



KunLun Energy Company Limited

(incorporated in Bermuda with limited liability 於百慕達註冊之有限公司)

昆侖能源有限公司

(Stock Code 股份代號 : 00135.HK)

2021 Annual Results

March 2022





FU Bin

*Chairman and
Executive Director*



QIAN Zhijia

*Executive
Director and CEO*



MIAO Yong

*Executive
Director and CFO*



ZHONG Weirong

*Deputy
General Manager*



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04 Business Outlook

Company Objectives and Positioning

Achieve transformation and upgrade to **an integrated green energy supplier**

Optimize business structure and landscape, improve operational efficiency and productivity of core business

Actively expand business scale and cultivate new profit drivers



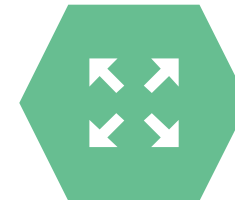
**Rapidly Develop
Natural Gas
End-user Business**



**Steadily Develop
LNG and LPG
Businesses**



**Proactively Grow
Value-added
Business**



**Accelerate the Integration
and Development of
Comprehensive Energy and
New Energy Businesses**

Business Highlights

1 Operating Results

	2021/12/31	Change
Total Sales Volume of Natural Gas (million m ³)	41,998.5	11.2%
Sales Volume of Retail Gas (million m ³)	25,710.4	18.5%
Total Users of Natural Gas (thousand)	13,845.9	12.0%
New Projects	46	-

2 Financial Results

	2021/12/31	Change
Total Revenue (RMB million)	138,546.7	26.8%
Profit Attribution to Owners of the Company (RMB million)	23,015.5	279.6%
Continuing Operations	5,141.1	43.6%
Discontinued Operations	914.4	(63.2%)
Gain on Disposal of the Discontinued Operations	16,960.0	-
Annual Dividend (RMB cents/share)	20.78	(1.1%)



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Part 01

Natural Gas Sales



National Layout

248 City Gas Projects

Xinjiang 19

Wulumuqi; Kashi; Tulfan; Changji; Yili; Ganquanpu; Hami; Shihezi; Akesu; Hetian; Dushanzi; Bozhou; Tacheng; Kalamayi...

Gansu 21

Anning; Lanzhou; Baiyin; Xigu; Jiayuguan; Tianshui; Wuwei; Yuzhong; Zhongshi; Zhangye; Jinchang; Jiuquan; Yongdeng; Gannan; Lintao; Dingxi; Gaolan...

Ningxia 5

Zhongning; Yinchuan...

Qinghai 2

Dunhuang; Haixizhou

Yunnan 18

Ning; Qujing; Gaoming; Lijiang; Dali; Yuxi; Baoshan; Chuxiong; Honghe; Lufeng; Dehong; Kunming; Xundian...

Sichuan 9

Zigong; Suining; Panzhihua; Chengdu; Ziyang; Xinjin; Luzhou; Hejiang...

Guizhou 4

Qiandong; Kaiyang; Fuquan; Danzhai

Hainan 4

Qionghai; Wenchang; Sanya...

Guangxi 1

Wuzhou

Guangdong 3

Chaozhou; Guangzhou; Shaoguan

Fujian 1

Sanming

Beijing 4

Majuqiao; Mentougou; Shijingshan...

Tianjin 6

Baodi; Nangang Industrial Zone...

Hebei 30

Shijiazhuang; Bazhou; Langfang; Yongqing; Renqiu; Baoding; Hejian; Cangzhou; Qianan; Zhuozhou; Hengshui; Qinhuangdao; Funing; Zunhua; Xingtai...

Shandong 36

Jinan; Jinng; Boxing; Guangrao; Zibo; Zoucheng; Hengtai; Lanling; Zhangqiu; Xintai; Binzhou; Liaocheng; Heze; Weihai; Yantai...

Shanxi 5

Linfen; Jiexiu; Jinbei...

Heilongjiang 4

Haerbin; Daqing; Zhaodong...

Jilin 5

Jilin City; Baishan; Nongan...

Liaoning 2

Yingkou; Anshan

Hubei 10

Wuhan; Huangshi; Xianning; Jingmen; Shiyan; Xiantao; Enshi; Ezhou...

Henan 9

Kaifeng; Gongyi; Boai; Xinzheng; Yichuan; Yuzhou; Sanmenxia...

Hunan 14

Changsha; Changde; Xiangtan; Changning; Yiyang; Qidong; Hengshan; Hengdong...

Shanxi 4

Xian; Weinan; Yulin; Sanyuan

Jiangsu 18

Nanjing; Wuxi; Suqian; Taizhou; Dongtai; Kunshan; Xuzhou...

Zhejiang 4

Hangzhou; Shaoxing; Shengzhou; Xinchang

Anhui 7

Hefei; Bengbu; Taihe; Huainan; Maanshan; Shucheng...

Jiangxi 3

Hengfeng; Wuzhou; Yichun

● HK office



New Projects

In 2021, 46 new projects in 22 provinces/autonomous regions/municipalities. Among them, 30 new city gas holding projects.

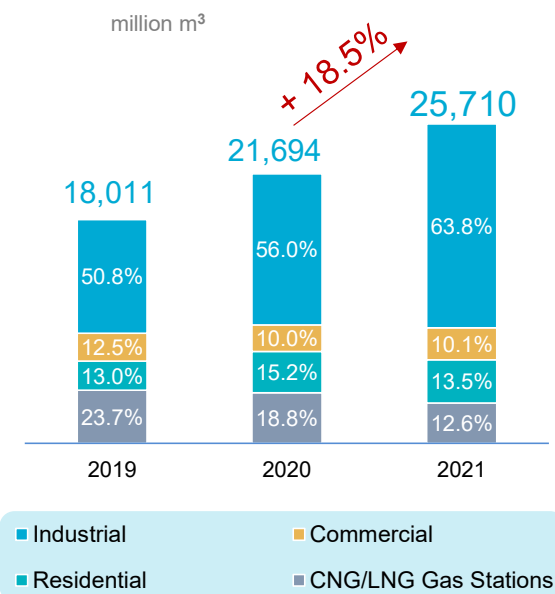


Project Type	New Projects
City Gas Projects (30)	<p>Xinjiang: Wulvmuqi Midong District; Wujiacu City; Bukangshi District, Kangjizhou;</p> <p>Shandong: Zibo High-tech Zone; Fei Country, Linyi</p> <p>Shaanxi: Caijiapo Economic & Technological Development Zone, Qishan Country, Baoji</p> <p>Jilin: Baishan Economic Development Zone, Baishan</p> <p>Guangdong: Xiegang Town, Dongguan; Doumen District, Zhuhai; Jiedong District, Jieyang</p> <p>Guangxi: Qizhou Petrochemical Industrial Park</p> <p>Jiangsu: Funing Country, Yancheng; Guannan Country, Lianyungang; Pizhou High-tech Zone</p> <p>Hebei: Fengrun District, Tangshan; Jizhou District, Hengshui</p> <p>Heilongjiang: Lindian Country, Daqing</p> <p>Liaoning: Yingkou coastal industrial base</p> <p>Anhui: Mingguang, Chuzhou</p> <p>Chongqing: Changshou District; Jiangjin District</p> <p>Hubei: Yangxin Country, Huangshi; Jingmen</p> <p>Hunan: Hengyang Country; Hengdong Country; Hengshan Country</p> <p>Fujian: Sanming</p> <p>Ningxia: Shizuishan</p> <p>Tianjin: Jinghai District</p>
Branch Projects (6)	<p>Shanxi: Xixian New District</p> <p>Jiangsu: Shengze Town, Suzhou; Jiangning, Nanjing</p> <p>Henan: Zhengzhou Airport District</p> <p>Tianjin: Tianjin Pilot Free Trade Zone</p> <p>Guizhou: Pingba District</p>
Other Projects (3)	<p>Offshore filling project: Yantai Port, Shenzhen; Guangdong</p> <p>CNG/LNG Gas Station: Xiaogan, Hubei</p> <p>Heating project: Xi'an Economic & Technological Development Zone, Shaanxi</p>

Sales Volume

(million m ³)	2021/12/31	2020/12/31	Change Value	Change Rate compared with 2020	Change Rate compared with 2019
Total Volume of NG Sales	41,998.5	37,763.4	4,235.1	11.2%	49.8%
Retail Gas sales	25,710.4	21,693.9	4,016.5	18.5%	42.8%
Industrial	16,404.1	12,153.6	4,250.5	35.0%	79.5%
Commercial	2,589.0	2,158.6	430.4	19.9%	14.7%
Residential	3,473.6	3,307.0	166.6	5.0%	48.5%
Gas Stations	3,243.7	4,074.7	(831.0)	(20.4%)	(24.1%)
Distribution & Trading	16,288.1	16,069.5	218.6	1.4%	62.6%

Retail Gas Sales Volume Breakdown



Customer Base

	2021/12/31 New Users	2021/12/31 Accumulated Users	2020/12/31 Accumulated Users	Change
Total Users	1,487.8 thousand	13,845.9 thousand	12,358.1 thousand	12.0%
Residential	1,478.1 thousand	13,762.5 thousand	12,284.4 thousand	12.0%
Industrial	1,075	8,938	7,863	13.7%
Commercial	8,666	74.4 thousand	65.7 thousand	13.2%

Value Added Business

By deeply digging into the extended value of customers, built a “**Internet + Energy + Life**” multi-business life circle, and provided customers with a wide range of value-added products and services.

**Relying on the gas business
to develop value added business**

NG-related Products

Gas stove, gas space heater, gas water heater, cooker hood, commercial energy-saving stove...

Gas meter, flow meter, gas alarm, solenoid valve, pressure regulator box, PE pipes...

Extended Products

Drinking water (bottled and barreled aquatic products)

Uniform and appliance (work uniform, business wear, labor protection appliance)

Extended Services

Insurance services (gas insurance, insurance agency)
Convenience Store

Smart household overall solutions, technical services to equipment (metering and pressure regulating equipment and pressure vessel inspection & testing)

Five Own Brands

Kunlun Snow Source (drinking water)
Kunlun Geer (gas appliance)
Kungel (gas supporting facilities)
Kunlun Lier (tooling)
Kunlun Huixiangjia (integrated service platform)

Part 02

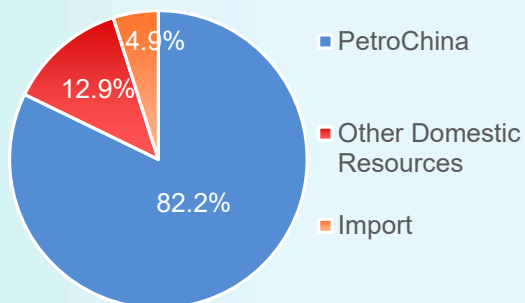
LPG Sales



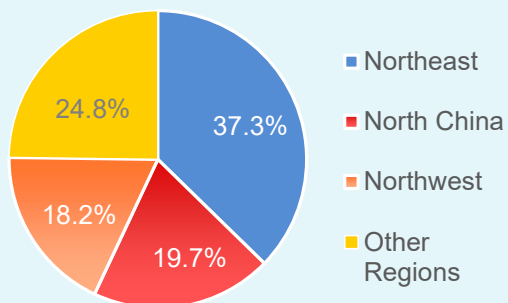
LPG Sales Volume

(thousand tons)	2021/12/31	2020/12/31	Change Value	Change Rate compared with 2020	Change Rate compared with 2019
LPG Sales Volume	5,985.6	5,211.7	773.9	14.8%	(1.5%)
Retail	1,857.1	1,849.3	7.8	0.4%	(1.9%)
Wholesale	4,128.5	3,362.4	766.1	22.8%	(1.3%)

LPG Upstream Resources Breakdown

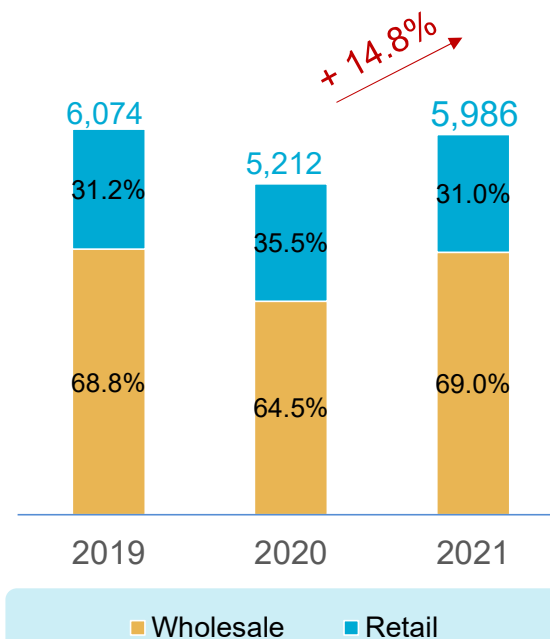


LPG Sales Volume by Regions

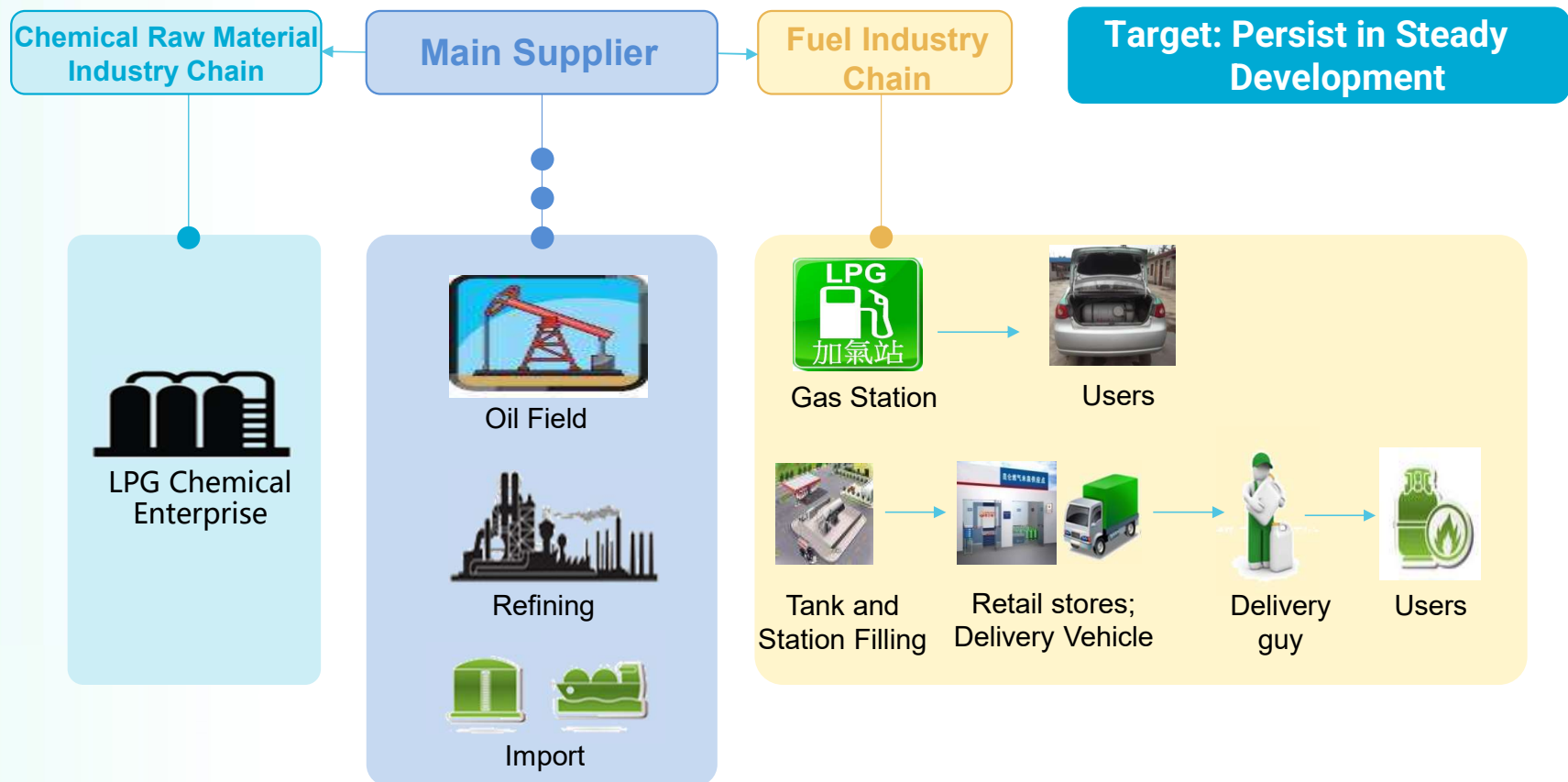


LPG Sales Volume Breakdown

Thousand tons



LPG Sales



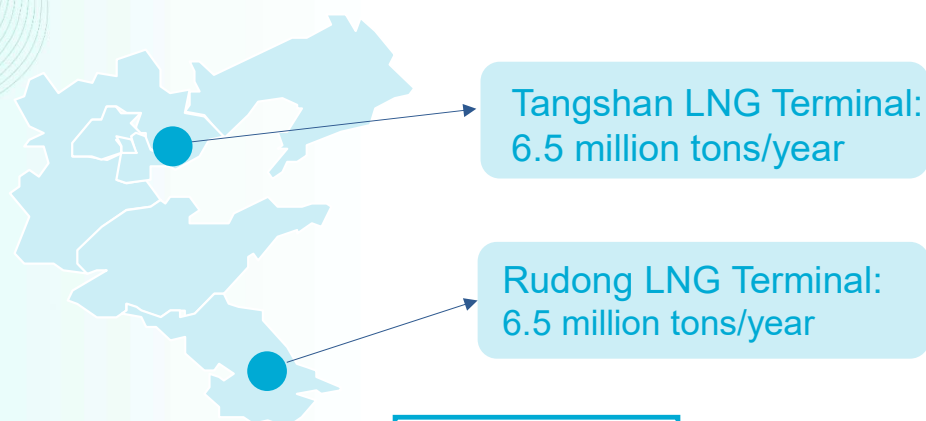
Part 03

LNG Processing & Terminals

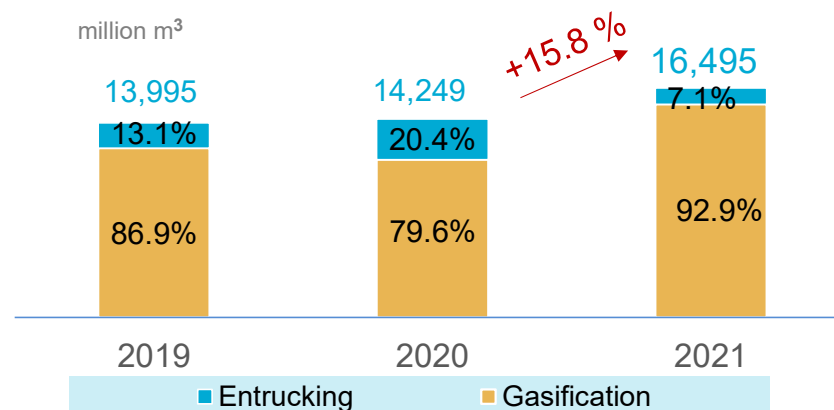


LNG Terminals

Distribution of LNG Terminals



Processing Volume of LNG Terminals

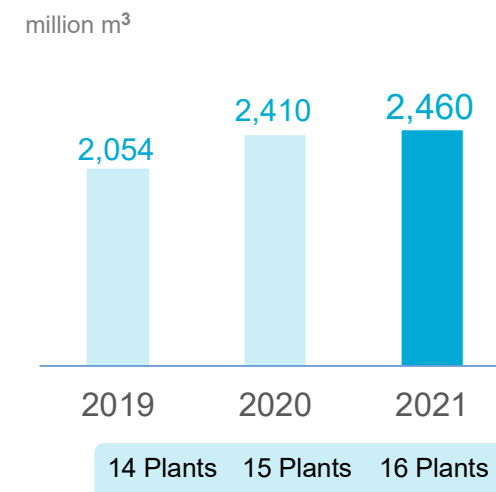


(million m³)	2021/12/31	2020/12/31	Change Value	Change Rate compared with 2020	Change Rate compared with 2019
Total Volume	16,494.5	14,249.3	2,245.2	15.8%	17.9%
Gasification Volume	15,320.6	11,344.1	3,976.5	35.1%	26.1%
Entrucking Volume	1,173.9	2,905.2	(1,731.3)	(59.6%)	(35.9%)
Average Utilization Rate	91.5%	79.0%	-	12.5 ppt	14.0 ppt

LNG Plants

(thousand tons)	2021/12/31	2020/12/31	Change Value	Change Rate compared with 2020	Change Rate compared with 2019
LNG Processing Volume (million m ³)	2,459.7	2,409.7	50.0	2.1%	19.8%
Number of LNG Plants in Operation	16	15	1	-	-
Average Utilization Rate	37.5%	43.8%	-	(6.3 ppt)	(6.3 ppt)

Processing Volume of LNG Plants & Number of LNG Plants in Operations



Part 04

Exploration & Production



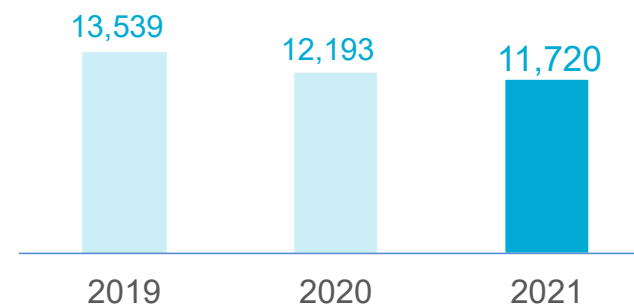
Exploration & Production

Distribution of Oilfields



Equity Sales Volume of Crude Oil

thousand barrels



	2021/12/31	2020/12/31	Change Value	Change Rate compared with 2020	Change Rate compared with 2019
Equity Sales Volume of Crude Oil (thousand Barrels)	11,720.0	12,193.2	(473.2)	(3.9%)	(13.4%)
ASP of Crude Oil (USD/Barrel)	56.6	38.7	17.9	46.3%	3.9%

Environmental, Social, and Governance (ESG)



MSCI

MSCI Rating Upgraded

With improved health and safety practices, 2021 MSCI ESG rating has been upgraded to **BB**



国务院国有资产监督管理委员会
State-owned Assets Supervision and Administration Commission of the State Council

Shortlisted in the “State-owned Enterprise ESG Pioneer 50 Index”

Reached the level of four-star outstanding in the ESG rating of 440 companies



“Best ESG Award”
by Institutional Investor





“Best ESG Award” at
The 6th Golden Hong Kong Stocks Awards

Environmental

Carbon Peak and Carbon Neutrality Action Plan

2030 Carbon peak  **2050** Carbon neutrality
Net zero emissions

- Peak CO₂ emission
- Reduce CH₄ **20%** from 2020
- Carbon reduction in value chain
- Green energy system

- ✓ Promote renewable energy 
- ✓ Multi-energy integration from supply side
- ✓ Switch to a greener energy supplier 

Social

Practice Essential Social Responsibility

In 2021, with complex situation of climate disasters, COVID-19 and energy supply, Kunlun maintained its essential role in ensuring the **stable, reliable and safe supply of natural gas**.

Build Healthy Kunlun

- Newly added occupational diseases
- Number of work-related fatalities in the past 3 years **0**
- Rate of occupational health examination reach **100%**
- Rate of occupational health hazard inspection **100%**

Rate of occupational health examination reach **100%**
Rate of occupational health hazard inspection reach **100%**
2030

Governance

Improve ESG governance

In 2021, Kunlun established **Sustainability Committee** and consistently carried out ESG training and ESG project study to improve ESG performance.

Anti-corruption Management

- ✓ Number of concluded legal cases regarding corrupt practices **0**
- ✓ Number of anti-corruption training **718**
- ✓ Signing rate of Statement of Commitment for suppliers **100%**

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Income Statement

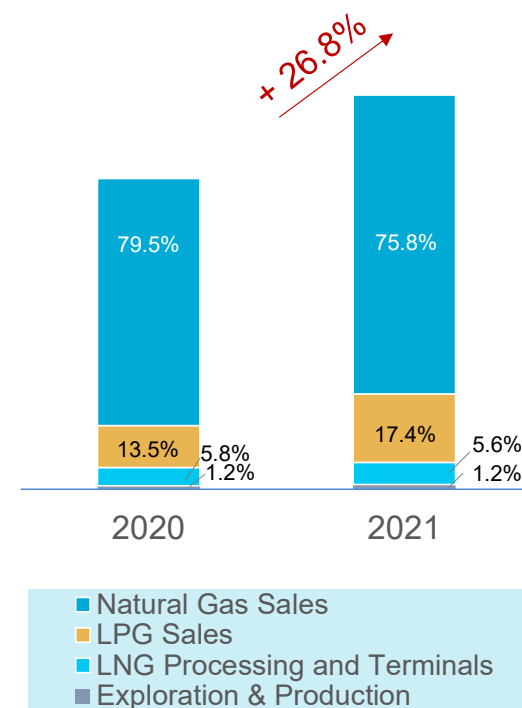
(RMB million)	2021/12/31	2020/12/31	Change Value	Change Rate
Revenue	138,546.7	109,250.5	29,296.2	26.8%
Profit before Income Tax Expense	10,576.0	8,106.9	2,469.1	30.5%
EBITDA	15,452.8	12,887.5	2,565.3	19.9%
Profit Attributable to Owners of The Company	23,015.5	6,063.5	16,952.0	279.6%
- Continuing Operations	5,141.1	3,580.0	1,561.1	43.6%
- Discontinued Operations	17,874.4	2,483.5	15,390.9	619.7%
Basic EPS (RMB cents)	265.80	70.02	195.78	279.6%
- Continuing Operations	59.37	41.34	18.03	43.6%
- Discontinued Operations	206.43	28.68	177.75	619.8%
Dividend per share (RMB cents/share)	20.78	234.67	-	-
- Annual Dividend	20.78	21.01	(0.23)	(1.1%)
- Special Dividend	-	213.66	-	-

Note: Dividend per share in 2020, including final dividend and special dividend (Dividend amount from Beijing pipeline and Dalian LNG terminal Stripping)

Revenue

(RMB million)	2021/12/31	2020/12/31	Change Value	Change Rate
Continuous Operations	138,546.7	109,250.5	29,296.2	26.8%
Natural Gas Sales	105,044.5	86,881.5	18,163.0	20.9%
of which, Gas Sales	98,668.0	79,411.7	19,256.3	24.2%
LPG Sales	24,037.9	14,739.8	9,298.1	63.1%
LNG Processing & Terminals	7,732.5	6,363.7	1,368.8	21.5%
LNG Terminals	5,026.4	4,313.7	712.7	16.5%
LNG Plants	2,706.1	2,050.0	656.1	32.0%
Exploration & Production	1,731.8	1,265.5	466.3	36.8%

Revenue Breakdown



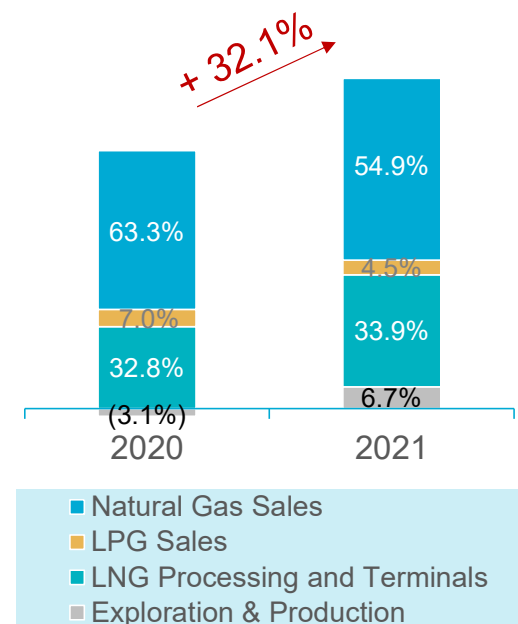
Dollar Margin

(RMB/m ³)	2021/12/31	2020/12/31	Change Rate	2019/12/31
Average Gas Tariff	2.447	2.291	6.8%	2.49
Average Cost	1.965	1.790	9.8%	1.96
Weighted Average Dollar Margin	0.482	0.501	(3.8%)	0.53

Profit Before Income Tax

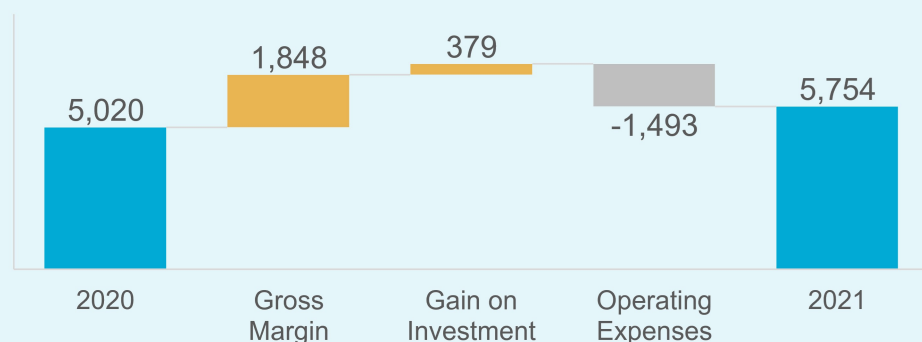
(RMB million)	2021/12/31	2020/12/31	Change Value	Change Rate
Continuing Operations				
Natural Gas Sales	5,753.8	5,019.5	734.3	14.6%
LPG Sales	469.5	550.2	(80.7)	(14.7%)
LNG Processing and Terminals	3,544.0	2,595.6	948.4	36.5%
Exploration & Production	696.0	(244.4)	940.4	384.8%
Discontinued Operations	20,221.7	5,137.1	15,084.6	293.6%

Profit Before Income Tax Breakdown

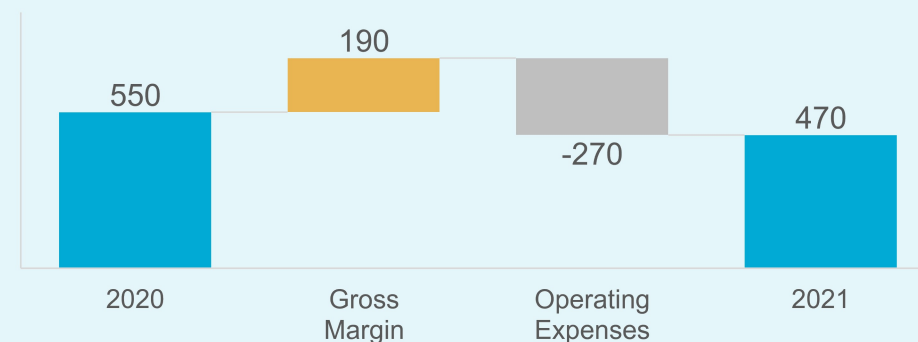


Profit Before Income Tax – Continuing Operations

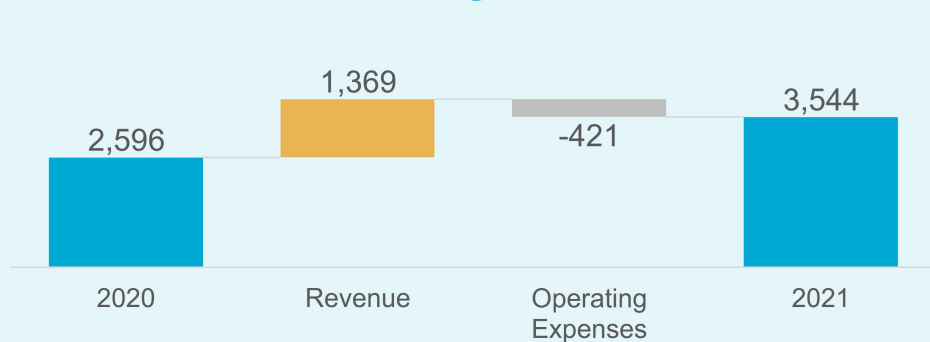
Natural Gas Sales



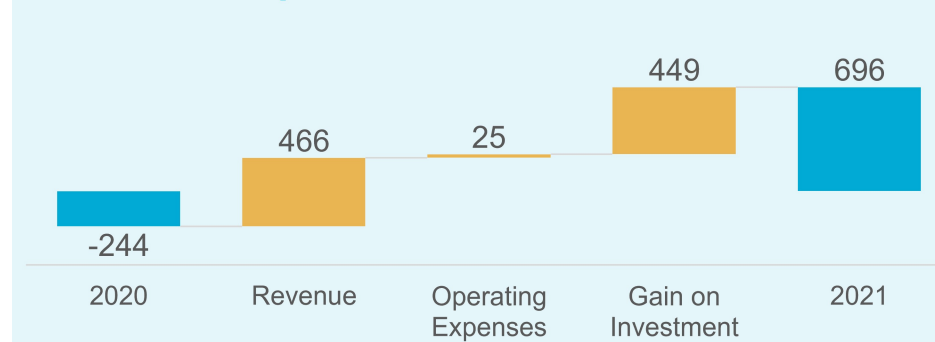
LPG Sales



LNG Processing and Terminals



Exploration and Production



(RMB million)

■ Total ■ Increase ■ Decrease

Profit Before Income Tax – Discontinued Operations



(RMB million)

■ Total
 ■ Increase
 ■ Decrease

In 2020, Beijing Pipeline and Dalian LNG Company were listed as discontinued operations.

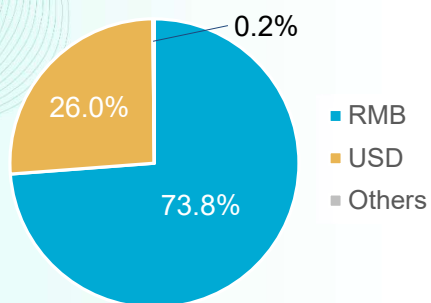
On March 31, 2021, after the company's efforts, the asset delivery of the Beijing Pipeline and Dalian LNG Terminal was successfully completed.

Balance Sheet

(RMB million)	2021/12/31	2020/12/31	Change Value	Change Rate
Total Asset	132,582.0	154,988.0	(22,406.0)	(14.5%)
Bank Balance and Cash	28,494.5	16,272.6	12,221.9	75.1%
Total Interest-bearing Liabilities	25,176.7	28,337.0	(3,160.3)	(11.2%)
-- Current Liabilities	6,030.5	5,339.7	690.8	12.9%
-- Non-current Liabilities	19,146.2	22,997.3	(3,851.1)	(16.7%)
Equities	56,274.7	53,584.1	2,690.6	5.0%
Gearing Ratio	24.9%	25.1%	-	(0.2 ppt)
Debts-to-Asset Ratio	19.0%	18.3%	-	0.7 ppt

Debt Structure

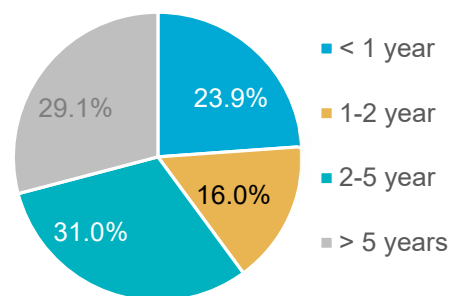
Debt Currency Structure



(RMB million) **Amount**

RMB	18,048
USD	6,358
HKD	-
Others	59

Long & Short Term Debt Structure



(RMB million) **Amount**

Less than 1 year	5,854
1-2 year	3,917
2-5 year	7,586
More than 5 years	7,108

	2021/12/31	2020/12/31	Change
Average Financing Cost	3.67%	3.68%	(0.01 ppt)

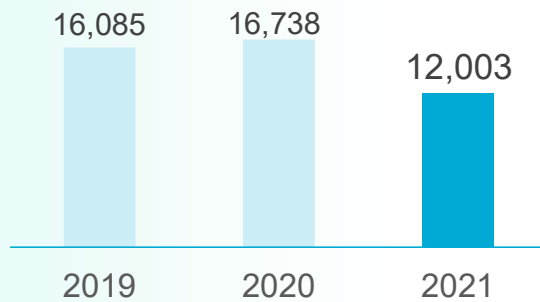
Rating Agencies	Rating		High Credit rating will further enhance the Company's financing capacity for further development and expansion of natural gas business.
MOODY'S	Stable	A2	
S&P Global Ratings	Stable	A	
Fitch Ratings	Stable	A	

CAPEX & Cash Flow

31

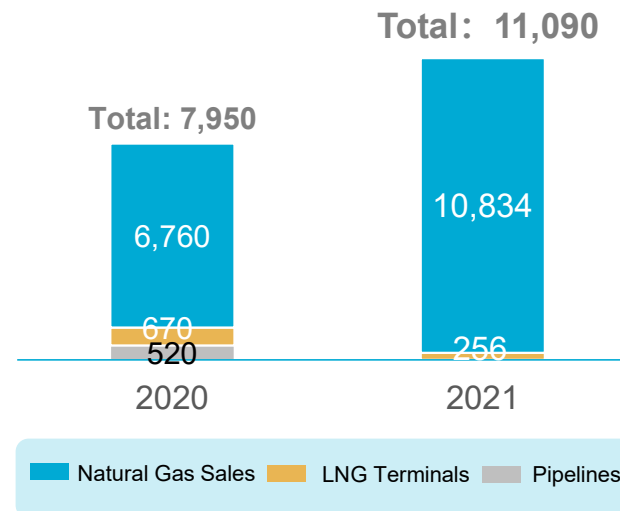
Operating Cash Flow

(RMB million)



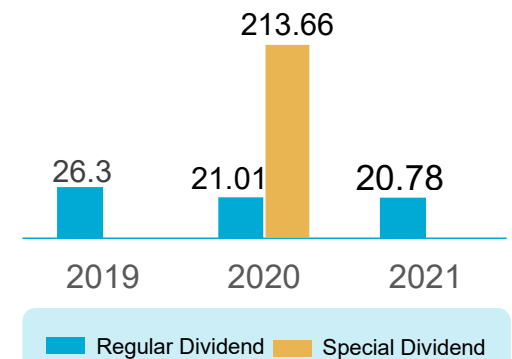
CAPEX

(RMB million)



Dividend

(RMB cents/share)





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Business Outlook

**Improve the efficiency of modern corporate governance,
Promote the high-quality development of various businesses**

Fully Focus on efficient market development –

Continue to expand the fundamentals of core business

Explore the approach to low-carbon transformation –

Pursue a balance between corporate sustainability and environmental friendliness

Adhere to the concept of innovation-energizing –

Develop innovation chain along industrial chain, and rely on innovation chain to enhance value chain

Practice the philosophy of “enhancing competitiveness with best services” –

Actively build a win-win ecosystem of competition and cooperation

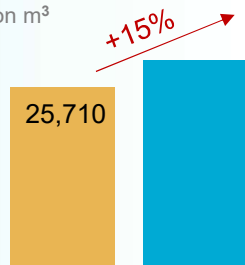
Consistently implement lean management –

Strive for low-cost advantages of enterprise operation

Business Outlook

Retail natural gas sales volume

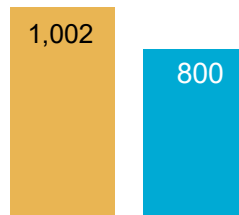
million m³



2021 2022E

New connected residential households

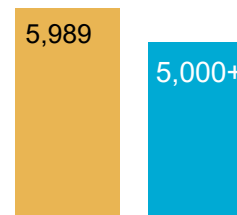
thousand households



2021 2022E

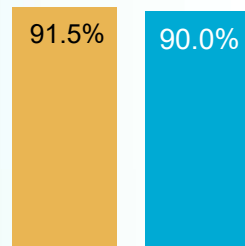
LPG Sales Volume

thousand tons



2021 2022E

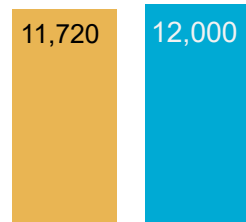
Average Utilization Rate of LNG Terminals



2021 2022E

Crude Oil Equity Sales Volume

thousand barrels

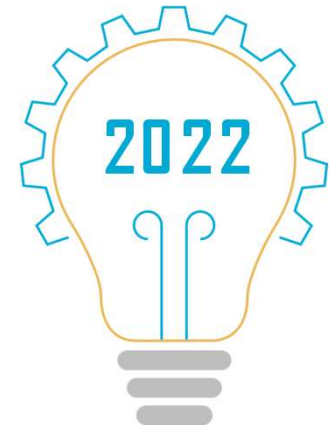


2021 2022E

Dividend Policy

25-35% dividend payout ratio

2022
Operation
Guidance





Disclaimer

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The Chinese version shall prevail.

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