

# President's Report



In 2024, against the challenging backdrop of a declining demand for refined petroleum products and a cyclical downturn of the chemical industry, CNPC acted on the overall plan of the Board of Directors and stepped up efforts in optimizing production and operation, strengthening reforms and management, and further improving quality and efficiency. Our oil and gas industry chains and business operations have been running in a stable and well-ordered way, with main production indicators growing steadily and operating results reaching all-time highs. In 2024, the Company registered RMB 3,136.2 billion in operating income, RMB 301 billion in earnings before taxes and RMB 205.9 billion in net profit, making important contributions to national energy security and the overall recovery and growth of the Chinese economy.

This year, CNPC intensified efforts to boost reserve and production, as our oil, gas and new energies business was more capable of ensuring supply and generating profits. New breakthroughs were achieved in domestic E&P operations with nine 100-million-ton oil plays and eight 100-billion-cubic-meter gas plays confirmed. Newly proven oil in place totaled 868.64 million tons and newly proven gas in place stood at 996.9 billion cubic meters. In 2024, the Company produced

106.15 million tons of crude oil and 158.6 billion cubic meters of natural gas, with crude oil output growing steadily and natural gas output maintaining rapid growth. Overseas oil and gas businesses stayed stable and profitable. Domestic natural gas sales reached a new milestone of 240 billion cubic meters. The development of new energies sped up, with a cumulative installed capacity of wind and solar power exceeding 10 million kilowatts.

This year, CNPC stayed committed to green and intelligent development as our refining, chemicals, marketing and new materials business accelerated transformation and upgrading. The key ethylene projects at Jilin Petrochemical and Guangxi Petrochemical continued to advance. The preliminary work progressed steadily for projects such as the integrated refining and petrochemical project at Xizhong Island, Dalian. Based on a market-oriented approach, the Company optimized the product structure and achieved remarkable results in reducing the output of refined products and increasing the output of chemicals and specialty products. In 2024, the Company processed 188.22 million tons of crude oil domestically and produced 120.61 million tons of refined products. The gasoline and diesel yield decreased by

2.4 percentage points, while jet fuel output and specialty products increased by 20.3% and 6.6% respectively. Ethylene production reached 8.65 million tons, up 8.1% year-on-year. The output of new materials exceeded 2 million tons. The Company sold 119.22 million tons of refined products domestically with a steady increase in its market share, leveraging the enhanced production-sales coordination and precision marketing strategy. The Company's international trade business played an effective role in guaranteeing supply, reducing costs and boosting profitability through optimized resource channels.

This year, CNPC focused on improving the quality of services, further enhancing the strategic support and market competitiveness of our support and service business. Oilfield technical services operations facilitated balanced production and improved rig efficiency. The drilling depth of Shenditake 1 Well surpassed 10,000 meters as supporting engineering and technological capabilities continued to build up. Engineering and construction business strengthened project management and ensured the successful completion of major projects while continuously optimizing its market structure and achieving rapid growth in high-end markets and emerging industries. Equipment manufacturing business bolstered its research and development efforts and developed a number of flagship products.

This year, CNPC made new progress in high-quality development of capital and finance business, highlighting a focus on industry-finance integration. CNPC Capital continued to deepen industry-finance integration in support of the Company's core operations and introduced new marketing models to achieve robust results on all fronts. Kunlun Capital concentrated on emerging and future industries, and invested in a number of key projects in fields such as new energies, new materials and controlled nuclear fusion, facilitating CNPC's strategic transformation.

This year, CNPC enhanced reform and innovation with significant achievements in deepening management and improving quality and efficiency. We continued to optimize and improve the organizational system, steadily advancing the specialized reorganization of businesses such as technical services, engineering construction, and equipment

manufacturing. We redoubled efforts to improve quality and efficiency and generated gains over RMB 20 billion. Significant progress was achieved in building national strategic scientific and technological strength and major breakthroughs were made in promoting greater self-reliance and strength in science and technology. The "10,000-meter deep scientific research & oil and gas exploration" project was named among the first projects under the Sci-Tech Innovation Commercialization Program for Central SOEs. The Digital and Intelligent CNPC initiative yielded notable highlights with a number of digital transformation pilot projects.

This year, CNPC strengthened the ability to prevent and mitigate risks as our QHSE performance remained sound and steady. We pressed on with the three-year action plan for fundamental improvement of production safety and worked with the central leading group in environmental protection inspections to ensure effective risk prevention and achieve stable safety and environmental protection performance. Our green enterprise enhancement, energy conservation and carbon reduction efforts reduced energy consumption by 780,000 tons of coal equivalent, and water consumption by 8.24 million cubic meters. We actively promoted the Healthy Enterprise initiative and the "Weight Management Year" campaign to improve the physical and mental health of our employees.

In 2025, the operating environment for the Company remains complex, with both challenges and opportunities. Facing new circumstances, changes and requirements, we will focus on our central tasks, forge ahead with dedication and commitment, and strive to achieve annual production and operation targets to a high standard. We will contribute to ensuring national energy security, building China into a great country and achieving national rejuvenation through Chinese modernization.

President



Hou Qijun

