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)

(Stock Code: 857)

CONNECTED TRANSACTION
CAPITAL INCREASE IN KUNLUN CAPITAL

INTRODUCTION

The Board hereby announces that CNPC, the Company, CNPC Capital and Kunlun Capital entered into the Capital Increase Agreement on 28 August 2026, pursuant to which CNPC and the Company will subscribe for a capital increase in Kunlun Capital as its existing shareholders on a non-pro-rata basis.

CAPITAL INCREASE

The newly issued registered capital under the Capital Increase (the total subscription price of which is RMB11.6 billion) will be fully subscribed by CNPC and the Company. CNPC will contribute RMB7.395 billion to subscribe for newly increased registered capital of Kunlun Capital in the amount of RMB7,258,306,115.08, while the Company will contribute RMB4.205 billion to subscribe for newly increased registered capital of Kunlun Capital in the amount of RMB4,127,272,104.65. CNPC Capital, the remaining existing shareholder of Kunlun Capital, has waived its pre-emptive right to subscribe for the newly increased registered capital.

Upon completion of the Capital Increase, CNPC's subscribed capital of Kunlun Capital will increase to RMB14,767,886,487.33, representing a 56.56% equity interest in Kunlun Capital, and it will remain the controlling shareholder of Kunlun Capital; the Company's subscribed capital of Kunlun Capital will increase to RMB8,397,425,649.66, representing a 32.16% equity interest in Kunlun Capital. CNPC Capital will not participate in the Capital Increase, its subscribed capital of Kunlun Capital will remain RMB2,944,933,479.31, representing an 11.28% equity interest in Kunlun Capital.

REASONS FOR AND BENEFITS OF THE CAPITAL INCREASE

Participation in the Capital Increase will facilitate the implementation of the Company's innovation strategy and green and low-carbon strategy. By actively identifying strategic investment opportunities, the Company will advance the transformation and upgrading of its businesses, support the Company's efforts to nurture emerging industries and develop future-focused industries. The Company will contribute RMB4.205 billion out of its own funds to subscribe for the capital increase in Kunlun Capital jointly with CNPC. The capital contribution will be mainly used for, among others, Kunlun Capital's private equity investment funds and external equity investment businesses. Upon completion of the Capital Increase, Kunlun Capital will neither be a subsidiary of the Company nor an entity consolidated in the Company's financial statements.

Based on the foregoing reasons, the Board (including independent non-executive Directors) is of the view that the Capital Increase and the terms of the Capital Increase Agreement are fair and reasonable, entered into in the ordinary course of the Company's business on normal commercial terms or better, and are in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As at the date of this announcement, CNPC is the controlling shareholder of the Company and is a connected person of the Company under Chapter 14A of the Listing Rules. Kunlun Capital and CNPC Capital, as the controlled subsidiaries of CNPC, are associates of CNPC, and therefore connected persons of the Company. Accordingly, the Capital Increase constitutes a connected transaction of the Company under the Listing Rules.

As the highest applicable percentage ratio of the transaction exceeds 0.1% but is less than 5%, the Capital Increase shall be subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules, but exempt from the requirements in respect of a circular and the independent Shareholders' approval.

I. INTRODUCTION

The Board hereby announces that CNPC, the Company, CNPC Capital and Kunlun Capital entered into the Capital Increase Agreement on 28 August 2026, pursuant to which CNPC and the Company will subscribe for a capital increase in Kunlun Capital as its existing shareholders on a non-pro-rata basis.

II. THE CAPITAL INCREASE AGREEMENT

1. The principal terms of the Capital Increase Agreement are as below:

Date	:	28 August 2026
Parties	:	CNPC, the Company, CNPC Capital and Kunlun Capital
Capital increase of Kunlun Capital	:	CNPC and the Company will subscribe for a capital increase in Kunlun Capital as its existing shareholders on a non-pro-rata basis in cash. The newly issued registered capital under the Capital Increase (the total subscription price of which is RMB11.6 billion) will be fully subscribed by CNPC and the Company. CNPC will contribute RMB7.395 billion to subscribe for newly increased registered capital of Kunlun Capital in the amount of RMB7,258,306,115.08, while the Company will contribute RMB4.205 billion to subscribe for newly increased registered capital of Kunlun Capital in the amount of RMB4,127,272,104.65. CNPC Capital, the remaining existing shareholder of Kunlun Capital, has waived its pre-emptive right to subscribe for the newly increased registered capital. Upon completion of the Capital Increase, CNPC is the controlling shareholder of the Kunlun Capital. The newly issued registered capital under the Capital Increase (the total subscription price of which is RMB11.6 billion) will be fully subscribed by CNPC and the Company. CNPC will contribute RMB7.395 billion, of which RMB7,258,306,115.08 will be credited to Kunlun Capital's new registered capital, with the remaining credited to capital reserves. The Company will contribute RMB4.205 billion, of which RMB4,127,272,104.65 will be credited to Kunlun Capital's new registered capital, with the remaining credited to capital reserves.
Payment Schedule	:	In respect of the Capital Increase Agreement, CNPC and the Company shall pay 50% of the total amounts of contribution to the Capital Increase on or before 31 December 2026; 30% of the total amounts of contribution to the Capital Increase on or before 31 December 2027; and 20% of the total amounts of contribution to the Capital Increase on or before 31 December 2028.

2. Transaction Amount and Pricing Basis of This Capital Increase

The total amount of the Capital Increase of RMB11.6 billion has been confirmed by the parties to the Transaction through arm's length negotiation. The subscription price is determined with reference to the assessed market value of Kunlun Capital as at the Valuation Reference Date derived under the asset-based approach.

Pursuant to the Asset Valuation Report, based on the valuation conclusion under the asset-based approach, as at the Valuation Reference Date, the book value of net assets of Kunlun Capital amounted to RMB14,988.6425 million, its assessed value was RMB15,001.9734 million, the assessed appreciation was RMB13.3309 million, representing an appreciation rate of 0.09%.

The Board understands that the Independent PRC Valuer analysed the applicability of the three basic valuation approaches, namely the income approach, market approach and asset-based approach, having regard to the valuation purpose, valuation subject, type of value, information available and other circumstances to determine the valuation of 100% equity interest in Kunlun Capital. The Independent PRC Valuer ultimately adopted the market approach and the asset-based approach for the valuation, and selected the result under the asset-based approach as the valuation conclusion. For details of the Asset Valuation Report, please refer to Appendix I.

3. Shareholding Structure of Kunlun Capital

The capital contributions and shareholding of each of the shareholders of Kunlun Capital before and after the Capital Increase are set out below:

	Immediately Before Completion of the Capital Increase		**Immediately After Completion of the Capital Increase**	
Name of Shareholder	**Capital Contribution (RMB)**	**Shareholding Percentage (%)**	**Capital Contribution (RMB)**	**Shareholding Percentage (%)**
CNPC	7,509,580,372.25	51.00	14,767,886,487.33	56.56
The Company	4,270,153,545.01	29.00	8,397,425,649.66	32.16
CNPC Capital	2,944,933,479.31	20.00	2,944,933,479.31	11.28
Total	14,724,667,396.57	100.00	26,110,245,616.30	100.00

4. Reasons for and Benefits of the Capital Increase

Participation in the Capital Increase will facilitate the implementation of the Company's innovation strategy and green and low-carbon strategy. By actively identifying strategic investment opportunities, the Company will advance the transformation and upgrading of its businesses, support the Company's efforts to nurture emerging industries and develop future-focused industries. The Company will contribute RMB4.205 billion out of its own funds to subscribe for the capital increase in Kunlun Capital jointly with CNPC. The capital contribution will be mainly used for, among others, Kunlun Capital's private equity investment funds and external equity investment businesses. Upon completion of the Capital Increase, Kunlun Capital will neither be a subsidiary of the Company nor an entity consolidated in the Company's financial statements.

Based on the foregoing reasons, the Board (including independent non-executive Directors) is of the view that the Capital Increase and the terms of the Capital Increase Agreement are fair and reasonable, entered into in the ordinary course of the Company's business on normal commercial terms or better, and are in the interests of the Company and the Shareholders as a whole.

5. Listing Rules Implications

As at the date of this announcement, CNPC is the controlling shareholder of the Company and is a connected person of the Company under Chapter 14A of the Listing Rules. Kunlun Capital and CNPC Capital, as the controlled subsidiaries of CNPC, are associates of CNPC, and therefore connected persons of the Company. Accordingly, the Capital Increase constitutes a connected transaction of the Company under the Listing Rules.

As the highest applicable percentage ratio of the transaction exceeds 0.1% but is less than 5%, the Capital

Increase shall be subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules, but exempt from the requirements in respect of a circular and the independent Shareholders' approval.

The following Directors hold positions in CNPC and/or its associates and abstained from voting on the Board resolutions approving the Capital Increase Agreement and the Capital Increase on 28 August 2026: Mr. Dai Houliang, Mr. Zhou Xinhuai, Mr. Duan Liangwei, Mr. Zhou Song, Mr. Ren Lixin, Mr. Xie Jun, Mr. Zhang Daowei , Mr. Song Dayong and Mr. Zhou Jian. Save as disclosed above, none of the other Directors has any material interest in the transaction contemplated under the Capital Increase Agreement which would require him/her to abstain from voting on the relevant Board resolutions.

6. General Information

(i) The Company

The Company is a joint stock limited company established under the laws of the PRC. The H Shares and A Shares of the Company are listed on the Hong Kong Stock Exchange and the Shanghai Stock Exchange respectively. The Company and its subsidiaries are principally engaged in the exploration, development, production, transportation and marketing of crude oil and natural gas, and new energy business; the refining of crude oil and petroleum products; the production and marketing of primary petrochemical products, derivative petrochemical products and other chemical products, and new materials business; the marketing of refined products and non-oil products and trading business; and the transportation and sale of natural gas business.

(ii) CNPC

CNPC is a limited liability company incorporated under the laws of the PRC. CNPC is a state-authorised investment corporation and a large state-owned petroleum and petrochemical enterprise. CNPC is an integrated energy corporation with businesses covering oil and gas exploration and development, refining and petrochemical, oil product marketing, oil and gas storage and transportation, oil trading, engineering and technical services and petroleum equipment manufacturing. CNPC is the controlling shareholder and a connected person of the Company. The ultimate controller of CNPC is the State-owned Assets Supervision and Administration Commission of the State Council of the PRC.

(iii) CNPC Capital

CNPC Capital is a joint stock limited company incorporated under the laws of the PRC, the issued shares of which are listed on the Shenzhen Stock Exchange (stock code: 000617).

CNPC Capital is an integrated petroleum financial businesses platform comprising businesses of financial equity investment, financial asset supervision and financial risk control. It is a diversified comprehensive financial services enterprise of CNPC. CNPC Capital is a controlled subsidiary of CNPC.

(iv) Kunlun Capital

Kunlun Capital is a limited liability company incorporated under the laws of the PRC and is a controlled subsidiary of CNPC. Its principal businesses include private equity investment, investment management and asset management; private equity investment fund management and venture capital fund management services; financing advisory services; and enterprise management advisory services.

Set out below is the key audited consolidated financial data of Kunlun Capital under the China Accounting Standards for Business Enterprises for the two financial years ended 31 December 2025:

	For the year ended 31 December 2024 *(RMB million)*	**For the year ended 31 December 2025** *(RMB million)*
Profit before taxation	71.09	179.34
Total profit after taxation	50.05	136.71

As at 31 December 2025, the audited consolidated total assets of Kunlun Capital amounted to RMB15,085.11 million, and its net asset value was RMB14,992.77 million.

III. DEFINITIONS

In this announcement, unless otherwise defined, the following terms shall have the following meanings:

"Asset Valuation Report"	the asset valuation report on the value of the entire equity interest of Kunlun Capital in connection with the Proposed Capital Increase and Share Expansion issued by the Independent PRC Valuer (Zhuoxin Dahua Valuation Report (2026) No. 2059)
"Capital Increase" / "the Transaction"	the transaction contemplated under the Capital Increase Agreement, namely the issue by Kunlun Capital to CNPC and the Company of equity interests corresponding to registered capital of an aggregate of RMB11,385,578,219.73, at the total subscription price of RMB11.6 billion
"Capital Increase Agreement"	the capital increase agreement dated 28 August 2026 entered into among CNPC, the Company, CNPC Capital and Kunlun Capital
"A Share(s)"	the PRC listed domestic share(s) in the Company's share capital, with a nominal value of RMB1.00 each, which are listed on the Shanghai Stock Exchange and traded in RMB
"associate(s)"	has the meaning ascribed to it under the Listing Rules
"Board"	the board of directors of the Company
"CNPC"	China National Petroleum Corporation (中國石油天然氣集團有限公司), a state-owned enterprise incorporated under the laws of the PRC, and the controlling shareholder of the Company
"connected person"	has the meaning ascribed to it under the Listing Rules
"controlling shareholder"	has the meaning ascribed to it under the Listing Rules
"Company"	PetroChina Company Limited (中國石油天然氣股份有限公司), a joint stock company limited by shares incorporated in the PRC on 5 November 1999 under the laws of the PRC, the H Shares and A Shares of which are listed on the Hong Kong Stock Exchange and the Shanghai Stock Exchange, respectively
"CNPC Capital"	CNPC Capital Company Limited (中國石油集團資本股份有限公司), a joint stock company limited by shares incorporated under the laws of the PRC, the shares of which are listed on the Shenzhen Stock Exchange (stock code: 000617) and a controlled subsidiary of CNPC
"Kunlun Capital"	CNPC Kunlun Capital Company Limited (中國石油集團昆侖資本有限公司), a limited liability company incorporated under the laws of the PRC and a controlled subsidiary of CNPC

"Director(s)"	director(s) of the Company
"Group"	the Company and its subsidiaries
"H Shares"	the overseas listed foreign share(s) in the Company's share capital, with a nominal value of RMB1.00 each, which are listed on the Hong Kong Stock Exchange and traded in Hong Kong dollars
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Independent PRC Valuer"	Beijing Zhuoxin Dahua Assets Appraisal Co., Ltd. (北京卓信大華資產評估有限公司)
"Listing Rules"	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
"PRC"	the People's Republic of China
"RMB"	Renminbi, the lawful currency of the PRC
"%"	percentage
"Share(s)"	share(s) of the Company, including A Share(s) and H Share(s)
"Shareholder(s)"	holder(s) of the Shares
"subsidiary(ies)"	has the meaning ascribed to it under the Listing Rules
"Valuation Reference Date"	31 December 2025.

By order of the Board
PetroChina Company Limited
Company Secretary
WANG Hua

Beijing, the PRC
28 August 2026

As at the date of this announcement, the Board comprises Mr. Dai Houliang as Chairman; Mr. Zhou Xinhuai as *Vice Chairman and non-executive Director; Mr. Duan Liangwei, Mr. Zhou Song and Mr. Xie Jun as non-executive Directors; Mr. Ren Lixin, Mr. Zhang Daowei and Mr. Song Dayong as executive Directors; Mr. Ho Kevin King Lun, Mr. Yan, Andrew Y, Ms. Liu Xiaolei, Mr. Zhang Yuxin and Mr. Ng Kar Ling Johnny as independent non-executive Directors; and Mr. Zhou Jian as employee Director.*

APPENDIX I -- SUMMARY OF ASSET VALUATION REPORT

SELECTION OF VALUATION METHODS

According to the Asset Valuation Report, the Independent PRC Valuer has considered the practicality of three asset valuation methods, namely the income approach, market approach and asset-based approach, having regard to the valuation purpose, subject of valuation, type of value and availability of data, for the selection of valuation methods.

Having regard to the characteristics of the economic conduct corresponding to the valuation purpose of this assignment and the business data obtained from Kunlun Capital during the valuation site work, and considering that Kunlun Capital is still in the investment stage, the timing and amount of its exit from its investment targets cannot be determined for the time being, and the future returns and associated risks are difficult to measure in monetary terms, the prerequisites for adopting the income approach are not satisfied. Accordingly, the income approach is not appropriate for this valuation assignment.

There are a number of listed companies in PRC that are comparable or similar to the valued entity. The relevant basic information and financial data of such listed companies are available, satisfying the conditions for selecting comparable listed companies for comparison. Accordingly, the listed company comparison method under the market approach on a consolidated basis is appropriate for this valuation.

The result derived from the asset-based approach is determined mainly based on the replacement cost of each asset and liability of the enterprise as at the Valuation Reference Date and is highly reliable. There are no assets or liabilities that are difficult to identify or measure in this valuation assignment. Accordingly, the asset-based approach is appropriate for this valuation.

VALUATION OBJECT, SCOPE, LIMITATIONS AND SOURCE OF INFORMATION

The subject of this valuation is the entire equity interest of Kunlun Capital.

The financial statements of Kunlun Capital as at Valuation Reference Date have been audited by Tianzhi International Certified Public Accountants (Special General Partnership) (天職國際會計師事務所（特殊普通合夥）), which issued the audit report [2026] No. 3801. The scope of this valuation covers all audited assets and liabilities of Kunlun Capital.

The valuation conclusion is derived based on the purposes, assumptions, limiting conditions, basis, methodologies and procedures set out in the Asset Valuation Report. The valuation conclusion is valid only under the aforementioned purposes, basis, assumptions and premises, and serves exclusively the purpose of this valuation exercise.

VALUATION CONCLUSION

Based on the asset-based approach, the total book value of assets of Kunlun Capital amounted to RMB15,115.0640 million, with an assessed value of RMB15,128.3949 million, representing an appreciation of RMB13.3309 million and an appreciation rate of 0.09%. The total book value of liabilities of Kunlun Capital amounted to RMB126.4215 million, with an assessed value of RMB126.4215 million, reflecting no appreciation or depreciation. The total book value of net assets of Kunlun Capital amounted to RMB14,988.6425 million, with an assessed value of RMB15,001.9734 million, representing an appreciation of RMB13.3309 million and an appreciation rate of 0.09%.

Based on the market approach and subject to the validity of the valuation assumptions and limiting conditions, the total book value of shareholders' equity of Kunlun Capital as at the Valuation Reference Date was RMB14,988.6425 million, while its assessed value amounted to RMB15,135 million, representing an appreciation of RMB146.3575 million and an appreciation rate of 0.98%.

In respect of the market value of the entire shareholders' equity of Kunlun Capital as at the Valuation Reference Date, the valuation result derived from the asset-based approach was RMB15,001.9734 million, and the valuation result derived from the market approach was RMB15,135 million. The difference between the results obtained from the two valuation approaches amounted to RMB133.0266 million, representing a difference rate of 0.89%.

Kunlun Capital's core business covers equity investment and capital management services. Its identifiable net assets mainly consist of cash and cash equivalents, various receivables, other non-current financial assets and long-term equity investments. Kunlun Capital's asset and liability structure is clear, and asset measurement is reliable. The asset-based approach is capable of presenting the entire shareholders' equity value of the enterprise in an objective and prudent manner.

For the purpose of the Capital Increase, the results based on the asset-based approach better reflects the value of the valuation subject. Accordingly, the final valuation conclusion adopts the result based on the asset-based approach, pursuant to which the entire equity value of Kunlun Capital's shareholders is RMB15,001.9734 million.

APPLICATION OF THE ASSET-BASED APPROACH

The Independent PRC Valuer adopted valuation methods appropriate to the respective assets and liabilities of Kunlun Capital to assess each item of its assets and liabilities individually. The assessed values of all assets of Kunlun Capital were aggregated, and the total assessed value of liabilities was deducted therefrom, to determine the assessed value of net assets.

VALUATION ASSUMPTIONS

(I) General Assumptions

1. Transaction Assumption: It is assumed that all assets to be valued are already in the course of a transaction. The valuer conducts valuation by simulating market conditions based on the transaction parameters of the subject assets.

2. Open Market Assumption: It is assumed that assets traded or proposed to be traded in the open market are transacted between parties with equal bargaining positions. Both parties have sufficient access to market information and adequate time to make rational judgments regarding the functions, usage and transaction price of the assets.

3. Enterprise Going-Concern Assumption: It is assumed that the valued entity will continue its operations after the Valuation Reference Date.

4. Asset Continued-Use Assumption: It is assumed that the valued assets will continue to be used lawfully and effectively in accordance with their intended purpose, usage method, scale, frequency and environmental conditions, without material changes within the foreseeable period.

(II) Special Assumptions

1. It is assumed that there will be no material changes to the existing national laws, regulations and policies, the national macroeconomic situation, or the political, economic and social environment of the regions where the transaction parties operate.

2. It is assumed that the interest rates, exchange rates, tax bases and tax rates, and policy charges relevant to the valued entity will remain materially unchanged after the Valuation Reference Date.

3. It is assumed that the industry in which the valued entity operates will maintain stable development, and there will be no material changes to industry policies, management systems and relevant regulations.

4. It is assumed that no force majeure or unforeseen events will cause material adverse impact on the valued entity after the Valuation Reference Date.

5. It is assumed that the accounting policies adopted by the valued entity after the Valuation Reference Date will remain consistent in all material respects with those applied at the time of preparing this Asset Valuation Report.

6. It is assumed that the acquisition, procurement and construction processes of all assets covered by the valuation comply with applicable laws and regulations of the PRC.

7. It is assumed that the leased assets used in the business operations of the valued entity can be renewed upon expiry of the lease terms and can continue to be utilised normally.

VALIDITY PERIOD OF THE ASSET VALUATION REPORT

The valuation conclusion is valid for one year commencing from the Valuation Reference Date. The Asset Valuation Report shall not be applied beyond its validity period.