

Yanchang Petroleum International Limited (“Yanchang Petroleum International” or the “Company”) is principally engaged in the following activities (i) exploration, exploitation, and operation of oil and gas; and (ii) fuel oil trading and distribution. In its upstream operations, Yanchang Petroleum International possesses operating oilfields in Saskatchewan and Alberta, Canada, through its wholly owned subsidiary Novus Energy Inc., a Canadian enterprise. Novus engages in the business of acquiring, exploring for, developing and producing crude oil and natural gas. In its downstream operations, Yanchang Petroleum International is principally engaged in wholesale, retail, storage and transportation of oil products through its 70% owned subsidiary, Henan Yanchang Petroleum Sales Co., Limited, and which has been granted valid licenses for distribution and sales of oil products in China. .

Backed by state-owned Yanchang Petroleum Group

Yanchang Petroleum International is an important platform to develop the overseas business of the Yanchang Petroleum Group, the majority shareholder of the Company. Yanchang Petroleum Group is among the top four state-owned oil and gas enterprises in China, which ranked No. 257 in the Fortune Global 500 in 2022. With the support of its majority shareholder, Yanchang Petroleum International shall develop with a steady pace.

2023 Business Highlights

- Revenue of the year amounted to HK\$27.74 billion
- Novus produced a total of 1,093,500 barrels of oil equivalent (“BOE”), representing a YoY increase of 39.62%, Contributed a revenue of CAD86.37 million
- Henan Yanchang recorded total sales of refined oil of 3,418,000 million tonnes, recorded sales revenue of RMB24.94 billion

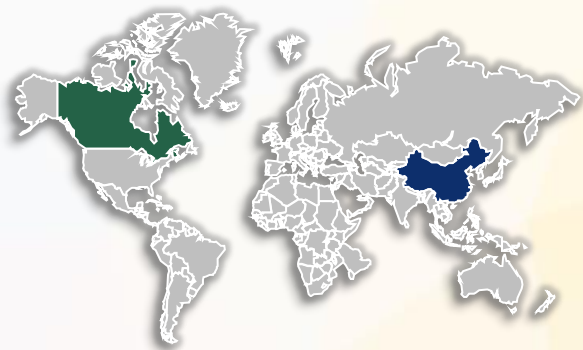
2023 Financial Highlights

Revenue	HK\$27.74 billion	Total assets	HK\$3.68 billion
Profit for the year	HK\$580 million	Total equity	HK\$1.35 billion
Earnings per share (HKD cent)	19.89	Cash and bank balances	HK\$226.19 million

Novus Oil and Gas Production Business

- Overcame unfavourable factors such as the downward swing of international crude oil prices, “road closure order” during snowmelt period and difficulties in equipment and material procurement and seized time to accelerate the construction progress.
- Efficiently organizing production and enhancing production that Novus completed 94.73% of the year’s drilling workload before the end of August.
- Total of 1,076,000 barrels of oil equivalent were produced, representing an increase of 33.12% YoY.
- Based on geological research, Novus improves oil and gas extraction efficiency through technological innovation.
- Novus completed the construction of an approximately 17,000-meter pipeline connecting to 29 wells, reduced carbon dioxide emissions by 57,000 tonnes, and saved Novus a fine of CAD3,120,000.

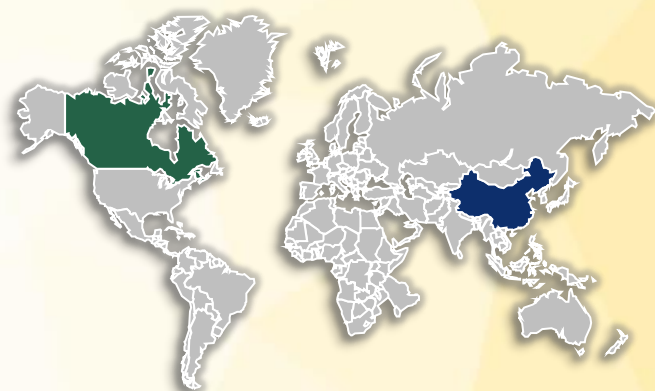
Novus Oil and Gas Production Business – Financial Highlights			
For the year ended 31 Dec	2023	2022	Change
Sales Volume of Oil and Gas (BOE)	1,093,000	808,000	+35.27%
Revenue (HKD'000)	501,817	443,881	+13.05%
Operating Profit (HKD'000)	33,431	124,157	-73.07%



Henan Yanchang Refined Oil Trading Business

- Achieved total cumulative sales of oil of 3,418,000 tonnes, including sales of 1,828,900 tonnes through strategic channel, sales through highway channel of 181,900 tonnes, sales through railway channel of 670,600 tonnes, sales at oil depots of 144,100 tonnes, sales at gas stations of 15,500 tonnes, and sales from external sourcing of 577,000 tonnes.
- Obtaining the honors of “Advanced Collective in Safe Production of Dangerous Chemicals Industry in Zhengzhou City” (鄭州市危險化學品行業安全生產工作先進集體) and “Model Enterprise of Harmonious Labor Relations in Henan Province” (河南省和諧勞動關係創建示範企業).
- Remarkable achievements in business expansion. By fully leveraging the advantage of being a qualified supplier of Sinopec, further deepened our cooperation with major regional companies such as Sinopec Northwest (中石化西北) and Sinopec Central China (中石化華中).
- Made progress in developing the markets in Hunan and Hubei, achieving cooperation with Hubei State Oil Reserve (湖北國儲) on oil product storage, which upgraded the oil depot layout in the Hunan and Hubei markets.

Henan Yanchang Refined Oil Trading Business – Financial Highlights			
For the year ended 31 Dec	2023	2022	Change
Sales Volume (tonnes)	3,418,000	3,250,000	+5.17%
Revenue (HKD'000)	27,240,468	27,878,623	-2.29%
Operating (loss)/income (HKD'000)	(32,913)	16,930	N/A



Outlook

- In 2024, the Russo-Ukrainian war, the Israeli-Palestinian conflict, and the Yemeni Houthi armed forces continue to be the main geopolitical risks. The US elections and the direction of OPEC policies are set to increase market uncertainties, with the international oil and gas market outlook still presenting both challenges and opportunities.
- The market is expected to remain in a state of tense equilibrium, influenced by a variety of factors, with the potential for further intensification of oil price volatility.
- The Company will adhere to the general working principle of seeking progress while maintaining stability, continuously consolidating and enhancing the competitive advantages in our existing business sectors.
- Actively explore LNG import, asphalt and crude oil import, coal sales, aviation kerosene business, etc to achieve business diversification and sustainable development