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KUNLUN ENERGY COMPANY LIMITED
(incorporated in Bermuda with limited liability)
 昆 侖 能 源 有 限 公 司

(Stock Code: 00135.HK)

ANNOUNCEMENT OF RESULTS
HIGHLIGHTS OF THE FINANCIAL RESULTS OF THE GROUP

	Year ended 31 December		
	2024	2023	Change %
Total volume of Natural Gas Sales <i>(million cubic metres)</i>	54,170	49,285	9.91
Retail Gas Sales <i>(million cubic metres)</i>	32,757	30,312	8.07
	<i>RMB'million</i>	<i>RMB'million</i>	
Revenue	187,046	177,354	5.46
Profit before income tax expense	12,635	12,593	0.33
Profit attributable to shareholders of the Company	5,960	5,682	4.89
Core profit attributable to shareholders of the Company <i>(note 1)</i>	6,359	6,144	3.50
EBITDA	17,640	17,675	(0.20)
	<i>RMB'cent</i>	<i>RMB'cent</i>	
Basic earnings per share	68.83	65.62	4.89
Core basic earnings per share <i>(note 2)</i>	73.44	70.96	3.50
Interim dividend paid and proposed final dividend per share	31.58	28.38	11.28

- 1 Core profit attributable to shareholders of the Company is defined as profit attributable to shareholders of the Company excluding impairment losses on property, plant and equipment, intangible assets, and exchange losses attributable to shareholders of the Company and its related tax effect.
- 2 Core basic earnings per share is calculated based on the core profit attributable to shareholders of the Company and weighted average number of ordinary shares in issue during the year.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2024

		2024	2023
	Note	RMB'million	RMB'million
Revenue	3	187,046	177,354
Other gains, net		1,520	903
Interest income		958	870
Purchases, services and others		(161,662)	(151,091)
Employee compensation costs		(5,830)	(5,970)
Depreciation, depletion and amortisation		(5,160)	(4,992)
Impairment losses on property, plant and equipment		(565)	(368)
Other selling, general and administrative expenses		(3,491)	(3,656)
Taxes other than income taxes		(504)	(542)
Interest expenses	4	(803)	(960)
Share of profits less losses of:			
– Associates		599	466
– Joint ventures		527	579
Profit before income tax expense	5	12,635	12,593
Income tax expense	6	(3,128)	(3,338)
Profit for the year		9,507	9,255
Other comprehensive income:			
Item that will not be reclassified to profit or loss:			
– Fair value (loss)/gain on financial assets at fair value through other comprehensive income		(95)	33
Items that may be reclassified subsequently to profit or loss:			
– Exchange differences on translation of financial statements, net of nil tax, of:			
– Subsidiaries		15	(32)
– Associates		31	5
– Joint ventures		20	23
Other comprehensive (loss)/income for the year		(29)	29
Total comprehensive income for the year		9,478	9,284

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)*For the year ended 31 December 2024*

	<i>Note</i>	2024 <i>RMB'million</i>	2023 <i>RMB'million</i>
Profit for the year attributable to:			
– Shareholders of the Company		5,960	5,682
– Non-controlling interests		3,547	3,573
		<hr/> 9,507	<hr/> 9,255
Total comprehensive income for the year attributable to:			
– Shareholders of the Company		5,933	5,675
– Non-controlling interests		3,545	3,609
		<hr/> 9,478	<hr/> 9,284
Basic and diluted earnings per share for profit attributable to shareholders of the Company <i>(RMB cent)</i>			
	7	<hr/> 68.83	<hr/> 65.62

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

	<i>Note</i>	2024 <i>RMB'million</i>	2023 <i>RMB'million</i>
Assets			
Non-current assets			
Property, plant and equipment		66,797	68,032
Investments in associates		8,567	7,980
Investments in joint ventures		6,157	6,109
Intangible assets		1,526	1,755
Financial assets at fair value through other comprehensive income		264	360
Other non-current assets		1,680	1,031
Deferred tax assets		1,162	1,054
		<u>86,153</u>	<u>86,321</u>
Current assets			
Inventories		1,131	1,155
Accounts receivable	9	2,544	1,977
Prepayments and other current assets		8,470	8,478
Time deposits with maturities over three months		17,265	18,235
Cash and cash equivalents		27,827	27,353
		<u>57,237</u>	<u>57,198</u>
Total assets		<u>143,390</u>	<u>143,519</u>
Equity			
Capital and reserves attributable to shareholders of the Company			
Share capital		71	71
Retained earnings		32,297	31,427
Other reserves		32,781	31,951
		<u>65,149</u>	<u>63,449</u>
Non-controlling interests		<u>23,686</u>	<u>22,334</u>
Total equity		<u>88,835</u>	<u>85,783</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)*As at 31 December 2024*

	<i>Note</i>	2024 <i>RMB'million</i>	2023 <i>RMB'million</i>
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	<i>10</i>	25,224	27,800
Income tax payable		544	589
Other taxes payable		517	516
Short-term borrowings		9,133	5,464
Lease liabilities		258	214
		<hr/> 35,676 <hr/>	<hr/> 34,583 <hr/>
Non-current liabilities			
Long-term borrowings		14,329	19,027
Deferred tax liabilities		2,011	1,870
Lease liabilities		559	497
Other liabilities		1,980	1,759
		<hr/> 18,879 <hr/>	<hr/> 23,153 <hr/>
Total liabilities		<hr/> 54,555 <hr/>	<hr/> 57,736 <hr/>
Total equity and liabilities		<hr/> 143,390 <hr/>	<hr/> 143,519 <hr/>
Net current assets		<hr/> 21,561 <hr/>	<hr/> 22,615 <hr/>
Total assets less current liabilities		<hr/> 107,714 <hr/>	<hr/> 108,936 <hr/>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The financial information set out in this announcement is extracted from the consolidated financial statements of Kunlun Energy Company Limited (the “**Company**”) and its subsidiaries (together, the “**Group**”) for the year ended 31 December 2024, and does not constitute part of such consolidated financial statements.

The consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“**HKFRSs**”), which is a collective term including all applicable individual HKFRSs, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. The consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

Changes in accounting policies

Amended standards adopted by the Group

The following amended standards became applicable for the current reporting period:

- Amendments to HKAS 1, Presentation of financial statements – Classification of liabilities as current or non-current (“**2020 amendments**”) and amendments to HKAS 1, Presentation of financial statements – Non-current liabilities with covenants (“**2022 amendments**”)
- Amendments to HKFRS 16, Leases – Lease liability in a sale and leaseback
- Amendments to HKAS 7, Statement of cash flows and HKFRS 7, Financial instruments: Disclosures – Supplier finance arrangements

None of these developments have had a material effect on the Group’s consolidated financial statements which have been prepared or presented in this consolidated financial report.

	Effective for accounting periods beginning on or after
Amendments to HKAS 21, The effects of changes in foreign exchange rates – Lack of exchangeability	1 January 2025
Amendments to HKFRS 9, Financial instruments and HKFRS 7, Financial instruments: disclosures – Amendments to the classification and measurement of financial instruments	1 January 2026
Annual improvements to HKFRSs – Volume 11	1 January 2026
HKFRS 18, Presentation and disclosure in financial statements	1 January 2027
HKFRS 19, Subsidiaries without public accountability: disclosures	1 January 2027
Amendments to HKFRS 10, Consolidated financial statements and HKAS 28, Investments in associates and joint ventures: Sale or contribution of assets between an investor and its associate or joint venture	To be Determined

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements.

2. SEGMENT INFORMATION

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker which is determined by the Group's most senior executive management and the Executive Directors of the Company.

The Group organises its business around products and services. From the products and services perspective, the Group is engaged in a broad range of oil and gas related activities and derives its revenue from its four operating segments: Natural Gas Sales, Sales of LPG, LNG Processing and Terminal and Exploration and Production.

The Natural Gas Sales segment includes the retail sales, distribution and trading of various natural gas products. The Sales of LPG segment includes the wholesales and retail sales of various LPG products. The LNG Processing and Terminal segment includes the processing, unloading, storage, gasification and entrucking of LNG. The Exploration and Production segment includes the exploration, development, production and sales of crude oil and natural gas.

The senior executive management of the Group and the Executive Directors assess the performance of the operating segments based on each segment's profit/(loss) before income tax expense, and share of profits less losses of associates and joint ventures ("**segment results**").

Segment assets exclude deferred and current taxes, other financial assets, investments in associates and joint ventures.

Corporate results, net, mainly refer to interest income earned from cash and cash equivalents, net exchange losses, general and administrative expenses and interest expenses incurred at corporate level.

Corporate assets mainly comprise cash and cash equivalents held at corporate level.

The segment information provided to the Executive Directors for the reportable segments for the years ended 31 December 2024 and 2023 are as follows:

	Natural Gas Sales RMB'million	Sales of LPG RMB'million	LNG Processing and Terminal RMB'million	Exploration and Production RMB'million	Corporate RMB'million	Inter-company adjustment RMB'million	Total RMB'million
For the year ended 31 December 2024							
Gross revenue	153,971	25,692	11,570	171	-	-	191,404
Less: Inter-company adjustment	(1,881)	(91)	(2,386)	-	-	-	(4,358)
Revenue from external customers	152,090	25,601	9,184	171	-	-	187,046
Timing of revenue recognition							
- At a point in time	149,091	25,601	9,184	171	-	-	184,047
- Overtime	2,999	-	-	-	-	-	2,999
	152,090	25,601	9,184	171	-	-	187,046
Segment results	7,343	772	3,638	(12)	(232)	-	11,509
Share of profits less losses of:							
- Associates	546	1	24	28	-	-	599
- Joint ventures	313	-	-	207	7	-	527
Profit/(loss) before income tax expense	8,202	773	3,662	223	(225)	-	12,635
Segment results included:							
- Interest income	689	1	158	22	604	(516)	958
- Depreciation, depletion and amortisation	(3,808)	(98)	(1,192)	(19)	(43)	-	(5,160)
- Interest expenses	(825)	(4)	(272)	-	(218)	516	(803)
- Net exchange gains/(losses)	10	-	-	(2)	(67)	-	(59)
As at 31 December 2024							
Segment assets	83,636	5,894	18,151	1,051	18,504	-	127,236
Investments in associates	7,496	56	568	447	-	-	8,567
Investments in joint ventures	4,802	-	-	1,355	-	-	6,157
Additions to non-current segment assets during the year	3,481	22	1,455	37	6	-	5,001
Additions to non-current segment assets through acquisition of subsidiaries during the year	131	-	-	-	-	-	131

	Natural Gas Sales RMB'million	Sales of LPG RMB'million	LNG Processing and Terminal RMB'million	Exploration and Production RMB'million	Corporate RMB'million	Inter-company adjustment RMB'million	Total RMB'million
For the year ended 31 December 2023							
Gross revenue	142,887	26,896	12,167	911	-	-	182,861
Less: Inter-company adjustment	(2,287)	(95)	(3,125)	-	-	-	(5,507)
Revenue from external customers	140,600	26,801	9,042	911	-	-	177,354
Timing of revenue recognition							
- At a point in time	136,961	26,801	9,042	911	-	-	173,715
- Overtime	3,639	-	-	-	-	-	3,639
	140,600	26,801	9,042	911	-	-	177,354
Segment results	7,605	553	3,629	95	(334)	-	11,548
Share of profits less losses of:							
- Associates	367	-	25	74	-	-	466
- Joint ventures	348	-	-	221	10	-	579
Profit/(loss) before income tax expense	8,320	553	3,654	390	(324)	-	12,593
Segment results included:							
- Interest income	640	1	118	21	599	(509)	870
- Depreciation, depletion and amortisation	(3,533)	(111)	(1,079)	(228)	(41)	-	(4,992)
- Interest expenses	(755)	(4)	(494)	-	(216)	509	(960)
- Net exchange (losses)/gains	(3)	-	-	7	(144)	-	(140)
As at 31 December 2023							
Segment assets	82,071	5,059	18,498	1,332	21,041	-	128,001
Investments in associates	7,137	-	453	390	-	-	7,980
Investments in joint ventures	4,712	-	-	1,365	32	-	6,109
Additions to non-current segment assets during the year	4,315	-	432	48	8	-	4,803
Additions to non-current segment assets through acquisition of a subsidiary during the year	82	-	-	-	-	-	82

Reconciliations of reportable segment profit and assets

	2024 <i>RMB'million</i>	2023 <i>RMB'million</i>
Reportable segment profit		
Profit before income tax expense	12,635	12,593
Income tax expense	(3,128)	(3,338)
	<hr/>	<hr/>
Profit for the year	9,507	9,255
	<hr/> <hr/>	<hr/> <hr/>
	2024 <i>RMB'million</i>	2023 <i>RMB'million</i>
Reportable segment assets		
Segment assets	127,236	128,001
Investment in associates	8,567	7,980
Investment in joint ventures	6,157	6,109
Deferred tax assets	1,162	1,054
Income tax recoverable	4	15
Financial assets at fair value through other comprehensive income	264	360
	<hr/>	<hr/>
Total assets	143,390	143,519
	<hr/> <hr/>	<hr/> <hr/>

Neither the Group's revenue is derived from nor the Group's non-current assets are located in the place of incorporation of the Company.

For the year ended 31 December 2024 and 2023, there was no single customer to whom the revenue exceeded 10% of the Group's revenue.

3. REVENUE

Revenue mainly represents revenue from the sales of natural gas, sales of LPG, LNG processing and terminal business, and sales of crude oil. Disaggregation of revenue from contracts with customers within the scope of HKFRS 15 by major products or service lines is as follows:

	2024 <i>RMB'million</i>	2023 <i>RMB'million</i>
Disaggregated by major products or service lines		
– Sales of natural gas	152,090	140,600
– Sales of LPG	25,601	26,801
– Revenue from LNG processing and terminal service	9,184	9,042
– Sales of crude oil	171	911
	<u>187,046</u>	<u>177,354</u>

The Group's revenue are substantially derived from the sales of goods to customers in the PRC and recognised at a point in time. The Group has applied the practical expedient in paragraph 121 of HKFRS 15 to its sales and service contracts such that the above information does not include information about revenue that the Group will be entitled to when it satisfies the remaining performance obligations under the sales or service contracts that had an original expected duration of one year or less.

Disaggregation of revenue from contracts with customers is disclosed in Note 2.

4. INTEREST EXPENSES

	2024 <i>RMB'million</i>	2023 <i>RMB'million</i>
Interest expenses on:		
Bank loans	392	566
Senior notes	140	140
Other loans, from:		
– China Petroleum Finance Co., Ltd (“CP Finance”)	275	257
Interests on lease liabilities	<u>28</u>	<u>32</u>
	835	995
Less: Amounts capitalised	<u>(32)</u>	<u>(35)</u>
	<u>803</u>	<u>960</u>

Amounts capitalised are borrowing costs that are attributable to the construction of qualifying assets. The average interest rate used to capitalise such borrowing cost was 3.41% (2023: 3.94%) per annum for the year ended 31 December 2024.

5. PROFIT BEFORE INCOME TAX EXPENSE

Items charged in arriving at the profit before income tax expense include:

	2024 <i>RMB'million</i>	2023 <i>RMB'million</i>
Auditors' remuneration		
– audit services	29	31
– non-audit services	3	2
Cost of inventories recognised as expense	<u>161,750</u>	<u>151,161</u>
Depreciation charge and depletion of property, plant and equipment		
– owned assets	4,547	4,388
– right-of-use assets	531	518
Amortisation cost of		
– intangible assets	<u>82</u>	<u>86</u>
Depreciation, depletion and amortisation	5,160	4,992
Impairment losses on property, plant and equipment	<u>565</u>	<u>368</u>

6. INCOME TAX EXPENSE

	2024 <i>RMB'million</i>	2023 <i>RMB'million</i>
Current tax		
– PRC	3,067	3,165
– Overseas	<u>42</u>	<u>107</u>
	3,109	3,272
Deferred tax	<u>19</u>	<u>66</u>
	<u>3,128</u>	<u>3,338</u>

In accordance with the relevant Mainland China income tax rules and regulations, the Mainland China corporate income tax rate applicable to the Group's subsidiaries in the Mainland China is principally 25% (2023: 25%). The operations of the Group in certain regions in the Mainland China are qualified for tax incentives in the form of a preferential income tax rates ranging from 15% to 20% (2023: 15% to 20%).

Hong Kong Profits Tax has not been provided for as the Group has no assessable profit subject to Hong Kong Profits Tax for the year (2023: Nil).

Income tax on overseas profits has been calculated on the estimated relevant assessable profit for the year at the applicable rates of taxation prevailing in the jurisdictions in which the Group operates.

In 2021, the Organisation for Economic Co-operation and Development published the Global Anti-Base Erosion Model Rules (“**Pillar Two model rules**”) for a new global minimum tax reform applicable to large multinational enterprises. The Group's operations are mainly located in the PRC where Pillar Two income tax legislation is not implemented. So far the Pillar Two model did not have a significant impact on the consolidated financial statements and no Pillar Two income tax was recognised during the year ended 31 December 2024.

7. BASIC AND DILUTED EARNINGS PER SHARE

- (a) The calculation of basic earnings per share is based on the Group's profit attributable to shareholders of the Company of approximately RMB5,960 million (2023: RMB5,682 million), and the weighted average number of ordinary shares in issue during the year ended 31 December 2024 of approximately 8,659 million shares (2023: 8,659 million shares).
- (b) Diluted earnings per share for the year ended 31 December 2024 and 2023 are the same as the basic earnings per share as there were no potentially dilutive ordinary shares issued.

8. DIVIDEND ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY

(i) Dividends recognised and distributed during the year

	2024 <i>RMB'million</i>	2023 <i>RMB'million</i>
Proposed final dividend for 2024 (<i>note (a)</i>)	1,314	–
Interim dividend for 2024 (<i>note (b)</i>)	1,421	–
Final dividend for 2023 (<i>note (c)</i>)	–	2,457

(ii) Dividends payable for previous financial year, approved and paid during the year

	2024 <i>RMB'million</i>	2023 <i>RMB'million</i>
Final dividend in respect of the previous financial year, approved and paid during the year	<u>2,457</u>	<u>2,198</u>

Notes:

- (a) At the meeting on 25 March 2025, the Board of Directors proposed final dividend attributable to shareholders of the Company in respect of 2024 of RMB15.17 cents per share, amount to a total of approximately RMB1,314 million. The amount is based on approximately 8,659 million shares in issue as at 25 March 2025. The consolidated financial statements do not reflect this dividend payable as the final dividend was proposed after the date of the statement of financial position and will be accounted for in equity as an appropriation of retained earnings in the year ending 31 December 2025 when it is approved at the 2025 Annual General Meeting.
- (b) At the meeting on 26 August 2024, the Board of Directors has declared a payment of interim dividend attributable to shareholders of the Company for the six months ended 30 June 2024 of RMB16.41 cents per share amounting to a total of approximately RMB1,421 million. The amount is based on approximately 8,659 million shares in issue as at 26 August 2024 which was paid on 31 October 2024 (six months ended 30 June 2023: Nil).
- (c) Final dividend attributable to shareholders of the Company in respect of 2023 of RMB28.38 cents per share amounting to a total of approximately RMB2,457 million was approved by the shareholders in the Annual General Meeting on 30 May 2024. The amount is based on approximately 8,659 million shares in issue as at 25 March 2024 which was paid on 18 July 2024.

9. ACCOUNTS RECEIVABLE

	2024 <i>RMB'million</i>	2023 <i>RMB'million</i>
Accounts Receivable	3,325	2,664
Loss allowance	(781)	(687)
	<u>2,544</u>	<u>1,977</u>

Ageing analysis

As of the end of the reporting period, the ageing analysis of accounts receivable, based on the invoice date and net of loss allowance, is as follows:

	2024 <i>RMB'million</i>	2023 <i>RMB'million</i>
Within 3 months	1,713	1,386
Between 3 to 6 months	58	66
Between 6 to 12 months	252	111
Over 12 months	521	414
	<u>2,544</u>	<u>1,977</u>

The Group's revenue from rendering of terminal services and sales of crude oil are generally collectable within a period ranging from 30 to 90 days from the invoice date while the sales of natural gas are made in cash or on credit terms no more than 90 days.

10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2024 <i>RMB'million</i>	2023 <i>RMB'million</i>
Accounts payable	3,106	2,790
Contract liabilities	12,690	13,596
Salaries and welfare payable	326	381
Accrued expenses	22	7
Dividend payable	158	424
Interest payable	137	182
Construction fee and equipment cost payables	5,541	6,892
Amounts due to related parties		
– Non-controlling interests	1	1
– Others	1	1
Other payables	3,242	3,526
	<u>25,224</u>	<u>27,800</u>

As at 31 December 2024, the Group had no non-current contract liabilities (2023: RMB28 million) which were included under non-current other liabilities and were expected to be recognised as revenue in over 12 months but less than 5 years.

The Group's contract liabilities represent primarily advances received from customers. In certain regions of the PRC, customers of the Group's city gas business are required to use integrated circuit cards and top up in advance before the balances are being deducted upon usage of natural gas. Depending on the market conditions and the customers' credit profile, the Group also requires advance from certain customers for sales of other natural gas products. These advance payments from customers are recognised as contract liabilities until the natural gas products are sold to the customers. During the year ended 31 December 2024, the amount of RMB13,596 million (2023: RMB12,621 million) recognised in contract liabilities at beginning of the year has substantially been recognised as revenue during the year.

The other payables were mainly retention monies for construction and the VAT element of advance receipts from customers.

The Group is a defendant in certain lawsuits as well as the named party in other proceeding. While the outcomes of such contingencies, lawsuits or other proceeding cannot be determined at present, management believes that any resulting liabilities will not have a material adverse effect on the financial position or financial performance of the Group.

Ageing analysis

As of the end of the reporting period, the ageing analysis of accounts payable, based on the invoice date, is as follows:

	2024	2023
	<i>RMB'million</i>	<i>RMB'million</i>
Within 3 months	2,576	2,157
Between 3 to 6 months	116	157
Over 6 months	414	476
	3,106	2,790

The typical credit period on purchase of goods is 90 days.

CHAIRMAN'S STATEMENT

Respected shareholders:

During the previous year, the international pricing of oil and gas and the supply-demand dynamic were more complex, characterised by an in-depth adjustment in the trading pattern. The signal of “European declines and Asian increases” was obvious, with the consumption of the Asia-Pacific region contributing half of the global increment. China’s economy has maintained steady progress with an accelerated transition to a low-carbon mode, thus expediting the unleashing of demand for natural gas in the power and transportation sectors. The marketisation process continued to advance. The central government promulgated and implemented policies and regulations, such as the “Energy Law” and the “Natural Gas Utilisation Management Measures”, further enriching new models, scenarios and business modes for the coordinated development of natural gas and new energy. The consumption of natural gas in China continued to grow rapidly, with an 8% increase observed. Kunlun Energy has adapted to the strategic trends of energy security and green transformation, consolidating and expanding its main operations, refining its emerging businesses, and continuously improving its operational performance.

Business Highlights

Key indicators of main businesses saw a big leap in all aspects. The total number of city gas users exceeded 16.45 million, with retail volume increasing by 8.1% year-on-year and sales totalling 54.17 billion cubic meters, thereby maintaining its core competitiveness. The marketisation process expanded in depth, actively facilitating the transmission of terminal sales prices, with 61% of residents being under the price linkage system. The effectiveness of the liquid industry chain was greatly stimulated. Given the rapid growth in LNG for vehicles, the historic breakthroughs achieved by processing plants and the significant increase in processing capacity, earnings before taxation amounted to RMB84 million. The efficiency of the LPG business has been continuously enhanced, recording a 6% year-on-year increase in terminal sales and a 0.7 percentage point increase in gross profit margin. The main structure of Phase I at the Dongjiakou terminal in Qingdao has been completed.

Quality of operations improved continuously. The development potential was elaborated by the optimisation of the organisational system while the effectiveness of the matrix management combining “horizontal” and “vertical” structures became apparent gradually. Costs and expenses were under control and decreased. Due to the integration of gas station operations, sales and management expenses decreased by RMB165 million, representing a decline of 4.5%. By strengthening capital management, remarkable results were achieved in managing debt and reducing interest expenses, with interest-bearing liabilities decreasing by 3.7 percentage points year-over-year and average financing costs dropping by 0.4 percentage points. The financial status remained stable, and the ability to navigate risks continued to strengthen. Accordingly, shareholder value further increased, with the economic value added (EVA) showing a continuous upward trend, the shareholdings in quality city gas projects recording an increase,

the proportion of profit attributable to the parent company to net profit rising by 1.3% and the return on shareholders' equity (ROE) improving steadily. Core earnings per share were recorded at RMB0.734, reaching a historical high for the corresponding period. "Two profits" grew steadily while "five ratios" continued to optimise. The development with high quality was well on track, continuously enhancing core competitiveness.

The industrial structure was synergistically optimised. Consumption patterns have extended from the traditional residential and commercial sectors to emerging segments, including transportation (LNG-powered heavy trucks) and the integration of gas and electricity. The geographic coverage of businesses expanded into midwestern provinces, experiencing remarkable incremental growth and substantial profit contributions, with retail gas volumes in the northwestern and southwestern regions increased by 12% and 19.2%, respectively. The transformation of the business model has entered the "fast lane", with gas and electricity serving as an entry point to drive the coordinated development of new energy, integrated energy, and the natural gas industry chain. The installed capacity was 11.433 million kilowatts, and the total production and sales of self-owned and equity-based heat and electricity reached 25.28 million GJ. Revenue from new energy and integrated energy businesses was RMB540 million, achieving profitability in the first year of coordinated statistics. The Company actively expanded the LNG ship refuelling-at-sea business, with a total refuelling volume of 110,000 tonnes for the Year, representing a year-on-year increase of 470%. The first "ship-to-ship" refuelling in Hong Kong was completed, achieving bonded regular services in Shenzhen and Zhoushan. Value-added businesses were mutually reinforced online and offline, with sales from the "Kunlun Huixiang+" platform increasing by 29% year-on-year.

The effectiveness of comprehensive ESG governance was further demonstrated. The phased tasks of specific governance for the safety of urban gas pipelines were completed to a high standard, and the online intelligent management system for bottled LPG was fully launched and implemented, achieving traceability and full coverage for the management of the entire life cycle. The first "Scope 3" GHG carbon examination was conducted, and the first self-contributing biodiversity conservation zone was established in the "Wenfeng Egret Habitat" in Hainan. The "Double Hundred Actions" were advanced, with remarkable progress made in the contractual and term-based market-oriented incentive and constraint mechanisms. Efforts to strengthen internal control and risk management were also intensified, benchmarking against world-class enterprises to advance the construction of a legal compliance management system for the sake of upgrading the standard of corporate governance to a higher level. On the other hand, digital transformation and intelligent development were facilitated in all aspects, with the "Internet + Safety Production" control system operating effectively. ESG concepts stimulated endogenous initiatives, bringing about a steady increase in market value. The commitment to green practices and mission-driven responsibilities was actively pursued, thus consistently consolidating the quality image in the public service sector.

Operating Results

For the year ending 31 December 2024 (the “**Year**”), Kunlun Energy Company Limited and its subsidiaries realised a revenue of RMB187,046 million, a year-on-year increase of RMB9,692 million, or 5.5%. Profits before income tax was RMB12,635 million, a year-on-year increase of RMB42 million, or 0.3%. Profits attributable to shareholders amounted to RMB5,960 million, a year-on-year increase of RMB278 million, or 4.9%, and basic earnings per share stood at RMB68.83 cent. Core profits attributable to shareholders amounted to RMB6,359 million, representing a year-on-year increase of RMB215 million or 3.5%. Core basic earnings per share amounted to RMB73.44 cents. Operating cash flow was sufficient, reaching RMB12,585 million and achieving a record high in profitability despite the high benchmark.

The **natural gas sales business** of the Company actively followed any changes in the development of gas industry, launched extensive joint ventures and cooperation with other gas enterprises, and promoted 8 quality city gas projects, which broadened the scope for the Company’s long-term development.

During the Year, natural gas sales volume was 54,170 million cubic metres, representing a year-on-year increase of 9.9%, among which, retail gas sales volume was 32,757 million cubic metres, representing a year-on-year increase of 8.1%. The cumulative number of users reached 16.454 million. The Natural Gas Sales business recorded a revenue of RMB152,090 million, representing a year-on-year increase of 8.2%.

The **LPG sales business of the Company** continued to optimise its marketing strategy, strengthened its effort on resource introduction, coordination and allocation, and maintained a stable volume of LPG commodities. The Company actively responded to the adverse situation of declining resources, increased the supply of more suitable natural gas and imported LPG to refining and chemical enterprises, and shifted its self-produced and self-used fuel and raw material LPG to export. For sales, the Company optimised the market deployment, improved the sales structure, and strictly controlled the transportation and marketing costs, so as to ensure the safe, stable and controlled operation of the LPG business in 2024.

During the Year, LPG sales volume was 5.7838 million tonnes, representing a year-on-year increase of 0.3%. This business recorded a revenue of RMB25,601 million, representing a year-on-year decrease of 4.5%.

During the Year, in respect of the **LNG processing and terminal business**, the LNG terminals maintained secure and smooth production and operation, and achieved better-than-expected operation capacity and efficiency. Giving full play to the advantages of the integrated LNG industrial chain, with an increasing effort on the cultivation of industrial chain and coordination of resource allocation, extension of in the operating efficiency of LNG plants has been continuously improved, resulting in that 13 LNG plants made profits, and 1 LNG plants achieved loss reduction.

During the Year, LNG gasification and entrucking volume of Tangshan and Jiangsu LNG terminals amounted to 15,940 million cubic metres in total, representing a year-on-year decrease of 2.4%. The average operation capacity of these two LNG terminals was 87.6%, representing a year-on-year decrease of 3 percentage points. 14 LNG processing plants were put into operation during the Year, and the processing volume was 3,550 million cubic metres, representing a year-on-year increase of 723 million cubic metres, representing a year-on-year increase of 25.6%. The average production capacity of 14 plants under continuous operation was 64%, representing a year-on-year increase of 18.6 percentage points.

During the Year, LNG Processing and Terminal business recorded a revenue of RMB9,184 million, representing a year-on-year increase of 1.6%.

During the Year, in respect of the **exploration and production business**, the exploration contracts for the Group's Liaoning Oilfield and Peru Oilfield expired in February and October 2023, respectively. During the Year, the equity sales volume of crude oil was 8.29 million barrels, representing a year-on-year decrease of 0.92 million barrels or 10.0%. The average crude oil selling price decreased to US\$66.7/barrel from US\$66.9/barrel of last year. Sales revenue of crude oil was RMB171 million, representing a year-on-year decrease of 81.2%.

Business Outlook

In 2025, the global natural gas industry chain will face a series of challenges, including insufficient momentum in the growth of the global economy and the restructuring of Europe in terms of energy consumption. The Company will continue to enhance the foresight, relevance, and effectiveness of its marketing strategies, maintain its focus on development, and strengthen its confidence in development. All these measures aim to seize favourable opportunities presented by the central government to stimulate consumption, develop new, quality productive forces, mitigate key area risks, and promote green and low-carbon development. We aim to sustain a trend of greener industries, safer operations, more convenient services and more efficient governance, expecting to reward our investors with solid operational performance.

Modern marketing systems will develop “precisely”. We will further accelerate the construction of a modern marketing system to continually facilitate the upstream and downstream price linkage along the supply chain, striving to stabilise and recover price differentials. Dynamical adaptation to changes in market demand will be enabled to capitalise on favourable opportunities arising from the rapid growth of LNG markets for gas and electricity and vehicles, optimise the shift of sales structure towards the segment with high demand potential and develop the multi-tiered drive for consumption growth. By upholding the principle of “Service Creates Value,” we will optimise the ecosystem of customer services, thus driving the simultaneous growth of brand influence and market competitiveness. We will further the application of a dynamic funding investment and return evaluation mechanism with cash flow as the core to comprehensively upgrade the standard of lean management. The Group will also be able to perform its social responsibilities and improve its ESG management performance continuously by adhering to the coordinated efforts of information disclosure, rating improvement and system construction.

The main business will focus on “professional” advancement. We will actively explore diversified scenarios for natural gas consumption, creating a new paradigm for the high-quality development of coordinated industry chains with respect to the expansion of the transportation sector, the development of high-value-added industrial products and the optimisation of distributed energy. Moreover, we will further tap into the incremental value of the existing market to increase the proportion of retail gas volume to 73% or above. By capitalising on the policy of “One City, One Gas Supplier” and opportunities for industry consolidation, we will also focus on the merger and acquisition of quality turnkey projects and accelerate the realisation of achievements in market development, striving for putting 10 new projects into production and consolidating their accounts into the Group. Regarding cost control and reduction, unit sales and management expenses will be strictly controlled. The value creation capacity of the liquid industry chain will be continuously enhanced, allowing for steady increases in plant processing capacity, optimisation of high-capacity terminal operations, and ongoing improvements in project progress and quality. We will actively expand the scale of LPG imports and facilitate the early operation of the Dongjiakou terminal in Qingdao and the construction of the Yancheng terminal.

The green transformation will accelerate “rapidly”. We will accelerate the transformation and upgrading of the “Natural Gas+” intelligent integrated energy service model, gradually expanding green, low-carbon, intelligent and efficient integrated energy services, intelligent energy usage services and low-carbon value-added services. We will focus on differentiated and precise efforts in various scenarios, steadily advancing the construction of the distributed project in Chongqing Tongliang and the wind power project in Shandong Liaocheng. We will implement integrated utilisation projects for pressure differential power generation, waste heat and cold energy as appropriate with reference to local conditions, realising a coordinated layout of businesses related to the carbon industry, and continuously developing a multi-energy complementary business structure. In addition, we will accelerate the clean replacement of distributed photovoltaics, striving to achieve a ratio of low-carbon and zero-carbon stations of over 15%.

Corporate governance will become more intelligent. By fully leveraging the key supporting effects of digital and intelligent transformation, we will accelerate the development of smart marketing, promote the iterative upgrading of production management systems and enable the online application of Kunlun ERP, thus achieving a total digital and intelligent monitoring of pipeline networks and risk prevention and control. We will further advance the application of the intelligent management system for bottled LPG, ensuring that all zero-cylinder supply stations are able to meet HSE standards to guarantee the safe usage of energy for the public with a target of zero accidents. Given the deep integration of digital technology and business scenarios, we will conduct research and training on large AI models, gradually building an “AI + gas” intelligent ecosystem to drive efficiency transformation and model innovation.

Looking back at the long and winding journey, we set our sights on the prosperity ahead. Every leap the Company makes relies on the guidance of national strategies, the trust of our shareholders and partners and the endeavour of our employees. Since its establishment over three decades ago, Kunlun Energy has reached a pivotal milestone and is poised for a prosperous future. Going forward, we will continue to anchor on the five major strategies of “innovation, green, market, capital and low cost” and enable the achievement of targets in a highly effective manner, thereby striving to deliver excellent performance to our shareholders, provide green energy to society, generate value through modern governance and empower the industry with digital and intelligent technologies. We will move steadily towards excellence and are poised to commence a new phase of development characterised by exceptional efficiency.

ACKNOWLEDGEMENT

On behalf of the Board, I would like to express my sincere gratitude to all members of the staff for their perseverance and efforts, our customers for their understanding and support, and our shareholders for their accompaniment and trust.

By the Order of the Board
Fu Bin
Chairman and Executive Director

MANAGEMENT DISCUSSION AND ANALYSIS

In 2024, Kunlun Energy adhered to the corporate vision of “Beautiful China of empower construction, brighten wonderful life of people”, continued to improve its governance system, focused on upgrading the quality of its development, stimulated in-depth value creation, and realised consolidation and growth of the main business, an increasing growth of emerging businesses, further new highs of operating results, and created a new landscape for sustainable development. The Company has always adhered to the five development strategies of “Innovation, Green, Market, Capital and Low Cost”, focused on efficiency and market orientation, implemented precise marketing and created service value, with the high-end and high-efficiency market continuing to grow, the production and operation situation remaining stable and positive, and the operating results have reached a new level. All major business segments have achieved excellent performance as a whole.

Revenue

Revenue for the Year was approximately RMB187,046 million, representing an increase of 5.5% as compared with the amount of RMB177,354 million for the last year. The sales of industrial users recorded rapid growth due to the addition of multiple new energy and new material users, building materials users and thermal power users in 2024.

Other gains, net

Other net gains for the Year was approximately RMB1,520 million (2023: RMB903 million). The increase was mainly due to an integration of the Company’s gas stations, which resulted in a substantial year-on-year increase in rental income from gas stations, as well as the decrease in exchange losses as a result of slowdown in depreciation of RMB against USD and THB during the Year, and the increase in others.

Purchases, services and others

Purchases, services and others for the Year were approximately RMB161,662 million, representing an increase of 7.0% as compared with amount of RMB151,091 million for the last year. The increase was mainly due to the rise in cost of resources driven by the increase in procurement volume for natural gas.

Employee compensation costs

Employee compensation costs for the Year was approximately RMB5,830 million, representing a decrease of 2.4% as compared with amount of RMB5,970 million for the last year. Employee compensation costs slightly declined along with the decrease in number of employees. Employee compensation accounted for 3.12% of operating revenue, basically unchanged as compared with last year. The creativity and productivity of the employee continuously enhanced.

Depreciation, depletion and amortisation

Depreciation, depletion and amortisation for the Year was approximately RMB5,160 million, representing an increase of 3.4% as compared with amount of RMB4,992 million for the last year. Depreciation, depletion and amortization maintained reasonable growth throughout the Year.

Other selling, general and administrative expenses

Other selling, general and administrative expenses for the Year were approximately RMB3,491 million, representing a decrease of 4.5% as compared with amount of RMB3,656 million for the last year. The decrease was due to the Company's strict implementation of cost control and assessment, continuously promoted the optimization and adjustment of the organizational system to increase efficiency and the transfer of gas stations to reduce operating expenses in relation to the gas stations in its network.

Interest expenses

Interest expenses for the Year was approximately RMB803 million, representing a decrease of 16.4% as compared with amount of RMB960 million for the last year. This decrease was mainly due to the Group's average financing cost decreased by 0.4 percentage point to 2.9% in 2024 from 3.3% in the previous year, reflecting continued effective control over financing costs.

Total interest expenses for the Year was approximately RMB835 million, representing a decrease of 16.1% as compared with amount of RMB995 million for the last year. The amount of RMB32 million interest expenses was capitalised under construction-in-progress, representing a decrease of 8.6% as compared with amount of RMB35 million for the last year.

Share of profits less losses of associates

Share of profits less losses of associates for the Year was approximately RMB599 million, representing an increase of 28.5%, as compared with amount of RMB466 million for the last year. The increase was mainly due to the improvement in operating results of the associates during the Year.

Share of profits less losses of joint ventures

Share of profits less losses of joint ventures for the Year was approximately RMB527 million, representing a decrease of 8.98%, as compared with RMB579 million for the last year. The decrease was mainly due to the slightly decrease in the shared operating profits from Mazoon Petrogas (BVI) Limited, as a result of a small decline in international crude oil price during the year.

Liquidity and capital resources

As at 31 December 2024, the carrying value of total assets of the Group was approximately RMB143,390 million, representing a decrease of RMB129 million or 0.1% as compared with RMB143,519 million as at 31 December 2023.

The gearing ratio of the Group was 21.46% as at 31 December 2024 compared with 22.71% as at 31 December 2023, representing a decrease of 1.25%. It is computed by dividing the sum of interest-bearing borrowings and lease liabilities of RMB24,279 million (2023: RMB25,202 million) by the sum of total equity, interest-bearing borrowings and lease liabilities of RMB113,114 million (2023: RMB110,985 million).

As at 31 December 2024, the Group has total borrowings of RMB23,462 million which will be repayable as follows:

	2024 <i>RMB'million</i>	2023 <i>RMB'million</i>
Within one year	9,133	5,464
Between one to two years	2,263	7,810
Between two to five years	5,771	3,883
After five years	6,295	7,334
	23,462	24,491

The functional currency of the Company and most of its subsidiaries is RMB. As such, the Group is exposed to exchange rate risks arisen from borrowings denominated in other currencies raised by the Company or its subsidiaries. The Group will incur exchange gain/loss from such foreign currency borrowings when RMB appreciates/depreciates against other currencies.

Pledge assets

As at 31 December 2024, the RMB1,878 million (2023: RMB94 million) borrowings were mainly pledged by natural gas charging rights. As at 31 December 2024, certain property, plant and equipment of the Group amounting to RMB906 million (2023: RMB818 million) were mortgaged to banks for RMB277 million (2023:RMB677 million) loan facilities granted to the Group.

Material acquisitions and disposal

The Group did not have any material acquisitions and disposals during the Year.

Material Investments

Material investments of the Group are its investments in associates and in joint ventures.

There is no single material associate or joint venture which significantly affects the results and/or net assets of the Group.

Employee

As at 31 December 2024, the Group had 24,809 employees globally, excluding the employees under entrustment contracts (2023: 27,138 employees). Remuneration package and benefits were determined in accordance with market terms, industry practice as well as the duties, performance, qualifications and experience of the employees.

Contingent Liability

The Group is a defendant in certain lawsuits as well as the named party in other proceeding. While the outcomes of such contingencies, lawsuits or other proceeding cannot be determined at present, management believes that any resulting liabilities will not have a material adverse effect on the financial position or financial performance of the Group.

DIVIDEND

Dividend Policy

The dividend policy of the Company allows shareholders to share the Company's profits and also enables the Company to retain sufficient reserves for its future development. Under the circumstances that the Company makes profits and has no effect on the Group's normal business operation, the Company intends to share its profits with its shareholders in the form of annual dividend, which shall be in a total distribution amount of not less than 25% of the Group's annual consolidated profit attributable to the shareholders of the Company, on the condition that it shall be subject to the following "Criteria".

Criteria:

1. When proposing the declaration of any dividends, the Board shall consider, among other things, the business conditions and strategies of the Company and its subsidiaries (the "**Group**"), the expected working capital needs and future expansion plans, surplus, contractual restrictions, actual and expected national financial conditions, macroeconomic conditions and other factors as the Board deems relevant.
2. The dividend rate will vary every year according to the above criterion and the Company will not assure the distribution of any specific amounts of dividend at any particular period or the distribution of dividends at any particular dividend yield.

Dividend Distribution Plan

The Company has formulated a three-year dividend distribution plan for the financial years ended 31 December 2023, 2024 and 2025 (the "**Three-Year Dividend Distribution Plan**"), the details of which are set out as follows:

- (i) The annual dividend payout ratio will gradually increase throughout the Three-Year Dividend Distribution Plan. The Company will strive to achieve an annual dividend amount of 45% of the Group's annual profit attributable to the shareholders of the Company for the financial year ending 31 December 2025; and
- (ii) Interim and final dividends will be declared (in total two times a year) for each of the financial years ending 31 December 2024 and 2025.

Purchase, Sale or Redemption of Shares

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's shares during the Year.

Events after the Reporting Period

Save as otherwise disclosed in this announcement, there was no other significant events that may affect the Group since the end of the Year.

Model Code for Securities Transactions by Directors

The Company has adopted written guidelines on terms no less exacting than the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Rules Governing the Listing of Securities in The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) as its code of conduct regarding dealings in the Company's securities by Directors. Specific enquiry has been made of all the Directors, and the Directors have confirmed that they have complied with the Model Code throughout the year ended 31 December 2024.

CORPORATE GOVERNANCE

The Company is committed to the maintenance of stringent corporate governance practices and procedures to enhance investor confidence and the Company's accountability and transparency. The Company strives to maintain high corporate governance standards. The Board of Directors is of the view that the Company has complied with all the code provisions in the Corporate Governance Code (“**CG Code**”) set out in part 2 of Appendix C1 to the Listing Rules during the Year except the following deviation.

Code provision C.1.6

Pursuant to code provision C.1.6 of the part 2 of CG Code, the Independent Non-executive Directors should attend general meetings to gain and develop a balanced understanding of the views of shareholders. Mr. Sun Patrick, Independent Non-executive Director of the Company, was unable to attend the annual general meeting of the Company held on 30 May 2024 due to other engagements. Mr. Tsang Yok Sing Jasper, Independent Non-executive Director of the Company, was unable to attend the special general meeting of the Company held on 5 December 2024 due to other business engagements.

Pursuant to paragraph 45(6) of Appendix D2 to the Listing Rules, the Board wishes to confirm that the Audit Committee of the Company has reviewed with the management the accounting policies and standards adopted by the Company and its subsidiaries and discussed the internal control and financial reporting matters related to the preparation of the consolidated financial statements for the year ended 31 December 2024. The Audit Committee of the Company has also reviewed the annual results in conjunction with the Company's external auditor.

AUDIT COMMITTEE

Pursuant to the Listing Rules, the Audit Committee of the Company, currently comprising three Independent Non-executive Directors, was established in December 1998.

Four meetings were held during the Year.

Written terms of reference which describe the authority and duties of the Audit Committee were prepared and adopted by the Board. The principal activities of the Audit Committee include the review and supervision of the Group's financial reporting process and internal controls. The Audit Committee of the Company has reviewed and confirmed the annual results for the year ended 31 December 2024.

SCOPE OF WORK OF AUDITOR

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2024 as set out in this announcement of results have been agreed by the Group's auditor, KPMG, Certified Public Accountants, Hong Kong, to the amounts set out in the Group's consolidated financial statements for the year. The work performed by KPMG in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by KPMG on this announcement.

FINAL DIVIDEND

The Board recommends the payment of a final dividend ("**2024 Final Dividend**") of RMB15.17 cents per share or HK16.09 cents per share calculated at the exchange rate of RMB1.00: HK\$1.0609, being the average of the mean exchange rate for the conversion of RMB against HKD as announced by the Hong Kong Association of Banks for the five business days immediately preceding 25 March 2025 (2023: HK30.48 cents per share calculated at the exchange rate of RMB1.00: HK\$1.0739) to shareholders whose names appear on the Company's register of members (the "**Shareholders Register**") on 5 June 2025 (Thursday). Together with the interim dividend paid of RMB16.41 cents per share (2023: nil) (equivalent to HK17.69 cents per share), dividend proposed for the full year amounted to RMB31.58 cents per share or HK33.78 cents per share (2023: RMB28.38 cents per share). The payment of the 2024 Final Dividend is subject to the approval of the shareholders at the annual general meeting of the Company to be held at Taishan Room, Level 5, Island Shangri-La, Pacific Place, Supreme Court Road, Central, Hong Kong on Thursday, 29 May 2025 at 10:00 a.m. (the "**2025 AGM**"). The payment is expected to be made on 18 July 2025 (Friday). The proposed 2024 Final Dividend amounted to a total of approximately RMB1,314 million and 2023 Final Dividend of RMB2,457 million was paid on 18 July 2024. By using final dividend per share divided by core basic earnings per share, the payout ratio for 2024 was approximately 43% (2023: 40.00%).

The proposed 2024 Final Dividend will be payable in cash to each shareholder in Hong Kong dollars ("**HKD**") unless an election is made to receive 2024 Final Dividend in Renminbi ("**RMB**").

Shareholders will be given the option to elect to receive all (but not part, save in the case of HKSCC Nominees Limited, which may elect to receive part of its entitlement in RMB) of the 2024 Final Dividend in RMB. If shareholders elect to receive all (but not part) of the 2024 Final Dividend in RMB, shareholders should complete a dividend currency election form, which is expected to be despatched to shareholders in mid-June 2025 as soon as practicable after the record date of 5 June 2025 (Thursday) to determine shareholders' entitlement to the proposed 2024 Final Dividend.

If an election is made by a shareholder to receive the 2024 Final Dividend in RMB in respect of all (but not part) of that shareholder's entitlement, the RMB dividend will be paid by cheques which are expected to be posted to the relevant shareholders by ordinary post on 18 July 2025 (Friday) at the shareholders' own risk.

Shareholders who are minded to elect to receive the 2024 Final Dividend in RMB should note that (i) they should ensure that they have an appropriate bank account to which the RMB cheques for the 2024 Final Dividend can be presented for payment; and (ii) there is no assurance that the RMB cheques can be cleared without handling charges or delay in Hong Kong or that the RMB cheques will be honoured for payment upon presentation outside Hong Kong.

If any beneficial owners of shares of the Company which are registered in the name of a nominee (e.g. HKSCC Nominees Limited), trustee or registered holder in any other capacity elect to receive all (but not part) of the 2024 Final Dividend in RMB, they should make appropriate arrangements with such nominees, trustees or registered holders in order to effect the receipt of the 2024 Final Dividend in RMB. The Company shall not be responsible for any costs, taxes or duties associated therewith or arising therefrom and such costs will be borne solely by the beneficial owners of such shares of the Company. If no such arrangements are in place, such beneficial owners of shares of the Company (despite having elected to receive the 2024 Final Dividend in RMB) shall receive the 2024 Final Dividend in HKD.

If shareholders wish to receive the 2024 Final Dividend in HKD in the usual way, no additional action is required.

Shareholders should seek professional advice with their own tax advisors regarding any possible tax implications of the proposed dividend payment.

ANNUAL GENERAL MEETING

The 2025 AGM will be held on 29 May 2025 (Thursday). The Notice of the 2025 AGM, which constitutes part of the circular to shareholders, will be sent to the shareholders together with the 2024 Annual Report. The Notice of the 2025 AGM and the proxy form will also be available on the websites of the Company and The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

CLOSURE OF SHAREHOLDERS REGISTER

For the purposes of determining shareholders' eligibility to attend and vote at the 2025 AGM, and entitlement to the 2024 Final Dividend, the Shareholders Register will be closed. Details of such closures are set out below:

(i) For determining eligibility to attend and vote at the 2025 AGM:

Latest time to lodge transfer documents for registration 4:30 p.m.
on 23 May 2025
(Friday)

Closure of Shareholders Register from 26 May 2025
(Monday) to
29 May 2025
(Thursday)
(both dates inclusive)

Record date 29 May 2025
(Thursday)

(ii) For determining entitlement to the 2024 Final Dividend:

Latest time to lodge transfer documents for registration 4:30 p.m.
on 3 June 2025
(Tuesday)

Closure of Shareholders Register from 4 June 2025
(Wednesday) to
5 June 2025
(Thursday)
(both dates inclusive)

Record date 5 June 2025
(Thursday)

During the above closure periods, no transfer of shares will be registered. To be eligible to attend and vote at the 2025 AGM, and to qualify for the 2024 Final Dividend, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's Branch Registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong no later than the aforementioned latest time.

RELEASE OF DETAILED RESULTS ON THE STOCK EXCHANGE'S WEBSITE

The Company's annual report containing all the information required by Appendix D2 to the Listing Rules and other applicable requirements will be published on the Company's and the Stock Exchange's websites in due course.

By the Order of the Board
KUNLUN ENERGY COMPANY LIMITED
Fu Bin
Chairman and Executive Director

Hong Kong, 25 March 2025

As at the date of this announcement, the Board of Directors comprises Mr. Fu Bin as the Chairman and Executive Director, Mr. Qian Zhijia as Chief Executive Officer and the Executive Director, Ms. Lyu Jing and Mr. Qi Zhenzhong as Non-executive Directors, and Dr. Liu Xiao Feng, Mr. Sun Patrick and Mr. Tsang Yok Sing Jasper as Independent Non-Executive Directors.