



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)

EMPOWERING CHINA
ENRICHING LIVES



2024 Interim Report

August 26, 2024



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 volume **up 10.3%** to **16.30 bcm**

449 thousand new users and accumulated **16.05 million** users

Five-year CAGR of **26.0%** in gas sales to industrial users

85.4% average utilization rate of LNG terminals

Processing volume of LNG plants **up 61.7%**

Revenue **up 6.7%** to RMB **92.92 billion**

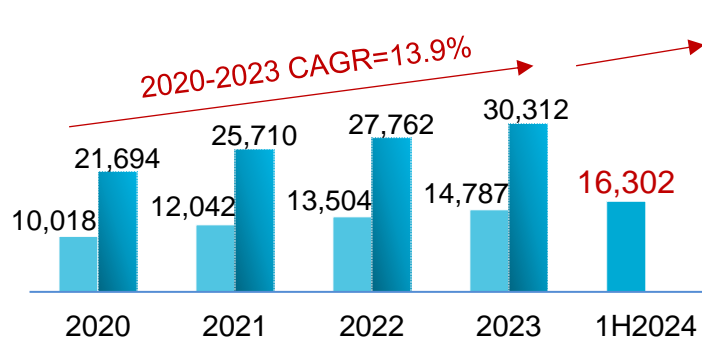
Net Profit **up 2.6%** to RMB **3.31 billion**

First interim dividend RMB **16.41 cents/share**

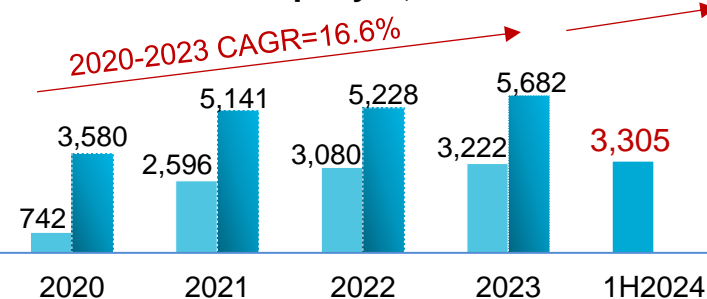
Half-year ROE **5.2%**

EBIT of LNG plants **up RMB 90 million**

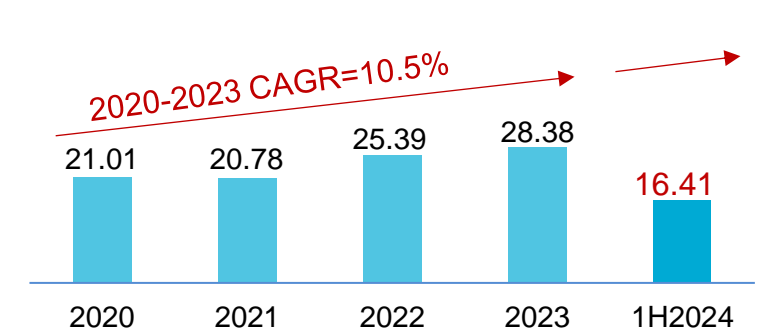
Retail Sales Volume (million m³)



Profit attribute to shareholders of the Company (RMB million)




DPS (RMB cents/share)



Environment, Society and Governance

Governance

 The first female director was appointed, actively promoting diversity on the board.

Female directors account for **14.29%**

Independent directors account for **42.86%**

Adopted the "Kunlun Energy Co., Ltd. Managerial Compensation Management Measures (Trial)" to link the **compensation of managerial members** with **ESG performance**



Environment



Conducted Scope 3 inventory work and disclosed **9 out of 15 categories** of greenhouse gas emissions for the first time.



In the first half of the year, green electricity consumption was **77 million kWh**, and photovoltaic power generation was **1.772 million kWh**; of which self-use was **1.003 million kWh**.

Release of **Kunlun Energy Co. Ltd 2023 White Paper on Climate Action**



Release of **Kunlun Energy Co. Ltd Carbon Peak and Carbon Neutrality Action Plan (2024 Edition)**



Society



In the first half of the year, RMB **630 million** has been allocated to safety hazard control projects.

During the National Safety Production Month, we carried out extensive safety publicity and consultation day activities, reaching more than **10 million** people.



Completed the construction of Kunlun Energy's **first** self-contribution biodiversity conservation demonstration site.



Ranked **31st** in the list of "China ESG Pioneer Listed Companies 100" released by CCTV



3 new **Hang Seng Hong Kong Stock Connect indices** were selected, bringing the total number of indices selected since 2023 to **15**



Won the "**Best ESG Practice Award**" in the 2024 Observer.com ESG Model Enterprise Selection List

MSCI 

MSCI ESG Rating **BBB**

S&P Global

S&P ESG Ratings **36**



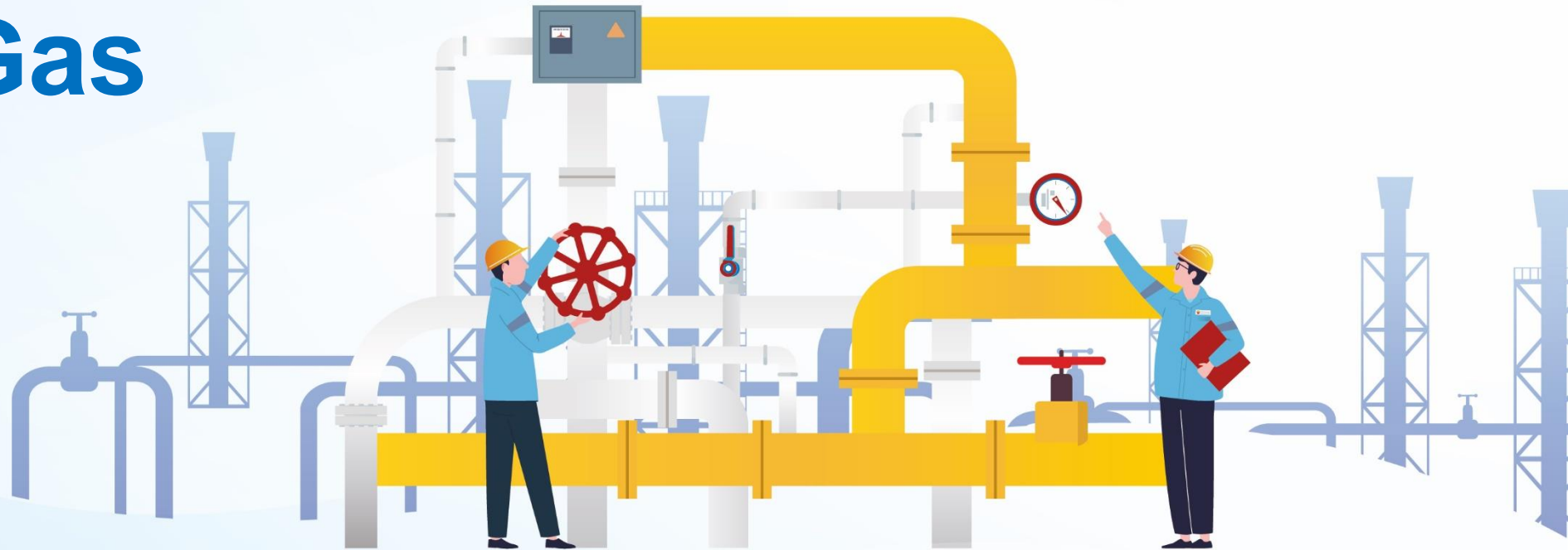
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PART 01

Natural Gas Sales



National Layout & New Projects

As of June 30, 2024, total 284 city gas projects

In 1H2024, 4 new city gas projects

Project Type	Location
City Gas projects (4)	Shandong: Zaozhuang City
	Henan: Xuchang City
	Jiangxi: Wanzai County
	Guizhou: Xifeng City

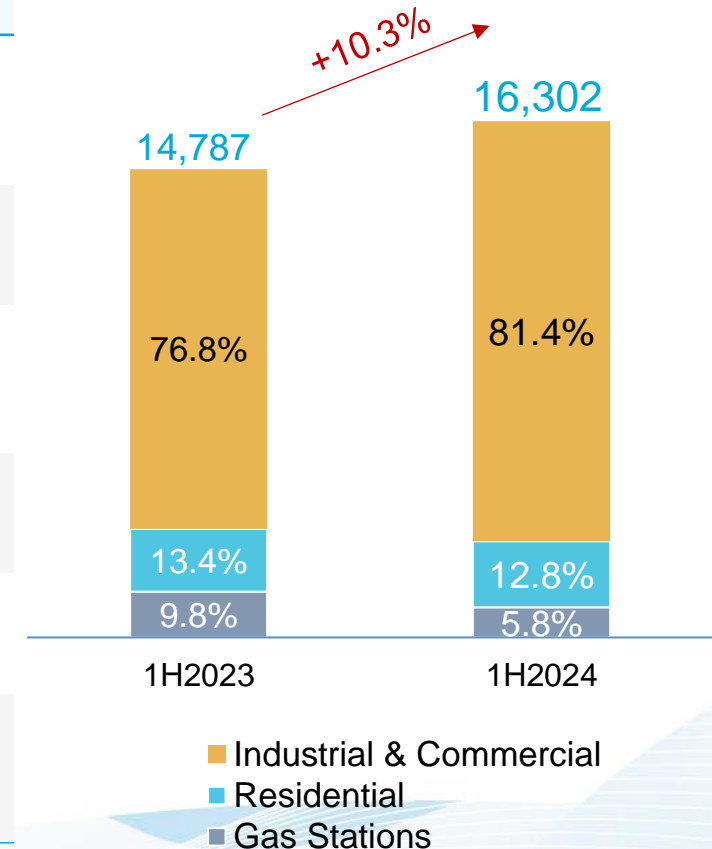


Sales Volume

(million m³)

Item	2024/06/30	2023/06/30	Change Value	Change Rate
Total Volume of NG Sales	26,438.1	23,915.6	2,522.5	10.5%
Retail Gas sales	16,302.2	14,786.5	1,515.7	10.3%
Industrial & Commercial	13,264.5	11,358.1	1,906.4	16.8%
Residential	2,090.5	1,981.0	109.5	5.5%
Gas Stations	947.2	1,447.4	(500.2)	(34.6%)
Distribution & Trading	10,135.9	9,129.1	1,006.8	11.0%

Retail Gas Sales Volume Breakdown

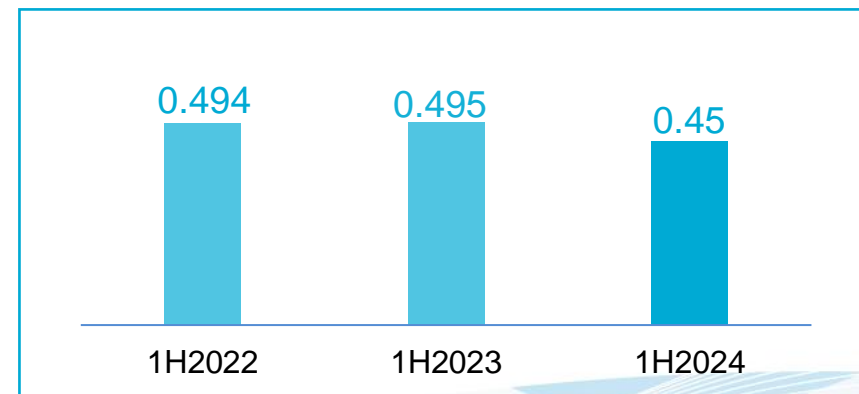


Dollar Margin

(RMB Yuan/m³)

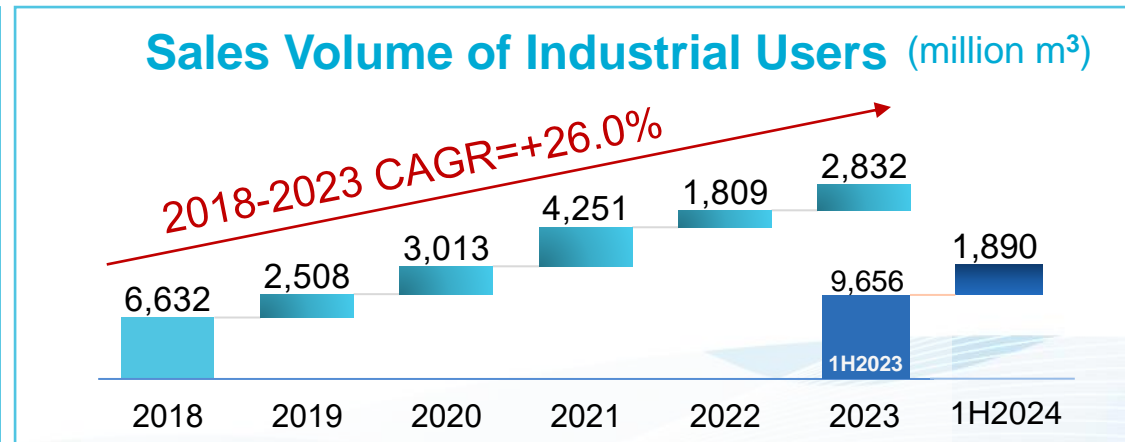
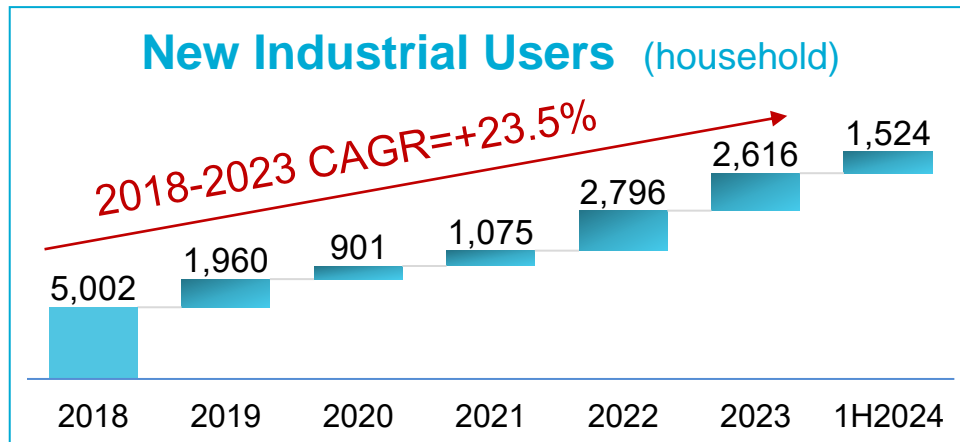
Item	2024/06/30	2023/06/30	Change value	2023/12/31
Average Gas Tariff	2.87	2.875	(0.005)	2.884
Average Cost	2.42	2.380	0.04	2.383
Weighted Average Dollar Margin	0.45	0.495	(0.045)	0.501

- Reliable and Stable Resource
- A long-term price pass-through mechanism
- Structural impact from gas station business



Customer Base

Item	2024/06/30 New Users	2024/06/30 Accumulated Users	2023/06/30 Accumulated Users	Change
Total Users (thousand)	448.9	16,052.9	15,220.2	5.5%
Residential (thousand)	436.2	15,911.5	15,109.1	5.3%
Industrial (household)	1,524	15,874	13,069	21.5%
Commercial (thousand)	11.2	125.5	98.0	28.1%



Value-added Business

Development strategy: Value-added services will accelerate the construction of a lean operation system, enhance the service capabilities of online and offline integrated platforms, and continuously create extended value for customers.

Highlight platform integration empowerment: Built an integrated multi-channel service platform including the "Kunlun Huixiang+" platform, WeChat public account, 956100 gas customer service, etc. to achieve data sharing and mutual promotion of traffic. The number of registered users of the "Kunlun Huixiang+" platform has reached 600,000, a year-on-year increase of 27.4 times. The value of the online and offline integrated service platform is becoming increasingly apparent.

The operating scale of the e-commerce platform hit a new high: sales in the first half of the year reached 47.014 million yuan, a year-on-year increase of 50%, of which the retail sales increased by 57% year-on-year.

The scale of the self-owned brand gas appliances business continued to increase: relying on a rich product system, the company held a new product launch conference in Kunming, Yunnan, to launch two categories of 6 high value-added new products to further meet user needs. In the first half of the year, nearly 31,000 gas appliances were sold, a year-on-year increase of 84.3%; sales revenue reached 30.88 million yuan, a year-on-year increase of 36.7%.



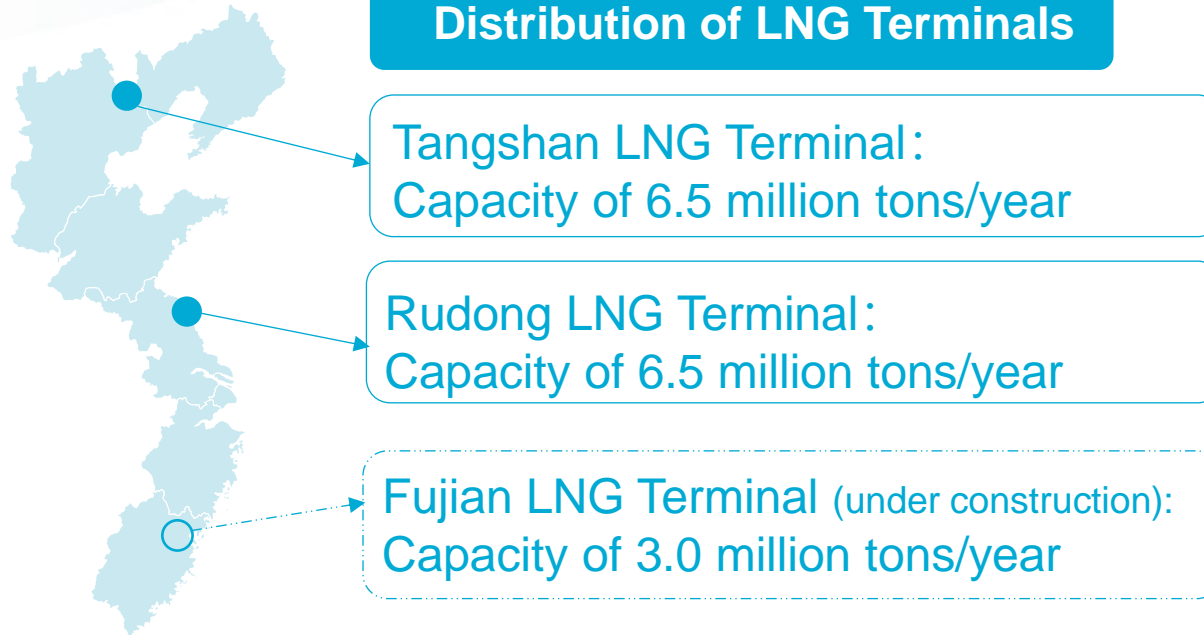
PART 02

LNG Processing & Terminals

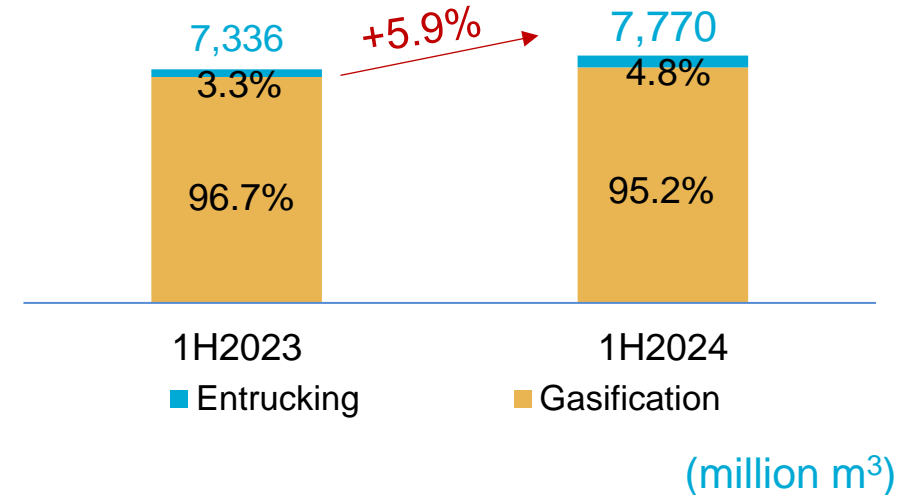


LNG Terminals

Distribution of LNG Terminals



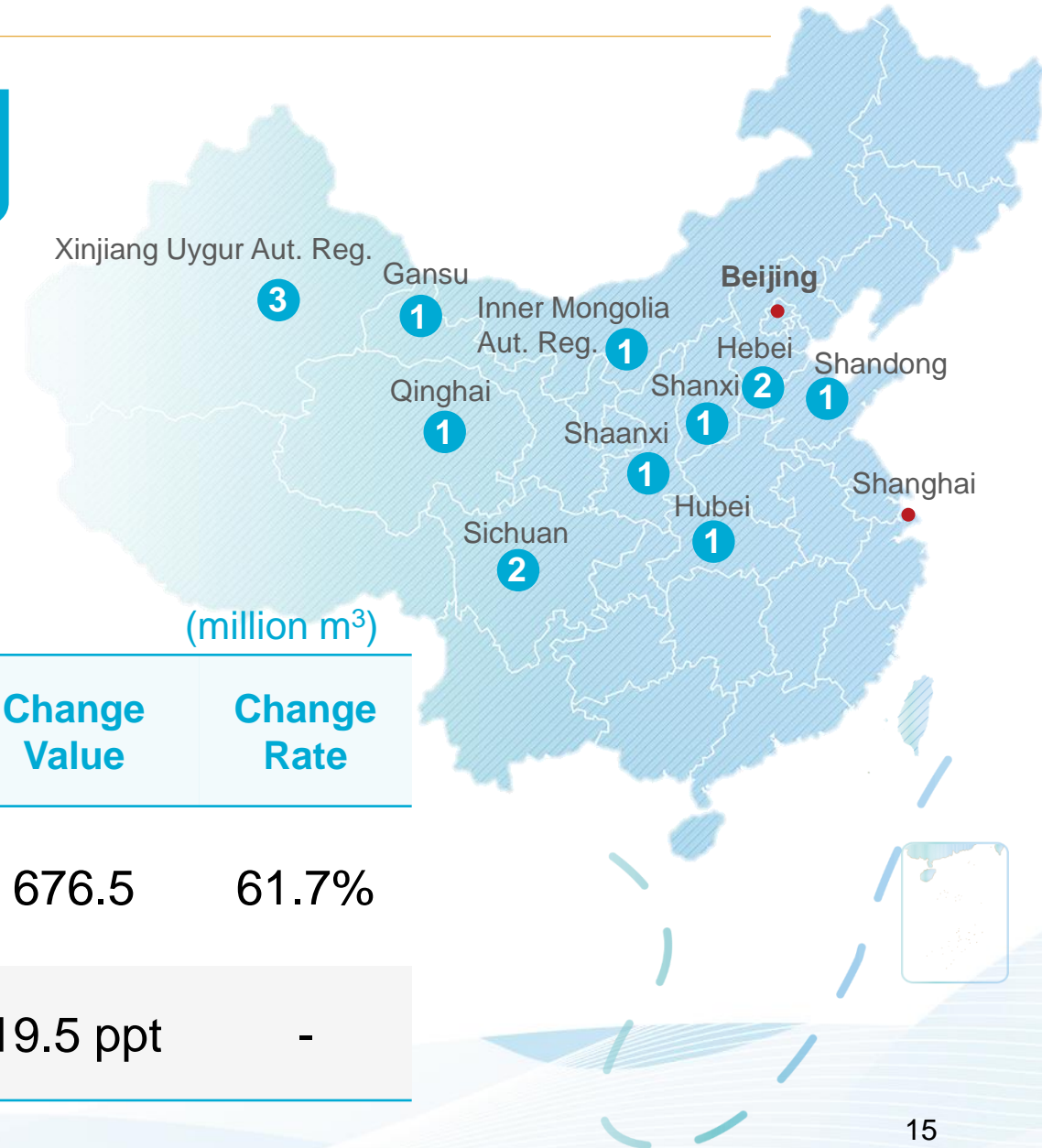
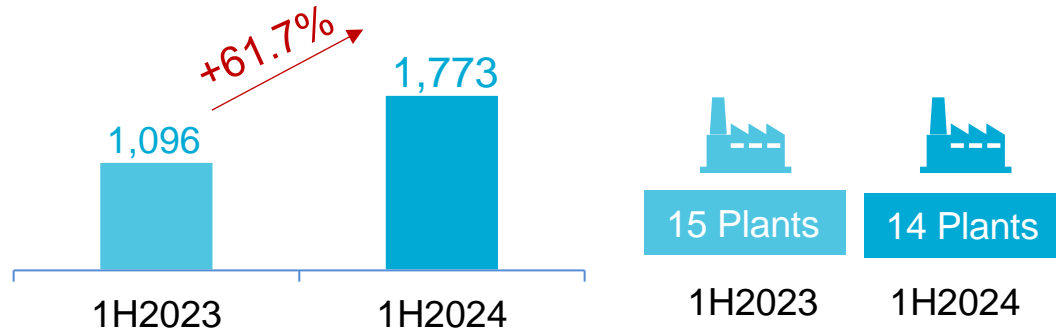
Processing Volume of LNG Terminals



Item	2024/06/30	2023/06/30	Change Value	Change Rate
Total Volume	7,770.4	7,335.8	434.6	5.9%
Gasification Volume	7,397.8	7,093.1	304.7	4.3%
Entrucking Volume	372.6	242.7	129.9	53.5%
Average Utilization Rate	85.4%	81.8%	3.6 ppt	-

LNG Plants

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



Item	2024/06/30	2023/06/30	Change Value	Change Rate
LNG Processing Volume	1,772.9	1,096.4	676.5	61.7%
Average Utilization Rate	58.4%	38.9%	19.5 ppt	-

PART 03

LPG Sales

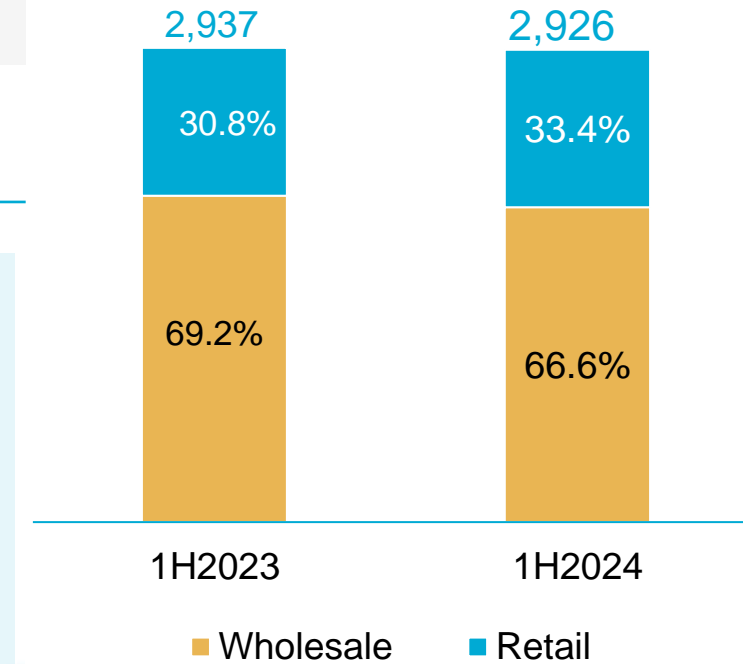


LPG Sales Volume

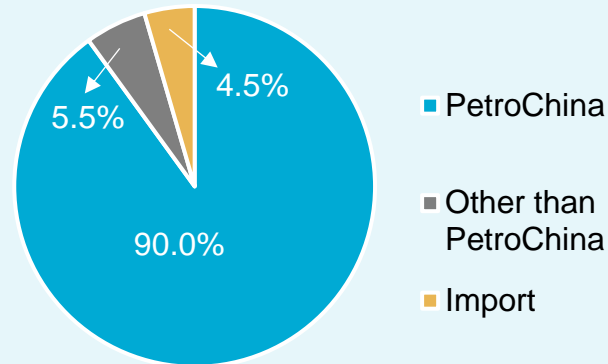
(thousand tons)

Item	2024/06/30	2023/06/30	Change Value	Change Rate
LPG Sales Volume	2,925.8	2,936.9	(11.1)	(0.4%)
Retail	976.2	915.3	60.9	6.6%
Wholesale	1,949.6	2,021.6	(72.0)	(3.6%)

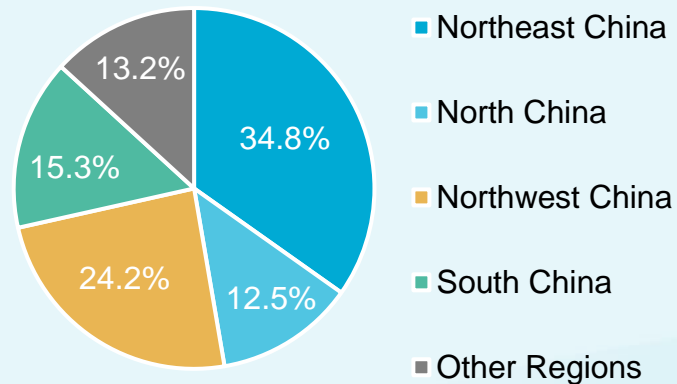
LPG Sales Volume Breakdown



LPG Upstream Resources Breakdown



LPG Sales Volume by Regions



PART 04

Exploration & Production

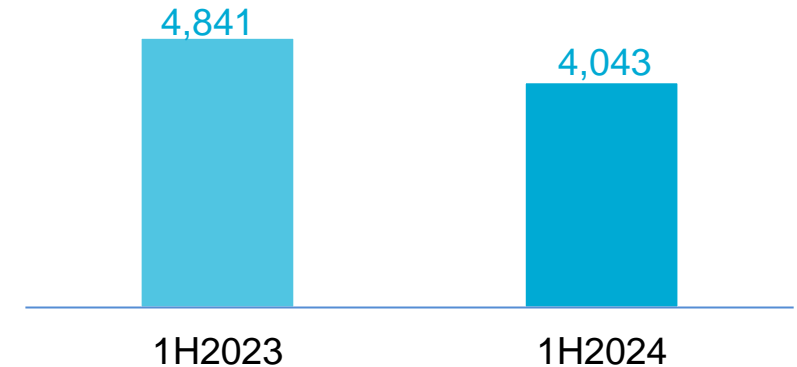


Exploration & Production

Distribution of Oilfields



Equity Sales Volume of Crude Oil



Item	2024/06/30	2023/06/30	Change Value	Change Rate
Equity Sales Volume of Crude Oil (thousand Barrels)	4,042.6	4,840.9	(798.3)	(16.5%)
ASP of Crude Oil (USD/Barrel)	67.8	65.6	2.2	3.3%



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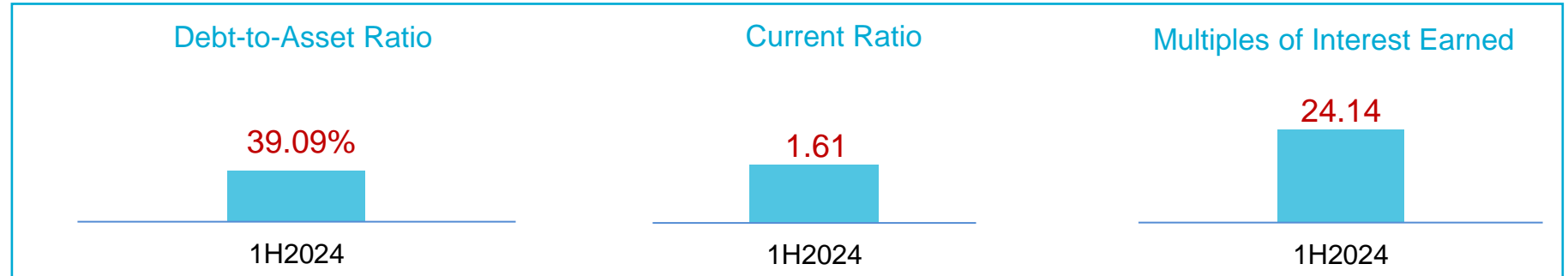
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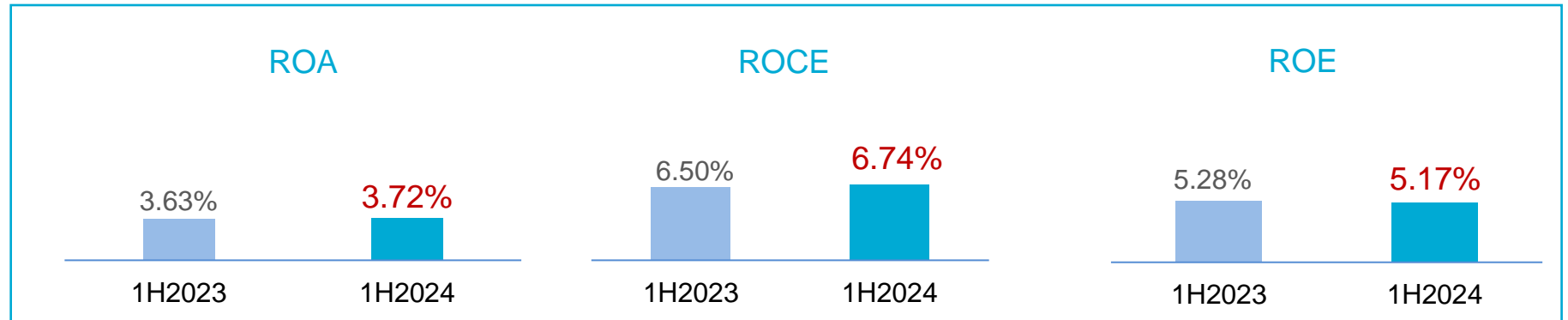
Financial Performance Highlight

(RMB million)

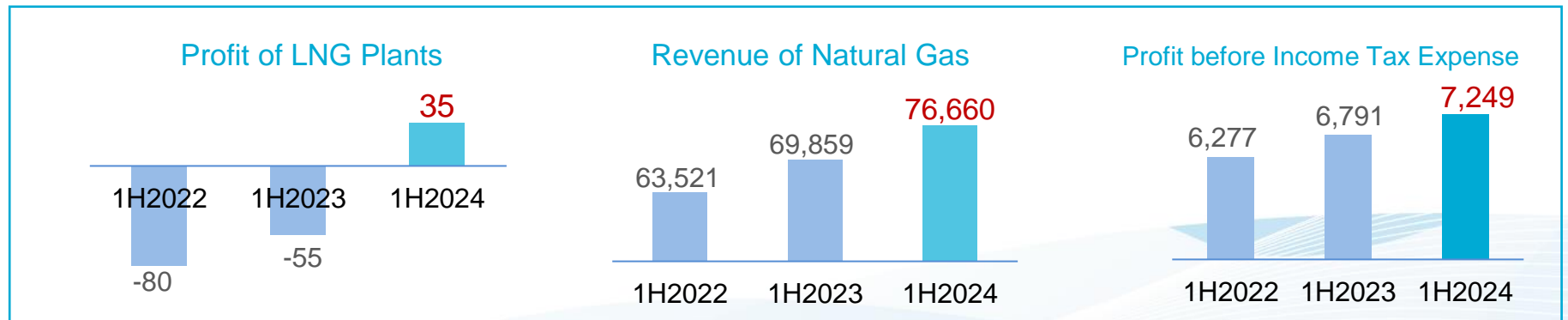
✓ **Stable
financial position**



✓ **Steady
improvement in
profitability**



✓ **Improved
development
capabilities**

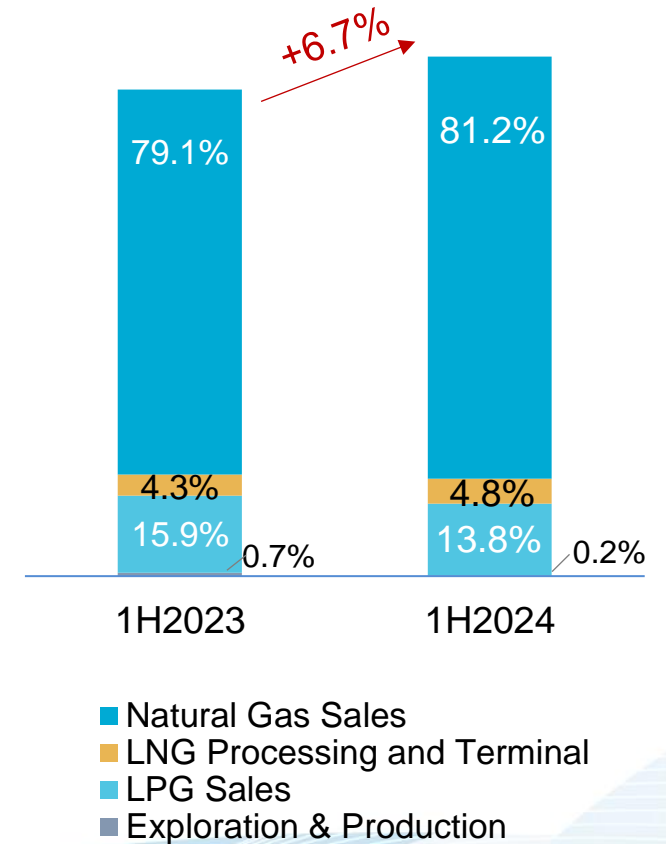


Revenue

(RMB million)

Item	2024/06/30	2023/06/30	Change Value	Change Rate
Total	92,922.3	87,071.5	5,850.8	6.7%
Natural Gas Sales	75,506.2	68,895.6	6,610.6	9.6%
Gas Sales	73,736.1	66,866.5	6,869.6	10.3%
LNG Processing & Terminals	4,441.3	3,763.5	677.8	18.0%
LNG Terminals	2,328.3	2,220.2	108.1	4.9%
LNG Plants	2,113.0	1,543.3	569.7	36.9%
LPG Sales	12,886.6	13,804.2	(917.6)	(6.6%)
Exploration & Production	88.2	608.2	(520.0)	(85.5%)

Revenue Breakdown

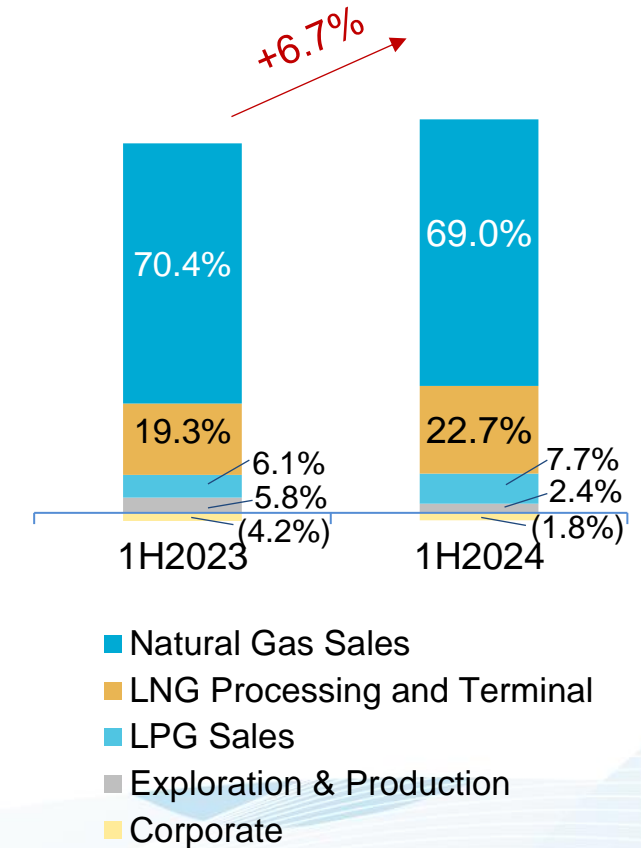


Profit Before Income Tax

(RMB million)

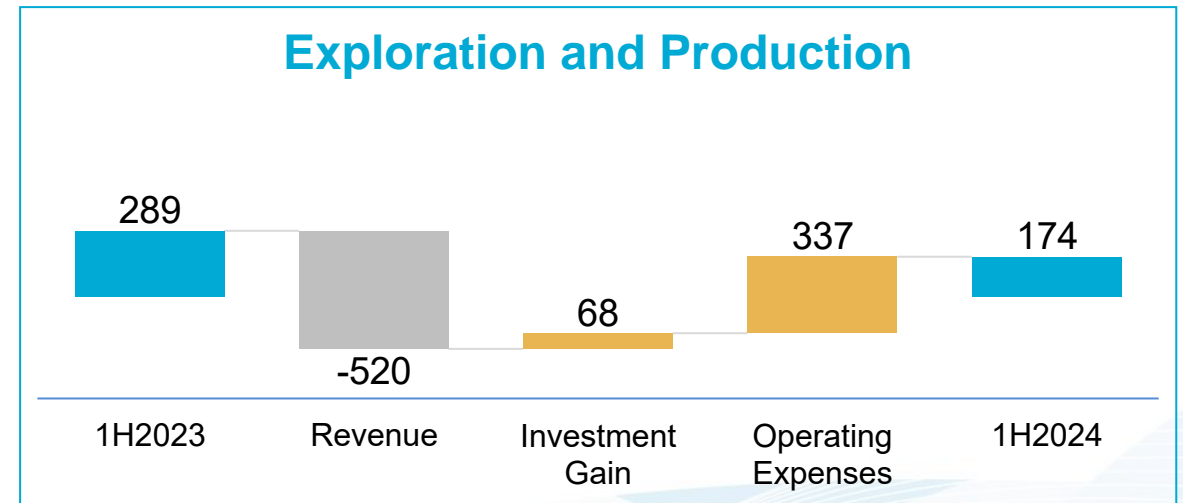
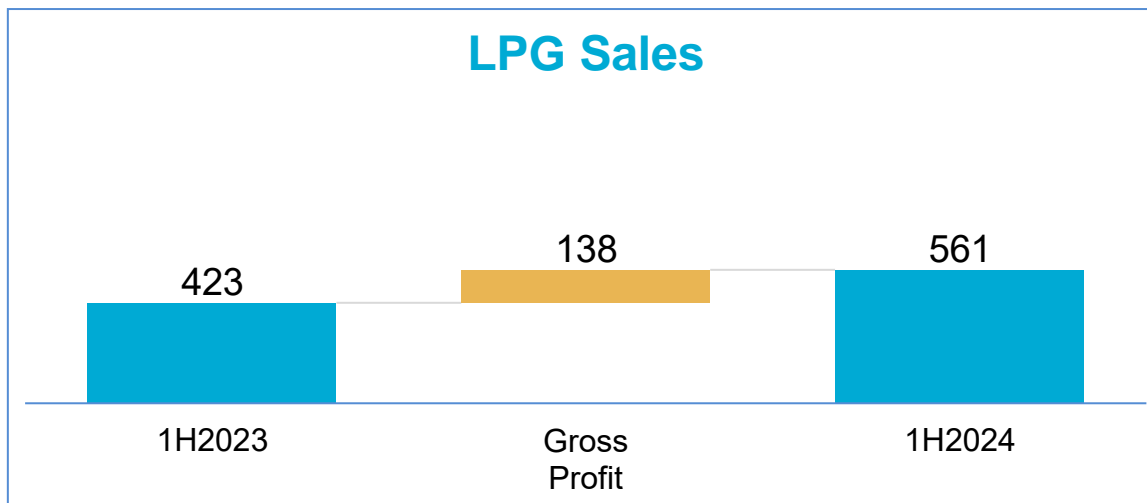
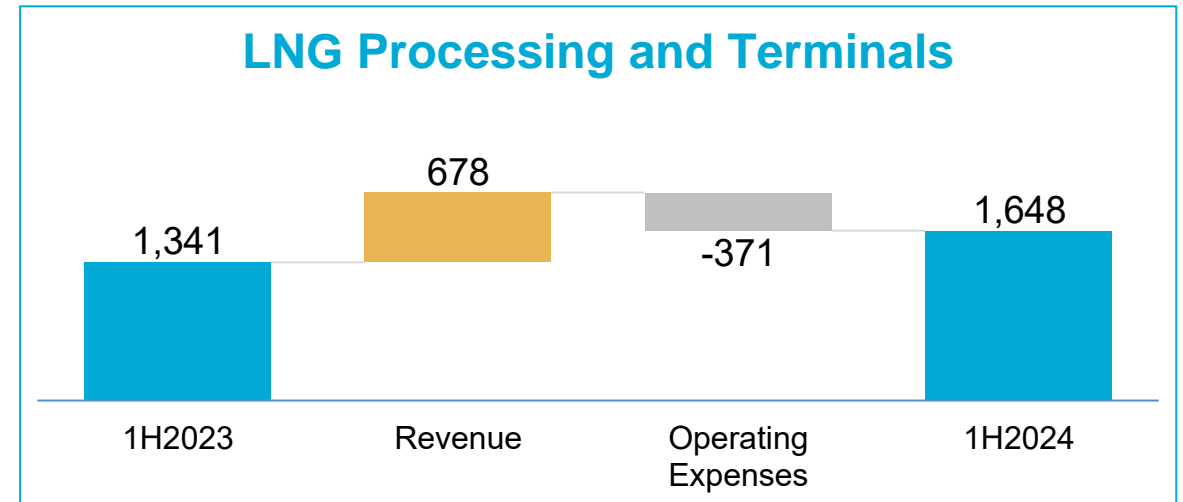
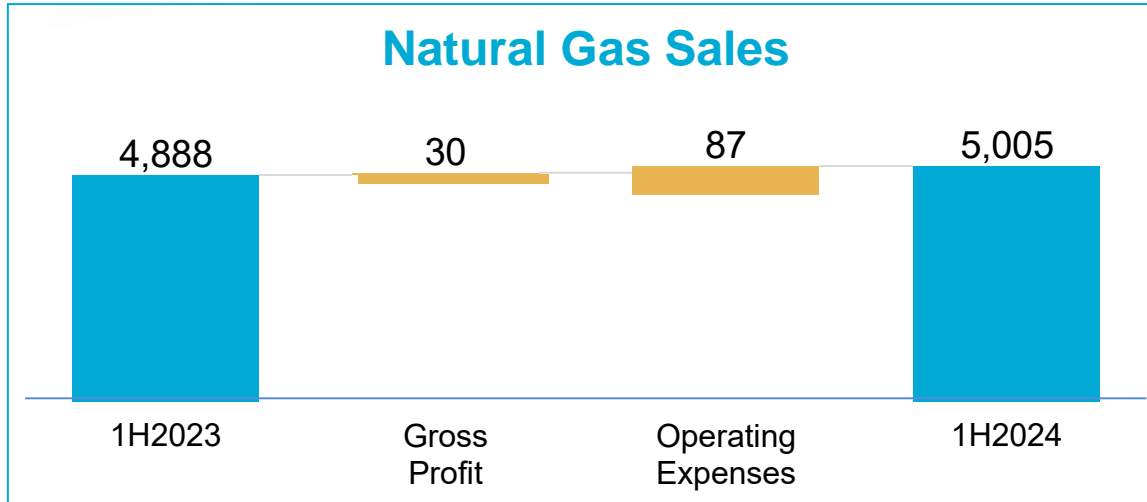
Item	2024/06/30	2023/06/30	Change Value	Change Rate
Total	7,249.1	6,791.1	458.0	6.7%
Natural Gas Sales	5,005.0	4,887.6	117.4	2.4%
LNG Processing & Terminals	1,647.6	1,341.3	306.3	22.9%
LNG Terminals	1,612.8	1,396.7	216.1	15.5%
LNG Plants	34.8	(55.4)	90.2	162.8%
LPG Sales	561.2	422.8	138.4	32.6%
Exploration & Production	174.4	288.7	(114.3)	(39.8%)
Corporate	(139.1)	(149.3)	10.2	6.8%

Profit Before Income Tax Breakdown



Analysis of Profit Before Income Tax

(RMB million)



■ Total ■ Increase ■ Decrease

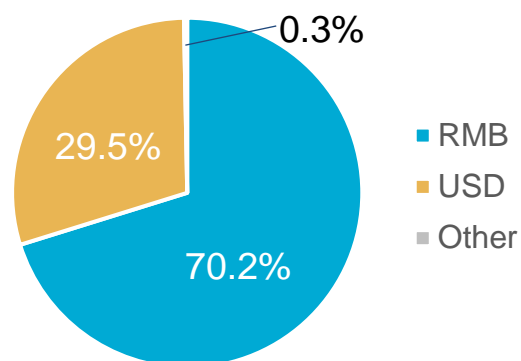
Balance Sheet

(RMB million)

Item	2024/06/30	2023/12/31	Change Value	Change Rate
Total Assets	142,326.6	143,519.3	(1,192.7)	(0.8%)
Bank Balance and Cash	46,873.1	45,587.6	1,285.5	2.8%
Total Interest-bearing Liabilities	24,797.5	25,201.7	(407.2)	(1.6%)
-- Current Liabilities	8,754.1	5,678.1	3,076.0	54.2%
-- Non-current Liabilities	16,043.4	19,523.6	(3,480.2)	(17.8%)
Shareholders' Equity	63,858.6	63,449.3	409.3	0.6%
Debt Ratio	22.2%	22.7%	(0.5 ppt)	-
Interest-bearing Debts-to-Assets Ratio	17.4%	17.6%	(0.2 ppt)	-

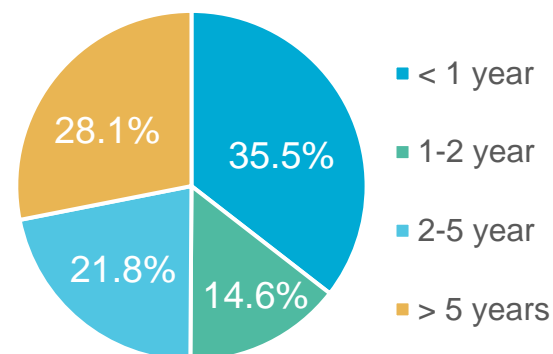
Borrowing Structure

Borrowing Currency Structure



(RMB million)	
Item	Amount
RMB	16,925.1
USD	7,121.7
Others	64.1

Long & Short Term Borrowing Structure



(RMB million)	
Item	Amount
Less than 1 year	8,556.9
1-2 year	3,521.0
2-5 year	5,256.5
More than 5 years	6,776.5

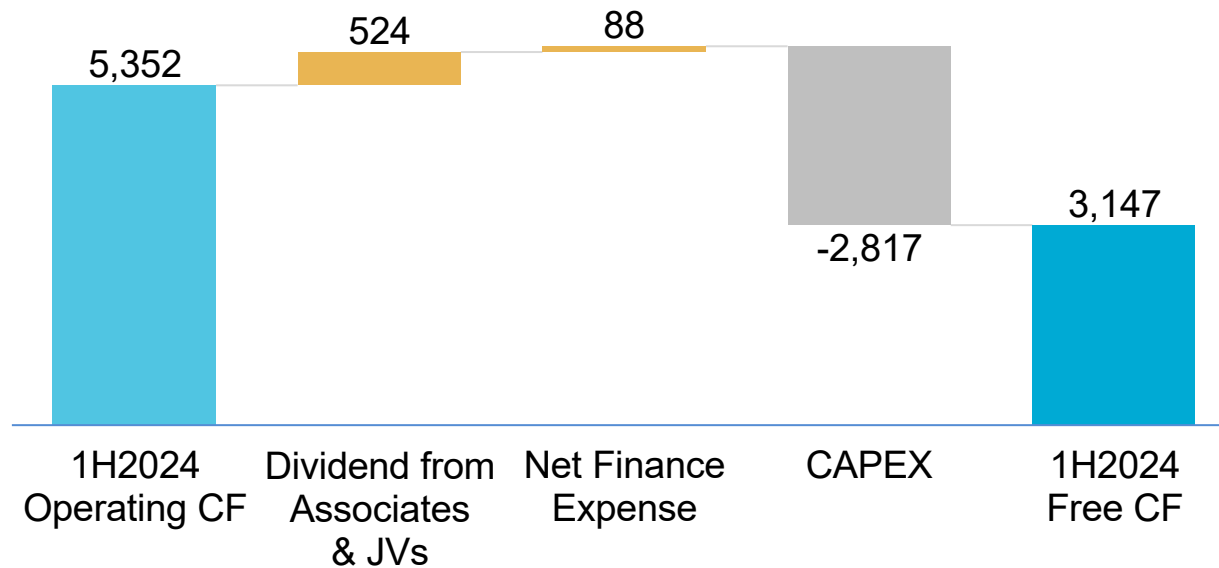
	2024/06/30	2023/06/30	Change
Average Finance Cost	2.97%	3.50%	(53 bp)

Agency	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	
FitchRatings	Stable	A	

Cash Flow Analysis & CAPEX

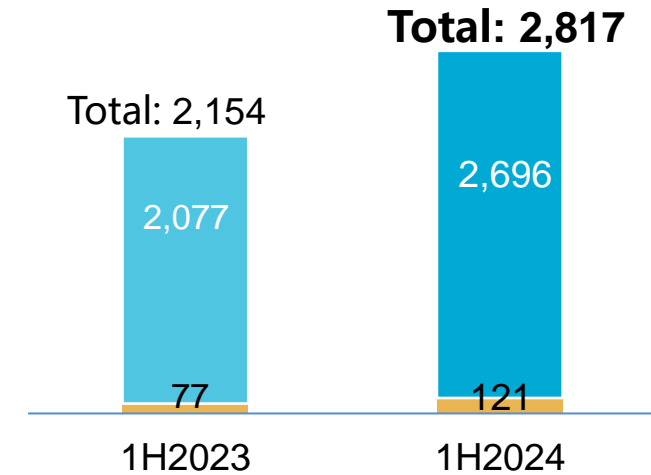
(RMB million)

Cash Flow Analysis



■ Total ■ Increase ■ Decrease

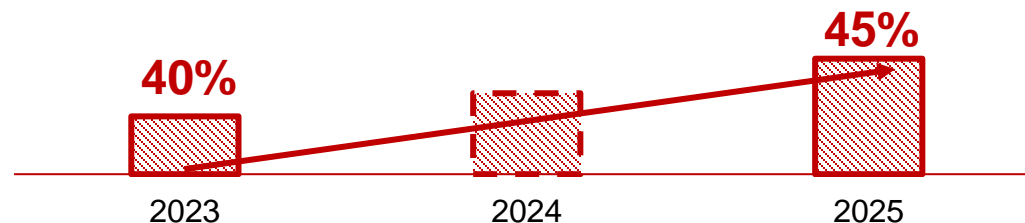
CAPEX



■ NG Sales ■ LNG Terminals

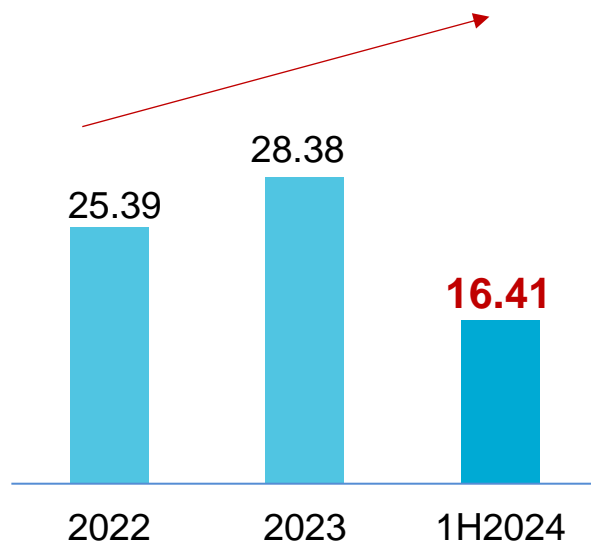
Dividend Policy

Three-year dividend payout ratio plan
from 2023 to 2025:



Dividend policy from 2017 to 2022: The total annual dividend payment is 25-35% of the company's profits attributable to shareholders.

Dividend per share



(RMB cents/share)

Item	1H2024	1H2023	1H2022
Basic EPS	38.17	37.21	35.57
DPS	16.41	-	-
Dividend Payment (RMB million)	1,420.9	-	-
Payout Ratio	43%	-	-



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Business Outlook

01

Seize the opportunity in marketing and promote the main business to be more “specialized”

02

Optimize and upgrade industry succession and promote strategic emerging businesses to move “forward”

03

Work hard on business management to push value creation to a “higher” level

04

Strengthen the empowerment of science and technology to promote the “smart” development of intrinsic safety

Business Outlook

Item	2024 Operation Guidance
Retail natural gas sales volume	↑ 10%
New connected users	800 thousand
Average utilization rate of LNG terminals	90%
Processing volume of LNG plants	↑ 7%
LPG sales volume	5.5 million tons
Equity sales volume of Crude Oil	7.5-8.0 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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