



Yanchang Petroleum International Limited ("Yanchang Petroleum International" or the "Company") engages in both the Upstream and Downstream sectors of the Oil and Gas Industry. In its upstream operations, Yanchang Petroleum International possesses operating oilfields in Saskatchewan and Alberta, Canada, through its wholly owned subsidiary Novus Energy Inc. ("Novus"). 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 the wholesale, retail, storage and transportation of oil products through its 70% owned subsidiary, Henan Yanchang Petroleum Sales Co., Limited ("Henan Yanchang"), and which has been granted valid licenses for the distribution and sales of oil products in China. The Group also established oil products trading companies in Zhoushan, Zhejiang and Shenzhen, China, respectively, for expanding its oil products trading business 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 pursues acquisition opportunities in politically stable regions of the world and strives to become a medium-sized international energy company.

2022

Business Highlights

- Revenue of the year amounted to HK\$29.94 billion, increased by 51% when compared to 2021.
- Novus achieved sales volume of oil and gas of 808,000 barrels of oil equivalent ("BOE"), contributed a revenue of HK\$444 million
- Henan Yanchang recorded total sales of refined oil of 3.25 million tonnes, achieved an operating income of HK\$27.88 billion
- Yanchang Zhejiang sold 347,800 tonnes of oil products, recorded a sales revenue of HK\$1,578 million

2022

Financial Highlights

Revenue 29,936,206,000
Loss for the year* (619,099,000)
Loss per share (HKD cent) (1.09)

Total assets 4,518,209,000
Total equity 469,426,000
Cash and bank balances 133,209,000

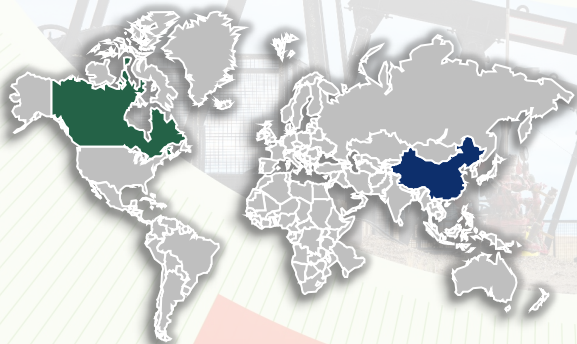
*Note: The Group's loss for the year was mainly due to the substantial loss of Yanchang Zhejiang, which was involved in a number of legal proceedings. Notwithstanding the substantial loss of Yanchang Zhejiang amounted to around HK\$851 million, both the oil and gas production business in Canada and the refined oil trading business in the PRC remained robust, both posted profits.

Novus Oil and Gas Business

- Novus accelerated the commissioning of new wells, and reasonably adjusted its inventory volume in light of the operation status of the oilfields, kept the costs under control and optimised economic benefits. Novus completed the drilling of 52 wells and 53 wells were put into production in 2022.
- Revenue per barrel (excluding impairment reversal) reached a new high of CAD16.26, the highest level since the Company's acquisition of Novus in 2014.
- Successfully completed 6 exploration wells, 4 Court Viking wells and 2 "Success" wells in 2022, achieving good results in formation testing, also successfully won the bid for the 8.5 blocks (21.7 sq. km) of state-owned mining rights in the Court area. Novus's net area under the mining rights increased by 19.7 sq. km
- Made active effort in achieving emission reduction as its target by completing the pipelines tie-in of 27 new wells and building 5.5 km of new pipelines, reducing carbon dioxide emission by 555,000 tonnes during the year

Upstream Oil and Gas Production Business in Canada – Financial Highlights

For the year ended 31 Dec	2022	2021	Change
Sales Volume of Oil and Gas (BOE)	808,000	482,000	+67.6%
Contributed Revenue (HKD'000)	443,881	199,774	+122.2%
Net Profit (HKD'000)	124,157	23,913	+419.2%



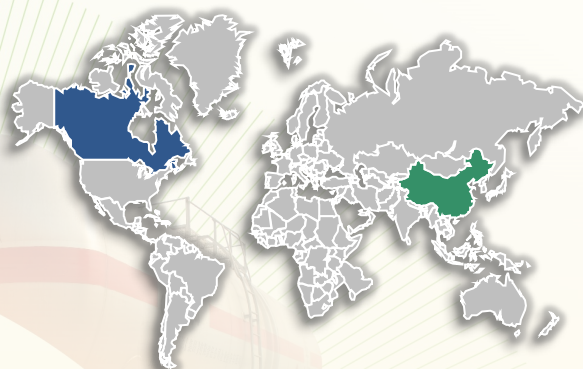


Henan Yanchang Refined Oil Business

- Achieved total sales of refined oil of 3.25 million tonnes, including sales of 1.41 million tonnes through strategic channels; sales of 870,600 tonnes through highway and railway channels; sales at oil depots of 237,000 tonnes; sales at gas stations of 14,500 tonnes; sale from external sourcing of 719,400 tonnes
- Redoubled its effort in developing the markets in Hunan and Hubei while strengthening the presence in the southwest regional market. Achieved an annual sales volume from the Hunan and Hubei markets of 206,200 tonnes
- Developed over 80 new customers in Henan, and boosted efforts in providing marketing services to strategic customers and sold a total of 3,710 tonnes of refined oil to CNAF Henan (中航油河南), representing a year-on-year increase of 540%, a new historical high
- Conducted comprehensive calibration and adjustment to sales from external sourcing, gross profit for every tonne of oil products in sales from external sourcing achieved a year-on-year increase of 46%

Henan Yanchang Refined Oil Business – Financial Highlights

For the year ended 31 Dec	2022	2021	Change
Sales Volume (tonnes)	3,250,000	4,095,000	-20.6%
Revenue (HKD'000)	27,878,623	16,456,068	+69.4%
Profit Before Tax (HKD'000)	28,079	38,120	-26.3%



Outlook

- In 2023, the global economic growth is expected to slow down while the global demand for oil will maintain a recovery growth due to the reduced impact of the epidemic.
- Under the circumstances that OPEC+ maintains the existing production policy, Russian oil has limited volume reduction, and Iranian oil has not returned, it is expected that the international oil and gas market will maintain a tight balance in 2023.
- The Company will fully grasp the opportunity of high oil prices, actively promote the optimization of business structure and capital structure and formulate appropriate investment strategies.
- Continue to implement energy transformation, actively explore photovoltaic business opportunity, and take the initiative in business expansion, organizational structure, asset management and other aspects.