining amount of consideration that the Group expects to receive in exchange for the goods or services to which the asset relates; less
- the costs that relate directly to providing those goods or services that have not yet been recognised as expenses.

(25) Leases

A contract is lease if the lessor conveys the right to control the use of an identified asset to lessee for a period of time in exchange for consideration.

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- the contract involves the use of an identified asset. An identified asset may be specified explicitly or implicitly specified in a contract and should be physically distinct, or capacity portion or other portion of an asset that is not physically distinct but it represents substantially all of the capacity of the asset and thereby provides the customer with the right to obtain substantially all of the economic benefits from the use of the asset. If the supplier has a substantive substitution right throughout the period of use, then the asset is not identified;
- the lessee has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use;
- the lessee has the right to direct the use of the asset.

For a contract that contains more separate lease components, the lessee and the lessor separate lease components and account for each lease component as a lease separately. For a contract that contains lease and non-lease components, the lessee and the lessor separate lease components from non-lease components. For a contract that contains lease and non-lease components, the lessee allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components. The lessor allocates the consideration in the contract in accordance with the accounting policy in Note 4(23).

(a) The Group as a lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability, any lease payments made at or before the commencement date (less any lease incentives received), any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease.

The right-of-use asset is depreciated using the straight-line method. If the lessee is reasonably certain to exercise a purchase option by the end of the lease term, the right-of-use asset is depreciated over the remaining useful lives of the underlying asset. Otherwise, the right-of-use asset is depreciated from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. Impairment losses of right-of-use assets are accounted for in accordance with the accounting policy described in Note 4(16).

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate.

A constant periodic rate is used to calculate the interest on the lease liability in each period during the lease term with a corresponding charge to profit or loss or included in the cost of assets where appropriate. Variable lease payments not included in the measurement of the lease liability is charged to profit or loss or included in the cost of assets where appropriate as incurred.

Under the following circumstances after the commencement date, the Group remeasures lease liabilities based on the present value of revised lease payments:

- There is a change in the amounts expected to be payable under a residual value guarantee;
- There is a change in future lease payments resulting from a change in an index or a rate used to determine those payments;
- There is a change in the assessment of whether the Group will exercise a purchase, extension or termination option, or there is a change in the exercise of the extension or termination option in a different manner from the original assessment.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the rightof-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases in profit or loss or as the cost of the assets where appropriate using the straight-line method over the lease term.

(b) The Group as a lessor

The Group determines at lease inception whether each lease is a finance lease or an operating lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset irrespective of whether the legal title to the asset is eventually transferred. An operating lease is a lease other than a finance lease. There are no significant finance leases for the Group.

Lease receipts from operating leases is recognised as income using the straight-line method over the lease term. The initial direct costs incurred in respect of the operating lease are initially capitalised and subsequently amortised in profit or loss over the lease term on the same basis as the lease income. Variable lease payments not included in lease receipts are recognised as income as they are earned.

(26) Dividend Distribution

Dividend distribution is recognised as a liability in the period in which it is approved by a resolution of shareholders' general meeting.

(27) Business Combination

The accounting treatment of business combinations involving enterprises under common control and business combinations not involving enterprises under common control

A transaction constitutes a business combination when the Group obtains control of one or more entities (or a group of assets or net assets). Business combination is classified as either business combinations involving enterprises under common control or business combinations not involving enterprises under common control.

For a transaction not involving enterprises under common control, the acquirer determines whether acquired set of assets constitute a business. The Group may elect to apply the simplified assessment method, the concentration test, to determine whether an acquired set of assets is not a business. If the concentration test is met and the set of assets is determined not to be a business, no further assessment is needed. If the concentration test is not met, the Group shall perform the assessment according to the guidance on the determination of a business.

When the set of assets the group acquired does not constitute a business, acquisition costs should be allocated to each identifiable assets and liabilities at their acquisition-date fair values. It is not required to apply the accounting of business combination described as below.

(a) Business combination under common control

A business combination involving entities under common control is a business combination in which all of the combining entities are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory. The net assets obtained by the acquirer are measured based on their carrying value in the consolidated financial statement of the ultimate controlling party at the combination date. The difference between the carrying value of the net assets obtained and the carrying value of the consideration is adjusted against the capital surplus. If the capital surplus is not sufficient to be offset, the remaining balance is adjusted against retained earnings.

Costs incurred directly attributable to the business combination are recorded in profit or loss when incurred. The transaction costs of the equity securities or debt securities issued which are attributable to the business combination are recorded in the initial recognition costs when acquired. The combination date is the date on which one combining entity obtains control of other combining entities.

(b) Business combination not under common control

A business combination involving entities not under common control is a business combination in which all of the combining entities are not ultimately controlled by the same party or parties both before and after the business combination. The acquisition costs paid and the acquiree's identifiable asset, liabilities and contingent liabilities, if the recognition criteria are met, are measured at their fair value at the acquisition date. Where the cost of combination exceeds the acquirer's interest in the fair value of the acquiree's identifiable net assets, the difference is recognised as goodwill. Where the cost of combination is less than the acquirer's interest in the fair value of the acquiree's identifiable net assets, the difference is recognised directly in profit or loss.

Costs which are directly attributable to the business combination are recorded in profit or loss when incurred. The transaction costs of the equity securities or debt securities issued which are attributable to the business combination are recorded in the initial recognition costs when acquired. The acquisition date is the date on which the acquirer obtains control of the acquiree.

(28) Basis of Preparation of Consolidated Financial Statements

The scope of consolidated financial statements includes the Company and its subsidiaries controlled by the Company. Control exists when the Group has all the following: power over the investees; exposure, or rights to variable returns from its involvement with the investees and has the ability to affect those returns through its power over the investee. When assessing whether the Group has power, only substantive rights (held by the Group and other parties) are considered.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. Where a subsidiary was acquired, through a business combination involving entities under common control, the financial statements of the subsidiary are included in the consolidated financial statements based on the carrying amounts of the assets and liabilities of the subsidiary in the financial statements of the ultimate controlling party as if the combination had occurred at the date that the ultimate controlling party first obtained control. The opening balances and the comparative figures of the consolidated financial statements are also restated. And their net profit earned before the combination date shall be presented separately in the consolidated income statement.

When the accounting policies and accounting periods of subsidiaries are not consistent with those of the Company, the Company will make necessary adjustments to the financial statements of the subsidiaries in accordance with the Company's accounting policies and accounting periods. Where a subsidiary was acquired during the reporting period, through a business combination involving entities not under common control, the identifiable assets and liabilities of the acquired subsidiaries are included in the scope of consolidation from the date that control commences, based on the fair value of those identifiable assets and liabilities at the acquisition date.

All material intercompany balances, transactions and unrealised gains within the Group are eliminated upon consolidation. The portion of the equity or net profit of the subsidiaries that is not attributable to the Company is treated as non-controlling interests and total comprehensive income and presented separately within equity in the consolidated balance sheet or within net profit and total comprehensive income in the consolidated income statement.

(29) Segment Reporting

The Group determines its operating segments based on its organisational structure, management requirements and internal reporting system. On the basis of these operating segments, the Group determines the reporting and disclosure of segmental information.

An operating segment refers to a component of the Group that simultaneously meet the following criteria: (1) the component can generate revenue and incur expenses in ordinary activities; (2) the component's financial performance can be regularly reviewed by the Group's management to make decisions about resource allocation to the component and assess its performance; (3) the Group can obtain financial information relating to the financial position, financial performance and cash flows, etc. of the component. When two or more operating segments exhibit similar economic characteristics and meet certain requirements, the Group may aggregate these operating segments into a single operating segment.

The Group also discloses total external revenue derived from other regions outside China's mainland and the total non-current assets located in other regions outside China's mainland.

(30) Related Party

If a party has the power to control, jointly control or exercise significant influence over another party, or vice versa, or where two or more parties are subject to common control or joint control from another party, they are considered to be related parties. Related parties may be individuals or enterprises. Enterprises with which the Company is under common control only from the State and that have no other related party relationships are not regarded as related parties.

The Company determines related parties based on the disclosure requirements of Administrative Procedures on the Information Disclosures of Listed Companies issued by the CSRC.

(31) Critical Accounting Estimates and Judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The critical accounting estimates and key assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below:

(a) Estimation of oil and natural gas reserves

Estimates of oil and natural gas reserves are key elements in the Group's investment decision-making process. They are also important elements in testing for impairment related to oil and gas production activities. Changes in proved oil and natural gas reserves, particularly proved developed reserves, will affect unit-of-production depreciation, depletion and amortisation recorded in the income statements for property, plant and equipment related to oil and gas production activities. An increase/decrease in proved developed reserves will decrease/increase depreciation, depletion and amortisation charges. Proved reserve estimates are subject to revision, either upward or downward, based on new information, such as from development drilling and production activities or from changes in economic factors, including product prices, contract terms, evolution of technology or development plans, etc.

(b) Estimation of impairment of fixed assets and oil and gas properties

Fixed assets and oil and gas properties are reviewed for possible impairments when events or changes in circumstances indicate that the carrying amount may not be recoverable. Determination as to whether and how much an asset is impaired involves management estimates and judgements such as future price of crude oil and natural gas, refined and chemical products, the production costs, the product mix, production volumes, production profile and the oil and gas reserves. However, the impairment reviews and calculations are based on assumptions that are consistent with the Group's business plans taking into account current economic conditions. Favourable changes to some assumptions may allow the Group to avoid the need to impair any assets, whereas unfavourable changes may cause the assets to become impaired. For example, when the assumed future price and production profile of crude oil used for the expected future cash flows are different from the actual price and production profile of crude oil respectively experienced in the future, the Group may either over or under recognise the impairment losses for certain assets.

(c) Estimation of asset retirement obligations

Provision is recognised for the future decommissioning and restoration of oil and gas properties. The amounts of the provision recognised are the present values of the estimated future expenditures. The estimation of the future expenditures is based on current local conditions and requirements, including legal requirements, technology, price level, etc. In addition to these factors, the present values of these estimated future expenditures are also impacted by the management plan for the decommissioning of oil and gas properties, the estimation of the economic lives of oil and gas properties and estimates of discount rates. Changes in any of these estimates will impact the financial performance and the financial position of the Group over the remaining economic lives of the oil and gas properties.

According to changes in the internal and external environment, accounting standards and company asset retirement expense measures and other relevant regulations, oil and gas field companies recalculate their asset retirement obligations of oil and gas properties based on the latest parameters to more objectively reflect the actual situation of the Group's asset retirement obligation of oil and gas properties.

5 TAXATION

The principal taxes and related tax rates of the Group are presented as below:

Types of taxes	Tax rate	Tax basis and method
Value Added Tax (the "VAT")	13%, 9% or 6%	Based on taxable value added amount. Tax payable is calculated using the taxable sales amount multiplied by the applicable tax rate less current period's deductible VAT input.
Resource Tax	6%	Based on the revenue from sales of crude oil and natural gas.
Consumption Tax	Based on quantities	Based on sales quantities of taxable products. RMB1.52 per litre for unleaded gasoline, naphtha, solvent oil and lubricant. RMB1.2 per litre for diesel and fuel oil.
Corporate Income Tax	15% to 82%	Based on taxable income.
Crude Oil Special Gain Levy	20% to 40%	Based on the sales of domestic crude oil at prices higher than a specific level.
Levy for mineral rights concessions	0.3%, 0.6% or 0.8%	Levy for mineral rights concessions includes the transaction price of exploration rights (mining rights) and the proceeds from the granting of the mining rights to be levied on a year-by-year basis. The transaction price of the exploration rights (mining rights) is recognised and levied at the time of the grant. The proceeds from the granting of the mining rights to be levied on a year-by-year basis are calculated based on the annual revenue of mineral products.
City Maintenance and Construction Tax	1%, 5% or 7%	Based on the actual VAT and consumption tax paid.
Educational surcharge	2% or 3%	Based on the actual VAT and consumption tax paid.
Urban and Township Land Use Tax	RMB 0.9 to 30	Based on the actual land area occupied in each provinces, autonomous regions and municipalities.

According to "Notice Concerning Import Tax Policies Related to Exploration, Development and Utilisation of Energy Resources During the 14th Five-Year Plan Period" (Cai Guan Shui [2021] No.17) jointly issued by Ministry of Finance, State Taxation Administration and General Administration of Customs, for the period from January 1, 2021 to December 31, 2025, the import VAT of the import link shall be returned in proportion to the projects of cross-border natural gas pipelines and imported liquefied natural gas (LNG) receiving storage and transportation units approved by National Development and Reform Commission ("NDRC"). This also includes natural gas (Including pipeline natural gas and LNG) imported from the expansion project of the import LNG receiving storage and transportation plant approved by the provincial governments. The import duties of equipment, instruments, spare parts and special tools shall be exempted to the self-employed projects carrying out oil (natural gas) exploration and development operations in particular areas within the territory of China. The import duties and import VAT of equipment, instruments, spare parts and special tools shall be exempted to the Sino-foreign cooperation project carrying out oil (natural gas) exploration and development operations within the winning block of onshore oil (natural gas) approved by the State, projects carrying out oil (natural gas) exploration and development operations in China's oceans, emergency rescue projects for offshore oil and gas pipelines, and projects carrying out coal seam gas exploration and development operations in China.

Ministry of Finance and State Taxation Administration jointly issued the "Notice on Reduction of Resource Tax Assessed on Shale Gas" (Cai Shui [2018] No.26) on March 29, 2018. Pursuant to such notice, in order to promote the development and utilisation of shale gas and effectively increase natural gas supply, from April 1, 2018 to March 31, 2021, a reduction of 30% will apply to the resource tax assessed on shale gas (at the prescribed tax rate of 6%). On March 15, 2021, Ministry of Finance and State Taxation Administration jointly issued "Notice on Extending the Implementation Period of Some Preferential Tax Policies" (Notice 2021 No.6 issued by Ministry of Finance and State Taxation Administration) to announce the implementation period of that preferential tax policies would be extended to December 31, 2023, the original Preferential Tax Policies expires on March 31, 2021. On September 20, 2023, the Ministry of Finance and the State Taxation Administration issued the "Announcement on Extension of the Preferential Resource Tax Reduction Policy for Shale Gas" (Notice No. 46 [2023] issued by the Ministry of Finance and the State Taxation Administration), under which the shale gas resource tax (at the prescribed rate of 6%) would continue to be reduced by 30% until December 31, 2027.

Pursuant to the Notice from Ministry of Finance on the "Increase of the Threshold of the Crude Oil Special Gain Levy" (Cai Shui [2014] No. 115), the threshold of the crude oil special gain levy shall be USD 65 per barrel, which has 5 levels and is calculated and charged according to the progressive and valorem rates on the excess amounts from January 1, 2015.

In accordance with the Circular jointly issued by Ministry of Finance, the General Administration of Customs of the PRC and State Taxation Administration on "Issues Concerning Tax Policies for In-depth Implementation of Western Development Strategy" (Cai Shui [2011] No.58), the corporate income tax for the enterprises engaging in the encouraged industries in the Western China Region is charged at a preferential corporate income tax rate of 15% from January 1, 2011 to December 31, 2020. Certain branches and subsidiaries of the Company in the Western China Region obtained the approval for the use of the preferential corporate income tax rate of 15%. On April 23, 2020, Ministry of Finance, State Taxation Administration and the NDRC issued the "Announcement on Continuing the Income Tax Policy for Western Development" (Notice No.23 of 2020 of the MOF, the SAT, the NDRC), the corporate income tax for the enterprises engaging in the encouraged industries in the Western China Region is charged at a preferential corporate income tax rate of 15% from January 1, 2021 to December 31, 2030.

According to the Circular of the Ministry of Finance, Ministry of Natural Resources and State Taxation Administration on the Issuance of the Measures for the Collection of Levy for Mineral Rights Concessions (Cai Zong [2023] No. 10), levy for mineral rights concessions = the transaction price of the exploration rights (mining rights) + the proceeds from the granting of the mining rights to be levied on a year-by-year basis. The transaction price of exploration rights (mining rights) is determined mainly on the basis of the area of the mining rights, taking into account such factors as mineralization conditions, the degree of exploration, changes in the market and competitive situation for mining rights. The transaction price of the exploration rights (mining rights) is levied at the time of the transfer. The proceeds from the granting of the mining rights to be levied on a year-by-year basis = annual revenue from the sale of mineral commodities × the rate of levy for mineral rights concessions, the rate of levy for mineral rights concessions for oil, natural gas, shale gas and natural gas hydrates in land area is 0.8%. The rate of levy for mineral rights concessions for coalbed methane is 0.3%.

6 BUSINESS COMBINATION AND CONSOLIDATED FINANCIAL STATEMENTS

(1) Principal subsidiaries

								Attrib			
		Country					Closing	equity in	terest %	Attribu-	
Company name	Acquisition method	of incorpor- ation	Registered capital	Principal activities	Type of legal entity		effective invest- ment cost		Indirect holding	voting	Consoli- dated or not
Daqing Oilfield Company Limi- ted("Daqing Oilfield")	Established	PRC	47,500	Exploration, production and sales of crude oil and natural gas	Limited liability company	Zhu Guowen	66,720	100.00	-	100.00	Yes
CNPC Exploration and Development Company Limited (i)	Business Icombination involving entities under common control	PRC	16,100	Exploration, production and sales of crude oil and natural gas outside the PRC	liability	Chen Jintao	23,778	50.00	-	100.00	Yes
Guangdong Petrochemical Company Limited	Established	PRC	20.000	Engaged in the production, sales, and storage of oil refining, petrochemical and chemical products	liability	Zhou Jian	25,647	90.00	-	90.00	Yes
PetroChina Hong Kong Limited	Established	HK,PRC	("HKD") 7,592	Investment holding. The principal activities of its subsidiaries, associates and joint ventures are the exploration, production and sales of crude oil in and outside the PRC as well as natural gas sales and transmission in the PRC	_	N/A	25,590	100.00	-	100.00	Yes
PetroChina International Investment Company Limited	Established	PRC		Investment holding. The principal activities of its subsidiaries, associates and joint ventures are the exploration, development and production of crude oil, natural gas, oilsands and coalbed methane outside the PRC	Limited liability company	Chen Jintao	36,042	100.00	-	100.00	Yes
PetroChina International Company Limited	Established	PRC	18,096	Engaged in trading of crude oil, natural gas and petrochemical products, storage, investment in refining, chemical engineering, storage facilities, service station, and transportation facilities and related business in and outside the PRC	Limited liability company	Wu Junli	18,953	100.00	-	100.00	Yes
PetroChina Sichuan Petrochemial Company Limited	Established	PRC		Engaged in the production and sale of oil refining, petrochemical and chemical products, chemical technology development, technology transfer and technical services	Limited liability company	Dai Qinrong	21,600	90.00	-	90.00	Yes
KunLun Energy Company Limited (ii)	Business combination involving entities under common control	Bermuda		Investment holding. The principal activities of its principal subsidiaries, associates and joint ventures are the sales of natural gas, sales of liquefied petroleum gas and liquefied natural gas processing and storage and transportation business in the PRC and the exploration and production of crude oil and natural gas in the PRC, the Republic of Kazakhstan, the Sultanate of Oman, the Republic of Peru, the Kingdom of Thailand and the Republic of Azerbaijan	_		HK Dollar ("HKD") 87 million	-	54.38	54.38	Yes

- (i) The Company consolidated the financial statements of the entity because it has obtained 100% of the voting rights through a concerted action declaration executed by the other shareholder, and it is exposed to, or has rights to get variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.
- (ii) KunLun Energy Company Limited is a company listed on The Stock Exchange of Hong Kong Limited.

(2) Business combination involving entities under common control

Business combinations involving entities under the same control that occurred in the previous year:

CNPC Electric Energy was established in October 2017. It principally engages in power production and supply as well as power energy development, investment, construction, operation and management. At the 8th meeting of the 9th session of the Board on August 26, 2024, the Board of Directors passed the resolution regarding Daqing Oilfield's acquisition of 100% Equity Interest in CNPC Electric Energy. Pursuant to the resolution, Daqing Oilfield has consented to acquire, and Daqing Petroleum Administration Bureau Co., Ltd. has agreed to divest, 100% equity interests in CNPC Electric Energy. After the completion of the equity acquisition, the Company holds 100% equity of CNPC Electric Energy in total. The consideration of the transaction amount to RMB5,979 and was recorded as an equity transaction.

As the Company and CNPC Electric Energy are under the ultimate control of CNPC and the control is not temporary. The acquisition of CNPC Electric Energy has been reflected in the accompanying consolidated financial statements as combination of entities under common control. Consequently, CNPC Electric Energy has been included in the scope of consolidation during the historical period. The comparative statements have been adjusted accordingly.

(3) Exchange rates of international operations' major financial statement items

	Assets and liabilities				
Company name	June 30, 2025	December 31,2024			
PetroKazakhstan Inc.	1 USD =7.1586 RMB	1 USD =7.1884 RMB			
PetroChina Hong Kong Limited	1 HKD =0.9120 RMB	1 HKD =0.9260 RMB			
Singapore Petroleum Company Limited	1 USD =7.1586 RMB	1 USD =7.1884 RMB			

Owner's equity items, except for "undistributed profit", are using the spot exchange rate at the time of incurrence. Revenue, expense and cash flow items are using the spot rate or an approximate spot exchange rate on the date of the transaction.

7 CASH AT BANK AND ON HAND

	June 30, 2025	December 31,2024
Cash on hand	8	15
Cash at bank	280,490	213,410
Other monetary funds	3,995	2,821
	284,493	216,246

The Group's cash at bank and on hand included the following foreign currencies as of June 30, 2025:

Foreign currency	Exchange rate	RMB equivalent
17,264	7.1586	123,586
9,761	0.9120	8,902
135,883	0.0138	1,875
		1,907
	_	136,270
	17,264 9,761	17,264 7.1586 9,761 0.9120

The Group's cash at bank and on hand included the following foreign currencies as of December 31, 2024:

Foreign Name	Foreign currency	Exchange rate	RMB equivalent
USD	17,661	7.1884	126,954
HKD	9,487	0.9260	8,785
KZT	100,693	0.0139	1,400
Others			2,811
		_	139,950

The Group's cash at bank and on hand in foreign currencies mainly comprise cash at bank.

The carrying amount of the Group's cash at bank deposited at related finance company was RMB63,964 as of June 30, 2025 (December 31, 2024: RMB62,843).

There were no deposits held in margin accounts were pledged as collateral for USD loan as of June 30, 2025 (December 31, 2024: Nil).

8 DERIVATIVE INSTRUMENTS

Derivative financial instruments of the Group are mainly commodity futures, commodity swaps and commodity forwards contracts. See Note 61.

9 ACCOUNTS RECEIVABLE

	The	e Group	The Company			
	June 30, 2025	December 31,2024	June 30, 2025	December 31,2024		
Accounts receivable	122,516	74,678	16,844	7,807		
Less: Provision for bad debts	(2,801)	(3,068)	(537)	(588)		
	119,715	71,610	16,307	7,219		

The aging of accounts receivable and related provision for bad debts are analysed as follows:

		The Group								
		June 30, 2025			December 31, 2024					
	Amount	Percentage of total balance %	Provision for bad debts	Amount	Percentage of total balance %	Provision for bad debts				
Within 1 year	117,312	96	(979)	69,615	93	(1,050)				
1 to 2 years	2,728	2	(65)	2,332	3	(87)				
2 to 3 years	529	-	(106)	899	1	(180)				
Over 3 years	1,947	2	(1,651)	1,832	3	(1,751)				
	122,516	100	(2,801)	74,678	100	(3,068)				

		The Company							
		June 30, 2025		D	December 31, 2024				
	Amount	Percentage of total balance %	Provision for bad debts	Amount	Percentage of total balance %	Provision for bad debts			
Within 1 year	14,203	85	(68)	6,386	82	(85)			
1 to 2 years	2,067	12	(21)	470	6	(15)			
2 to 3 years	60	-	(42)	570	7	(107)			
Over 3 years	514	3	(406)	381	5	(381)			
	16,844	100	(537)	7,807	100	(588)			

The aging is counted starting from the date when accounts receivable are recognised.

The Group measures loss allowance for accounts receivable at an amount equal to lifetime ECLs. The ECLs were calculated by reference to the historical actual credit loss experience. The rates were considered the differences between economic conditions during the period over which the historical data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables. The Group performed the calculation of ECL rates by the operating segment and geography.

The provision for bad debts of accounts receivable is analysed by category as follows:

		June 30,	2025		December 31, 2024			
	Gross carrying amount		Provision for bad debts		Gross carrying amount		Provision for bad debts	
	Amount	Percentage of total balance %	Amount	Provision ratio %	Amount	Percentage of total balance %	Amount	Provision ratio %
Provision for bad debts on an individual basis (i) Provision for	3,846	3	(1,499)	39.0	4,457	6	(2,014)	45.2
bad debts on a collective basis (ii)	118,670	97	(1,302) (2,801)	1.1	70,221	94	(1,054)	1.5

(i) Accounts receivable for which the related provision for bad debts is provided on an individual basis are analysed as follows:

As part of such accounts receivable have a long ageing, the Group estimates the recoverable amount based on the business operation, financial information and other available information of the debtor, and recognises the ECL as the difference between the accounts receivable and the amount that may be recovered under the contract.

(ii) Provision for bad debts made on a collective basis for accounts receivable is analysed as follows:

		June 30, 2025		December 31, 2024			
	Gross	Provision for	r bad debts	Gross	Provision for bad debts		
	carrying amount	Lifetime ECL rates	Amount	carrying	Lifetime ECL rates	Amount	
Current (not past due)	114,347	0.2%	202	66,438	0.2%	101	
Within one year past due	2,173	5.2%	112	1,732	3.9%	67	
One-two years past due	597	5.9%	35	589	13.8%	81	
Two-three years past due	428	25.5%	109	790	22.8%	180	
Over three years past due	1,125	75.0%	844	672	93.0%	625	
	118,670		1,302	70,221	:	1,054	

As of June 30, 2025, the top five debtors of accounts receivable of the Group amounted to RMB43,375, representing 35% of total accounts receivable, and the corresponding balance of provision for bad and doubtful debts was RMB767 (As of December 31, 2024, the top five debtors of accounts receivable of the Group amounted to RMB23,088, representing 31% of total accounts receivable, and the corresponding balance of provision for bad and doubtful debts was RMB789).

For the six months ended June 30, 2025 and the six months ended June 30, 2024, the Group had no significant write-off of accounts receivable.

10 RECEIVABLES FINANCING

Receivables financing mainly represents bills of acceptance issued by banks for the sale of goods and rendering of services.

The Group's business model of financial assets at fair value through other comprehensive income is achieved both by collecting contractual cash flows and selling of these assets. For the six months ended June 30, 2025, the bank acceptance notes endorsed or discounted by the Group and all the risks and rewards of ownership of the bank acceptance notes were substantially transferred to other parties, the carrying amounts of such bank acceptance notes derecognised amounted to RMB7,400 and RMB6,790 (For the six months ended June 30, 2024: RMB1,528 and RMB10,421) respectively, with the losses on discount of RMB13 recognised in profit or loss (For the six months ended June 30, 2024: RMB31).

As of June 30, 2025 and December 31, 2024, all receivables financing of the Group are due within one year.

11 ADVANCES TO SUPPLIERS

	June 30, 2025	December 31,2024
Prepayment	21,397	14,504
Less: Provision for impairment	(350)	(312)
	21,047	14,192

As of June 30, 2025 and December 31, 2024, advances to suppliers of the Group were mainly aged within one year.

As of June 30, 2025, the top five debtors of advances to suppliers of the Group amounted to RMB6,477, representing 30% of total advances to suppliers (As of December 31, 2024, the top five debtors of advances to suppliers of the Group amounted to RMB5,639, representing 39% of total advances to suppliers).

12 OTHER RECEIVABLES

	The	Group	The Company		
	June 30, 2025	December 31,2024	June 30, 2025	December 31,2024	
Dividends receivable	239	1,965	318	21	
Other receivables (a)	36,552	32,422	12,031	8,433	
Total	36,791	34,387	12,349	8,454	

(a) The aging of other receivables and the related provision for bad debts are analysed as follows:

		The Group					
		June 30, 2025			December 31, 2024		
	Amount	Percentage of total balance %	Provision for bad debts	Amount	Percentage of total balance %	Provision for bad debts	
Within 1 year	30,984	78	(318)	26,291	74	(230)	
1 to 2 years	3,154	8	(88)	3,529	10	(207)	
2 to 3 years	809	2	(9)	721	2	(48)	
Over 3 years	4,857	12	(2,837)	5,155	14	(2,789)	
	39,804	100	(3,252)	35,696	100	(3,274)	

		The Company						
		June 30, 2025			December 31, 2024			
	Amount	Percentage of total balance %	Provision for bad debts	Amount	Percentage of total balance %	Provision for bad debts		
Within 1 year	9,834	71	(101)	5,639	56	(33)		
1 to 2 years	675	5	(62)	981	10	(110)		
2 to 3 years	501	4	-	398	4	(20)		
Over 3 years	2,677	20	(1,493)	3,074	30	(1,496)		
	13,687	100	(1,656)	10,092	100	(1,659)		

The provision for bad debts of other receivables is analysed by category as follows:

	June 30, 2025				December 31, 2024			
	Gross carrying amount		Provision for bad debts Gross of		Gross ca	rrying amount	Provision for bad debts	
	Amount	Percentage of total balance %	Amount	Provision ratio %	Amount	Percentage of total balance %	Amount	Provision ratio %
Provision for bad debts on an individual basis	3,488	9	(3,249)	93.2	3,474	10	(3,271)	94.2
Provision for bad debts on a collective basis	36,316	91	(3)	0.0	32,222	90	(3)	0.0

The aging is counted starting from the date when other receivables are recognised.

As of June 30, 2025, the top five debtors of other receivables of the Group amounted to RMB15,783, representing 40 % of total other receivables, and the provision for bad and doubtful debts amounted to RMB22 (As of December 31, 2024, the top five debtors of other receivables of the Group amounted to RMB14,194, representing 40% of total other receivables, and there were no provision for bad and doubtful debts).

As of June 30, 2025 and December 31, 2024, the Group's other receivables are mainly in the first stage, i.e. Credit risk has not increased significantly since initial recognition.

During the six months ended June 30, 2025 and the six months ended June 30, 2024, the Group had no significant write-off of other receivables.

13 INVENTORIES

	June 30, 2025	December 31, 2024
Cost		
Crude oil and other raw materials	54,282	63,516
Work in progress	15,581	16,073
Finished goods	88,395	91,394
Spare parts and consumables	223	189
	158,481	171,172
Less: Write down in inventories	(2,757)	(2,834)
Net book value	155,724	168,338

14 OTHER CURRENT ASSETS

The balance of other current assets mainly consists of value-added tax recoverable and prepaid income tax.

15 LONG-TERM EQUITY INVESTMENTS

	The Group					
	December 31, 2024	Additions	Reductions	June 30, 2025		
Associates and joint ventures (a)	295,679	11,181	(6,007)	300,853		
Less: Provision for impairment (b)	(5,602)	(18)	34	(5,586)		
	290,077			295,267		

	The Company					
	December 31, 2024	Additions	Reductions	June 30, 2025		
Subsidiaries (c)	318,125	9,408	(2,121)	325,412		
Associates and joint ventures	223,405	9,014	(749)	231,670		
Less: Provision for impairment	(384)	-	-	(384)		
	541,146			556,698		

As of June 30, 2025, the above-mentioned investments were not subject to restriction on conversion into cash or remittance of investment income.



(a) Principal associates and joint ventures of the Group

				Interes	t held%			
Company name	Country of incorporation	Principal activities	Registered capital	Direct	Indirect	Voting rights %	Accounting method	Strategic decisions relating to the Group's activities
China Oil & Gas Piping Network Corporation ("PipeChina")	PRC	Pipeline transport, storage service, import of equipment, import and export of techniques, science and technology research, research and application of informatization, technology consulting, technology service, technology transfer, promotion of technology	500,000	29.90	-	29.90	Equity method	Yes
China Petroleum Finance Co., Ltd. ("CP Finance")	PRC	Deposits, loans, settlement, lending, bills acceptance discounting, guarantee and other banking business	16,395	32.00	-	32.00	Equity method	No
CNPC Captive Insurance Co., Ltd.	PRC	Property loss insurance, liability insurance, credit insurance and deposit insurance; as well as the application of the above insurance reinsurance and insurance capital business	6,000	49.00	-	49.00	Equity method	No
China Marine Bunker (PetroChina) Co., Ltd.	PRC	Oil import and export trade and transportation, sale and storage	1,000	-	50.00	50.00	Equity method	No
Mangistau Investment B.V.	Netherlands	Engaged in investment activities, the principal activities of its main subsidiaries are exploration, development and sales of oil and gas	USD 131 million	-	50.00	50.00	Equity method	No
Trans-Asia Gas Pipeline Co., Ltd.	PRC	Main contractor, investment holding, investment management, investment consulting, enterprise management advisory, technology development, promotion and technology consulting	5,000	-	50.00	50.00	Equity method	No

Investments in principal associates and joint ventures are listed below:

			Investment income recognised	Other	Cash		
	Investment cost	December 31, 2024	under equity method	comprehen- sive income	dividend declared	Others	June 30, 2025
PipeChina	149,500	163,997	5,014	-	-	(53)	168,958
CP Finance	10,223	28,221	1,057	(38)	(56)	-	29,184
CNPC Captive Insurance Co., Ltd.	2,450	3,746	84	-	(43)	-	3,787
China Marine Bunker (PetroChina) Co., Ltd.	1,298	1,154	(8)	-	-	3	1,149
Mangistau Investment B.V.	21	4,047	194	66	(273)	-	4,034
Trans-Asia Gas Pipeline Co., Ltd.	2,017	23,122	664	(176)	(2,800)	-	20,810

Associates

Summarised consolidated balance sheet in respect of the Group's principal associates and reconciliation to carrying amount is as follows:

	PipeChina		CP Fir	nance	CNPC Captive Insurance Co., Ltd.	
	June 30, 2025	December 31, 2024	June 30, 2025	December 31, 2024	June 30, 2025	December 31, 2024
Percentage of ownership interest (%)	29.90	29.90	32.00	32.00	49.00	49.00
Current assets	75,802	70,803	359,085	392,405	8,786	8,561
Non-current assets	859,154	857,411	136,207	123,326	3,434	2,369
Current liabilities	96,440	111,879	399,263	422,634	693	234
Non-current liabilities	222,394	218,629	5,921	5,998	3,799	3,052
Net assets	616,122	597,706	90,108	87,099	7,728	7,644
Net assets attributable to owners of the Company	565,077	548,484	90,108	87,099	7,728	7,644
Group's share of net assets	168,958	163,997	28,835	27,872	3,787	3,746
Goodwill	-	-	349	349	-	-
Carrying amount of interest in associates	168,958	163,997	29,184	28,221	3,787	3,746

Summarised income statement and dividends received by the Group is as follows:

	PipeChina		CP Fi	nance	CNPC Captive Insurance Co., Ltd.	
	For the six months ended June 30, 2025	For the six months ended June 30, 2024	For the six months ended June 30, 2025	For the six months ended June 30, 2024	For the six months ended June 30, 2025	For the six months ended June 30, 2024
Operating income	60,141	60,708	6,876	8,395	833	566
Net profit	18,535	18,979	3,303	3,836	172	17
Other comprehensive income	-	-	(119)	348	-	-
Total comprehensive income	18,535	18,979	3,184	4,184	172	17
Total comprehensive income attributable to owners of the Company	16,768	17,170	3,184	4,184	172	17
Group's share of total comprehensive income	5,014	5,134	1,019	1,339	84	8
Dividends received by the Group	-	-	56	461	43	43

Joint ventures

Summarised consolidated balance sheet as included in their own financial statements, adjusted for fair value adjustments and differences in accounting policies in respect of the Group's principal joint ventures and reconciliation to carrying amount is as follows:

		rine Bunker na) Co., Ltd.		Investment .V.	Trans-Asia Gas Pipelin Co., Ltd.	
	June 30, 2025	December 31, 2024	June 30, 2025	December 31, 2024	June 30, 2025	December 31, 2024
Percentage of ownership interest (%)	50.00	50.00	50.00	50.00	50.00	50.00
Non-current assets	1,849	1,781	10,161	8,911	40,917	45,436
Current assets	11,960	10,575	1,820	2,925	7,633	6,843
Including: cash and cash equivalents	1,955	2,491	690	1,686	6,846	6,836
Non-current liabilities	217	147	3,158	2,517	2,121	2,124
Current liabilities	10,925	9,538	756	1,225	4,809	3,911
Net assets	2,667	2,671	8,067	8,094	41,620	46,244
Net assets attributable to owners of the Company	2,297	2,308	8,067	8,094	41,620	46,244
Group's share of net assets	1,149	1,154	4,034	4,047	20,810	23,122
Carrying amount of interest in joint ventures	1,149	1,154	4,034	4,047	20,810	23,122

Summarised income statement and dividends received by the Group is as follows:

		ine Bunker a) Co., Ltd.		Investment .V.		Gas Pipeline Ltd.
	For the six months ended June 30, 2025	For the six months ended June 30, 2024	For the six months ended June 30, 2025	For the six months ended June 30, 2024	For the six months ended June 30, 2025	For the six months ended June 30, 2024
Operating income	31,371	33,053	5,738	7,121	8	7
Finance expenses	(101)	(129)	(134)	(122)	81	3
Including: Interest income	46	58	14	19	100	26
Interest expense	(150)	(195)	(117)	(155)	(24)	(23)
Income tax expense	(28)	(33)	(240)	(330)	(562)	(535)
Net profit	9	107	387	376	1,327	1,710
Other comprehensive income	1	1	132	(280)	(351)	15
Total comprehensive income	10	108	519	96	976	1,725
Total comprehensive income attributable to owners of the Company	(17)	82	519	96	976	1,725
Group's share of total comprehensive income	(8)	41	260	48	488	863
Dividends received by the group	-	36	273	675	2,800	-

Dividends received and receivable from associates and joint ventures were RMB5,300 for the six months ended June 30, 2025 (for the six months ended June 30, 2024: RMB2,909).

For the six months ended June 30, 2025, investments in associates and joint ventures of RMB147 (for the six months ended June 30, 2024: RMB24) were disposed, resulting in a loss of RMB2 (for the six months ended June 30, 2024: RMB15) which was included in investment income, net.

For the six months ended June 30, 2025, the share of profit and other comprehensive income in all individually immaterial associates and joint ventures accounted for using equity method in aggregate was RMB2,671 (for the six months ended June 30, 2024: RMB2,839) and RMB1,636 (for the six months ended June 30, 2024: a loss of RMB83), respectively.

(b) Provision for impairment

	December 31, 2024	Additions	Reductions	June 30, 2025
Associates and joint ventures				
Petrourica S.A.	(3,452)	(13)	-	(3,465)
PetroChina Shouqi Sales Company Limited	(60)	-	-	(60)
PetroChina Beiqi Sales (Beijing) Company Limited	(49)	-	-	(49)
Others	(2,041)	(5)	34	(2,012)
	(5,602)	(18)	34	(5,586)

(c) Subsidiaries

Investment in subsidiaries:

	Investment cost	December 31, 2024	Additions	Reductions	June 30, 2025
Daqing Oilfield Company Limited	66,720	66,720	-	-	66,720
PetroChina International Investment Company Limited	36,042	36,042	-	-	36,042
Guangdong Petrochemical Co., Ltd	25,647	25,647	-	-	25,647
PetroChina Hong Kong Limited	25,590	25,590	-	-	25,590
CNPC Exploration and Development Company Limited	23,778	23,778	-	-	23,778
PetroChina Sichuan Petrochemical Company Limited	21,600	21,600	-	-	21,600
PetroChina International Company Limited	18,953	18,953	-	-	18,953
Others		99,795	9,408	(2,121)	107,082
Total	=	318,125	9,408	(2,121)	325,412

Major financial information in respect of the Group's principal subsidiaries with significant non-controlling interest is as follows:

Summarised balance sheet is as follows:

	CNPC Exploration and Development Company Limited		Petrochemic	a Sichuan cal Company ited	Guangdong Petrochemical Co., Ltd.	
	June 30, 2025	December 31, 2024	June 30, 2025	December 31, 2024	June 30, 2025	December 31, 2024
Percentage of ownership interest (%)	50.00	50.00	90.00	90.00	90.00	90.00
Current assets	110,092	91,210	16,597	15,662	7,219	9,377
Non-current assets	117,724	133,703	11,602	12,820	58,672	61,605
Current liabilities	18,316	11,840	2,629	2,922	10,325	9,340
Non-current liabilities	7,359	13,432	57	79	25,938	32,428
Net assets	202,141	199,641	25,513	25,481	29,628	29,214

Summarised income statement is as follows:

	CNPC Exploration and Development Company Limited		Petrochemic	PetroChina Sichuan trochemical Company Limited		Guangdong Petrochemical Co., Ltd.	
	June 30, 2025	December 31, 2024	June 30, 2025	December 31, 2024	June 30, 2025	December 31, 2024	
Operating income	23,547	25,820	27,780	30,767	51,506	57,321	
Net profit	7,467	8,742	809	382	388	36	
Total comprehensive income	7,075	9,470	809	382	388	50	
Profit attributable to non-controlling interests	4,076	4,683	81	38	39	4	
Dividends paid to non-controlling interests	2,324	2,339	84	5	2	21	

Summarised statement of cash flows is as follows:

	CNPC Exploration and Development Company Limited		PetroChina Sichuan Petrochemical Company Limited		Guangdong Petrochemical Co., Ltd	
	For the six months ended June 30, 2025	For the six months ended June 30, 2024	For the six months ended June 30, 2025	For the six months ended June 30, 2024	For the six months ended June 30, 2025	For the six months ended June 30, 2024
Net cash flows from operating activities	3,891	6,800	1,951	2,973	6,333	1,005

16 FIXED ASSETS

	December 31, 2024	Additions	Reductions	June 30, 2025
Cost				
Buildings	294,151	4,331	(2,103)	296,379
Equipment and Machinery	943,043	8,656	(2,577)	949,122
Motor Vehicles	19,975	232	(382)	19,825
Others	51,056	1,304	(344)	52,016
Total	1,308,225	14,523	(5,406)	1,317,342
Accumulated depreciation				
Buildings	(149,769)	(7,230)	693	(156,306)
Equipment and Machinery	(566,873)	(21,306)	1,338	(586,841)
Motor Vehicles	(16,080)	(409)	358	(16,131)
Others	(28,619)	(1,249)	285	(29,583)
Total	(761,341)	(30,194)	2,674	(788,861)
Fixed assets, net				
Buildings	144,382			140,073
Equipment and Machinery	376,170			362,281
Motor Vehicles	3,895			3,694
Others	22,437			22,433
Total	546,884			528,481
Provision for impairment				
Buildings	(6,749)	(183)	102	(6,830)
Equipment and Machinery	(50,454)	(386)	312	(50,528)
Motor Vehicles	(125)	(3)	3	(125)
Others	(9,149)	(356)	36	(9,469)
Total	(66,477)	(928)	453	(66,952)
Net book value				
Buildings	137,633			133,243
Equipment and Machinery	325,716			311,753
Motor Vehicles	3,770			3,569
Others	13,288			12,964
Total	480,407			461,529

Depreciation charged to profit or loss provided on fixed assets for the six months ended June 30, 2025 was RMB24,843 (for the six months ended June 30, 2024: RMB24,526). Cost transferred from construction in progress to fixed assets was RMB5,279 (for the six months ended June 30, 2024: RMB14,768).

As of June 30, 2025, the Group's fixed assets under operating leases were mainly equipment and machinery, the net book value of which amounted to RMB1,021 (December 31, 2024: RMB1,561).

As of June 30, 2025, the Group's fixed assets with a book value of RMB1,006 (December 31, 2024: RMB1,134) were used as collateral for long-term borrowings of RMB990 (December 31, 2024: RMB1,032) (Note 33).

17 OIL AND GAS PROPERTIES

	December 31, 2024	Additions	Reductions	June 30, 2025
Cost				
Mineral interests	71,964	1,308	(60)	73,212
Wells and related facilities	2,911,187	40,664	(6,331)	2,945,520
Total	2,983,151	41,972	(6,391)	3,018,732
Accumulated depletion				
Mineral interests	(26,963)	(688)	57	(27,594)
Wells and related facilities	(1,952,225)	(87,379)	6,099	(2,033,505)
Total	(1,979,188)	(88,067)	6,156	(2,061,099)
Oil and gas properties, net				
Mineral interests	45,001			45,618
Wells and related facilities	958,962			912,015
Total	1,003,963			957,633
Provision for impairment				
Mineral interests	(34,503)	(1,202)	-	(35,705)
Wells and related facilities	(94,024)	(200)	159	(94,065)
Total	(128,527)	(1,402)	159	(129,770)
Net book value				
Mineral interests	10,498			9,913
Wells and related facilities	864,938			817,950
Total	875,436			827,863

Depletion charged to profit or loss provided on oil and gas properties for the six months ended June 30, 2025 was RMB86,502 (for the six months ended June 30, 2024: RMB82,439). Cost transferred from construction in progress to oil and gas properties was RMB39,306 (for the six months ended June 30, 2024: RMB56,870).

As of June 30, 2025, the asset retirement obligations capitalised in the cost of oil and gas properties amounted to RMB153,167 (December 31, 2024: RMB151,832). Related depletion charge for the six months ended June 30, 2025 was RMB4,549 (for the six months ended June 30, 2024: RMB3,104).

18 CONSTRUCTION IN PROGRESS

Project Name	Budget	December 31, 2024	Additions	Transferred to fixed assets or oil and gas properties	Other Reductions	June 30, 2025	Proportion of construction compared to budget	Capitalised interest expense	Including: capitalised interest expense for the period	Source
Refining and chemical transformation and upgrading project of Jilin Petrochemical Company	33,945	16,614	4,425	(395)	-	20,644	69.4%	325	138	Self financing and loans
Guangxi Petrochemical Company's integration of refining and petrochemical transformation and upgrading project	30,459	8,719	7,132	_	-	15,851	91.2%	79	71	Self financing and loans
Dushanzi Petrochemical Company Tarim 1.2 million tons/ year Phase II Ethylene Project	21,877	4,576	2,796	-	-	7,372	34.4%	21	21	Self financing and loans
Others		195,606	45,057	(43,960)	(1,965)	194,738		1,511	116	
		225,515	59,410	(44,355)	(1,965)	238,605		1,936	346	
Less:										
Provision for impairment		(10,548)	(1)		934	(9,615)				

For the six months ended June 30, 2025, the capitalised interest expense amounted to RMB346 (for the six months ended June 30, 2024: RMB223). The average annual interest rates used to determine the capitalised amount for the six months ended June 30, 2025 were 2.40% (for the six months ended June 30, 2024: 2.80%).

19 LEASES

The leases where the Group is a lessee

Right-of-use Assets

	December 31, 2024	Additions	Reductions	June 30, 2025
Cost				
Land use rights	105,828	17,909	(6,592)	117,145
Buildings	57,212	2,540	(3,402)	56,350
Equipment and Machinery	7,823	1,073	(798)	8,098
Others	866	81	(71)	876
Total	171,729	21,603	(10,863)	182,469
Accumulated depreciation				
Land use rights	(21,132)	(2,231)	1,321	(22,042)
Buildings	(24,918)	(3,220)	2,509	(25,629)
Equipment and Machinery	(4,147)	(865)	496	(4,516)
Others	(591)	(105)	66	(630)
Total	(50,788)	(6,421)	4,392	(52,817)
Provision for impairment				
Buildings	(76)	-	-	(76)
Total	(76)	-	-	(76)
Net book value				
Land use rights	84,696			95,103
Buildings	32,218			30,645
Equipment and Machinery	3,676			3,582
Others	275			246
Total	120,865		:	129,576

The Group's right-of-use assets mainly include leased land use rights, buildings, equipment and machinery. The leases underlying assets classified as buildings are mainly the leased gas filling stations, oil storages and office buildings. The leases underlying assets classified as equipment and machinery are mainly production equipment and other movable equipment.

Depreciation charged to profit or loss provided on right-of-use assets for the six months ended June 30, 2025 was RMB6,421 (for the six months ended June 30, 2024: RMB6,286).



Lease Liabilities

	June 30, 2025	December 31, 2024
Lease liabilities	127,827	118,619
Less: Lease liabilities due within one year (Note 32)	(9,355)	(8,651)
	118,472	109,968

Analysis of the undiscounted cash flows of the lease liabilities is as follows:

	June 30, 2025	December 31, 2024
Within 1 year	10,334	9,588
1 to 2 years	11,897	11,458
2 to 5 years	29,337	28,363
Over 5 years	146,547	138,564
	198,115	187,973

20 INTANGIBLE ASSETS

	December 31, 2024	Additions	Reductions	June 30, 2025
Cost				
Land use rights	106,089	1,026	(388)	106,727
Franchise	24,138	554	(201)	24,491
Patents	6,399	11	(21)	6,389
Others	21,547	92	(481)	21,158
Total	158,173	1,683	(1,091)	158,765
Accumulated amortisation				
Land use rights	(34,485)	(1,413)	225	(35,673)
Franchise	(11,226)	(438)	138	(11,526)
Patents	(4,346)	(105)	2	(4,449)
Others	(14,298)	(576)	481	(14,393)
Total	(64,355)	(2,532)	846	(66,041)
Intangible assets, net				
Land use rights	71,604			71,054
Franchise	12,912			12,965
Patents	2,053			1,940
Others	7,249			6,765
Total	93,818		_	92,724
Provision for impairment	(1,028)	-	-	(1,028)
Net book value	92,790	_	=	91,696

Amortisation charged to profit or loss provided on intangible assets for the six months ended June 30, 2025 was RMB2,329 (for the six months ended June 30, 2024: RMB2,414).

21 GOODWILL

	June 30, 2025	December 31, 2024
Cost		
Petrolneos Trading Limited	4,844	4,862
Singapore Petroleum Company	3,154	3,165
Others	868	856
Total	8,866	8,883
Provision for impairment	(1,442)	(1,447)
Net book value	7,424	7,436

Goodwill primarily relates to the acquisition of Singapore Petroleum Company Limited and Petrolneos Trading Limited, subsidiaries in the marketing segment, completed in 2009 and 2011, respectively.

22 LONG-TERM PREPAID EXPENSES

	December 31, 2024	Additions	Reductions	June 30, 2025
Catalyst	8,490	989	(1,365)	8,114
Lease asset improvement expenses	2,065	147	(743)	1,469
Others	3,463	1,640	(836)	4,267
Total	14,018	2,776	(2,944)	13,850

23 OTHER NON-CURRENT ASSETS

Other non-current assets consist primarily of long-term accounts receivables, time deposits over one year, prepayments for construction project and equipment.

24 PROVISION FOR ASSETS

	December 31, 2024	Additions	Reversal	Write-off and others	June 30, 2025
Provision for bad debts	6,342	14	(154)	(149)	6,053
Including:					
Provision for bad debts of accounts receivable	3,068	-	(117)	(150)	2,801
Provision for bad debts of other receivables	3,274	14	(37)	1	3,252
Provision for impairment of advances to suppliers	312	39	-	(1)	350
Provision for declines in the value of inventories	2,834	566	(63)	(580)	2,757
Provision for impairment of long-term equity investments	5,602	5	-	(21)	5,586
Provision for impairment of fixed assets	66,477	1	-	474	66,952
Provision for impairment of oil and gas properties	128,527	-	-	1,243	129,770
Provision for impairment of construction in progress	10,548	1	-	(934)	9,615
Provision for impairment of intangible assets	1,028	-	-	-	1,028
Provision for impairment of goodwill	1,447	-	-	(5)	1,442
Provision for impairment of right-of-use assets	76	-	-	-	76
Provision for impairment of other non-current assets	443	-	-	(117)	326
Total	223,636	626	(217)	(90)	223,955

25 SHORT-TERM BORROWINGS

	June 30, 2025	December 31, 2024
Guarantee - USD	667	990
Unsecured - RMB	18,219	20,269
Unsecured - USD	24,154	22,129
Unsecured - JPY	3,368	2,565
Unsecured - Other	1	2
	46,409	45,955

As of June 30, 2025, the above guaranteed USD borrowings were mainly guaranteed by minority shareholders of relevant non-wholly-owned subsidiaries. As of December 31, 2024, there were no USD pledge loans.

The weighted average interest rate for short-term borrowings as of June 30, 2025 was 3.16% per annum (December 31, 2024: 3.23%).

26 NOTES PAYABLE

As of June 30, 2025, notes payable mainly represented commercial acceptance (As of December 31, 2024, mainly represented commercial acceptance). All notes payable are matured within one year.

27 ACCOUNTS PAYABLE

The aging of accounts payable is analysed as follows:

		The Group						
	June 30	0, 2025	Decemb	per 31, 2024				
	Amount	Percentage of total balance %	Amount	Percentage of total balance %				
Within 1 year	242,509	94	246,807	91				
1 to 2 years	4,136	2	11,582	4				
2 to 3 years	2,884	1	3,377	1				
Over 3 years	8,342	3	11,019	4				
	257,871	100	272,785	100				

As of June 30, 2025, accounts payable aged over one year amounted to RMB15,362 (December 31, 2024: RMB25,978), and mainly comprised of unsettled payables to suppliers.

28 CONTRACT LIABILITIES

Contract liabilities mainly represented advances from customers related to the sales of refined oil and natural gas. As of June 30, 2025, the contract liabilities aged over one year amounted to RMB3,325 (December 31, 2024: RMB4,793). The majority of related obligations were expected to be performed with corresponding revenue recognised within one year.

29 EMPLOYEE COMPENSATION PAYABLE

(1) Employee compensation payable listed as below

	December 31, 2024	Additions	Reductions	June 30, 2025
Short-term employee benefits	8,063	71,039	(64,093)	15,009
Post-employment benefits- defined contribution plans	31	12,766	(12,769)	28
Termination benefits	1	40	(40)	1
	8,095	83,845	(76,902)	15,038

The employee compensation payable includes the salary of employees and marketised temporary and seasonal workers, various insurance, housing provident fund, training expenses and other surcharges.

(2) Short-term employee benefits

December 31, 2024	Additions	Reductions	June 30, 2025
3,013	54,238	(47,456)	9,795
-	3,031	(3,031)	-
477	6,089	(6,145)	421
460	5,564	(5,619)	405
14	499	(500)	13
3	26	(26)	3
6	6,024	(6,024)	6
4,516	1,596	(1,377)	4,735
51	61	(60)	52
8,063	71,039	(64,093)	15,009
	3,013 - 477 460 14 3 6 4,516 51	3,013 54,238 - 3,031 477 6,089 460 5,564 14 499 3 26 6 6,024 4,516 1,596 51 61	3,013 54,238 (47,456) - 3,031 (3,031) 477 6,089 (6,145) 460 5,564 (5,619) 14 499 (500) 3 26 (26) 6 6,024 (6,024) 4,516 1,596 (1,377) 51 61 (60)

(3) Post-employment benefits-defined contribution plans

	December 31, 2024	Additions	Reductions	June 30, 2025
Basic pension insurance	21	8,092	(8,095)	18
Unemployment insurance	2	292	(292)	2
Annuity	8	4,382	(4,382)	8
	31	12,766	(12,769)	28

As of June 30, 2025, employee benefits payable did not contain any balance in arrears.

30 TAXES PAYABLE

	June 30, 2025	December 31, 2024
Levy for mineral rights concessions payable	11,781	17,208
Income tax payable	10,811	15,113
Consumption tax payable	15,072	12,871
Value added tax payable	10,139	3,145
Crude oil special gain levy payable	164	1,135
Others	9,184	10,773
	57,151	60,245

31 OTHER PAYABLES

As of June 30, 2025, other payables mainly comprised construction fee payables, deposit, earnest money, caution money and insurance payables. Other payables aged over one year amounted to RMB2,779 (December 31, 2024: RMB7,294).

32 CURRENT PORTION OF NON-CURRENT LIABILITIES

	June 30, 2025	December 31, 2024
Long-term borrowings due within one year	93,430	86,316
Debentures payable due within one year	9,400	6,512
Long-term payables due within one year	359	278
Lease liabilities due within one year	9,355	8,651
	112,544	101,757

33 LONG-TERM BORROWINGS

	June 30, 2025	December 31, 2024
Guarantee - RMB	1,229	2,875
Guarantee - USD	-	92
Pledge - RMB	1,633	1,906
Mortgage - RMB	990	1,032
Unsecured - RMB	92,097	82,033
Unsecured - USD	71,067	69,468
Unsecured - Other	3,319	2,982
	170,335	160,388
Less: Long-term borrowings due within one year (Note 32)	(93,430)	(86,316)
	76,905	74,072

As of June 30, 2025, the above-mentioned guaranteed borrowings were mainly guaranteed by CNPC and its subsidiaries, and the RMB pledge borrowings amounted to RMB1,633 (2024: RMB1,906), were mainly pledged by natural gas charging rights. As of June 30, 2025, there were no USD pledge loans and no deposits held in margin accounts were pledged as collateral for USD loans (December 31, 2024: Nil). As of June 30, 2025, the secured liabilities were secured by fixed assets with a book value of RMB1,006; construction in progress with a book value of RMB154 and intangible assets with a book value of RMB19 (for the six months ended June 30, 2024: fixed assets with a book value of RMB1,134; construction in progress with a book value of RMB149 and intangible assets with a book value of RMB179).

As at the balance sheet date, the undiscounted contractual cash flows of the Group's long-term borrowings, analysed by their maturity dates, are as below:

	June 30, 2025	December 31, 2024
Within one year	97,359	90,484
Between one and two years	10,024	21,170
Between two and five years	21,402	29,352
After five years	52,431	42,580
	181,216	183,586

The weighted average interest rate for long-term borrowings as of June 30, 2025 was 3.94% (December 31, 2024: 4.22%).

The fair value of long-term borrowings (including long-term borrowings due within one year) amounted to RMB163,443 (December 31, 2024: RMB157,129). The fair value is based on discounted cash flows using applicable discount rates based upon the prevailing market rates as at balance sheet date of the Group's availability of financial instruments (terms and characteristics similar to the above-mentioned borrowings).

34 DEBENTURES PAYABLE

Debentures' Name	Issue date	Term of Debentures	Annual interest rate%	December 31, 2024	Principal Additions		Principal Reductions	June 30, 2025
				,		p any anato		
2012 PetroChina Company Limited Corporate								
Debentures first tranche - 15 years	November 22, 2012	15 - year	5.04	2,010	-	48	-	2,058
Kunlun Energy Company Limited priority notes - 10 years	March 13, 2015	10 - year	3.75	3,611	18	(19)	(3,610)	-
2016 PetroChina Company Limited Corporate Debentures first tranche - 10	January							
years	18, 2016	10 - year	3.50	4,856	-	(91)	-	4,765
2016 PetroChina Company Limited Corporate Debentures second tranche -	March 1,							
10 years	2016	10 - year	3.70	2,371	-	(36)	-	2,335
2016 PetroChina Company Limited Corporate Debentures third tranche - 10	March 22,							
years	2016	10 - year	3.60	2,056	-	(33)	-	2,023
2022 PetroChina Company Limited first tranche medium- term green notes - 3 years	April 27, 2022	3 - year	2.26	508	-	(8)	(500)	-
2022 PetroChina Company Limited second tranche medium-term green notes - 3	June 15,	0	0.40	0.040		(40)	(0.000)	
years	2022	3 - year	2.19	2,019	-	(19)	(2,000)	-
2024 PetroChina Company Limited first tranche green two-new medium-term notes	September	4.0		0.010				
- 10 years	13, 2024	10 - year	2.24	3,019	-	34	-	3,053
2024 PetroChina Company Limited second tranche medium-term notes – 5 years	September 13, 2024	5 - year	2.08	10,062	-	104	-	10,166
				30,512	18	(20)	(6,110)	24,400
Less: Debentures Payable due				(0 E40)				(0.400)
within one year (Note 32)				(6,512) 24,000				(9,400) 15,000

The above-mentioned debentures were issued at the par value, without premium or discount.

As of June 30, 2025, the above-mentioned debentures which were guaranteed by CNPC amounted to RMB2,000 (December 31, 2024: RMB2,000).

The fair value of the debentures amounted to RMB24,145 (December 31, 2024: RMB30,287). The fair value is based on discounted cash flows using an applicable discount rate based upon the prevailing market rates as at the balance sheet date of the Group's availability of financial instruments (terms and characteristics similar to the above-mentioned debentures payable).

35 PROVISIONS

	December 31, 2024	Additions	Reductions	June 30, 2025
Asset retirement obligations	162,019	3,299	(797)	164,521

Asset retirement obligations are related to oil and gas properties.

36 DEFERRED TAX ASSETS AND LIABILITIES

Deferred tax assets and liabilities before offset are listed as below:

(a) Deferred tax assets

	June 30	0, 2025	Decembe	er 31, 2024
	Deferred tax assets	Deductible temporary differences	Deferred tax assets	Deductible temporary differences
Impairment, depreciation and depletion of assets	9,133	42,967	7,197	30,409
Lease liabilities	30,722	125,898	28,426	116,712
Provisions - Asset retirement obligations	39,099	164,521	40,117	162,019
Wages and welfare	1,595	6,787	1,286	5,566
Carry forward of losses	2,882	12,086	2,825	11,725
Others	17,098	66,155	16,030	72,490
	100,529	418,414	95,881	398,921

As of June 30, 2025, certain subsidiaries of the Company did not recognise deferred tax asset of deductible tax losses carried forward of RMB135,241, of which RMB685 was incurred for the six months ended June 30, 2025, because it was not probable that the related tax benefit will be realised. These deductible tax losses carried forward of RMB182, RMB352, RMB189, RMB104 and RMB134,414 will expire in 2025, 2026, 2027, 2028, 2029 and thereafter, respectively.

(b) Deferred tax liabilities

	June 30	, 2025	Decembe	r 31, 2024
	Deferred tax liabilities	Taxable temporary differences	Deferred tax liabilities	Taxable temporary differences
Depreciation and depletion of assets	24,348	97,136	25,089	92,025
Right-of-use assets	28,552	118,536	26,093	107,901
Oil and gas properties - Asset retirement obligations	9,463	42,075	9,660	42,368
Others	34,734	169,205	33,962	160,991
=	97,097	426,952	94,804	403,285

Deferred tax assets and liabilities after offset are listed as below:

	June 30, 2025	December 31, 2024
Deferred tax assets Deferred tax liabilities	29,818 26,386	26,765 25,688

37 SHARE CAPITAL

	June 30, 2025	December 31, 2024
H shares	21,099	21,099
A shares	161,922	161,922
	183,021	183,021

The assets and liabilities injected by CNPC in 1999 had been valued by China Enterprise Appraisal Co., Ltd.. The net assets injected by CNPC had been exchanged for 160 billion state-owned shares of the Company with a par value of RMB1.00 yuan per share. The excess of the value of the net assets injected over the par value of the state-owned shares had been recorded as capital surplus.

Pursuant to the approval of CSRC, on April 7, 2000, the Company issued 17,582,418,000 foreign capital stock with a par value of RMB1.00 yuan per share, in which 1,758,242,000 shares were converted from the prior state-owned shares of the Company owned by CNPC.

The above-mentioned foreign capital stock represented by 13,447,897,000 H shares and 41,345,210 ADSs (each representing 100 H shares), were listed on the Stock Exchange of Hong Kong Limited and the New York Stock Exchange Inc. on April 7, 2000 and April 6, 2000, respectively.

The Company issued an additional 3,196,801,818 new H shares with a par value of RMB1.00 yuan per share on September 1, 2005. CNPC also converted 319,680,182 state-owned shares it held into H shares and sold them concurrently with PetroChina's issuance of new H shares.

The Company issued 4,000,000,000 A shares with a par value of RMB1.00 yuan per share on October 31, 2007. The A shares were listed on the Shanghai Stock Exchange on November 5, 2007.

Following the issuance of the A shares, all the existing state-owned shares issued before November 5, 2007 held by CNPC have been registered with the China Securities Depository and Clearing Corporation Limited as A shares.

The Company's ADSs were delisted from the NYSE in September 2022.

38 CAPITAL SURPLUS

	December 31, 2024	Additions	Reductions	June 30, 2025
Capital premium	89,431	-	-	89,431
Other capital surplus				
Capital surplus under the old CAS	40,955	-	-	40,955
Acquisition of CNPC Electric Energy	(5,979)	-	-	(5,979)
Others	(2,595)		(83)	(2,678)
	121,812		(83)	121,729

39 SURPLUS RESERVES

	December 31, 2024	Additions	Reductions	June 30, 2025
Statutory Surplus Reserves	252,265	-	-	252,265
Discretionary Surplus Reserves	40	-	-	40
	252,305			252,305

Pursuant to the Company Law of PRC, the Company's Articles of Association and the resolution of Board of Directors, the Company is required to transfer 10% of its net profit to the Statutory Surplus Reserves. Appropriation to the Statutory Surplus Reserves may be ceased when the fund aggregates to 50% of the Company's registered capital. The Statutory Surplus Reserves may be used to make good previous years' losses or to increase the capital of the Company upon approval.

The Discretionary Surplus Reserves is approved by a resolution of shareholders' general meeting after Board of Directors' proposal. The Company may convert its Discretionary Surplus Reserves to make good previous years' losses or to increase the capital of the Company upon approval. The Company has not extracted Discretionary Surplus Reserves for the six months ended June 30, 2025 (for the six months ended June 30, 2024: Nil).

40 UNDISTRIBUTED PROFITS

	For the six months ended June 30, 2025	For the six months ended June 30, 2024
Undistributed profits at beginning of the period	982,234	914,671
Add: Net profit attributable to shareholders of the Company	83,993	88,802
Less: Dividends payable to ordinary shares	(45,755)	(42,095)
Others	(116)	(189)
Undistributed profits at end of the period	1,020,356	961,189

Final dividends attributable to owners of the Company in respect of 2024 of RMB0.25 yuan (inclusive of applicable tax) per share, amounting to a total of RMB45,755 were approved by the shareholders in the Annual General Meeting on June 5, 2025 and were paid on June 26, 2025 (A shares) and July 24, 2025 (H shares).

As authorised by shareholders in the Annual General Meeting on June 5, 2025, the Board of Directors resolved to distribute interim dividends attributable to owners of the Company in respect of 2025 of RMB0.22 yuan (inclusive of applicable tax) per share, amounting to a total of RMB40,265 on August 26, 2025. The dividends were not paid by the end of the reporting period, and were not recognised as liability at the end of the reporting period, as they were declared after the date of the balance sheet.

FINANCIAL STATEMENTS

41 NON-CONTROLLING INTERESTS

Non-controlling interests attributable to non-controlling interests of subsidiaries:

	Percentage of shares held by non-controlling interests %	Profit or loss attributable to non-controlling interests	Dividends declared to non-controlling interests	Balance of non-controlling interests
CNPC Exploration and Development Company Limited	50.00	4,076	2,324	103,026
KunLun Energy Company Limited	45.62	3,284	2,381	54,640
Guangdong Petrochemical Company Limited	10.00	39	2	2,963
PetroChina Sichuan Petrochemical Company Limited	10.00	81	84	2,551
Others				34,069
				197,249

42 OPERATING INCOME AND COST OF SALES

	The Group				
-	For the six months ended June 30, 2025				
	Income	Cost	Income	Cost	
Principal operations (b)	1,420,707	1,109,723	1,522,637	1,195,431	
Other operations (c)	29,392	37,421	32,336	33,417	
Total	1,450,099	1,147,144	1,554,973	1,228,848	
Including: Revenue from contracts with customers (a)	1,449,546		1,554,331		
Other revenue	553		642		

	The Company				
_	For the six months ended June 30, 2025		For the six months ended June 30, 2024		
	Income	Cost	Income	Cost	
Principal operations (b)	849,064	638,608	895,702	688,362	
Other operations (c)	22,415	30,101	24,295	25,342	
Total	871,479	668,709	919,997	713,704	
Including: Revenue from contracts with customers (a)	871,042		919,476		
Other revenue	437		521		

(a) Revenue from contracts with customers

For the six months ended June 30, 2025 Type of contract	Oil, Gas and New energy	Refining, Chemicals and New materials	Marketing	Natural Gas Sales	Head Office and Other	Total
Type of goods and services						
Crude oil	270,249	-	357,162	-	-	627,411
Natural gas(i)	73,972	-	213,722	292,108	-	579,802
Refined products	-	446,508	563,326	-	-	1,009,834
Chemicals products	-	105,241	22,041	-	-	127,282
Pipeline transportation business	-	-	-	498	-	498
Non-oil sales in gas stations	-	-	12,436	-	-	12,436
Others	78,334	2,376	876	18,139	1,839	101,564
Intersegment elimination	(355,717)	(388,479)	(246,853)	(18,090)	(142)	(1,009,281)
Total	66,838	165,646	922,710	292,655	1,697	1,449,546
Geographical Region						
China's mainland	30,722	165,646	462,332	292,655	1,697	953,052
Others	36,116	-	460,378	-	-	496,494
					4.007	1 110 510
Total	66,838	165,646	922,710	292,655	1,697	1,449,546
For the six months ended June 30, 2024 Type of contract	Oil, Gas and New energy	Refining, Chemicals and New materials	922,710 Marketing	Natural Gas Sales	Head Office and Other	1,449,546
For the six months ended June 30, 2024 Type of contract	Oil, Gas and New	Refining, Chemicals and New		Natural Gas	Head Office	
For the six months ended June 30, 2024	Oil, Gas and New	Refining, Chemicals and New		Natural Gas	Head Office	
For the six months ended June 30, 2024 Type of contract Type of goods and services	Oil, Gas and New energy	Refining, Chemicals and New	Marketing	Natural Gas	Head Office	Total
For the six months ended June 30, 2024 Type of contract Type of goods and services Crude oil	Oil, Gas and New energy	Refining, Chemicals and New	Marketing 401,607	Natural Gas Sales	Head Office	Total 709,288
For the six months ended June 30, 2024 Type of contract Type of goods and services Crude oil Natural gas(i)	Oil, Gas and New energy	Refining, Chemicals and New materials	Marketing 401,607 193,705	Natural Gas Sales	Head Office	Total 709,288 563,605
For the six months ended June 30, 2024 Type of contract Type of goods and services Crude oil Natural gas(i) Refined products	Oil, Gas and New energy	Refining, Chemicals and New materials	Marketing 401,607 193,705 630,295	Natural Gas Sales	Head Office	Total 709,288 563,605 1,138,777
For the six months ended June 30, 2024 Type of contract Type of goods and services Crude oil Natural gas(i) Refined products Chemicals products Pipeline transportation	Oil, Gas and New energy	Refining, Chemicals and New materials	Marketing 401,607 193,705 630,295	Natural Gas Sales - 279,220	Head Office	Total 709,288 563,605 1,138,777 150,919
For the six months ended June 30, 2024 Type of contract Type of goods and services Crude oil Natural gas(i) Refined products Chemicals products Pipeline transportation business	Oil, Gas and New energy	Refining, Chemicals and New materials	Marketing 401,607 193,705 630,295 26,762	Natural Gas Sales - 279,220	Head Office	Total 709,288 563,605 1,138,777 150,919 510
For the six months ended June 30, 2024 Type of contract Type of goods and services Crude oil Natural gas(i) Refined products Chemicals products Pipeline transportation business Non-oil sales in gas stations	Oil, Gas and New energy 307,681 90,680	Refining, Chemicals and New materials 508,482 124,157	Marketing 401,607 193,705 630,295 26,762	Natural Gas Sales - 279,220 510	Head Office and Other	Total 709,288 563,605 1,138,777 150,919 510 15,213
For the six months ended June 30, 2024 Type of contract Type of goods and services Crude oil Natural gas(i) Refined products Chemicals products Pipeline transportation business Non-oil sales in gas stations Others	Oil, Gas and New energy 307,681 90,680	Refining, Chemicals and New materials 508,482 124,157 2,845	Marketing 401,607 193,705 630,295 26,762 - 15,213 1,277	Natural Gas Sales - 279,220 510 - 18,176	Head Office and Other	Total 709,288 563,605 1,138,777 150,919 510 15,213 76,611
For the six months ended June 30, 2024 Type of contract Type of goods and services Crude oil Natural gas(i) Refined products Chemicals products Pipeline transportation business Non-oil sales in gas stations Others Intersegment elimination	Oil, Gas and New energy 307,681 90,680 52,732 (378,987)	Refining, Chemicals and New materials 508,482 124,157 2,845 (432,759)	Marketing 401,607 193,705 630,295 26,762 - 15,213 1,277 (273,274)	Natural Gas Sales - 279,220 - 510 - 18,176 (15,483)	Head Office and Other 1,581 (89)	Total 709,288 563,605 1,138,777 150,919 510 15,213 76,611 (1,100,592)
For the six months ended June 30, 2024 Type of contract Type of goods and services Crude oil Natural gas(i) Refined products Chemicals products Pipeline transportation business Non-oil sales in gas stations Others Intersegment elimination Total	Oil, Gas and New energy 307,681 90,680 52,732 (378,987)	Refining, Chemicals and New materials 508,482 124,157 2,845 (432,759)	Marketing 401,607 193,705 630,295 26,762 - 15,213 1,277 (273,274)	Natural Gas Sales - 279,220 - 510 - 18,176 (15,483)	Head Office and Other 1,581 (89)	Total 709,288 563,605 1,138,777 150,919 510 15,213 76,611 (1,100,592)
For the six months ended June 30, 2024 Type of contract Type of goods and services Crude oil Natural gas(i) Refined products Chemicals products Pipeline transportation business Non-oil sales in gas stations Others Intersegment elimination Total Geographical Region	Oil, Gas and New energy 307,681 90,680 52,732 (378,987) 72,106	Refining, Chemicals and New materials 508,482 124,157 2,845 (432,759) 202,725	Marketing 401,607 193,705 630,295 26,762 - 15,213 1,277 (273,274) 995,585	Natural Gas Sales - 279,220 - 510 - 18,176 (15,483) 282,423	Head Office and Other 1,581 (89) 1,492	Total 709,288 563,605 1,138,777 150,919 510 15,213 76,611 (1,100,592) 1,554,331

⁽i) Including conventional and unconventional natural gas

	The Com	pany				
Type of contract	For the six months ended June 30, 2025	For the six months ended June 30, 2024				
Type of goods and services						
Crude oil	212,096	243,998				
Natural gas	345,509	338,803				
Refined products	730,389	802,935				
Chemical products	107,049	118,123				
Non-oil sales in gas stations	10,437	13,185				
Others	58,396	41,190				
Intersegment elimination	(592,834)	(638,758)				
Total	871,042	919,476				

Revenue from contracts with customers is mainly recognised at a point in time.

(b) Income and cost of sales from principal operations

	The Group						
	For the six ended June		For the six ended June :				
	Income	Cost	Income	Cost			
Oil, Gas and New energy	413,186	271,642	442,501	299,626			
Refining, Chemicals and New materials	551,749	426,869	632,639	504,735			
Marketing	1,156,557	1,122,936	1,252,547	1,214,350			
Natural Gas Sales	308,071	285,574	295,146	281,813			
Head Office and Other	425	83	396	101			
Intersegment elimination	(1,009,281)	(997,381)	(1,100,592)	(1,105,194)			
Total	1,420,707	1,109,723	1,522,637	1,195,431			

	The Company						
		six months ne 30, 2025		six months ne 30, 2024			
	Income	Cost	Income	Cost			
Oil, Gas and New energy	321,579	225,548	347,089	256,340			
Refining, Chemicals and New materials	427,397	334,928	474,758	380,815			
Marketing	418,382	397,734	451,528	433,756			
Natural Gas Sales	274,141	260,625	260,739	257,572			
Head Office and Other	399	87	345	101			
Intersegment elimination	(592,834)	(580,314)	(638,757)	(640,222)			
Total	849,064	638,608	895,702	688,362			

(c) Income and cost of sales from other operations

		The Grou	р	
	For the six mo ended June 30,		For the six mo ended June 30,	
	Income	Cost	Income	Cost
Sale of materials	5,461	5,272	3,624	3,340
Non-oil sales in gas stations	12,436	10,087	15,213	13,458
Others	11,495	22,062	13,499	16,619
Total	29,392	37,421	32,336	33,417

		The Co	mpany	
		six months ne 30, 2025		six months ne 30, 2024
	Income	Cost	Income	Cost
Sale of materials	5,085	4,561	2,914	2,238
Non-oil sales in gas stations	10,437	8,738	13,185	11,750
Others	6,893	16,802	8,196	11,354
Total	22,415	30,101	24,295	25,342

43 TAXES AND SURCHARGES

	For the six months ended June 30, 2025	For the six months ended June 30, 2024
Consumption tax	86,782	86,936
Resource tax	14,580	15,396
Crude oil special gain levy	1,998	9,277
City maintenance and construction tax	8,770	8,807
Educational surcharge	6,494	6,528
Levy for mineral rights concessions	2,293	2,164
Urban and township land use tax	2,187	1,955
Others	2,337	3,431
	125,441	134,494

44 SELLING EXPENSES

	For the six months ended June 30, 2025	For the six months ended June 30, 2024
Employee compensation costs	11,204	11,124
Depreciation, depletion and amortisation	7,238	7,212
Lease, packing, warehouse storage expenses	1,443	1,700
Others	8,808	9,979
	28,693	30,015

45 GENERAL AND ADMINISTRATIVE EXPENSES

	For the six months ended June 30, 2025	For the six months ended June 30, 2024
Employee compensation costs	17,292	17,762
Depreciation, depletion and amortisation	3,548	3,302
Technology service expense	515	508
Property management expense	543	587
Other taxes	253	153
Others	10,123	7,591
	32,274	29,903

46 RESEARCH AND DEVELOPMENT EXPENSES

	For the six months ended June 30, 2025	For the six months ended June 30, 2024
Employee compensation costs	4,665	4,145
Depreciation, depletion and amortisation	569	611
Fuel and material consumption	284	334
Others	4,381	4,567
	9,899	9,657

47 FINANCE EXPENSES

	For the six months ended June 30, 2025	For the six months ended June 30, 2024
Interest expenses	9,642	10,978
Include: Interest expenditure on lease liabilities	2,502	2,609
Less: Capitalized interest	(346)	(223)
Less: Interest income	(3,706)	(4,428)
Exchange losses	5,016	4,729
Less: Exchange gains	(4,995)	(4,976)
Others	717	713
	6,328	6,793

48 OTHER INCOME

	For the six months ended June 30, 2025	For the six months ended June 30, 2024
Refund of import value-added tax, relating to the import of natural gas	7,504	7,148
Refund of value-added tax, relating to the change from business tax to value-added tax	74	94
Others	837	653
	8,415	7,895

49 INVESTMENT INCOME

	The Group	
	For the six months ended June 30, 2025	For the six months ended June 30, 2024
Share of net profit of associates and joint ventures	9,676	10,292
Gains on disposal of subsidiaries	28	682
Investment loss from disposal of derivative financial instruments	(2,376)	(9,962)
Gains from ineffective portion of cash flow hedges	290	448
Gains on investments in other equity instruments	13	13
Other investment income/(loss)	243	(334)
	7,874	1,139

	The Company	
	For the six months ended June 30, 2025	For the six months ended June 30, 2024
Dividends declared by subsidiaries	11,014	18,127
Share of net profit of associates and joint ventures	6,943	7,283
Losses on disposal of subsidiaries	(230)	(13)
Gains on investments in other equity instruments	6	2
Other investment income	71	60
	17,804	25,459

50 GAINS ON CHANGES IN FAIR VALUE

	For the six months ended June 30, 2025	For the six months ended June 30, 2024
Net fair value gains on financial assets and financial liabilities at fair value through profit or loss	4,662	8,460
Unrealised gains from ineffective portion of cash flow hedges, net	420	174
	5,082	8,634

51 CREDIT IMPAIRMENT (REVERSAL)/LOSSES

	For the six months ended June 30, 2025	For the six months ended June 30, 2024
Accounts receivable	(117)	21
Other receivables	(23)	90
Others	39	58
	(101)	169

52 ASSET IMPAIRMENT LOSSES

	For the six months ended June 30, 2025	For the six months ended June 30, 2024
Impairment losses for declines in the value of inventories	503	196
Impairment losses on long-term equity investments	5	20
Impairment losses for fixed assets and oil and gas properties	1	-
Impairment losses for construction in progress	1	-
_	510	216

53 GAINS FROM ASSET DISPOSALS

	For the six months ended June 30, 2025	For the six months ended June 30, 2024	Amount recognised in non-recurring profit or loss for the six months ended June 30, 2025
Gains from disposal of fixed assets and oil and gas properties	176	149	176
Losses from disposal of construction in progress	(6)	(46)	(6)
Gains from disposal of intangible assets	186	87	186
Gains from disposal of other long-term assets	636	73	636
	992	263	992

54 NON-OPERATING INCOME AND EXPENSES

(a) Non-operating income

	For the six months ended June 30, 2025	For the six months ended June 30, 2024	Amount recognised in non-recurring profit or loss for the six months ended June 30, 2025
Government grants	360	221	360
Other	1,199	498	1,199
	1,559	719	1,559

(b) Non-operating expenses

	For the six months ended June 30, 2025	For the six months ended June 30, 2024	Amount recognised in non-recurring profit or loss for the six months ended June 30, 2025
Fines	77	31	77
Donation	253	204	253
Extraordinary loss	165	248	165
Damage or scrapping of non-current assets	265	978	265
Other	1,989	2,658	1,989
	2,749	4,119	2,749

55 INCOME TAX EXPENSES

	For the six months ended June 30, 2025	For the six months ended June 30, 2024
Current income taxes	29,649	35,630
Deferred taxes	(2,231)	(6,026)
	27,418	29,604

The tax on the Group's profit before income tax expense differs from the theoretical amount that would arise using the corporate income tax rate in the PRC applicable to the Group as follows:

	For the six months ended June 30, 2025	For the six months ended June 30, 2024
Profit before income tax expense	121,084	129,409
Tax calculated at a tax rate of 25%	30,271	32,352
Tax return true-up	(1,977)	3,429
Effect of income taxes from international operations different from taxes at the PRC statutory tax rate	2,555	3,350
Effect of preferential tax rate	(5,760)	(6,538)
Tax effect of income not subject to tax	(3,367)	(5,977)
Tax effect of expenses not deductible for tax purposes	5,405	3,589
Tax effect of temporary differences and deductible tax losses	291	(601)
Income tax expense	27,418	29,604

56 EARNINGS PER SHARE

Basic and diluted earnings per share for the six months ended June 30, 2025 and June 30, 2024 have been computed by dividing profit attributable to owners of the Company by the 183,021 million shares issued and outstanding during the period.

There are no potential dilutive ordinary shares of the company, and the diluted earnings per share are equal to the basic earnings per share.

57 OTHER COMPREHENSIVE INCOME

	December 31, 2024	Amounts recognised in income statements	Amounts accumulated in other compre- hensive income reclassified to retained earnings	June 30, 2025
Items that will not be reclassified to profit or loss				
Including: Changes in fair value of investments in other equity instruments	167	(18)	-	149
Items that may be reclassified to profit or loss				
Including: Other comprehensive income recognised under equity method	1,400	(344)	-	1,056
Cash flow hedges	1,269	(933)	-	336
Currency translation differences	(33,541)	1,125	-	(32,416)
Others	(43)	-	(14)	(57)
Total	(30,748)	(170)	(14)	(30,932)

58 SUPPLEMENT TO INCOME STATEMENT

Expenses are analysed by nature:

	For the six months ended June 30, 2025	For the six months ended June 30, 2024
Operating income	1,450,099	1,554,973
Less: Changes in inventories of finished goods and work in progress	3,814	4,191
Raw materials and consumables used	(986,418)	(1,068,564)
Employee benefits expenses	(82,582)	(82,697)
Depreciation, depletion and amortisation expenses	(121,348)	(116,702)
Investment loss from disposal of derivative financial instruments	(2,376)	(9,962)
Gains from ineffective portion of cash flow hedges	290	448
Gains form changes in fair value	5,082	8,634
Credit impairment reversal/(losses)	101	(169)
Assets impairment losses	(510)	(216)
Lease expenses	(983)	(1,219)
Finance expenses	(6,328)	(6,793)
Other expenses	(136,567)	(149,115)
Operating profit	122,274	132,809

59 NOTES TO CONSOLIDATED AND COMPANY CASH FLOWS

(a) Cash received relating to other operating activities

Cash received relating to other operating activities mainly comprises caution money received from derivatives. For the six months ended June 30, 2025, caution money received from derivatives amounted to RMB42,609 (for the six months ended June 30, 2024: RMB19,761).

(b) Cash paid relating to other operating activities

Cash paid relating to other operating activities mainly comprises caution money paid for derivatives and transportation expenses. For the six months ended June 30, 2025, caution money paid for derivatives amounted to RMB35,766 (for the six months ended June 30, 2024: RMB28,688).

(c) Cash received from disposal of investments

Cash received from disposal of investments mainly comprises cash received from time deposits with maturities over 3 months. For the six months ended June 30, 2025, cash received from time deposits with maturities over 3 months amounted to RMB30,006 (for the six months ended June 30, 2024: RMB24,622).

(d) Cash paid to acquire investments

Cash paid to acquire investments mainly comprises cash paid for time deposits with maturities over 3 months. For the six months ended June 30, 2025, cash paid for time deposits with maturities over 3 months amounted to RMB44,500 (for the six months ended June 30, 2024: RMB53,567).

(e) Cash payments relating to other financing activities

Cash paid relating to other financing activities mainly comprises cash repayments of lease liabilities. For the six months ended June 30, 2025, cash repayments of lease liabilities amounted to RMB6,013 (for the six months ended June 30, 2024: RMB5,253).

(f) Reconciliation from the net profit to the cash flows from operating activities

	The (Group	The Co	ompany
	For the six months ended June 30, 2025	For the six months ended June 30, 2024	For the six months ended June 30, 2025	For the six months ended June 30, 2024
Net profit	93,666	99,805	73,469	79,523
Add: Asset impairment losses	510	216	15	18
Credit impairment (reversal)/losses	(101)	169	(11)	79
Depreciation and depletion of fixed asset and oil and gas properties	111,345	106,965	69,486	65,896
Depreciation of right-of-use assets	6,421	6,286	3,506	3,058
Amortisation of intangible assets	2,329	2,414	1,743	1,860
Amortisation of long-term prepaid expenses	1,253	1,037	697	1,009
Gains on disposal of fixed assets, oil and gas properties, intangible assets and other long-term assets	(992)	(263)	(723)	(235)
Damage or scrapping of fixed assets and oil and gas properties	265	978	4	918
Exploratory dry holes	1,965	2,900	1,609	2,375
Safety fund reserve	2,933	2,446	1,912	1,943
Finance expenses	6,328	6,793	4,409	4,977
Investment income	(7,874)	(1,139)	(17,804)	(25,459)
(Gains)/Losses from changes in fair value	(5,082)	(8,634)	(305)	(10)
Changes in deferred taxation	(2,231)	(6,026)	(1,413)	(3,251)
Decrease/(Increase) in inventories	12,111	(2,334)	894	2,298
Increase in operating receivables	(57,590)	(52,873)	(14,824)	(26,770)
Increase in operating payables	61,807	59,679	23,997	58,194
Net cash flows from operating activities	227,063	218,419	146,661	166,423

(g) Change in cash and cash equivalents

	The Group		The Company	
	For the six months ended June 30, 2025	For the six months ended June 30, 2024	For the six months ended June 30, 2025	For the six months ended June 30, 2024
Cash and cash equivalents at the end of the period	224,124	192,104	94,962	52,608
Less: Cash and cash equivalents at the beginning of the period	(172,477)	(249,001)	(25,139)	(60,652)
Increase/(Decrease) in cash and cash equivalents	51,647	(56,897)	69,823	(8,044)

(h) Change in liabilities from financing activities

	Bank borrowings (including bank borrowings due within one year)	Debentures payable (including debentures due within one year)	Lease liabilities (including lease liabilities due within one year)	Dividends payable	Total
December 31, 2024	206,343	30,512	118,619	265	355,739
Cash inflows from financing activities	329,324	-	-	-	329,324
Cash outflows from financing activities	(318,417)	(6,507)	(6,013)	(46,414)	(377,351)
Interest accrued in the current period	4,513	378	2,502	-	7,393
Dividends accrued in the current period	-	-	-	52,803	52,803
Others	(5,019)	17	12,719	-	7,717
June 30, 2025	216,744	24,400	127,827	6,654	375,625

(i) Cash and Cash Equivalents

	The G	The Group		mpany
	June 30, 2025	December 31, 2024	June 30, 2025	December 31, 2024
Cash and cash equivalents				
—Cash on hand	8	15	-	-
—Demand deposits	155,809	116,013	57,166	18,771
—Time deposits with maturities within three months	68,307	56,449	37,796	6,368
Cash and cash equivalents at the end of the period	224,124	172,477	94,962	25,139

60 SEGMENT REPORTING

The Group is principally engaged in a broad range of petroleum related products, services and activities. The Group's operating segments comprise: Oil, Gas and New energy, Refining, Chemicals and New materials, Marketing, Natural Gas Sales and Head Office and Other. On the basis of these operating segments, the management of the Company assesses the segmental operating results and allocates resources. Sales between operating segments are conducted principally at market price. Additionally, the Group presents geographical information based on entities located in regions with a similar risk profile.

The Oil, Gas and New energy segment is engaged in the exploration, development, production, transportation, marketing of crude oil and natural gas and new energy business.

The Refining, Chemicals and New materials segment is engaged in the refining of crude oil and petroleum products, production and marketing of primary petrochemical products, derivative petrochemical products, other chemical products and new materials business.

The Marketing segment is engaged in the marketing of refined products and non-oil products, and the trading business.

The Natural Gas Sales segment is engaged in the transportation and sale of natural gas.

The Head Office and Other segment relates to cash management and financing activities, the corporate centre, research and development, and other business services supporting the other operating segments of the Group.

The accounting policies of the operating segments are the same as those described in Note 4.

(1) Operating segments

(a) Segment information as of and for the six months ended June 30, 2025 is as follows

	Oil, Gas and New energy	Refining, Chemicals and New materials	Marketing	Natural Gas Sales	Head Office and Other	Total
Revenue	422,667	554,170	1,169,751	310,943	1,849	2,459,380
Less: Intersegment revenue	(355,717)	(388,479)	(246,853)	(18,090)	(142)	(1,009,281)
Revenue from external customers	66,950	165,691	922,898	292,853	1,707	1,450,099
Segment expenses (i)	(265,919)	(227,350)	(759,649)	(69,522)	(7,514)	(1,329,954)
Segment profit/(loss)	85,341	12,196	9,783	18,521	(5,696)	120,145
Unallocated income and expenses						2,129
Operating profit						122,274
Depreciation, depletion and amortisation	96,437	12,992	8,861	2,294	764	121,348
Asset impairment losses	-	(6)	515	1	-	510
Credit (reversal)/losses	(102)	52	29	(79)	(1)	(101)
Capital expenditures	49,432	12,651	589	936	621	64,229
June 30, 2025						
Segment assets	1,644,203	518,980	652,559	415,722	1,638,782	4,870,246
Other assets						41,878
Elimination of intersegment balances (ii)						(2,062,492)
Total assets						2,849,632
Segment liabilities	631,958	240,026	382,893	139,129	623,496	2,017,502
Other liabilities						83,537
Elimination of intersegment balances (ii)						(1,004,549)
Total liabilities						1,096,490

(b) Segment information as of December 31, 2024 and for the six months ended June 30, 2024 is as follows

	Oil, Gas and New energy	Refining, Chemicals and New materials	Marketing	Natural Gas Sales	Head Office and Other	Total
Revenue	451,206	635,566	1,269,126	298,079	1,588	2,655,565
Less: Intersegment revenue	(378,987)	(432,759)	(273,274)	(15,483)	(89)	(1,100,592)
Revenue from external customers	72,219	202,807	995,852	282,596	1,499	1,554,973
Segment expenses (i)	(271,641)	(260,578)	(803,526)	(71,941)	(8,702)	(1,416,388)
Segment profit/(loss)	93,480	15,145	20,764	16,324	(7,128)	138,585
Unallocated income and expenses						(5,776)
Operating profit						132,809
Depreciation, depletion and amortisation	90,951	14,015	8,500	2,421	815	116,702
Asset impairment losses	-	122	74	20	-	216
Credit (reversal)/losses	(45)	5	45	166	(2)	169
Capital expenditures	67,418	9,666	827	576	460	78,947
December 31, 2024						
Segment assets	1,581,893	495,084	606,864	397,196	1,590,920	4,671,957
Other assets						40,460
Elimination of intersegment balances (ii)						(1,959,410)
Total assets						2,753,007
Segment liabilities	629,134	229,918	341,759	136,282	527,737	1,864,830
Other liabilities						85,933
Elimination of intersegment balances (ii)						(907,619)
Total liabilities						1,043,144

⁽i) Segment expenses include cost of sales, taxes and surcharges, selling expenses, general and administrative expenses, research and development expenses, and other income, etc.

⁽ii) Elimination of intersegment balances represents elimination of intersegment accounts and investments.

(2) Geographical information

Revenue from external customers	For the six months ended June 30, 2025	For the six months ended June 30, 2024
China's mainland	953,605	981,873
Others	496,494	573,100
	1,450,099	1,554,973
Non-current assets (i)	June 30, 2025	December 31, 2024
China's mainland	1,923,056	1,946,355
Others	178,372	181,670
	2,101,428	2,128,025

⁽i) Non-current assets mainly include non-current assets other than financial instruments and deferred tax assets.

61 FINANCIAL RISK MANAGEMENT

1. Financial risk

The Group's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk.

(1) Market risk

Market risk is the possibility that changes in foreign exchange rates, interest rates and the prices of crude oil and gas products will adversely affect the value of assets, liabilities and expected future cash flows.

(a) Foreign exchange risk

The Group conducts its domestic business primarily in RMB, but maintains a portion of its assets in other currencies to pay for imported crude oil, natural gas, imported equipment and other materials and to meet foreign currency financial liabilities. The Group is exposed to currency risks arising from fluctuations in various foreign currency exchange rates against the RMB. The RMB is not a freely convertible currency and is regulated by the PRC government. Limitations on foreign exchange transactions imposed by the PRC government could cause future exchange rates to vary significantly from current or historical exchange rates.

Additionally, the Group operates internationally and foreign exchange risk arises from future acquisitions and commercial transactions, recognised assets and liabilities and net investments in foreign operations. Certain entities in the Group might use currency derivatives to manage such foreign exchange risk.

(b) Interest rate risk

The Group has no significant interest rate risk on interest-bearing assets. The Group's exposure to interest rate risk arises from its borrowings (including debentures payable). The Group's borrowings at floating rates expose the Group to cash flow interest rate risk and its borrowings at fixed rates expose the Group to fair value interest rate risk. However, the exposure to interest rate risk is not material to the Group. A detailed analysis of the Group's borrowings and debentures payable, together with their respective interest rates and maturity dates, is included in Notes 33 and 34.

(c) Price risk

The Group is engaged in a wide range of oil and gas products-related activities. Prices of oil and gas products are affected by a wide range of global and domestic factors which are beyond the control of the Group. The fluctuations in such prices may have favourable or unfavourable impacts on the Group.

The Group uses derivative financial instruments, including commodity futures, commodity swaps and commodity options, to hedge some price risks efficiently.

As of June 30, 2025, the Group had certain commodity contracts of crude oil, natural gas, refined oil products and chemical products designated as hedges. As of June 30, 2025, the fair value of such derivative hedging financial instruments is derivative financial assets of RMB6,790 (December 31, 2024: RMB8,883) and derivative financial liabilities of RMB4,802 (December 31, 2024: RMB6,834).

As of 30 June 2025, it is estimated that a general increase/decrease of USD 10 per barrel in basic price of derivative financial instruments, with all other variables held constant, would impact the fair value of derivative financial instruments, which would decrease/increase the Group's profit for the year by approximately RMB2,412 (December 31, 2024: decrease/increase RMB481) ,and resulting in an decrease/increase of approximately RMB1,535 in other comprehensive income of the Group (December 31, 2024: decrease/increase RMB2,319). This sensitivity analysis has been determined assuming that the change in prices had occurred at the balance sheet date and the change was applied to the Group's derivative financial instruments at that date with exposure to commodity price risk.

(2) Credit risk

Credit risk arises from cash at bank and on hand, accounts receivable of customers and other receivables.

A substantial portion of the Group's cash at bank and on hand are placed with the major state-owned banks and financial institutions in China and management believes that the credit risk of financial assets is low.

The Group performs ongoing assessment of the credit quality of its customers and sets appropriate credit limits, taking into account the financial position and past history of defaults of customers. The aging analysis of accounts receivable and related provision for bad debts are presented in Note 9.

The carrying amounts of cash at bank and on hand, accounts receivable, other receivables and receivables financing included in the consolidated balance sheet represent the Group's maximum exposure to credit risk. No other financial assets carry a significant exposure to credit risk.

In addition, financial guarantees and loan commitments may expose to risks due to counterparty defaults. The Group has established strict application and approval requirements for financial guarantees and loan commitments, taking into account internal and external credit ratings and other information, and continuously monitors credit risk exposure, changes in counterparty credit ratings and other relevant information, to ensure the overall credit risk is limited to a controllable extent.

The Group has no significant concentration of credit risk during the reporting period.

(3) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities.

In managing its liquidity risk, the Group has access to funding at market rates through equity and debt markets, including using undrawn committed borrowing facilities to meet foreseeable borrowing requirements.

Given the low level of gearing ratio and continued access to funding, the Group believes that its liquidity risk is not material.

Analysis of the Group's long-term borrowings, debentures payable and lease liabilities based on the remaining period at the balance sheet date to the contractual maturity dates are presented in Note 33, 34 and 19.

2. Capital management

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern, optimise returns for shareholders and to minimise its cost of capital. In meeting its objectives of managing capital, the Group may issue new shares, adjust its debt levels or the mix between short-term and long-term borrowings.

The Group monitors capital on the basis of the gearing ratio which is calculated as interest-bearing borrowings/ (interest-bearing borrowings + total equity), interest-bearing borrowings include long-term and short-term borrowings and debentures payable. The gearing ratio as of June 30, 2025 was 12.09% (December 31, 2024: 12.17%).



The methods and assumptions applied in determining the fair value of each class of financial assets and financial liabilities of the Group at June 30, 2025 and December 31, 2024 are disclosed in the respective accounting policies.

Financial assets and financial liabilities that measured at amortised cost include: cash at bank and on hand, accounts receivable, other receivables, long-term receivables, short-term borrowings, accounts payable, notes payable, long-term borrowings, debentures payable, etc. The fair values of fixed rate long-term borrowings and debentures payable are likely to be different from their respective carrying amounts. Analysis of the fair values and carrying amounts of long-term borrowings and debentures payable are presented in Note 33 and Note 34, respectively. Except for these, the carrying amounts of other financial assets and financial liabilities that are not measured at fair value approximate their fair values.

The Group's investments in financial assets held for trading, financial liabilities held for trading, derivative financial instruments, receivables financing and other equity instruments are measured at fair value on the balance sheet date. The fair value of financial assets at fair value held for trading and financial liabilities held for trading are mainly categorised into Level 1 of the fair value hierarchy, which are based on the unadjusted quoted prices in active markets for identical assets or liabilities as inputs used in the valuation techniques. The fair values of derivative financial instruments are mainly categorised into Level 1 and Level 2 of the fair value hierarchy, which are based on the unadjusted quoted prices in active markets for identical assets or liabilities as inputs used in the valuation techniques, or the inputs other than quoted prices included within Level 1 that are observable either directly or indirectly. Receivables financing are mainly categorised into Level 3 of the fair value hierarchy, which are based on that receivables financing are mainly short-term bills of acceptance issued by banks, their fair values approximate the face values of the bills. The investments in other equity instruments are mainly categorised into Level 1 and Level 3 of the fair value hierarchy, which are based on the unadjusted quoted prices in active markets for identical assets or liabilities as inputs used in the valuation techniques.

As of June 30, 2025, financial assets continuing to be measured at fair value are listed in three levels as follows:

	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets at fair value through profit or loss	5,673	3,355	-	9,028
Derivative financial instruments	2,661	4,600	-	7,261
Receivables financing	-	-	15,177	15,177
Other equity instruments	382	-	308	690
Total	8,716	7,955	15,485	32,156

As of June 30, 2025, financial liabilities continuing to be measured at fair value are listed in three levels as follows:

	Level 1	Level 2	Level 3	Total
Financial liabilities				
Financial Liabilities at fair value through profit or loss	-	3,698	-	3,698
Derivative financial instruments	3,194	1,905	-	5,099
Total	3,194	5,603	-	8,797

As of December 31, 2024, financial assets continuing to be measured at fair value are listed in three levels as follows:

	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets at fair value through profit or loss	2,585	231	-	2,816
Derivative financial instruments	329	8,691	-	9,020
Receivables financing	-	-	8,868	8,868
Other equity instruments	390	-	317	707
Total	3,304	8,922	9,185	21,411

As of December 31, 2024, financial liabilities continuing to be measured at fair value are listed in three levels as follows:

Level 1	Level 2	Level 3	Total
-	3,808	-	3,808
2,533	4,518	-	7,051
2,533	8,326	-	10,859
	2,533	- 3,808 2,533 4,518	- 3,808 - 2,533 4,518 -

The Group uses discounted cash flow model with inputted interest rate and commodity index, which were influenced by historical fluctuation and the probability of market fluctuation, to evaluate the fair value of the bills receivable classified as Level 3 financial assets.

62 RELATED PARTIES AND RELATED PARTY TRANSACTIONS

(1) Parent company

(a) General information of parent company

CNPC, the immediate parent of the Company, is a limited liability company directly controlled by the PRC government.

	Type of legal entity	Place of incorporation	Legal representative	Principal activities
China National Petroleum Corporation	Limited liability company (wholly state-owned)	PRC	Dai Houliang	Oil and gas exploration and development, refining and petrochemical, oil product marketing, oil and gas storage and transportation, oil trading, construction and technical services and petroleum equipment manufacturing, etc.

(b) Registered capital and changes in registered capital of the parent company

December 31, 2024	Additions	Reductions	June 30, 2025
486 900	_	_	486,900
	December 31, 2024 486,900		

(c) Equity interest and voting rights of the parent company

	June 30), 2025	December	31, 2024
	Equity interest %	Voting rights %	Equity interest %	Voting rights %
China National Petroleum Corporation	82.62	82.62	82.62	82.62

(2) Subsidiaries

Details about subsidiaries and related information are disclosed in Note 6(1).

(3) Nature of related parties that are not controlled by the Company

Names of related parties	Relationship with the Company
PipeChina	Associate
China National Aviation Fuel Co., Ltd.	Associate
China Marine Bunker (PetroChina) Co., Ltd.	Joint venture
Mangistau Investment B.V.	Joint venture
Trans-Asia Gas Pipeline Co., Ltd.	Joint venture
CP Finance	Associate, Fellow subsidiary of CNPC
CNPC Captive Insurance Co., Ltd.	Associate, Fellow subsidiary of CNPC
CNPC Shared Operation Co., Ltd.	Associate, Fellow subsidiary of CNPC
CNPC Bohai Drilling Engineering Co., Ltd.	Fellow subsidiary of CNPC
CNPC Oriental Geophysical Exploration Co., Ltd.	Fellow subsidiary of CNPC
CNPC Chuanqing Drilling Engineering Co., Ltd.	Fellow subsidiary of CNPC
Daqing Petroleum Administrative Bureau Co., Ltd.	Fellow subsidiary of CNPC
Liaohe Petroleum Exploration Bureau Co., Ltd.	Fellow subsidiary of CNPC
China Petroleum Pipeline Bureau Co., Ltd.	Fellow subsidiary of CNPC
CNPC Kunlun Logistics Co., Ltd.	Fellow subsidiary of CNPC
CNPC Material Company Co., Ltd.	Fellow subsidiary of CNPC
China National Oil and Gas Exploration and Development Corporation Co., Ltd.	Fellow subsidiary of CNPC
China National United Oil Co., Ltd.	Fellow subsidiary of CNPC

(4) Summary of significant related party transactions

(a) Related party transactions with CNPC and its subsidiaries:

The Company and CNPC re-entered into a Comprehensive Products and Services Agreement on August 30, 2023 for a period of three years effective from January 1, 2024. The Comprehensive Products and Services Agreement provides for a range of products and services which may be required and requested by either party. The products and services to be provided by CNPC and its subsidiaries to the Group under the Comprehensive Products and Services Agreement include construction and technical services, production services, supply of material services, social services, ancillary services and financial services. The products and services required and requested by either party are provided in accordance with (1) government-prescribed prices; or (2) where there is no government-prescribed price, with reference to relevant market prices; or (3) where neither (1) nor (2) is applicable, then the actual cost incurred or the agreed contractual prices are used. In addition, the Company and China Petroleum Finance Co., Ltd entered into a Financial Services Agreement on August 30, 2023, which stipulates that China Petroleum Finance Co., Ltd. provides financial services to the Group. The Financial Services Agreement is valid for 3 years and took effect from January 1, 2024.

On August 25, 2011, based on the Land Use Rights Leasing Contract signed for a period of 50 years from 2000, the Company and CNPC entered into a supplemental agreement to the Land Use Rights Leasing Contract which took effect on January 1, 2012. The expiry date of the supplemental agreement is the same as the Land Use Rights Leasing Contract, which is in 2050. The Company and CNPC may adjust area and rental payable for the leased land parcels every three years taking into consideration of production and operations of the Company and the prevailing market price. On August 30, 2023, the Company and CNPC each issued a confirmation letter to the Land Use Rights Leasing Contract, which adjusted the rental payable and the area for the leased land parcels with effect from January 1, 2024. The Company agreed to rent from CNPC and its fellow subsidiaries parcels of land with an aggregate area of approximately 1,134 million square metres with annual rental payable (exclusive of tax and government charges) approximately RMB5,724 based on the area of leased land parcels and the current market conditions. Apart from the annual rental payable and are for the leased parcels, the other terms in the Land Use Rights Leasing Contract and supplemental agreement remained unchanged.

On August 24, 2017, the Company entered into a Buildings Leasing Contract with CNPC, which took effect on January 1, 2018 for a period of 20 years. Both parties can make appropriate adjustments to the area of the leased building and rent about every three years, taking into consideration of production and operations of the Company and the prevailing market price. But the adjusted rent shall not exceed the comparable fair price in the market. On August 30, 2023, the Company and CNPC issued a confirmation letter to the Buildings Leasing Contract, which adjusted the annual rental payable and the area for the leased which took effect on January 1, 2024. Buildings covering an aggregate area of 1,613.1 thousand square meters were leased at annual rental payable approximately RMB893 in accordance with the confirmed rental area and the current property market conditions. Apart from the annual rental payable and area of the leased building, the other terms in the Building Leasing Contract remained unchanged.

	Notes	For the six months ended June 30, 2025	For the six months ended June 30, 2024
		00110 00, 2020	
Sales of goods and services rendered to CNPC and its subsidiaries	(1)	17,348	17,677
Purchases of goods and services from CNPC and its subsidiaries:			
Fees paid for construction and technical services	(2)	48,359	54,317
Fees for production services	(3)	65,891	71,995
Social services charges	(4)	694	1,365
Material supply services	(5)	2,509	6,178
Interest income	(6)	892	840
Interest expense	(7)	1,230	1,421
Other financial service expense	(8)	1,574	1,562
Rental and other expenses paid to CNPC and its subsidiaries	(9)	3,258	3,066
Purchases of assets from CNPC and its fellow subsidiaries	(10)	876	769

Notes:

- (1) Primarily crude oil, natural gas, refined products, chemical products and the supply of water, electricity, gas, heat, measurement, quality inspection, and other relevant or similar products or services.
- (2) Construction and technical services comprise geophysical survey, drilling, well cementing, logging, well testing, oil testing, oilfield construction, refineries and chemical plants construction, engineering design and supervision, repair of equipment, and other relevant or similar products or services.
- (3) Production services comprise the repair of machinery and equipment, supply of water, electricity and gas, provision of services such as communications, transportation, fire fighting, asset leasing, environmental protection and sanitation, maintenance of roads, and manufacture of equipment and machinery and parts.
- (4) Ancillary and social services comprise mainly property management and provision of training centres, guesthouses, canteens, public shower rooms, security system, education, hospitals, and preschool.
- (5) Material supply services comprise mainly purchases of materials, quality control, storage of materials and delivery of materials.
- (6) The bank deposits in CNPC and its fellow subsidiaries as of June 30, 2025 were RMB73,122 (December 31, 2024: RMB71,358).
- (7) The loans from CNPC and its fellow subsidiaries including long-term borrowings from related-party borrowings, long-term borrowings due within one year and short-term borrowings as of June 30, 2025 were RMB153,668 (December 31, 2024: RMB148,878).
- (8) Other financial service expense primarily refers to expense of insurance and other services.
- (9) Rental and other expenses paid to CNPC and its subsidiaries refer to: 1) Rental was calculated and paid in accordance with the Building and Land Use Rights leasing contract between the Group and CNPC. 2) Rental and other payments (including all rentals, leasing service fees and prices for exercising purchase options) were paid according to other lease agreements entered into by the Group and CNPC and its subsidiaries.
- (10) Purchases of assets comprise mainly the purchases of manufacturing equipment, office equipment and transportation equipment.

(b) Related party transactions with associates and joint ventures:

The transactions between the Group and its associates and joint ventures are conducted at government-prescribed prices or market prices.

	For the six months ended June 30, 2025	For the six months ended June 30, 2024
(a) Sales of goods		
- Crude Oil	7,150	13,023
- Refined products	32,370	25,618
- Chemical products	1,093	185
- Natural Gas	7,247	9,278
(b) Sales of services	162	130
(c) Purchases of goods	23,159	21,053
(d) Purchases of services	41,319	32,550

(5) Commissioned loans

The Company with its subsidiaries, CNPC and its subsidiaries with the Group, commissioned CP Finance and other financial institutions to provide loans to each other, charging interest in accordance with the prevailing interest rates. Loans between the Company and its subsidiaries have been eliminated in the consolidated financial statements. As of June 30, 2025, the eliminated commissioned loans include the loans provided by the Company to its subsidiaries amounted to RMB31,937 (December 31, 2024: RMB36,043) and the loans provided to the Company by its subsidiaries amounted to RMB45,117 (December 31, 2024: RMB40,519).

(6) Guarantees

CNPC and its subsidiaries provided guarantees of part of loans and debentures for the Group, see Note 33 and Note 34.

(7) Receivables and payables with related parties

(a) Receivables from related parties

	June 30, 2025	December 31, 2024
CNPC and its subsidiaries		
Accounts receivable	4,867	3,908
Advances to suppliers	10,467	7,594
Other receivables	4,158	4,615
Other non-current assets	26,182	11,160
Associates and joint ventures		
Accounts receivable	3,627	262
Advances to suppliers	117	140
Other receivables	371	2,300
Other current assets	10,644	9,607
Other non-current assets	9,441	8,789

As of June 30, 2025, the provisions for bad debts of the receivables from related parties amounted to RMB846 (December 31, 2024: RMB569).

As of June 30, 2025, the receivables from related parties represented 27% (December 31, 2024: 29%) of total receivables.

(b) Payables to related parties

	June 30, 2025	December 31, 2024
CNPC and its subsidiaries		
Accounts payable	48,578	46,832
Other payables	3,279	4,332
Contract liabilities	784	2,317
Lease liabilities (including lease liabilities due within one year)	105,523	94,398
Associates and joint ventures		
Accounts payable	9,441	5,386
Other payables	570	511
Contract liabilities	889	102

As of June 30, 2025, the payables to related parties represented 31% (December 31, 2024: 30%) of total payables.

(8) Key management personnel compensation

	For the six months ended June 30, 2025	For the six months ended June 30, 2024
	RMB'000	RMB'000
Key management personnel compensation	16,858	7,396

Note: The increase compared to the same period last year is mainly affected by the difference in the payment time of performance bonus for some supervisor and senior management personnel of the company.

63 Contingent Liabilities

(1) Bank and other guarantees

As of June 30, 2025 and December 31, 2024, the Group did not guarantee related parties or third parties any significant borrowings or others.

(2) Environmental liabilities

The PRC has enacted comprehensive environmental laws and regulations that affect the operation of the oil and gas industry. Management believes that there are no probable liabilities under existing legislation, except for the amounts which have already been reflected in the consolidated financial statements, which may have a material adverse effect on the financial position of the Group.

As of June 30, 2025, the amounts of asset retirement obligations which have already been reflected in the consolidated financial statements relating to environmental liabilities were RMB164,521 (December 31, 2024: RMB162,019) (Note 35).

(3) Legal contingencies

During the reporting period, the Group has complied with domestic and overseas laws and regulations and regulatory requirements. Notwithstanding certain insignificant lawsuits as well as other proceedings outstanding of the Group, management believes that any resulting legal liabilities will not have a material adverse effect on the financial position of the Group.

(4) Group insurance

The Group has insurance coverage for certain assets that are subject to significant operating risks, third-party liability insurance against claims relating to personal injury, property and environmental damages that result from accidents, and employer liabilities insurance. The potential effect on the financial position of the Group of any liabilities resulting from future uninsured incidents cannot be estimated by the Group at present.

64 COMMITMENTS

(1) Capital commitments

As of June 30, 2025, the Group's capital commitments contracted but not provided for, were RMB17,566 (December 31, 2024: RMB20,878).

These capital commitments are transactions mainly with CNPC and its fellow subsidiaries.

(2) Exploration and production licenses

The Group is obligated to make annual payments with respect to its exploration and production licenses to the Ministry of Natural Resources. Payments incurred were RMB20 for the six months ended June 30, 2025 (for the six months ended June 30, 2024: RMB27).

According to the current policy, estimated annual payments for the next five years are as follows:

	June 30, 2025	June 30, 2024
Within one year	500	500
Between one and two years	500	500
Between two and three years	500	500
Between three and four years	500	500
Between four and five years	500	175

65 SUBSEQUENT EVENTS

On August 26, 2025, pursuant to the resolution passed by the Board of Directors of the Company, PetroChina Taihu (Beijing) Investment Co., Ltd. ("Taihu Company"), a wholly-owned subsidiary of the Company, together with National Pipe Network Group Energy Storage Technology Co., Ltd. and Panjin State-owned Capital Investment and Operation Group Co., Ltd. propose to contribute capital in cash to establish three new companies controlled by Taihu Company. These three new companies propose to enter into an Equity Acquisition Agreement with Sichuan Petroleum Administration Bureau Co., Ltd., Xinjiang Petroleum Administration Bureau Co., Ltd., and Liaohe Petroleum Exploration Bureau Co., Ltd., which are wholly-owned subsidiaries of CNPC, to acquire 100% equity interest in their wholly-owned subsidiary, namely Chongqing Xiangguosi Gas Storage Co., Ltd., Xinjiang Oilfield Gas Storage Co., Ltd., and Liaohe Oilfield (Panjin) Gas Storage Co., Ltd., at a consideration of RMB9,995, RMB17,066 and RMB12,955, respectively.

FINANCIAL STATEMENTS SUPPLEMENTARY INFORMATION

1 NON-RECURRING PROFIT/LOSS ITEMS

	For the six months ended June 30, 2025
Gains on disposal of non-current assets	727
Government grants recognised in the income statement	773
Losses arising from financial assets and financial liabilities not relating to the ordinary course of activities	(246)
Other non-operating income and expenses	(1,550)
Other items of profit or loss conforming to the definition of non-recurring profit/loss items	193
_	(103)
Tax impact	14
Impact of non-controlling interests	(34)
Total	(123)

For the six months ended June 30, 2025 basis for preparation of statement of non-recurring profit/loss items

In 2023, the China Securities Regulatory Commission promulgated the Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Their Securities to the Public - Non-recurring Profit or Loss (Revised in 2023) (hereinafter "2023 Explanatory Announcement No. 1") which became effective on the date of issuance. The Group prepared for the six months ended June 30, 2025 statement of non-recurring profit/loss items based on the 2023 Explanatory Announcement No. 1.

According to the 2023 Explanatory Announcement No.1, non-recurring profit/loss items refer to those arise from transactions and events that are not directly relevant to ordinary activities, or that are relevant to ordinary activities, but are extraordinary and not expected to happen frequently that would have an influence on the financial statements users making economic decisions based on the financial performance and profitability of an enterprise.

PETROCHINA COMPANY LIMITED SUPPLEMENTARY INFORMATION (UNAUDITED) FOR THE PERIOD ENDED JUNE 30, 2025 (All amounts in RMB millions unless otherwise stated)

2 SIGNIFICANT DIFFERENCES BETWEEN IFRS Accounting Standards AND CAS

The consolidated net profit under IFRS Accounting Standards and CAS were RMB93,680 and RMB93,666, respectively, with a difference of RMB14; the consolidated equity under IFRS Accounting Standards and CAS were RMB1,752,916 and RMB1,753,142, respectively, with a difference of RMB226. These differences under the different accounting standards were primarily due to the revaluation for assets other than fixed assets and oil and gas properties revalued in 1999.

During the Restructuring in 1999, a valuation was carried out for assets and liabilities injected by CNPC. Valuation results other than fixed assets and oil and gas properties were not recognised in the financial statements prepared under IFRS Accounting Standards.

PETROCHINA COMPANY LIMITED UNAUDITED CONSOLIDATED INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended June 30, 2025 and June 30, 2024 (All amounts in RMB millions unless otherwise stated)

	Notes	Six months ended June 30		
		2025	2024 ^{Note}	
		RMB	RMB	
REVENUE	4	1,450,099	1,554,973	
OPERATING EXPENSES				
Purchases, services and other		(982,604)	(1,064,373)	
Employee compensation costs		(82,582)	(82,697)	
Exploration expenses, including exploratory dry holes		(6,016)	(7,942)	
Depreciation, depletion and amortisation		(121,348)	(116,702)	
Selling, general and administrative expenses		(25,995)	(27,206)	
Taxes other than income taxes	5	(125,828)	(134,850)	
Other income, net		11,307	3,996	
TOTAL OPERATING EXPENSES		(1,333,066)	(1,429,774)	
PROFIT FROM OPERATIONS		117,033	125,199	
FINANCE COSTS				
Exchange gain		4,995	4,976	
Exchange loss		(5,016)	(4,729)	
Interest income		3,706	4,428	
Interest expense		(9,296)	(10,755)	
TOTAL NET FINANCE COSTS SHARE OF PROFIT OF ASSOCIATES AND JOINT VENTURES		(5,611) 9,676	(6,080) 10,292	
PROFIT BEFORE INCOME TAX EXPENSE	6	121,098	129,411	
INCOME TAX EXPENSE	7	(27,418)	(29,602)	
PROFIT FOR THE PERIOD	,	93,680	99,809	
OTHER COMPREHENSIVE INCOME Items that will not be reclassified to profit or loss Fair value changes in equity investment measured at fair value through other			,	
comprehensive income		(7)	(135)	
Currency translation differences		(188)	(259)	
Items that are or may be reclassified subsequently to profit or loss		4 405	(000)	
Currency translation differences		1,125	(603)	
Cash flow hedges Share of the other comprehensive income of associates and joint ventures		(933)	(4,605)	
accounted for using the equity method		(344)	63	
OTHER COMPREHENSIVE INCOME, NET OF TAX		(347)	(5,539)	
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		93,333	94,270	
DDOSIT SOD TUS DEDICO ATTRIBUTADOS TO				
PROFIT FOR THE PERIOD ATTRIBUTABLE TO:		94.007	00 006	
Owners of the Company Non-controlling interests		84,007 9,673	88,806 11,003	
Non-controlling interests		93,680	99,809	
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO:		30,000	33,003	
Owners of the Company		83,837	83,592	
Non-controlling interests		9,496	10,678	
· ·		93,333	94,270	
BASIC AND DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS				
OF THE COMPANY (RMB Yuan)	8	0.46	0.49	

The accompanying notes are an integral part of these interim financial statements.

Note: The comparative amounts in the financial statements are presented as if China Petroleum Electric Energy Co., Ltd. ("CNPC Electric Energy") had been consolidated from the beginning of the earliest financial year presented (see Note 20).



PETROCHINA COMPANY LIMITED UNAUDITED CONSOLIDATED INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION

As of June 30, 2025 and December 31, 2024

(All amounts in RMB millions unless otherwise stated)

· ·	Notes	June 30, 2025	December 31, 2024
		RMB	RMB
NON-CURRENT ASSETS			
Property, plant and equipment	10	1,518,382	1,570,810
Investments in associates and joint ventures		295,144	289,970
Equity investments measured at fair value through other comprehensive	:		
income		690	700
Right-of-use assets		200,179	192,014
Intangible and other non-current assets		91,641	76,690
Deferred tax assets		29,818	26,765
Time deposits with maturities over one year	_	2,858	4,958
TOTAL NON-CURRENT ASSETS	_	2,138,712	2,161,907
CURRENT ASSETS			
Inventories	11	155,724	168,338
Accounts receivable	12	119,715	71,610
Derivative financial instruments	19	7,261	9,020
Prepayments and other current assets		119,630	114,290
Financial assets measured at fair value through other comprehensive			
income	19	15,177	8,868
Financial assets measured at fair value through profit or loss		9,028	2,816
Time deposits with maturities over three months but within one year		60,019	43,425
Cash and cash equivalents	_	224,124	172,477
TOTAL CURRENT ASSETS	_	710,678	590,844
CURRENT LIABILITIES			
Accounts payable and accrued liabilities	13	382,163	338,513
Contract liabilities		77,565	80,266
Income taxes payable		10,811	6,845
Other taxes payable		46,340	53,400
Short-term borrowings	14	149,239	138,783
Derivative financial instruments	19	5,099	7,051
Lease liabilities		9,355	8,651
Financial liabilities measured at fair value through profit or loss		3,698	3,808
TOTAL CURRENT LIABILITIES		684,270	637,317
NET CURRENT ASSETS / (LIABILITIES)	_	26,408	(46,473)
TOTAL ASSETS LESS CURRENT LIABILITIES	=	2,165,120	2,115,434
EQUITY			
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY:			
Share capital		183,021	183,021
Retained earnings		1,025,421	987,271
Reserves		347,225	344,840
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY	_	1,555,667	1,515,132
NON-CONTROLLING INTERESTS	_	197,249	194,491
TOTAL EQUITY	_	1,752,916	1,709,623
NON-CURRENT LIABILITIES	_		
Long-term borrowings	14	91,905	98,072
Asset retirement obligations	14	164,521	162,019
Lease liabilities		118,472	102,019
Deferred tax liabilities		26,370	25,672
Other long-term obligations		10,936	10,080
TOTAL NON-CURRENT LIABILITIES	-	412,204	405,811
TOTAL EQUITY AND NON-CURRENT LIABILITIES	_	2,165,120	2,115,434
	=	2,100,120	

PETROCHINA COMPANY LIMITED UNAUDITED CONSOLIDATED INTERIM CONDENSED STATEMENT OF CASH FLOWS

For the six months ended June 30, 2025 and June 30, 2024 (All amounts in RMB millions unless otherwise stated)

	Six months ended June 30		
_	2025	2024 ^{Note}	
	RMB	RMB	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the period	93,680	99,809	
Adjustments for:			
Income tax expense	27,418	29,602	
Depreciation, depletion and amortisation	121,348	116,702	
Capitalised exploratory costs charged to expense	1,965	2,900	
Safety fund reserve	2,933	2,446	
Share of profit of associates and joint ventures	(9,676)	(10,292)	
(Reversal) / accrual of provision for impairment of receivables, net	(101)	169	
Write down in inventories, net	503	196	
Impairment of other non-current assets	5	20	
(Gain) / loss on disposal and scrap of property, plant and equipment	(168)	825	
Gain on disposal and scrap of other non-current assets	(559)	(110)	
Gain on disposal of subsidiaries	(28)	(682)	
Gain from changes in fair value	(5,082)	(8,634)	
Dividend income	(13)	(13)	
Interest income	(3,706)	(4,428)	
Interest expense	9,296	10,755	
Changes in working capital:			
Accounts receivable, prepayments and other current assets	(57,590)	(52,873)	
Inventories	12,111	(2,334)	
Accounts payable and accrued liabilities	61,476	84,854	
Contract liabilities	(2,701)	(6,053)	
CASH FLOWS GENERATED FROM OPERATIONS	251,111	262,859	
Income taxes paid	(24,048)	(44,440)	
NET CASH FLOWS FROM OPERATING ACTIVITIES	227,063	218,419	

The accompanying notes are an integral part of these interim financial statements.

Note: The comparative amounts in the financial statements are presented as if CNPC Electric Energy had been consolidated from the beginning of the earliest financial year presented (see Note 20).

PETROCHINA COMPANY LIMITED UNAUDITED CONSOLIDATED INTERIM CONDENSED STATEMENT OF CASH FLOWS (CONTINUED)

For the six months ended June 30, 2025 and June 30, 2024 (All amounts in RMB millions unless otherwise stated)

	Six months ended June 30	
	2025	2024 ^{Note}
	RMB	RMB
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	(114,787)	(117,718)
Acquisition of investments in associates and joint ventures	(463)	(2,521)
Acquisition of intangible assets and other non-current assets	(8)	(40)
Acquisition of subsidiaries	(13)	(12)
Acquisition of financial assets measured at fair value through profit or loss	(5,474)	(12)
Proceeds from disposal of property, plant and equipment	953	193
Proceeds from disposal of other non-current assets	2,265	203
Proceeds from disposal of investments and investments in associates	28	709
Interest received	3,632	4,427
Dividends received	7,202	2,341
Increase in time deposits with maturities over three months	(14,494)	(28,945)
NET CASH FLOWS USED FOR INVESTING ACTIVITIES	(121,159)	(141,375)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments of short-term borrowings	(323,702)	(327,443)
Repayments of long-term borrowings	(1,222)	(36,294)
Repayments of lease liabilities	(6,013)	(5,253)
Interest paid	(7,383)	(9,854)
Dividends paid to non-controlling interests	(5,959)	(5,143)
Dividends paid to owners of the Company	(40,455)	(37,211)
Increase in short-term borrowings	313,088	240,149
Increase in long-term borrowings	16,236	47,554
Cash contribution from non-controlling interests	498	489
NET CASH FLOWS USED FOR FINANCING ACTIVITIES	(54,912)	(133,006)
TRANSLATION OF FOREIGN CURRENCY	655	(935)
Increase / (decrease) in cash and cash equivalents	51,647	(56,897)
Cash and cash equivalents at the beginning of the period	172,477	249,001
Cash and cash equivalents at the end of the period	224,124	192,104

The accompanying notes are an integral part of these interim financial statements.

Note: The comparative amounts in the financial statements are presented as if CNPC Electric Energy had been consolidated from the beginning of the earliest financial year presented (see Note 20).

PETROCHINA COMPANY LIMITED UNAUDITED CONSOLIDATED INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY

For the six months ended June 30, 2025 and June 30, 2024 (All amounts in RMB millions unless otherwise stated)

	Attributa	able to own	Non-			
	Share Capital	Retained Earnings	Reserves	Subtotal	controlling Interests	Total Equity
	RMB	RMB	RMB	RMB	RMB	RMB
Balance at January 1, 2024	183,021	919,404	343,738	1,446,163	184,210	1,630,373
Adjusted for the acquisition of CNPC Electric Energy (Note 20)	-	296	4,627	4,923	-	4,923
Balance at January 1, 2024, as adjusted	183,021	919,700	348,365	1,451,086	184,210	1,635,296
Profit for the six months ended June 30, 2024	-	88,806	-	88,806	11,003	99,809
Other comprehensive income for the six months ended June 30, 2024	-	-	(5,214)	(5,214)	(325)	(5,539)
Special reserve-safety fund reserve	_	_	2,397	2,397	49	2,446
Dividends	_	(42,095)	_	(42,095)	(7,410)	(49,505)
Transaction with non-controlling interests in subsidiaries	-	(196)	(1)	(197)	185	(12)
Capital contribution from non-controlling interests	_	-	-	-	572	572
Acquisition of subsidiaries	-	-	-	-	74	74
Disposal of subsidiaries	-	-	-	-	(105)	(105)
Other	-	7	14	21	(5)	16
Balance at June 30, 2024	183,021	966,222	345,561	1,494,804	188,248	1,683,052
Balance at January 1, 2025	183,021	987,271	344,840	1,515,132	194,491	1,709,623
Profit for the six months ended June 30, 2025	-	84,007	-	84,007	9,673	93,680
Other comprehensive income for the six months ended June 30, 2025	_	_	(170)	(170)	(177)	(347)
Special reserve-safety fund reserve	_	_	2,667	2,667	266	2,933
Dividends	_	(45,755)	_, -, -	(45,755)	(7,048)	(52,803)
Capital contribution from non-controlling interests	_	-	-	-	498	498
Disposal of subsidiaries	_	_	-	_	(520)	(520)
Other	-	(102)	(112)	(214)	` 66	(148)
Balance at June 30, 2025	183,021	1,025,421	347,225	1,555,667	197,249	1,752,916

The accompanying notes are an integral part of these interim financial statements.

Note: The comparative amounts in the financial statements are presented as if CNPC Electric Energy had been consolidated from the beginning of the earliest financial year presented (see Note 20).

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1 ORGANISATION AND PRINCIPAL ACTIVITIES

PetroChina Company Limited (the "Company") was established as a joint stock company with limited liability on November 5, 1999 by 中國石油天然氣集團公司 (China National Petroleum Corporation ("CNPC")) as the sole proprietor in accordance with the approval Guo Jing Mao Qi Gai [1999] No. 1024 "Reply on the approval of the establishment of PetroChina Company Limited" from the former State Economic and Trade Commission of the People's Republic of China ("China" or "PRC"). CNPC restructured ("the Restructuring") and injected its core business and the related assets and liabilities into the Company. 中國石油天然氣集團公司 was renamed 中國石油天然氣集團有限公司 (CNPC before and after the change of name) on December 19, 2017. CNPC is a wholly state-owned company registered in China. The Company and its subsidiaries are collectively referred to as the "Group".

The Group is principally engaged in (i) the exploration, development, production, transportation and marketing of crude oil and natural gas, and new energy business; (ii) the refining of crude oil and petroleum products, production and marketing of primary petrochemical products, derivative petrochemical products and other chemical products, and new materials business; (iii) the marketing of refined products and non-oil products, and trading business; and (iv) the transportation and the sale of natural gas business (Note 15).

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES

The unaudited consolidated interim condensed financial statements ("interim financial statements") have been prepared in accordance with International Accounting Standard ("IAS") 34 "Interim Financial Reporting" ("IAS 34").

Except as described below, the accounting policies applied in the preparation of the interim financial statements are consistent with those of the consolidated financial statements for the year ended December 31, 2024, which have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB"). The changes in accounting policies are also expected to be reflected in the 2025 annual financial statements.

The IASB has issued the following amendments to IFRS Accounting Standards that are first effective for the current accounting period of the Group:

Lack of exchangeability -Amendments to IAS 21

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The amendments do not have a material impact on the Group's results and financial position for the current or prior periods which have been prepared or presented in this interim financial statements. Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for the June 30, 2025 reporting period and have not been early adopted by the Group. The Group is still assessing the impact of these standards, amendments, and interpretations on the current or future reporting periods and on foreseeable future transactions.

The interim financial statements as of June 30, 2025 and for the six months period ended June 30, 2025 and June 30, 2024 included herein are unaudited but reflect, in the opinion of the Board of Directors, all adjustments (which generally includes only normal recurring adjustments) necessary to properly prepare the interim financial statements, in all material respects, in accordance with IAS 34. The results of operations for the six months period ended June 30, 2025 are not necessarily indicative of the results of operations expected for the year ending December 31, 2025.

Costs that are incurred unevenly during the financial year are accrued or deferred in the interim financial statements only if it would be also appropriate to accrue or defer such costs at the end of the financial year.

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are regularly evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The matters described below are considered to be the most critical in understanding the estimates and judgements that are involved in preparing the Group's consolidated financial statements:

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements.

(a) Estimation of oil and gas reserves

Estimates of oil and natural gas reserves are key elements in the Group's investment decision-making process. They are also important elements in testing impairment of property, plant and equipment (Note 3(b)). Changes in proved oil and gas reserves, particularly proved developed reserves, will affect unit-of-production depreciation, depletion and amortisation recorded in the Group's interim financial statements for property, plant and equipment relating to oil and gas production activities. An increase/decrease in proved developed reserves will decrease/increase depreciation, depletion and consolidated charges. Proved oil and gas reserves estimates are subject to revision, either upward or downward, based on new information, such as from development drilling and production activities or from changes in economic factors, including product prices, contract terms, evolution of technology or development plans, etc.

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(b) Estimation of impairment of property, plant and equipment

Property, plant and equipment, including oil and gas properties, are reviewed for possible impairments when events or changes in circumstances indicate that the carrying amount may not be recoverable. Determination as to whether and how much an asset is impaired involves management estimates and judgements such as the future price of crude oil, natural gas, refined and chemical products, the operation costs, the product mix, production volumes, production profile and the oil and gas reserves, etc. The impairment reviews and calculations are based on assumptions that are consistent with the Group's business plans taking into account current economic conditions. Favourable changes to some assumptions, may allow the Group to avoid the need to impair any assets or make it necessary to reverse an impairment loss recognised in prior periods, whereas unfavourable changes may cause the assets to become impaired. For example, when the assumed future price and production profile of crude oil used for the expected future cash flows are different from the actual price and production profile of crude oil respectively experienced in future, the Group may either over or under recognise the impairment losses for certain assets.

(c) Estimation of asset retirement obligations

Provision is recognised for the future decommissioning and restoration of oil and gas properties. The amount of the provision recognised is the present values of the estimated future expenditures. The estimation of the future expenditures is based on current local conditions and requirements, including legal requirements, technology, price levels, etc. In addition to these factors, the present values of these estimated future expenditures are also impacted by the management plan for the decommissioning of oil and gas properties, the estimation of the economic lives of oil and gas properties and estimates of discount rates. The estimations and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future period. Changes in any of these estimates will impact the operating results and the financial position of the Group over the remaining economic lives of the oil and gas properties.

According to changes in the internal and external environment, accounting standards and the Group's asset retirement expense measures and other relevant regulations, oil and gas field companies recalculate their asset retirement obligations of oil and gas properties based on the latest parameters to more objectively reflect the actual situation of the Group's asset retirement obligation of oil and gas properties.

PETROCHINA COMPANY LIMITED NOTES TO THE UNAUDITED CONSOLIDATED INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2025 (All amounts in RMB millions unless otherwise stated)

4 REVENUE

Revenue represents revenues from the sale of crude oil, natural gas, refined products, chemical products, non-oil products, etc., and from the transportation of crude oil and natural gas. Revenue from contracts with customers is mainly recognised at a point in time. The revenue information for the periods ended June 30, 2025 and 2024 are as follows:

For the six months ended June 30, 2025 Type of revenue	Oil, Gas and New Energy	Refining, Chemicals and New Materials	Marketing	Natural Gas Sales	Head Office and Other	Total
Type of goods and services						
Crude oil	270,249	-	357,162	-	-	627,411
Natural gas (i)	73,972	-	213,722	292,108	-	579,802
Refined products	-	446,508	563,326	-	-	1,009,834
Chemical products	-	105,241	22,041	-	-	127,282
Pipeline transportation business	-	-	-	498	-	498
Non-oil sales in gas stations	-	-	12,436	-	-	12,436
Others	78,334	2,376	876	18,139	1,839	101,564
Intersegment elimination	(355,717)	(388,479)	(246,853)	(18,090)	(142)	(1,009,281)
Revenue from contracts with customers	66,838	165,646	922,710	292,655	1,697	1,449,546
Other revenue	112	45	188	198	10	553
Total	66,950	165,691	922,898	292,853	1,707	1,450,099
Geographical Region						
China's mainland	30,722	165,646	462,332	292,655	1,697	953,052
Others	36,116	-	460,378	-	-	496,494
Revenue from contracts with customers	66,838	165,646	922,710	292,655	1,697	1,449,546
Other revenue	112	45	188	198	10	553
Total	66,950	165,691	922,898	292,853	1,707	1,450,099

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For the six months ended June 30, 2024 Type of revenue	Oil, Gas and New Energy	Refining, Chemicals and New Materials	Marketing	Natural Gas Sales	Head Office and Other	Total
Type of goods and services						
Crude oil	307,681	-	401,607	-	-	709,288
Natural gas (i)	90,680	-	193,705	279,220	-	563,605
Refined products	-	508,482	630,295	-	-	1,138,777
Chemical products	-	124,157	26,762	-	-	150,919
Pipeline transportation business	-	-	-	510	-	510
Non-oil sales in gas stations	-	-	15,213	-	-	15,213
Others	52,732	2,845	1,277	18,176	1,581	76,611
Intersegment elimination	(378,987)	(432,759)	(273,274)	(15,483)	(89)	(1,100,592)
Revenue from contracts with customers	72,106	202,725	995,585	282,423	1,492	1,554,331
Other revenue	113	82	267	173	7	642
Total	72,219	202,807	995,852	282,596	1,499	1,554,973
Geographical Region						
China's mainland	33,723	202,725	460,868	282,423	1,492	981,231
Others	38,383	-	534,717	-	-	573,100
Revenue from contracts with customers	72,106	202,725	995,585	282,423	1,492	1,554,331
Other revenue	113	82	267	173	7	642
Total	72,219	202,807	995,852	282,596	1,499	1,554,973

⁽i) Includes both conventional and unconventional natural gas.

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5 TAXES OTHER THAN INCOME TAXES

	Six months ended June 30	
	2025	2024
	RMB	RMB
Consumption tax	86,782	86,936
Resource tax	14,580	15,396
Crude oil special gain levy	1,998	9,277
City maintenance and construction tax	8,770	8,807
Educational surcharge	6,494	6,528
Levy for mineral rights concessions (i)	2,293	2,164
Urban and township land use tax	2,187	1,955
Others	2,724	3,787
	125,828	134,850

(i) According to the Circular of the Ministry of Finance, Ministry of Natural Resources and State Taxation Administration on the Issuance of the Measures for the Collection of Levy for Mineral Rights Concessions (Cai Zong [2023] No.10), levy for mineral rights concessions = the transaction price of the exploration rights (mining rights) + the proceeds from the granting of the mining rights to be levied on a year-by-year basis. The transaction price of exploration rights (mining rights) is determined mainly on the basis of the area of the mining rights, taking into account such factors as mineralization conditions, the degree of exploration, changes in the market and competitive situation for mining rights. The transaction price of the exploration rights (mining rights) is levied at the time of the transfer. The proceeds from the granting of the mining rights to be levied on a year-by-year basis = annual revenue from the sale of mineral commodities × the rate of levy for mineral rights concessions, the rate of levy for mineral rights concessions in sea area is 0.6%, and the rate of levy for mineral rights concessions for coalbed methane is 0.3%.

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6 PROFIT BEFORE INCOME TAX EXPENSE

	Six months ended June 30	
	2025	2024
	RMB	RMB
Items credited and charged in arriving at the profit before income tax expense include:		
Credited		
Dividend income from equity investment measured at fair value through other comprehensive income	13	13
Reversal of provision for impairment of receivables	154	113
Reversal of write down in inventories	63	155
Gain on disposal of investment in subsidiaries	28	682
Gain from ineffective portion of cash flow hedges	290	448
Charged		
Amortisation of intangible and other assets	2,225	2,020
Depreciation and impairment losses:		
Property, plant and equipment	111,347	106,965
Right-of-use assets	7,776	7,717
Cost of inventories recognised as expense	1,135,111	1,228,848
Provision for impairment of receivables	53	282
Interest expense (i)	9,296	10,755
Loss on disposal and scrap of property, plant and equipment	89	825
Variable lease payments, low-value and short-term lease payment not included in the measurement of lease liabilities	983	1,219
Research and development expenses	9,899	9,657
Write down in inventories	566	351
Investment loss from disposal of derivative financial instruments	2,376	9,962
Impairment of other non-current assets	5	20
(i) Interest expense		
Interest expense	9,642	10,978
Include: Interest on lease liabilities	2,502	2,609
Less: Amount capitalised	(346)	(223)
	9,296	10,755

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(All memorias in PAME willions under adhermics to tack)

7 INCOME TAX EXPENSE

	Six months ended	Six months ended June 30	
	2025	2024 RMB	
	RMB		
Current taxes	29,649	35,630	
Deferred taxes	(2,231)	(6,028)	
	27,418	29,602	

In accordance with the relevant PRC income tax rules and regulations, the PRC corporate income tax rate applicable to the Group is principally 25%. In accordance with the Circular jointly issued by the Ministry of Finance ("MOF"), the General Administration of Customs of the PRC and the State Administration of Taxation ("SAT") on Issues Concerning Tax Policies for In-depth Implementation of Western Development Strategy (Cai Shui [2011] No.58) on July 27, 2011, and the Notice jointly issued by the MOF, the SAT, the NDRC on Continuing the Income Tax Policy for Western Development (Notice No.23 of 2020 of the MOF, the SAT, the NDRC) on April 23, 2020, the corporate income tax for the enterprises engaging in the encouraged industries in the Western China Region is charged at a preferential corporate income tax rate of 15% from January 1, 2011 to December 31, 2030. Certain branches and subsidiaries of the Company in the Western China Region obtained the approval for the use of the preferential corporate income tax rate of 15%.

In 2021, the Organisation for Economic Co-operation and Development ("OECD") published the Global Anti-Base Erosion ("GloBE") Model Rules ("Pillar Two model rules") for a new global minimum tax reform applicable to large multinational enterprises. The Group is within the scope of the Pillar Two model rules published by OECD. Under the legislation, the Group is liable to pay a top-up tax for the difference between their GloBE effective tax rate per jurisdiction and the 15% minimum rate. Pillar Two legislation for the subsidiaries of the Group, which are incorporated in certain jurisdictions, was enacted and came into effect from January 1, 2024. Based on the Group's assessment with the assistance by the tax specialists for applying of the legislation, the exposure to the Group's operating results and financial position for the six months ended 30 June 2025 were not material.

8 BASIC AND DILUTED EARNINGS PER SHARE

Basic and diluted earnings per share for the six months ended June 30, 2025 and June 30, 2024 have been computed by dividing profit attributable to owners of the Company by 183,021 million shares issued and outstanding during the period.

There are no potentially dilutive ordinary shares.

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9 DIVIDENDS

	Six months ended June 30	
	2025	2024
	RMB	RMB
Interim dividends attributable to owners of the Company for 2025 (a)	40,265	-
Interim dividends attributable to owners of the Company for 2024 (c)	-	40,265

- (a) As authorised by shareholders in the Annual General Meeting on June 5, 2025, the Board of Directors resolved to distribute interim dividends attributable to owners of the Company in respect of 2025 of RMB0.22 yuan (inclusive of applicable tax) per share, amounting to a total of RMB40,265 on August 26, 2025. The dividends were not paid by the end of the reporting period, and were not recognised as liability at the end of the reporting period, as they were declared after the date of the statement of financial position.
- (b) Final dividends attributable to owners of the Company in respect of 2024 of RMB0.25 yuan (inclusive of applicable tax) per share, amounting to a total of RMB45,755, were approved at the 2024 Annual General Meeting held on June 5, 2025 and were paid on June 25, 2025 (A shares) and July 24, 2025 (H shares).
- (c) Interim dividends attributable to owners of the Company in respect of 2024 of RMB0.22 yuan (inclusive of applicable tax) per share, amounting to a total of RMB40,265, were approved at the 8th meeting of the 9th session of the Board held on August 26, 2024 and were paid on September 19, 2024 (A shares) and October 28, 2024 (H shares).
- (d) Final dividends attributable to owners of the Company in respect of 2023 of RMB0.23 yuan (inclusive of applicable tax) per share, amounting to a total of RMB42,095, were approved at the 2023 Annual General Meeting held on June 5, 2024 and were paid on June 26, 2024 (A shares) and July 29, 2024 (H shares).

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10 PROPERTY, PLANT AND EQUIPMENT

	RMB
Cost	
At January 1, 2025	4,516,891
Additions	77,876
Disposals or write offs	(22,028)
Currency translation differences	1,940
At June 30, 2025	4,574,679
Accumulated depreciation and impairment	
At January 1, 2025	(2,946,081)
Charge for the period and others	(116,340)
Impairment charge	(2)
Disposals or write offs	7,027
Currency translation differences	(901)
At June 30, 2025	(3,056,297)
Net book value	
At June 30, 2025	1,518,382
	RMB
Cost	
At January 1, 2024	4,300,221
Additions	82,438
Disposals or write offs	(12,036)
Currency translation differences	(583)
At June 30, 2024	4,370,040
Accumulated depreciation and impairment	
At January 1, 2024	(2,776,419)
Charge for the period and others	(107,907)
Impairment charge	-
Disposals or write offs	6,906
Currency translation differences	215
At June 30, 2024	(2,877,205)
Net book value	

PETROCHINA COMPANY LIMITED NOTES TO THE UNAUDITED CONSOLIDATED INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED [JUNE 30, 2025 (All amounts in RMB millions unless otherwise stated)

11 INVENTORIES

	June 30, 2025	December 31, 2024
	RMB	RMB
Crude oil and other raw materials	54,282	63,516
Work in progress	15,581	16,073
Finished goods	88,395	91,394
Spare parts and consumables	223	189
	158,481	171,172
Less: Write down in inventories	(2,757)	(2,834)
	155,724	168,338

12 ACCOUNTS RECEIVABLE

	June 30, 2025	December 31, 2024	
	RMB	RMB	
Accounts receivable	122,516	74,678	
Less: Provision for impairment of accounts receivable	(2,801)	(3,068)	
	119,715	71,610	

The aging analysis of accounts receivable (net of impairment of accounts receivable) based on the date of revenue recognition, at of June 30, 2025 and December 31, 2024 is as follows:

	June 30, 2025	December 31, 2024
	RMB	RMB
Within 1 year	116,333	68,565
Between 1 and 2 years	2,663	2,245
Between 2 and 3 years	423	719
Over 3 years	296	81
	119,715	71,610

The Group offers its customers credit terms up to 180 days.

PETROCHINA COMPANY LIMITED NOTES TO THE UNAUDITED CONSOLIDATED INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2025 (All amounts in RMB millions unless otherwise stated)

Movements in the provision for impairment of accounts receivable are as follows:

	Six months ended June 30	
	2025	2024
	RMB	RMB
At the beginning of the period	3,068	2,758
Provision for impairment of accounts receivable	-	58
Reversal of provision for impairment of accounts receivable	(117)	(37)
Receivables written off as uncollectible and others	(150)	(190)
At the end of the period	2,801	2,589

13 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	June 30, 2025	December 31, 2024
	RMB	RMB
Trade payables	190,324	160,002
Salaries and welfare payable	15,038	8,095
Dividends payable	6,654	265
Notes payables	12,837	14,895
Construction fee and equipment cost payables	67,547	112,783
Others (i)	89,763	42,473
	382,163	338,513

(i) Others consist primarily of deposit, earnest money, caution money and insurance payables, etc.

The aging analysis of trade payables as of June 30, 2025 and December 31, 2024 is as follows:

	June 30, 2025	December 31, 2024
	RMB	RMB
Within 1 year	181,739	149,886
Between 1 and 2 years	1,596	2,565
Between 2 and 3 years	790	1,297
Over 3 years	6,199	6,254
	190,324	160,002

PETROCHINA COMPANY LIMITED NOTES TO THE UNAUDITED CONSOLIDATED INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2025 (All amounts in RMB millions unless otherwise stated)

14 BORROWINGS

	June 30, 2025 RMB	December 31, 2024 RMB
Short-term borrowings excluding current portion of long-term borrowings	46,409	45,955
Current portion of long-term borrowings	102,830	92,828
	149,239	138,783
Long-term borrowings	91,905	98,072
	241,144	236,855

The movements in borrowings are analysed as follows:

	RMB
Balance at January 1, 2025	236,855
Increase in borrowings	329,324
Repayments in borrowings	(324,924)
Exchange adjustments	(15)
Changes in interest payable	(96)
Balance at June 30, 2025	241,144

The following table sets out the borrowings' remaining contractual maturities at the date of the statement of financial position, which are based on contractual undiscounted cash flows including principal and interest, and the earliest contractual maturity date:

	June 30, 2025	December 31, 2024 RMB
	RMB	
Within 1 year	152,724	143,250
Between 1 and 2 years	11,156	30,656
Between 2 and 5 years	34,157	42,314
After 5 years	55,499	46,005
	253,536	262,225

The fair values of the Group's long-term borrowings including the current portion of long-term borrowings are RMB187,588 at June 30, 2025 (December 31, 2024: RMB187,416). The carrying amounts of short-term borrowings approximate their fair values. The fair values are based on discounted cash flows using applicable discount rates based upon the prevailing market rates of interest available to the Group for financial instruments with substantially the same terms and characteristics at the dates of the consolidated statement of financial position. Such discount rates ranged from 1.64% to 4.78% per annum as of June 30, 2025 (December 31, 2024: 1.56% to 4.78%) depending on the type of the borrowings.

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15 SEGMENT INFORMATION

The Group is principally engaged in a broad range of petroleum and natural gas related products, services and activities. The Group's operating segments comprise: Oil, Gas and New energy, Refining, Chemicals and New materials, Marketing, Natural Gas Sales and Head Office and Other. On the basis of these operating segments, the management of the Company assesses the segmental operating results and allocates resources. Sales between operating segments are conducted principally at market price. Additionally, the Group presents geographical information based on entities located in regions with a similar risk profile.

The Oil, Gas and New energy segment is engaged in the exploration, development, production, transportation and marketing of crude oil and natural gas and new energy business.

The Refining, Chemicals and New materials segment is engaged in the refining of crude oil and petroleum products, production and marketing of primary petrochemical products, derivative petrochemical products, other chemical products and new materials business.

The Marketing segment is engaged in the marketing of refined products and non-oil products, and the trading business.

The Natural Gas Sales segment is engaged in the transportation and sale of natural gas business.

The Head Office and Other segment relates to cash management and financing activities, the corporate center, research and development, and other business services supporting the other operating business segments of the Group.

The accounting policies of the operating segments are the same as those described in Note 2 "Basis of Preparation and Accounting Policies".

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The segment information for the operating segments for the six months ended June 30, 2025 and 2024 are as follows:

Six months ended June 30, 2025	Oil, Gas and New Energy	Refining, Chemicals and New Materials	Marketing	Natural Gas Sales	Head Office and Other	Total
	RMB	RMB	RMB	RMB	RMB	RMB
Revenue	422,667	554,170	1,169,751	310,943	1,849	2,459,380
Less: Intersegment sales	(355,717)	(388,479)	(246,853)	(18,090)	(142)	(1,009,281)
Revenue from external customers	66,950	165,691	922,898	292,853	1,707	1,450,099
Depreciation, depletion and amortisation	(96,437)	(12,992)	(8,861)	(2,294)	(764)	(121,348)
Including: Impairment losses of property, plant and equipment	-	(1)	(1)	-	-	(2)
Profit / (loss) from operations	85,686	11,056	7,562	18,626	(5,897)	117,033
Finance costs:						
Exchange gain						4,995
Exchange loss						(5,016)
Interest income						3,706
Interest expense						(9,296)
Total net finance costs						(5,611)
Share of profit of associates and joint ventures	1,881	49	991	5,552	1,203	9,676
Profit before income tax expense						121,098
Income tax expense						(27,418)
Profit for the period						93,680
Capital expenditures	49,432	12,651	589	936	621	64,229
June 30, 2025						
Segment assets	1,591,920	515,771	634,421	233,074	1,599,674	4,574,860
Other assets						41,878
Investments in associates and joint ventures	52,084	3,174	18,130	182,649	39,107	295,144
Elimination of intersegment balances (a)						(2,062,492)
Total assets						2,849,390
Segment liabilities	631,958	240,026	382,893	139,129	623,496	2,017,502
Other liabilities						83,521
Elimination of intersegment balances (a)						(1,004,549)
Total liabilities						1,096,474
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PETROCHINA COMPANY LIMITED NOTES TO THE UNAUDITED CONSOLIDATED INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2025 (All amounts in RMB millions unless otherwise stated)

Six months ended	Oil, Gas and New	Refining, Chemicals and New		Natural	Head Office and	
June 30, 2024	Energy	Materials	Marketing	Gas Sales	Other	Total
	RMB	RMB	RMB	RMB	RMB	RMB
Revenue	451,206	635,566	1,269,126	298,079	1,588	2,655,565
Less: Intersegment sales	(378,987)	(432,759)	(273,274)	(15,483)	(89)	(1,100,592)
Revenue from external customers	72,219	202,807	995,852	282,596	1,499	1,554,973
Depreciation, depletion and amortisation	(90,951)	(14,015)	(8,500)	(2,421)	(815)	(116,702)
Including: Impairment losses of property, plant and equipment	-	-	-	-	-	-
Profit / (loss) from operations	91,929	13,629	10,104	16,805	(7,268)	125,199
Finance costs:						
Exchange gain						4,976
Exchange loss						(4,729)
Interest income						4,428
Interest expense						(10,755)
Total net finance costs						(6,080)
Share of profit of associates and joint ventures	2,281	41	899	5,669	1,402	10,292
Profit before income tax expense						129,411
Income tax expense						(29,602)
Profit for the period						99,809
Capital expenditures	67,418	9,666	827	576	460	78,947
Dec 31, 2024						
Segment assets	1,528,189	491,892	588,405	219,427	1,553,818	4,381,731
Other assets						40,460
Investments in associates and joint ventures	53,499	3,148	18,451	177,769	37,103	289,970
Elimination of intersegment balances (a)						(1,959,410)
Total assets						2,752,751
Segment liabilities	629,134	229,918	341,759	136,282	527,737	1,864,830
Other liabilities						85,917
Elimination of intersegment						(007.040)
balances (a)						(907,619)
Total liabilities						1,043,128

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Geographical information

	Reve	Revenue		Non-current assets (b)		
	Six months ended June 30, 2025	Six months ended June 30, 2024	June 30, 2025	December 31, 2024		
	RMB	RMB	RMB	RMB		
China's mainland	953,605	981,873	1,922,814	1,946,107		
Others	496,494	573,100	178,372	181,670		
	1,450,099	1,554,973	2,101,186	2,127,777		

- (a) Elimination of intersegment balances represents elimination of intersegment accounts and investments.
- (b) Non-current assets mainly include non-current assets other than financial instruments and deferred tax assets.

16 CONTINGENT LIABILITIES

(a) Bank and other guarantees

At June 30, 2025 and December 31, 2024, the Group did not guarantee related parties or third parties any significant borrowings or others.

(b) Environmental liabilities

The PRC has enacted comprehensive environmental laws and regulations that affect the operation of the oil and gas industry. Management believes that there are no probable liabilities under existing legislation, except for the amounts which have already been reflected in the interim financial statements, which may have a material adverse effect on the financial position of the Group.

As of June 30, 2025, the amounts of asset retirement obligations which have already been reflected in the interim financial statements relating to environmental liability were RMB164,521 (December 31, 2024: RMB162,019).

(c) Legal contingencies

During the reporting period, the Group has complied with domestic and overseas laws and regulatory requirements. Notwithstanding certain insignificant lawsuits as well as other proceedings outstanding, management believes that any resulting liabilities will not have a material adverse effect on the financial position of the Group.

(d) Group insurance

The Group has insurance coverage for certain assets that are subject to significant operating risks, third-party liability insurance against claims relating to personal injury, property and environmental damages that result from accidents and employer liabilities insurance. The potential effect on the financial position of the Group of any liabilities resulting from future uninsured incidents cannot be estimated by the Group at present.

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17 COMMITMENTS

(a) Capital commitments

At June 30, 2025, the Group's capital commitments contracted but not provided for mainly relating to property, plant and equipment were RMB17,566 (December 31, 2024: RMB20,878). These capital commitments are transactions mainly with CNPC and its fellow subsidiaries.

(b) Exploration and production licenses

The Company is obligated to make annual payments with respect to its exploration and production licenses to the Ministry of Natural Resources. Payments incurred were RMB20 for the six months ended June 30, 2025 (six months ended June 30 2024: RMB27).

According to the current policy, estimated annual payments for the next five years are as follows:

	June 30, 2025	June 30, 2024	
	RMB	RMB	
Within one year	500	500	
Between one and two years	500	500	
Between two and three years	500	500	
Between three and four years	500	500	
Between four and five years	500	175	

18 RELATED PARTY TRANSACTIONS

CNPC, the immediate parent of the Company, is a limited liability company incorporated in PRC and directly controlled by the PRC government. Equity interest and voting rights of CNPC in the Company from January 2025 to June 2025 was 82.62 % (2024: 82.62%).

(a) Transactions with CNPC and its fellow subsidiaries, associates and joint ventures

The Group has extensive transactions with other companies in CNPC and its fellow subsidiaries, associates and joint ventures. Due to the relationships, it is possible that the terms of the transactions between the Group and other members of CNPC and its fellow subsidiaries, associates and joint ventures are not the same as those that would result from transactions with other related parties or wholly unrelated parties.

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The principal related party transactions with CNPC and its fellow subsidiaries, associates and joint ventures, which were carried out in the ordinary course of business, are as follows:

The Company and CNPC entered into a new Comprehensive Products and Services Agreement on August 30, 2023 for a period of three years effective from January 1, 2024. The Comprehensive Products and Services Agreement provides for a range of products and services which may be required and requested by either party. The products and services to be provided by CNPC and its subsidiaries to the Group under the Comprehensive Products and Services Agreement include construction and technical services, production services, supply of material services, social services, ancillary services and financial services. The products and services required and requested by either party are provided in accordance with (1) government-prescribed prices; or (2) where there is no government-prescribed price, with reference to relevant market prices; or (3) where neither (1) nor (2) is applicable, then the actual cost incurred or the agreed contractual prices are used. In addition, the Company and China Petroleum Finance Co., Ltd. entered into a Financial Services Agreement on August 30, 2023, which stipulated the financial services provided by China Petroleum Finance Co., Ltd. to the Group. The Financial Services Agreement is valid for 3 years and took effect on January 1, 2024.

On August 25, 2011, based on the Land Use Rights Leasing Contract signed for a period of 50 years from 2000, the Company and CNPC entered into a supplemental agreement to the Land Use Rights Leasing Contract which took effect on January 1, 2012. The expiry date of the supplemental agreement is the same as the Land Use Rights Leasing Contract, which is in 2050. The Company and CNPC may adjust area and rental payable for the leased land parcels every three years taking into consideration of production and operations of the Company and the prevailing market price. On August 30, 2023, the Company and CNPC each issued a confirmation letter to the Land Use Rights Leasing Contract, which adjusted the rental payable and the area for the leased land parcels which took effect on January 1, 2024. The Company agreed to rent from CNPC and its fellow subsidiaries parcels of land with an aggregate area of approximately 1,134 million square meters with annual rental payable (exclusive of tax and charges) approximately RMB5,724 based on the area of leased land parcels and the current market conditions. Apart from the annual rental payable and area for the leased parcels, the other terms in the Land Use Rights Leasing Contract and supplemental agreement remained unchanged.

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On August 24, 2017, the Company entered into a Buildings Leasing Contract with CNPC, which took effect on January 1, 2018 for a period of 20 years. Both parties can make appropriate adjustments to the area of the leased building and rent about every three years, taking into consideration of production and operations of the Company and the prevailing market price, but the adjusted rent shall not exceed the comparable fair price in the market. On August 30, 2023, the Company and CNPC issued a confirmation letter to the Buildings Leasing Contract, which adjusted the annual rental payable and the area for the leased which took effect on January 1, 2024. Buildings covering an aggregate area of 1,613.1 thousand square meters were leased at annual rental payable approximately RMB893 in accordance with the confirmed rental area and the current property market conditions. Apart from the annual rental payable and area of the leased building, the other terms in the Building Leasing Contract remained unchanged.

Transactions with CNPC and its fellow subsidiaries, associates and joint ventures are summarised as follows:

- Sales of goods represent the sale of crude oil, refined products, chemical products and natural gas, etc.
 The total amount of these transactions amounted to RMB62,342 for the six months ended June 30, 2025 (six months ended June 30, 2024: RMB62,087).
- Sales of services principally represent the provision of services in connection with the transportation of crude oil and natural gas, etc. The total amount of these transactions amounted to RMB3,028 for the six months ended June 30, 2025 (six months ended June 30, 2024: RMB3,824).
- Purchases of goods and services principally represent construction and technical services, production services, social services, ancillary services and material supply services, etc. The total amount of these transactions amounted to RMB181,931 for the six months ended June 30, 2025 (six months ended June 30, 2024: RMB187,458).
- Purchases of assets principally represent the purchases of manufacturing equipment, office equipment and transportation equipment, etc. The total amount of these transactions amounted to RMB876 for the six months ended June 30, 2025 (six months ended June 30, 2024: RMB769).
- Interest income represents interest from deposits placed with CNPC and its fellow subsidiaries. The total interest income amounted to RMB892 for the six months ended June 30, 2025 (six months ended June 30, 2024: RMB840). The balance of deposits at June 30, 2025 was RMB73,122 (December 31, 2024: RMB71,358).
- Interest expense and other financial service expense, principally represents interest charged on the loans from CNPC and its fellow subsidiaries, insurance fee charged on the insurance services from CNPC and its fellow subsidiaries, etc. The total amount of these transactions amounted to RMB2,804 for the six months ended June 30, 2025 (six months ended June 30, 2024: RMB2,983).
- The borrowings from CNPC and its fellow subsidiaries at 30 June, 2025 were RMB153,668 (December 31, 2024: RMB148,878).

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• Rents and other payments paid to CNPC and its fellow subsidiaries including (1) the rental expense paid by the Group according to Land Use Rights Leasing Contract and Buildings Leasing Contract between the Group and CNPC; (2) the payable by the Group (including all rents, leasing service fees and prices for exercising purchase options) for the period according to the leasing agreements entered into by the Group and CNPC and its fellow subsidiaries. The total rents and other payments amounted to RMB3,258 for the six months ended June 30, 2025 (six months ended June 30, 2024: RMB3,066).

Amounts due from and to CNPC and its fellow subsidiaries, associates and joint ventures included in the following accounts captions are summarised as follows:

	June 30, 2025	December 31, 2024
	RMB	RMB
Accounts receivable	8,484	4,167
Prepayments and other current assets	24,921	23,690
Intangible and other non-current assets	35,623	19,949
Accounts payable and accrued liabilities	61,868	57,061
Contract liabilities	1,673	2,419
Lease liabilities	105,523	94,398

(b) Key management personnel compensation

	Six months er	nded June 30
	2025	2024
	RMB'000	RMB'000
Emoluments and other benefits	15,351	5,922
Contribution to retirement benefit scheme	1,507	1,474
	16,858	7,396

Note: The increase compared to the same period last year is mainly due to variations in the timing of performance-based bonus distributions to certain supervisors and senior management of the Company.

(c) Transactions with other state-controlled entities in the PRC

Apart from the transactions with CNPC and its fellow subsidiaries, associates and joint ventures, the Group's transactions with other state-controlled entities include but are not limited to the following:

- · Sales and purchases of goods and services;
- Purchases of assets;
- Lease of assets; and
- Bank deposits and borrowings.

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These transactions are conducted in the ordinary course of the Group's business.

19 FAIR VALUE ESTIMATION

The methods and assumptions applied in determining the fair value of each class of financial assets and financial liabilities of the Group at June 30, 2025 and December 31, 2024 are disclosed in the respective accounting policies.

Financial assets and financial liabilities that measured at amortised cost include: cash and cash equivalents, time deposits with maturities over three months but within one year, accounts receivable, other receivables, long-term receivables, short-term borrowings, trade payables, notes payable, long-term borrowings, etc. The fair values of fixed rate long-term borrowings are likely to be different from their respective carrying amounts. Analysis of the fair values and carrying amounts of long-term borrowings is presented in Note 14. Except for this, the carrying amounts of other financial assets and financial liabilities that are not measured at fair value approximate their fair value.

The Group's investments in fair value through profit or loss ("FVTPL"), derivative financial instruments and fair value through other comprehensive income ("FVOCI") are measured at fair value on the reporting date. The fair value of FVTPL and derivative financial instruments are mainly categorised into Level 1 or Level 2 of the fair value hierarchy, which are based on the unadjusted quoted prices in active markets for identical assets or liabilities as inputs used in the valuation techniques, or the inputs other than quoted prices included within Level 1 that are observable either directly or indirectly. Bills receivable in FVOCI are mainly categorised into Level 3 of the fair value hierarchy, which are based on that bills receivable are mainly short-term bills of acceptance issued by banks, and their fair values approximate the face values of the bills. The equity investments in FVOCI that are not held for trading are measured at fair value at the end of the reporting period. The fair value of such equity investments are mainly categorised into Level 1 or Level 3 of the fair value hierarchy, which are based on the unadjusted quoted prices in active markets for identical assets or liabilities as inputs used in the valuation techniques, or not based on observable market data.

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As of June 30, 2025, financial assets and financial liabilities continuing to be measured at fair value are listed as follows in three levels:

	Level 1	Level 2	Level 3	Total
	RMB	RMB	RMB	RMB
Financial assets				
Financial assets at fair value through profit or loss:				
- Financial assets at fair value through profit or loss	5,673	3,355	-	9,028
Derivative financial instruments:				
- Derivative financial assets	2,661	4,600	-	7,261
Financial assets at fair value through other comprehensive income:				
- Bills receivable	-	-	15,177	15,177
 Other equity investments 	382	-	308	690
_	8,716	7,955	15,485	32,156
Financial liabilities				
Financial liabilities at fair value through profit or loss:				
- Financial liabilities at fair value through profit or loss	-	3,698	-	3,698
Derivative financial instruments:				
- Derivative financial liabilities	3,194	1,905	-	5,099
_	3,194	5,603		8,797

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As of December 31, 2024, financial assets and financial liabilities continuing to be measured at fair value are listed as follows in three levels:

	Level 1	Level 2	Level 3	Total
	RMB	RMB	RMB	RMB
Financial assets				
Financial assets at fair value through profit or loss:				
- Financial assets at fair value through profit or loss	2,585	231	-	2,816
Derivative financial instruments:				
- Derivative financial assets	329	8,691	-	9,020
Financial assets at fair value through other comprehensive income:				
– Bills receivable	-	-	8,868	8,868
 Other equity investments 	390	-	310	700
	3,304	8,922	9,178	21,404
Financial liabilities				
Financial liabilities at fair value through profit or loss				
- Financial liabilities at fair value through profit or loss	-	3,808	-	3,808
Derivative financial instruments:				
- Derivative financial liabilities	2,533	4,518	-	7,051
	2,533	8,326		10,859

The Group mainly uses discounted cash flow model with inputted interest rate and commodity index, which were influenced by historical fluctuation and the probability of market fluctuation, to evaluate the fair value of the bills receivable classified as Level 3 financial assets.

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20 BUSINESS COMBINATION INVOLVING ENTITIES UNDER COMMON CONTROL

CNPC Electric Energy was established in October 2017. It principally engages in power production and supply as well as power energy development, investment, construction, operation and management. At the 8th meeting of the 9th session of the Board on August 26, 2024, the Board of Directors passed the resolution regarding Daqing Oilfield's acquisition of 100% Equity Interest in CNPC Electric Energy. Pursuant to the resolution, Daqing Oilfield Company Limited has consented to acquire, and Daqing Petroleum Administration Bureau Co., Ltd. has agreed to divest, 100% equity interests in CNPC Electric Energy. After the completion of the equity acquisition, the Company holds 100% equity of CNPC Electric Energy in total. The consideration of the transaction amount to RMB5,979 and was recorded as an equity transaction.

As the Company and CNPC Electric Energy are under the ultimate control of CNPC and the control is not temporary. The acquisition of CNPC Electric Energy has been reflected in the accompanying consolidated financial statements as combination involving entities under common control. Consequently, CNPC Electric Energy has been included in the scope of consolidation during the historical period. The comparative financial statements have been adjusted accordingly.

21 SUBSEQUENT EVENTS

On August 26, 2025, pursuant to the resolution passed by the Board of Directors of the Company, PetroChina Taihu (Beijing) Investment Co., Ltd. ("Taihu Company"), a wholly-owned subsidiary of the Company, together with National Pipe Network Group Energy Storage Technology Co., Ltd. and Panjin State-owned Capital Investment and Operation Group Co., Ltd. propose to contribute capital in cash to establish three new companies controlled by Taihu Company. These three new companies propose to enter into an Equity Acquisition Agreement with Sichuan Petroleum Administration Bureau Co., Ltd., Xinjiang Petroleum Administration Bureau Co., Ltd., and Liaohe Petroleum Exploration Bureau Co., Ltd., which are wholly-owned subsidiaries of CNPC, to acquire 100% equity interest in their wholly-owned subsidiary, namely Chongqing Xiangguosi Gas Storage Co., Ltd., Xinjiang Oilfield Gas Storage Co., Ltd., and Liaohe Oilfield (Panjin) Gas Storage Co., Ltd., at a consideration of RMB9,995, RMB17,066 and RMB12,955, respectively.

DOCUMENTS AVAILABLE FOR INSPECTION

The following documents will be available for inspection at the headquarters of the Company in Beijing upon request by the relevant regulatory authorities and shareholders in accordance with the laws and regulations or the Articles of Association:

- 1. The financial statements under the hand and seal of Mr. Dai Houliang, Chairman of the Company, Mr. Huang Yongzhang, Director and President of the Company and Mr. Wang Hua, Chief Financial Officer of the Company.
- 2. The original copies of the documents and announcements of the Company published in the newspaper designated by the China Securities Regulatory Commission during the reporting period.
 - 3. The interim report published on other stock markets.

Shareholders may also browse or download the annual report of the Company from the official website of the Company at www.petrochina.com.cn.





CONFIRMATION FROM THE DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

According to the relevant provisions and requirements of the Securities Law of the People's Republic of China and the Measures for Information Disclosure of Companies Offering Shares to the Public promulgated by the China Securities Regulatory Commission, as the Directors, Supervisors and senior management of PetroChina Company Limited, we have carefully reviewed the interim report for 2025 and concluded that this interim report truly, accurately and completely represents the business performance of the Company, it contains no misrepresentation, misleading statements or material omissions and its preparation and review process complies with laws, regulations and the requirements of the China Securities Regulatory Commission.

Signatures of the Directors, Supervisors and senior management:



August 26, 2025

This interim report is prepared in Chinese and English. In the event of any inconsistency between the Chinese and English versions, the Chinese version shall prevail.



