



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

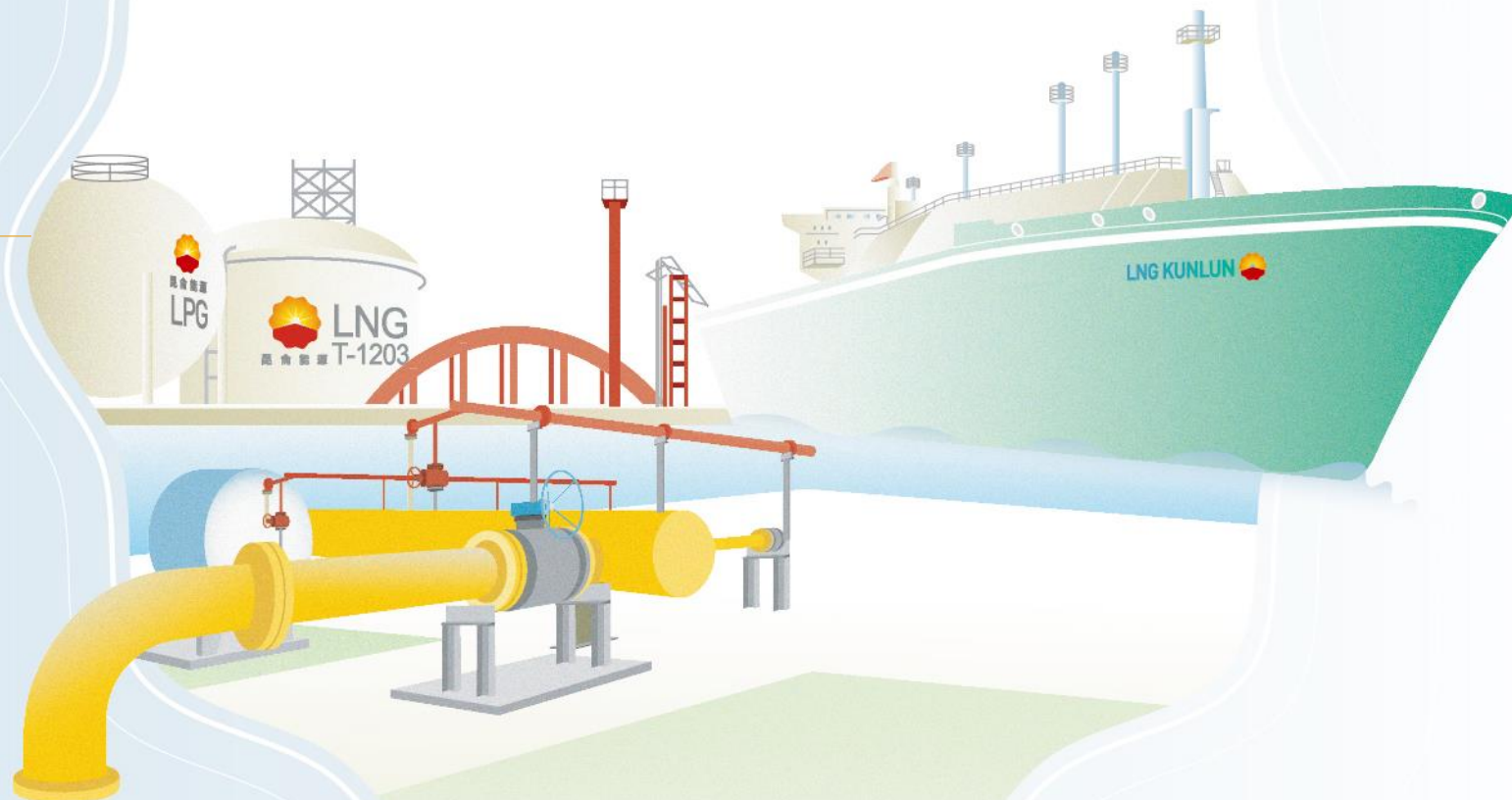
(Stock Code 股份代號 : 00135.HK)

**Empower Construction
of Beautiful China**

**Brighten Wonderful Life
of People**

2023 Interim Results

August 29, 2023





FU Bin

Chairman and
Executive Director



GAO Xiangzhong

Executive Director
and CFO



WU Yi

Deputy
General Manager



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Performance Highlights

Retail gas sales volume **up 9.5% to 14.79 bcm**

Stable dollar margin at RMB **0.495/m³**

507 thousand new users and accumulated **15.22 million** users

Ranked **Outstanding** ratings of the “**Double Hundred Enterprises**” in SOEs

Selected into “**Hang Seng SCHK China Central State-owned Enterprises Index**”

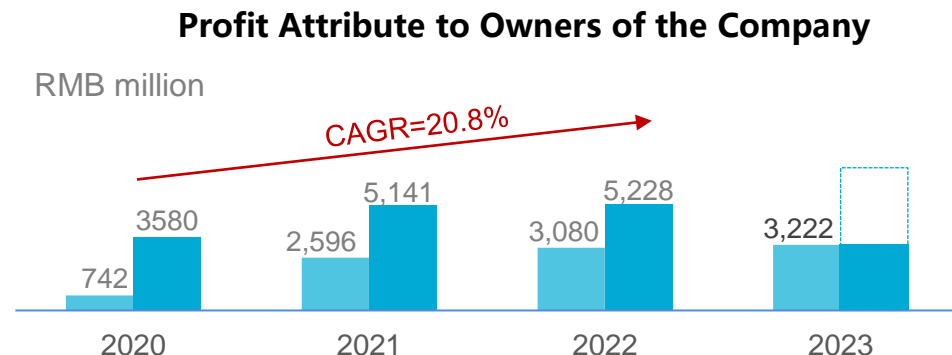
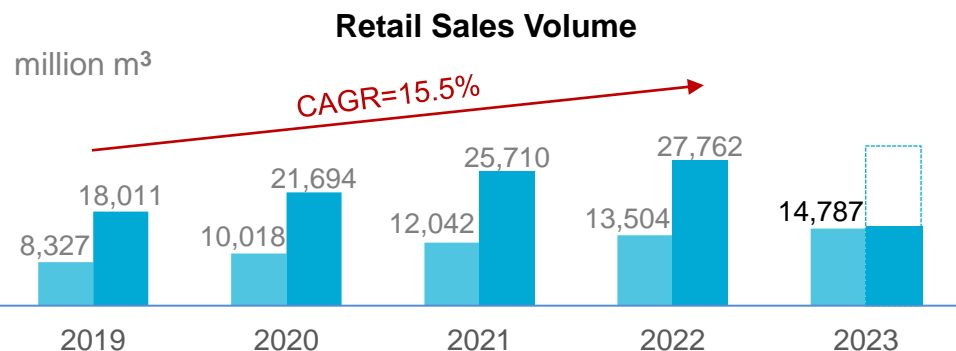
Revenue **up 3.8% to 87.07 billion**

Profit **up 4.6% to 3.22 billion**
Basic EPS **up 4.6% to 37.21 cents**

Strong operating cash flow at RMB **6.41 billion**

Selected into “**Hang Seng SCHK China Central SOEs ESG Leaders Index**”

Ranked **22nd** in the “**China’s ESG Listed Companies Pioneer 100**” list published by CMG



Environmental, Social & Governance

Corporate Governance

The Company continues to improve the ESG governance system and maintains close and in-depth communication with various stakeholders:

- Combined with the requirements of TCFD, SASAC and Hong Kong Stock Exchange, continues to **improve the ESG indicator system**.
- The Board of Directors participates in the review of ESG Report and other ESG-related matters, and **participates in ESG training** to understand the latest ESG development trends, regulatory requirements, etc.
- Actively responds to the capital market, continues to maintain communication with MSCI, CDP and other rating agencies, and have **achieved three consecutive years of MSCI rating upgrades**.

Environmental Protection

The Company actively implements the concept of green development, vigorously develops green energy projects, pays close attention to reducing pollution and carbon emission, and improves the level of environmental protection management:

- Started the preparation of **"Carbon Neutrality Action Plan 2.0 "**.
- Actively arranged the construction of **zero-carbon stations** nationwide to practice green development.
- Actively participated in the activity of "I plant a tree for carbon neutrality" and **planted 13,370 trees**.

Safety Production

The Company has thoroughly implemented the national safety production decision-making and deployment, continuously deepened the construction of the QHSE system, vigorously carried out special safety rectification measures for urban gas, LPG, and other industries, increased risk control efforts on the production front line, highlighted the investigation and treatment of hidden dangers, and carried out various work in a solid and orderly manner:

- Continue to **deepen the application of production management system and shape the industry safety brand**
- Organized **13 sessions of professional training on HAZOP analysis, electrical instrumentation, etc., and trained more than 1,500 technical backbones**.
- Published the "Double Ten List" of contractors and organized the **signing of 41,000 copies** of the "Letter of Commitment to Safe Job Posts ".

Quality and Health

The Company, in accordance with the new requirements of the new situation, focuses on promoting the continuous implementation of quality and health measures, and strengthening the operation of the QHSE system:

- Compiled **"Quality Strengthening Enterprise Plan "** and carried out publicity and training.
- Established a **"Position Health Negative List"** covering 21 types of work in 8 business units and a **"Special Operation Health Negative List"** for 6 types of operations.
- Carried out a special action to improve the **qualified rate of purchased materials**, and organized supervision and random inspection of **2,298 batches** of materials in storage.



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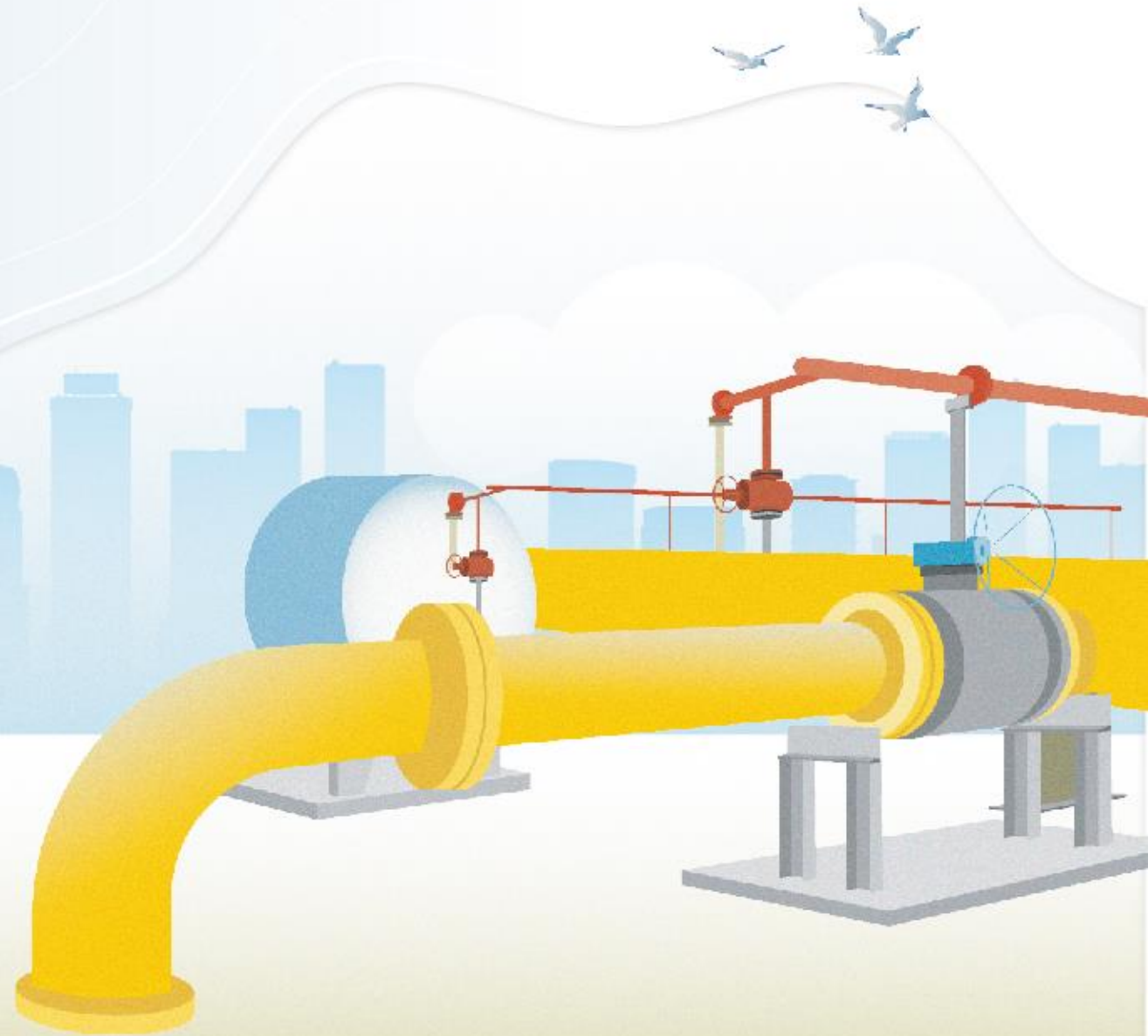
02 Business Review

03 Financial Performance

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PART 01

Natural Gas Sales



National Layout & New Projects

As of June 30, 2023, total 272 city gas projects

In 1H 2023, acquired 5 new city gas projects

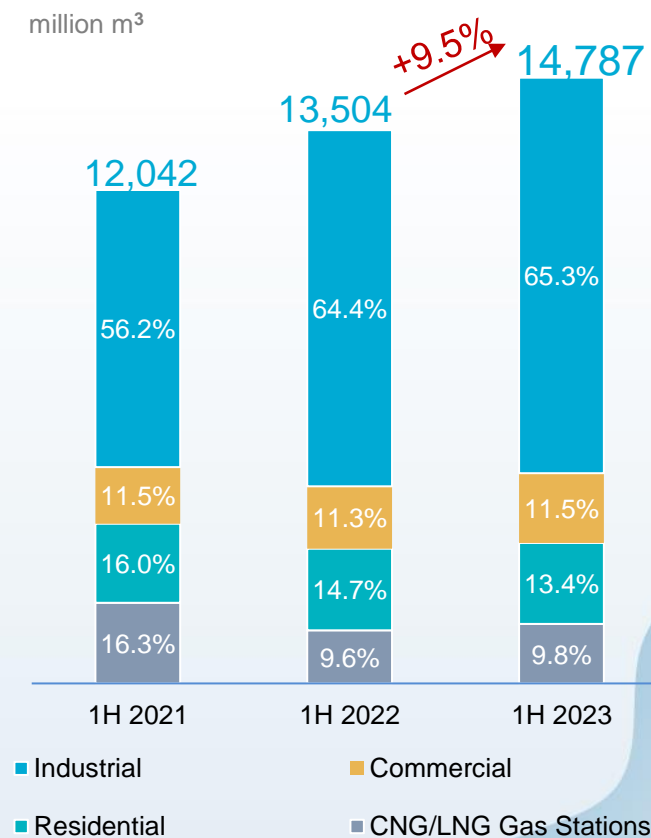
Project Type	Location
City Gas projects- subsidiary (5)	Chongqing: Jiangjin District, Chongqing
	Xinjiang Autonomous Region: Changji City, Changji Hui Autonomous Region
	Henan Province: Luoning County, Luoyang City
	Anhui Province: Mingguang City, Chuzhou City
	Guizhou Autonomous Region: Bozhou District, Zunyi City



Sales Volume

Item	2023/06/30	2022/06/30	Change Value	(million m ³)	
				Change Rate compared with 1H 2022	Change Rate compared with 1H 2021
Total Volume of NG Sales	23,915.6	21,933.4	1,982.2	9.0%	13.6%
Retail Gas sales	14,786.5	13,503.7	1,282.8	9.5%	22.8%
Industrial	9,656.3	8,693.3	963.0	11.1%	42.7%
Commercial	1,701.8	1,526.7	175.1	11.5%	23.4%
Residential	1,981.0	1,987.2	(6.2)	(0.3%)	2.8%
Gas Stations	1,447.4	1,296.5	150.9	11.6%	(26.5%)
Distribution & Trading	9,129.1	8,429.7	699.4	8.3%	1.4%

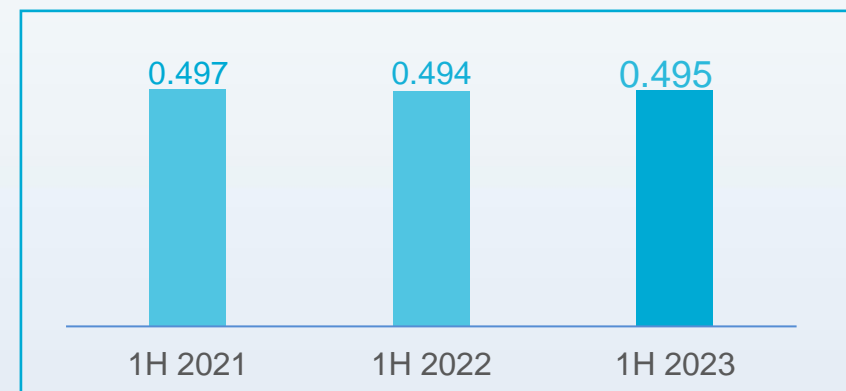
Retail Gas Sales Volume Breakdown



Dollar Margin

(RMB/m ³)			
Item	2023/06/30	2022/06/30	Change value
Average Gas Tariff	2.875	2.797	0.078
Average Cost	2.380	2.303	0.077
Weighted Average Dollar Margin	0.495	0.494	0.001

- Reliable and Stable Resource
- Promoting a long-term price pass-through mechanism
- Optimizing sales structure and developing high-margin business



Customer Base

Item	2023/06/30 New Users	2023/06/30 Accumulated Users	2022/06/30 Accumulated Users	Change
Total Users	506.9 thousand	15,220.2 thousand	14,254.5 thousand	6.8%
Residential	492.6 thousand	15,109.1 thousand	14,165.8 thousand	6.7%
Industrial	1,335	13,069	10,055	30.0%
Commercial	13.0 thousand	98.0 thousand	78.6 thousand	24.7%

Value Added Business

NG-related
Products

Extended
Services

Extended
Products

KunLun
Huixiangjia⁺

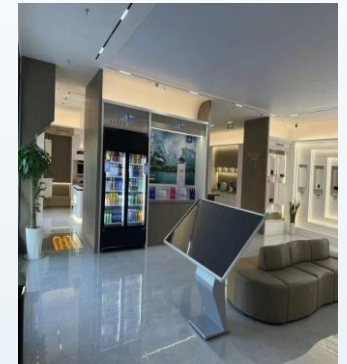
Development Strategy: vigorously implement the concentric diversification strategy, give full play to the advantages of the industrial chain, and continue to create extended value for customers.

昆仑慧享⁺



Brand & Channel: Relying on the “KunLun Huixiangjia⁺” online and offline integrated service platform, the value-added business service capabilities and brand awareness are increasing steadily, constantly creating a new growth pole for the green and low-carbon transformation and development of KunLun Energy. .

Application Scenario: The service function of the business hall has been comprehensively improved. Wuxi Luoshe business hall innovated real scene layout to create a new consumption experience of “shopping with facial recognition”; the “KunLun Huixiangjia⁺” Yili offline flagship store, which integrates customer services, value-added business product displays, and VR real scene gas safety education functions, opened for operation and improved new user service experience.



PART 02

LPG Sales

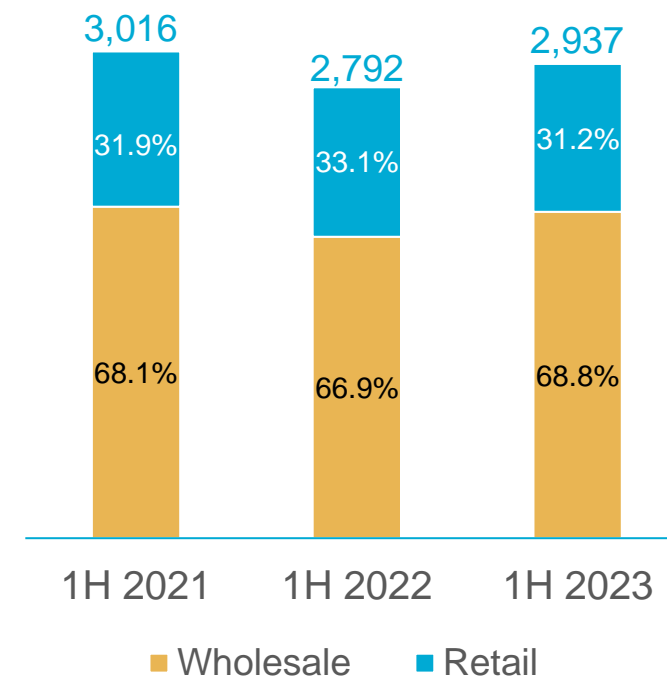


LPG Sales Volume

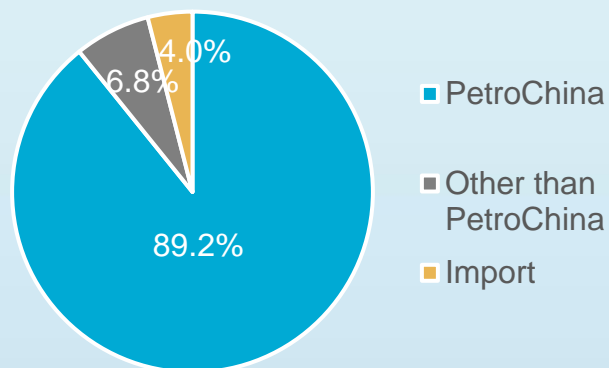
(thousand tons)					
Item	2023/06/30	2022/06/30	Change Value	Change Rate compared with 1H 2022	Change Rate compared with 1H 2021
LPG Sales Volume	2,936.9	2,792.4	144.5	5.2%	(2.6%)
Retail	915.3	924.3	(9.0)	(1.0%)	(4.8%)
Wholesale	2,021.6	1,868.1	153.5	8.2%	(1.6%)

LPG Sales Volume Breakdown

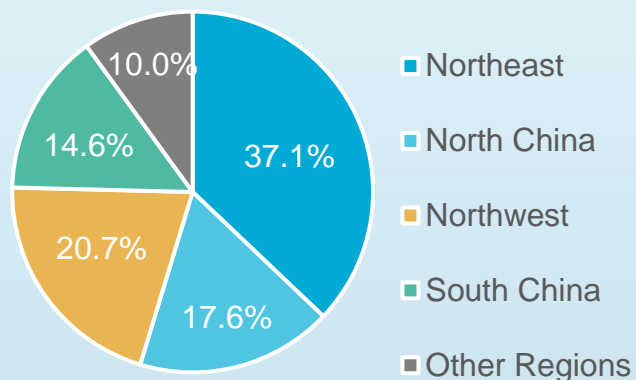
Thousand tons



LPG Upstream Resources Breakdown



LPG Sales Volume by Regions



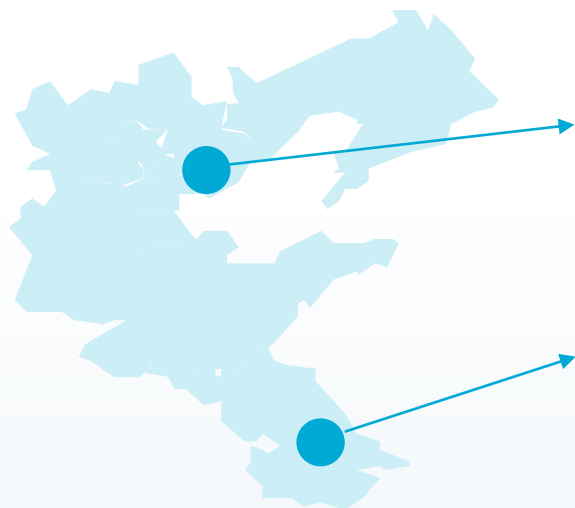
PART 03

LNG Processing & Terminals



LNG Terminals

Distribution of LNG Terminals

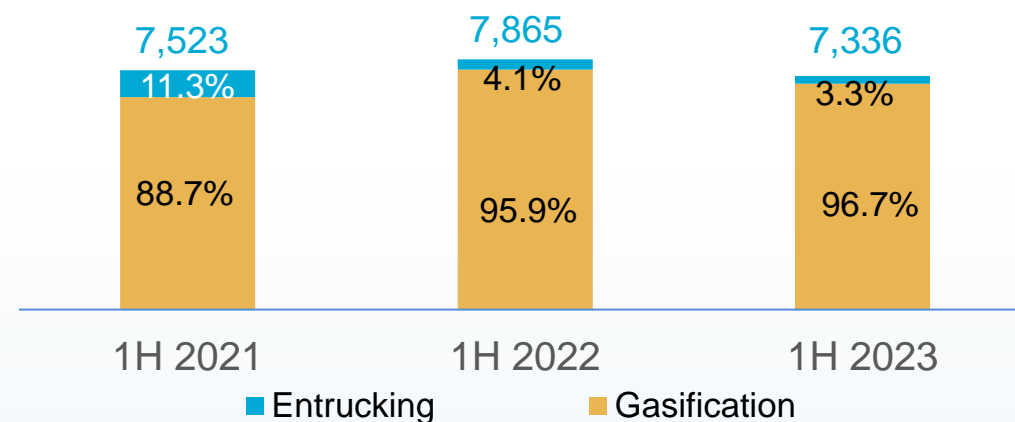


Tangshan LNG Terminal:
Capacity of 6.5 million tons/year

Rudong LNG Terminal:
Capacity of 6.5 million tons/year

Processing Volume of LNG Terminals

million m³

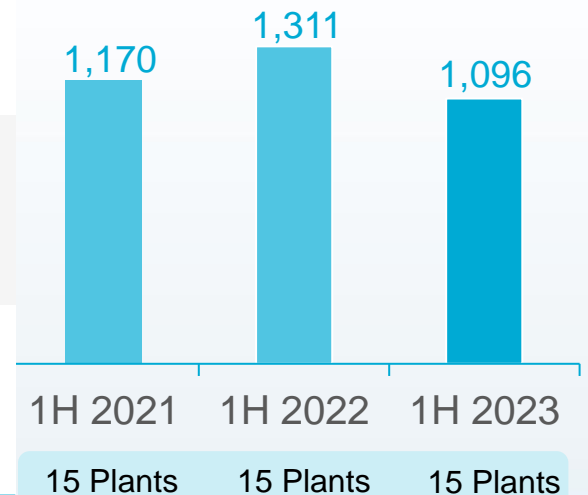


Item	2023/06/30	2022/06/30	Change Value	Change Rate compared with 1H 2022	Change Rate compared with 1H 2021
Total Volume	7,335.8	7,864.6	(528.8)	(6.7%)	(2.5%)
Gasification Volume	7,093.1	7,542.6	(449.5)	(6.0%)	6.3%
Entrucking Volume	242.7	322.0	(79.3)	(24.6%)	(71.4%)
Average Utilization Rate	81.8%	87.8%	-	(6.0 ppt)	(6.2 ppt)

LNG Plants

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

million m³



Item	2023/06/30	2022/06/30	Change Value	Change Rate compared with 1H 2022	Change Rate compared with 1H 2021
LNG Processing Volume (million m ³)	1,096.4	1,311.5	(215.1)	(16.4%)	(6.3%)
Number of LNG Plants in Operation	15	15	-	-	-
Average Utilization Rate	38.9%	44.9%	-	(6.0 ppt)	(5.1 ppt)

PART 04

Exploration & Production



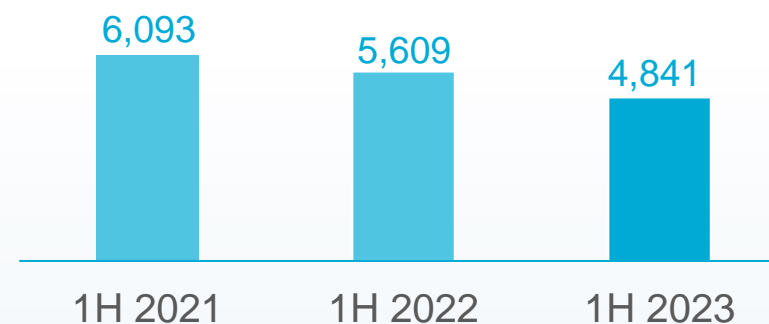
Exploration & Production

Distribution of Oilfields



Equity Sales Volume of Crude Oil

thousand barrels



Item	2023/06/30	2022/06/30	Change Value	Change Rate compared with 1H 2022	Change Rate compared with 1H 2021
Equity Sales Volume of Crude Oil (thousand Barrels)	4,840.9	5,609.3	(768.4)	(13.7%)	(20.5%)
ASP of Crude Oil (USD/Barrel)	65.6	77.8	(12.2)	(15.7%)	(26.9%)



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Financial Performance Summary

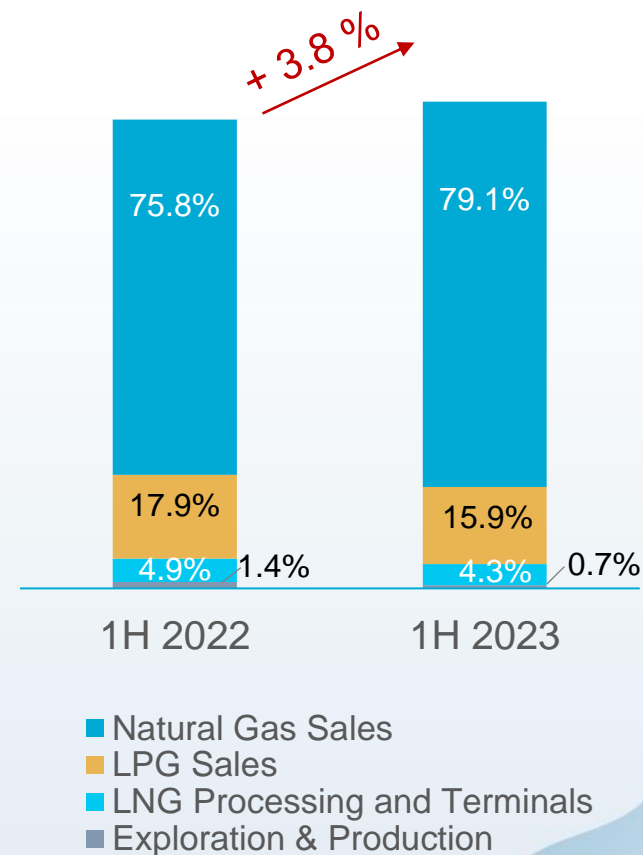
(RMB million)

Item	2023/06/30	2022/06/30	变动值	变动率
Revenue	87,071.5	83,863.9	3,207.6	3.8%
Profit before Income Tax Expense	6,790.8	6,274.9	515.9	8.2%
EBITDA	9,728.7	8,756.7	972.0	11.1%
Profit Attributable to Shareholders of the Company	3,222.3	3,079.9	142.4	4.6%
Basic EPS (RMB cents)	37.21	35.57	1.64	4.6%
Net Profit Margin	5.79%	5.37%	-	0.42 ppt
ROA	3.63%	3.13%	-	0.50 ppt
ROCE	6.50%	6.34%	-	0.16 ppt

Revenue

Item	2023/06/30	2022/06/30	(RMB million)	
			Change Value	Change Rate
Total	87,071.5	83,863.9	3,207.6	3.8%
Natural Gas Sales	68,895.6	63,520.8	5,374.8	8.5%
of which, Gas Sales	66,866.5	61,410.7	5,455.8	8.9%
LPG Sales	13,804.2	15,009.9	(1,205.7)	(8.0%)
LNG Processing & Terminals	3,763.5	4,150.4	(386.9)	(9.3%)
LNG Terminals	2,220.2	2,380.4	(160.2)	(6.7%)
LNG Plants	1,543.3	1,770.0	(226.7)	(12.8%)
Exploration & Production	608.2	1,182.8	(574.6)	(48.6%)

Revenue Breakdown

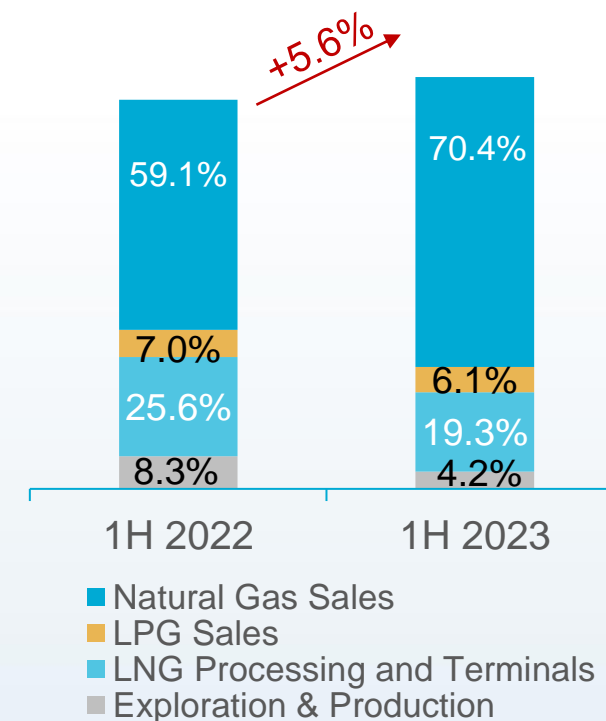


Profit Before Income Tax

(RMB million)

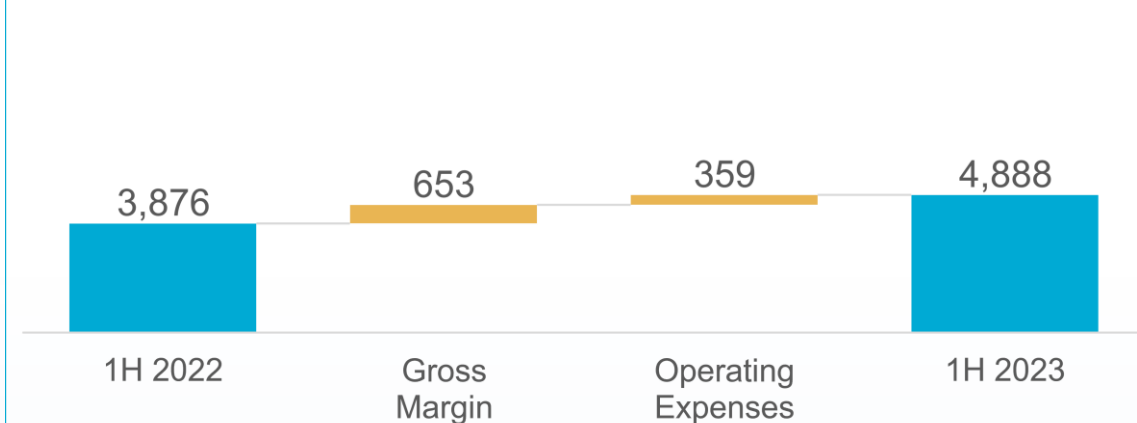
Item	2023/06/30	2022/06/30	Change Value	Change Rate
Natural Gas Sales	4,887.6	3,875.6	1,012.0	26.1%
LPG Sales	422.8	457.8	(35.0)	(7.6%)
LNG Processing and Terminals	1,341.3	1,675.0	(333.7)	(19.9%)
Exploration & Production	288.7	546.9	(258.2)	(47.2%)

Profit Before Income Tax Breakdown



Profit Before Income Tax

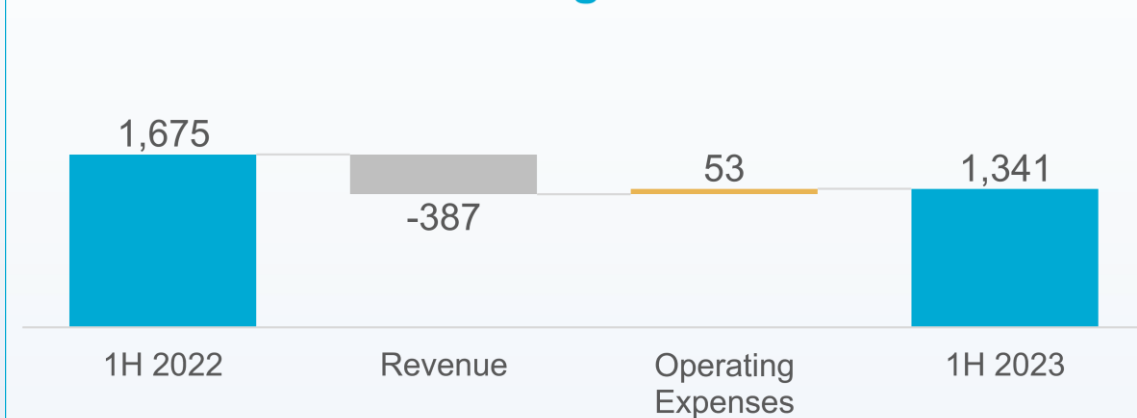
Natural Gas Sales



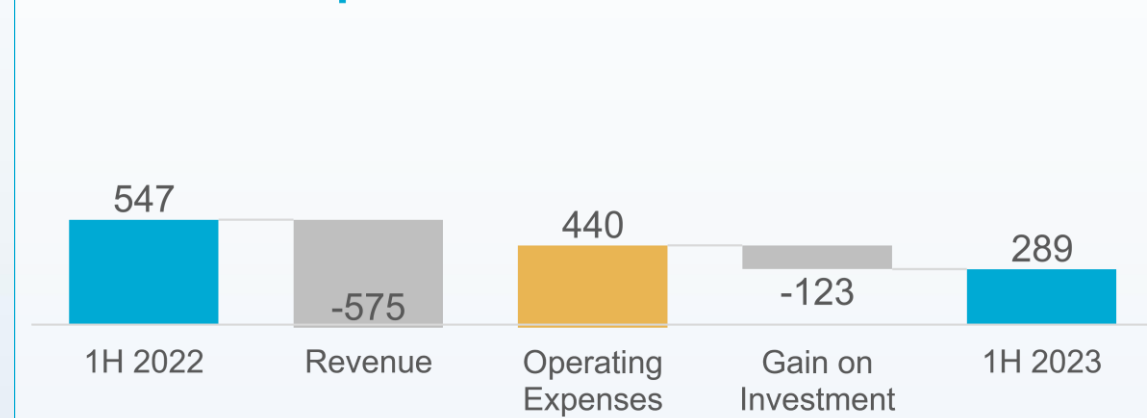
LPG Sales



LNG Processing and Terminals



Exploration and Production



(RMB million)

■ Total
 ■ Increase
 ■ Decrease

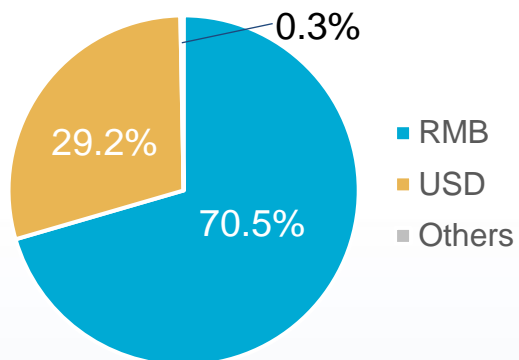
Balance Sheet

(RMB million)

Item	2023/06/30	2022/12/31	Change Value	Change Rate
Total Assets	138,537.0	138,892.3	(355.3)	(0.3%)
Bank Balance and Cash	42,028.5	39,481.4	2,547.1	6.5%
Total Interest-bearing Liabilities	25,455.3	25,851.0	(395.7)	(1.5%)
-- Current Liabilities	5,844.2	5,495.4	348.8	6.4%
-- Non-current Liabilities	19,611.1	20,355.6	(744.5)	(3.7%)
Equity	60,985.7	59,907.6	1,078.7	1.8%
Gearing Ratio	23.7%	24.3%	-	(0.6 ppt)
Interest-bearing Debts-to-Asset Ratio	18.4%	18.6%	-	(0.2 ppt)

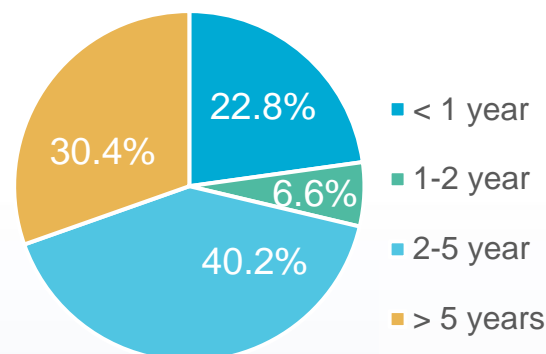
Borrowing Structure

Borrowing Currency Structure



(RMB million)	Amount
RMB	17,395
USD	7,214
Others	61

Long & Short Term Borrowing Structure



(RMB million)	Amount
Less than 1 year	5,618
1-2 year	1,636
2-5 year	9,914
More than 5 years	7,502

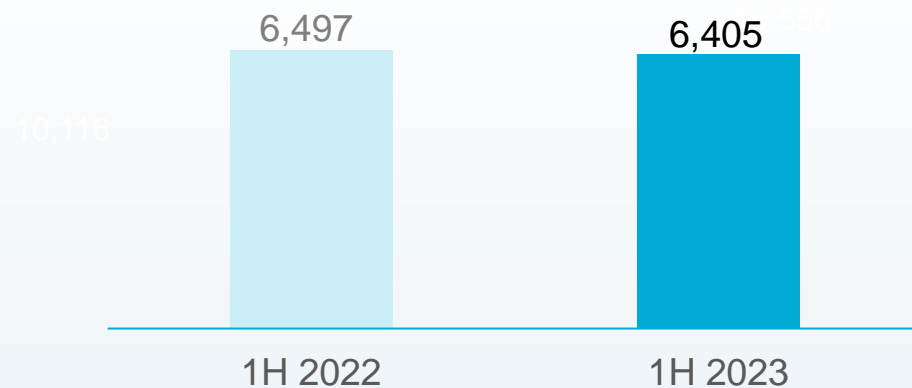
	2023/06/30	2022/06/30	Change
Average Financing Cost	3.50%	3.80%	(0.30 ppt)

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

CAPEX & Cash Flow

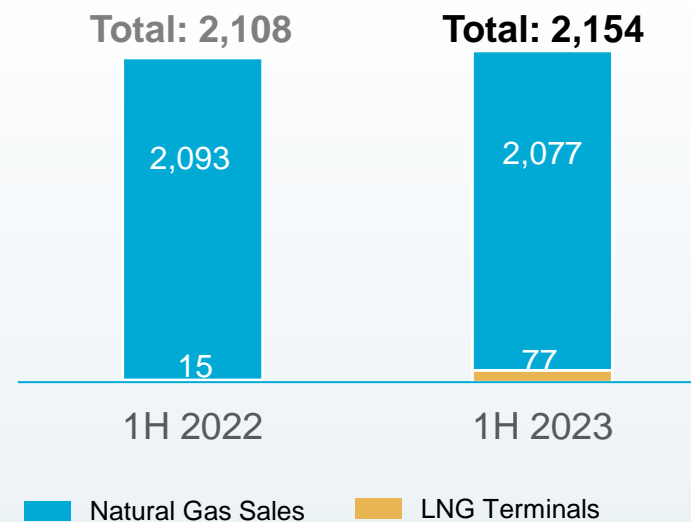
Operating Cash Flow

(RMB million)



CAPEX

(RMB million)





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Business Outlook

01

Comprehensively build a solid foundation for safe development

02

Unswervingly strengthen the core business of city gas

03

Continue to promote green and low-carbon transformation and development

04

Committed to becoming a leader in “digital-intelligence energy”

Business Outlook

Item	2023 Operation Guidance
Retail natural gas sales volume	↑10%
New connected users	800 thousand
LPG sales volume	5.4 million tons
Average utilization rate of LNG terminals	90%
Crude Oil equity sales volume	9 million barrels

Disclaimer

This presentation of Kunlun Energy includes historical facts and forward-looking statements. Forward-looking statements are based on assumptions and expectations, management experience, assessments and observations on historical trends, current conditions, predictable future trends, and other factors. Due to a wide range of risks and uncertainties, future actual results may not be consistent with the forward-looking statements. These risk and uncertainty factors include, but are not limited to, overall economic and commercial conditions, pricing pressures caused by competition and processes, labor conditions, political uncertainty, unpredictable regulatory changes, trade protection measures, tax and legal regulations changes, fluctuations in foreign exchange rates, capabilities on forecasting and planning of future demand, dependence on a single source supply relationship, and the impact of terrorist activities, natural disasters and public health issues.

In addition, any forward-looking statements represent our assessments as of the date of the statement and do not constitute an evaluation of any subsequent period. We are not responsible for any possible updates to any forward-looking statements, even if the assessment changes in the future.

The Chinese version shall prevail.

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