



China Resources Gas

2024 Interim Results Presentation

August 30, 2024

目 录

Contents

01

Results Highlights

02

Company Development

03

**Financial & Operational
Highlights**





Volume Sold

Increased
+5.3%

20.90B m³

Unit Margin

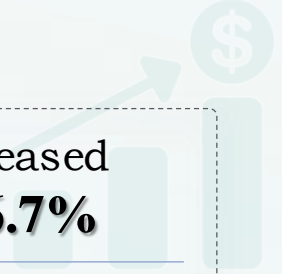
Increased
+RMB0.04/m³

RMB0.54/m³

Interim Dividend

Increased
+66.7%

HK\$0.25/share



Comprehensive Services Turnover

Increased
+20.0%

HK\$1.77B

Comprehensive Services Segment Results

Increased
+22.1%

HK\$0.76B

Integrated Energy Turnover

Increased
+38.0%

HK\$0.83B



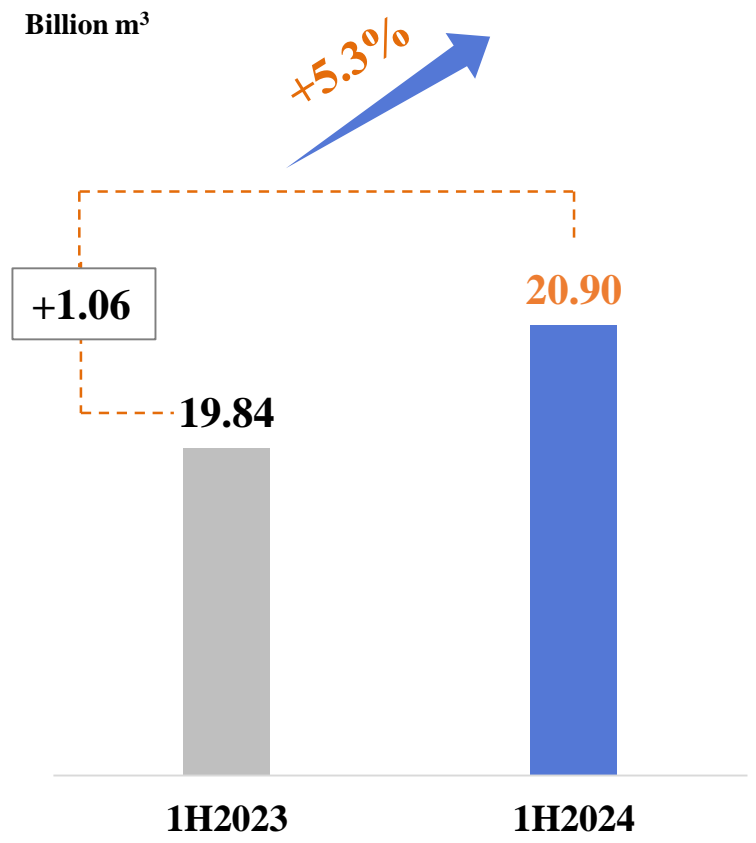
1H2024, economy continued to recover, CR Gas's key financial and operational indicators recorded a stable and sustainable growth. Gas sales volume grew at 5.3%, turnover grew at 7.7%, profit attributable to shareholders, if excluding the one off gain of HK\$690 million, increased 21.2%, free cash flow improved significantly to HK\$1.9 billion.

Key Results	30 June 2023	30 June 2024	Growth Rate
Gas sales volume (billion m3)	19.84	20.90	5.3%
Number of customers (million)	55.850	58.836	5.3%
Turnover (HK\$ billion)	48.37	52.08	7.7%
Profit for the period (HK\$ billion)	4.56	4.49	-1.4%
Profit attributable to shareholders (HK\$ billion)	3.55	3.46	-2.5%
Attributable profit before one off gain/loss (HK\$ billion)	2.86^①	3.46	21.2%
Free Cash Flow (HK\$ billion)	0.29	1.90	562.3%
Interim dividend proposed/paid (HK\$ per share)	0.15	0.25	66.7%

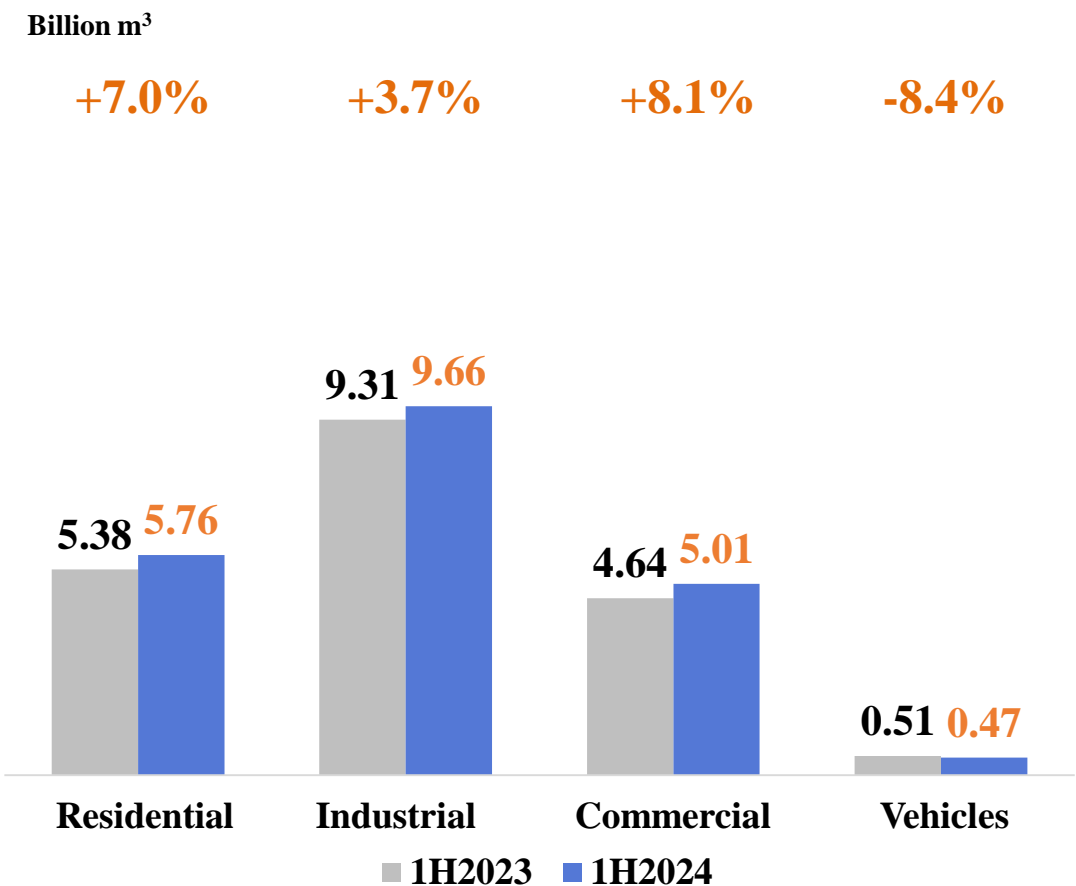
Note: ① excluding the HK\$694 million one off gain from Chongqing's financial consolidation in 1H2023.

1H2024, gas sales volume of CR Gas exceed 20 billion m³ to 20.90 billion m³, an increase of 5.3%, mainly driven by organic growth, residential and commercial gas sales volume increased 7.0% and 8.1% respectively.

Gas Sales Volume **20.90_B m³**



Gas Sales Volume Mix



Change By Industry

- ☑ **Top 3 increase industry:**
 - ① Metallic products
 - ② General equipment
 - ③ Automotive
- ☑ **Top 3 decrease industry:**
 - ① Non-metallic mineral products
 - ② Ceramics
 - ③ Glass

1H2024, gas sales revenue accounted for 90.2% of the total revenue, an increase of 2.7 PPT, sustainability continues to improve, unit gas margin managed to increase to RMB0.54/m³, an increase of RMB0.04/m³, gas sales contribution significantly increased 31.3% to HK\$4.75 billion, the improvement supports the steady growth of CR Gas's business performance.

Gas Revenue Mix

90.2%

Unit Gas Margin

RMB0.54

Gas Sales Contribution

HK\$4.75 B

+2.7PPT



87.5%

90.2%


1H2023

1H2024

RMB per m³

Tariff (excl. tax)	1H2023	1H2024
Residential	2.59	2.67
C&I	3.99	3.81
Vehicles	4.04	3.87
Average Tariff	3.58	3.48
Average Cost	3.08	2.94
Unit Margin	0.50	0.54

+31.3%



Billion m³

3.62

4.75

1H2023

1H2024

CR Gas has many quality gas projects in the fast economic developing regions, leverage on the active market development strategy, newly connected households were 1.031 million in 1H2024, 85.5% was new building connection, cumulative connected customers increased to 58.836 million, continuous growth in connected customers provide a huge market potentials to CR Gas's Comprehensive Services and Integrated Energy businesses.

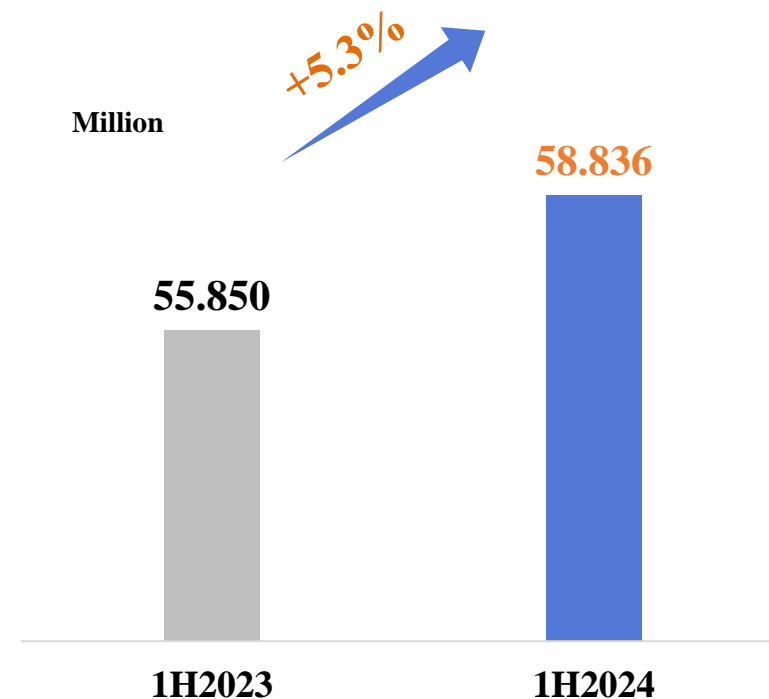
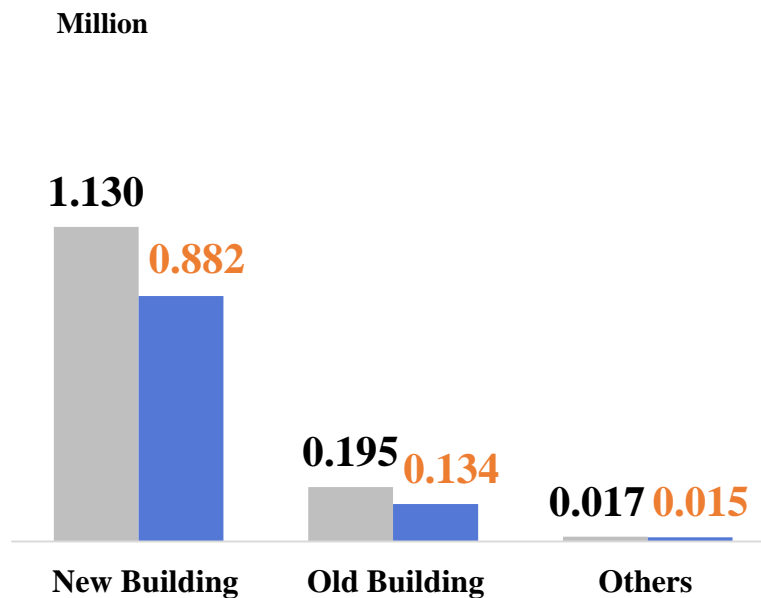
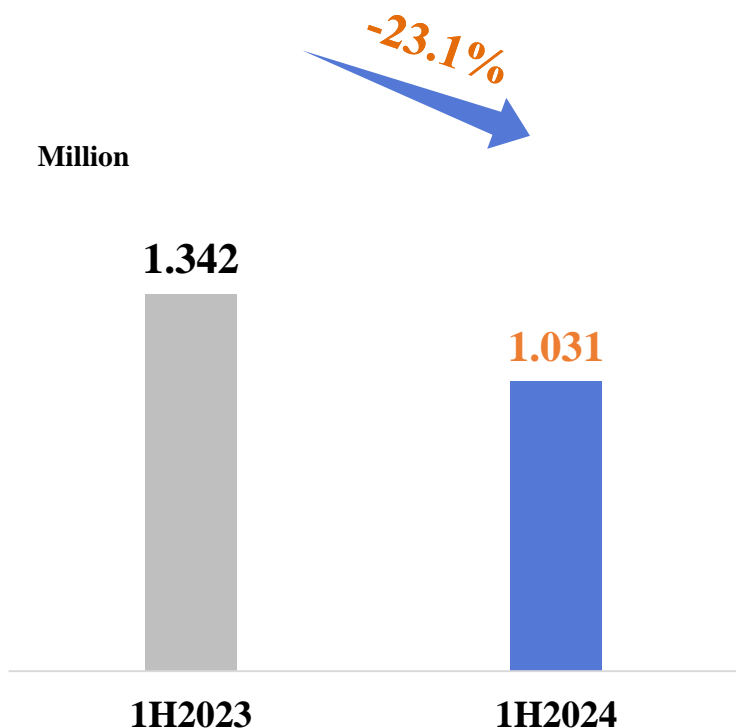
New Household

1.031 M

New Household Mix

Customer

58.836 M



■ 1H2023 ■ 1H2024

1H2024, net profit for the period reached HK\$4.49 billion, profit attributable to shareholders was HK\$3.46 billion, HKD vs RMB appreciated an average of 2.8% in 1H2024, profit attributable to shareholders increased 0.3% if the appreciation impact was excluded.

EBITDA

HK\$7.93 B

Net Profit

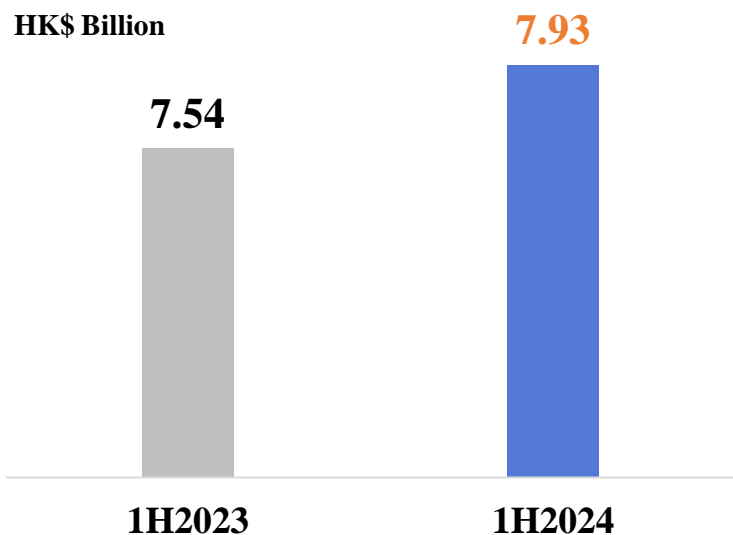
HK\$4.49 B

Attributable Profit

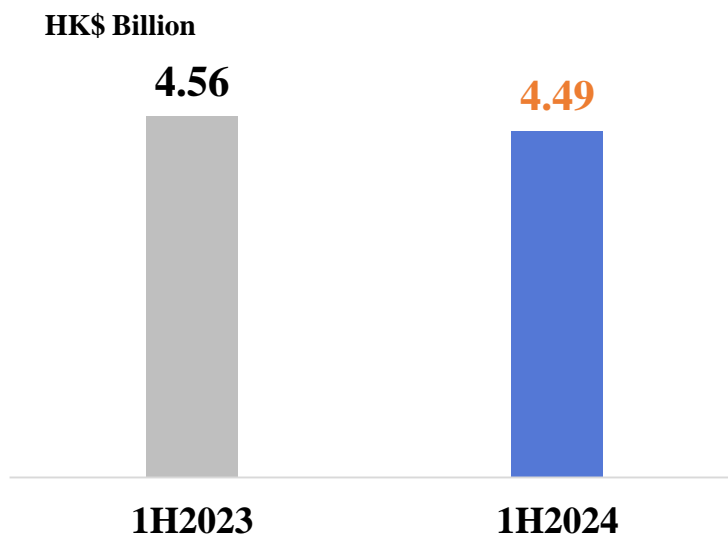
HK\$3.46 B

+5.2%

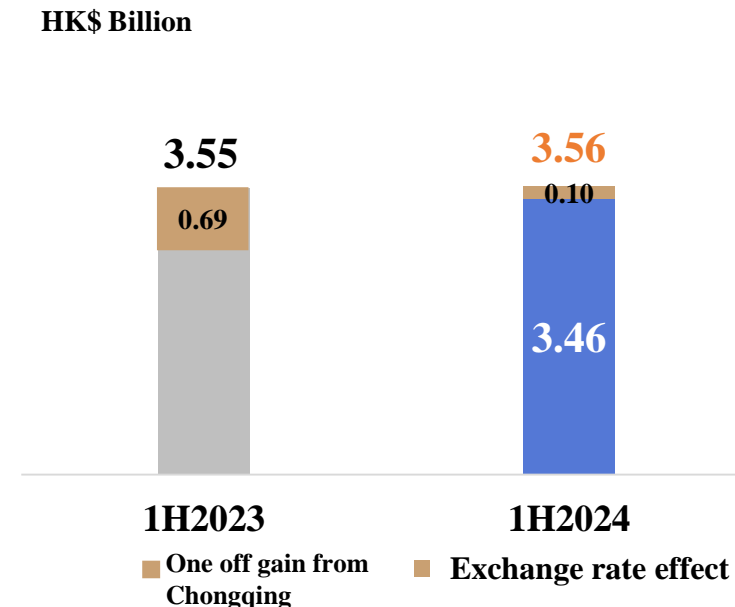
HK\$ Billion



HK\$ Billion



HK\$ Billion



- ☑ Excluding the appreciation impact of HKD vs RMB, attributable profit increased 0.3%;
- ☑ Excluding the one off gain from Chongqing's financial consolidation in 1H2023, attributable profit increased 21.2%.

Results Highlights **Sufficient Financial Liquidity**

1H2024, HK\$2.36 billion was spent on CAPEX, decreased 47.3%, bank and cash balance was HK\$11.57 billion, achieved free cash flow of HK\$1.9 billion, a significant increase of 562.3%, maintained sufficient financial liquidity.

Capital Expenditure

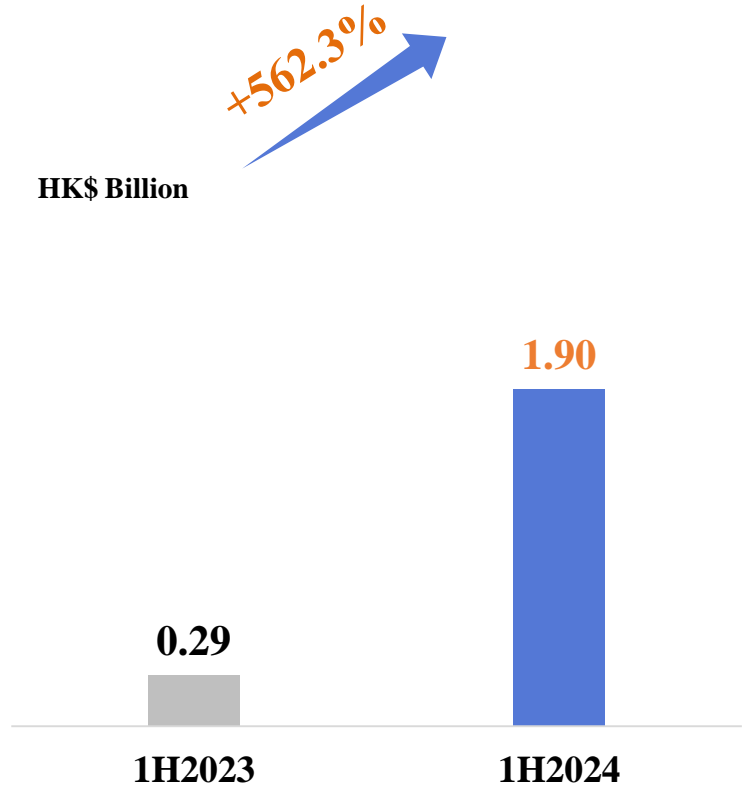
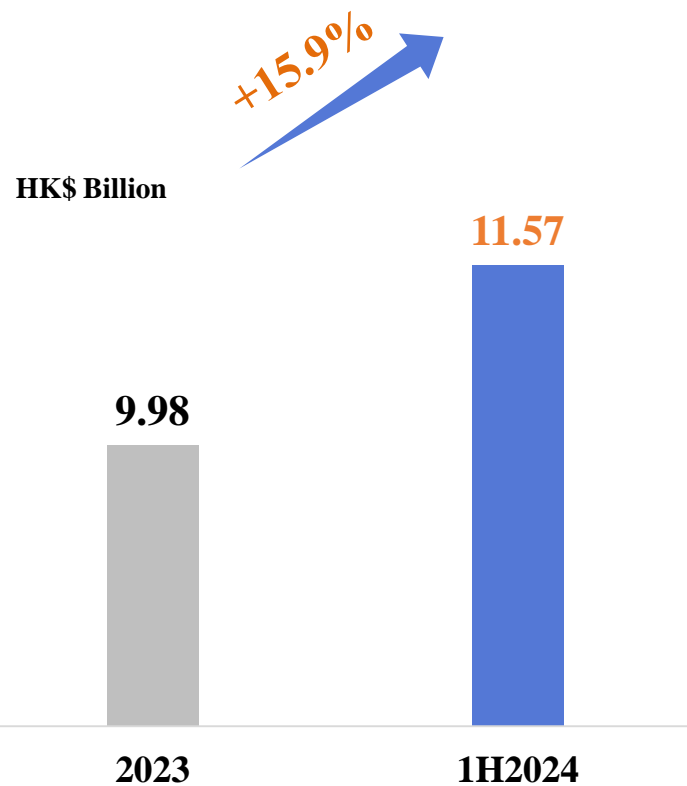
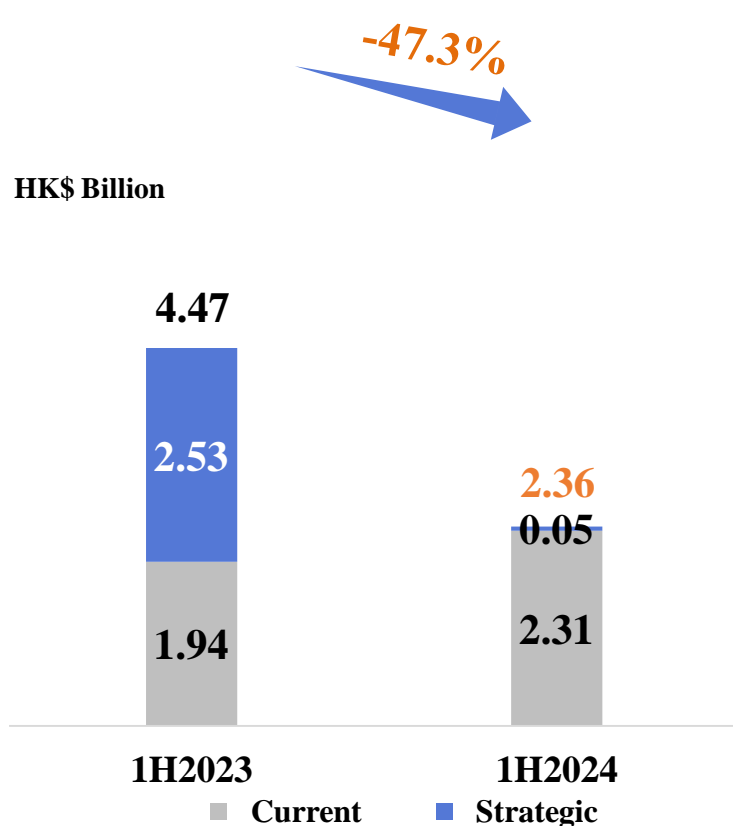
HK\$2.36 B

Bank & Cash Balance

HK\$11.57 B

Free Cash Flow

HK\$1.90 B



3 leading international credit agencies re-affirmed CR Gas the leading credit ratings granted to the Chinese city gas operators, financing cost was 2.4% p.a., the best in the industry. Debt ratio maintained at low level of 30.3% to support its future development and expansion.

Maintain Leading Credit Rating

3 leading international credit agencies re-affirmed CR Gas the leading credit ratings granted to the Chinese city gas operators.

Financing Cost

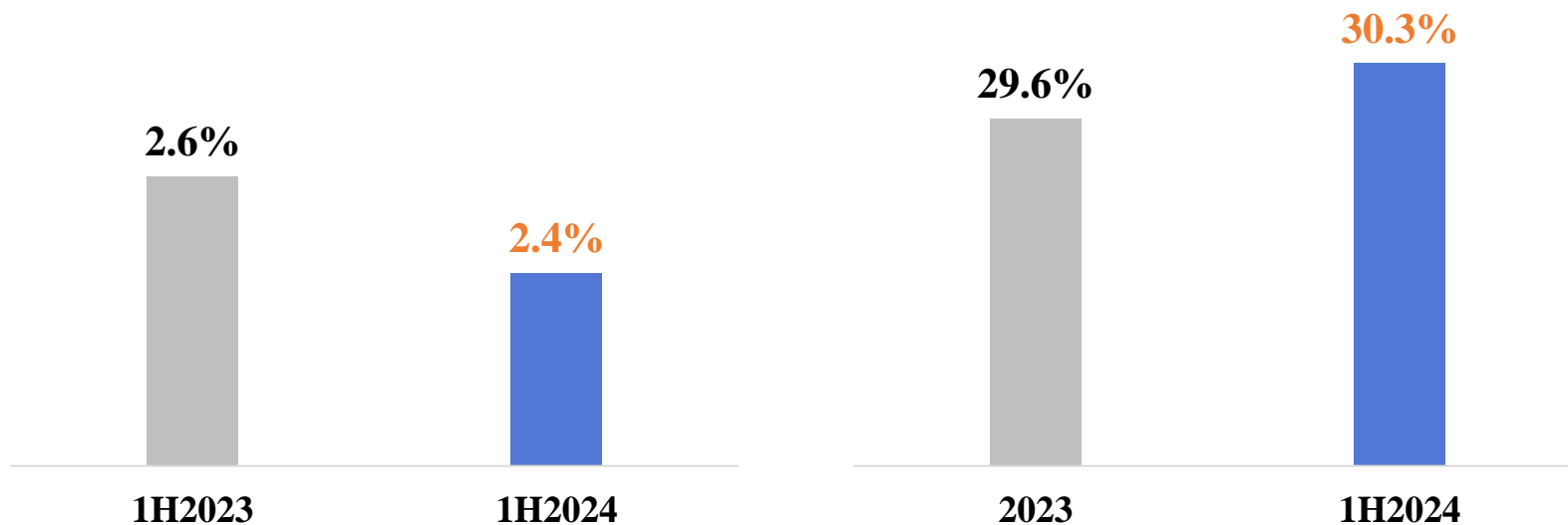
2.4%

Debt Ratio

30.3%

-0.2PPT

Agency	Status	1H2024 Rating
STANDARD & POOR'S RATINGS SERVICES McGraw Hill Financial	Maintain	A-
MOODY'S	Maintain	A2
FitchRatings	Maintain	A-



目
录
Contents

01

Results Highlights

02

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03

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Thoroughly fulfill the environment and social responsibilities, promote the reduction of various CO₂ emission indices and continue to improve the ESG disclosure. An “A” MSCI ESG rating was maintained, CR Gas was selected in the “China ESG Leading 100 Listing Company List”, awarded 5 stars ranking, up 4 places in overall ranking this year, maintained 1st ranking in PRC city gas industry.

Reduction of Various CO₂ Emission



Comprehensive Energy Consumption
(ton std. coal/RMB10,000 turnover)

→ decrease **7.8%**



Comprehensive Energy Consumption
(ton std. coal/RMB10,000 value added)

→ decrease **10.9%**



CO₂ Emission
(ton std. coal/RMB10,000 asset)

→ decrease **11.9%**

Improvement of the ESG Disclosure

01 Climate Change

On the basis of identifying and responding to climate risks, new content such as climate change opportunities has been added.

02 Safety Management

Implement the safety performance system into each company and refine the safety performance indicators such as “optimum investment fund for safety management.”

03 Sustainability

Publish questionnaire on major issues, invite relevant parties to evaluate the issues, **28** major issues are formulated.



Selected in the “China ESG Leading 100 Listed Company” list, awarded **5 stars ranking, 1st place** in the PRC city gas industry.

Participate in formulation of the 3 national gas safety standards, provide technical support of gas safety management for national ministries and commissions; carry out the 3-year action plan to address the root causes of production safety and organize comprehensive inspections at all levels, rectify problems found within set deadline, continue to promote operational safety and safety of customers' gas facilities, a total of RMB6.13 billion has been invested, 8,990 km of aging pipeline network has been retrofitted since 2012.

Participation in Formulating National Standards

- «National City Gas Pipeline Safety Special Rectification Action Plan»
- «Management Measures to Prevent 3rd Party Construction from Damaging Gas Pipelines»
- China City Gas Association “No Fatalities in Accidents” Pilot Topic

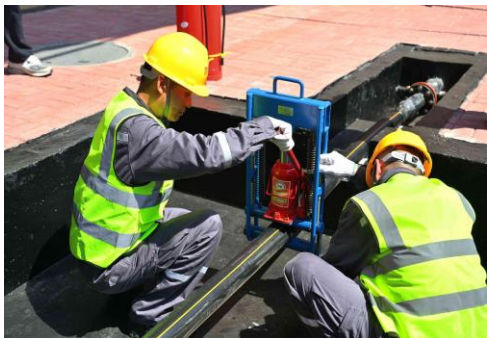
2024 CR Gas Vocational Skills Competition



Cover:

- 3 occupations
- 4 competitions
- 8 business skills

Strengthen the building of safety talents and promote the spirit of craftsmen.



Implementation of Safety Production Management Requirement

- ☑ **Continuous Aging Pipeline Retrofitting**

1H2024

910 km
replaced

RMB370 M
invested

Since 2012

8,990 km
replaced

RMB6.13 B
invested

- ☑ **Carry Out the 3-year Action Plan to Address the Root Causes of Production Safety**

Total of 14,000 inspections, 695 visits of person in charge at all levels, 15,800 safety risks found and 100% rectification within set deadline.

- ☑ **Organize All Levels Comprehensive Fire Inspection**

- Organize 3,703 fire inspection, 2,062 safety risks found;
- Carry out 401 fire drill at office and depot.

Promotion of Customers' Facilities Safety

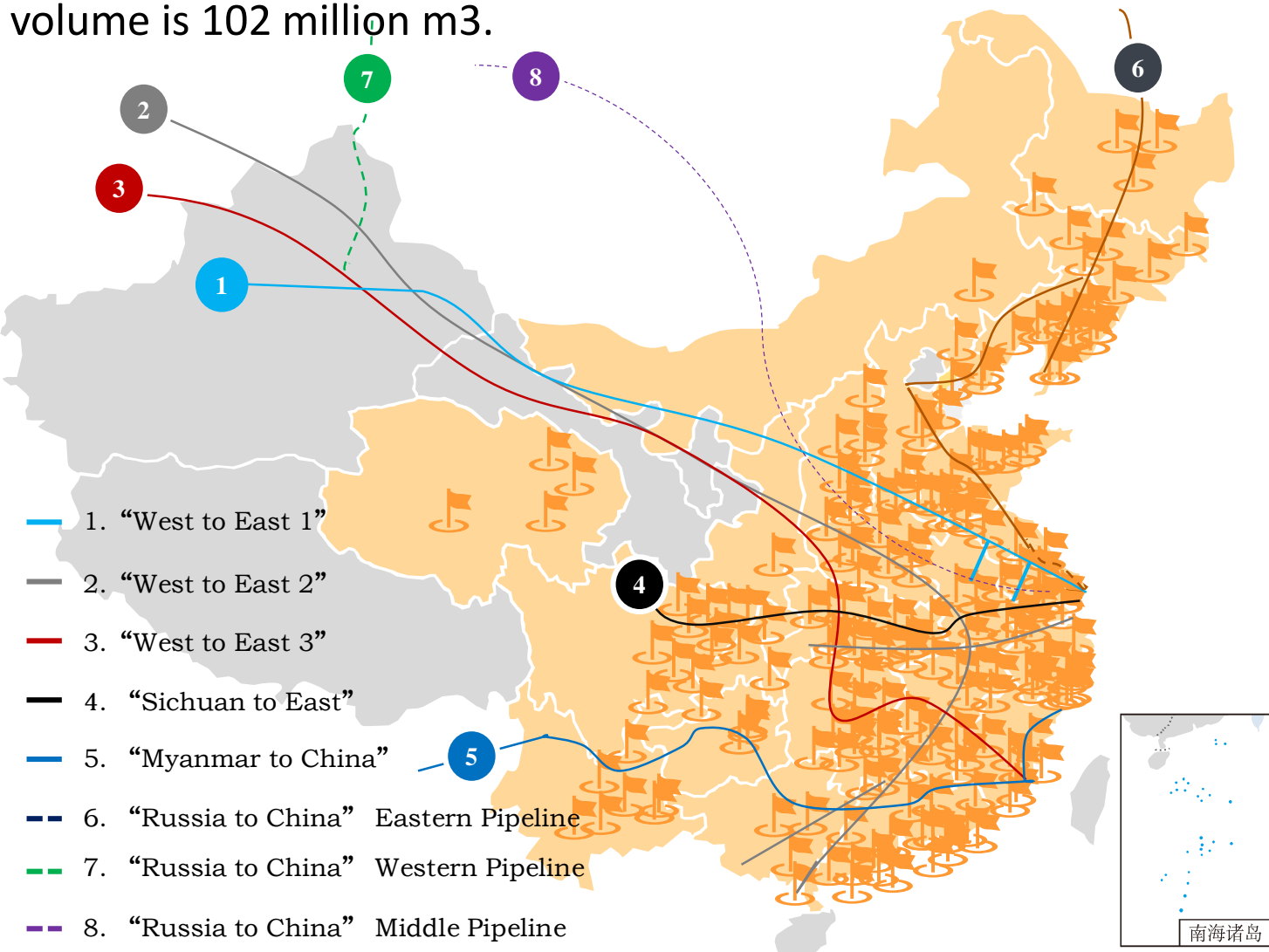
1 Shut-off Valve
New: **5.31 M**
Total: **21.14 M**

2 Commerce Safety Alarm
Install: **100%**

3 C&I Valve
Total: **0.398 M**

4 IOT Meter
Connect: **18.44 M**

Pan-China strategy of project locations; projects can easily secure gas sources as most of them are located closely to the main gas supply pipelines and in the fast economic developing regions where the integrated energy business and comprehensive services business are promoted; 1H 2024, 2 and 3 projects were signed and registered respectively at project level, estimated investment is HK\$60.09 million and the annual potential gas volume is 102 million m³.



- 1. "West to East 1"
- 2. "West to East 2"
- 3. "West to East 3"
- 4. "Sichuan to East"
- 5. "Myanmar to China"
- 6. "Russia to China" Eastern Pipeline
- 7. "Russia to China" Western Pipeline
- 8. "Russia to China" Middle Pipeline

- 276** City Gas Projects
- 15** Provincial Capitals
- 76** Prefecture-level Cities
- 58.84 M** Customers
- 316 K km** Pipeline
- 98.42 M** Connectable Households

New Projects

- Project Level**
- Signed: **2**
- Registered: **3**
- Est. Investment**
- HK\$ **60.09** million
- Potential Volume**
- 102** million m³

Note: New projects include shareholding increase, M&A and expansion in operation area, etc.

14

Set up a natural gas trading company in Hong Kong to open up domestic and foreign resources channels; an additional of 750 million m³ secured, annual gas contract coverage rate increased to 99.7%, 1.75 billion m³ natural gas were procured, an increase of 30%, supplemental unconventional gas was 200 million m³, gas supply security and costs continue to improve.

Set up a natural gas trading company in HK

- ☑ **Procurement:** Open up resources channel to procure foreign LNG
- ☑ **Sales:** International LNG source sales
- ☑ **Shipping:** Organize shipping
- ☑ **Financing:** Financial operation such as foreign exchange and shipping cost s hedging

Direct Purchase of 63,000 ton Spot LNG



RMB100-200/ton lower than the domestic market price, open up the entire process of international LNG import operations.



Securing Gas with 3 Major Suppliers

- ☑ **Increase annual contract volume**

An additional of **750** million m³ secured, contract coverage rate reached **99.7%**, an increase of **0.4** PPT;

- ☑ **Increase in gas supply coordination**

1H2024, gas procurement was **1.75** billion m³, an increase of **30%**, estimated cost saving of **RMB30** million.



Exploring Other Resources

- ☑ **Supplemental unconventional gas supplies**

Supplemental coal gas, shale gas, etc. over **200** million m³, **RMB0.03**/m³ lower than the annual contract;

- ☑ **Develop gas storage leasing**

- 1Q2024, gas purchase of **60** million m³ to secure the key company's peak shaving gap during winter season;
- Bid **40** million m³ from Sinopec with reserve price to lower the peak shaving cost during winter season.



Cooperation with National Pipeline Co.

- ☑ **Increase upstream gas supply channel**

1H2024, completed Zhanjiang transmission station, Chaoyang terminus gate opening, obtained **7** official approvals from National Pipeline Company;

- ☑ **Obtain 3A consignment qualification**



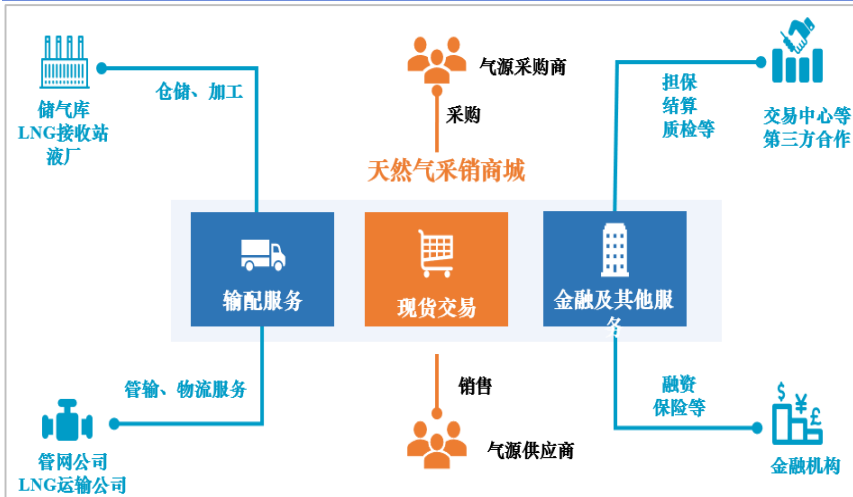
Obtain privilege such as priority approval, priority services and advance payment reduction or exemption.

Seize the favorable opportunity that the future natural gas market will become a buyers' market, leverage on CR Gas's huge end user market to develop a buyer driven natural gas spot trading mall "Natural Gas Contract Net", establish a digital and intelligent gas procurement system to enhance the bargaining power and overall planning ability of gas sources. 1H 2024, a total of more than 160 project companies and 190 suppliers have registered, since it was launched for more than a month, the transaction volume has exceeded 45 million m3, and the transaction amount is RMB150 million.



Establish "Natural Gas Contract Net" Open Trading Mall

Construct an Open & Inclusive NG Sales and Purchases Mall



With the concern of the rollout of “assurance of housing project delivery” policy, taking the opportunity of the Nation’s “Urban Village Renovation in Super and Super-Large City” policy, accelerate the development of household users; categorize potential industrials, design pipeline network in advance to accelerate industrial customer development; enlarge commercial gas usage and promote quick quotation, together with the safe reform approach, promote commercial customers adopting “bottle to gas” by government and gas company, newly developed customers will contribute over 1.2 billion m³ gas volume per year.



Speed up New Household Connection

- **City Household:** Explore the organic market potential with the “assurance of housing project delivery” policy;
- **Policy Support:** Accelerate the new household connection with the support of “Urban Village Renovation in Super and Super-Large City” policy in **14** cities such as Chongqing, Chengdu and Zhengzhou.

→ **New Households** → **Contribution**

1.152 million **220** million m³/year



Focus on Potential Industrial

- **Categorize Potential Industrials:** Based on the types of the local industry, categorize and sort out the industrial customers;
- **Advance Planning:** Pay close attention to the government's industrial investment information, timely obtain the industrial park development plans, and lay out the pipe network in advance.

→ **New Industrials** → **Contribution**

1,568 customers **580** million m³/year



Actively Expand Commercial User

- **Accelerate Development:** Enlarge commercial gas usage, promote quick quotation applets, and shorten the account opening time;
- **Encourage “Bottle to Gas”:** Closely follow the safety theme, work together with the government, to carry out large marketing campaigns by booth promotion set up in the commercial areas.

→ **New “Bottle to Gas”** → **Contribution**

24,000 customers **430** million m³/year

Continue to promote grid management service, by way of WeChat Business and unified national service phone number 95777 to establish superior gas concierge services and achieve a service model, safety assurance and customer experience upgrade, our gas butlers will become a “mobile shop” of comprehensive services and establish a “countless number of shops” immersive community service. 1H 2024, the operation area has been divided into 3,409 grids, with 32.61 million grid management users and 19.86 million WeChat Business users.



Customer Needs



Direct Access



「百城万店」

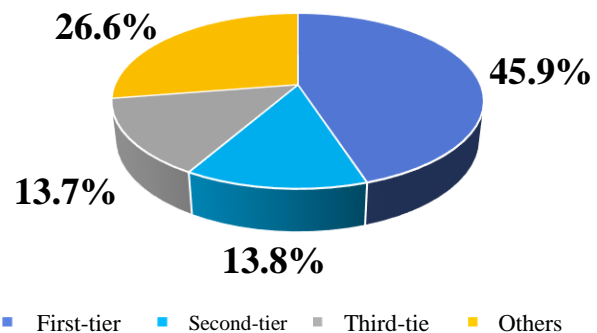
- City gas projects in 200+ cities
- Build a team of over 10,000 gas butler to become a “mobile shop” of comprehensive services

Safety Assurance	Customer Experience
<ul style="list-style-type: none"> <input checked="" type="checkbox"/> Safety Inspection increased 5.7 PPT <input checked="" type="checkbox"/> Risk Rectification increased 6.9 PPT 	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> Reach user faster by WeChat Business, hotline <input checked="" type="checkbox"/> Proactive onsite service <input checked="" type="checkbox"/> Rapid response and quality service

CR Gas has 56.839 million household customers. Of which, 41.684 million household customers are located in affluent 3rd-tier or above cities with strong purchasing power. CR Gas provides a diversified comprehensive services and products with an emphasis on safe gas usage to meet the various needs of our customers.

Huge & Prime Customer Resources

City Household Mix



- ☑ Household customer **56.839 M**
- ☑ 3rd tier city or above household **41.684 M**

One-Stop Smart Kitchen Assembly Solution



APP搞定厨居生活
身在何处都能轻松掌控

远程操控 | 实时监控 | 遇险通知

01 Mobile Switch Control

02 Mobile APP Control

03 24-Hour Safety Monitoring

04 Self Shut-off Valve

05 Regular On-site Inspection

06 Professional Emergency Repair Team

07 Product Lifetime Warranty

Customized Kitchen Decoration

隐藏燃气管道
找装修公司做? 实现美就够了?



燃气管道美装定制化服务

3大核心优势 实现“美”与“安全”的高度兼容

- 严守安全
全标准化安全工艺
- 量身精装
全精细化设计与施工
- 长久保障
全生命周期呵护服务

Establish CR Gas best selection online store and service center revitalization to enrich the marketing methods of comprehensive service products with high quality products and services, create a comprehensive service ecosystem to expand our brand coverage and offer our customers high quality comprehensive service products.



1. Member Point System

Through WeChat Business and point system to establish more interaction with customers and stimulate transactions.

2. Home Appliance Alliance

Base on mutual benefit, seek cooperation opportunities and build alliances with various brands of home appliance.

3. Service Center Revitalization

Leverage on service center resources, invite high quality suppliers and increase service opportunities.

Continuous growth of comprehensive services business (CSB), penetration rate of kitchen appliances increased from 8.7% to 9.0%, insurance products increased from 25.6% to 25.8%, income from household services business increased from RMB54.2 to RMB55.1 per household; turnover from comprehensive services business increased 20.0% to HK\$1.77 billion in 1H2024, segment contribution increased 22.1% to HK\$0.76 billion, turnover and segment contribution increased 23.5% and 25.7% respectively if the exchange impact was excluded.



Kitchen Appliances
Organic Market Share

1H2024: 9.0%



1H2023: 8.7%



Insurance Products
Organic Market Share

1H2024: 25.8%



1H2023: 25.6%



Household Services
Income per Household

1H2024: RMB55.1



1H2023: RMB54.2

Rapid Growth in Turnover and Contribution

CSB Turnover
+20.0%

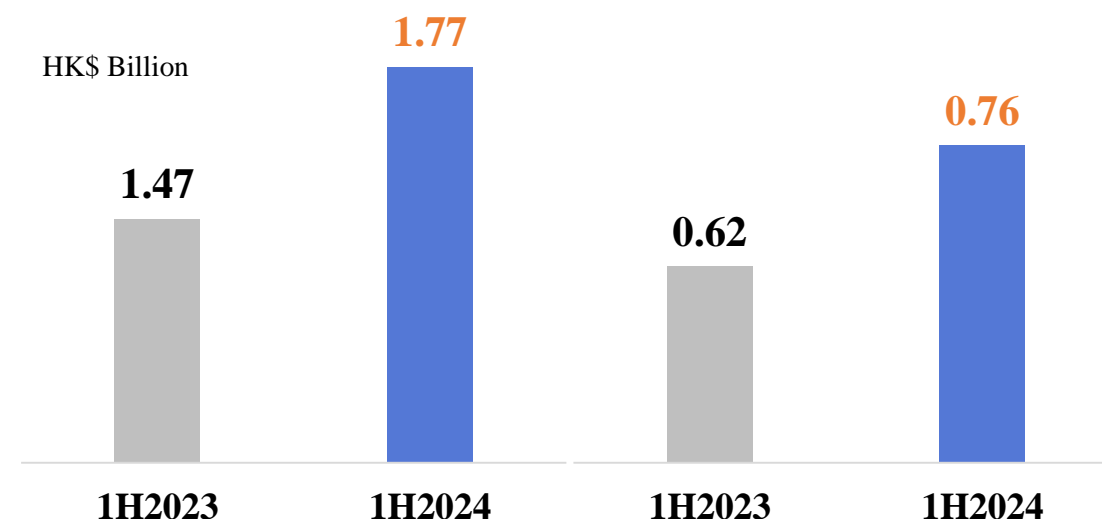
Excluding Exchange Impact

+23.5%

CSB Contribution
+22.1%

Excluding Exchange Impact

+25.7%



CR Gas has 0.5 million C&I customers, many high quality industrial parks and hospitals in the operating area, market potential is huge. Internal estimation shows integrated energy market potential is 360GW, energy demand is 800 billion kWh, mid-term energy supply target is 20 billion kWh and long-term target is 80 billion kWh.

1 Leading C&I Customers

- Industrial: **44,241**
- Commercial: **465,677**

2 High Quality Projects

- Industrial Park: **600**
- Hospital: **2,500**

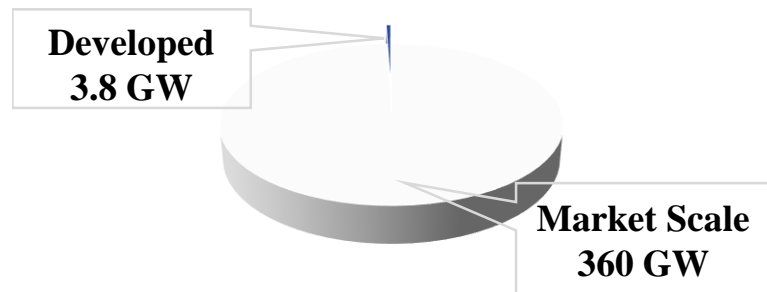
3 Rich Land Resources

- Rich depot land resources

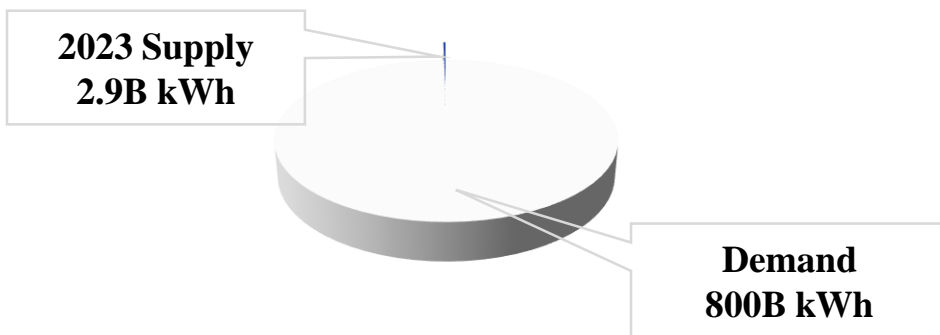


Huge Market Potential in Operation Area

Installed Capacity GW

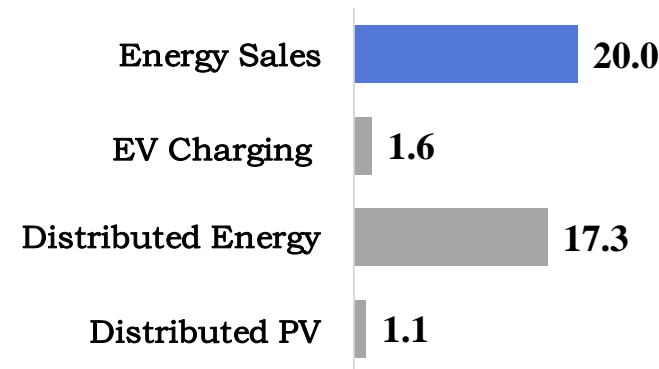


Energy Demand Billion kWh

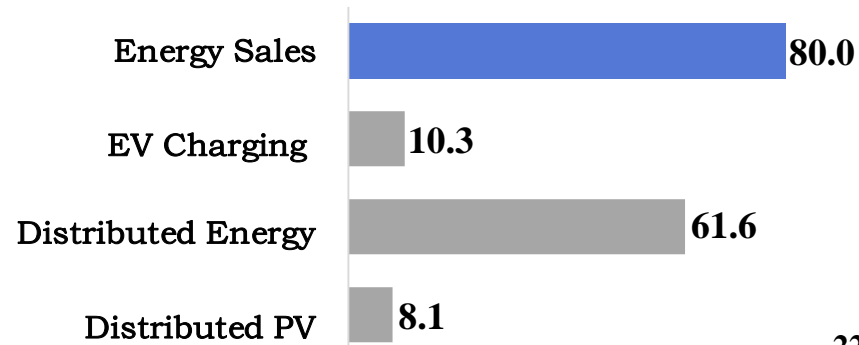


Mid & Long Term Development Target

Mid-term Target Billion kWh



Long-term Target Billion kWh



Leverage on the energy demand of the larger C&I customer resources to identify quality distributed photovoltaic, distributed energy and transportation charging projects, provide a diversified clean energy solution.

① Distributed Photovoltaic



☑ Scenario:

Single C&I customer and regional distributed PV

☑ Business Model:

Self generation and use, surplus electricity to grid

☑ Advantages:

- Lower cost by synergy with city gas core business
- Stable investment return and cashflow
- Fast and scale replication and promotion

② Distributed Energy



☑ Scenario: Park and public buildings

☑ **Business Model:** Focus on light asset business and energy hosting model such as cooling and heating air conditioning, daily life hot water and gas boiler, etc.

☑ Advantages:

- Many high quality parks and hospitals
- Diversified customer demand
- Light asset operation with small investment, quick return and low risk

③ Transportation Charging



☑ **Scenario:** Community, park & zone, city fast charging

☑ **Business Model:** Establish digital charging operation platform to develop transportation charging business in big cities such as Chongqing, Chengdu and Zhengzhou, etc.

☑ Advantages:

- Located in economically developed area
- Share operation staff with city gas business
- Location advantage of existing gas stations

Energy hosting is one of the major approach of the light asset integrated energy operation model. Focus on public buildings and industrial boilers hosting and leverage on our technical expertise to reduce customers' energy consumption. By benefiting customers and enhancing their loyalty to achieve business expansion as well as revenue and earnings growth.

Public Building Energy Hosting



National ministries jointly issued the notice of “Opinions on Encouraging and Supporting Public Institutions to Adopt Energy Hosting Services” to encourage and support public institutions to adopt energy hosting services, improve energy resource utilization efficiency, and achieve green and low-carbon development for public institutions.

Hospitals are key targets for energy hosting in public institutions and are also CR Gas's main focus.

→ Priority Hosting:

- 1

Heating
Cooling

 - Efficient host of cold and hot sources
 - Control system
 - Cooling and heating storage ...
- 2

Daily
Hot
Water

 - Air source heat pump
 - Condensing boiler
 - Waste heat utilization ...
- 3

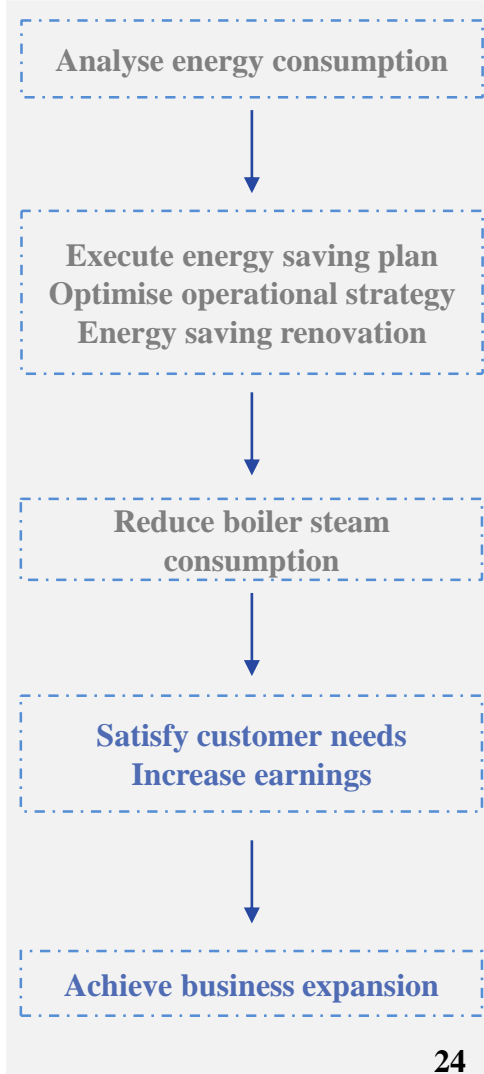
Power
System

 - Power system hosting
 - Balance load distribution
 - Power management, energy storage ...

Industrial Boiler Energy Hosting



- Fast conversion from gas to integrated energy
- High replicability
- Achieve close customer relationship
- Establish customer loyalty



Focus on public building projects, with the use of smart energy management platform, taking green power photovoltaic and energy saving control as the starting point to reform customer's energy usage structures and achieve intelligent management and control by analyzing energy usage data in order to enjoy 90% energy control benefits and obtain RMB0.66 Million government green subsidy.

Smart Energy Management Platform



Solve the problem of how to achieve safe and efficient operation of integrated energy stations with multi-faceted, complex systems and multi-energy coupling, to achieve:

- Real-time data monitoring
- Load forecasting analysis
- Operational strategies optimization
- Energy saving diagnostics
- Carbon emission verification and certification ...



Distributed PV

Rooftop PV: Use idle rooftops to develop and build distributed photovoltaics, and integrate them into the energy management and control platform.

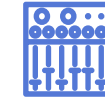
Annual Average Saving
80,000 kWh



Energy Control

Energy Saving Control: Over 8,000 energy-saving lighting fixtures were replaced, systems such as energy sub-metering, water supply and drainage, energy consumption monitoring were added.

Lighting System Saving Rate
increase 46%



Smart Air Conditioning

Indoor Air Conditioning: 13 sets of intelligent modules and 1 set of cloud intelligent management platform were installed to realize intelligent management such as air conditioning cooling and heating time control and infrared control.

Annual Average Saving
100,000 kWh

Service & Value

Satisfy Customer Demand

- ☑ Improve energy **reliability**
- ☑ Improve energy consumption **comfort**
- ☑ Good for to the evaluation of **green buildings**
- ☑ Good for to the evaluation of **energy-saving institutions**

Realize Energy Consumption Value

- ☑ Awarded the «**Chongqing Public Building Green Renovation Demonstration Project**»
- ☑ Total CO₂ reduction rate: **15.19%**
- ☑ Renovation area: **44,160 m²**
- ☑ Economic benefit: **share 90% of the saving benefit**

Leverage on city gas project locations to accelerate transportation charging business development, invest in fully liquid-cooled supercharging station, promote supercharging and PV storage and charging utilization; cooperate with member company of CR Group to invest in Hong Kong vehicle charging market; a total of 263 stations in operations with 86 stations newly added, secured service contract with 9,386 vehicles, 1H2024 electricity sales increased 20% to 180 million kWh.



1H2024, 6 supercharging stations in operations in Fuzhou, Kunming, Zhengzhou, etc.

- Strength of Supercharging Station
 - Fast: Charging rate: 600kw
 - High Efficiency: Completion rate 99%+
 - Long Life: 2-3x of wind cooling
 - Combined with PV Storage/Charging: PV Storage/Charging facilities

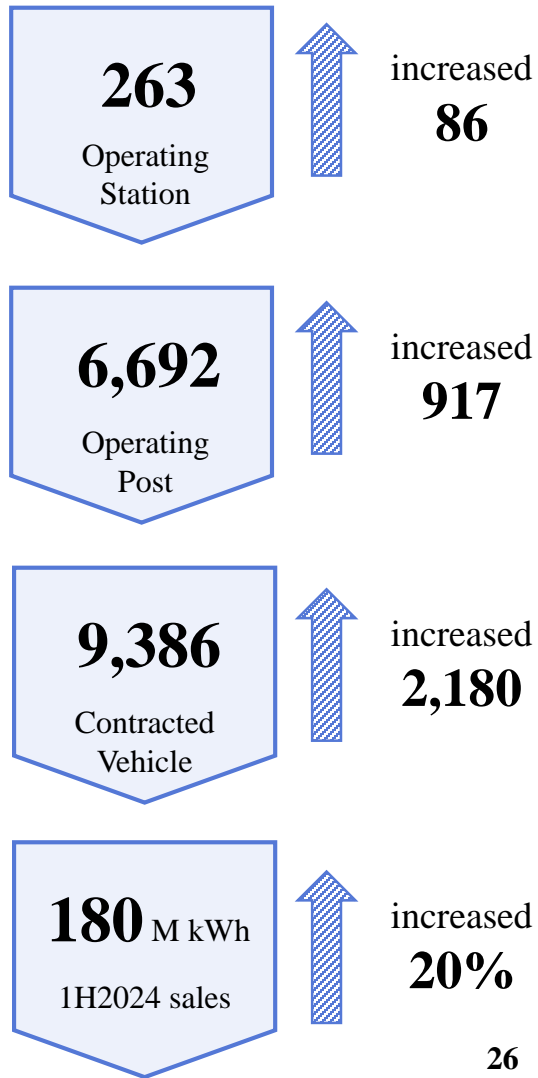
Invest in Hong Kong Vehicle Charging Market

Cooperate with member company of CR Group to invest in Hong Kong vehicle charging market.

- Strength:
 - Huge HK charging market: only 17% fast charging post;
 - Car park management: number of car park managed in HK ranked number 2, and number 1 in public housing.



- ### 1st Stage Projects
- Wanchai CR Building
 - TKO Alto Residences



By tracking and analyzing the company's integrated energy projects that have been in operation for one year, the actual operation performance of the projects is better than the feasibility study projections, the internal rate of return is also higher than the investment requirement.



- ✓ **Customer:** Subsidiary of large enterprise group, located in a national industrial park, large scale and stable operation, commenced operations in January 2023
- ✓ **Investment:** RMB8.52 million
- ✓ **Installed Capacity:** 2.3MW, annual electricity sales 2.32 million kWh

- ✓ **Business Model:** Construct integrated energy station to meet the hospital's demand for heat, cooling and hot water, commenced operations in December 2022
- ✓ **Investment:** RMB9.87 million
- ✓ **Installed Capacity:** 5.1MW, annual energy sales 4.19 million kWh

- ✓ **Location:** adjacent to Hangzhou East Railway Station, surrounded by large shopping malls such as MIXC and Ganglongcheng, commenced operations in April 2023
- ✓ **Investment:** RMB2.58 million
- ✓ **Charging Facility:** 43 charging posts, annual electricity sales 2.70 million kWh

12.20%

Actual Return

8.21%

Estimated Return



12.52%

Actual Return

8.01%

Estimated Return



12.06%

Actual Return

10.37%

Estimated Return



1H2024, 27 distributed PV projects were signed, 18 projects commenced operations, a total of 208 project developed, 28 distributed energy projects were signed, 31 projects commenced operations, a total of 211 projects developed, energy sales was 1.49 billion kWh, an increase of 54.6%, turnover of comprehensive services business reached HK\$830 million, an increase of 38.0%, gross profit increased 84.3% to HK\$160 million.

☞ Distributed PV



- ☑ Signed Project: 27
- ☑ Newly Operated Project: 18
- ☑ Developed Project: 208
- ☑ Installed Capacity: 273MW

☞ Distributed Energy



- ☑ Signed Project: 28
- ☑ Newly Operated: 31
- ☑ Developed Project: 211
- ☑ Installed Capacity: 3.0GW (including hosting)

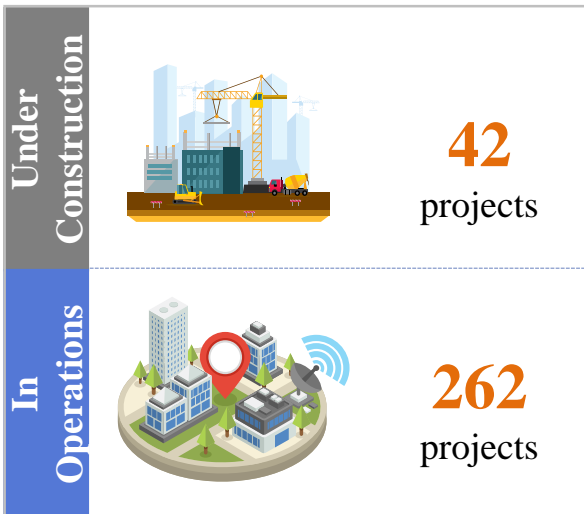
Fast Growing Turnover and Contribution

Turnover

HK\$ Million

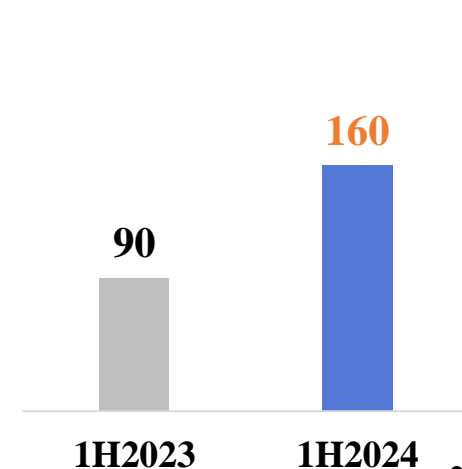
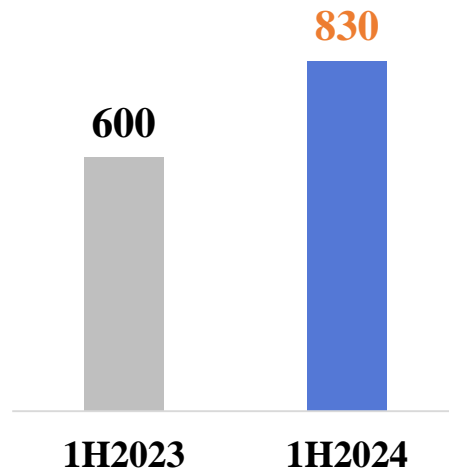
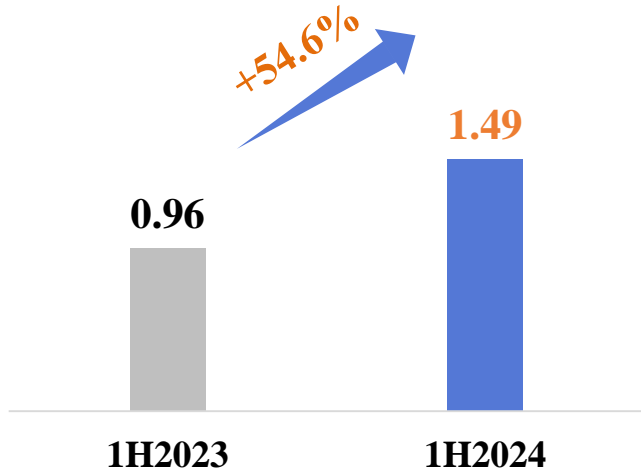
Contribution

HK\$ Million



1H2024 Energy Sales

Billion kWh



Note: Energy sales include transportation charging

Combined with the wide geographical coverage of the pipeline network and the advantages of large residential, C&I and vehicle customer resources, "hydrogen", "carbon", "green" and "storage" will be the development direction of new business, CR Gas will focus on the mid and downstream hydrogen transmission and usage, explore carbon asset trading, carry out green fuel refueling, set up pilot PV storage and charging projects in Huizhou Dayawan, Hangzhou and Jiangmen, etc.



Hydrogen

Focus on the mid and downstream transmission and

Midstream: Undertake key R&D projects

☑ **Pilot community demonstration application of combined hydrogen in city natural gas pipeline network, aim at:**

- Supply to 2,000 household
- 10%-20% hydrogen combined ratio

☑ **Combustion Technology Laboratory with Tongji University**

(Research on the application of combined hydrogen combustion technology and natural gas energy saving, the project has been approved)

Downstream: Invest in hydrogen refueling station

7 hydrogen refueling stations in operation.

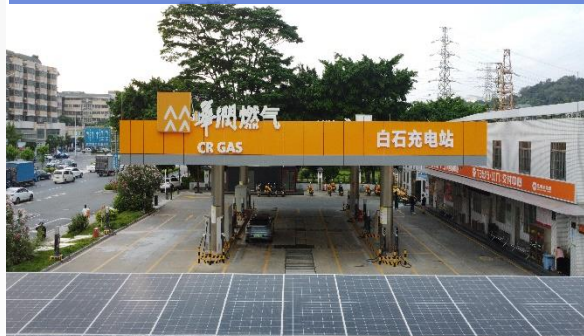


Storage

Set up pilot PV storage and charging projects

- ☑ **Set up pilot projects in Huizhou Dayawan, Zhejiang Hangzhou and Guangdong Jiangmen**

Jiangmen integrated station



- **Operation model:** 36 EV charging posts, equipped with PV storage, charging and discharging facilities



Green

Carry out green fuel refueling

Completed 70+ LNG vessel refueling

carried out research on the refueling technology of LNG and methanol dual-fuel powered vessel, and has completed the refueling of more than **70** LNG vessels

IP rights for vessel refueling

- Participated in the development of 2 group standards
- Assisted in the formulation of 2 rules and regulations and 1 for classification society of ships
- Won 1 2nd prize of Science and Technology Progress Award of China Water Transport Construction Industry Association



Carbon

Explore carbon asset trading

Completed a single carbon trading of more than 10,000 tons

☑ **Leverage on distributed energy saving project**

- Research industry policies
- Establish industry information channels
- Completed the first transaction of Chongqing carbon emission quota in March
- Completed a single CQCER transaction of more than **20,000** tons in July and realized full product coverage of carbon trading business

目 录

Contents

01

Results Highlights

02

Company Development

03

**Financial & Operational
Highlights**



As at 30 June	2023 (HK\$'000)	2024 (HK\$'000)	Increase/(Decrease)
Turnover	48,369,601	52,075,587	7.7%
Gross profit	8,818,865	9,671,182	9.7%
Profit from operation ⁽¹⁾	5,597,876	5,820,640	4.0%
Profit for the period	4,557,546	4,493,418	(1.4%)
Profit attributable to the equity holders	3,545,256	3,456,742	(2.5%)
Net cash from operating activities	4,756,323	4,252,981	(10.6%)
Basic EPS ⁽²⁾ (HK\$)	1.56	1.52	(2.6%)
Interim dividend proposed/paid per share (HK\$)	0.15	0.25	66.7%

Note: (1) Before finance costs and share of JVs and associates results;

(2) Basic EPS is calculated based on weighted average number of issued shares, excluding incentive award scheme.

As at	31 December 2023 (HK\$'000)	30 June 2024 (HK\$'000)	Increase/(Decrease)
Total assets	137,871,085	139,687,367	1.3%
Bank balance and cash	9,978,468	11,568,360	15.9%
Total bank and other borrowings ⁽¹⁾	26,528,718	28,161,145	6.2%
Net borrowings	16,550,250	16,592,785	0.3%
Equity attributable to the equity holders	40,772,231	41,616,168	2.1%
Non-controlling interests	22,611,451	23,288,186	3.0%
Total equity	63,383,682	64,904,354	2.4%

Note: (1) The amount due to an intermediate holding company (1H2024: HK\$0, 2023: HK\$3,804,920,000) and amount due from an intermediate holding company (1H2024: HK\$0, 2023: HK\$0) are included in bank and other borrowings.

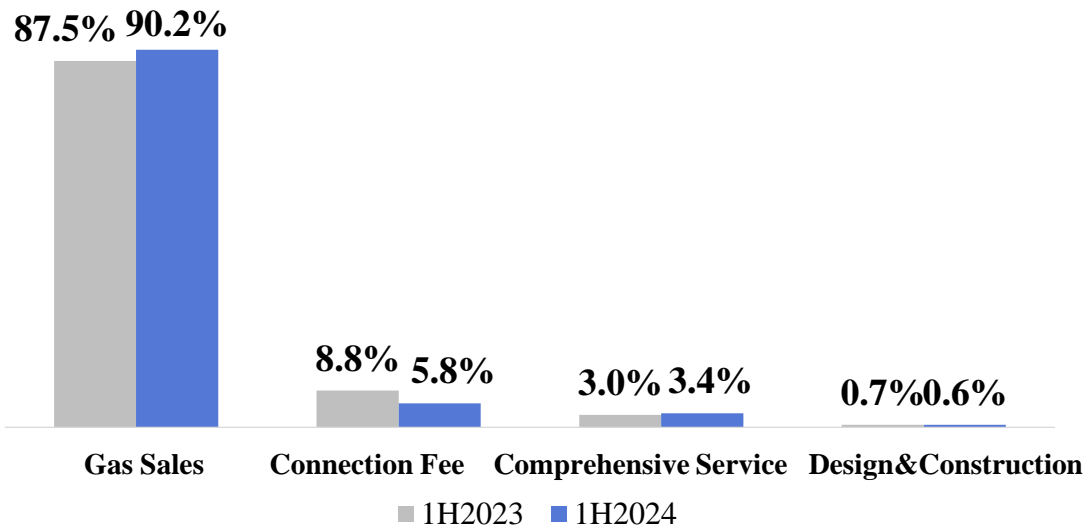
Financial Indicators	30 June 2023	30 June 2024	Increase/(Decrease)
Gross profit margin	18.2%	18.6%	+0.4PPT
Net profit margin	9.4%	8.6%	(0.8PPT)
Net profit margin attributable to the owner of the Company	7.3%	6.6%	(0.7PPT)
Debt to capitalization ratio ⁽²⁾	29.5% ⁽¹⁾	30.3%	+0.8PPT
Debt to asset ratio ⁽³⁾	19.2% ⁽¹⁾	20.2%	+1.0PPT
Return on equity (annualized)	17.8%	16.6%	(1.2PPT)

Note: (1) Debt ratio as at 31 December 2023;

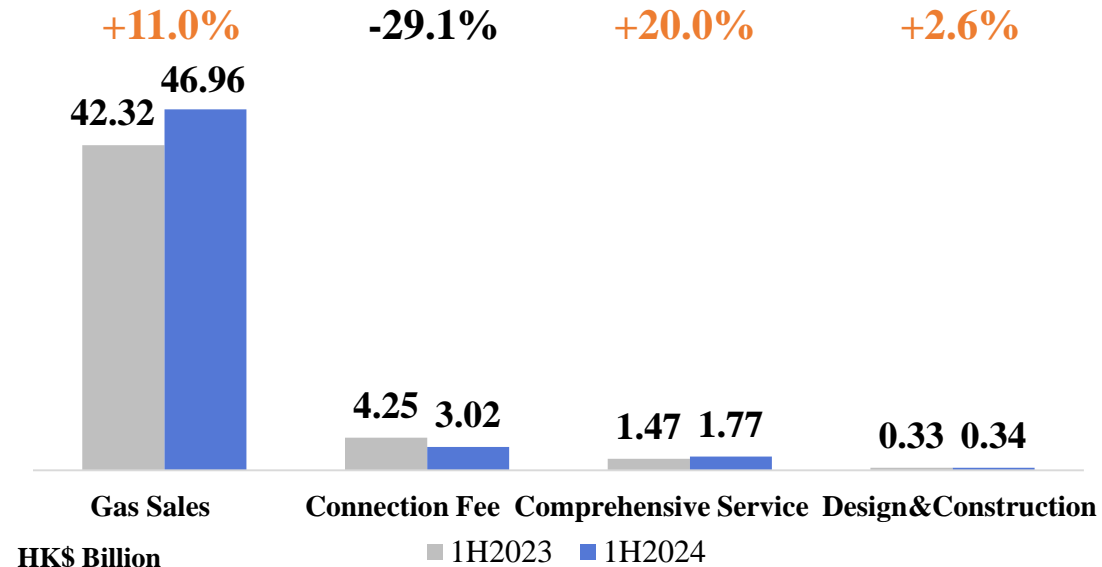
(2) Debt/capitalization gearing ratio is the ratio of total bank and other borrowings to total bank and other borrowings and total equity;

(3) Debt/asset gearing ratio is the ratio of total bank and other borrowings to total assets.

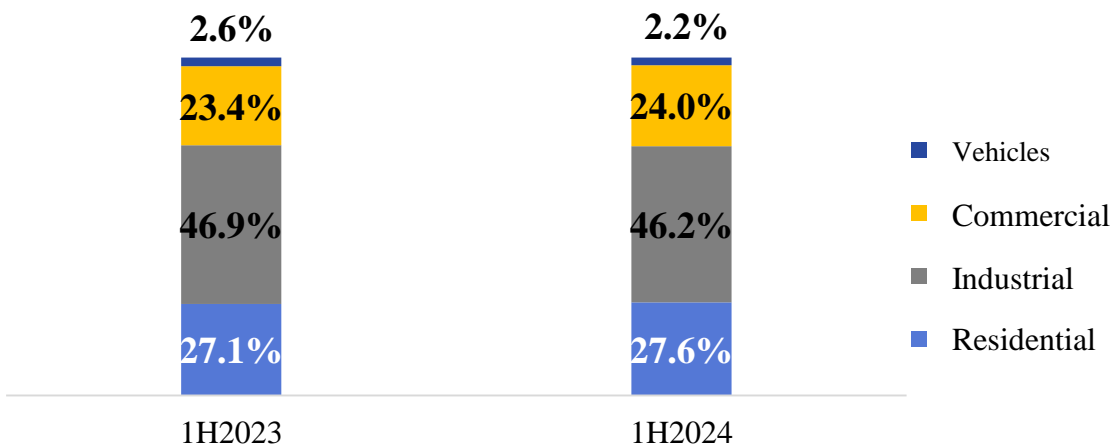
Revenue Mix



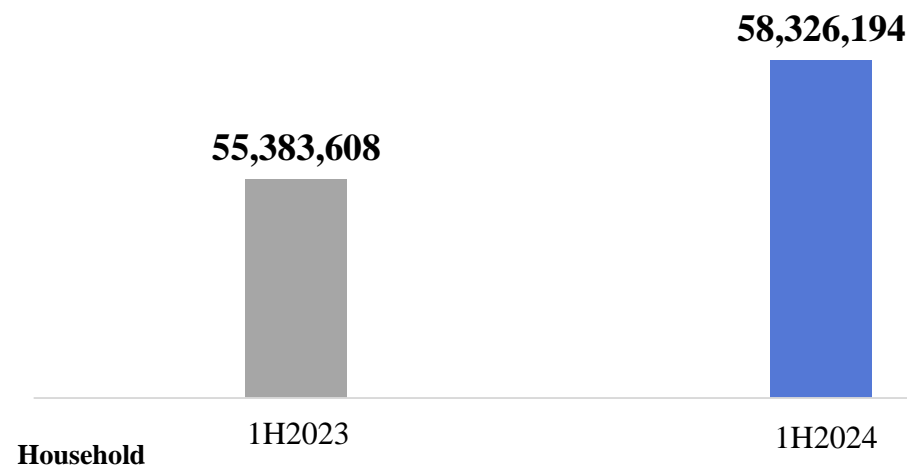
Revenue Growth



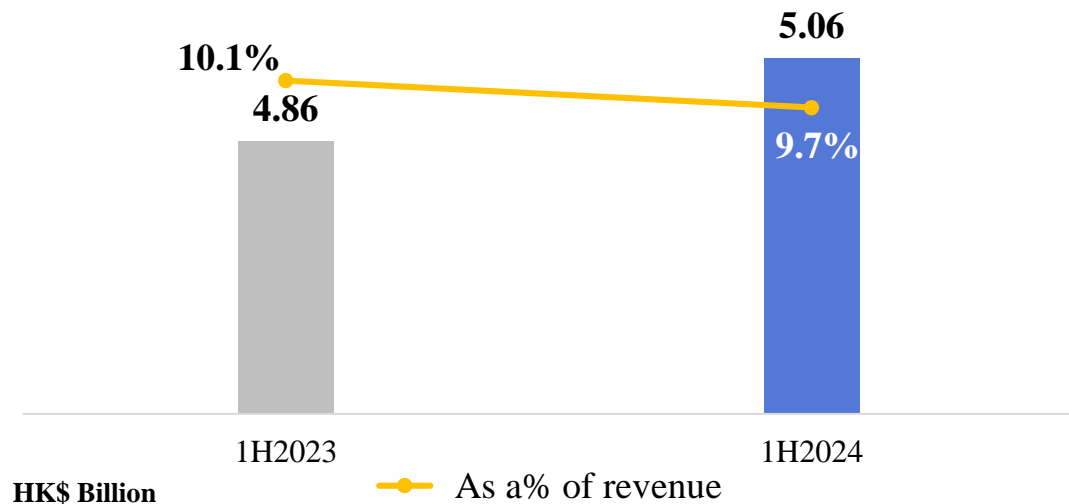
Volume Mix



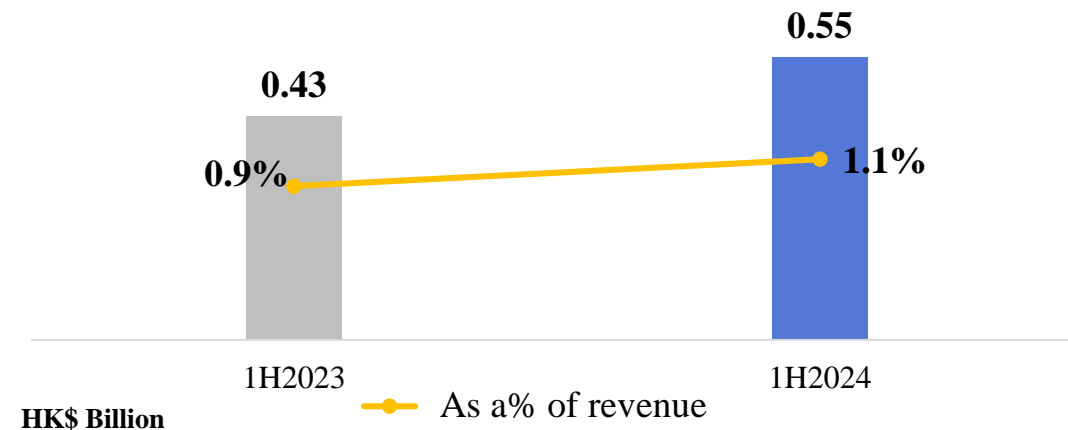
Connected Residential Customer



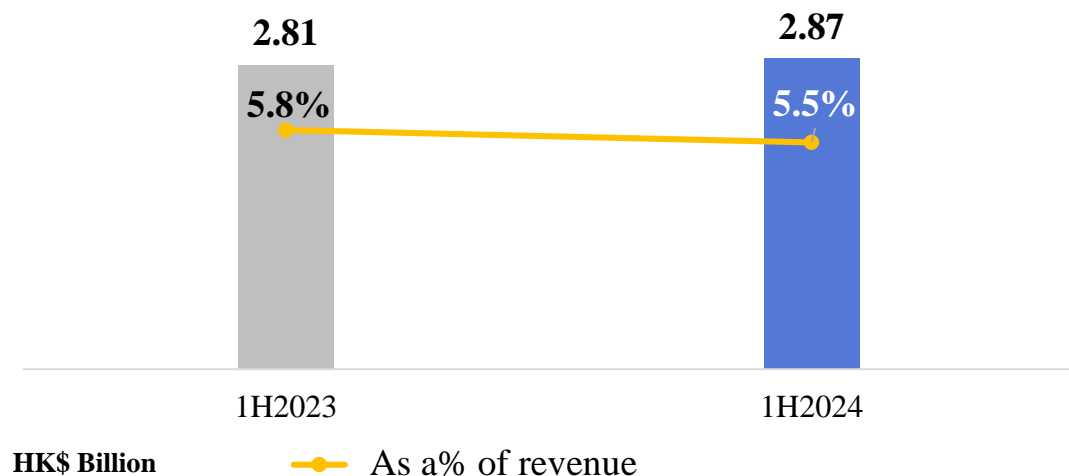
Total Costs



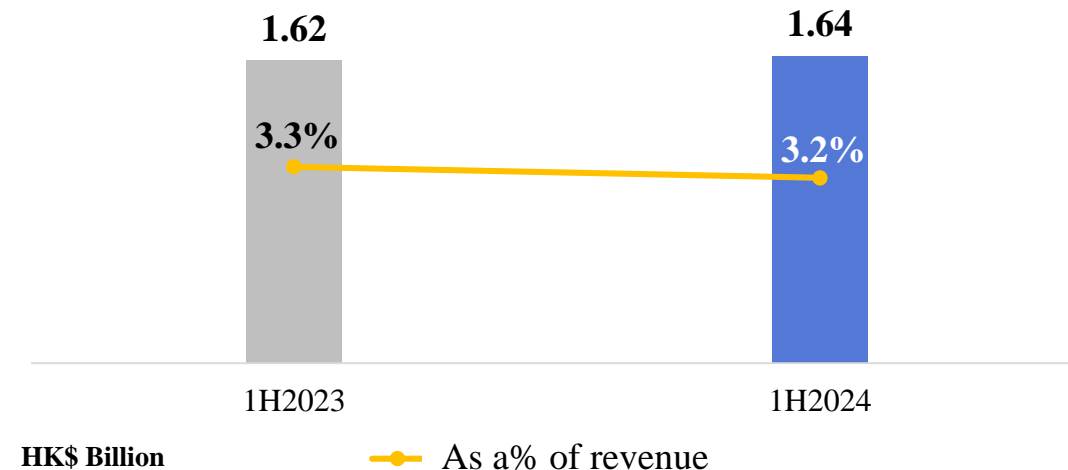
Finance Costs



Selling & Distribution Expenses



Administrative Expenses



Equity & Debt

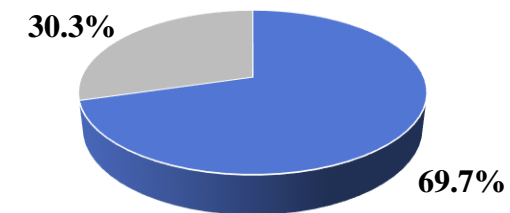
	HK\$'000	%
Total equity	64,904,354	69.7%
Total bank & other borrowings	28,161,145	30.3%
Total capital	93,065,499	100.0%

Long & Short Term Borrowings

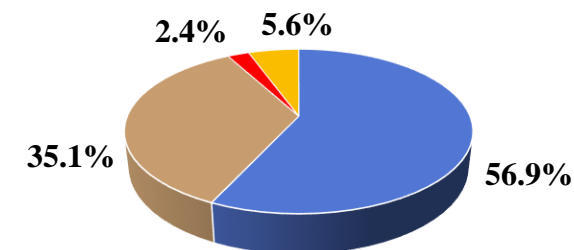
	HK\$'000	%
Less than 1 year	16,020,738	56.9%
1-2 years	9,904,137	35.1%
2-5 years	668,403	2.4%
More than 5 years	1,567,867	5.6%
Total	28,161,145	100.0%

Fixed & Floating Borrowings

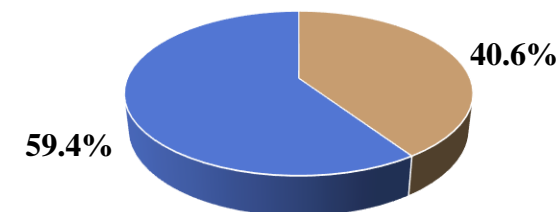
	HK\$'000	%
Floating rate borrowings	11,425,875	40.6%
Fixed rate borrowings	16,735,270	59.4%
Total	28,161,145	100.0%



■ Equity ■ Borrowings



■ Less than 1 year ■ 1-2 years ■ 2-5 years ■ More than 5 years



■ Floating Rate ■ Fixed Rate

Operational Information	30 June 2023	30 June 2024	Change
Number of projects	275	276	1
Connectable householders (million)	95.32	98.42	3.3%
Connectable population (million)	324.09	333.16	2.8%
Penetration rate of residential household	58.4%	59.6%	+1.2PPT
Gross gas sales volume (million m ³)	19,842	20,901	5.3%
Residential	5,384	5,763	7.0%
Industrial	9,310	9,657	3.7%
Commercial	4,638	5,014	8.1%
Vehicle	510	467	(8.4%)
Average gas tariff / cost / gross margin (RMB per m ³)	3.58/3.08/0.50	3.48/2.94/0.54	(0.10)/(0.14)/0.04

Operational Information	30 June 2023	30 June 2024	Change
Total length of pipeline (km)	298,482	316,282	6.0%
Connected customers	55,850,146	58,836,112	2,985,966
Residential	55,383,608	58,326,194	2,942,586
Industrial	39,338	44,241	4,903
Commercial	427,200	465,677	38,477
Average residential connection fee (RMB)	2,660	2,662	2
New C&I with paid connection fee	22,735	25,030	2,295
New residential with paid connection fee		—	
Gross basis	1,341,941	1,031,384	(310,557)
Consolidated basis	1,073,471	769,974	(303,497)
Gas stations (CNG/LNG/L-CNG)	331(201/78/52)	310(190/69/51)	(21)((11)/(9)/(1))

Sustainable Scale and Earnings Growth

1 City Gas Distribution

- Gas distribution to residential and C&I
- CNG/LNG gas station
- Gas connection

2 Comprehensive Service & Integrated Energy

- Provide end users with kitchen appliances; insurance and household services products
- Leverage on regional resources support, provide integrated clean energy solution

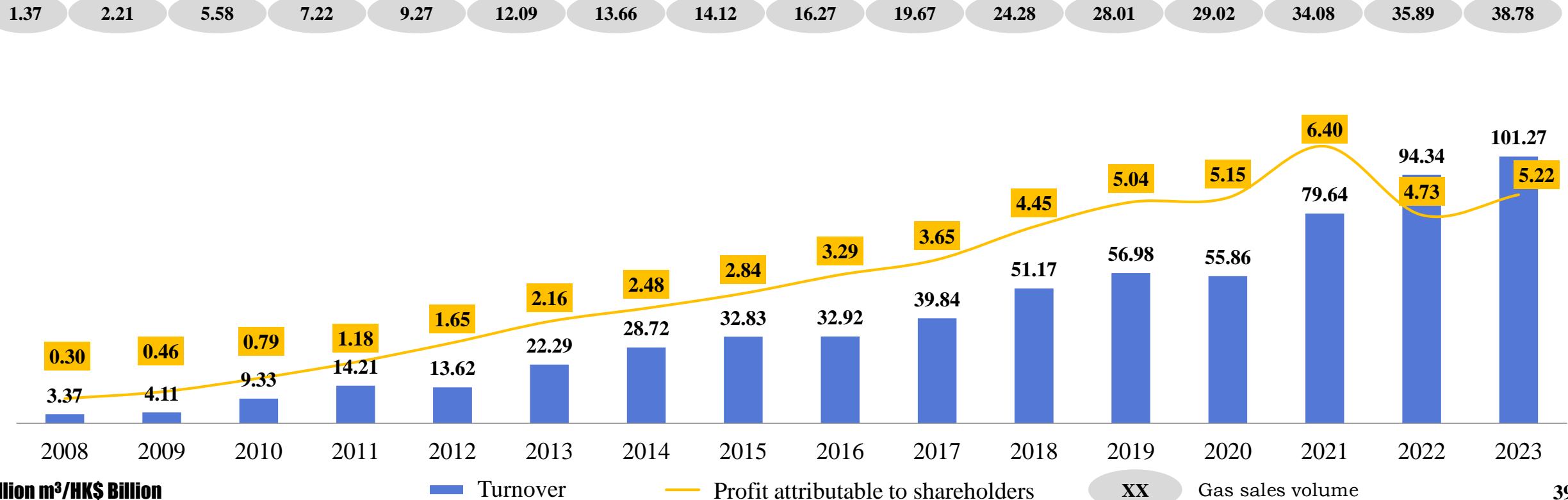
N New Businesses

- Hydrogen energy Studies
- End user energy storage
- Carbon trading ...

2008-2023 Volume CAGR: 25.0%

2008-2023 Turnover CAGR: 25.5%

2008-2023 Attributable Profit CAGR: 21.1%



Disclaimer and Contact:

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2024 Interim Results Presentation