

A circular inset image showing a lush green rural landscape with rolling hills, a winding road, and a few houses under a clear sky.

# CR Gas

## 2021

# Final Results Presentation

March 18, 2022



# 目录 CONTENTS

- 01 2021 Results Highlights
- 02 Company Development
- 03 Financial & Operational Highlights

In 2021, China's economy continued to recover, CR Gas recorded a rapid growth in all key results, business scale continued to grow, earnings and return increased sustainably.

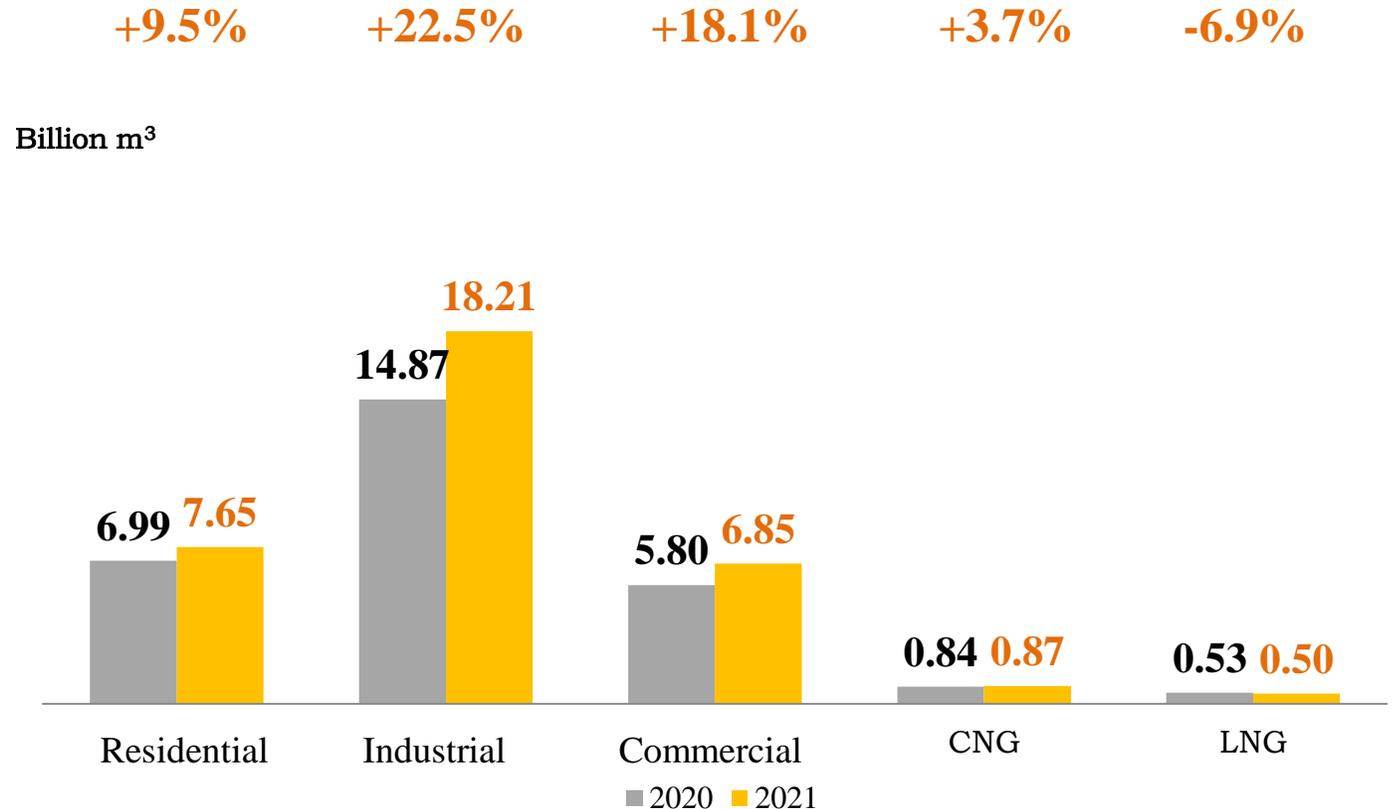
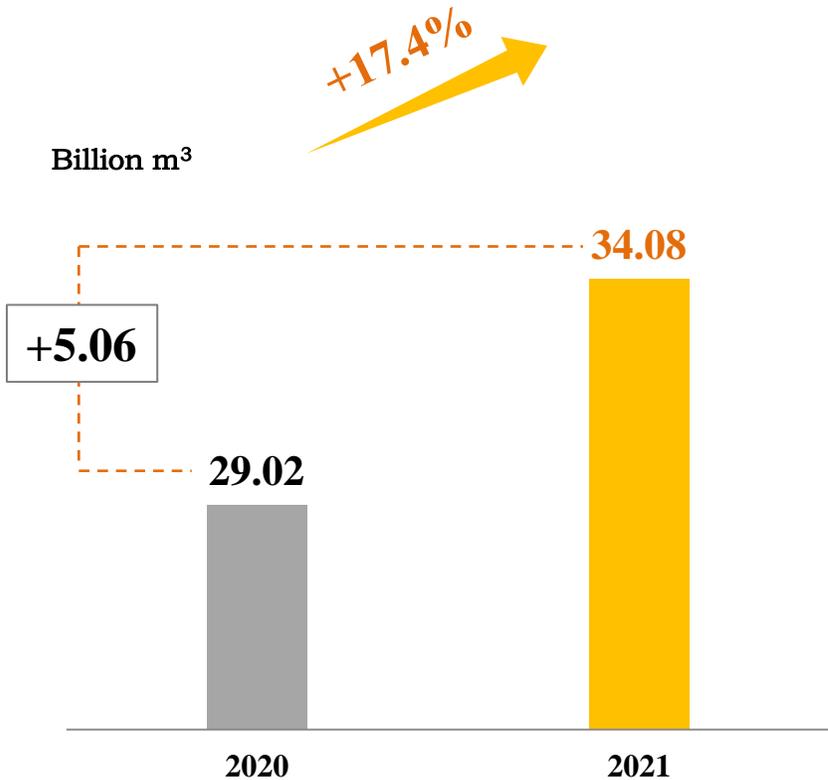
| Key Results  | 2020  | 2021  | Growth Rate |
|--|-------|-------|-------------|
| Gas sales volume (billion m <sup>3</sup> )         | 29.02 | 34.08 | 17.4%       |
| Number of customers (million)                      | 41.84 | 45.87 | 9.6%        |
| Turnover (HK\$ billion)                            | 55.86 | 78.18 | 39.9%       |
| Profit for the year (HK\$ billion)                 | 6.71  | 8.44  | 25.7%       |
| Profit attributable to shareholders (HK\$ billion) | 5.15  | 6.40  | 24.2%       |
| Net cash from operating activities (HK\$ billion)  | 8.62  | 8.39  | (2.6%)      |
| Basic EPS (HK\$)                                   | 2.31  | 2.82  | 22.1%       |
| Proposed final dividend per share (HK\$)           | 0.78  | 1.12  | 43.6%       |
| Proposed total dividend per share (HK\$)           | 0.93  | 1.27  | 36.6%       |

In 2021, China's natural gas consumption reached 372.6 billion m<sup>3</sup>, an increase of 12.7%. Gas sales volume of CR Gas was 34.08 billion m<sup>3</sup>, an increase of 17.4%. Industrial and commercial gas sales volume increased 22.5% and 18.1% respectively.

**34.08** Bm<sup>3</sup> **Volume**



## Rapid Growth in Industrial & Commercial



Upstream gas price stayed at high side in 2H 2021, gas margin was RMB0.52per m<sup>3</sup> in 2021. Benefited from the operational efficiency, contribution from gas sales continued to increase to HK\$7.04 billion, an increase of 13.3%.

## 0.52 RMB

### Unit Gas Margin

Upstream gas price stayed at high side in 2H 2021, unit gas margin was RMB0.52per m<sup>3</sup> in 2021, lower than that in 2020.

RMB per m<sup>3</sup>

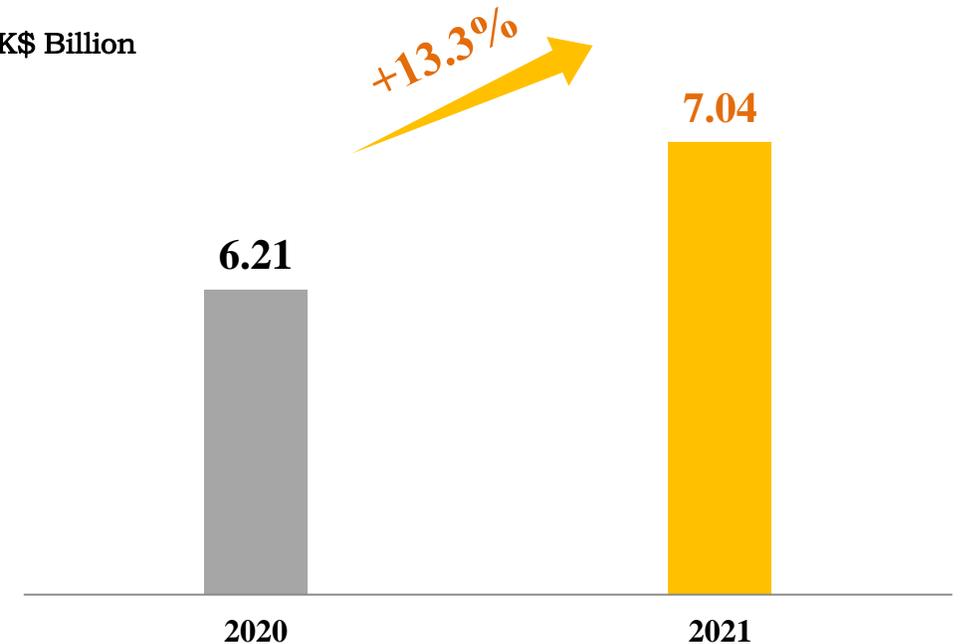
| Customer (excluding tax) | 2020 | 2021 |
|--------------------------|------|------|
| Residential              | 2.36 | 2.36 |
| C&I                      | 2.70 | 3.06 |
| Gas Station              | 3.00 | 3.42 |
| Average Tariff           | 2.65 | 2.93 |
| Average Cost             | 2.06 | 2.41 |
| Unit Margin              | 0.59 | 0.52 |

## HK7.04 B

### Gas Sales Contribution

Benefited from the operational efficiency, contribution from gas sales continued to increase to HK\$7.04 billion.

HK\$ Billion



Note: including gas station business

Leverage on the active market expansion strategy and superior project portfolio, newly connected households were 3.524 million, an increase of 15.4%, cumulative connected customers reached 45.874 million, an increase of 9.6% in 2021.

**3.524**<sub>M</sub> New household



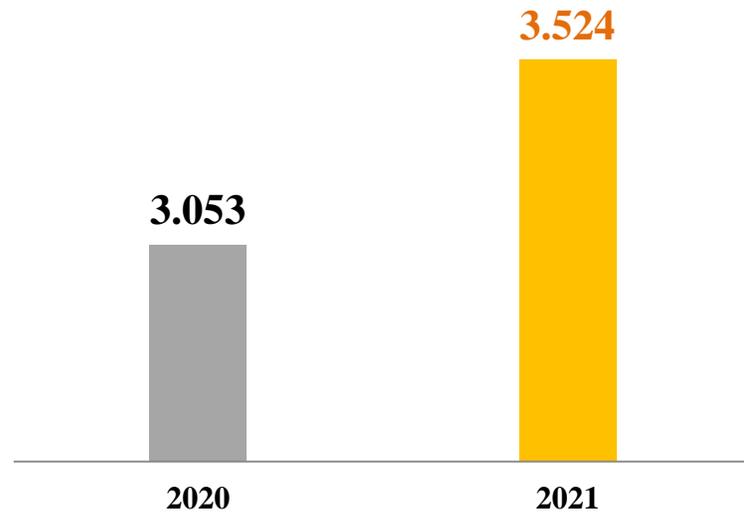
New household mix

**45.874**<sub>M</sub> Customer

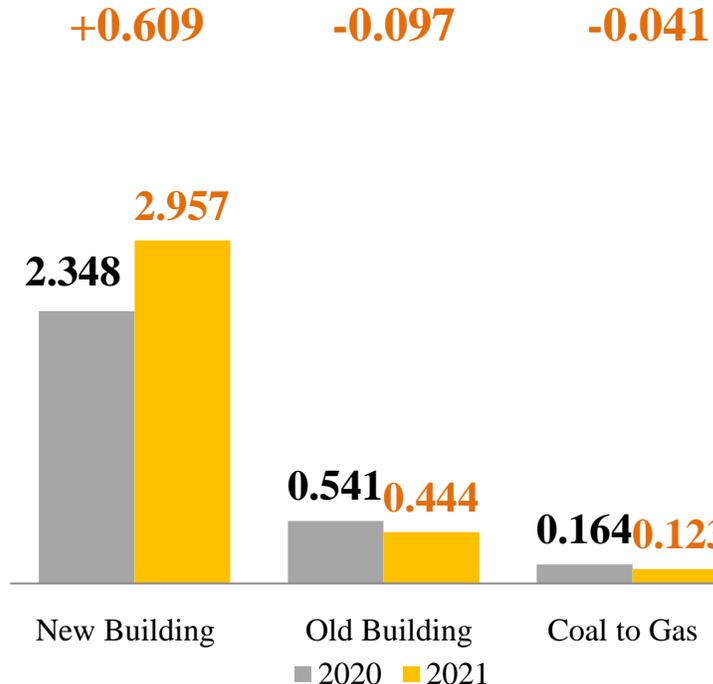
- Residential: 3.986 million increase;
- C&I: 45,000 increase.

Million

+15.4%

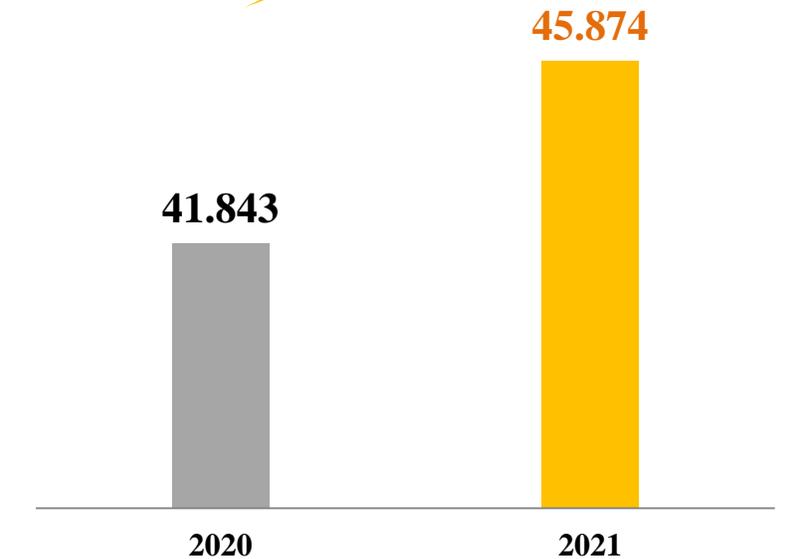


Million



Million

+9.6%



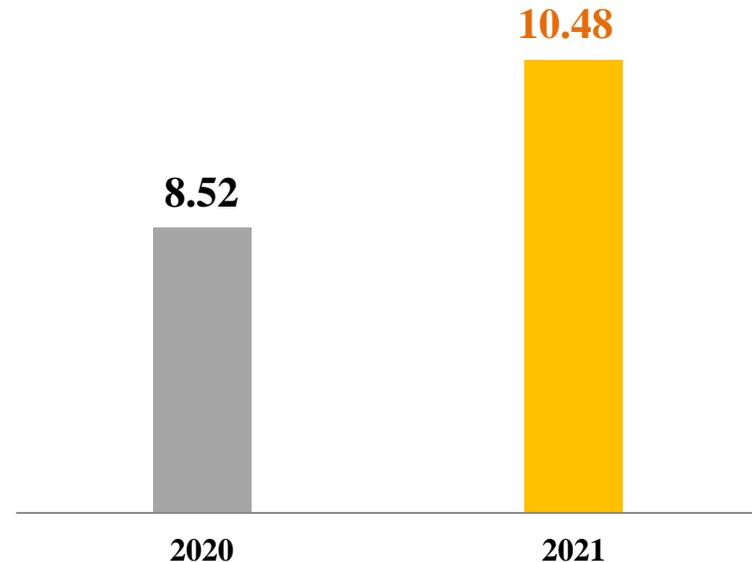
In 2021, earnings grow rapidly, net profit for the year reached HK\$8.44 billion, an increase of 25.7%. Profit attributable to shareholders was HK\$6.40 billion, an increase of 24.2%.

**HK\$10.48** B Profit from Operation

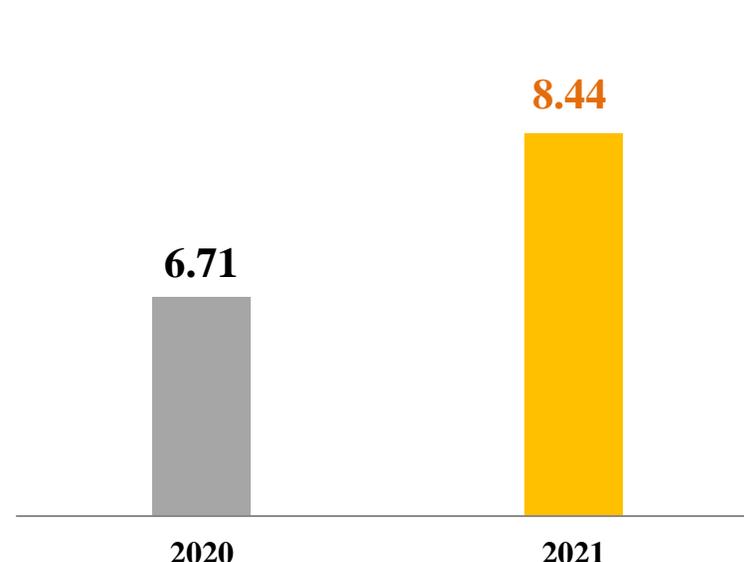
**HK\$8.44** B Net Profit

**HK\$6.40** B Attributable Profit

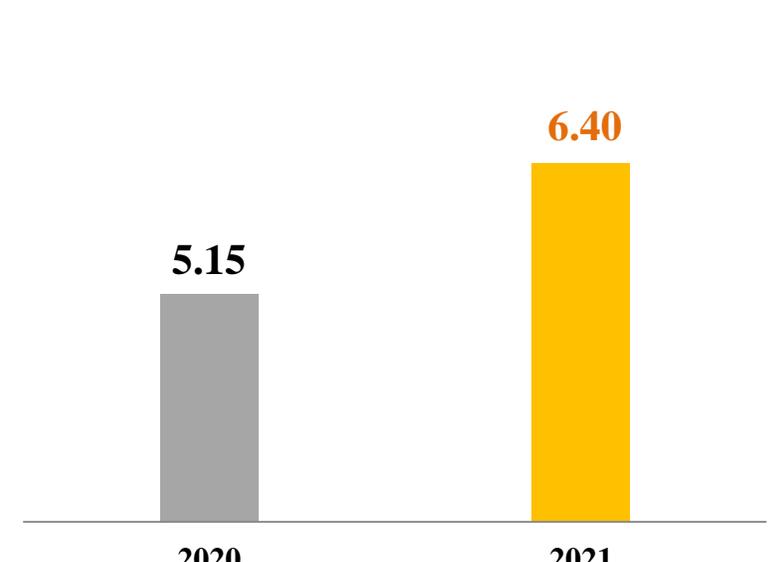
HK\$ Billion



HK\$ Billion



HK\$ Billion



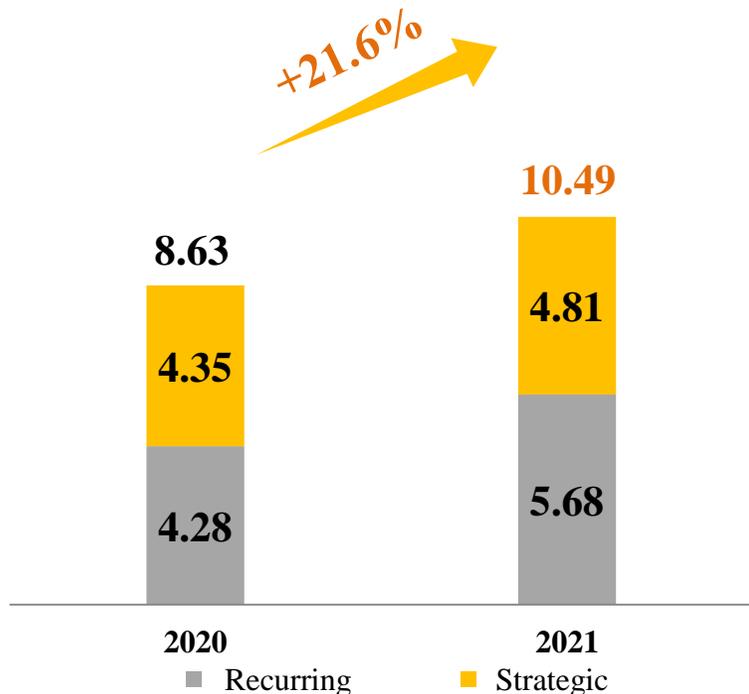
Note: Profit from Operation before finance costs and share of JVs and associates results.

In 2021, HK\$10.49 billion was spent on CAPEX, an increase of 21.6%. Gas prepayments continued to increase. Bank balance and cash amounted to HK\$10.09 billion, financial flexibility continued to be strong.

## HK\$10.49<sup>B</sup> Capital Expenditure

CAPEX for the year: HK\$10.49 billion, an increase of 21.6%.

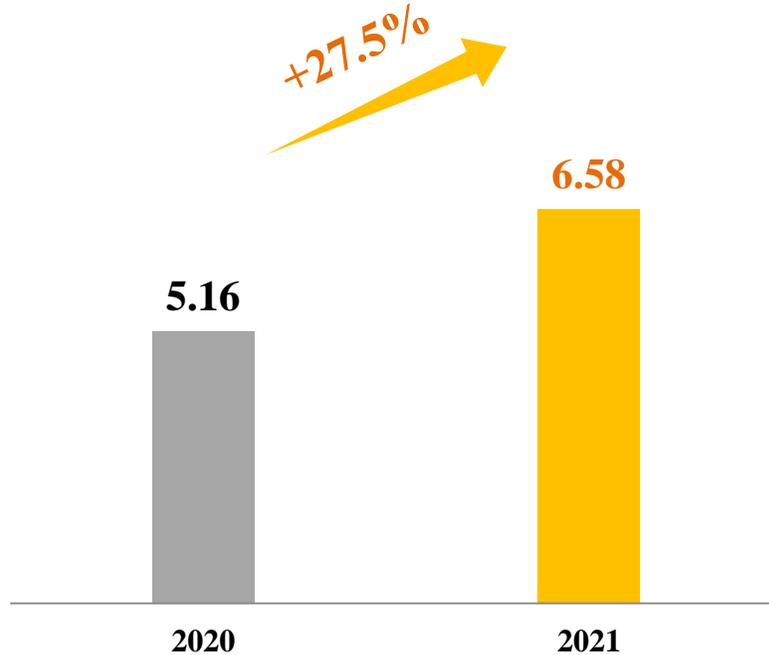
HK\$ Billion



## HK\$6.58<sup>B</sup> Gas Prepayment

Gas prepayments for the year: HK\$6.58 billion, an increase of 27.5%.

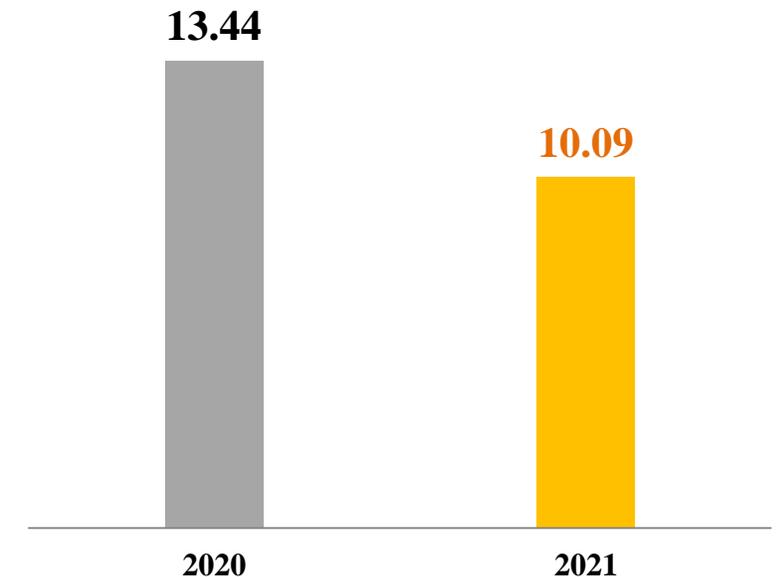
HK\$ Billion



## HK\$10.09<sup>B</sup> Bank & Cash

2021 bank balance and cash: HK\$10.09 billion, including HK\$2.53 billion restricted cash for privatisation of Suchuang Gas.

HK\$ Billion



In 2021, Moody's further raised the credit rating of CR Gas to A2, 3 leading international credit agencies re-affirmed CR Gas the highest credit rating granted to the Chinese city gas operators. Financing cost was reduced to 2.7%p.a. to support its future development and expansion.



## Highest Credit Rating

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

**2.7%** p.a.

## Financing Cost

As at year ended 2021, HK\$22.2 billion banking facilities was undrawn, average interest rate further reduced to 2.7%p.a..

**17.6%**

## Debt Ratio

Debt to capitalization ratio decreased 1.3PPT as at year ended 2021, financial flexibility continues to improve.

| Agency | Status | 2021 Rating |
|--------|--------|-------------|
|--------|--------|-------------|

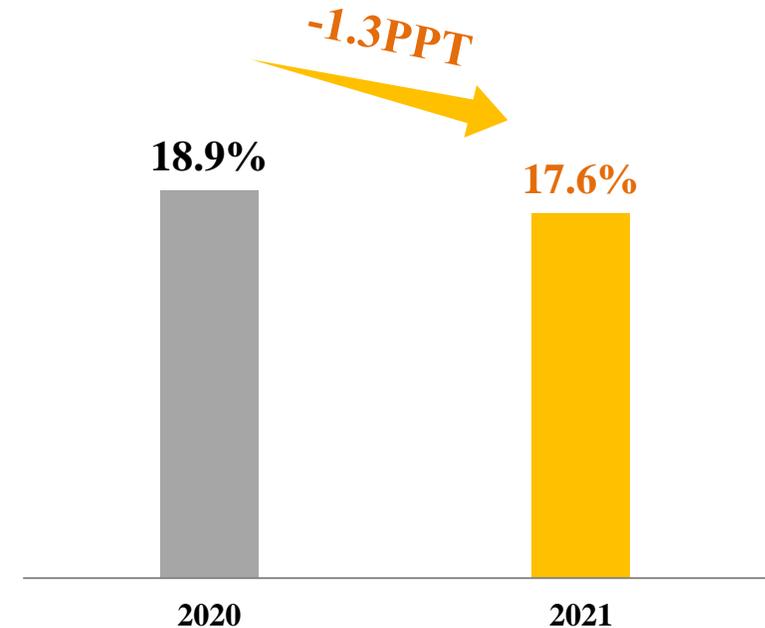
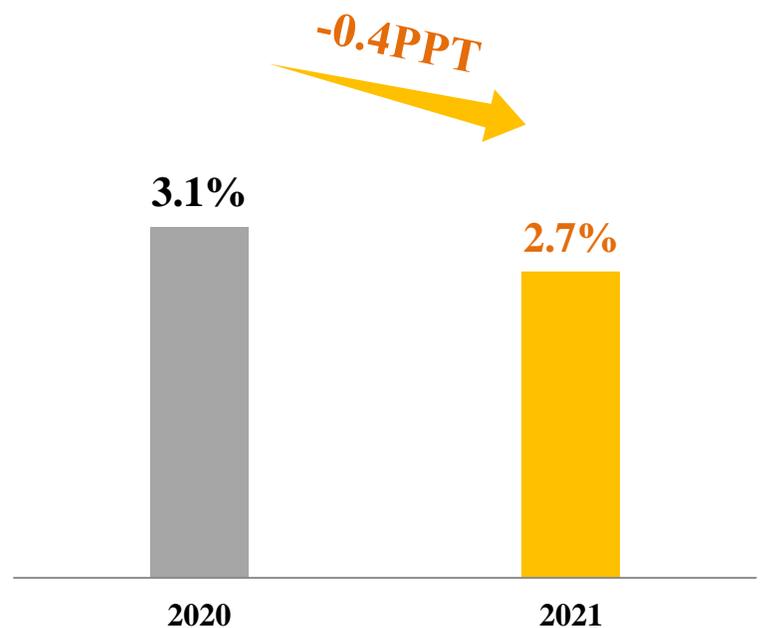


Maintain A-

|         |       |   |    |
|---------|-------|---|----|
| Moody's | Raise | ↑ | A2 |
|---------|-------|---|----|



Maintain A-



Dividend per share of CR Gas increases significantly from HK\$0.45 in 2016 to HK\$1.27 in 2021, 6-year CAGR of 23.1%. Dividend payout ratio increases from 29.8% in 2016 to 45.0% in 2021. Both DPS and payout ratio maintain a sustainable growth pattern.

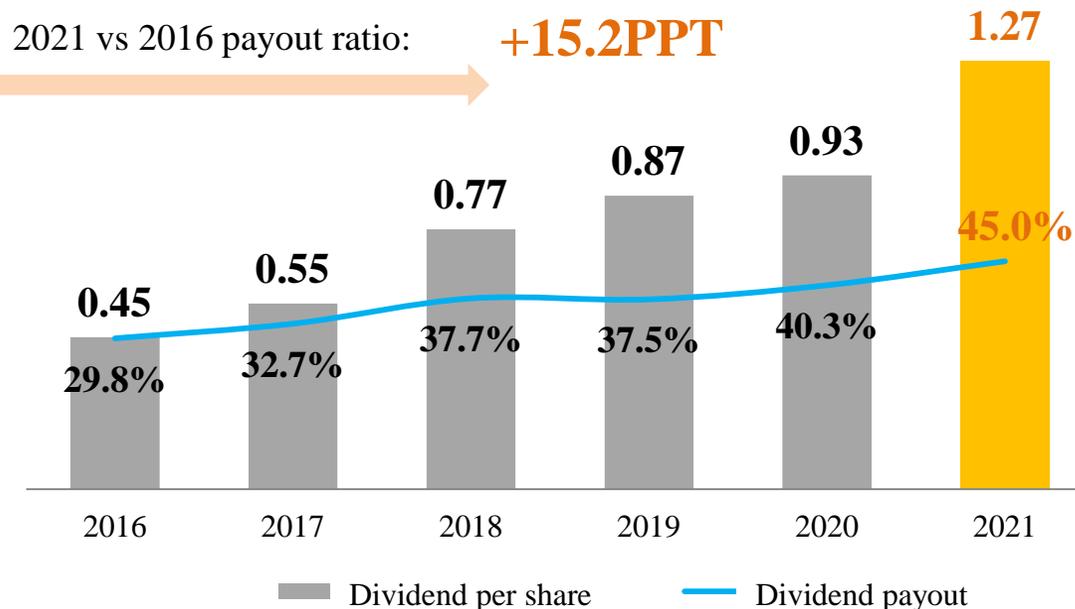
**HK\$1.27** per share

**Dividend per share**

2021 proposed final dividend is HK\$1.12/share, 2021 proposed total dividend is HK\$1.27/share, an increase of 36.6% from HK\$0.93/share in 2020, dividend payout ratio is 45.0%

2016-2021 DPS CAGR: **+23.1%**

2021 vs 2016 payout ratio: **+15.2PPT**



**Stable Growth in Dividend and Payout Ratio**

|                       | 2020  | 2021  |
|-----------------------|-------|-------|
| Basic EPS (HK\$)      | 2.31  | 2.82  |
| Total DPS (HK\$)      | 0.93  | 1.27  |
| Dividend payout ratio | 40.3% | 45.0% |

- 2021 interim dividend paid was HK\$0.15 per share and proposed final dividend is HK\$1.12 per share;
- 2021 proposed total dividend is HK\$1.27 per share, an increase of HK\$0.34 per share or 36.6% from HK\$0.93 per share in 2020.

# 目录 CONTENTS

- 01 2021 Results Highlights
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# Development

# Improved ESG Management and Recognition



In 2021, ESG continued to improve, comprehensive energy consumption continued to decrease. CR Gas awarded HK Green Awards 2021 “Large Corporation – EHS Gold Award”, ESG rating was raised by MSCI to A, the highest credit rating granted to the Chinese city gas operators.

## Environmental

## Social

## Governance



Comprehensive energy consumption – Turnover



CO<sub>2</sub> emission – Asset



Comprehensive energy consumption – Value added



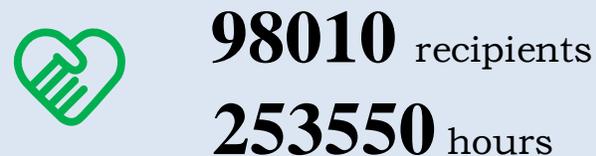
Safety Recognition



Customer Satisfaction (Ipsos ranking)



Charity and Public Welfare



Female Employee (Middle and Top)



«Integrity and Compliance Declaration» Signing Rate



Anti-corruption Training



Corruption Case being Reviewed



**Methane Emissions Alliance Member**

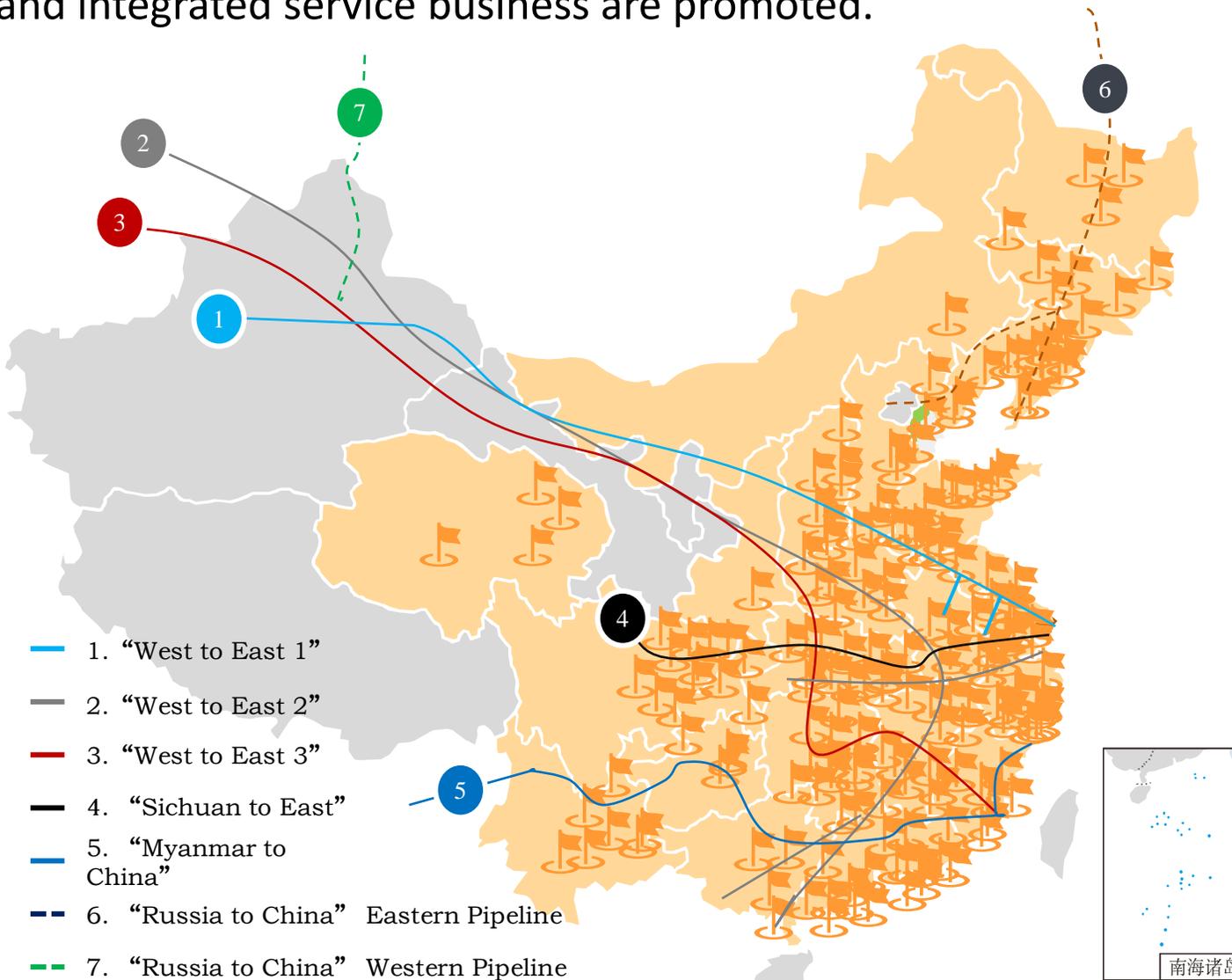


**Gold Award**  
HK Green Awards 2021 Large Corporation – EHS Award



**67** Cos.  
Undergoing Safety Operation Recognition Certificate process

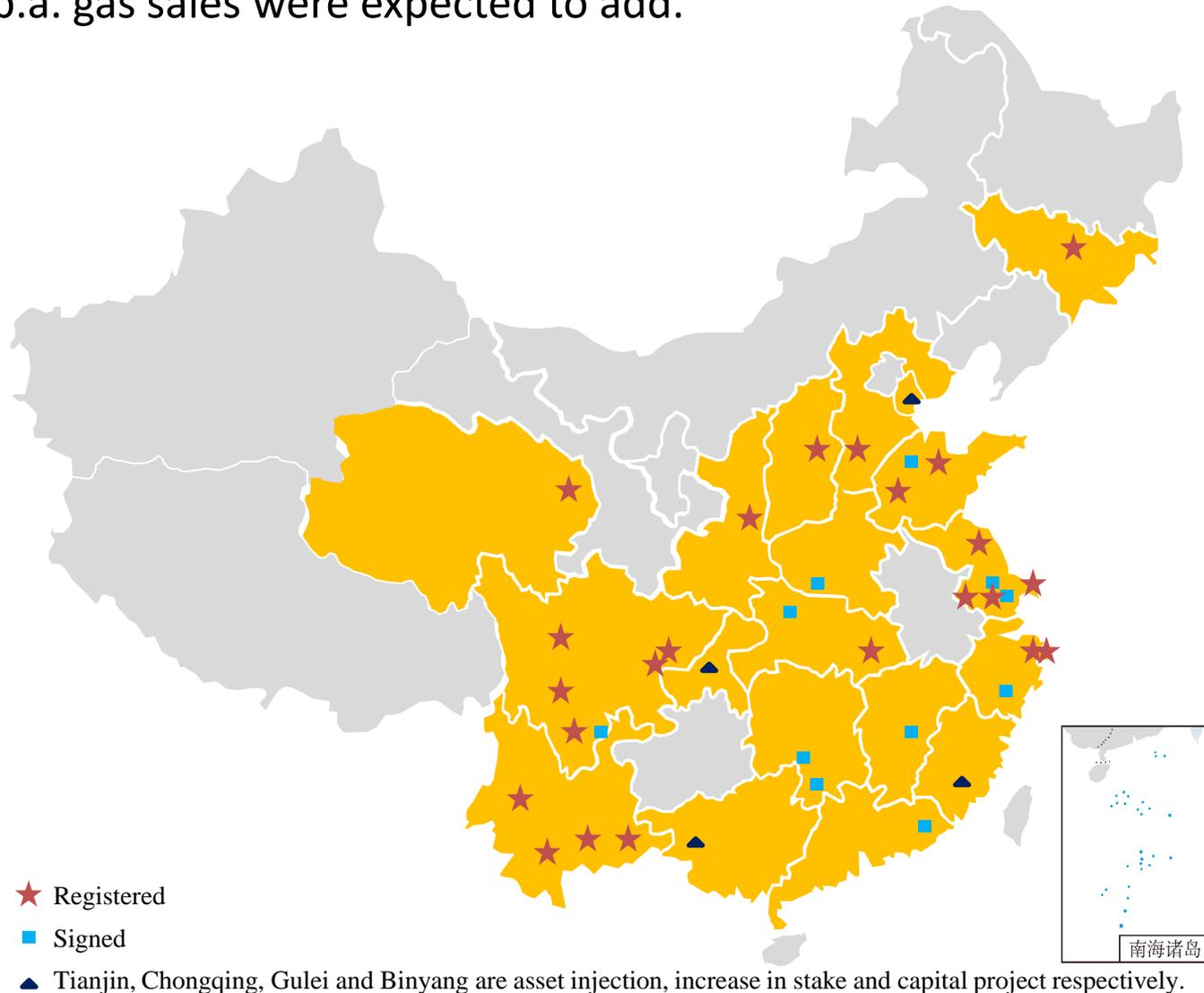
Pan-China strategy of project locations; projects can easily secure gas sources as most of them are located closely to the main gas supply pipelines and in the fast economic developing regions where the integrated energy business and integrated service business are promoted.



- 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

- 266** City Gas Projects
- 14** Provincial Capitals
- 75** Prefecture-level Cities
- 45.87 M** Customers
- 229 K km** Pipeline
- 83.16 M** Connectable Households

In 2021, 11 projects were signed and 23 projects were registered at group and project level. 24,000 km<sup>2</sup> new concession areas in 2 municipalities and several prefecture-level cities with GDP of RMB3,800 billion, 6.7 billion m<sup>3</sup> p.a. gas sales were expected to add.



### Challenges bring opportunities for mergers

#### Challenges in City Gas Industry

- Regional Repeat Cases of COVID-19
- Security of Gas Sources
- Safety of City Gas Operations
- Cost of City Gas Rules and Regulations

#### Increase in Quantity and Quality

##### Group Level

**Signed: 4** > 24,000 km<sup>2</sup> new concession areas;  
**Registered: 12** > GDP of RMB3,800 billion from the new areas;

##### Project Level

**Signed: 7** > Gas sales of 6.7 billion m<sup>3</sup> p.a.;  
**Registered: 11** > 3.114 million new households.

Concession rights will be further consolidated in municipalities and key prefecture-level cities after the Tianjin and Chongqing expansions as well as the Taizhou, Yangquan, Panzhihua and Xi'an mergers with local government assets.

## Tianjin: (Municipality, in operation)

Beijing-Tianjin-Hebei National Core Strategic Region

**Asset Package:** 18 gas projects, 10 other companies

**Concession Area:** further expand

**Scale Added:** 3.2billion m<sup>3</sup> p.a., 1.14M households

## Taizhou

Merge with Taizhou, Jiaojiang Gas

(Prefecture-level, signed)



**Operational Area:** 175 km<sup>2</sup>

**Potential:** 350M m<sup>3</sup> p.a.

**New Household:** 100,000

## Yangquan

Merge with Yangquan Gas Group

(Prefecture-level, in operation)



**Operational Area:** 456 km<sup>2</sup>

**Potential:** 320M m<sup>3</sup> p.a.

**New Household:** 280,000

## Chongqing: (Municipality, in operation)

Chengdu-Chongqing National Core Strategic Region, shareholdings increased to 39.17%

**GDP:2800** billion RMB → 5<sup>th</sup> city in PRC

**60%** → Total population

**25** districts & counties → Covered 9 urban surrounding area

## Panzhuhua

Merge with Panzhuhua Gas Group

(Prefecture-level, in operation)



**Operational Area:** 167 km<sup>2</sup>

**Potential:** 140M m<sup>3</sup> p.a.

**New Household:** 140,000

## Xi'an

Merge with Weibei Production Park

(Provincial Capital, in operation)



**Operational Area:** 915 km<sup>2</sup>

**Potential:** 370M m<sup>3</sup> p.a.

# Development

# Development & Expansion in Counties



Privatisation of Suchuang Gas will strengthen the leading position in the Yangtze River Delta. Signing of Kunshan project will realize “one city one pipeline network”. Renshou and Yibin Nanxi acquisition will promote the expansion in Chengdu-Chongqing Economic Zone. Acquisition of Pingan projects will achieve consolidation of Qinghai and surrounding projects.

## Suchuang Gas (IU signed & Jointly Announced)

*Taicang : Core area in Yangtze River Delta, rank 7<sup>th</sup> in Top 100 county*



**Operational Area:** 70% city area of Taicang city and Qiandeng town of Kunshan, 513 km<sup>2</sup>  
**Potential:** 670M m<sup>3</sup> p.a.  
**New Household:** 282,000

## Kunshan (county-level, signed)

*Rank 1<sup>st</sup> in Top 100 county in PRC, “one city one pipeline network”*



**Operational Area:** 745 km<sup>2</sup>  
**Potential:** 810M m<sup>3</sup> p.a.  
**New Household:** 507,000

## Renshou Hengye

*2<sup>nd</sup> large population county in Sichuan*

**(county-level, in operation)**

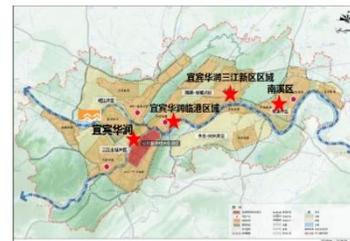


**Operational Area:** 1,600 km<sup>2</sup>  
**Potential:** 110M m<sup>3</sup> p.a.  
**New Household:** 204,000

## Yibin Nanxi

*merger with Nanxi district*

**(county-level, in operation)**

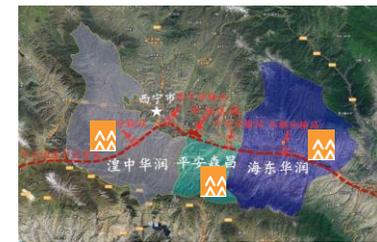


**Operational Area:** 1,192 km<sup>2</sup>  
**Potential:** 250M m<sup>3</sup> p.a.

## Pingan Gas

*consolidate with Huangzhong and Haidong*

**(county-level, in operation)**

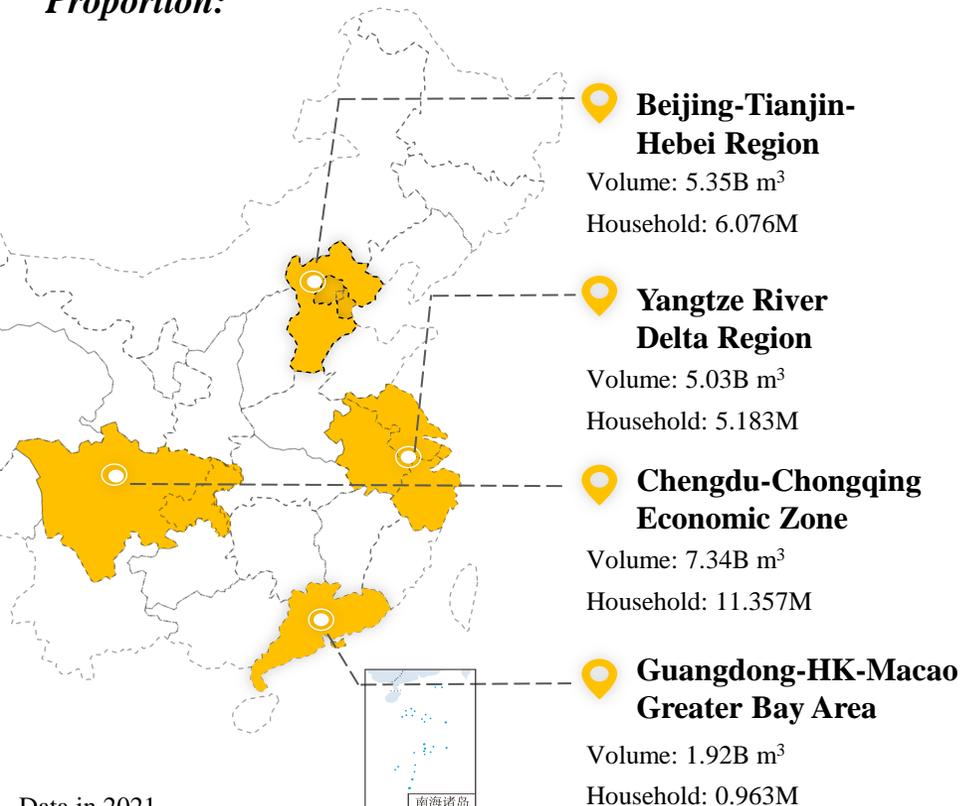


**Operational Area:** 1,512 km<sup>2</sup>  
**Potential:** 170M m<sup>3</sup> p.a.

Focusing on strategic regions of the country, developing key industrial customers, 1,200 new customers were connected, 1.32 billion m<sup>3</sup> gas sales volume added; “Bottle to Pipe Gas” conversion was introduced to small and micro business, 18,000 new commercial customers were connected, 280 million m<sup>3</sup> gas sales volume added.

## Presence in the 4 National Strategic Regions

**Gas Sales Proportion:** **57.6%**  
**Residential Customer Proportion:** **51.8%**



## Promoting Key Industrial Development

Introducing “工坚战” campaign to promote key industrial development and explore potential high energy consumption customers.



- Complete Key Industrial Searching
- Low End Energy Substitution
- Industrial Technology Retrofitting

**1,200** key industrial customers were connected in 2021, **1.32** billion m<sup>3</sup> gas sales volume added.

## Focusing on Small & Micro Business

Leverage on the government policies and company promotion to develop the small and micro commercial market.

- ✎ Emphasis on “Bottle to Pipe Gas” conversion with safety issues.
- ✎ Formulation of detail action plan for key potential projects.
- ✎ Prompt response on enquiries from small and micro businesses.

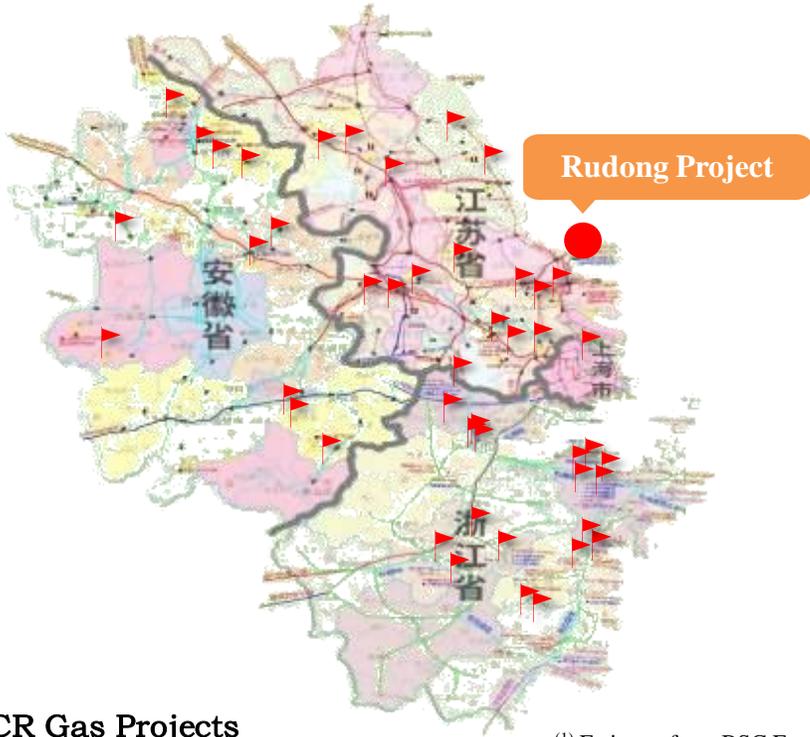
**18,000** small and micro customers were connected in 2021, **280** million m<sup>3</sup> gas sales volume added.

Agreement has been entered with local partner to jointly invest and construct a LNG receiving terminal at Yangkou port, Rudong county, Nantong city, Jiangsu province. Located in Yangtze River Delta, it covers markets in 5 provinces including Jiangsu and Zhejiang etc. It helps CR Gas to better secure gas source and improve market competitiveness when operation commences.

## Market Coverage in Yangtze River Delta

Located in Yangguang island of Yangkou port, Rudong, Nantong, Jiangsu province, center of Yangtze River Delta. Yangguang island is backed by Tongzhou Bay area, covers markets in Jiangsu, Zhejiang, Anhui, Henan and Shandong provinces.

Annual demand of 5 provinces in 2025<sup>(1)</sup>: 139.3B m<sup>3</sup>



CR Gas Projects

<sup>(1)</sup> Estimate from BSC Energy Consulting.

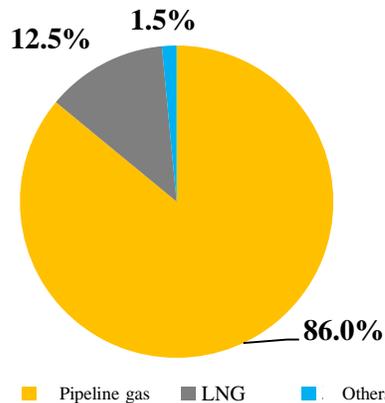
## Gas Sources Optimisation



Over 80 CR Gas projects are within 500 km radius of the terminal project.

- 2021 gas sales volume: 8.07B m<sup>3</sup>
- Strengthen the core city gas market competitiveness;
- Establish direct imported gas purchase capacity to response to the seasonal and regional gas shortage;
- Improve storage and peak-load capacity.

2021 Gas Sources Mix



Optimising gas sources mix to support additional gas demand and achieve decrease in average gas cost.

## Turnover Capacity

6.50M ton (1<sup>st</sup> phase 9B m<sup>3</sup>)

10.00M ton (13.8B m<sup>3</sup> future expansion)

## Quay Line

80-216K m<sup>3</sup> Ship Type

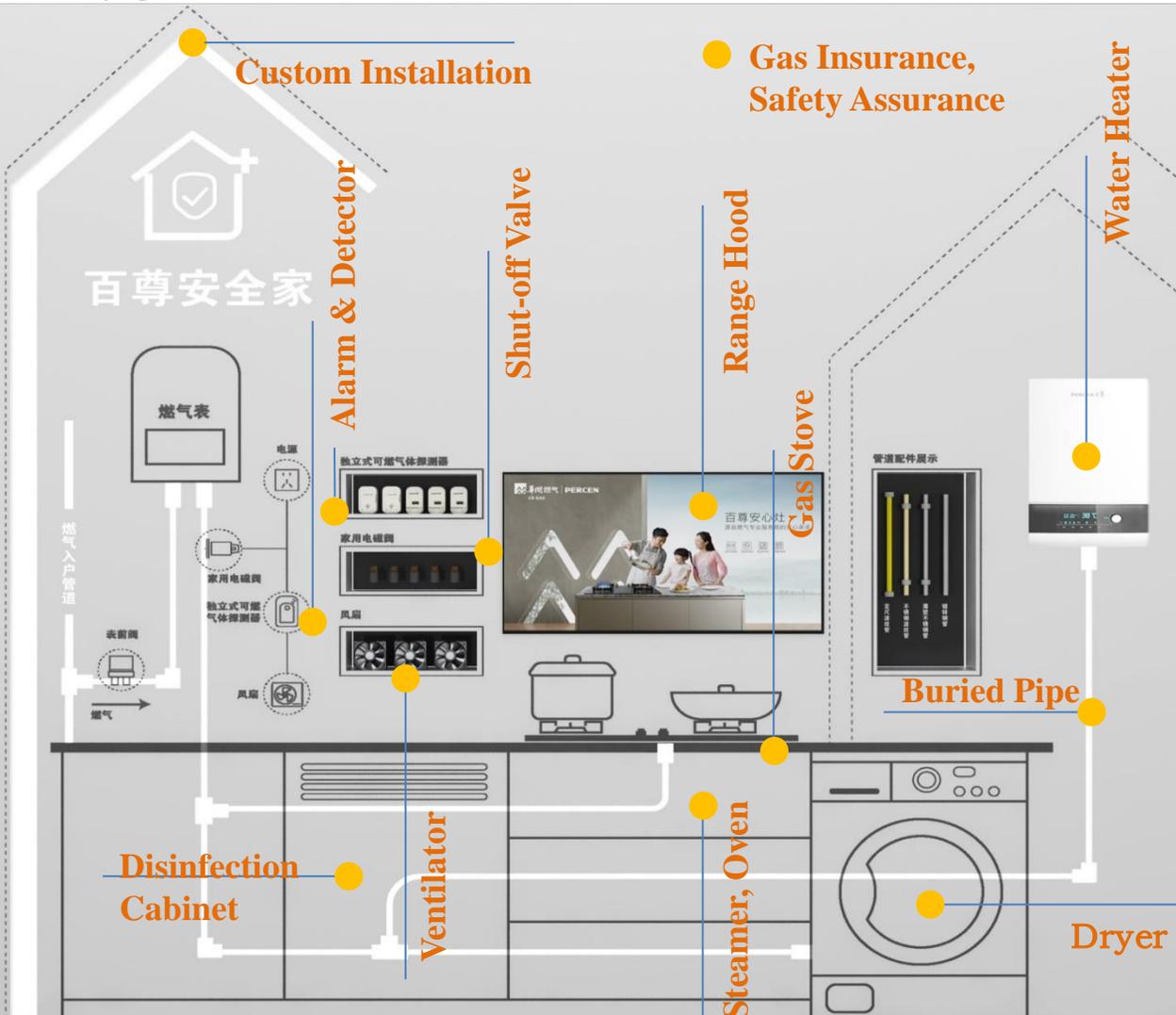
## Storage Capacity

6x 200K m<sup>3</sup>Tank

## Connection

National Pipeline  
Jiangsu Costal Pipeline

Offering customers high quality and safe services with a variety of products, emphasis on product safety and service convenience. Integrated service business operates as an asset-light model by sharing the operational staff and asset with city gas distribution business.



## Product

### Variety of products to meet different customer's demands

- **Kitchen appliances:** Stove, Water Heater, Heating Water Heater, Gas Boiler, Range Hood, Disinfection Cabinet, Dryer, Water Purifier, Steamer, Oven, Food Waste Processor etc.
- **Household Safety:** Flexible Hose, Gas Alarm & Shut-off Valve, Custom Installation, Appliance Maintenance, Buried Pipe, Paid Safety Inspection, Heating Accessories etc.
- **Insurance Agent:** Gas, Asset, Health, Accidental Insurance etc.

## Merit

### Customer Safety and Convenient Services

- **Safety Assurance:** Set up professional quality inspection and research center to execute above national standard inspection, 10 times of market practice on quality control, safety is the priority in product design to provide customer a high safety standard of life.
- **Convenient Services:** Leverage on the city gas project coverage, customer service is under one single system to serve all the customers.

## Operation

### Asset-Light Operation and Cost Competiveness

- **Resources sharing with City Gas Distribution Business:** Integrated service business operates as a light asset model by sharing the operational staff and asset with city gas distribution business to reduce the asset invested and increase the operational efficiency.

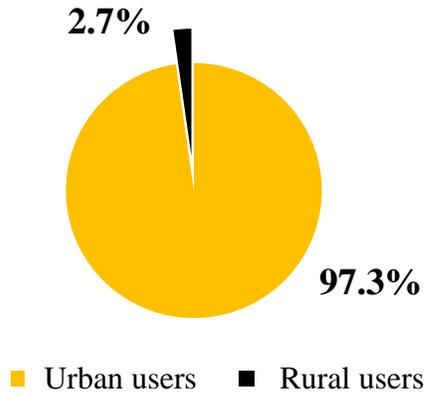
# Development

## Superior Customer Base to Develop Integrated Services

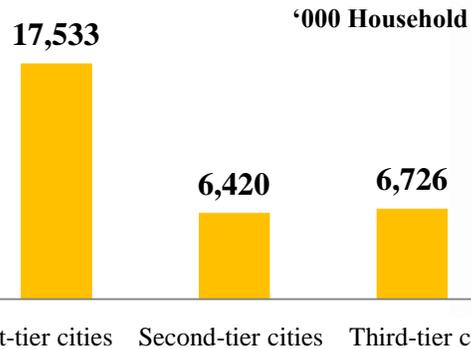
CR Gas has 44.262 million household and a number of C&I customers. Of which, 30.679 million household customers are located in 3<sup>rd</sup>-tier or above cities. Intelligent operation system has been established to provide safety assurance to our customers in order to improve their quality of life and loyalty to CR Gas.

### Huge & Prime Customer Base

#### City Household Porportion



#### 3<sup>rd</sup>-tier or above Cities

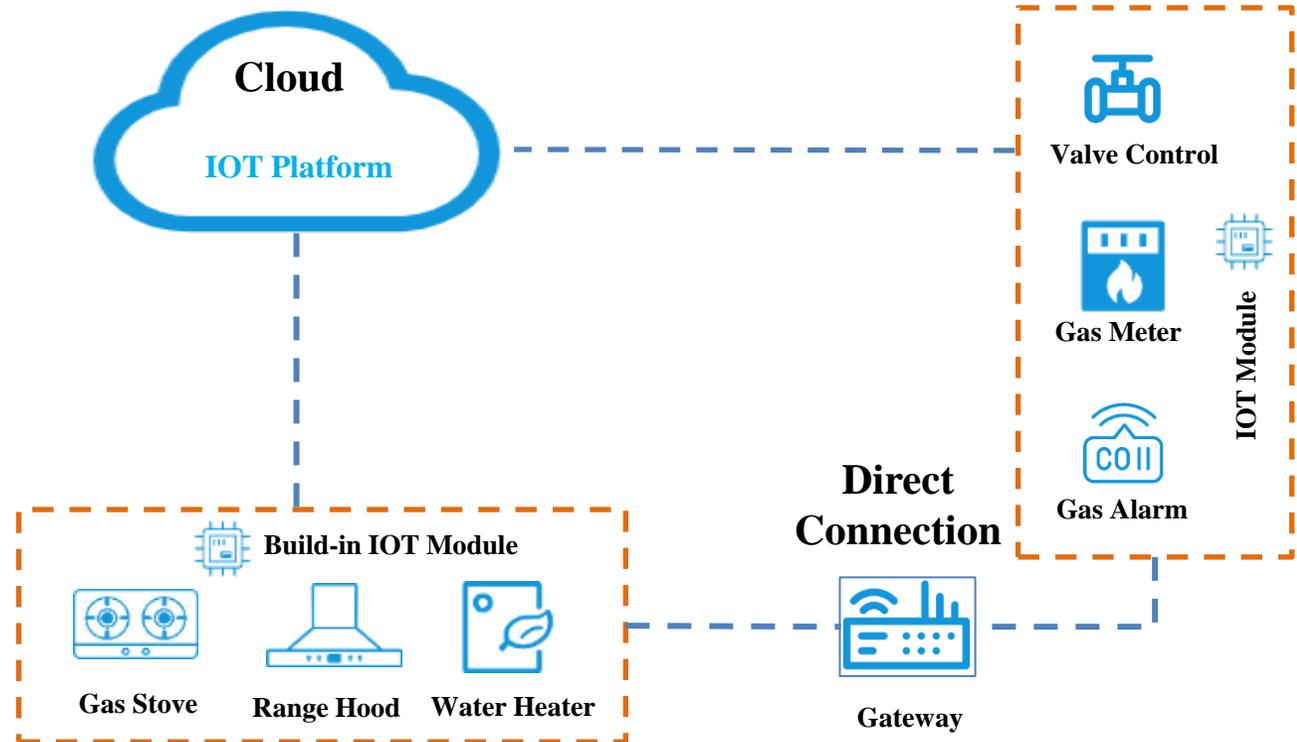


- Household Customer **44.262 M**
- 3<sup>rd</sup>-tier or above City **30.679 M**
- Industrial Customer **28,443**
- Commercial Customer **356,520**

Note: City Category from China Business Network

### Intelligent Operation System for Safety Assurance

Set up kitchen intelligent terminal by using IOT platform to connect devices such as gas meter and alarm for remote alert and control in order to provide customer one stop safety+quality solution.



Consistently expanding a variety of selling channels, 613,000 gas appliances were sold in 2021, an increase of 51.9%. In 2021, turnover from integrated service business (ISB) reached HK\$2.24 billion, an increase of 67.6%, gross profit was HK\$1.03 billion, and increase of 44.6%.

## Expand Selling Channels for Brand Building

### Establish Online Selling platform

Develop Online Selling Tool



润燃Go导购+  
(Selling Tool)

Operate Online Shop



润燃Go优选  
(Online Shop)

### Organise Online Events



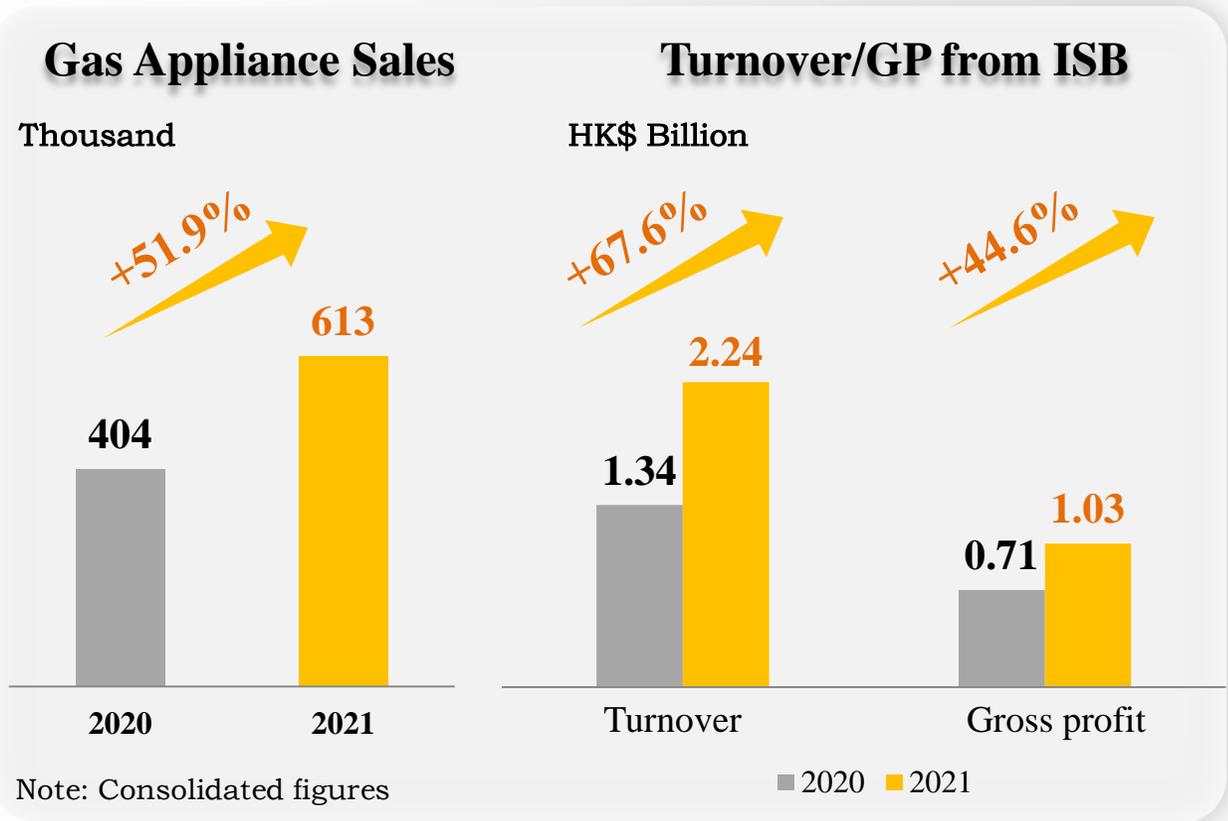
- participate with TikTok and WeChat to organize annual branding events such as “915百尊滋润生活节”.

### Develop Offline Selling Channel

- Display Center
- Household Promotion
- Community Promotion
- Developer Bulk Order

## Fast Growing in Turnover and Gross Profit

In 2021, integrated services business continued to grow rapidly, 613,000 gas appliances were sold, turnover from integrated service business increased 67.6% to HK\$2.24 billion.



# Development

# Actively explore and steadily promote Integrated Energy Projects



In 2021, 38 projects were signed, total investment of HK\$690 million, total projects up to 144, consuming 120 million m<sup>3</sup>, an increase of 77.6%; model integrated energy project is going to select and to explore the possibility of building standards and replication.

## Integrated Energy Projects

Newly Signed

**38** projects

Total Investment

**690** HK\$ million



### Key Projects

- CGN E.P. Xiangyang Project
- BYD PV Shanwei Project
- Fuling C.B. Zone Project
- Chongqing Sanjiao Industrial Park
- Fujian Fengda Yuanhong International Food Industrial Park

**144** projects invested, **66** in operation.

## Model Project Selection



### Model Project Selection and Standard Formulation

- To select model integrated energy project;
- To study the project plan, working team, technical force, etc. to formulate the investment policies and standards.

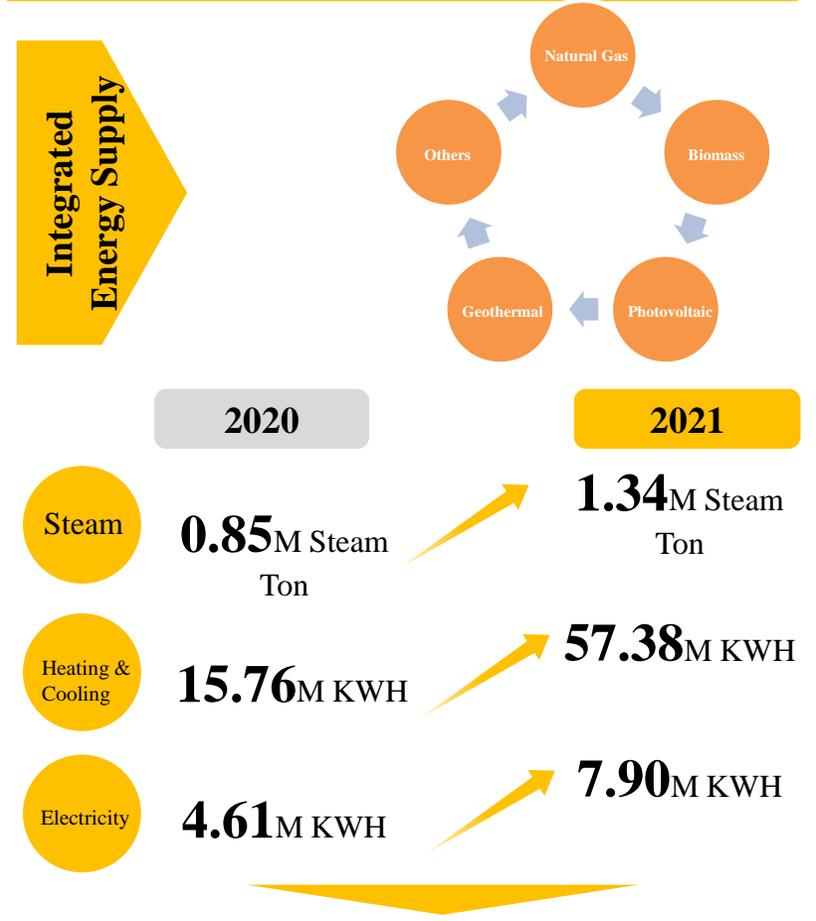


### Establish Replication Model and Implementation Plan

- Study and apply successful business model



## Rapid Growth in Energy Sales



**120** million m<sup>3</sup> NG equiv, increased **77.6%**.

To provide integrated energy solution for various customers to meet the customers' diversified demands

## Integrated Energy



### Puning Textile Industrial Park



**Energy Supply Mode:** Construct heat power network with gas turbine, waste heat and peak-load boilers to supply steam and electricity in the park. **(Partially Operated)**

- **Est. Investment:** RMB1.03billion
- **Full Capacity:** NG consumed: 420M m<sup>3</sup> p.a., Supply: Steam 1.55M ton, Electricity 1B kwh
- **2021 NG consumed:** 63M m<sup>3</sup> 
- **2021 Turnover:** HK\$280M **30932 ton/yr.**

## Integrated Photovoltaic



### Yingde Jiang Xin New Material Project



**Construction Plan:** Establish distributed power generation system by laying rooftop photovoltaic in the park for consumption and excess to the grid. **(Under construction)**

- **Rooftop Area:** 21,833 m<sup>2</sup>
- **Cooperation Term:** 30 years
- **Installed Capacity:** 2,000 kwh
- **Est. Investment:** RMB7.06M 
- **IRR:** 11% **1559 ton/yr.**

## Integrated Heating



### Shandong University Leshuiju Community Project



**Energy Supply Method:** Support Shandong University to construct heating energy station. Using floor heating method to make up the shortage of local centralized heating supply. **(Operated)**

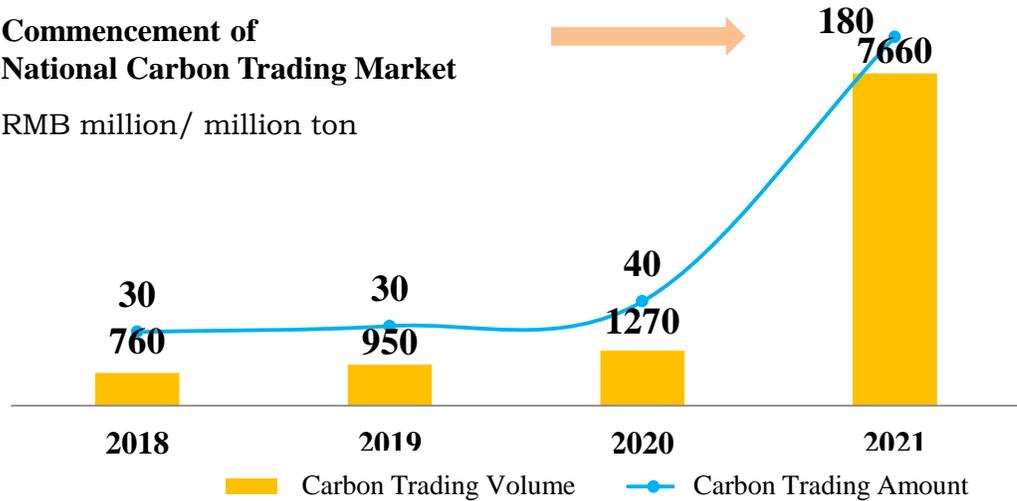
- **Construction Area:** 415 thousand m<sup>2</sup>
- **Facilities:** 6 sets of 2MW pre-mixed condensed gas hot water boilers, 2 heat stations and 4 sets of heat exchange units
- **No. of Users:** 2,577 
- **Std. Coal Saved:** 5,892 ton p.a. **14730 ton/yr.**

With the opening of the national carbon trading market, the market potential will continue to release. CR Gas successfully assisted a customer to convert their resources into profit by identifying 22,000 tons carbon asset from a pilot local carbon trading services in 2021 and will be further promoted within CR Gas.

## Potential of the National Carbon Trading Market

### Commencement of National Carbon Trading Market

RMB million/ million ton



With the start of the national carbon trading system, the carbon exchange is going to cover almost most of the major carbon emission industries, **China expects to become the large carbon trading market.**

Estimated trading market size of the carbon emission quota when PRC at carbon emission peak: **4.205 Billion tons**, estimated trading amount: **US\$163.21 billion.**

## Pilot Local Carbon Trading Services

- In 2021, a carbon neutrality service platform was established by a project company and became a carbon neutrality comprehensive service provider of a local united environmental exchange.



- In 2021, successfully identified **22,000 tons** carbon assets;
- established “carbon neutrality” platform;
- established “industrial alliance”;
- discussed with several low carbon emission customers.

**With the huge of customer resources, CR Gas will actively exploring the carbon trading business to promote the conversion of resources advantages into economic benefits.**

In 2021, CR Gas continued to expand the new transportation energy market, 25 electricity charging stations commenced operations, a total of 132 stations in operations, electricity sales reached 220 million kwh and HK\$250 million turnover, increased 38.9%. 4 hydrogen refueling stations were added, a total of 6 in operations. Pilot LNG vessel refueling project is developing.

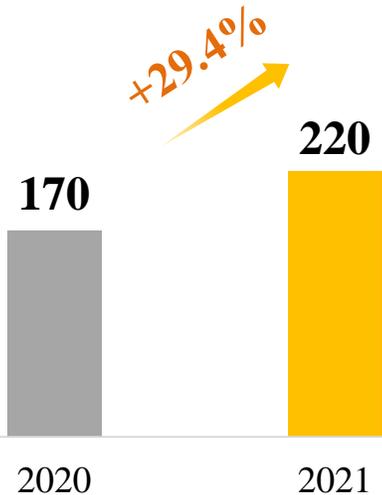
## 132 Electricity Charging Stations

- Charging Stations: **132**
- Contracted Vehicles: **4,923**
- Electricity Sold: **220** million kwh
- Turnover: HK\$**250** million



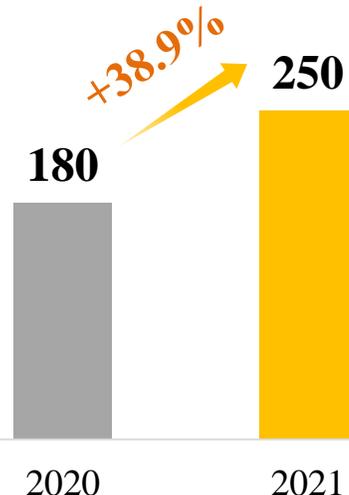
### ➤ Growing Electricity Sales

million kwh



### ➤ Expanding Turnover

HK\$ million



## 6 Hydrogen Refueling Stations, Pilot LNG Vessel Refueling Project

- In 2021, 4 hydrogen refueling stations commenced operations, a total of 6 in operations, 15 stations are approved to build, exploring to transform gas station into “gas-hydrogen-electricity” combined station.

Chengdu Integrated Transportation Energy Station



### ➔ Hydrogen Refueling Station Business Model

- Establish a proven model with policy support and subsidy;
- Secured by local public transportation customers;
- Transform gas station into integrated station.

## Developing Pilot LNG Vessel Refueling Project with CSSC



Completed pilot test of 4,500 ton LNG refueling for four 23K dual-fuel and one 15K retrofitting container ships with CSSC.

# 目录 CONTENTS

- 01 2021 Results Highlights
- 02 Company Development
- 03 Financial & Operational Highlights



| As at 31 December                                  | 2020 (HK\$'000) | 2021 (HK\$'000) | Increase/(Decrease) |
|--|-----------------|-----------------|---------------------|
| Turnover   | 55,864,169      | 78,175,136      | 39.9%               |
| Gross profit                                       | 15,027,477      | 18,295,276      | 21.7%               |
| Profit from operation <sup>(1)</sup>               | 8,524,369       | 10,475,175      | 22.9%               |
| Profit for the year                                | 6,711,888       | 8,439,832       | 25.7%               |
| Profit attributable to the equity holders          | 5,151,292       | 6,395,368       | 24.2%               |
| Net cash from operating activities                 | 8,616,030       | 8,390,058       | (2.6%)              |
| Basic EPS <sup>(2)</sup> (HK\$)                    | 2.31            | 2.82            | 22.1%               |
| Interim & proposed final dividend per share (HK\$) | 0.93            | 1.27            | 36.6%               |

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                                    | 2020 (HK\$'000) | 2021 (HK\$'000) | Increase/(Decrease) |
|--|-----------------|-----------------|---------------------|
| Total assets   | 93,870,809      | 106,136,308     | 13.1%               |
| Bank balance and cash <sup>(1)</sup>                 | 13,442,206      | 10,088,053      | (25.0%)             |
| Total bank, note and other borrowings <sup>(2)</sup> | 10,893,434      | 11,510,903      | 5.7%                |
| Net borrowings (Net cash)                            | (2,548,772)     | 1,422,850       | —                   |
| Equity attributable to the equity holders            | 36,274,287      | 41,256,915      | 13.7%               |
| Non-controlling interests                            | 10,594,072      | 12,780,747      | 20.6%               |
| Total equity   | 46,868,359      | 54,037,662      | 15.3%               |

Note: (1) Restricted cash for privatisation (2021: HK\$2,525,103,000, 2020: HK\$0) ;

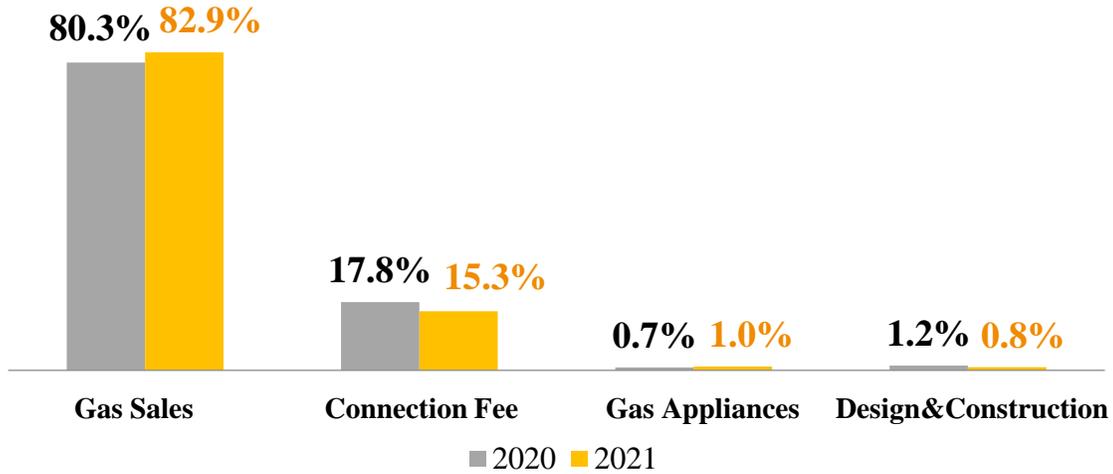
(2) The amount due to an intermediate holding company (2021: HK\$5,015,768,000, 2020: HK\$2,510,837,000) and amount due from an intermediate holding company (2021: HK\$0, 2020: HK\$0) are included in bank, notes and other borrowing.

| Financial Indicators                                       | 31 December 2020 | 31 December 2021 | Increase/(Decrease) |
|--|------------------|------------------|---------------------|
| Gross profit margin  | 26.9%            | 23.4%            | (3.5PPT)            |
| Net profit margin  | 12.0%            | 10.8%            | (1.2PPT)            |
| Net profit margin attributable to the owner of the Company | 9.2%             | 8.2%             | (1.0PPT)            |
| Debt to capitalization ratio <sup>(1)</sup>                | 18.9%            | 17.6%            | (1.3PPT)            |
| Debt to asset ratio <sup>(2)</sup>                         | 11.6%            | 10.8%            | (0.8PPT)            |
| Return to equity   | 14.2%            | 15.5%            | +1.3PPT             |

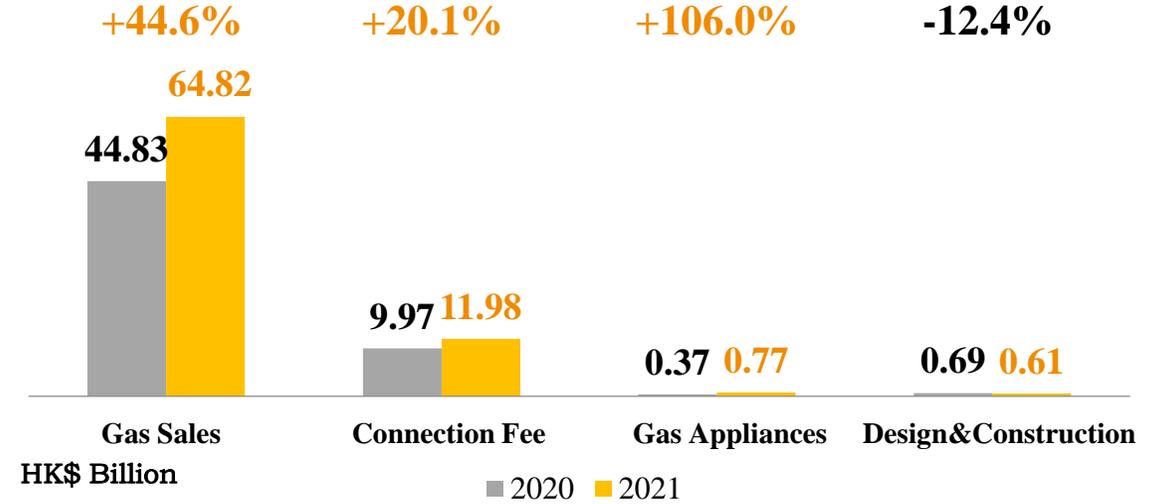
Note: (1) Debt/capitalization gearing ratio is the ratio of total bank, note and other borrowings to total bank, note and other borrowings and total equity;

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

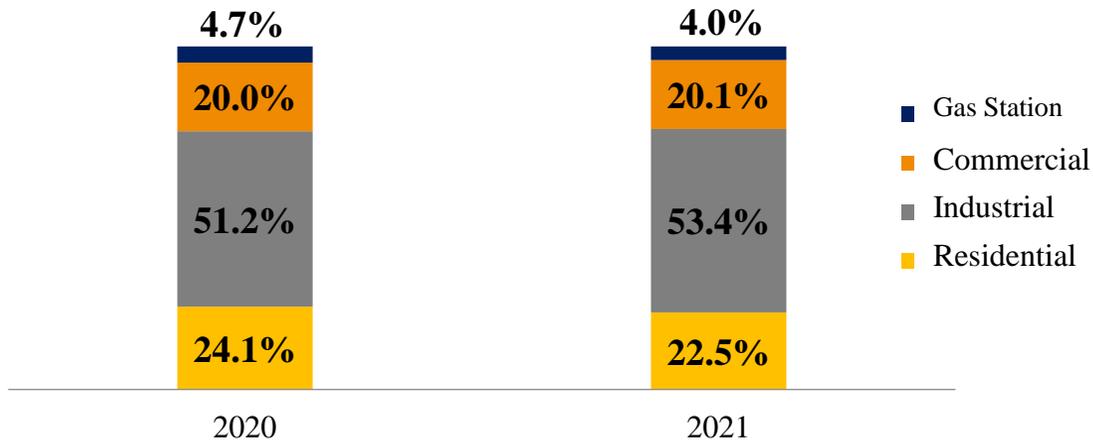
## Revenue Mix



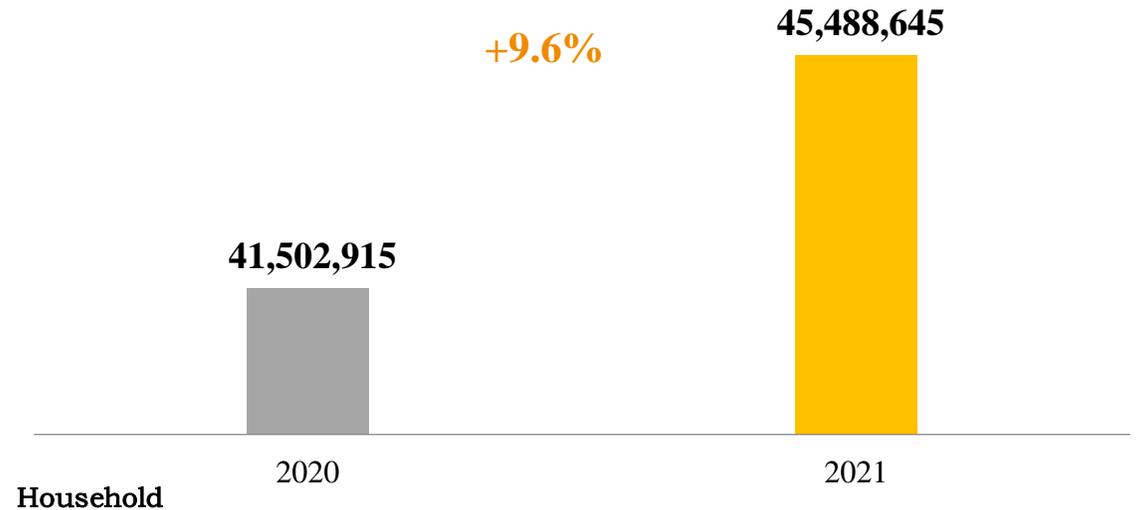
## Revenue Growth Rate



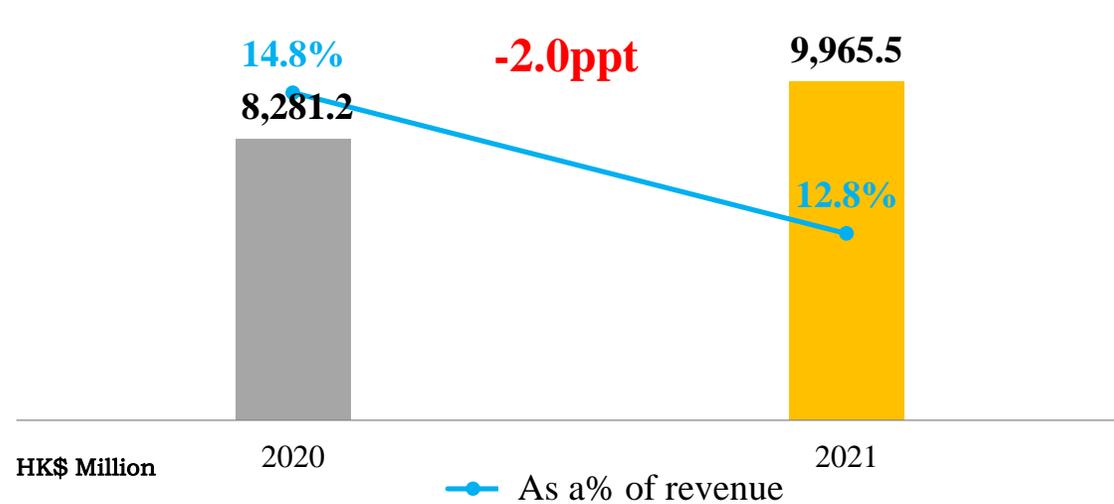
## Gas Sales Volume



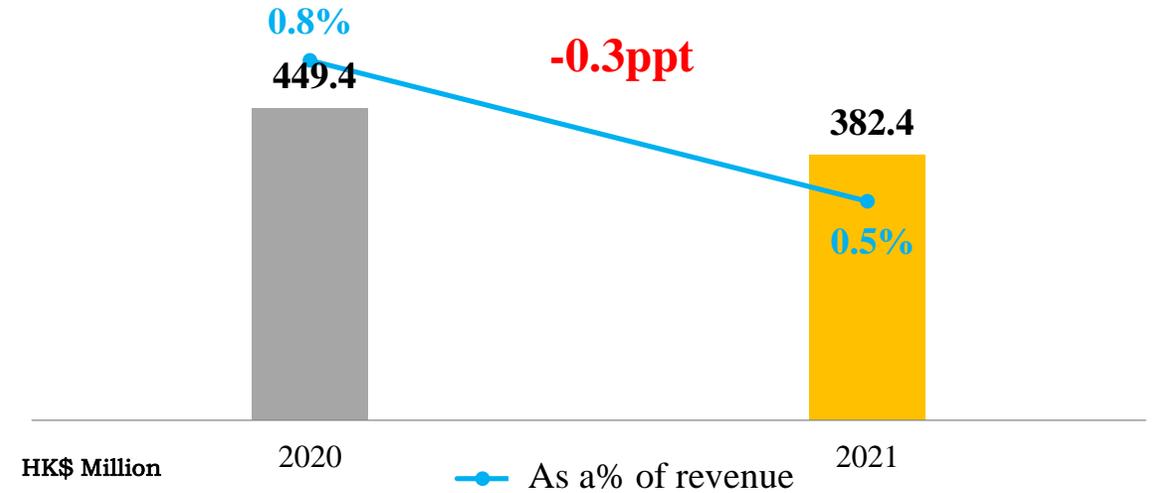
## Residential Customer



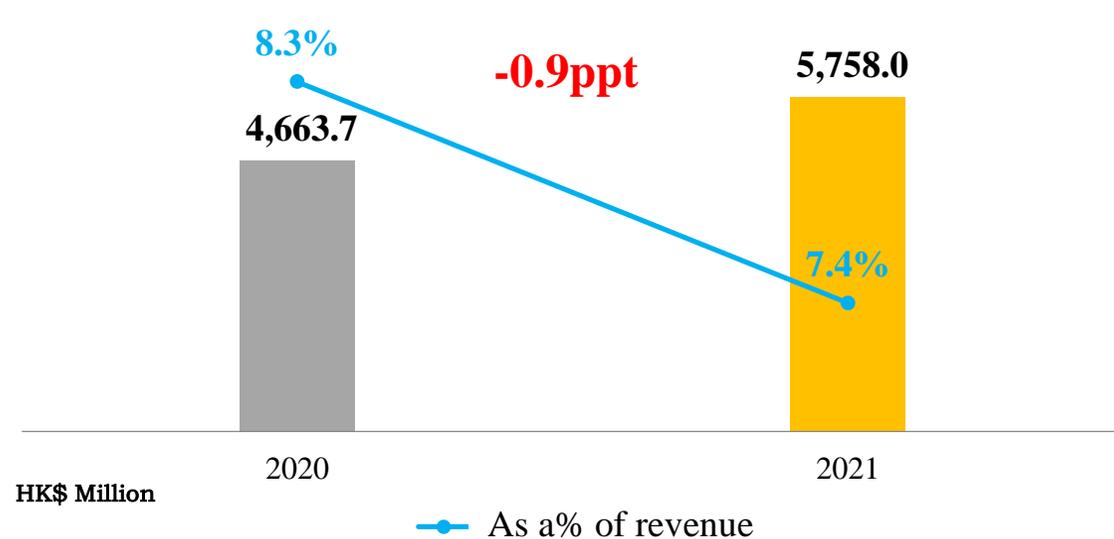
## Total Costs



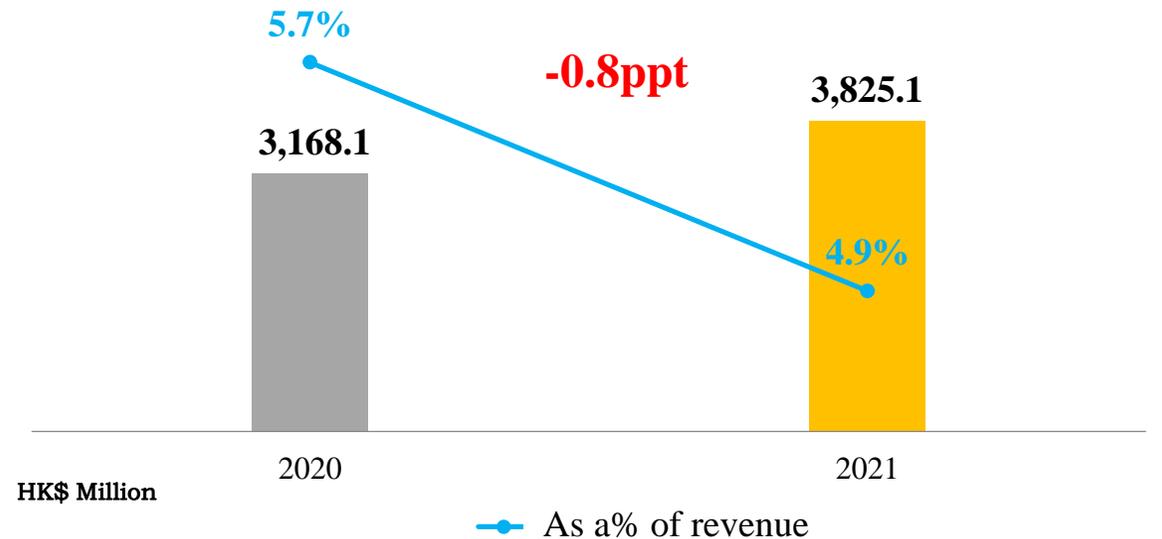
## Finance Costs



## Selling & Distribution Expenses



## Administrative Expenses



## Equity & Debt

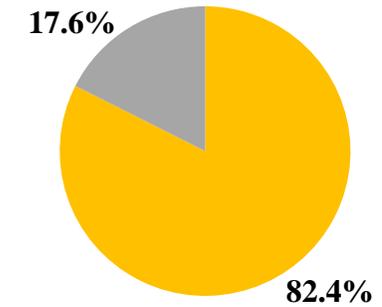
|                                     | HK\$'000   | %      |
|-------------------------------------|------------|--------|
| Total equity                        | 54,037,662 | 82.4%  |
| Total bank, note & other borrowings | 11,510,903 | 17.6%  |
| Total capital                       | 65,548,565 | 100.0% |

## Long & Short Term Borrowings

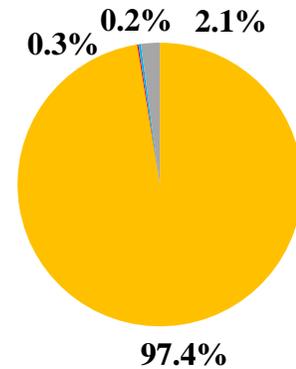
|                   | HK\$'000   | %      |
|-------------------|------------|--------|
| Less than 1 year  | 11,215,197 | 97.4%  |
| 1-2 years         | 17,048     | 0.2%   |
| 2-5 years         | 32,243     | 0.3%   |
| More than 5 years | 246,415    | 2.1%   |
| Total             | 11,510,903 | 100.0% |

## Fixed & Floating Borrowings

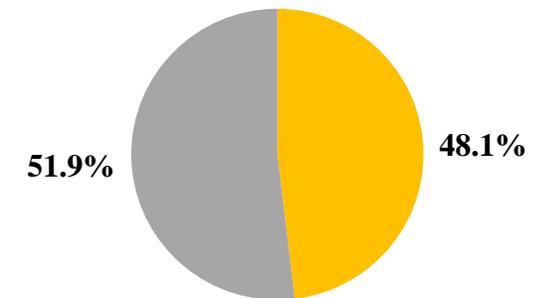
|               | HK\$'000   | %      |
|---------------|------------|--------|
| Floating rate | 5,536,071  | 48.1%  |
| Fixed rate    | 5,974,832  | 51.9%  |
| Total         | 11,510,903 | 100.0% |



Equity Borrowings



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



Floating Rate Fixed Rate

|   | 31 December 2020 | 31 December 2021 | Change           |
|---|------------------|------------------|------------------|
| Number of projects  | 257              | 266              | 9                |
| Connectable householders (million)                                    | 79.61            | 83.16            | 4.5%             |
| Connectable population (million)                                      | 293.53           | 306.62           | 4.5%             |
| Penetration rate of residential household                             | 52.4%            | 55.0%            | 2.6PPT           |
| Gross gas sales volume (million m <sup>3</sup> )                      | 29,024           | 34,082           | 17.4%            |
| Residential   | 6,988            | 7,654            | 9.5%             |
| Industrial  | 14,866           | 18,212           | 22.5%            |
| Commercial  | 5,800            | 6,851            | 18.1%            |
| CNG station   | 839              | 870              | 3.7%             |
| LNG station   | 532              | 495              | (6.9%)           |
| Average gas tariff / cost / gross margin<br>(RMB per m <sup>3</sup> ) | 2.65/2.06/0.59   | 2.93/2.41/0.52   | 0.28/0.35/(0.07) |

|  | 31 December 2020 | 31 December 2021 | Change         |
|--|------------------|------------------|----------------|
| Total length of pipeline (km)            | 205,638          | 229,362          | 23,724         |
| Connected customers                      | 41,843,270       | 45,873,609       | 4,030,339      |
| Residential                              | 41,502,915       | 45,488,645       | 3,985,730      |
| Industrial                               | 25,010           | 28,443           | 3,433          |
| Commercial                               | 315,345          | 356,520          | 41,175         |
| Average residential connection fee (RMB) | 2,690            | 2,675            | (15)           |
| New C&I with paid connection fee         | 41,912           | 39,024           | (2,888)        |
| New residential with paid connection fee |                  |                  |                |
| Gross basis                              | 3,052,565        | 3,524,027        | 471,462        |
| Consolidated basis                       | 2,044,380        | 2,770,945        | 726,565        |
| Number of gas stations (CNG/LNG/L-CNG)   | 353(224/81/48)   | 347(212/85/50)   | (6)/((12)/4/2) |

# Sustainable Scale and Earnings Growth

## 1 City Gas Distribution

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

## 2 Integrated Service & Energy

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

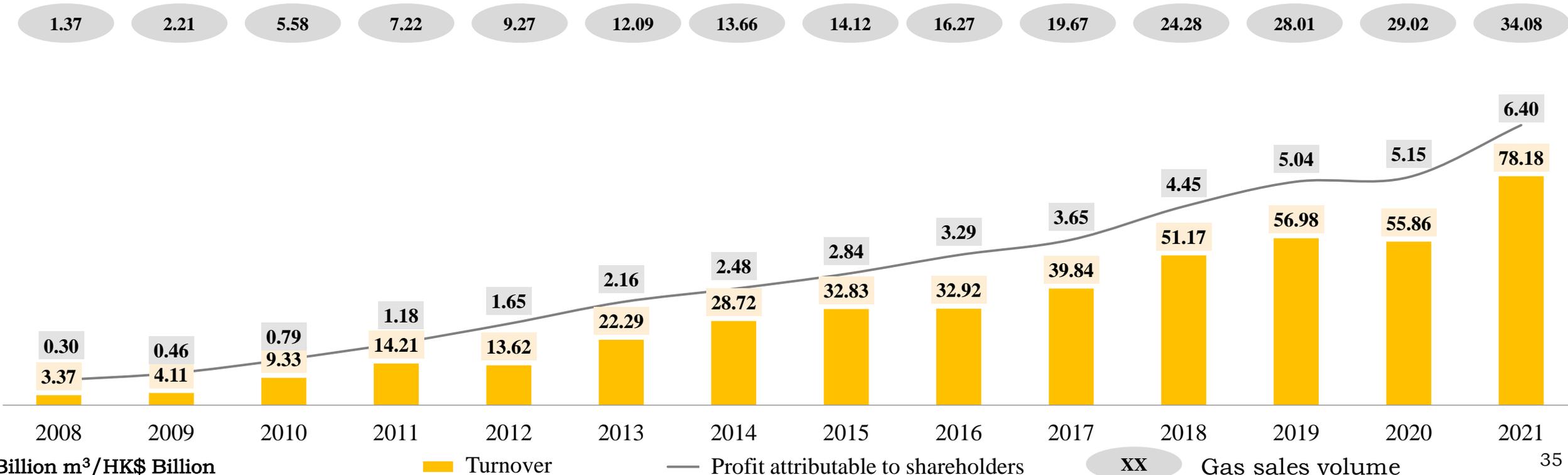
## N New Businesses

- Vehicle electricity charging
- Hydrogen refueling
- Vessel gas refueling ...

2008-2021 Volume CAGR: 28.0%

2008-2021 Turnover CAGR: 27.4%

2008-2021 Profit attributable to shareholders CAGR: 26.6%



## Disclaimer and Contact:

This presentation and subsequent discussion may contain certain forward-looking statements, including statements regarding our intent, belief or current expectations with respect to China Resources Gas (CR Gas)'s businesses and operations, market conditions, results of operation and financial condition, capital adequacy, specific provisions and risk management practices. Readers are cautioned not to place undue reliance on these forward looking statements in relation to holding, purchasing or selling securities or other financial products or instruments. CR Gas does not undertake any obligation to publicly release the result of any revisions to these forward looking statements to reflect events or circumstances after the date hereof to reflect the occurrence of unanticipated events. Past performance cannot be relied on as a guide for future performance.

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## 2021 Final Results Presentation

