

## Message from the Chairman



In 2024, we earnestly implemented the important instructions of President Xi Jinping and the decisions and deployments of the CPC Central Committee and the State Council. In the face of complex and challenging circumstances, including volatile oil prices and sluggish market demand, we persevered with determination and hard work, achieving a series of remarkable accomplishments. Our high-quality development has reached new heights, making significant contributions to safeguarding national energy security and supporting China's economic recovery and growth.

We have remained steadfast in fulfilling our mission, continuously enhancing our energy supply capabilities. Major discoveries and breakthroughs were achieved in domestic oil and gas exploration, further improving the balance between reserves and production. Domestic and overseas oil and gas output reached a record high. The restructuring and upgrading of refining and chemical business accelerated. Construction commenced on the Blue Ocean high-end polyolefin project, while major projects in Jilin Petrochemical, Guangxi Petrochemical, and the ethane-to-ethylene project in Tarim progressed in an orderly manner. A preliminary layout for an integrated value chain

consisting of refining, chemicals, bio-manufacturing, fine chemicals and new materials has started to take shape. Our market share in refined petroleum products steadily increased, while sales of natural gas and chemical products reached historic highs.

We accelerated strategic deployments, driving vigorous development in emerging industries. Our new energy business expanded rapidly, with multiple new projects launched. Wind and solar power generation increased by 120% year-on-year, while geothermal development, CCUS/CCS initiatives, and hydrogen energy demonstration projects advanced steadily. Our New Materials Acceleration Program was implemented thoroughly, with output of new materials exceeding two million tons. Notable progress was made in the development of new products such as polycarbonate and polyoxymethylene, and metallocene product output maintained a leading domestic market share. We also made a strategic investment in a controlled nuclear fusion company, marking a substantial step forward in future-oriented industries.

We intensified R&D efforts and achieved major breakthroughs in scientific and technological innovation. Our key scientific and technological projects yielded significant results: the Shenditake 1 Well

recorded the world's first oil and gas discovery at a depth of 10,000 meters on land; our seismic exploration technology and equipment won the First Prize of the National Technology Invention Award; and we pioneered the industrial-scale production of polyolefin elastomers (POE) using gas-phase processes, reaching output level of 10,000 tons. We pushed forward with three key initiatives — IT infrastructure enhancement, digital empowerment and intelligent development. Our Kunlun Large Model became the first nationally certified generative AI model in the energy and chemical industry. These accomplishments mark significant milestones in building Digital & Intelligent CNPC.

We pursued systematic planning, achieving significant progress in deepened reforms and enhanced management. We developed a comprehensive blueprint for further all-round reform, advancing structural and institutional reforms in key areas such as the business unit system and specialized business restructuring. We exceeded the phased targets of the Reform Deepening and Enhancement Initiative, making solid strides in modernizing our corporate governance system and capabilities. Through the "Compliance Management Improvement Year" campaign, we implemented a high-standard "value-added version" of quality and efficiency enhancement, driving continuous improvements in management effectiveness and profitability.

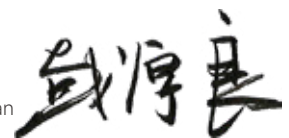
We championed openness and inclusiveness, delivering remarkable achievements in global energy cooperation. Anchored by major oil and gas projects and focused on Belt and Road partner countries, we deepened integration with worldwide energy development, creating powerful synergies. We successfully convened the 6<sup>th</sup> China-Russia Energy Business Forum and 7<sup>th</sup> CNPC International Cooperation Forum, and hosted over 100 foreign envoys at our headoffice, strengthening consensus on open collaboration. With all the efforts, we laid the foundation for the second golden decade of Belt and Road energy partnerships.

We shared development dividends, further strengthening our reputation as a model corporate citizen. Domestically, we responded proactively to national priorities of stabilizing growth and employment and to implementation of national major policies, by increasing investments in strategic projects, implementing large scale equipment modernization,

and hiring unprecedented numbers of university graduates. Upholding the values of "Harmony in Diversity, Shared Progress," we worked hand-in-hand with the people in pursuing a better life. We supported over 1,100 community projects across 28 provinces, leaving lasting contributions to rural revitalization. Globally, we prioritized host country development needs and concerns of stakeholders, and generated substantial employment and tax revenues, delivering sustainable socioeconomic value.

2025 is the concluding year of the 14<sup>th</sup> Five-Year Plan and the 75<sup>th</sup> anniversary of CNPC's founding. Guided by Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, we will continue to adhere to the general work tone of steady progress while ensuring stability, comprehensively implement the new development philosophy, and integrate into the new development pattern. We will focus on enhancing energy supply capacity and resilience of industrial and supply chains, and accelerate the development of self-reliance in science and technology and new quality productive forces. We will deepen reforms and strengthen management to ensure compliance and risk mitigation. We will continue to enhance our core functions and strengthen core competitiveness. With firm confidence and unwavering determination, we will overcome difficulties, deliver concrete results through dedicated action, and fully accomplish the goals and tasks of the 14<sup>th</sup> Five-Year Plan. We are committed to making meaningful contributions to national energy security and the broader mission of building a great country and advancing national rejuvenation through Chinese modernization.

Chairman



Dai Houliang

