





奉献清洁能源 服务和谐社会 SUPPLY CLEAN ENERGY ENPOWER HARMONIOUS SOCIETY



2019 Annual Results

Company Presentation

March 2020





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Business Highlights

Synergistic Effects Gradually Release

Steady Growth in Financial Results

Total Sales Volume of Natural Gas 28,029.1 million m³
Year-on-year growth 27.4%

Sale Volume of Retail Gas 18,010.6 million m³
Year-on-year growth 24.8%

11.27 million natural gas users46 new M&A city gas projects



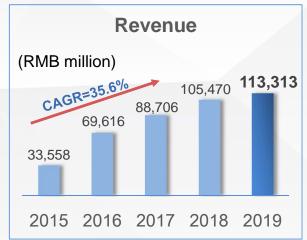
Total Revenue RMB 113,312.7 million
Year-on-year growth 7.4%

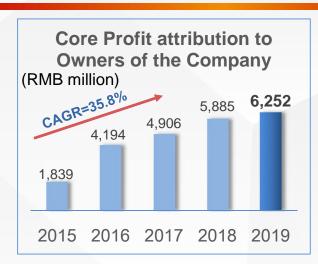
Profit Before Income Tax
RMB 13,645.0 million
Year-on-year growth 13.9%

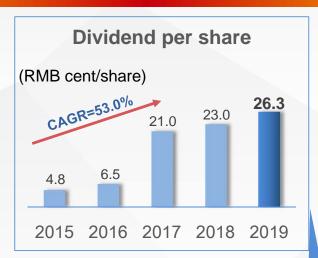
Net Profit Attribution to Owners of the Company RMB 5,551.3 million Year-on-year growth 19.8%



High-Quality & Steady Development







Actively responding to the impact of the COVID-19 and further improving the efficiencies of production and operation

Focusing on natural gas business and further optimizing business layout
Insisting on management improvement and consolidating development foundation

Strengthening win-win cooperation and creating a good development environment





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Gas Sales

Natural Gas, LPG



Natural Gas National Layout

Natural Gas business covers 31 provinces, autonomous regions and municipalities

402 City Gas Projects

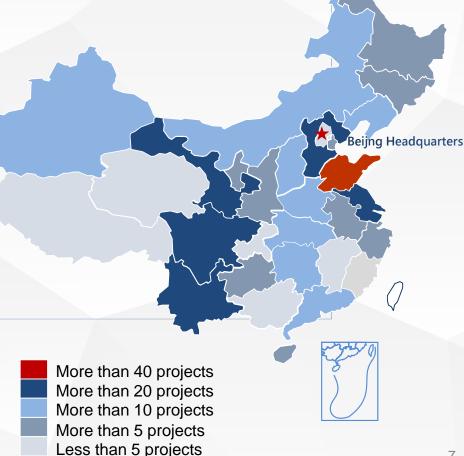
Entering 19 cities at Prefecture-level and above, including:

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Province	City	Province	City
Heilongjiang	Harbin, Daqing	Yunan	Kunming, Dali,
Jiangsu	Suqian	ranan	Lijiang
Shandong	Heze		Lanzhou, Tianshui, Zhangye, Wuwei,
Hubei	Huangshi, Jingmen, Xianning	Gansu	Jinchang, Jiayuguan,
Hunan	Changde		Jiuquan, Dingxi

Natural gas users: 11,277 thousand

The length of branch lines and urban gas pipeline networks covers **73,000** kilometers

To achieve integrated operation and integrated promotion with the development of natural gas market

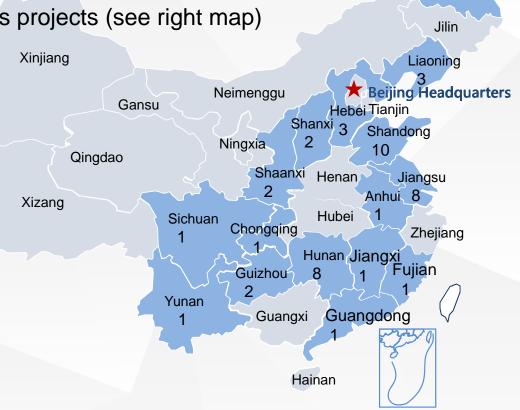




New Projects

- ✓ Acquired 53 new city gas projects in 16 provinces, autonomous regions and municipalities in 2019, including:
 - 1. 46 Newly acquired/newly held holding city gas projects (see right map)
 - 2. 7 Joint venture city gas projects
- ✓ Further increased shareholdings in
 4 existing city gas projects
- 322.2 kilometers of key branch lines was completed and put into operation in 2019

Province	Name of Branch lines
Hunan	Lianyuan-Xinhua Branch line, Miluo-Pingjiang Branch line, Miluo-Xiangyin-Quyuan branch line line, Changsha-Yiyang branch line
Yunan	Xiangyun branch line
Guizhou	Duyun-Kaili branch line



Heilongjiang

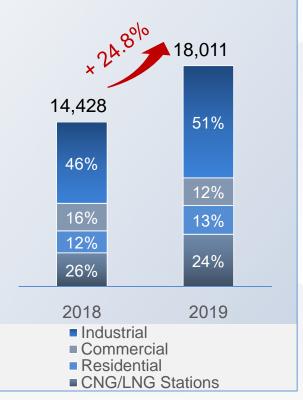


Natural Gas Sales Volume

(million m ³)	2019/12/31	2018/12/31	Change
Total Natural Gas Sales Volume	28,029.1	21,994.4	27.4%
Retail Gas sales	18,010.6	14,428.0	24.8%
Industrial Users	9,140.4	6,631.8	37.8%
Commercial Users	2,257.8	2,243.4	0.6%
Residential Users	2,339.6	1,792.4	30.5%
CNG/LNG Stations	4,272.8	3,760.4	13.6%
Distribution & Trading	10,018.5	7,566.4	32.4%

Retail Gas Sales Volume Breakdown

million m³





Customer Base

	2019/12/31 New Users	2019/12/31 Accumulated Users	2018/12/31 Accumulated Users	Change
Total	1,463.0 thousand	11,277.0 thousand	9,814.0 thousand	14.9%
Residential Users	1,446.7 thousand	11,207.7 thousand	9,761.0 thousand	14.8%
Industrial Users	1,960	6,962	5,002	39.2%
Commercial Users	14.2 thousand	62.2 thousand	48.0 thousand	29.6%

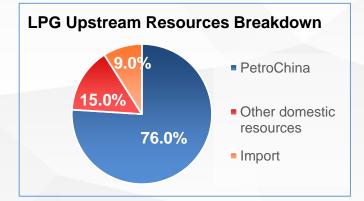


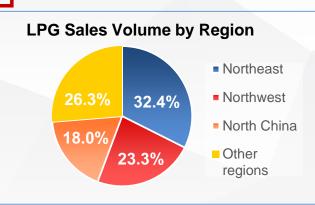
LPG Sales Volume

LPG sales market covers 29 provinces, autonomous regions and municipalities, with sales concentrated in the Northeast, Northwest, and North China.

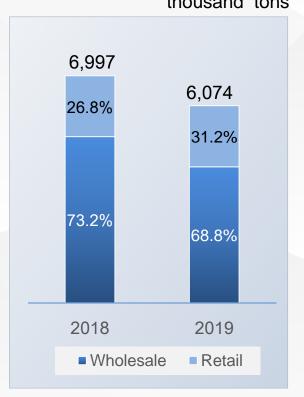
- 1. Speed up the layout of LPG terminals and optimize the sales structure;
- 2. Expand import channels, increase the import volume and steadily advance the construction of LPG terminals in Shandong and Jiangsu.

(thousand tons)	2019/12/31	2018/12/31	change
LPG Sales Volume	6,074.0	6,997.0	(13.2%)
Retail	1,892.5	1,875.2	0.9%
Wholesale	4,181.5	5,121.8	(18.4%)





LPG Sales Volume Breakdown thousand tons





LNG Processing & Terminal

LNG Terminals, LNG Plants



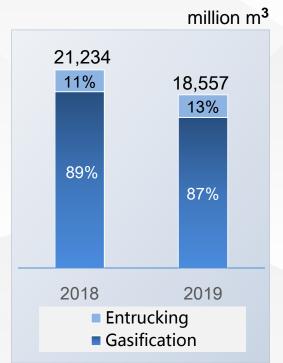
LNG Terminal

The company owns three LNG terminals with a total loading capacity of 19 million



(million m ³)	2019/12/31	2018/12/31	Change
Total Volume	18,556.9	21,233.8	(12.6%)
LNG Gasification Volume	16,145.3	18,903.2	(14.6%)
LNG Entrucking Volume	2,411.6	2,330.6	3.5%
Average Utilization Rate	70.6%	79.6%	(9.0ppt)

Gasification & Entrucking Volume of LNG Terminals





LNG Plants

	2019/12/31	2018/12/31	Change
LNG Processing Volume (million m³)	2,053.6	1,545.3	32.9%
Number of LNG Plants in Operation	14	15	-1
Average Utilization Rate	43.8%	35.9%	7.9ppt

Processing Volume of LNG Plants

million m³





Natural Gas Pipeline

Shaanxi-Beijing Pipelines, Other Pipelines

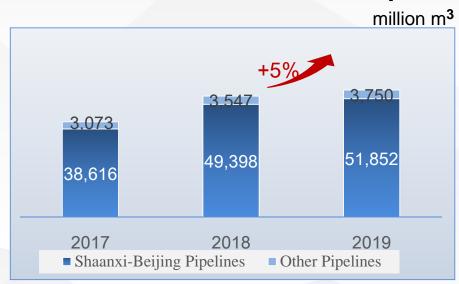


Natural Gas Pipeline

Map: Shaanxi-Beijing Pipelines

Hohhot Zhangjiakou Chengde Shaanxi-Beijing Pipeline No. 4 Yanging Yanging Shum Beijing Shaanxi-Beijing Pipeline No. 1 Shaanxi-Beijing Pipeline No. 2 Shaanxi-Beijing Pipeline No. 2 Shaanxi-Beijing Pipeline No. 3 Shaanxi-Beijing Pipeline No. 3

Transmission Volume of Gas Pipelines



(million m ³)	2019/12/31	2018/12/31	Change
Total Transmission Volume	55,601.6	52,944.7	5.0%
Shaanxi-Beijing Pipelines	51,851.5	49,398.2	5.0%
Other Pipelines	3,750.1	3,546.5	5.7%



Exploration & Production

Crude Oil Exploration & Production

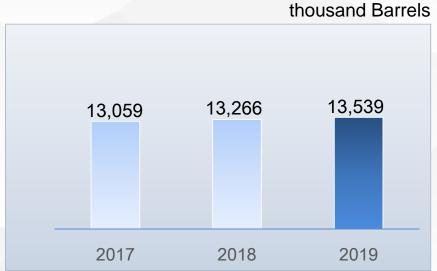


Exploration & Production

Distribution of Oilfields

Crude Oil Equity Sales Volume





	2019/12/31	2018/12/31	Change
Equity Sales Volume of Crude Oil (thousand Barrels)	13,538.5	13,265.5	2.1%
ASP of Crude Oil (USD/Barrel)	54.5	60.3	(9.6%)





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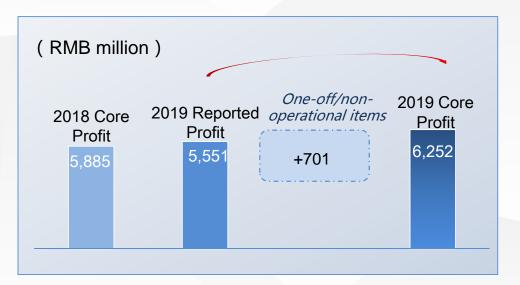
Income Statement

2019/12/31	2018/12/31	Change
113,312.7	105,470.0	7.4%
13,645.0	11,985.0	13.9%
20,709.8	19,009.1	8.9%
5,551.3	4,634.1	19.8%
66.7	57.4	16.2%
6,252.4	5,885.2	6.2%
75.1	72.9	3.0%
26.3	23.0	14.4%
	113,312.7 13,645.0 20,709.8 5,551.3 66.7 6,252.4 75.1	113,312.7 105,470.0 13,645.0 11,985.0 20,709.8 19,009.1 5,551.3 4,634.1 66.7 57.4 6,252.4 5,885.2 75.1 72.9

Note: Core Profit=Profit attributable to owners of the Company + Exchanges Losses + Asset Impairments



Profit Analysis



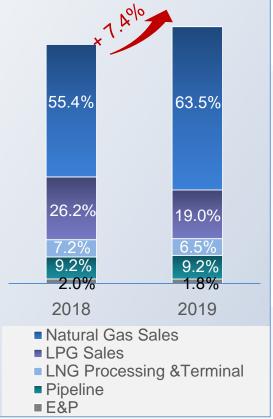
	One-off / non-operational items	(RMB million)
1	2019 Reported Profit	5,551.3
2	One-off / non-operational items:	701.1
2.1	Exchanges Losses	288.1
2.2	Asset Impairments	413.0
3	2019 Core Profit	6,252.4



Revenue

(RMB million)	2019/12/31	2018/12/31	Change
Total Revenue	113,312.7	105,470.0	7.4%
Gas Sales	93,467.5	86,087.2	8.6%
Natural Gas Sales	68,182.7	54,375.7	25.4%
Connection Fee	3,815.3	4,037.1	(5.5%)
LPG Sales	21,469.5	27,674.4	(22.4%)
LNG Processing and Terminal	7,371.3	7,625.4	(3.3%)
LNG Terminals	5,513.2	6,319.8	(12.8%)
LNG Plants	1,858.1	1,305.6	42.3%
Natural Gas Pipelines	10,470.4	9,689.6	8.1%
Exploration & Production	2,003.5	2,067.8	(3.1%)

Revenue Breakdown





Dollar Margin Analysis

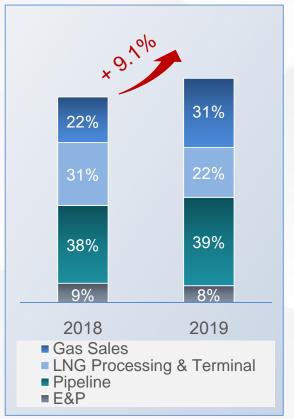
(RMB/m ³)	2019/12/31	2019/06/30	2018/12/31	Change
Average Gas Tariff	2.49	2.54	2.48	0.4%
Average Cost	1.96	2.02	1.94	1.0%
Weighted Average Dollar Margin	0.53	0.52	0.54	(1.9%)



Profit Before Income Tax

(RMB million)	2019/12/31	2018/12/31	Change
Gas Sales	4,468.6	2,941.7	51.9%
LNG Processing & Terminal	3,210.4	4,057.2	(20.9%)
Natural Gas Pipeline	5,704.8	5,021.3	13.6%
Exploration & Production	1,090.4	1,250.4	(12.8%)

Profit Before Income Tax Breakdown

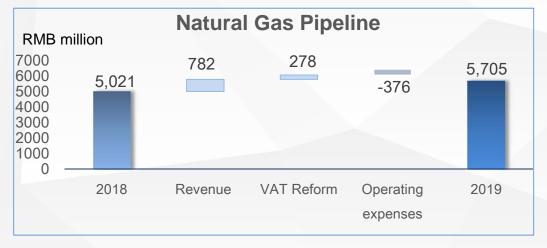




Profit Before Income Tax Analysis











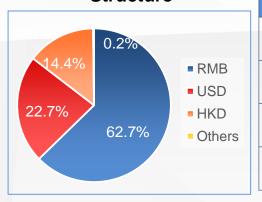
Balance Sheet

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(RMB million)	2019/12/31	2018/12/31	change
Total Asset	147,897	140,587	5.2%
Bank Balance and Cash	18,640	20,474	(9.0%)
Total Interest-bearing Liabilities	35,117	38,744	(9.4%)
Current Liabilities	8,997	10,528	(14.5%)
Non-current Liabilities	26,120	28,216	(7.4%)
Equities	49,988	42,704	17.1%
Gearing Ratio	30.7%	35.6%	(4.9ppt)
Debts-to-Asset Ratio	23.7%	27.6%	(3.9ppt)

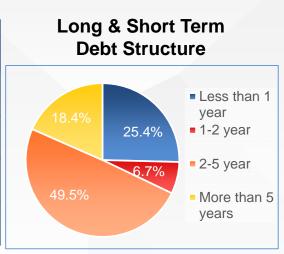


Debt Structure

Debt Currency Structure



(RMB million)	Amount
RMB	21,645
USD	7,815
HKD	4,968
Others	71



(RMB million)	Amount
Less than 1 year	8,772
1-2 years	2,314
2-5 years	17,076
More than 5 years	6,337

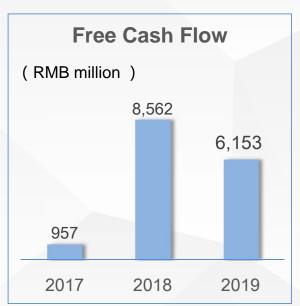
	2019/12/31	2018/12/31	Change
Average Financing Cost	4.14%	3.89%	0.25ppt

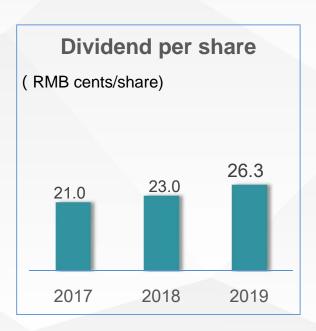
Rating Agencies	Rating	g	
Moody's	Stable	A2	High Credit rating will further enhance the
S&P Global Ratings	Stable	Α	Company's financing capacity for further development and expansion of natural gas
Fitch Ratings	Stable	Α	business.



Cash Flow

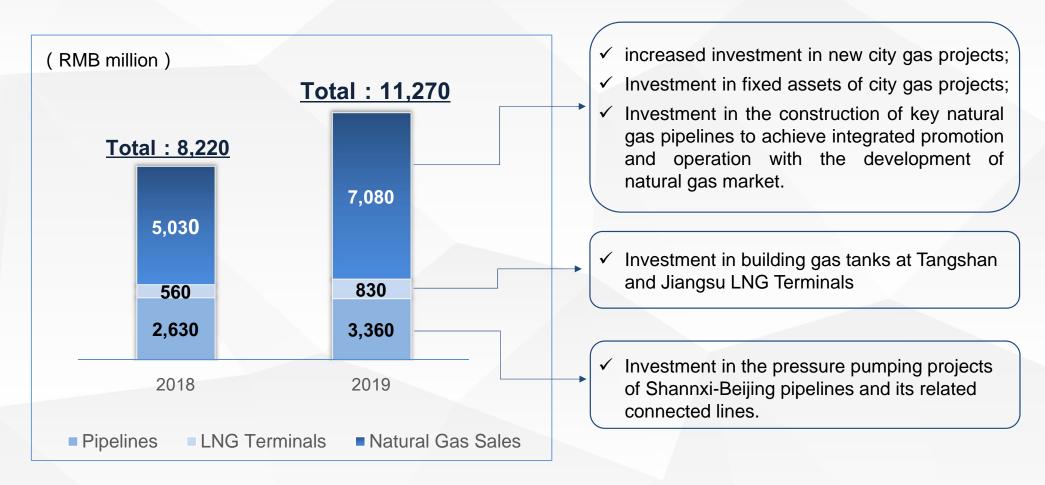








CAPEX







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Business Outlook

Increasing the scale of retail gas business

- 1. Actively develop the city gas market;
- 2. Focus on developing a number of new high-quality high-end projects;
- 3. Speed up the development of gas power and Integrated energy projects;
- 4. Increase the regional gasification rate in existing markets.

Accelerating the construction of key branch pipeline

- 1. Form integrated operation, integrated promotion and integrated operation of branch line projects and market development;
- 2. Accelerate the implementation of the "Gasification Longjiang" related branch and projects, and the construction of 9 key branch projects such as the Chaozhou and the Jieyang branches.





Business Outlook

Promote the integrated implementation of LNG business

- 1. Build a liquid sales system for the entire LNG industry chain;
- 2. Optimize LNG plant assets and increase utilization rate;
- 3. Actively increase the sales volume of vehicle and ship LNG to create a new growth point.

Improve the efficiency of LPG sales

- 1. Accelerate the transformation of resource supply, industry chain and sales model:
- 2. Expand import channels for Central Asia, Russia and marine resources;
- 3. Increase the development of the retail LPG market and optimize the sales structure.

Actively expand non-gas & new energy businesses

- 1. Promote gas insurance and other businesses, and expand "clean energy + engineering technology, financial and other services";
- 2. Research on new business formats such as "complementary wind and gas, phosgene, and water and gas", and natural gas, hydrogen, and renewable energy fusion projects;
- 3. Layout of urban heating and integrated energy projects.





Business Outlook



Natural Gas Sales

- 1. Retail natural gas sales volume up 15%
- 2. Dollar margin remains basically stable
- 3. Increase residential households not less than 700,000



LNG

- 1. 65-70% average utilization rate of LNG terminals
- 2. Slightly increase in average utilization rate of LNG plants



Other Business

- 1. 5 million tons of LPG sales volume
- 2. pipeline transmission volume up 2-4%
- 3. 13.0 million barrels of crude oil equity sales volume



Shareholder Return

25-35% Dividend payout ratio



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The Chinese version shall prevail.

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