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中国石油天然气股份有限公司
PetroChina Company Limited

中國石油天然氣股份有限公司

PETROCHINA COMPANY LIMITED

(a joint stock limited company incorporated in the People's Republic of China with limited liability)

(Hong Kong Stock Exchange Stock Code: 857

Shanghai Stock Exchange Stock Code: 601857)

RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED

JUNE 30, 2024 (SUMMARY OF THE 2024 INTERIM REPORT)

1 Important Notice

1.1 This announcement of interim results is a summary of the full version of 2024 Interim Report of PetroChina Company Limited (the “Company”). Investors who wish to get a full idea of the operating results, financial position and future development plan of the Company should read the full version of the 2024 Interim Report of the Company carefully, which will be published on the websites of the Shanghai Stock Exchange (website: <http://www.sse.com.cn>), “HKExnews” of The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”) (website: <http://www.hkexnews.hk>) and the Company (website: <http://www.petrochina.com.cn>).

1.2 The board of directors of the Company (the “Board” or “Board of Directors”), supervisory committee (the “Supervisory Committee”) and all directors (“Directors”), supervisors (“Supervisors”) and senior management of the Company warrant the truthfulness, accuracy and completeness of the information contained in the 2024 Interim Report and that there are no misrepresentation, misleading statements contained in, or material omissions from the 2024 Interim Report, and severally and jointly accept full responsibility thereof.

1.3 This announcement of interim results has been approved at the 8th meeting of the 9th session of the Board of Directors of the Company. Save for Mr. Hou Qijun, the vice chairman and non-executive Director, Mr. Duan Liangwei, non-executive Director, Mr. Ren Lixin and Mr. Zhang Daowei, executive Directors who were absent due to work arrangement, other members of the Board have attended this Board meeting.

1.4 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 announcement of interim results are unaudited.

1.5 Company Information

Stock Name	PetroChina	PetroChina
Stock Code	857	601857
Places of Listing	Hong Kong Stock Exchange	Shanghai Stock Exchange

Contact Persons and Contact Details	Secretary to the Board of Directors	Representative on Securities Matters	Chief Representative of the Hong Kong Representative Office
Name	Wang Hua	Liang Gang	Wei Fang
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1.6 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 2024 on the basis of a total of 183,020,977,818 shares of the Company as of June 30, 2024. The total amount of the interim dividends payable is approximately RMB40,265 million.

2 Key Financial Data and Changes in Shareholders

2.1 Key Financial Data Prepared under IFRS Accounting Standards

Unit: RMB million

Items	For the Reporting Period	For the same period of the preceding year	Changes over the same period of the preceding year (%)
Revenue	1,553,869	1,479,871	5.0
Profit for the period attributable to owners of the Company	88,611	85,272	3.9
Net cash flows from operating activities	217,329	221,706	(2.0)
Basic earnings per share (RMB Yuan)	0.48	0.47	3.9
Diluted earnings per share (RMB Yuan)	0.48	0.47	3.9
Return on net assets (%)	5.9	6.0	(0.1) percentage point
Items	As of the end of the Reporting Period	As of the end of the preceding year	Changes from the end of the preceding year to the end of the Reporting Period (%)
Total assets	2,768,039	2,752,448	0.6
Total equity attributable to owners of the Company	1,489,661	1,446,163	3.0

2.2 Key Financial Data Prepared under CAS

Unit: RMB million

Items	For the reporting period	For the same period of the preceding year	Changes over the same period of the preceding year (%)
Operating income	1,553,869	1,479,871	5.0
Net profit attributable to owners of the Company	88,607	85,276	3.9
Net profit after deducting non-recurring profit/loss items attributable to owners of the Company	91,590	87,393	4.8
Net cash flows from operating activities	217,329	221,706	(2.0)
Basic earnings per share (RMB Yuan)	0.48	0.47	3.9
Diluted earnings per share (RMB Yuan)	0.48	0.47	3.9
Weighted average returns on net assets (%)	6.0	6.1	(0.1) percentage point
Items	As of the end of the Reporting Period	As of the end of the preceding year	Changes from the end of the preceding year to the end of the Reporting Period (%)
Total assets	2,768,297	2,752,710	0.6
Equity attributable to owners of the Company	1,489,904	1,446,410	3.0

2.3 Number of Shareholders and Shareholdings

2.3.1 Total Number of Shareholders Holding Ordinary Shares and Shareholdings of the Top Ten Shareholders

The total number of shareholders of the Company as of June 30, 2024 was 477,453, including 472,095 holders of A shares and 5,358 registered holders of H shares. The shareholdings of the top ten shareholders of the Company as of June 30, 2024 are as follows:

Unit: Share

Name of shareholders	Nature of shareholders	Percentage of shareholding (%)	Number of shares held	Increase /decrease during the Reporting Period (+,-)	Number of shares with selling restrictions	Number of shares pledged, marked or subject to lock-ups
China National Petroleum Corporation ("CNPC")	State-owned legal person	82.46	150,923,565,570 ⁽¹⁾	0	0	0
HKSCC Nominees Limited ⁽²⁾	Overseas legal person	11.43	20,915,273,808 ⁽³⁾	+7,707,832	0	0
China Petrochemical Corporation	State-owned legal person	1.00	1,830,210,000	0	0	0
Hong Kong Securities Clearing Company Limited ⁽⁴⁾	Overseas legal person	0.61	1,122,096,969	-83,747,664	0	0
China Securities Finance Corporation Limited	State-owned legal person	0.56	1,020,165,128	0	0	0
China Reform Investment Co., Ltd.	State-owned legal person	0.15	267,376,675	+76,553,876	0	0
China Life Insurance Company Limited – Traditional – Ordinary Insurance Products – 005L – CT001 Shanghai	Others	0.12	223,005,254	-	0	0
Central Huijin Asset Management Ltd.	State-owned legal person	0.11	201,695,000	0	0	0
ICBC – SSE 50 Exchange Traded Open-ended Securities Investment Fund	State-owned legal person	0.10	181,920,963	+43,748,864	0	0
Bank of Communication Co., Ltd. – E Fund SSE 50 Index Enhanced Securities Investment Fund	Others	0.09	166,523,601	+16,200,300	0	0

- (1) Such figure excludes the H shares indirectly held by CNPC through Fairy King Investments Limited, an overseas wholly-owned subsidiary of CNPC.
- (2) 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.
- (3) 291,518,000 H shares were indirectly held by CNPC through Fairy King Investments Limited, 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.
- (4) 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.

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 above-mentioned shareholders during the Reporting Period: the above-mentioned shareholders did not participate in margin financing and securities lending business during the Reporting Period. Please refer to the “2.3.2 Participation of lending of shares under refinancing business by top ten shareholders” below for details of refinancing business.

2.3.2 Participation of lending of shares under refinancing business by top ten shareholders

Unit: share

Participation of lending of shares under refinancing business by top ten shareholders								
Name of shareholders (Full name)	Shareholding of ordinary account and credit account at the beginning of the Reporting Period		Shares lent under refinancing business and not yet returned at the beginning of the Reporting Period		Shareholding of ordinary account and credit account at the end of the Reporting Period		Shares lent under refinancing business and not yet returned at the end of the Reporting Period	
	Total number	Percentage of Shares in the total share capital	Total number	Percentage of Shares in the total share capital	Total number	Percentage of Shares in the total share capital	Total number	Percentage of Shares in the total share capital
ICBC – SSE 50 Exchange Traded Open-ended Securities Investment Fund	138,172,099	0.08%	928,600	0.0005%	181,920,963	0.10%	0	0

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

Not applicable.

2.4 Disclosure of Substantial Shareholders under the Securities and Futures Ordinance of Hong Kong

As of June 30, 2024, 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 (%)
CNPC	A Shares	150,923,565,570 (L)	Beneficial Owner	93.21	82.46
	H Shares	291,518,000 (L) ⁽¹⁾	Interest of Corporation Controlled by the Substantial Shareholder	1.38	0.16
BlackRock, Inc. ⁽²⁾	H Shares	1,275,255,732 (L)	Interest of Corporation Controlled by the Substantial Shareholder	6.04	0.70

(L) Long position

- (1) 291,518,000 H shares (long position) were held by Fairy King Investments Limited, an overseas wholly-owned subsidiary of CNPC. CNPC is deemed to be interested in the H shares held by Fairy King Investments Limited.
- (2) BlackRock, Inc., through various subsidiaries, had an interest in the H shares of the Company, and 1,275,255,732 H shares (long position) were held in the capacity as interest of corporation controlled by the substantial shareholder, including 15,456,000 underlying shares through its holding of certain unlisted derivatives (cash settled).

As of June 30, 2024, 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.

2.5 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.

2.6 Bonds Issued but Not Yet Overdue

Unit: RMB100 million

Bond Name	Abbreviation	Code	Issue Date	Value Date	Due Date	Bond Balance	Rate (%)
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
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
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
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
2022 First Tranche Medium-term Green Notes	22 PetroChina GN001	132280041.IB	2022-04-27	2022-04-28	2025-04-28	5	2.26
2022 Second Tranche Medium-term Green Notes	22 PetroChina GN002	132280055.IB	2022-06-15	2022-06-16	2025-06-16	20	2.19

Interest Payment and Redemption of the Bonds

For the six months ended June 30, 2024 (the “Reporting Period”), the principal and interest of 19 PetroChina MTN001, 19 PetroChina MTN002, 19 PetroChina MTN003, 19 PetroChina MTN004 and 19 PetroChina MTN005 were duly paid; the interest of 16 PetroChina 02, 16 PetroChina 04, 16 PetroChina 06, 22 PetroChina GN001 and 22 PetroChina GN002 were duly paid.

Information on Follow-up Credit Rating of Bonds

During the Reporting Period, there was no adjustment to the credit rating results of the Company or the bonds issued by the Company made by credit rating agencies.

Indicators Reflecting the Solvency of the Issuer

Main Indicator	As of June 30, 2024	As of December 31, 2023
Asset-liability Ratio (%)	39.38	40.76
Main Indicator	For the first half of 2024	For the first half of 2023
Debt-to-EBITDA Ratio ^(a)	1.20	0.82
EBITDA Interest Coverage Ratio	45.36	35.69

(a) The relatively large increase in the Debt-to-EBITDA ratio was primarily due to the significant decrease in the size of the Group’s interest-bearing borrowings.

Note on Overdue Debts

The bonds issued by the Company were not overdue.

3 Directors' Report

3.1 Discussion and Analysis of Operations

In the first half of 2024, the world economy maintained growing, and the overall Chinese economy was running steadily and continued to recover and showed a good trend with 5.0% year-on-year growth rate of the gross domestic product (“GDP”). With the recovery of demand and tight supply in the global oil market, coupled with the influence of geopolitics, the international crude oil prices showed an overall upward trend, and the average price was higher than that in the same period of the previous year; the demand in the domestic refined oil products market slowed down and the demand in the natural gas market continued to grow rapidly.

The Group took the initiative to respond to various risk challenges, implemented high-quality development requirements, adhered to the general tone of making progress while maintaining stability, strengthened analysis, study and judgment of market situations, and promoted safety and environmental protection, production and operation, quality and profitability improvement, and reform and innovation in an overall manner. The oil and gas industrial chains operated stably and efficiently; the increase in reserves and output of oil and gas maintained a good momentum; the transformation and upgrading of refining and chemicals business was implemented steadily; the market share of refined oil products sales continued to increase; the sales volume and profitability of natural gas increased; the emerging industries such as new energy and new materials developed rapidly; the synergistic advantages of the integration of the upstream and downstream of the industrial chains were given full play; the major costs and expenses were effectively controlled; the safety and environmental protection situation remained stable; the Company entered into the Oil & Gas Decarbonization Charter and ESG work was carried out deeply; the operating profitability achieved steady growth and another record high in the same period; all business segments achieved profits; and the financial position was healthy and good.

3.1.1 Market Review

(1) Crude Oil Market

In the first half of 2024, the growth of the world economy led to a rebound in crude oil demand, the continuing strategy of production reduction by the oil-producing countries' alliance led to tight supply, geopolitical conflicts occurred in multiple places and frequently and international oil prices arose year-on-year. The average spot price of Brent crude oil was US\$84.06 per barrel, representing an increase of 5.5% as compared with US\$79.66 per barrel in the same period of last year; the average spot price of U.S. West Texas Intermediate crude oil was US\$78.95 per barrel, representing an increase of 5.6% as compared with US\$74.76 per barrel in the same period of last year.

According to the data of the National Bureau of Statistics, for the first half of 2024, the domestic crude oil production for industries above designated size was 107.05 million tons, representing an increase of 1.9% as compared with that in the same period of last year; the quantity of imported crude oil was 275.48 million tons, representing a decrease of 2.3% as compared with that in the same period of last year.

(2) Refined Oil Products Market

In the first half of 2024, due to the competition impact of alternative energy, the

consumption of domestic refined oil products market was suppressed, the supply and demand remained loose, the industry regulations continued to strengthen, and the competitive order in the refined oil products market continued to be standardized.

According to the data of the National Bureau of Statistics, for the first half of 2024, the processed volume of the domestic crude oil for industries above designated size was 360.09 million tons, representing a decrease of 0.4% 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 increased, in aggregate, by RMB590 per ton and RMB570 per ton, respectively.

(3) Chemical Products Market

In the first half of 2024, the market demand for chemical products increased steadily, while the new capacity supply fell short of expectations and the scale of facility maintenance expanded significantly, and the fundamentals of supply and demand improved. The prices of the main products of the domestic chemical products market generally increased, and the profit of production rebounded slowly from a historic low.

(4) Natural Gas Market

In the first half of 2024, the supply and demand in the global natural gas market remained loose, China's economy steadily rebounded, and consumption of natural gas grew rapidly. According to the data of the National Bureau of Statistics and the National Development and Reform Commission, the domestic natural gas production for industries above designated size was 123.6 billion cubic meters for the first half of 2024, representing an increase of 6.0% as compared with that in the same period of last year. The import volume of natural gas was 64.65 million tons, representing an increase of 14.3% with that in the same period of last year. The apparent consumption of natural gas was 213.75 billion cubic meters, representing an increase of 10.1% with that in the same period of last year.

3.1.2 Business Review

(1) Oil, Gas and New Energy

Domestic Oil and Gas

In the first half of 2024, in respect of the domestic oil and gas business, the Group focused on the balance of its reserves and output, vigorously implemented high-efficient exploration and development. The Group achieved multiple major breakthroughs and significant discoveries in Tarim, Sichuan, Junggar basins and discovered a number of large-scale oil and gas reserve areas. The Group firmly promoted the scientific exploration and pre-exploration projects of oil and gas in 10,000 meters deep, and the depth of Shenditake-1 (深地塔科 1 井) achieved a breakthrough of 10,000 meters and set a new record for the deepest straight well in Asia. The Group systematically optimized the development deployment, arranged production capacity construction projects according to the profitability and strengthened the control of decline rate and the improvement of the recovery rate in old oil and gas fields. For the first half of 2024, the domestic crude oil output of the Group amounted to 392.8 million barrels, representing an increase of 0.1% as compared with the 392.3 million barrels in the same period of last year; the marketable natural gas output amounted to 2,486.8 billion cubic feet, representing an increase

of 2.9% as compared with 2,417.3 billion cubic feet in the same period of last year; the oil and natural gas equivalent output amounted to 807.3 million barrels, representing an increase of 1.5% as compared with the output of 795.1 million barrels in the same period of last year.

Overseas Oil and Gas

In the first half of 2024, in respect of the overseas oil and gas business, the Group highlighted efficient exploration and development and increase in large-scale reserves and achieved high-yield oil flows in PSA project in Chad. The Group scientifically coordinated oil and gas production and the Hafaya natural gas processing plant in Iraq was put into operation. The Group actively promoted development of new projects, continued optimizing overseas asset structure and the expansion project of the Northern Gas Field in Qatar was successfully delivered. For the first half of 2024, the Group's overseas crude oil output amounted to 82.0 million barrels which is basically the same as 82.0 million barrels in the same period of last year; the marketable natural gas output was 97.4 billion cubic feet, representing a decrease of 2.5% as compared with 99.8 billion cubic feet in the same period of last year; the oil and natural gas equivalent output was 98.2 million barrels, representing a decrease of 0.5% as compared with the 98.7 million barrels in the same period of last year and accounting for 10.8% of the total oil and natural gas equivalent output of the Group.

In the first half of 2024, the Group recorded the crude oil output of 474.8 million barrels, representing an increase of 0.1% as compared with the output of 474.3 million barrels in the same period of last year; the marketable natural gas output was 2,584.2 billion cubic feet, representing an increase of 2.7% as compared with the output of 2,517.1 billion cubic feet in the same period of last year. The oil and natural gas equivalent output was 905.5 million barrels, representing an increase of 1.3% as compared with the output of 893.8 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 strategy of stabilizing oil output and increasing natural gas output was promoted solidly and effectively.

New Energy

In the first half of 2024, the Group actively promoted the layout of new energy grand base and the competitive bidding of new energy quota, newly obtained 7.25 million kilowatts of wind power and photovoltaic power quota and signed contracts in relation to geothermal heating with an area of 46.15 million square meters. The Group accelerated the construction of key projects, the Lindian 1.6 million kilowatts of wind power project in Daqing oilfield and coal and electricity integration of 2.64 million kilowatts of photovoltaic project in Xinjiang oilfield commenced construction, the full capacity of Kashgar 1.1 million kilowatts of photovoltaic project in Tarim oilfield connected to the power grid, and the Korla 1.3 million kilowatts photovoltaic project commenced construction. In the first half of 2024, energy output from wind and photovoltaic power plants amounted to 2.17 billion kilowatts, representing an increase of 154.5% as compared with the output of 0.85 billion kilowatts in same period of last year. The Group deeply promoted the development of the whole industry chain of carbon capture, utilization and storage ("CCUS") businesses and injected 0.837 million tons of carbon dioxide.

Key Figures for the Oil, Gas and New Energy Segment

	Unit	For the first half of 2024	For the first half of 2023	Changes (%)
Crude oil output ^(a)	Million barrels	474.8	474.3	0.1
of which: Domestic	Million barrels	392.8	392.3	0.1
Overseas	Million barrels	82.0	82.0	unchanged
Marketable natural gas output ^(a)	Billion cubic feet	2,584.2	2,517.1	2.7
of which: Domestic	Billion cubic feet	2,486.8	2,417.3	2.9
Overseas	Billion cubic feet	97.4	99.8	(2.5)
Oil and natural gas equivalent output	Million barrels	905.5	893.8	1.3
of which: Domestic	Million barrels	807.3	795.1	1.5
Overseas	Million barrels	98.2	98.7	(0.5)
Energy output from wind and photovoltaic power plants	100 million kilowatts	21.7	8.5	154.5

(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.

(2) Refining, Chemicals and New Materials

In the first half of 2024, the Group paid close attention to the changes in market demand, coordinated and optimized crude oil resources, processing load, product structure and equipment inspection and maintenance, and strengthened the connection of industrial chain operation. The Group processed 693.3 million barrels of crude oil, representing an increase of 3.0% from 673.0 million barrels in the same period of last year. The Group produced 60.119 million tons of refined oil products, representing an increase of 2.1% from 58.856 million tons in the same period of last year, among which the production of aviation kerosene achieved a significant increase of 42.4%. The Group strengthened the mutual supply of raw materials, maintained the high load operation of ethylene, aromatics and other plants, actively developed new chemical products and materials and registered and established Blue Ocean New Materials (Tongzhou Bay) Company Limited (藍海新材料(通州灣)有限責任公司) (“Blue Ocean New Materials”). The commodity volume of chemical products was 19.043 million tons, representing an increase of 10.2% from 17.286 million tons in the same period of last year. The output of synthetic resin was 6.590 million tons, representing an increase of 5.8% from 6.226 million tons in the same period of last year. The output of synthetic fibre raw materials and polymers was 584,000 tons, representing an increase of 7.0% from 546,000 tons in the same period of last year. The output of new materials was 1,074,000 tons, representing an increase of 72.0% from 624,000 tons in the same period of last year. The Group optimized and improved the marketing mechanism of chemical products, seized the opportunity of market recovery, increased the development of direct selling customers, expanded the market for high-end and featured products, causing sales volumes of chemical products and featured refined products increased significantly.

Adhering to the high-end, intelligent and green direction and continuing to promote the transformation and upgrading of refining and chemical industry, the construction of the refining and chemical transformation and upgrading project of Jilin Petrochemical Company, the Guangxi Petrochemical Company’s integration of refining and petrochemical transformation

and upgrading project, and the Dushanzi Petrochemical Company's Tarim 1.2 million tons per year phase II ethylene project were steadily implemented.

Key Figures for the Refining, Chemicals and New Materials Segment

	Unit	For the first half of 2024	For the first half of 2023	Changes (%)
Processed crude oil ^(a)	Million barrels	693.3	673.0	3.0
Gasoline, kerosene and diesel output	'000 tons	60,119	58,856	2.1
of which: Gasoline	'000 tons	24,403	23,938	1.9
Kerosene	'000 tons	8,954	6,288	42.4
Diesel	'000 tons	26,762	28,630	(6.5)
Refining yield	%	94.98	93.55	1.43 percentage points
Ethylene	'000 tons	4,249	3,988	6.5
Synthetic resin	'000 tons	6,590	6,226	5.8
Synthetic fibre raw materials and polymers	'000 tons	584	546	7.0
Synthetic rubber	'000 tons	499	493	1.2
Urea	'000 tons	1,487	1,023	45.4

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

(3) Marketing

Domestic Operations

In the first half of 2024, the Group strengthened the analysis, study and judgment of the market situation of refined oil products, deeply implemented differentiated marketing strategies, strengthened the integration of wholesale and retail, oil and non-oil products, online and offline marketing and the development of new customers, strived to stabilize the sales volume of refined oil products under the fiercely competitive market, improved market share and ensured the smooth and efficient operation of the industrial chain. The Group accelerated green and low-carbon transformation, actively promoted the layout of refuelling and gas stations, photovoltaic stations, charging and swapping power stations, hydrogen refuelling stations and "oil, gas, hydrogen, power and non-oil products" integrated energy stations, continuously improved the marketing network system and continuously enhanced service capabilities. The Group promoted the "convenience store+N" operation mode, cultivated key categories, expanded off-station sales, causing the gross profit of non-oil business increased significantly.

International Trading Operations

In the first half of 2024, the Group optimized the layout of the international market, enriched and expanded trade varieties, strived to lower procurement costs, optimized the export of refined oil products and chemical products, increased export volumes and profitability and promoted the increase of the overall value of the industrial chain.

In the first half of 2024, the Group sold a total of 79.053 million tons of gasoline, kerosene and diesel, representing a decrease of 2.0% as compared with sales of 80.668 million tons in the same period of last year, among which the domestic sales of gasoline, kerosene and diesel were 58.447 million tons, representing a decrease of 1.5% as compared with sales of 59.345 million

tons in the same period of last year.

Key Figures for the Marketing Segment

Production and Operations Data	Unit	For the first half of 2024	For the first half of 2023	Changes (%)
Total sales volume of gasoline, kerosene and diesel	'000 tons	79,053	80,668	(2.0)
of which: Gasoline	'000 tons	32,503	33,396	(2.7)
Kerosene	'000 tons	10,243	8,797	16.4
Diesel	'000 tons	36,307	38,475	(5.6)
Domestic sales volume of gasoline, kerosene and diesel	'000 tons	58,447	59,345	(1.5)
of which: Gasoline	'000 tons	25,217	25,546	(1.3)
Kerosene	'000 tons	5,173	4,804	7.7
Diesel	'000 tons	28,057	28,995	(3.2)

Number of gas stations and convenience stores	Unit	As of June 30, 2024	As of December 31, 2023	Changes (%)
Number of gas stations	unit	22,842	22,755	0.4
of which: self-operated gas stations	unit	20,608	20,367	1.2
Number of convenience stores	unit	19,610	19,583	0.1

(4) Natural Gas Sales

In the first half of 2024, the Group comprehensively optimized the sales flow and user structure of natural gas, actively developed high-end and high-profitable markets, strengthened the development of direct selling customers and end-customers, actively applied online trading channels and effectively improved the sales volume and profitability.

In the first half of 2024, the Group achieved sales of 147.217 billion cubic meters of natural gas, representing an increase of 12.9% as compared with sales of 130.352 billion cubic meters in the same period of last year, of which 114.937 billion cubic meters were sold domestically, representing an increase of 5.8% from 108.646 billion cubic meters in the same period of last year.

3.1.3 Review of Operating Results

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

(1) Consolidated Operating Results

In the first half of 2024, the Group achieved a revenue of RMB1,553,869 million, representing an increase of 5.0% as compared with the revenue of RMB1,479,871 million in the same period of last year. Profit for the period attributable to owners of the Company was RMB88,611 million, representing an increase of 3.9% as compared with RMB85,272 million in same period of last year. There was a basic earnings per share of RMB0.48.

Revenue The revenue of the Group was RMB1,553,869 million for the first half of 2024, representing an increase of 5.0% as compared with the revenue of RMB1,479,871 million in the

same period of last year. This was primarily due to the Group's increase in the sales price of crude oil and gasoline, the sales volume of natural gas and sales volume and price of kerosene, polyethylene and other 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 2024 and 2023 and their respective percentages of change:

	Sales Volume ('000 tons)			Average Realized Price (RMB/ton)		
	For the first half of 2024	For the first half of 2023	Percentage of change (%)	For the first half of 2024	For the first half of 2023	Percentage of change (%)
Crude oil ^(a)	67,129	74,057	(9.4)	4,207	3,893	8.1
Natural gas (100 million cubic metres, RMB/'000 cubic metres) ^(b)	1,472.17	1,303.52	12.9	2,219	2,373	(6.5)
Gasoline	32,503	33,396	(2.7)	8,341	7,989	4.4
Kerosene	10,243	8,797	16.4	5,833	5,728	1.8
Diesel	36,307	38,475	(5.6)	6,857	6,894	(0.5)
Polyethylene	3,132	3,071	2.0	7,434	7,368	0.9
Polypropylene	1,866	1,886	(1.1)	6,801	6,862	(0.9)
Lubricant	1,010	763	32.4	8,526	9,439	(9.7)

(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 decrease of which was primarily due to the decrease of international trading sales price.

Operating Expenses Operating expenses amounted to RMB1,428,940 million for the first half of 2024, representing an increase of 5.1% as compared with expenses of RMB1,359,254 million in the same period of last year, of which:

Purchases, Services and Other Purchases, services and other amounted to RMB1,064,417 million for the first half of 2024, representing an increase of 5.9% as compared with RMB1,004,823 million in the same period of last year. This was primarily due to the increase in the Group's procurement costs of crude oil and raw material oil.

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 market-oriented temporary and seasonal contractors) for the first half of 2024 amounted to RMB82,039 million, representing an increase of 5.5% as compared with costs of RMB77,798 million in the same period of last year. This was primarily due to the employee compensation changes in tandem with profits.

Exploration Expenses Exploration expenses amounted to RMB7,942 million for the first half of 2024, representing a decrease of RMB1,156 million as compared with RMB9,098 million in the same period of last year. This was primarily due to the Group's insistence on high-profitable exploration and development and optimization of oil and gas exploration deployment.

Depreciation, Depletion and Amortisation Depreciation, depletion and amortisation amounted to RMB116,569 million for the first half of 2024, representing an increase of 3.1% as compared with RMB113,017 million in the same period of last year. This was primarily due to

the increase of the production in oil and gas products and increase of the cost of fixed assets and oil and gas properties.

Selling, General and Administrative Expenses Selling, general and administrative expenses amounted to RMB27,179 million for the first half of 2024, representing a decrease of 5.1% as compared with RMB28,647 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 RMB134,794 million for the first half of 2024, representing an increase of 3.5% as compared with taxes of RMB130,220 million in the same period of last year, of which the consumption taxes was RMB86,936 million, representing a decrease of 1.5% as compared with consumption taxes of RMB88,256 million in the same period of last year; the resource taxes was RMB15,396 million, representing an increase of 6.1% as compared with resource taxes of RMB14,509 million in the same period of last year; the crude oil special gain levy was RMB9,277 million, representing an increase of RMB2,519 million as compared with the levy of RMB6,758 million in the same period of last year; the levy for mineral rights concessions was RMB2,164 million.

Other Income, Net Other income, net amounted to RMB4,000 million for the first half of 2024, representing a decrease of 8.0% as compared with RMB4,349 million in the same period of last year. This was primarily due to the changes in fair value of derivatives business.

Profit from Operations Profit from operations amounted to RMB124,929 million in the first half of 2024, representing an increase of 3.6% as compared with profits of RMB120,617 million in the same period of last year.

Net Exchange Gain Net exchange gain amounted to RMB247 million for the first half of 2024, representing an increase of RMB189 million as compared with the gain of RMB58 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 RMB6,329 million for the first half of 2024, representing a decrease of 26.3% as compared with the expense of RMB8,587 million in the same period of last year. This was primarily due to the decline in the scale of interest-bearing debts and the unit cost of debt financing.

Profit before Income Tax Expense Profit before income tax expense amounted to RMB129,139 million for the first half of 2024, representing an increase of 6.1% as compared with the profit of RMB121,755 million in the same period of last year.

Income Tax Expense Income tax expense amounted to RMB29,525 million for the first half of 2024, representing an increase of 8.6% as compared with the expense RMB27,176 million in the same period of last year. This was primarily due to the increase in the profit before income tax expense.

Profit for the Period Profit for the first half of 2024 amounted to RMB99,614 million, representing an increase of 5.3% as compared with RMB94,579 million in the same period of last year.

Profit for the Period Attributable to Non-controlling Interests Profit for the period attributable to non-controlling interests amounted to RMB11,003 million for the first half of 2024, representing an increase of 18.2% as compared with RMB9,307 million in the same period of last year. This was primarily due to the increase 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 RMB88,611 million for the first half of 2024, representing an increase of 3.9% as compared with profits of RMB85,272 million in the same period of last year.

(2) Segment Results

Oil, Gas and New Energy

Revenue The revenue of the Oil, Gas and New Energy segment for the first half of 2024 was RMB449,723 million, representing an increase of 5.9% from RMB424,782 million as compared with the same period of last year. This was primarily due to the increase in the prices of crude oil and the sales volume of natural gas. The average realized crude oil price was US\$77.45 per barrel, representing an increase of 4.5% from US\$74.15 per barrel as compared with the same period of last year.

Operating Expenses Operating expenses of the Oil, Gas and New Energy segment were RMB358,064 million for the first half of 2024, representing an increase of 5.5% from RMB339,267 million as compared with the same period of last year. This was primarily due to the increase in procurement costs, depreciation, depletion and amortisation and tax expenses. The unit oil and gas lifting cost amounted to US\$11.03 per barrel, representing an increase of 1.9% from US\$10.82 per barrel as compared with the same period of last year, which was primarily due to the increase in basic operation expenses.

Profit from Operations In the first half of 2024, the Group's Oil, Gas and New Energy segment insisted efficient exploration and high-profitable development, optimized and improved oil and gas exploration and development plans, continued to strengthen investment and cost and expenses control and strived to improve cost competitiveness. The Oil, Gas and New Energy segment recorded a profit from operations of RMB91,659 million, representing an increase of 7.2% from RMB85,515 million as compared with the same period of last year.

Refining, Chemicals and New Materials

Revenue The revenue of the Refining, Chemicals and New Materials segment for the first half of 2024 was RMB635,566 million, representing an increase of 10.5% from RMB575,005 million as compared with the same period of last year. This was primarily due to the increase in prices of refined products and increase in prices and production and sales volume of most chemical products.

Operating Expenses Operating expenses of the Refining, Chemicals and New Materials segment were RMB621,937 million for the first half of 2024, representing an increase of 11.7% from RMB556,655 million as compared with the same period of last year. This was primarily due to the increase in the procurement costs of crude oil and raw material oil. The unit cash

processing cost of refining was RMB215.91 per ton, representing a decrease of 2.2% from RMB220.71 per ton as compared with the same period of last year.

Profit from Operations In the first half of 2024, the Refining, Chemicals and New Materials segment adhered to the market-oriented approach, continued optimizing production plans and product structure, strived to improve the production and sales volumes of high-end and high-value-added featured refined products and new chemical products and materials. This segment strengthened the delicacy management of production process and effectively controlled the processing costs. The Refining, Chemicals and New Materials segment recorded a profit from operations of RMB13,629 million, representing a decrease of RMB4,721 million from RMB18,350 million as compared with the same period of last year, of which, the refining business recorded a profit from operations of RMB10,503 million, representing a decrease of RMB8,008 million from RMB18,511 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; the chemical business recorded a profit from operations of RMB3,126 million, representing a turnaround of RMB3,287 million compared with the operating loss of RMB161 million in the same period of last year, which was primarily due to the improvement of the domestic chemical products market and the continuous improvement of the profitability of the chemicals business.

Marketing

Revenue The revenue of the Marketing segment for the first half of 2024 was RMB1,269,126 million, representing an increase of 3.6% from RMB1,225,310 million as compared with the same period of last year. This was primarily due to the combined effects of changes in the price and sales volume of domestic refined oil products and the increase in revenue from international trading.

Operating Expenses Operating expenses of the Marketing segment were RMB1,259,022 million for the first half of 2024, representing an increase of 3.7% from RMB1,214,365 million as compared with the same period of last year. This was primarily due to the increase in the expenditures relating to the purchase of refined oil products and international trading procurement.

Profit from Operations In the first half of 2024, the Marketing segment actively responded to the fiercely competitive market, carried out market analysis, study and judgment in advance, optimized marketing strategies, strived to increase the domestic market share, consistently improved the cross-market operation capabilities in both international and domestic markets and coordinated products exports according to their profitability. The Marketing segment recorded a profit from operations of RMB10,104 million, representing a decrease of 7.7% from RMB10,945 million as compared with the same period of last year.

Natural Gas Sales

Revenue The revenue of the Natural Gas Sales segment was RMB298,079 million for the first half of 2024, representing an increase of 7.9% from RMB276,341 million as compared with the same period of last year. This was primarily due to the increase in sales volume and price of natural gas in the domestic market.

Operating Expenses Operating expenses of the Natural Gas Sales segment were RMB281,274 million for the first half of 2024, representing an increase of 7.3% from

RMB262,221 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 2024, the Natural Gas Sales segment seized the favourable opportunity of the downward trend of international natural gas prices, consistently optimized the structure of resource pools, reduced the comprehensive procurement costs, increased efforts to develop the high-end and high-profitable market, vigorously developed direct selling customers and end-customers and continuously improved customer service level. The Natural Gas Sales segment recorded a profit from operations of RMB16,805 million, representing an increase of 19.0% from RMB14,120 million in the same period of last year.

In the first half of 2024, the Group's overseas operations^(a) realized a revenue of RMB573,079 million, accounting for 36.9% of the total revenue of the Group; profit before income tax expense was RMB24,320 million, accounting for 18.8% of the profit before income tax expense of the Group.

(a) 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.

(3) Assets, Liabilities and Equity

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

	As of June 30, 2024	As of December 31, 2023	Percentage of Change
	RMB million	RMB million	%
Total assets	2,768,039	2,752,448	0.6
Current assets	672,371	658,520	2.1
Non-current assets	2,095,668	2,093,928	0.1
Total liabilities	1,090,130	1,122,075	(2.8)
Current liabilities	716,641	689,007	4.0
Non-current liabilities	373,489	433,068	(13.8)
Equity attributable to owners of the Company	1,489,661	1,446,163	3.0
Share capital	183,021	183,021	-
Reserves	340,910	343,738	(0.8)
Retained earnings	965,730	919,404	5.0
Total equity	1,677,909	1,630,373	2.9

Total assets amounted to RMB2,768,039 million, representing an increase of 0.6% from RMB2,752,448 million as of the end of 2023, of which:

Current assets amounted to RMB672,371 million, representing an increase of 2.1% compared with RMB658,520 million as of the end of 2023, primarily due to the increase in accounts receivable, prepayments and other current assets.

Non-current assets amounted to RMB2,095,668 million, representing an increase of 0.1% compared with RMB2,093,928 million as of the end of 2023, primarily due to the increase in investments in associates and joint ventures, intangible assets and other non-current assets.

Total liabilities amounted to RMB1,090,130 million, representing a decrease of 2.8% from

RMB1,122,075 million as of the end of 2023, of which:

Current liabilities amounted to RMB716,641 million, representing an increase of 4.0% from RMB689,007 million as of the end of 2023, primarily due to the increase in accounts payable and accrued liabilities.

Non-current liabilities amounted to RMB373,489 million, representing a decrease of 13.8% from RMB433,068 million as of the end of 2023, primarily due to the decrease of debt amount, optimization of debt structure and the decrease in long-term borrowings.

Equity attributable to owners of the Company amounted to RMB1,489,661 million, representing an increase of 3.0% from RMB1,446,163 million as of the end of 2023, primarily due to the increase in retained earnings.

(4) Cash Flows

As of June 30, 2024, 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 of the Company.

The table below sets out the cash flows of the Group for the first half of 2024 and 2023, respectively, and the amount of cash and cash equivalents as of the end of each period:

	For the six months ended June 30	
	2024	2023
	RMB million	RMB million
Net cash flows from operating activities	217,329	221,706
Net cash flows used for investing activities	(140,285)	(119,409)
Net cash flows used for financing activities	(133,006)	(78,692)
Translation of foreign currency	(935)	4,378
Cash and cash equivalents at the end of the period	192,104	219,173

Net Cash Flows from Operating Activities

The net cash flows from operating activities for the first half of 2024 amounted to RMB217,329 million, representing a decrease of 2.0% from RMB221,706 million as compared with the same period of last year. This was primarily due to the increase in profits and change in working capital during the Reporting Period. As of June 30, 2024, the Group had cash and cash equivalents of RMB192,104 million, of which, approximately 49.7% were denominated in US dollars, approximately 46.0% were denominated in Renminbi, approximately 2.1% were denominated in Hong Kong dollars and approximately 2.2% 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 2024 amounted to RMB140,285 million, representing an increase of 17.5% compared with RMB119,409 million in the same period of last year. This was primarily due to an increase in time deposits with maturities over three months and cash disbursements for construction of property, plant and equipment.

Net Cash Flows Used for Financing Activities

The net cash flows used for financing activities for the first half of 2024 amounted to RMB133,006 million, representing an increase of 69.0% compared with RMB78,692 million in the same period of last year. This was primarily due to the decrease of debt amount, optimization of debt structure and decrease of net amount of short-term borrowings.

The net borrowings of the Group as of June 30, 2024 and December 31, 2023, respectively, were as follows:

	As of June 30, 2024	As of December 31, 2023
	RMB million	RMB million
Short-term borrowings (including current portion of long-term borrowings)	132,687	148,780
Long-term borrowings	81,126	143,198
Total borrowings	213,813	291,978
Less: Cash and cash equivalents	192,104	249,001
Net borrowings	21,709	42,977

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, 2024	As of December 31, 2023
	RMB million	RMB million
Within 1 year	137,562	160,305
Between 1 and 2 years	26,166	93,927
Between 2 and 5 years	41,222	36,931
After 5 years	25,189	22,961
	230,139	314,124

Of the total borrowings of the Group as of June 30, 2024, approximately 38.0% were fixed-rate loans and approximately 62.0% were floating-rate loans; approximately 55.9% were denominated in Renminbi, approximately 41.2% were denominated in US dollars and approximately 2.9% were denominated in other currencies.

As of June 30, 2024, the gearing ratio of the Group (gearing ratio = interest-bearing borrowing / (interest-bearing borrowing + total equity)) was 11.3% (December 31, 2023: 15.2%).

(5) Capital Expenditures

For the first half of 2024, the Group adhered to the concept of rigorous investment, precise investment and profitable investment, optimized investment scale and structure and improved investment returns. The capital expenditures of the Group amounted to RMB78,942 million, representing a decrease of 7.3% from RMB85,137 million as compared with the same period of last year. The capital expenditures throughout 2024 is estimated at RMB258,000 million. The following table sets out the capital expenditures incurred by the Group for the first half of 2024 and for the first half of 2023 and the estimated capital expenditures for each of the business segments of the Group throughout the year of 2024.

	For the first half of 2024		For the first half of 2023		Estimates for 2024	
	RMB million	(%)	RMB million	(%)	RMB million	(%)
Oil, Gas and New Energy	67,413	85.40	79,626	93.53	213,000	82.56
Refining, Chemicals and New Materials	9,666	12.24	3,471	4.07	29,000	11.24
Marketing	827	1.05	722	0.85	7,000	2.71
Natural Gas Sales	576	0.73	988	1.16	6,000	2.33
Head Office and Other	460	0.58	330	0.39	3,000	1.16
Total	<u>78,942</u>	<u>100.00</u>	<u>85,137</u>	<u>100.00</u>	<u>258,000</u>	<u>100.00</u>

Oil, Gas and New Energy

Capital expenditures for the Oil, Gas and New Energy segment of the Group amounted to RMB67,413 million for the first half of 2024, which were primarily used for the exploration and development with scale benefit and profitability in 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, promoting new energy projects such as clean electricity, geothermal heat utilization and CCUS; and the Group proactively focused on profitable exploration and development and large-scale reserves and promoted the key projects including those in Middle East, Central Asia, Africa, America and Asia-Pacific.

The Group anticipates that capital expenditures for the Oil, Gas and New Energy segment throughout 2024 will amount to RMB213,000 million.

Refining, Chemicals and New Materials

Capital expenditures for the Refining, Chemicals and New Materials segment of the Group amounted to RMB9,666 million for the first half of 2024, which were primarily used for large projects such as the refining and chemical transformation and upgrading project of Jilin Petrochemical Company and the Guangxi Petrochemical Company's integration of refining and petrochemical transformation and upgrading project, and the newly commenced Dushanzi Petrochemical Company's Tarim 1.2 million tons per year phase II ethylene project.

The Group anticipates that capital expenditures for the Refining, Chemicals and New Materials segment throughout 2024 will amount to RMB29,000 million.

Marketing

Capital expenditures for the Marketing segment of the Group amounted to RMB827 million for the first half of 2024, which were used primarily for the construction of domestic “oil, gas, hydrogen, power and non-oil products” integrated energy stations, the construction of charging and swapping power stations and the optimization of deployment of terminal network.

The Group anticipates that capital expenditures for the Marketing segment throughout 2024 will amount to RMB7,000 million.

Natural Gas Sales

Capital expenditures for the Natural Gas Sales segment of the Group amounted to RMB576 million for the first half of 2024, which were primarily used for the construction of Fujian liquefied natural gas (“LNG”) receiving stations and export pipelines, natural gas branch lines and market development projects for urban gas end-market.

The Group anticipates that capital expenditures for the Natural Gas Sales segment throughout 2024 will amount to RMB6,000 million.

Head Office and Other

Capital expenditures for the Head Office and Other segment for the first half of 2024 amounted to RMB460 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 2024 will amount to RMB3,000 million.

3.1.4 Business Prospects for the Second Half of 2024

In the second half of 2024, the world economy is expected to maintain moderate growth, and China’s economy will continue to rebound to a good momentum, but the internal and external situations are still complicated. Supply and demand in the international crude oil market are generally balanced, and international oil prices are expected to remain high and volatile. The domestic refined oil products market is facing the fierce competition, and the demand for natural gas market maintains rapid growth. The Group will actively respond to market changes, implement high-quality development requirements, adjust and optimize production and operation strategies in a timely manner, maintain the safe, stable and efficient operation of oil and gas industrial chains and various business, focus on enhancing the quality and profitability of business development, accelerate the layout of emerging industries, and strive to create value for shareholders.

In terms of oil, gas and new energy segment, the Group will adhere to efficient exploration and high-profitable development, focus on increasing the large-scale economically recoverable reserves and improving the reserve-production ratio, strengthen the risk-oriented exploration, further promote the concentrated exploration and development in the large-scale increasing reserves fields in basins such as Tarim, Ordos and Sichuan, deepen the fine exploration and development in the oil-rich sags in the eastern basins, coordinate and promote the efficient and stable production in old areas and the profitable and productive development in new areas on an overall basis, strive to improve the recovery ratio of old oil and gas fields, and focus on major construction and production projects. The Group will focus on the concentrated exploration of

projects including Chad PSA and Kazakhstan Aktobe, improve the profitability and reserves increase scale, strengthen the construction of key production capacity including West Qurna in Iraq, accelerate the first-phase operation of the Canadian LNG project, intensify the acquisition of new projects, and continuously optimize the structure of overseas oil and gas assets. The Group will actively participate in the competitive bidding for wind power and photovoltaic power quota, strive to expand the domestic geothermal heating market, make solid progress in the industrial layout of hydrogen energy and the development and utilization of associated resources, and accelerate the construction of Songliao CCUS-EOR demonstration base and the cluster development of Ordos CCUS.

In respect of refining, chemicals and new materials segment, the Group will adhere to the principles of market orientation and profitability, promote the allocation of resources to enterprises with integration of refining and chemicals and with good profitability, optimize crude oil processing routes and product structure, increase production of high-grade gasoline, aviation kerosene, paraffin, low-sulphur petroleum coke and other marketable products, make efforts to increase the load of ethylene, paraxylene (PX) and other chemical devices, vigorously develop the business of new chemical materials, and strive to increase the output of functional synthetic resin, high-performance synthetic rubber and other products. The Group will continue to perfect the chemicals marketing mechanism, optimize the layout of domestic and international markets, and strive to enhance the sales volume, market share and profitability of chemical products. The Group will adhere to the high-end, intelligent and green direction, accelerate the transformation and upgrading, orderly carry out the construction of Blue Ocean New Materials and other projects, deeply promote the construction of smart plants and green enterprises, and carry out pilot projects for green and low-carbon transformation of refining and chemicals enterprises.

In terms of marketing segment, the group will deepen niche market study, judgment and research, formulate and implement detailed marketing strategies, i.e., allocating more resources to profitable areas and incremental markets, focus on the marketing of high-standard gasoline and aviation kerosene, make efforts to stabilize sales volume, enhance market share and increase sales profitability. The group will optimize incentive mechanisms and evaluation systems, perfect customer management from the perspective of lifecycle management and hierarchical and classified management, strive to expand customer scale, improve service quality and enhance customer stickiness. The Group will accelerate the green and low-carbon transformation, actively promote the layout of the charging business, intensify the development of the gas refilling business, steadily promote the hydrogenation business, deepen the integrated development of the oil products, non-oil products and charging business, and comprehensively build an integrated service system of “oil, gas, hydrogen, power and non-oil products”. The Group will continue to optimize the layout of domestic and overseas network, strengthen the global integrated operation and cross-regional operation of resources, and strive to enhance the overall efficiency of the industrial chain.

In terms of the natural gas sales segment, the Group will make an overall plan for the connection between resource supply and demands, highlight market-oriented approaches, enrich and improve combined marketing strategies such as purchasing spot goods on a commission basis and conducting exclusive transactions, increase online transactions and market-price selling, and constantly improve the profitability of natural gas sales. The Group will intensify market expansion, vigorously develop incremental customers in the stock market, accelerate the

implementation of incremental market projects, strive to expand the coastal high-end and high-profitable market, direct selling customers and end-customers, focus on the development of new energy business of natural gas power generation, and consolidate and increase market share. The Group will steadily and orderly promote the construction of LNG receiving stations and sales branch lines.

3.2 Other Financial Information

3.2.1 Principal Operations by Segment under CAS

	Income from principal operations for the first half of 2024	Cost of principal operations for the first half of 2024	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
Oil, Gas and New Energy	441,017	298,733	25.0	5.8	5.2	(0.5)
Refining, Chemicals and New Materials	632,639	504,735	4.8	10.7	15.9	(1.7)
Marketing	1,252,547	1,214,350	3.0	3.8	3.8	unchanged
Natural Gas Sales	295,146	281,813	4.5	7.8	7.2	0.6
Head Office and Other	397	101	-	136.3 ^(b)	(15.1)	-
Intersegment elimination	(1,100,213)	(1,104,815)	-	-	-	-
Total	1,521,533	1,194,917	12.9	5.2	5.7	(0.3)

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

(b) The relatively large increase in the income from principal operations of head office and other segment was primarily due to the significant increase in the income in relation to the research and development of the Group.

3.2.2 Principal Operations by Region under CAS

Revenue from external customers	For the first half of 2024	For the first half of 2023	Changes over the same period of the preceding year
	RMB million	RMB million	%
China's mainland	980,790	954,624	2.7
Others	573,079	525,247	9.1
Total	1,553,869	1,479,871	5.0

3.2.3 Final Dividend for the Year Ended December 31, 2023

The final dividend in respect of 2023 of RMB0.23 (inclusive of applicable tax) per share, amounting to a total of RMB42,095 million, was approved by the shareholders at the 2023 annual general meeting of the Company on June 5, 2024 and was paid on June 26, 2024 (A shares) and July 29, 2024 (H shares), respectively.

3.2.4 Interim Dividend for 2024 and Closure of Register of Members

The Board was authorised by the shareholders to approve the distribution of the interim dividend for 2024 at the 2023 annual general meeting of the Company on June 5, 2024. 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 2024 on the basis of a total of 183,020,977,818 shares of the Company as of June 30, 2024. The total amount of the interim dividends payable is approximately RMB40,265 million and is expected to be paid on September 19, 2024 (A Shares) and October 28, 2024 (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 18, 2024. The register of members of H shares will be closed from September 13, 2024 to September 18, 2024 (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 Hong Kong Registrars Limited on or before 4:30 p.m., September 12, 2024. 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 18, 2024 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 2024 interim dividend by the Board is RMB0.91542 to 1.00 Hong Kong dollar. Accordingly, the interim dividend will be 0.24033 Hong Kong dollar (inclusive of applicable tax) per H share.

The Company has appointed Bank of China (Hong Kong) Trustees 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 28, 2024 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稅法》) 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 non-resident 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 18, 2024.

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〈非居民納稅人享受協定待遇管理辦法〉的公告》(國家稅務總局公告 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 18, 2024 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 12, 2024 (address: Hong Kong Registrars 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 18, 2024.

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 國家稅務總局 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》(財稅[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 國家稅務總局 證監會關於深港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[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 Significant Events

4.1 Events after the Reporting Period

On August 26, 2024, Daqing Oilfield Company Limited (“Daqing Oilfield”), a wholly-owned subsidiary of the Company, entered into an acquisition agreement with Daqing Petroleum Administrative Bureau Co., Ltd. (“Daqing Petroleum Administrative Bureau”, a wholly-owned subsidiary of CNPC) and China Petroleum Electric Energy Co., Ltd. (“CNPC Electric Energy”, a wholly-owned subsidiary of Daqing Petroleum Administrative Bureau), pursuant to which Daqing Oilfield acquired 100% equity interests in CNPC Electric Energy held by Daqing Petroleum Administrative Bureau. The consideration for this equity acquisition under the acquisition agreement shall be RMB5.979 billion (excluding tax). This transaction constitutes a connected transaction of the Company and has been considered and approved at the 8th meeting of the 9th session of the Board, details of which are set out in the Company’s announcement published on August 26, 2024 on the websites of the Hong Kong Stock Exchange and Shanghai Stock Exchange.

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.

4.2 PRC government revised and promulgated the Administrative Measures for the Use of Natural Gas

On June 3, 2024, the National Development and Reform Commission promulgated the Administrative Measures for the Use of Natural Gas (Order [2024] No.21 of the National Development and Reform Commission of the People’s Republic of China) (《天然氣利用管理辦法》(中華人民共和國國家發展和改革委員會令 2024 年第 21 號)), retaining four categories for the use of natural gas “preferred, restricted, prohibited and permitted”, and supplementing and clarifying the connotation and specific work requirements of the four categories for the use of natural gas, strengthening policy guidance and operability, which has been implemented since August 1, 2024.

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 natural gas business of the Group.

5 Financial Report

5.1 Explanation for Changes in Accounting Policy, Accounting Estimate or Recognition Policy as Compared with those for Last Annual Report

5.1.1 Major impact of changes in CAS

In 2023, the Ministry of Finance promulgated the Notice on the Issuance of Interpretation of Accounting Standards for Business Enterprises No. 17 (“Interpretation No. 17”) and other documents, and the Group and the Company have used Interpretation No. 17 to prepare the financial statements for the six months ended 30 June 2024. In 2024, the Ministry of Finance published the Compilation of Guidelines for the Application of Accounting Standards for Business Enterprises (2024), in accordance with which the Group and the Company have prepared their financial statements for the six months ended 30 June 2024. The above documents and guidelines have no material impact on the financial statements of the Group and the Company.

5.1.2 Major impact of changes in IFRS Accounting Standards

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, 2023, 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 2024 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:

- Classification of Liabilities as Current or Non-current and Non-current liabilities with covenants—Amendments to IAS 1; and
- Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7.

None of these developments have had a material effect 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, 2024 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.

5.2 Nature, Corrected Amount, Reason and Impact of Material Accounting Error

Applicable Not applicable

5.3 The Balance Sheets and Income Statements with Comparatives

5.3.1 Condensed financial statements prepared in accordance with IFRS Accounting Standards

(1) Condensed Consolidated Statement of Comprehensive Income

	Notes	Six months ended June 30	
		2024	2023
		RMB million	RMB million
REVENUE	(i)	1,553,869	1,479,871
OPERATING EXPENSES			
Purchases, services and other		(1,064,417)	(1,004,823)
Employee compensation costs		(82,039)	(77,798)
Exploration expenses, including exploratory dry holes		(7,942)	(9,098)
Depreciation, depletion and amortisation		(116,569)	(113,017)
Selling, general and administrative expenses		(27,179)	(28,647)
Taxes other than income taxes		(134,794)	(130,220)
Other income, net		4,000	4,349
TOTAL OPERATING EXPENSES		<u>(1,428,940)</u>	<u>(1,359,254)</u>
PROFIT FROM OPERATIONS		<u>124,929</u>	<u>120,617</u>
FINANCE COSTS			
Exchange gain		4,976	14,099
Exchange loss		(4,729)	(14,041)
Interest income		4,426	3,597
Interest expense		(10,755)	(12,184)
TOTAL NET FINANCE COSTS		<u>(6,082)</u>	<u>(8,529)</u>
SHARE OF PROFIT OF ASSOCIATES AND JOINT VENTURES		10,292	9,667
PROFIT BEFORE INCOME TAX EXPENSE	(ii)	129,139	121,755
INCOME TAX EXPENSE	(iii)	(29,525)	(27,176)
PROFIT FOR THE PERIOD		<u>99,614</u>	<u>94,579</u>
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		(135)	79
Currency translation differences		(259)	2,894
Items that are or may be reclassified subsequently to profit or loss			
Currency translation differences		(603)	3,412
Cash flow hedges		(4,605)	(2,738)
Share of the other comprehensive income of associates and joint ventures accounted for using the equity method		63	379
OTHER COMPREHENSIVE INCOME, NET OF TAX		<u>(5,539)</u>	<u>4,026</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		<u>94,075</u>	<u>98,605</u>
PROFIT FOR THE PERIOD ATTRIBUTABLE TO:			
Owners of the Company		88,611	85,272
Non-controlling interests		11,003	9,307
		<u>99,614</u>	<u>94,579</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO:			
Owners of the Company		83,397	86,381
Non-controlling interests		10,678	12,224
		<u>94,075</u>	<u>98,605</u>
BASIC AND DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY (RMB Yuan)	(iv)	<u>0.48</u>	<u>0.47</u>

(2) Condensed Consolidated Statement of Financial Position

		June 30, 2024	December 31, 2023
	Notes	RMB million	RMB million
NON-CURRENT ASSETS			
Property, plant and equipment		1,491,025	1,521,867
Investments in associates and joint ventures		292,502	280,870
Equity investments measured at fair value through other comprehensive income		686	832
Right-of-use assets		194,195	196,594
Intangible and other non-current assets		86,954	71,708
Deferred tax assets		24,707	18,127
Time deposits with maturities over one year		5,599	3,930
TOTAL NON-CURRENT ASSETS		2,095,668	2,093,928
CURRENT ASSETS			
Inventories		182,674	180,533
Accounts receivable	(vi)	90,108	68,761
Derivative financial instruments		11,851	16,939
Prepayments and other current assets		128,905	106,805
Financial assets at fair value through other comprehensive income		11,142	10,661
Financial assets at fair value through profit or loss		9,895	7,404
Time deposits with maturities over three months but within one year		45,692	18,416
Cash and cash equivalents		192,104	249,001
TOTAL CURRENT ASSETS		672,371	658,520
CURRENT LIABILITIES			
Accounts payable and accrued liabilities	(vii)	407,722	362,155
Contract liabilities		77,862	83,928
Income taxes payable		15,178	11,152
Other taxes payable		63,109	62,763
Short-term borrowings		132,687	148,780
Derivative financial instruments		7,139	10,729
Lease liabilities		8,259	7,773
Financial liabilities at fair value through profit or loss		4,685	1,727
TOTAL CURRENT LIABILITIES		716,641	689,007
NET CURRENT LIABILITIES		(44,270)	(30,487)
TOTAL ASSETS LESS CURRENT LIABILITIES		2,051,398	2,063,441
EQUITY			
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY:			
Share capital		183,021	183,021
Retained earnings		965,730	919,404
Reserves		340,910	343,738
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY		1,489,661	1,446,163
NON-CONTROLLING INTERESTS		188,248	184,210
TOTAL EQUITY		1,677,909	1,630,373
NON-CURRENT LIABILITIES			
Long-term borrowings		81,126	143,198
Asset retirement obligations		146,864	144,299
Lease liabilities		112,170	113,438
Deferred tax liabilities		23,832	23,130
Other long-term obligations		9,497	9,003
TOTAL NON-CURRENT LIABILITIES		373,489	433,068
TOTAL EQUITY AND NON-CURRENT LIABILITIES		2,051,398	2,063,441

(3) Selected notes from the financial statements prepared in accordance with IFRS Accounting Standards

(i) 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 contract is recognized primarily at a certain point.

(ii) Profit Before Income Tax Expense

	Six months ended June 30	
	2024	2023
	RMB million	RMB million
Items credited and charged in arriving at the profit before income tax expense include:		
<u>Credited</u>		
Dividend income from equity investment measured at fair value through other comprehensive income	13	10
Reversal of provision for impairment of receivables	113	549
Reversal of write down in inventories	155	168
Gain on disposal of investment in subsidiaries	682	91
Gain from ineffective portion of cash flow hedges	448	882
<u>Charged</u>		
Amortisation of intangible and other assets	2,020	2,114
Depreciation and impairment losses:		
Property, plant and equipment	106,836	103,517
Right-of-use assets	7,713	7,386
Cost of inventories recognised as expense	1,228,334	1,164,467
Provision for impairment of receivables	282	136
Interest expense (i)	10,755	12,184
Loss on disposal and scrap of property, plant and equipment	825	797
Variable lease payments, low-value and short-term lease payment not included in the measurement of lease liabilities	1,219	1,062
Research and development expenses	9,657	9,651
Write down in inventories	351	1,613
Investment loss from disposal of derivative financial instruments	9,962	4,279
Impairment of other non-current assets	20	-
 (i) Interest expense		
Interest expense	10,978	12,383
Include: Interest on lease liabilities	2,609	2,617
Less: Amount capitalised	(223)	(199)
	10,755	12,184

(iii) Income Tax Expense

	Six months ended June 30	
	2024	2023
	RMB million	RMB million
Current taxes	35,553	25,740
Deferred taxes	(6,028)	1,436
	<u>29,525</u>	<u>27,176</u>

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), 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%.

(iv) Basic and Diluted Earnings Per Share

Basic and diluted earnings per share for the six months ended June 30, 2024 and June 30, 2023 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.

(v) Dividends

	Six months ended June 30	
	2024	2023
	RMB million	RMB million
Interim dividends attributable to owners of the Company for 2024 (a)	40,265	-
Interim dividends attributable to owners of the Company for 2023 (c)	-	38,434

- (a) As authorised by shareholders in the Annual General Meeting on June 5, 2024, the Board of Directors resolved to distribute interim dividends attributable to owners of the Company in respect of 2024 of RMB 0.22 yuan (inclusive of applicable tax) per share, amounting to a total of RMB 40,265 million on August 26, 2024. 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 2023 of RMB 0.23 yuan (inclusive of applicable tax) per share, amounting to a total of RMB 42,095 million, 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).
- (c) Interim dividends attributable to owners of the Company in respect of 2023 of RMB 0.21 yuan (inclusive of applicable tax) per share, amounting to a total of RMB 38,434 million, were paid on September 20, 2023 (A shares) and October 30, 2023 (H shares).
- (d) Final dividends attributable to owners of the Company in respect of 2022 of RMB 0.22 yuan (inclusive of applicable tax) per share, amounting to a total of RMB 40,265 million, were approved at the 2022 Annual General Meeting held on June 8, 2023 and were paid on June 28, 2023 (A shares) and July 28, 2023 (H shares).

(vi) Accounts Receivable

	December 31,	
	June 30, 2024	2023
	RMB million	RMB million
Accounts receivable	92,626	71,448
Less: Provision for impairment of accounts receivable	(2,518)	(2,687)
	90,108	68,761

The aging analysis of accounts receivable (net of impairment of accounts receivable) based on the date of revenue recognition, as of June 30, 2024 and December 31, 2023 is as follows:

	December 31,	
	June 30, 2024	2023
	RMB million	RMB million
Within 1 year	88,098	67,088
Between 1 and 2 years	1,484	1,491
Between 2 and 3 years	481	148
Over 3 years	45	34
	90,108	68,761

The Group offers its customers credit terms up to 180 days.

(vii) Accounts Payable and Accrued Liabilities

	June 30, 2024	December 31, 2023
	RMB million	RMB million
Trade payables	168,472	169,664
Salaries and welfare payable	18,890	8,522
Dividends payable	7,621	470
Notes payables	18,348	20,731
Construction fee and equipment cost payables	98,691	119,492
Others ^(a)	95,700	43,276
	<u>407,722</u>	<u>362,155</u>

(a) Others consist primarily of deposit, earnest money, caution money and insurance payables, etc.

The aging analysis of trade payables as of June 30, 2024 and December 31, 2023 is as follows:

	June 30, 2024	December 31, 2023
	RMB million	RMB million
Within 1 year	159,084	159,875
Between 1 and 2 years	2,191	2,644
Between 2 and 3 years	936	842
Over 3 years	6,261	6,303
	<u>168,472</u>	<u>169,664</u>

(viii) 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.

The segment information for the operating segments for the six months ended June 30, 2024 and 2023 are as follows:

	Oil, Gas and New Energy	Refining, Chemicals and New Materials	Marketing	Natural Gas Sales	Head Office and Other	Total
Six months ended June 30, 2024	RMB million	RMB million	RMB million	RMB million	RMB million	RMB million
Revenue	449,723	635,566	1,269,126	298,079	1,588	2,654,082
Less: Intersegment sales	(378,608)	(432,759)	(273,274)	(15,483)	(89)	(1,100,213)
Revenue from external customers	<u>71,115</u>	<u>202,807</u>	<u>995,852</u>	<u>282,596</u>	<u>1,499</u>	<u>1,553,869</u>
Depreciation, depletion and amortisation	(90,818)	(14,015)	(8,500)	(2,421)	(815)	(116,569)
Including:						
Impairment losses of property, plant and equipment	-	-	-	-	-	-
Profit/(loss) from operations	91,659	13,629	10,104	16,805	(7,268)	124,929

	Oil, Gas and New Energy	Refining, Chemicals and New Materials	Marketing	Natural Gas Sales	Head Office and Other	Total
Six months ended June 30, 2023	RMB million	RMB million	RMB million	RMB million	RMB million	RMB million
Revenue	424,782	575,005	1,225,310	276,341	1,256	2,502,694
Less: Intersegment sales	(355,390)	(418,608)	(235,988)	(12,676)	(161)	(1,022,823)
Revenue from external customers	<u>69,392</u>	<u>156,397</u>	<u>989,322</u>	<u>263,665</u>	<u>1,095</u>	<u>1,479,871</u>
Depreciation, depletion and amortisation	(86,939)	(14,096)	(8,703)	(2,460)	(819)	(113,017)
Including:						
Impairment losses of property, plant and equipment	-	-	-	(16)	-	(16)
Profit/(loss) from operations	85,515	18,350	10,945	14,120	(8,313)	120,617

5.5.2 Financial statements prepared in accordance with CAS

(1) Consolidated and Company Balance Sheets

Unit: RMB million

ASSETS	June	December	June	December
	30, 2024	31, 2023	30, 2024	31, 2023
	The Group	The Group	The Company	The Company
Current assets				
Cash at bank and on hand	238,880	269,873	53,829	62,807
Financial assets at fair value through profit or loss	9,895	7,404	-	-
Derivative financial assets	11,851	16,939	37	33
Accounts receivable	90,108	68,761	18,542	8,474
Receivables financing	11,142	10,661	10,998	10,031
Advances to suppliers	24,847	12,461	15,266	6,266
Other receivables	41,629	31,090	20,090	15,235
Inventories	182,674	180,533	108,070	110,386
Other current assets	61,345	60,798	47,001	45,565
Total current assets	672,371	658,520	273,833	258,797
Non-current assets				
Investments in other equity instruments	693	839	162	173
Long-term equity investments	292,606	280,972	524,303	510,328
Fixed assets	458,868	468,178	246,302	254,065
Oil and gas properties	831,001	856,256	638,026	652,256
Construction in progress	201,156	197,433	121,847	115,035
Right-of-use assets	123,479	125,423	53,530	53,675
Intangible assets	91,529	92,744	65,857	66,760
Goodwill	7,476	7,442	77	77
Long-term prepaid expenses	13,153	14,089	7,910	8,585
Deferred tax assets	24,707	18,127	2,931	-
Other non-current assets	51,258	32,687	73,131	61,323
Total non-current assets	2,095,926	2,094,190	1,734,076	1,722,277
TOTAL ASSETS	2,768,297	2,752,710	2,007,909	1,981,074

Unit: RMB million

	June 30, 2024	December 31, 2023	June 30, 2024	December 31, 2023
LIABILITIES AND EQUITY	The Group	The Group	The Company	The Company
Current liabilities				
Short-term borrowings	40,594	38,979	24,202	17,445
Financial liabilities at fair value through profit or loss	4,685	1,727	-	-
Derivative financial liabilities	7,139	10,729	13	33
Notes payable	18,348	20,731	18,082	20,006
Accounts payable	267,163	289,156	93,669	101,615
Contract liabilities	77,862	83,928	59,125	62,178
Employee compensation payable	18,890	8,522	14,674	6,159
Taxes payable	78,287	73,915	48,429	46,717
Other payables	81,875	28,547	171,438	119,258
Current portion of non-current liabilities	100,680	117,816	34,472	111,672
Other current liabilities	21,118	14,957	15,276	8,962
Total current liabilities	716,641	689,007	479,380	494,045
Non-current liabilities				
Long-term borrowings	70,126	126,165	30,361	27,947
Debentures payable	11,000	17,033	11,000	13,500
Lease liabilities	112,170	113,438	42,200	41,795
Provisions	146,864	144,299	108,837	107,128
Deferred tax liabilities	23,846	23,144	-	325
Other non-current liabilities	9,497	9,003	5,065	4,726
Total non-current liabilities	373,503	433,082	197,463	195,421
Total liabilities	1,090,144	1,122,089	676,843	689,466
Equity				
Share capital	183,021	183,021	183,021	183,021
Capital surplus	123,092	123,078	122,738	122,678
Special reserve	9,230	6,858	5,888	3,945
Other comprehensive income	(23,938)	(18,724)	1,126	1,099
Surplus reserves	237,802	237,802	226,710	226,710
Undistributed profits	960,697	914,375	791,583	754,155
Equity attributable to owners of the Company	1,489,904	1,446,410	1,331,066	1,291,608
Non-controlling interests	188,249	184,211	-	-
Total equity	1,678,153	1,630,621	1,331,066	1,291,608
TOTAL LIABILITIES AND EQUITY	2,768,297	2,752,710	2,007,909	1,981,074

(2) Consolidated and Company Income Statements

Unit: RMB million

Items	For the six months ended June 30, 2024	For the six months ended June 30, 2023	For the six months ended June 30, 2024	For the six months ended June 30, 2023
	The Group	The Group	The Company	The Company
Operating income	1,553,869	1,479,871	919,997	886,681
Less: Cost of sales	(1,228,334)	(1,164,467)	(713,704)	(684,195)
Taxes and surcharges	(134,438)	(129,856)	(95,875)	(98,667)
Selling expenses	(30,015)	(32,001)	(19,773)	(22,148)
General and administrative expenses	(29,644)	(26,121)	(17,785)	(16,014)
Research and development expenses	(9,657)	(9,651)	(8,232)	(8,127)
Finance expenses	(6,792)	(9,188)	(4,977)	(6,672)
Including: Interest expenses	(10,755)	(12,184)	(5,819)	(7,500)
Interest income	4,426	3,597	1,088	860
Add: Other income	7,891	8,371	7,534	7,883
Investment income	1,139	6,696	25,459	21,692
Including: Income from investment in associates and joint ventures	10,292	9,667	7,283	6,726
Gains from changes in fair value	8,634	1,659	10	(37)
Credit impairment (losses)/reversal	(169)	413	(79)	(28)
Asset impairment losses	(216)	(1,461)	(18)	(6)
Gains on asset disposal	262	148	235	123
Operating profit	<u>132,530</u>	<u>124,413</u>	<u>92,792</u>	<u>80,485</u>
Add: Non-operating income	719	1,052	617	679
Less: Non-operating expenses	(4,112)	(3,712)	(3,811)	(3,424)
Profit before income tax expense	<u>129,137</u>	<u>121,753</u>	<u>89,598</u>	<u>77,740</u>
Less: Income tax expense	(29,527)	(27,170)	(10,075)	(8,290)
Net profit	<u>99,610</u>	<u>94,583</u>	<u>79,523</u>	<u>69,450</u>
Classified by continuity of operations:				
Net profit from continuous operation	99,610	94,583	79,523	69,450
Net profit from discontinued operation	-	-	-	-
Classified by ownership:				
Owners of the Company	88,607	85,276	79,523	69,450
Non-controlling interests	11,003	9,307	-	-
Other comprehensive income, net of tax	(5,539)	4,026	27	317
Other comprehensive income (net of tax) attributable to owners of the Company	(5,214)	1,109	27	317
(1) Item that will not be reclassified to profit or loss				
Changes in fair value of investments in other equity instruments	(69)	56	(18)	(82)
(2) Items that may be reclassified to profit or loss				
Other comprehensive income recognised under equity method	63	379	111	461
Cash flow hedges	(4,605)	(2,738)	(66)	(62)
Currency translation differences	(603)	3,412	-	-
Other comprehensive income (net of tax) attributable to non-controlling interests	(325)	2,917	-	-
Total comprehensive income	<u>94,071</u>	<u>98,609</u>	<u>79,550</u>	<u>69,767</u>
Attributable to:				
Owners of the Company	83,393	86,385	79,550	69,767
Non-controlling interests	10,678	12,224	-	-
Earnings per share				
Basic earnings per share (RMB Yuan)	0.48	0.47	0.43	0.38
Diluted earnings per share (RMB Yuan)	0.48	0.47	0.43	0.38

6 Purchase, Sale or Redemption of Securities

Save as disclosed in section “2.6 Bonds Issued but Not Yet Overdue” of this announcement of interim results, the Company and its subsidiaries did not purchase, sell or redeem any listed securities of the Group during the six months ended June 30, 2024.

7 Disclosure of Other Information

Save as disclosed above, there have been no material changes in the information disclosed in the annual report of the Group for the year ended December 31, 2023 in respect of matters required to be disclosed under paragraph 46(3) of Appendix D2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Hong Kong Listing Rules”).

8 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 each Director and Supervisor, each Director and Supervisor has confirmed to the Company that each of them had complied with the requirements set out in the Model Code during the Reporting Period.

9 Compliance with the Corporate Governance Code

For the six months ended June 30, 2024, the Company has complied with all the code provisions of part 2 of the Corporate Governance Code set out in Appendix C1 to the Hong Kong Listing Rules.

10 Audit Committee

The audit committee of the Company comprises Ms. Hung Lo Shan Lusan, 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 results for the six months ended June 30, 2024.

By Order of the Board of Directors

PetroChina Company Limited

Dai Houliang

Chairman

Beijing, the PRC

August 26, 2024

As of the date of this announcement, the Board comprises Mr. Dai Houliang as Chairman; Mr. Hou Qijun as Vice Chairman and non-executive Director; Mr. Duan Liangwei and Mr. Xie Jun as non-executive Directors; Mr. Huang Yongzhang, Mr. Ren Lixin and Mr. Zhang Daowei as executive Directors; and Mr. Cai Jinyong, Mr. Jiang, Simon X., Mr. Zhang Laibin, Ms. Hung Lo Shan Lusan and Mr. Ho Kevin King Lun as independent non-executive Directors.

This announcement 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.

This announcement is prepared in English and Chinese. In the event of any inconsistency between the Chinese and English versions, the Chinese version shall prevail.