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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)**

ANNOUNCEMENT

THIRD QUARTERLY REPORT OF 2023

Important Notice

- The board of directors, the supervisory committee and the directors, supervisors and senior management of PetroChina Company Limited (the “Company”) warrant the truthfulness, accuracy and completeness of the information contained in this quarterly report and that there are no misrepresentation or misleading statements contained in or material omissions from this quarterly report and jointly and severally accept full responsibility thereof.
- This quarterly report has been approved at the 4th meeting of the ninth session of the board of directors of the Company. All directors of the Company have attended this board meeting.
- Mr. Dai Houliang, chairman of the Company, Mr. Huang Yongzhang, director and president of the Company, and Mr. Wang Hua, chief financial officer of the Company, warrant the truthfulness, accuracy and completeness of the financial information set out in this quarterly report.
- The financial statements of the Company and its subsidiaries (the “Group”) have been prepared in accordance with the China Accounting Standards (“CAS”) and the International Financial Reporting Standards (“IFRS”), respectively. The financial statements set out in this quarterly report are unaudited.

1. Key Financial Data

1.1 Key Accounting Data and Financial Indicators Prepared under IFRS

Unit: RMB Million

Items	For the three months ended September 30, (July-September)				For the nine months ended September 30, (January-September)			
	2023	2022 (after retrospective adjustments) ^(a)	2022 (before retrospective adjustments)	Changes over the same period of the preceding year (%)	2023	2022 (after retrospective adjustments) ^(a)	2022 (before retrospective adjustments)	Changes over the same period of the preceding year (%)
Revenue	802,264	840,780	840,780	(4.6)	2,282,135	2,455,401	2,455,401	(7.1)
Profit for the period attributable to owners of the Company	46,379	38,304	37,880	21.1	131,651	119,931	120,271	9.8
Return on net assets (%)	3.27	2.86	2.82	0.41 percentage point	9.28	8.95	8.96	0.33 percentage point
Basic earnings per share (RMB)	0.25	0.21	0.21	21.1	0.72	0.66	0.66	9.8
Diluted earnings per share (RMB)	0.25	0.21	0.21	21.1	0.72	0.66	0.66	9.8

Unit: RMB Million

Items	From the beginning of the year to the end of reporting period	From the beginning of the preceding year to the end of the preceding reporting period (after retrospective adjustments) ^(a)	From the beginning of the preceding year to the end of the preceding reporting period (before retrospective adjustments)	Changes over the same period of the preceding year (%)
Net cash flows from operating activities	341,000	313,548	313,548	8.8
Total assets	2,781,820	2,670,079	2,673,485	4.2
Total equity attributable to owners of the Company	1,418,589	1,365,640	1,369,327	3.9

1.2 Key Accounting Data and Financial Indicators Prepared under CAS

1.2.1 Key Accounting Data and Financial Indicators

Unit: RMB Million

Items	For the three months ended September 30, (July-September)				For the nine months ended September 30, (January-September)			
	2023	2022 (after retrospective adjustments) (a)	2022 (before retrospective adjustments)	Changes over the same period of the preceding year (%)	2023	2022 (after retrospective adjustments) (a)	2022 (before retrospective adjustments)	Changes over the same period of the preceding year (%)
Operating income	802,264	840,780	840,780	(4.6)	2,282,135	2,455,401	2,455,401	(7.1)
Net profit attributable to shareholders of the Company	46,375	38,302	37,878	21.1	131,651	119,926	120,266	9.8
Net profit after deducting non- recurring profit/loss items attributable to shareholders of the Company	47,169	40,392	39,968	16.8	134,562	129,267	129,607	4.1
Weighted average returns on net assets (%)	3.26	2.85	2.82	0.41 percentage point	9.31	9.10	9.11	0.21 percentage point
Basic earnings per share (RMB)	0.25	0.21	0.21	21.1	0.72	0.66	0.66	9.8
Diluted earnings per share (RMB)	0.25	0.21	0.21	21.1	0.72	0.66	0.66	9.8

Unit: RMB Million

Items	From the beginning of the year to the end of reporting period		From the beginning of the preceding year to the end of the preceding reporting period (after retrospective adjustments) ^(a)		From the beginning of the preceding year to the end of the preceding reporting period (before retrospective adjustments)		Changes over the same period of the preceding year (%)
	As at the end of the reporting period	As at the end of the preceding year (after retrospective adjustments) ^(a)	As at the end of the preceding year (before retrospective adjustments)	As at the end of the preceding year (after retrospective adjustments) ^(a)			
Net cash flows from operating activities	341,000	313,548	313,548	313,548			8.8
Total assets	2,782,085	2,670,345	2,673,751	2,673,751			4.2
Total equity attributable to owners of the Company	1,418,839	1,365,889	1,369,576	1,369,576			3.9

(a) According to the Notice on Issuing Interpretation of Accounting Standards for Business Enterprises No. 16 promulgated by the Ministry of Finance and Amendments to International Accounting Standard 12 Income Tax, from January 1, 2023, the Group and the Company have implemented the relevant provisions regarding accounting treatment for the deferred income tax related to the assets and liabilities arising from an individual transaction that were not applicable to the initial recognition exemption, and the accumulative effect is adjusted to the initial retained earnings and other relevant financial statement items of the earliest period presented in the financial statements. The Group and the Company made retrospective adjustments to the individual transactions that existed between January 1, 2022 and the effective date that were under the above condition, and the comparative financial statements for 2022 have been restated accordingly. Except for the above impact, the above amendments have no material impact on the financial statements of the Group and the Company.

1.2.2 Non-Recurring Profit/Loss Items and Amounts

Unit: RMB Million

Non-recurring profit/loss items	Profit/(loss) for the three months ended September 30, 2023 (July - September)	Profit/(loss) for the nine months ended September 30, 2023 (January – September)
Losses on disposal of non-current assets	(364)	(1,065)
Government grants recognized in the income statement	149	544
Reversal of provisions for bad debts against receivables	1	542
Net gains arising from disposal of associates and joint ventures	26	39
Gains on disposal of subsidiaries	21	112
Gains/(Losses) on holding and disposal of other investments	600	(192)
Other non-operating income and expenses	(1,425)	(3,631)
Sub-total	<u>(992)</u>	<u>(3,651)</u>
Tax impact of non-recurring profit/loss items	207	780
Impact of non-controlling interests	(9)	(40)
Total	<u><u>(794)</u></u>	<u><u>(2,911)</u></u>

1.2.3 Changes in Key Accounting Data and Financial Indicators and the Reasons thereof

Not applicable.

1.3 Differences between CAS and IFRS

The total shareholders' equity as at September 30, 2023 under IFRS and CAS were RMB1,597,475 million and RMB1,597,726 million, respectively, with a difference of RMB251 million. The difference under the different accounting standard was primarily due to the valuation for assets other than fixed assets and oil and gas properties revalued in 1999. During the restructuring of the Company in 1999, a valuation was carried out for assets and liabilities injected by China National Petroleum Corporation (its Chinese name 中國石油天然氣集團公司 was changed to 中國石油天然氣集團有限公司 on December 19, 2017, abbreviated as "CNPC" before and after the change of name). The valuation results on assets other than fixed assets and oil and gas properties were not recognized in the financial statements prepared under IFRS.

2. Information on Shareholders

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

Total number of shareholders holding ordinary shares as at the end of the reporting period	474,239 shareholders including 468,672 holders of A shares and 5,567 registered holders of H shares.					
Shareholdings of the top ten shareholders						
Name of shareholders	Nature of shareholders	Percentage of Shareholdings (%)	Number of shares held	Number of shares with selling restrictions	Shares pledged, marked or subject to lock-ups	
					Condition of shares	Number of shares
CNPC	State-owned legal person	82.46	150,923,565,570 ⁽¹⁾	0		0
HKSCC Nominees Limited ⁽²⁾	Overseas legal person	11.42	20,906,404,656 ⁽³⁾	0		0
China Petrochemical Corporation	State-owned legal person	1.00	1,830,210,000	0		0
Hong Kong Securities Clearing Company Limited ⁽⁴⁾	Overseas legal person	0.67	1,218,643,059	0		0
China Securities Finance Corporation Limited	State-owned legal person	0.56	1,020,165,128	0		0
China Metallurgical Group Corporation	State-owned legal person	0.31	560,000,000	0		0
Central Huijin Asset Management Ltd.	State-owned legal person	0.11	201,695,000	0		0
Bosera Fund - Ansteel Group Corporation -Bosera Fund Xin'an No.1 Single Asset Management Plan	State-owned legal person	0.09	172,052,500	0		0
China Reform Investment Co., Ltd.	State-owned legal person	0.07	124,680,199	0		0
Bank of Communication Co., Ltd. - E Fund SSE 50 Index Enhanced Securities Investment Fund	State-owned legal person	0.06	110,623,301	0		0
Shareholdings of the top ten shareholders of shares without selling restrictions						
Name of shareholders			Number of shares held	Type of shares		
CNPC			150,923,565,570	A shares		
HKSCC Nominees Limited			20,906,404,656	H shares		
China Petrochemical Corporation			1,830,210,000	A shares		
Hong Kong Securities Clearing Company Limited			1,218,643,059	A shares		
China Securities Finance Corporation Limited			1,020,165,128	A shares		
China Metallurgical Group Corporation			560,000,000	A shares		
Central Huijin Asset Management Ltd.			201,695,000	A shares		
Bosera Fund - Ansteel Group Corporation - Bosera Fund Xin'an No.1 Single Asset Management Plan			172,052,500	A shares		
China Reform Investment Co., Ltd.			124,680,199	A shares		
Bank of Communication Co., Ltd. - E Fund SSE 50 Index Enhanced Securities Investment Fund			110,623,301	A shares		
Statement on the connection or activities acting in concert among the above-mentioned shareholders:						
Except for HKSCC Nominees Limited and Hong Kong Securities Clearing Company Limited that are wholly-owned subsidiaries of Hong Kong Exchanges and Clearing Limited, the Company is not aware of any connection among or between the other top ten shareholders or that they are persons acting in concert as provided for in the "Measures for the Administration of Acquisitions by Listed Companies".						

(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 issued shares 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 The Stock Exchange of Hong Kong Limited to hold the A shares of the Company listed on Shanghai Stock Exchange.*

2.2 Number of Shareholders Holding Preferred Shares and Shareholdings of Top Ten Shareholders Holding Preferred Shares of the Company

Not applicable.

3. Business Review

In the first three quarters of 2023, while the world economy maintained slow recovery, the PRC economy continued to recover steadily. The gross domestic product (“GDP”) increased by 5.2% as compared with the same period of last year. The supply and demand of international crude oil is generally sufficient. The effect of comprehensive impact of supply and demand fundamentals, monetary policies and geopolitical incidents had caused the international crude oil price fluctuated at medium and high price level. The average spot price of North Sea Brent crude oil was US\$82.07 per barrel, representing a decrease of 22.2% as compared with US\$105.51 per barrel for the same period of last year. The average spot price of the West Texas Intermediate crude oil was US\$77.36 per barrel, representing a decrease of 21.4% as compared with US\$98.39 per barrel for the same period of last year. The consumption in the domestic refined products market has realized recovery growth and the demand for domestic natural gas market has maintained rapid growth.

Seizing the opportunity of the recovery of the domestic macro-economic trend and the oil and gas market demand, the Group strictly implemented the new development philosophy and high-quality development requirements, coordinated production and operation, safety and environmental protection and reform and innovation. The Group vigorously strengthened the exploration and development of domestic oil and gas, increased its reserves and output, accelerated the structural adjustment and transformation and upgrading of refining and chemicals business, actively implemented its marketing and sales activities, continuously strengthened the improvement in trading profitability and further promoted the special action of improving quality and profitability. Both oil and gas industry chains operated safely, steadily and under control, main costs and expenses were under control and the operating results were the best compared with the same period in past years even under the condition of decrease in the oil and gas prices. In the first three quarters of 2023, the average realized price for crude oil of the Group was US\$75.28 per barrel, representing a decrease of 20.9% as compared with US\$95.19 per barrel for the same period of last year; the average selling price of the domestic natural gas was US\$8.81 per kilo cubic feet, representing a decrease of 4.8% as compared with US\$9.25 per kilo cubic feet for the same period of last year. For the first three quarters of 2023, the Group achieved a revenue of RMB2,282.135 billion under IFRS, representing a decrease of 7.1% as compared with RMB2,455.401 billion for the same period of last year; the profit for the period attributable to owners of the Company amounted to RMB131.651 billion, representing an increase of 9.8% as compared with RMB119.931 billion for the same period of last year; the net cash flows from operating activities and the free cash flow increased by 8.8% and 7.2% respectively as compared with the same period of last year. As such, the Group has a healthy financial position.

In respect of domestic business under oil, gas and new energy segment, the Group strengthened the exploration and development of oil and gas, vigorously increased reserves and production. As such, the crude oil production remained steadily with some increment and the natural gas production maintained

relatively rapid growth. The Group progressed with the infrastructure of the new energy bases and advanced the integrated development of oil, gas and new energy. In the first three quarters of 2023, the domestic crude oil output from the Group amounted to 583.8 million barrels, representing an increase of 1.2% as compared with 576.9 million barrels for the same period of last year; the marketable natural gas output from the Group amounted to 3,513.7 billion cubic feet, representing an increase of 6.6% as compared with 3,295.9 billion cubic feet for the same period of last year; the oil and natural gas equivalent output amounted to 1,169.4 million barrels, representing an increase of 3.8% as compared with 1,126.4 million barrels for the same period of last year. In terms of its overseas business, seizing the “Belt and Road Initiative” development opportunity, the Group continued optimizing the oil and gas exploration business layout and asset structure, constantly improving the asset quality of overseas oil and gas. In the first three quarters of 2023, the overseas crude oil output from the Group amounted to 122.2 million barrels, representing an increase of 22.1% as compared with 100.1 million barrels for the same period of last year; the marketable natural gas output of the Group amounted to 142.9 billion cubic feet, representing a decrease of 4.0% as compared with 148.9 billion cubic feet for the same period of last year; the oil and natural gas equivalent output amounted to 146.0 million barrels, representing an increase of 16.8% as compared with 125.0 million barrels for the same period of last year; the overall crude oil output from the Group amounted to 706.0 million barrels, representing an increase of 4.3% as compared with 677.0 million barrels for the same period of last year; the overall marketable natural gas output of the Group amounted to 3,656.6 billion cubic feet, representing an increase of 6.1% as compared with 3,444.8 billion cubic feet for the same period of last year; the oil and natural gas equivalent output amounted to 1,315.4 million barrels, representing an increase of 5.1% as compared with 1,251.4 million barrels for the same period of last year. The Group persisted in profitable exploration and development and effectively controlled costs and expenses. The unit oil and gas lifting costs for the first three quarters of 2023 were US\$11.25 per barrel, representing a decrease of 4.1% as compared with US\$11.73 per barrel for the same period of last year. For the first three quarters of 2023, the oil, gas and new energy segment achieved a revenue of RMB647,769 million, representing a decrease of 6.0% as compared with RMB688,759 million for the same period of last year, as a result of the comprehensive effect of the decrease in the crude oil prices and the increase in the sales volumes, and profit from operations of RMB132,696 million, representing a decrease of 4.5% as compared with RMB138,933 million for the same period of last year.

Key Figures for the Oil, Gas and New Energy Segment

Operating Figures	Unit	For the nine months ended September 30,		Changes (%)
		2023	2022	
Crude oil output	Million barrels	706.0	677.0	4.3
of which: Domestic	Million barrels	583.8	576.9	1.2
Overseas	Million barrels	122.2	100.1	22.1
Marketable natural gas output	Billion cubic feet	3,656.6	3,444.8	6.1
of which: Domestic	Billion cubic feet	3,513.7	3,295.9	6.6
Overseas	Billion cubic feet	142.9	148.9	(4.0)
Oil and natural gas equivalent output	Million barrels	1,315.4	1,251.4	5.1
of which: Domestic	Million barrels	1,169.4	1,126.4	3.8
Overseas	Million barrels	146.0	125.0	16.8

Note: 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.

In respect of refining, chemicals and new materials segment, the Group optimized production arrangement and maintained the safe, stable and high-load operation of the production equipment. The Group, by adhering to the market-oriented approach, continuously optimized business layout, kept adjusting and improving product structure, strived to increase production of high value-added and characteristic refined products. The Group promoted the “basic+high-end” chemical strategy and vigorously developed characteristic advantageous chemical products. The Group vigorously developed new materials business and continued to increase the production and sales of chemical and new materials products. The Group accelerated structure adjustment and transformation and upgrade and actively promoted the construction of key projects such as the transformation and upgrading of Jilin Petrochemical Branch and Guangxi Petrochemical Branch. For the first three quarters of 2023, the Group processed a total amount of 1,043.6 million barrels of crude oil, representing an increase of 16.5% as compared with 895.7 million barrels for the same period of last year. The Group produced 92.451 million tons of gasoline, kerosene and diesel, representing an increase of 19.4% as compared with 77.456 million tons for the same period of last year. The outputs of chemical commodity products reached 26.105 million tons, representing an increase of 11.2% as compared with 23.486 million tons for the same period of last year. For the first three quarters of 2023, the refining, chemicals and new materials segment achieved a revenue of RMB902.756 billion, representing an increase of 2.6% as compared with RMB879.521 billion for the same period of last year, and profit from operations of RMB27.812 billion, representing an increase of 5.5% as compared with RMB26.366 billion for the same period of last year, among which, the profit from operations in the refining business amounted to RMB27.681 billion, representing an increase of 4.1% as compared with RMB26.587 billion for the same period of last year, and the profit from operations in the chemicals business amounted to RMB131 million, representing an increase of RMB352 million as compared with the operating loss of RMB221 million for the same period of last year.

Key Figures for the Refining, Chemicals and New Materials Segment

Operating Figures	Unit	For the nine months ended September 30,		Changes (%)
		2023	2022	
Processed crude oil	Million barrels	1,043.6	895.7	16.5
Gasoline, kerosene and diesel output	'000 tons	92,451	77,456	19.4
of which: Gasoline	'000 tons	37,749	32,768	15.2
Kerosene	'000 tons	11,002	6,173	78.2
Diesel	'000 tons	43,700	38,515	13.5
Output of key chemical products				
Ethylene	'000 tons	5,826	5,498	6.0
Synthetic resin	'000 tons	9,158	8,623	6.2
Synthetic fiber materials and polymers	'000 tons	809	837	(3.3)
Synthetic rubber	'000 tons	703	795	(11.6)
Urea	'000 tons	1,590	1,995	(20.3)

Note: Figures have been converted at the rate of 1 ton of crude oil = 7.389 barrels.

In respect of the marketing segment, the Group seized the opportunity of domestic macroeconomic recovery and demand recovery in the domestic refined oil market, increased profitable market development efforts, enhanced the quality of marketing networks, optimized resource allocation, improved customer service quality and strived to expand the sales of refined oil. The Group actively promoted the layout in electric vehicle charging field, acquired Potevio New Energy Co., Ltd and continuously improved electric vehicle charging network. The Group, by adhering to the different operation philosophy in the “two markets” (domestic market and international market), continuously improved trade marketing capabilities and cross market operation capabilities and helped enhance the overall value of the industrial chain. In the first three quarters of 2023, the Group sold 125.624 million tons of gasoline, kerosene and diesel, representing an increase of 13.4% as compared with 110.751 million tons for the same period of last year, among which, 93.079 million tons of gasoline, kerosene and diesel were sold domestically, representing an increase of 17.2% as compared with 79.401 million tons for the same period of last year. For the first three quarters of 2023, the marketing segment achieved a revenue of RMB1,938.454 billion, representing a decrease of 8.1% as compared with RMB2,109.425 billion for the same period of last year, mainly due to a decrease in international trade revenue, and profit from operations of RMB17.277 billion, representing an increase of RMB10.035 billion as compared with RMB7.242 billion for the same period of last year.

Key Figures for the Marketing Segment

Operating Figures	Unit	For the nine months ended September 30,		Changes (%)
		2023	2022	
Total sales volume of gasoline, kerosene and diesel	'000 tons	125,624	110,751	13.4
of which: Gasoline	'000 tons	51,516	44,025	17.0
Kerosene	'000 tons	14,295	9,548	49.7
Diesel	'000 tons	59,813	57,178	4.6
Domestic sales volume of gasoline, kerosene and diesel	'000 tons	93,079	79,401	17.2
of which: Gasoline	'000 tons	39,330	34,707	13.3
Kerosene	'000 tons	7,655	4,487	70.6
Diesel	'000 tons	46,094	40,207	14.6

Number of gas stations and convenience stores	Unit	As at September 30, 2023	As at December 31, 2022	Changes (%)
Number of gas stations	Unit	22,509	22,586	(0.3)
Number of convenience stores	Unit	19,453	20,600	(5.6)

In respect of the natural gas sales segment, the Group coordinated and optimized the resource structure, market layout and customer structure. The Group continuously enhanced market development capabilities, customer service capabilities and transaction capabilities and strived to improve sales profitability. In the first three quarters of 2023, the Group sold 193.131 billion cubic meters of natural gas, representing an increase of 1.9% as compared with 189.466 billion cubic meters for the same period of last year, among which, 155.364 billion cubic meters of natural gas was sold domestically, representing an increase of 5.5% as compared with 147.246 billion cubic meters for the same period of last year. For the first three quarters of 2023, the natural gas sales segment achieved a revenue of RMB392.714 billion, representing an increase of 6.1% as compared with RMB370.062 billion for the same period of last year, and profit from operations of RMB19.476 billion, representing an increase of RMB3.832 billion as compared with RMB15.644 billion for the same period of last year.

4. Other Matters

PRC continuously implemented the preferential policies for reduction of resource tax on shale gas

On September 20, 2023, the Ministry of Finance and the State Taxation Administration issued the Announcement on Continued Implementation of Preferential Policies for Reduction of Resource Tax on Shale Gas (Announcement [2023] No. 46 of the Ministry of Finance and the State Taxation Administration) (關於繼續實施頁岩氣減征資源稅優惠政策的公告(財政部 稅務總局公告 2023 年第 46 號)), which clearly states that the resource tax on shale gas shall continue to be reduced by 30% based on the stipulated tax rate of 6% until December 31, 2027. This event was conducive to the sustainable and healthy development and positive operating results of the Group.

5. Quarterly Financial Statements

5.1 Financial statements for the third quarter of 2023 prepared in accordance with CAS

1. Consolidated Balance Sheet

ASSETS	September 30, 2023	December 31, 2022
	RMB million	RMB million
Current assets		
Cash at bank and on hand	276,590	225,049
Financial assets at fair value through profit or loss	2,558	3,876
Derivative financial assets	12,498	21,133
Accounts receivable	105,739	72,028
Receivables financing	10,039	4,376
Advances to suppliers	29,397	13,920
Other receivables	43,907	45,849
Inventories	186,706	167,751
Other current assets	57,367	59,885
Total current assets	724,801	613,867
Non-current assets		
Investments in other equity instruments	846	950
Long-term equity investments	278,924	269,671
Fixed assets	452,312	463,027
Oil and gas properties	814,601	832,610
Construction in progress	201,904	196,876
Right-of-use assets	126,415	132,735
Intangible assets	92,573	92,960
Goodwill	7,527	7,317
Long-term prepaid expenses	12,646	10,388
Deferred tax assets	18,092	16,293
Other non-current assets	51,444	33,651
Total non-current assets	2,057,284	2,056,478
TOTAL ASSETS	2,782,085	2,670,345

Chairman
Dai Houliang

Director and President
Huang Yongzhang

Chief Financial Officer
Wang Hua

1. Consolidated Balance Sheet (Continued)

LIABILITIES AND SHAREHOLDERS' EQUITY	September 30, 2023 RMB million	December 31, 2022 RMB million
Current liabilities		
Short-term borrowings	41,759	38,375
Financial liabilities at fair value through profit or loss	-	1,698
Derivative financial liabilities	8,333	11,146
Notes payable	20,473	15,630
Accounts payable	277,121	289,117
Contracts liabilities	86,334	77,337
Employee compensation payable	22,562	9,385
Taxes payable	49,310	53,514
Other payables	105,623	41,542
Current portion of non-current liabilities	129,389	70,561
Other current liabilities	13,022	15,958
Total current liabilities	753,926	624,263
Non-current liabilities		
Long-term borrowings	117,257	169,630
Debentures payable	17,080	52,848
Lease liabilities	114,158	118,200
Provisions	147,533	142,081
Deferred tax liabilities	25,583	21,313
Other non-current liabilities	8,822	7,594
Total non-current liabilities	430,433	511,666
Total liabilities	1,184,359	1,135,929
Shareholders' equity		
Share capital	183,021	183,021
Capital surplus	122,781	123,612
Special reserve	11,255	8,490
Other comprehensive income	(20,983)	(19,062)
Surplus reserves	224,570	224,570
Undistributed profits	898,195	845,258
Total equity attributable to equity holders of the Company	1,418,839	1,365,889
Non-controlling interests	178,887	168,527
Total shareholders' equity	1,597,726	1,534,416
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	2,782,085	2,670,345

Chairman
Dai Houliang

Director and President
Huang Yongzhang

Chief Financial Officer
Wang Hua

2. Company Balance Sheet

ASSETS	September 30, 2023 RMB million	December 31, 2022 RMB million
Current assets		
Cash at bank and on hand	116,769	72,308
Derivative financial assets	525	192
Accounts receivable	20,428	17,969
Receivables financing	9,834	4,164
Advances to suppliers	16,495	9,365
Other receivables	9,673	9,410
Inventories	117,192	109,354
Other current assets	45,719	45,204
Total current assets	336,635	267,966
Non-current assets		
Investments in other equity instruments	210	333
Long-term equity investments	480,611	471,795
Fixed assets	303,587	307,660
Oil and gas properties	625,046	628,338
Construction in progress	116,808	123,486
Right-of-use assets	54,453	58,000
Intangible assets	69,659	70,193
Goodwill	77	52
Long-term prepaid expenses	9,760	7,384
Other non-current assets	20,455	11,701
Total non-current assets	1,680,666	1,678,942
TOTAL ASSETS	2,017,301	1,946,908

Chairman
Dai Houliang

Director and President
Huang Yongzhang

Chief Financial Officer
Wang Hua

2. Company Balance Sheet (Continued)

LIABILITIES AND SHAREHOLDERS' EQUITY	September 30, 2023 RMB million	December 31, 2022 RMB million
Current liabilities		
Short-term borrowings	19,081	17,255
Derivative financial liabilities	326	-
Notes payable	19,863	15,213
Accounts payable	95,377	121,220
Contracts liabilities	63,675	55,861
Employee compensation payable	18,220	6,817
Taxes payable	29,981	34,512
Other payables	182,203	99,302
Current portion of non-current liabilities	104,882	53,157
Other current liabilities	6,380	10,572
Total current liabilities	539,988	413,909
Non-current liabilities		
Long-term borrowings	38,400	90,743
Debentures payable	13,500	49,380
Lease liabilities	42,440	44,700
Provisions	108,400	104,553
Deferred tax liabilities	2,157	328
Other non-current liabilities	4,113	4,302
Total non-current liabilities	209,010	294,006
Total liabilities	748,998	707,915
Shareholders' equity		
Share capital	183,021	183,021
Capital surplus	122,898	123,486
Special reserve	6,955	4,620
Other comprehensive income	1,112	720
Surplus reserves	213,478	213,478
Undistributed profits	740,839	713,668
Total shareholders' equity	1,268,303	1,238,993
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	2,017,301	1,946,908

Chairman
Dai Houliang

Director and President
Huang Yongzhang

Chief Financial Officer
Wang Hua

3-1. Consolidated Income Statement

Items	Three months ended September 30 (July-September)	
	2023	2022
	RMB million	RMB million
Operating income	802,264	840,780
Less: Cost of sales	(622,454)	(673,348)
Taxes and surcharges	(72,226)	(73,243)
Selling expenses	(18,140)	(16,964)
General and administrative expenses	(14,653)	(13,117)
Research and development expenses	(4,337)	(4,816)
Finance expenses	(4,816)	(5,902)
Including: Interest expenses	(5,997)	(5,551)
Interest income	1,685	1,068
Add: Other income	3,776	3,724
Investment income	(2,371)	(6,072)
Including: Income from investment in associates and joint ventures	5,832	4,737
Gains from changes in fair value	1,854	6,869
Credit impairment (losses)/reversal	(22)	63
Asset impairment losses	(14)	(12)
Gains on asset disposal	68	141
Operating profit	68,929	58,103
Add: Non-operating income	534	672
Less: Non-operating expenses	(2,243)	(3,759)
Profit before taxation	67,220	55,016
Less: Taxation	(15,448)	(12,676)
Net profit	51,772	42,340
Classified by continuity of operations:		
Net profit from continuous operation	51,772	42,340
Net profit from discontinued operation	-	-
Classified by ownership:		
Shareholders of the Company	46,375	38,302
Non-controlling interests	5,397	4,038
Earnings per share		
Basic earnings per share (RMB Yuan)	0.25	0.21
Diluted earnings per share (RMB Yuan)	0.25	0.21
Other comprehensive income, net of tax	(3,940)	11,467
Other comprehensive income (net of tax) attributable to equity holders of the Company	(2,909)	6,639
(1) Items that will not be reclassified to profit or loss:		
Changes in fair value of investments in other equity instruments	(10)	(69)
(2) Items that may be reclassified to profit or loss:		
Other comprehensive income recognized under equity method	(238)	491
(Losses)/gains on cash flow hedges	(397)	1,782
Translation differences arising from translation of foreign currency financial statements	(2,264)	4,435
Other comprehensive income (net of tax) attributable to non- controlling interests	(1,031)	4,828
Total comprehensive income	47,832	53,807
Attributable to:		
Equity holders of the Company	43,466	44,941
Non-controlling interests	4,366	8,866

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Wang Hua

3-2. Consolidated Income Statement

Items	Nine months ended September 30	
	2023	2022
	RMB million	RMB million
Operating income	2,282,135	2,455,401
Less: Cost of sales	(1,786,921)	(1,936,795)
Taxes and surcharges	(202,082)	(213,843)
Selling expenses	(50,141)	(49,736)
General and administrative expenses	(40,774)	(37,461)
Research and development expenses	(13,988)	(13,958)
Finance expenses	(14,004)	(15,086)
Including: Interest expenses	(18,181)	(15,195)
Interest income	5,282	2,443
Add: Other income	12,147	10,130
Investment income	4,325	(10,452)
Including: Income from investment in associates and joint ventures	15,499	12,841
Gains/(Losses) from changes in fair value	3,513	(1,563)
Credit impairment reversal/(losses)	391	(440)
Asset impairment losses	(1,475)	(579)
Gains on asset disposal	216	490
Operating profit	<u>193,342</u>	<u>186,108</u>
Add: Non-operating income	1,586	1,733
Less: Non-operating expenses	(5,955)	(14,493)
Profit before taxation	<u>188,973</u>	<u>173,348</u>
Less: Taxation	(42,618)	(40,058)
Net profit	<u>146,355</u>	<u>133,290</u>
Classified by continuity of operations:		
Net profit from continuous operation	146,355	133,290
Net profit from discontinued operation	-	-
Classified by ownership:		
Shareholders of the Company	131,651	119,926
Non-controlling interests	14,704	13,364
Earnings per share		
Basic earnings per share (RMB Yuan)	0.72	0.66
Diluted earnings per share (RMB Yuan)	0.72	0.66
Other comprehensive income, net of tax	<u>86</u>	<u>23,273</u>
Other comprehensive income (net of tax) attributable to equity holders of the Company	(1,800)	15,326
(1) Items that will not be reclassified to profit or loss:		
Changes in fair value of investments in other equity instruments	46	(158)
(2) Items that may be reclassified to profit or loss:		
Other comprehensive income recognized under equity method	141	714
(Losses)/gains on cash flow hedges	(3,135)	8,421
Translation differences arising from translation of foreign currency financial statements	1,148	6,349
Other comprehensive income (net of tax) attributable to non-controlling interests	1,886	7,947
Total comprehensive income	<u>146,441</u>	<u>156,563</u>
Attributable to:		
Equity holders of the Company	129,851	135,252
Non-controlling interests	16,590	21,311

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Chief Financial Officer
Wang Hua

4-1. Income Statement

Items	Three months ended September 30 (July-September)	
	2023	2022
	RMB million	RMB million
Operating income	469,173	440,600
Less: Cost of sales	(351,924)	(336,030)
Taxes and surcharges	(56,663)	(54,959)
Selling expenses	(12,956)	(12,770)
General and administrative expenses	(8,743)	(7,918)
Research and development expenses	(2,601)	(3,618)
Finance expenses	(3,807)	(3,161)
Including: Interest expenses	(3,862)	(3,749)
Interest income	499	513
Add: Other income	3,630	3,660
Investment income	8,433	11,393
Including: Income from investment in associates and joint ventures	4,346	3,517
Losses from changes in fair value	(104)	-
Credit impairment reversal	2	-
Asset impairment losses	(4)	(3)
Gains on asset disposal	39	99
Operating profit	<u>44,475</u>	<u>37,293</u>
Add: Non-operating income	417	523
Less: Non-operating expenses	<u>(1,927)</u>	<u>(3,298)</u>
Profit before taxation	<u>42,965</u>	<u>34,518</u>
Less: Taxation	<u>(6,526)</u>	<u>(2,942)</u>
Net profit	<u>36,439</u>	<u>31,576</u>
Classified by continuity of operations:		
Net profit from continuous operation	36,439	31,576
Net profit from discontinued operation	-	-
Earnings per share		
Basic earnings per share (RMB Yuan)	0.20	0.17
Diluted earnings per share (RMB Yuan)	<u>0.20</u>	<u>0.17</u>
Other comprehensive income, net of tax	85	329
Other comprehensive income (net of tax) attributable to equity holders of the Company	85	329
(1) Items that will not be reclassified to profit or loss:		
Changes in fair value of investments in other equity instruments	(4)	(29)
(2) Items that may be reclassified to profit or loss:		
Other comprehensive income recognized under equity method	(159)	358
Gains on cash flow hedges	248	-
Total comprehensive income	<u>36,524</u>	<u>31,905</u>

Chairman
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Huang Yongzhang

Chief Financial Officer
Wang Hua

4-2. Income Statement

Items	Nine months ended September 30	
	2023	2022
	RMB million	RMB million
Operating income	1,355,854	1,272,367
Less: Cost of sales	(1,036,119)	(953,363)
Taxes and surcharges	(155,330)	(161,554)
Selling expenses	(35,104)	(35,315)
General and administrative expenses	(24,757)	(22,665)
Research and development expenses	(10,728)	(11,292)
Finance expenses	(10,479)	(9,855)
Including: Interest expenses	(11,362)	(10,930)
Interest income	1,359	983
Add: Other income	11,513	9,814
Investment income	30,125	34,577
Including: Income from investment in associates and joint ventures	11,072	9,624
Losses from changes in fair value	(141)	-
Credit impairment losses	(26)	(45)
Asset impairment losses	(10)	(28)
Gains on asset disposal	162	356
Operating profit	<u>124,960</u>	<u>122,997</u>
Add: Non-operating income	1,096	1,425
Less: Non-operating expenses	(5,351)	(11,680)
Profit before taxation	<u>120,705</u>	<u>112,742</u>
Less: Taxation	(14,816)	(12,368)
Net profit	<u>105,889</u>	<u>100,374</u>
Classified by continuity of operations:		
Net profit from continuous operation	105,889	100,374
Net profit from discontinued operation	-	-
Earnings per share		
Basic earnings per share (RMB Yuan)	0.58	0.55
Diluted earnings per share (RMB Yuan)	<u>0.58</u>	<u>0.55</u>
Other comprehensive income, net of tax	402	477
Other comprehensive income (net of tax) attributable to equity holders of the Company	402	477
(1) Items that will not be reclassified to profit or loss:		
Changes in fair value of investments in other equity instruments	(86)	(52)
(2) Items that may be reclassified to profit or loss:		
Other comprehensive income recognized under equity method	302	529
Gains on cash flow hedges	186	-
Total comprehensive income	<u><u>106,291</u></u>	<u><u>100,851</u></u>

Chairman
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Wang Hua

5. Consolidated Cash Flow Statement

Items	Nine months ended September 30	
	2023	2022
	RMB million	RMB million
Cash flows from operating activities		
Cash received from sales of goods and rendering of services	2,387,228	2,534,856
Cash received relating to other operating activities	63,399	194,268
Sub-total of cash inflows	2,450,627	2,729,124
Cash paid for goods and services	(1,594,760)	(1,724,003)
Cash paid to and on behalf of employees	(109,839)	(102,468)
Payments of various taxes	(315,672)	(356,313)
Cash paid relating to other operating activities	(89,356)	(232,792)
Sub-total of cash outflows	(2,109,627)	(2,415,576)
Net cash flows from operating activities	341,000	313,548
Cash flows from investing activities		
Cash received from disposal of investments	43,606	30,355
Cash received from returns on investments	13,604	12,016
Net cash received from disposal of fixed assets, oil and gas properties, intangible assets and other long-term assets	697	362
Net cash received from disposal of subsidiaries and other business units	152	3,855
Sub-total of cash inflows	58,059	46,588
Cash paid to acquire fixed assets, oil and gas properties, intangible assets and other long-term assets	(175,175)	(158,270)
Cash paid to acquire investments	(47,980)	(30,389)
Net cash paid for the acquisition of subsidiaries and other business entities	(183)	(333)
Sub-total of cash outflows	(223,338)	(188,992)
Net cash flows used for investing activities	(165,279)	(142,404)
Cash flows from financing activities		
Cash received from capital contributions	414	293
Including: Cash received from non-controlling interests' capital contributions to subsidiaries	414	293
Cash received from borrowings	493,176	674,436
Sub-total of cash inflows	493,590	674,729
Cash repayments of borrowings	(523,237)	(682,182)
Cash payments for interest expenses and distribution of dividends or profits	(93,808)	(63,866)
Including: Subsidiaries' cash payments for distribution of dividends or profits to non-controlling interests	(7,254)	(4,119)
Cash payments relating to other financing activities	(9,138)	(10,096)
Sub-total of cash outflows	(626,183)	(756,144)
Net cash flows used for financing activities	(132,593)	(81,415)
Effect of foreign exchange rate changes on cash and cash equivalents	3,187	8,746
Net increase in cash and cash equivalents	46,315	98,475
Add: Cash and cash equivalents at the beginning of the period	191,190	136,789
Cash and cash equivalents at the end of the period	237,505	235,264

Chairman
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Wang Hua

6. Company Cash Flow Statement

Items	Nine months ended September 30	
	2023	2022
	RMB million	RMB million
Cash flows from operating activities		
Cash received from sales of goods and rendering of services	1,470,899	1,415,065
Cash received relating to other operating activities	12,316	11,125
Sub-total of cash inflows	1,483,215	1,426,190
Cash paid for goods and services	(926,144)	(850,640)
Cash paid to and on behalf of employees	(79,445)	(74,093)
Payments of various taxes	(223,308)	(253,751)
Cash paid relating to other operating activities	(17,549)	(29,975)
Sub-total of cash outflows	(1,246,446)	(1,208,459)
Net cash flows from operating activities	236,769	217,731
Cash flows from investing activities		
Cash received from disposal of investments	7,624	2,827
Cash received from returns on investments	34,423	54,801
Net cash received from disposal of fixed assets, oil and gas properties, intangible assets and other long-term assets	514	221
Net cash received from disposal of subsidiaries and other business units	-	392
Sub-total of cash inflows	42,561	58,241
Cash paid to acquire fixed assets, oil and gas properties, intangible assets and other long-term assets	(101,483)	(102,291)
Cash paid to acquire investments	(9,651)	(5,814)
Sub-total of cash outflows	(111,134)	(108,105)
Net cash flows used for investing activities	(68,573)	(49,864)
Cash flows from financing activities		
Cash received from borrowings	52,453	99,208
Sub-total of cash inflows	52,453	99,208
Cash repayments of borrowings	(87,305)	(101,514)
Cash payments for interest expenses and distribution of dividends or profits	(82,688)	(58,720)
Cash payments relating to other financing activities	(4,695)	(1,847)
Sub-total of cash outflows	(174,688)	(162,081)
Net cash flows used for financing activities	(122,235)	(62,873)
Net increase in cash and cash equivalents	45,961	104,994
Add: Cash and cash equivalents at the beginning of the period	68,808	31,955
Cash and cash equivalents at the end of the period	114,769	136,949

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Chief Financial Officer
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5.2 Financial statements for the third quarter of 2023 prepared in accordance with IFRS

1-1. Consolidated Statement of Comprehensive Income

	Three months ended September 30 (July-September)	
	2023	2022
	RMB million	RMB million
REVENUE	802,264	840,780
OPERATING EXPENSES		
Purchases, services and other	(540,907)	(596,888)
Employee compensation costs	(43,903)	(39,629)
Exploration expenses, including exploratory dry holes	(3,135)	(5,994)
Depreciation, depletion and amortization	(54,911)	(50,596)
Selling, general and administrative expenses	(16,683)	(15,120)
Taxes other than income taxes	(72,539)	(73,584)
Other expenses net	(4,567)	(3,127)
TOTAL OPERATING EXPENSES	<u>(736,645)</u>	<u>(784,938)</u>
PROFIT FROM OPERATIONS	<u>65,619</u>	<u>55,842</u>
FINANCE COSTS		
Exchange gain	3,043	10,156
Exchange loss	(2,962)	(11,234)
Interest income	1,685	1,068
Interest expense	(5,997)	(5,551)
TOTAL NET FINANCE COSTS	<u>(4,231)</u>	<u>(5,561)</u>
SHARE OF PROFIT OF ASSOCIATES AND JOINT VENTURES	<u>5,832</u>	<u>4,737</u>
PROFIT BEFORE INCOME TAX EXPENSE	<u>67,220</u>	<u>55,018</u>
INCOME TAX EXPENSE	<u>(15,444)</u>	<u>(12,676)</u>
PROFIT FOR THE PERIOD	<u>51,776</u>	<u>42,342</u>
OTHER COMPREHENSIVE INCOME		
(1) Items that will not be reclassified to profit or loss:		
Fair value changes in equity investment measured at fair value through other comprehensive income	(63)	(134)
Currency translation differences	(978)	4,893
(2) Items that are or may be reclassified subsequently to profit or loss:		
Currency translation differences	(2,264)	4,435
(Losses)/gains on cash flow hedges	(397)	1,782
Share of the other comprehensive income of associates and joint ventures accounted for using the equity method	(238)	491
OTHER COMPREHENSIVE INCOME, NET OF TAX	<u>(3,940)</u>	<u>11,467</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>47,836</u>	<u>53,809</u>
PROFIT FOR THE PERIOD ATTRIBUTABLE TO:		
Owners of the Company	46,379	38,304
Non-controlling interests	5,397	4,038
	<u>51,776</u>	<u>42,342</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO:		
Owners of the Company	43,470	44,943
Non-controlling interests	4,366	8,866
	<u>47,836</u>	<u>53,809</u>
BASIC AND DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY (RMB YUAN)	<u>0.25</u>	<u>0.21</u>

1-2. Consolidated Statement of Comprehensive Income

	Nine months ended September 30	
	2023	2022
	RMB million	RMB million
REVENUE	2,282,135	2,455,401
OPERATING EXPENSES		
Purchases, services and other	(1,545,730)	(1,708,419)
Employee compensation costs	(121,701)	(114,556)
Exploration expenses, including exploratory dry holes	(12,233)	(18,833)
Depreciation, depletion and amortization	(167,928)	(153,459)
Selling, general and administrative expenses	(45,330)	(43,529)
Taxes other than income taxes	(202,759)	(214,815)
Other expenses net	(218)	(26,933)
TOTAL OPERATING EXPENSES	(2,095,899)	(2,280,544)
PROFIT FROM OPERATIONS	186,236	174,857
FINANCE COSTS		
Exchange gain	17,142	19,076
Exchange loss	(17,003)	(20,669)
Interest income	5,282	2,443
Interest expense	(18,181)	(15,195)
TOTAL NET FINANCE COSTS	(12,760)	(14,345)
SHARE OF PROFIT OF ASSOCIATES AND JOINT VENTURES	15,499	12,841
PROFIT BEFORE INCOME TAX EXPENSE	188,975	173,353
INCOME TAX EXPENSE	(42,620)	(40,058)
PROFIT FOR THE PERIOD	146,355	133,295
OTHER COMPREHENSIVE INCOME		
(1) Items that will not be reclassified to profit or loss:		
Fair value changes in equity investment measured at fair value through other comprehensive income	16	(302)
Currency translation differences	1,916	8,091
(2) Items that are or may be reclassified subsequently to profit or loss:		
Currency translation differences	1,148	6,349
(Losses)/gains on cash flow hedges	(3,135)	8,421
Share of the other comprehensive income of associates and joint ventures accounted for using the equity method	141	714
OTHER COMPREHENSIVE INCOME, NET OF TAX	86	23,273
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	146,441	156,568
PROFIT FOR THE PERIOD ATTRIBUTABLE TO:		
Owners of the Company	131,651	119,931
Non-controlling interests	14,704	13,364
	146,355	133,295
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO:		
Owners of the Company	129,851	135,257
Non-controlling interests	16,590	21,311
	146,441	156,568
BASIC AND DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY (RMB YUAN)	0.72	0.66

2. Consolidated Statement of Financial Position

	September 30, 2023	December 31, 2022
	RMB million	RMB million
NON-CURRENT ASSETS		
Property, plant and equipment	1,468,817	1,492,513
Investments in associates and joint ventures	278,820	269,569
Equity investments measured at fair value through other comprehensive income	839	943
Right-of-use assets	197,159	203,065
Intangible and other non-current assets	89,880	69,813
Deferred tax assets	18,092	16,293
Time deposits with maturities over one year	3,412	4,016
TOTAL NON-CURRENT ASSETS	2,057,019	2,056,212
CURRENT ASSETS		
Inventories	186,706	167,751
Accounts receivable	105,739	72,028
Derivative financial instruments	12,498	21,133
Prepayments and other current assets	130,671	119,654
Financial assets at fair value through other comprehensive income	10,039	4,376
Financial assets at fair value through profit or loss	2,558	3,876
Time deposits with maturities over three months but within one year	39,085	33,859
Cash and cash equivalents	237,505	191,190
TOTAL CURRENT ASSETS	724,801	613,867
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	438,808	372,369
Contract liabilities	86,334	77,337
Income taxes payable	11,574	16,471
Other taxes payable	37,736	37,043
Short-term borrowings	163,527	100,639
Derivative financial instruments	8,333	11,146
Lease liabilities	7,614	7,560
Financial liabilities at fair value through profit or loss	-	1,698
TOTAL CURRENT LIABILITIES	753,926	624,263
NET CURRENT LIABILITIES	(29,125)	(10,396)
TOTAL ASSETS LESS CURRENT LIABILITIES	2,027,894	2,045,816
EQUITY		
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY:		
Share capital	183,021	183,021
Retained earnings	903,221	850,285
Reserves	332,347	332,334
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY	1,418,589	1,365,640
NON-CONTROLLING INTERESTS	178,886	168,526
TOTAL EQUITY	1,597,475	1,534,166
NON-CURRENT LIABILITIES		
Long-term borrowings	134,337	222,478
Asset retirement obligations	147,533	142,081
Lease liabilities	114,158	118,200
Deferred tax liabilities	25,569	21,297
Other long-term obligations	8,822	7,594
TOTAL NON-CURRENT LIABILITIES	430,419	511,650
TOTAL EQUITY AND NON-CURRENT LIABILITIES	2,027,894	2,045,816

3. Consolidated Statement of Cash Flows

	Nine months ended September 30	
	2023	2022
	RMB million	RMB million
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the period	146,355	133,295
Adjustments for:		
Income tax expense	42,620	40,058
Depreciation, depletion and amortization	167,928	153,459
Capitalized exploratory costs charged to expense	5,210	11,619
Safety fund reserve	2,850	2,864
Share of profit of associates and joint ventures	(15,499)	(12,841)
Accrual of provision for impairment of receivables, net	(390)	439
Write down in inventories, net	1,455	574
Impairment of other non-current assets	19	-
Loss on disposal and scrap of property, plant and equipment	1,197	7,923
Gain on disposal and scrap of other non-current assets	(132)	(309)
Gain on disposal of subsidiaries	(112)	(60)
Fair value (gain)/loss	(3,513)	1,563
Dividend income	(17)	(2)
Interest income	(5,282)	(2,443)
Interest expense	18,181	15,195
Changes in working capital:		
Accounts receivable, prepayments and other current assets	(57,931)	(89,591)
Inventories	(20,410)	(63,220)
Accounts payable and accrued liabilities	96,901	158,005
Contract liabilities	8,997	6,439
CASH FLOWS GENERATED FROM OPERATIONS	<u>388,427</u>	<u>362,967</u>
Income taxes paid	(47,427)	(49,419)
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u><u>341,000</u></u>	<u><u>313,548</u></u>

3. Consolidated Statement of Cash Flows (Continued)

	Nine months ended September 30	
	2023	2022
	RMB million	RMB million
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	(174,092)	(157,868)
Acquisition of investments in associates and joint ventures	(352)	(1,103)
Acquisition of intangible assets and other non-current assets	(1,083)	(402)
Acquisition of subsidiaries	(183)	(333)
Acquisition of financial assets at fair value through profit or loss	(8)	-
Proceeds from disposal of property, plant and equipment	239	89
Proceeds from disposal of other non-current assets	631	291
Proceeds from disposal of investments and investments in associates	152	3,855
Proceeds from disposal of financial assets at fair value through profit or loss	435	-
Interest received	5,755	1,765
Dividends received	7,849	10,251
(Increase)/Decrease in time deposits with maturities over three months	(4,622)	1,051
NET CASH FLOWS USED FOR INVESTING ACTIVITIES	(165,279)	(142,404)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments of short-term borrowings	(511,117)	(594,481)
Repayments of long-term borrowings	(12,120)	(87,701)
Repayments of lease liabilities	(9,138)	(10,096)
Interest paid	(12,312)	(9,337)
Dividends paid to non-controlling interests	(7,254)	(4,119)
Dividends paid to owners of the Company	(74,242)	(50,410)
Increase in short-term borrowings	468,611	605,048
Increase in long-term borrowings	24,565	69,388
Cash contribution from non-controlling interests	414	293
NET CASH FLOWS USED FOR FINANCING ACTIVITIES	(132,593)	(81,415)
TRANSLATION OF FOREIGN CURRENCY		
	3,187	8,746
Increase in cash and cash equivalents	46,315	98,475
Cash and cash equivalents at the beginning of the period	191,190	136,789
Cash and cash equivalents at the end of the period	237,505	235,264

4. Segment Information

	Nine months ended September 30	
	2023	2022
	RMB million	RMB million
Revenue		
Oil, Gas and New Energy		
Intersegment sales	542,827	578,823
Revenue from external customers	104,942	109,936
	<u>647,769</u>	<u>688,759</u>
Refining, Chemicals and New Materials		
Intersegment sales	669,582	624,806
Revenue from external customers	233,174	254,715
	<u>902,756</u>	<u>879,521</u>
Marketing		
Intersegment sales	370,197	374,681
Revenue from external customers	1,568,257	1,734,744
	<u>1,938,454</u>	<u>2,109,425</u>
Natural Gas Sales		
Intersegment sales	18,956	15,741
Revenue from external customers	373,758	354,321
	<u>392,714</u>	<u>370,062</u>
Head Office and Other		
Intersegment sales	231	188
Revenue from external customers	2,004	1,685
	<u>2,235</u>	<u>1,873</u>
Total revenue from external customers	<u>2,282,135</u>	<u>2,455,401</u>
Profit/(loss) from operations		
Oil, Gas and New Energy	132,696	138,933
Refining, Chemicals and New Materials	27,812	26,366
Marketing	17,277	7,242
Natural Gas Sales	19,476	15,644
Head Office and Other	(11,025)	(13,328)
	<u>186,236</u>	<u>174,857</u>

5.3 Auditors' Opinion Type and Auditors' Report

Not applicable.

By Order of the Board of Directors
PetroChina Company Limited
Dai Houliang
Chairman
Beijing, the PRC
October 30, 2023

As at 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 and Mr. Ren Lixin 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 is published in English and Chinese. In the event of any inconsistency between the two versions, the Chinese version shall prevail.