



# CR Gas

## 2023 Interim Results Announcement

August 25, 2023

CR Gas

**2023**  
**Interim Results Presentation**

August 25, 2023

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**1** Results Highlights

**2** Company Development

**3** Financial & Operational Highlights





## Core City Gas Business

### Gas Sales Volume

**19.84B** m<sup>3</sup> ↑ **+6.9%**

### Unit Gas Margin

RMB**0.5** /m<sup>3</sup> ↑ **+0.05/m<sup>3</sup>**

### Connected Customer

**55.850M** ↑ **+14.4%**



## Comprehensive Services

### Turnover

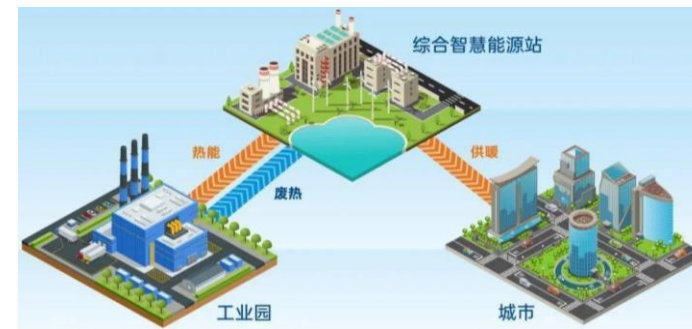
HK\$**1.47B** ↑ **+7.7%**

### Gross Profit

HK\$**0.81B** ↑ **+5.2%**

### Segment Results

HK\$**0.62B** ↑ **+11.4%**



## Integrated Energy

### Project in operations

**142** projects ↑ **+62**

### Energy Sales

**0.96B** kWh ↑ **+25.4%**

### Turnover

HK\$**0.60B** ↑ **+37.8%**

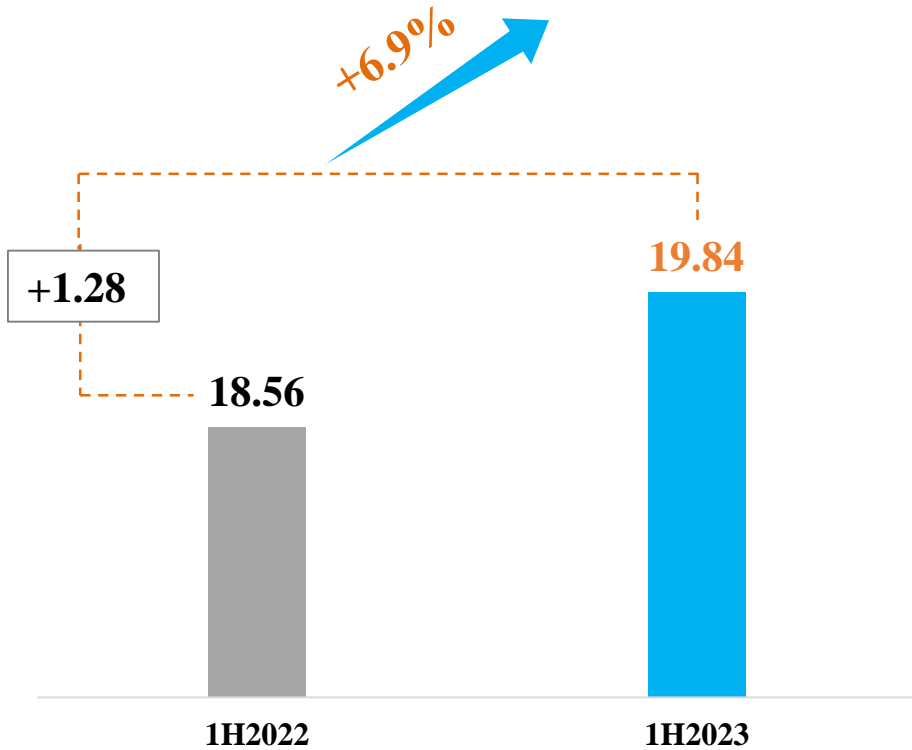
1H2023, China's economy started to recover, CR Gas recorded a rapid growth in the key financial and operational indicators. Gas sales volume grew at 6.9%, profit attributable to shareholders increased 16.4%, an interim dividend of HK\$0.15/share was proposed. (HKD vs RMB appreciated 6.3% in 1H 2023, Profit attributable to shareholders increased 24.4% if the appreciation impact was excluded.)

Key Results	30 June 2022	30 June 2023	Growth Rate
Gas sales volume (billion m <sup>3</sup> )	18.56	19.84	6.9%
Number of customers (million)	48.828	55.850	14.4%
Turnover (HK\$ billion)	48.10	48.37	0.6%
Profit for the period (HK\$ billion)	3.93	4.56	16.0%
Profit attributable to shareholders (HK\$ billion)	3.05	3.55	16.4%
Net cash from operating activities (HK\$ billion)	-0.01	4.76	—
Interim dividend proposed/paid per share (HK\$)	0.15	0.15	—

1H2023, gas sales volume of CR Gas was 19.84 billion m<sup>3</sup>, an increase of 6.9%. Residential, industrial and commercial gas sales volume increased 12.0%, 4.9% and 6.9% respectively.

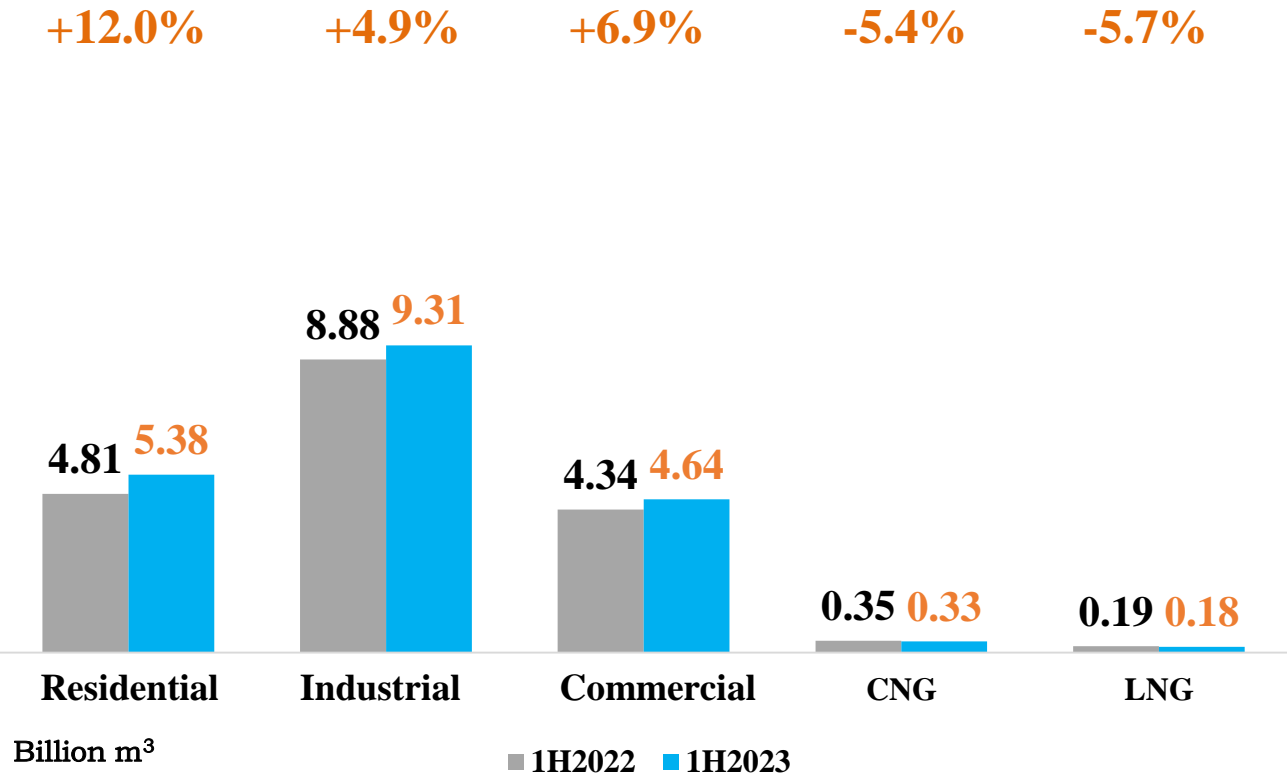
### Gas Sales Volume

**19.84**<sub>B m<sup>3</sup></sub>



Billion m<sup>3</sup>

### Gas Sales Volume Mix



Billion m<sup>3</sup>

■ 1H2022 ■ 1H2023

1H2023, gas sales revenue further increased to 87.5%. Although the upstream pipeline gas price still stood at a high level, CR Gas has made every effort to pass through the cost increased, unit gas margin managed to increase to RMB0.5/m<sup>3</sup>, gas sales contribution increased 20.2% to HK\$3.62 billion.

**Gas Sales Revenue Mix**

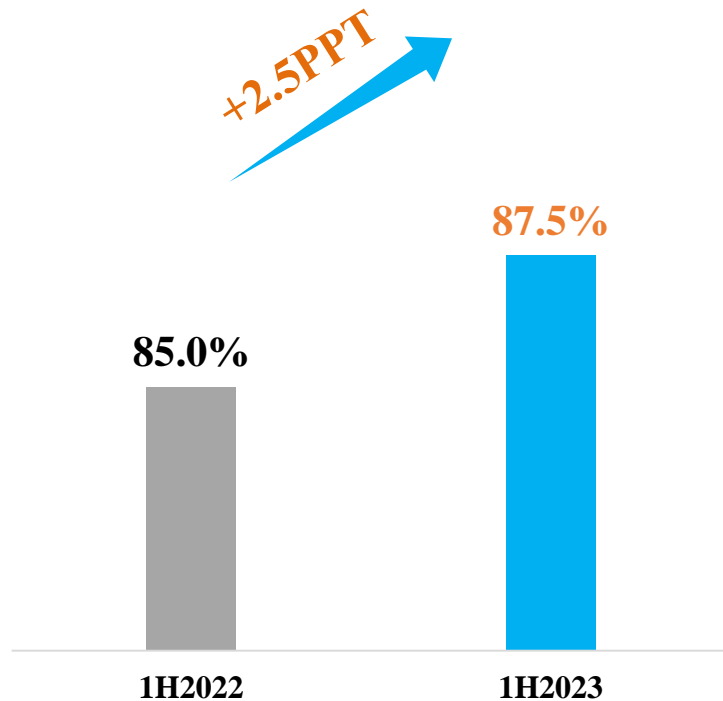
**87.5%**

**Unit Gas Margin**

**RMB 0.5**

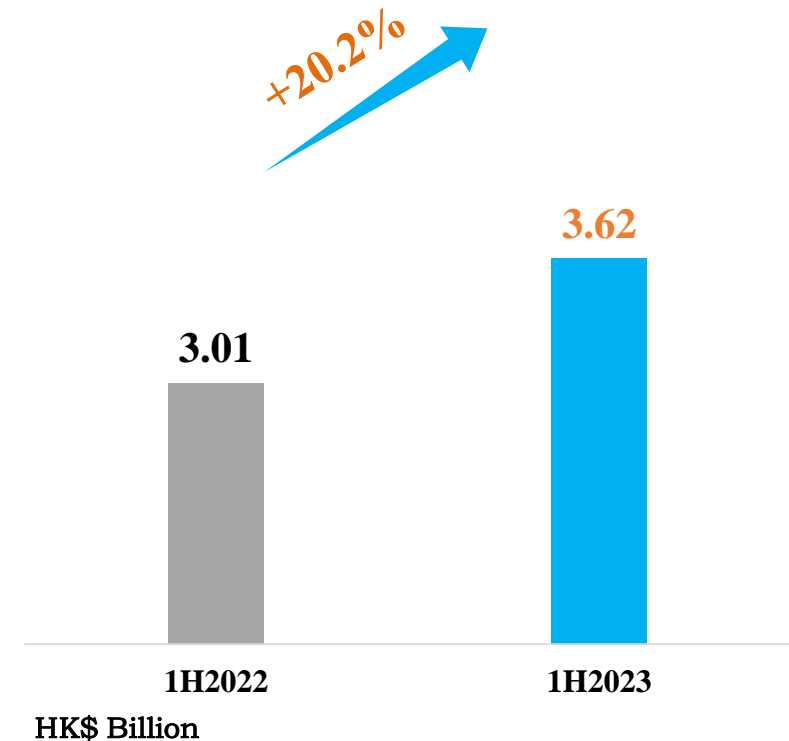
**Gas Sales Contribution**

**HK\$ 3.62<sub>B</sub>**



RMB per m<sup>3</sup>

Customer (excluding tax)	1H2022	1H2023
Residential	2.39	2.59
C&I	3.94	3.99
Gas Station	4.14	4.04
Average Tariff	3.55	3.58
Average Cost	3.10	3.08
Unit Margin	0.45	0.5



1H2023, newly connected households were 1.342 million, 84.2% was new building connection, cumulative connected customers increased to 55.85 million. Continuous growth in connected customers provide a huge market potentials to CR Gas's Comprehensive Services and Integrated Energy businesses.

New household

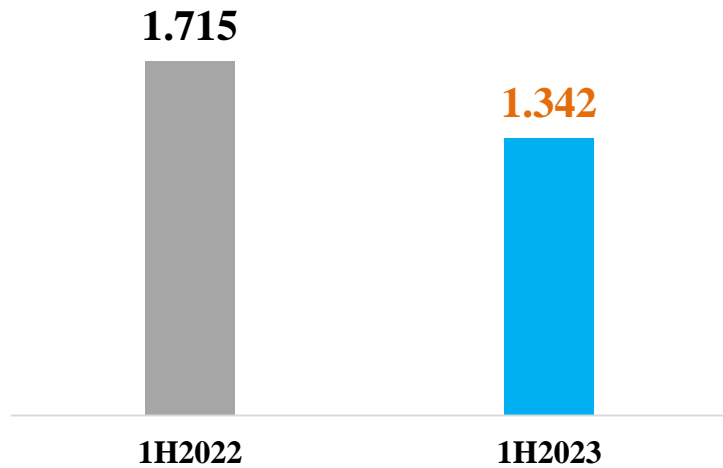
**1.342<sub>M</sub>**

New household mix

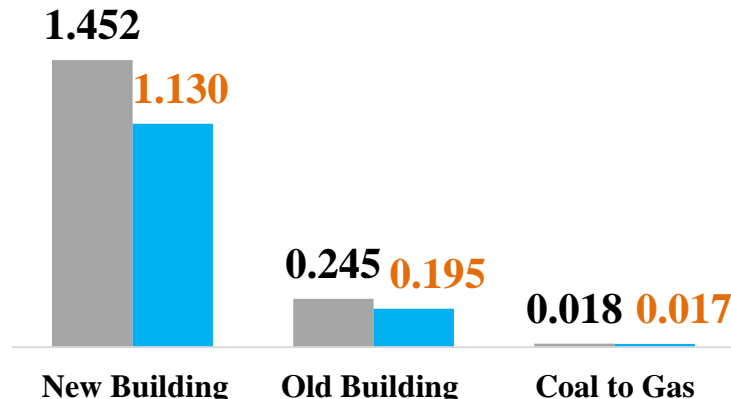
Total Customer

**55.850<sub>M</sub>**

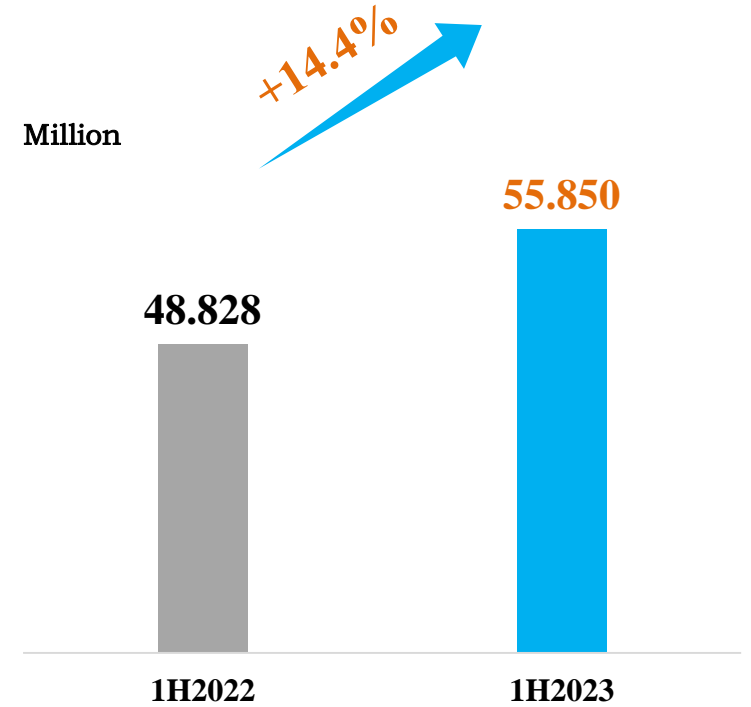
Million



Million



Million



■ 1H2022 ■ 1H2023



1H2023, net profit for the period reached HK\$4.56 billion, an increase of 16.0%. Profit attributable to shareholders increased 16.4% to HK\$3.55 billion.

**Profit from Operation**

HK\$ **5.60** B

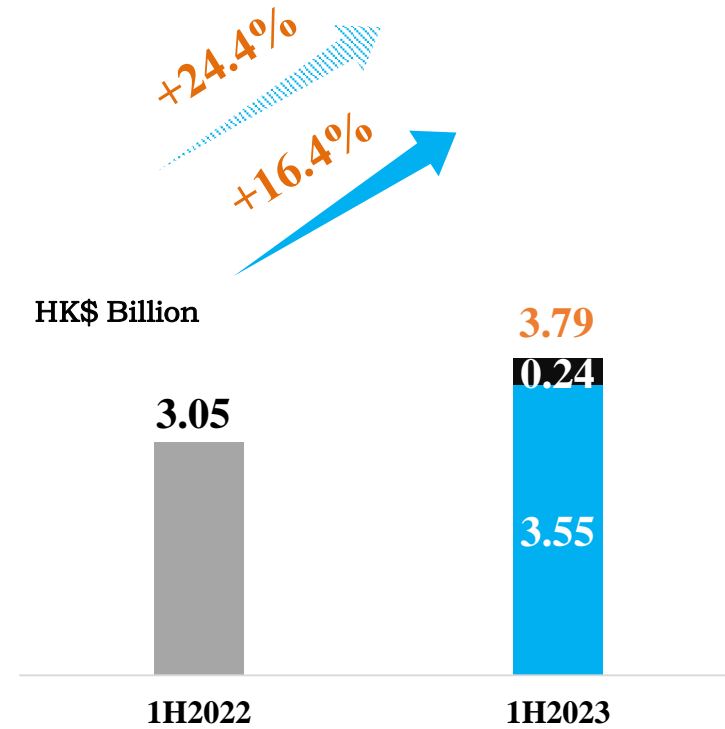
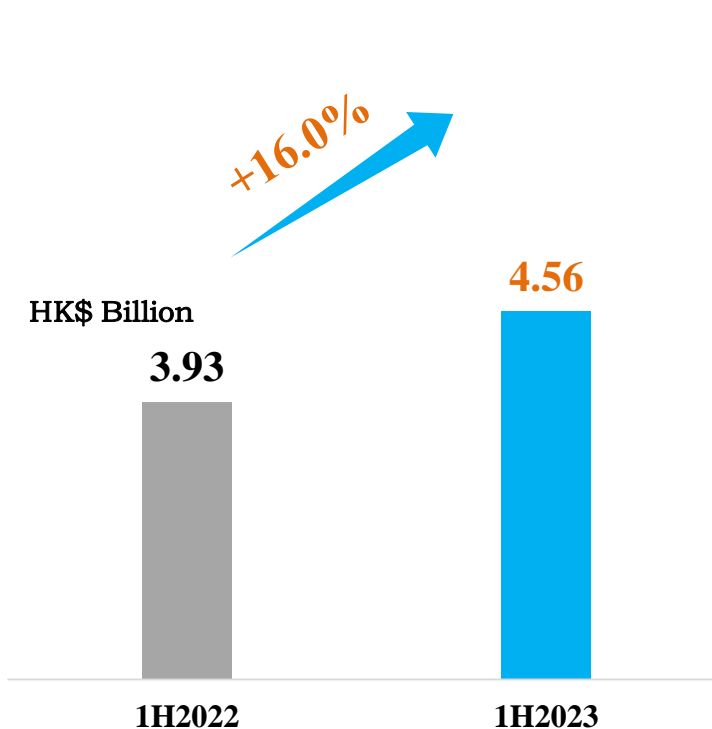
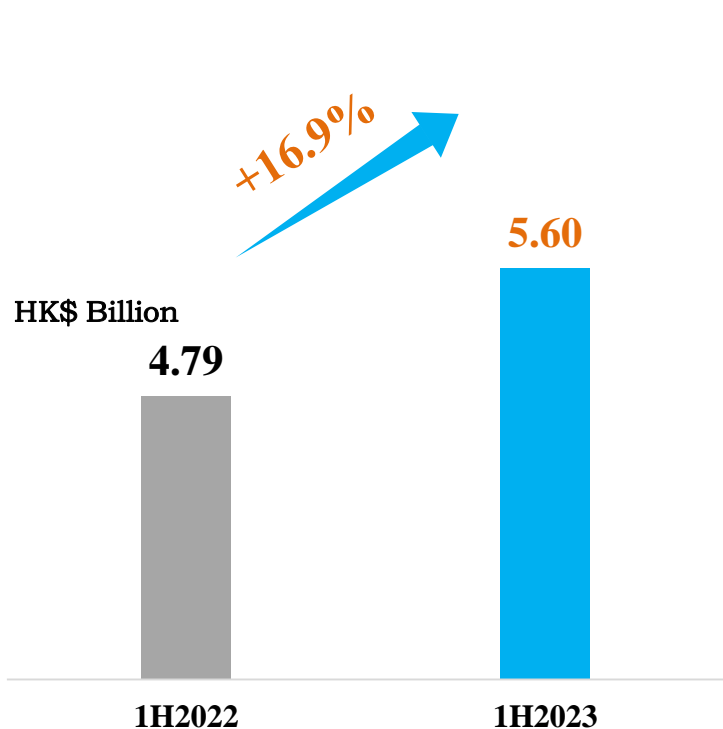
**Net Profit**

HK\$ **4.56** B

**Attributable Profit**

HK\$ **3.55** B

Excluding the appreciation impact of HKD vs RMB, attributable profit increased 24.4% to HK\$3.79 billion in 1H2023.



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

■ Exchange rate effect

1H2023, HK\$4.47 billion was spent on CAPEX. Cashflow from operation recovered substantially to HK\$4.76 billion. Bank and cash balance was HK\$18.60 billion, maintained sufficient financial liquidity.

### Capital Expenditure

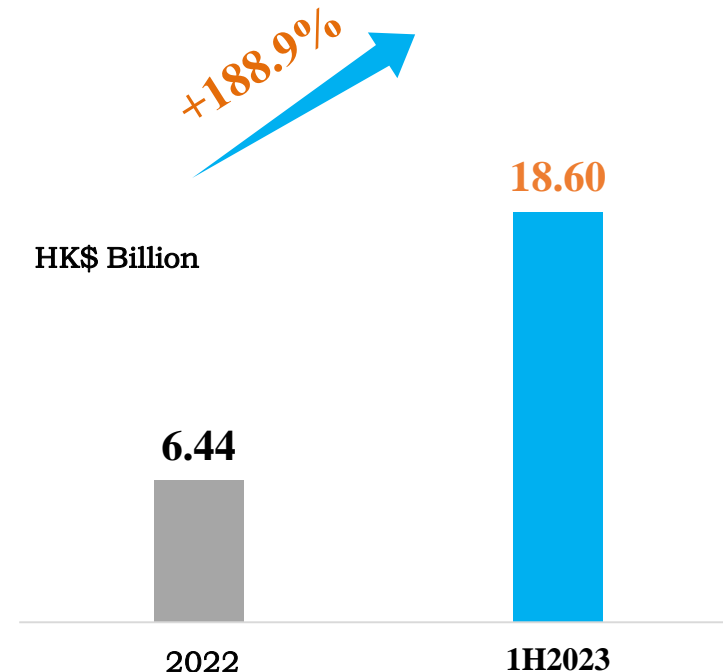
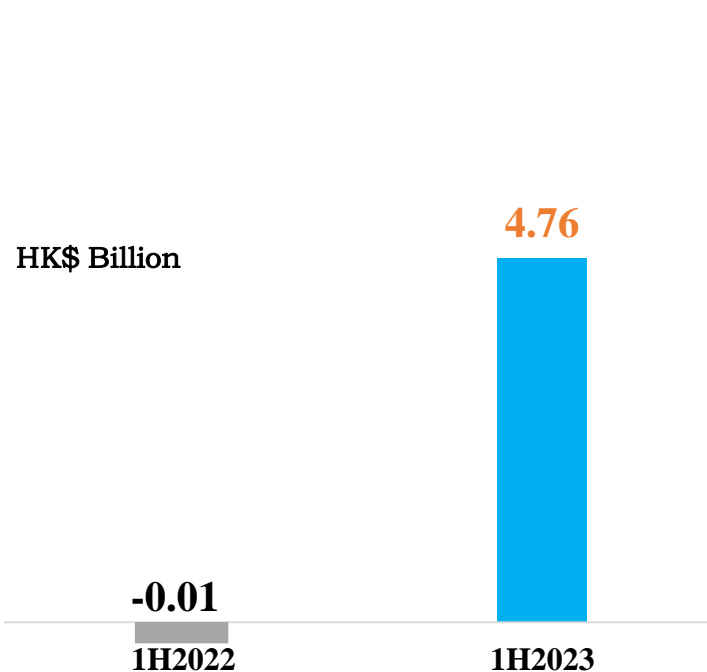
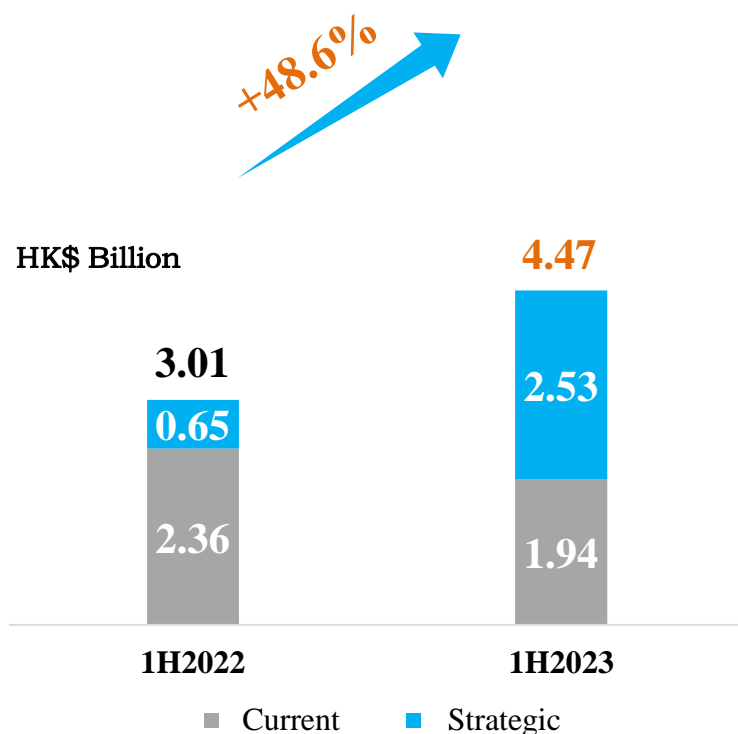
HK\$ **4.47** B

### Cashflow from Operation

HK\$ **4.76** B

### Bank & Cash Balance

HK\$ **18.60** B



3 major international credit agencies re-affirmed CR Gas a leading credit rating. In 1H2023, financing cost was 2.6% p.a. which is the best in the industry and debt ratio was 38.0% which keep strong financial flexibility.




**Maintain Leading Credit Ratings**

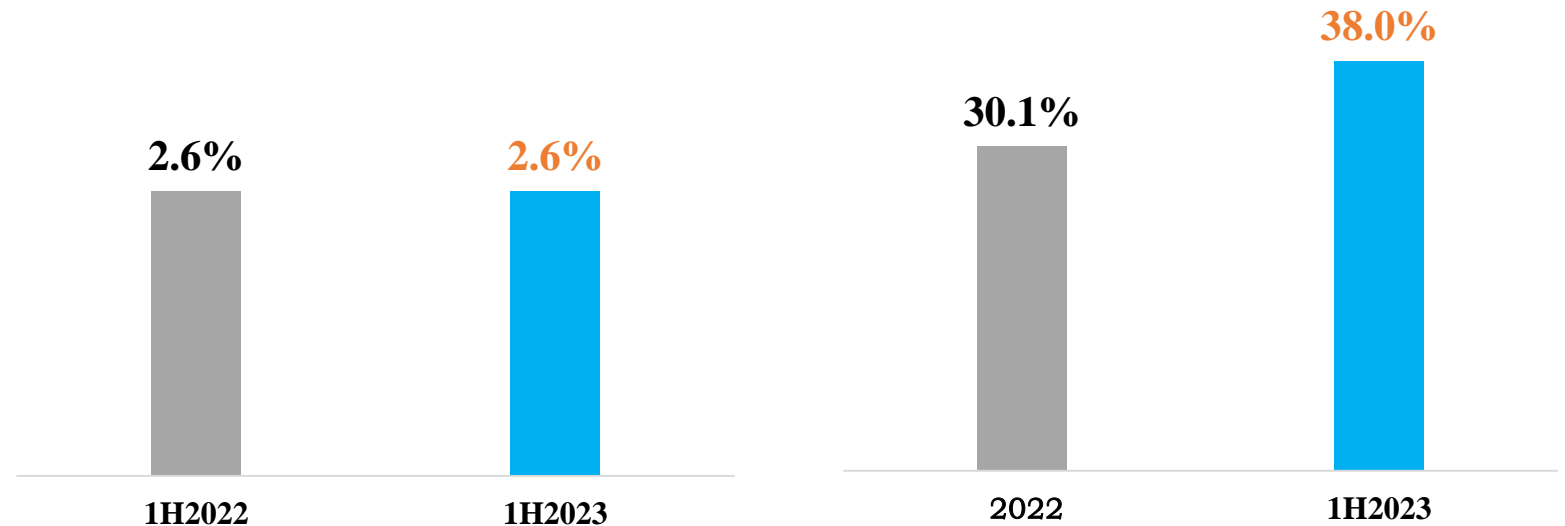
**Financing Cost**

**2.6%**

**Debt Ratio**

**38.0%**

Agency	Status	1H2023 Rating
	Maintain	A-
	Maintain	A2
	Maintain	A-



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Actively follow the National energy transform direction, promote clean energy applications and the reduction of CO<sub>2</sub> emission indices. 1H 2023, an “A” MSCI ESG rating was maintained and CR Gas was selected in “China ESG Listed Companies Leading 100 Index”, and granted 5 stars level, ranked No. 1 in the city gas distribution industry, selected in “China ESG Listed Companies GBA Leading 50 Index”.

## Emission Index Improvement



**CO<sub>2</sub> Emission**  
(ton std. coal/RMB10,000 asset)  
decrease **30.3%**



**Total CO<sub>2</sub> Emission**  
(ton)  
decrease **33.6%**



**Comprehensive Energy Consumption (Present Value)**  
(ton std. coal/RMB10,000 turnover)  
decrease **2.4%**

## ESG Disclosure Enhancement



Reference to TCFD’s recommendation, identify the closely related **Physical and Transition Risks of Climate Change**, and formulate counter-measures.

### Board and Safety Management Disclosures Enhancement

- New description added on the role of the Board in anti-corruption and business ethics management.
- Disclosure on number of OHSAS recognition company and operational safety target, etc.



«CR Gas Benchmarking Management Practice» was awarded 2022 (the 8<sup>th</sup>) SOE Management Innovation **1<sup>st</sup> Prize**

## Market Recognition



序号	证券简称	企业标识	证券代码	评价星级	行业分类
16	华润燃气		01193.HK	★★★★★	电力、热力、燃气及水生产和供应业

Selected in “China ESG Listed Companies Leading 100 Index”, granted **5 stars level**, ranked **No. 1** in the city gas distribution industry.

Participate in formulating 3 policies of national pipeline retrofitting of the Ministry of Emergency Management to provide technology support of the natural gas operational safety management and to ensure operational safety of the network. RMB5.42 billion has been invested to complete 7,624 km retrofitting. To strengthen customers' gas facilities safety, a total of RMB5.8 billion has been invested since 2017. 108 project companies have obtained operational safety standard certificate.

## High Standard Completion of National Assignment

### ■ Participation in Policy Formulation

- Implementation Plan for Retrofitting Aging Natural Gas Pipeline
- Guidelines for Aging Natural Gas Pipeline Assessment
- List of Pros and Cons for Retrofitting Aging Natural Gas Pipeline

### ■ Counter-measures on “6.21” accident

- Convene safety emergency meeting to deploy safety investigation and management
- Execute bottle LPG safety investigation and management
- Complete F&B commercial customer special safety investigation and management

## Continuous Focus on Pipeline Operational Safety

Invested RMB**22.65** million to complete **24.2** km retrofitting in 1H 23023.

RMB **5.42B**

Total Invested



**7,624**km

Total Retrofitted



**105**  
Safety Recognition Companies



**108** companies

Undergoing Operational Safety Recognition Certificate Process

## Promoting Customers' Gas Facilities Safety

Flexible Hose



New: **15.12** million  
Total: **38.30** million

Shut-off Valve



New: **4.39** million  
Total: **11.42** million

Alarm & Detector



New: **81,000** units

RMB**5.8** billion has been invested to strengthen customers' gas facilities as at June 2023.

With the National energy transform direction, CR Gas has formulated the “1+2+N” business development strategy for the expansion plan during the 14th 5 year Plan period. CR Gas will leverage on the core city gas “CG” development, actively expand the comprehensive services “CS” and integrated energy “IE” business and explore the opportunities of the related new businesses.

1

### City Gas Core Business

2025 Gas Volume

**50.0** B m<sup>3</sup>

2025 Total Customer

**60.00** M

2

### Comprehensive Service & Integrated Energy

2025 CS Scale

 RMB **10.0** B

2025 IE Scale

 RMB **5.0** B

N

### New Businesses

Exploring Focus

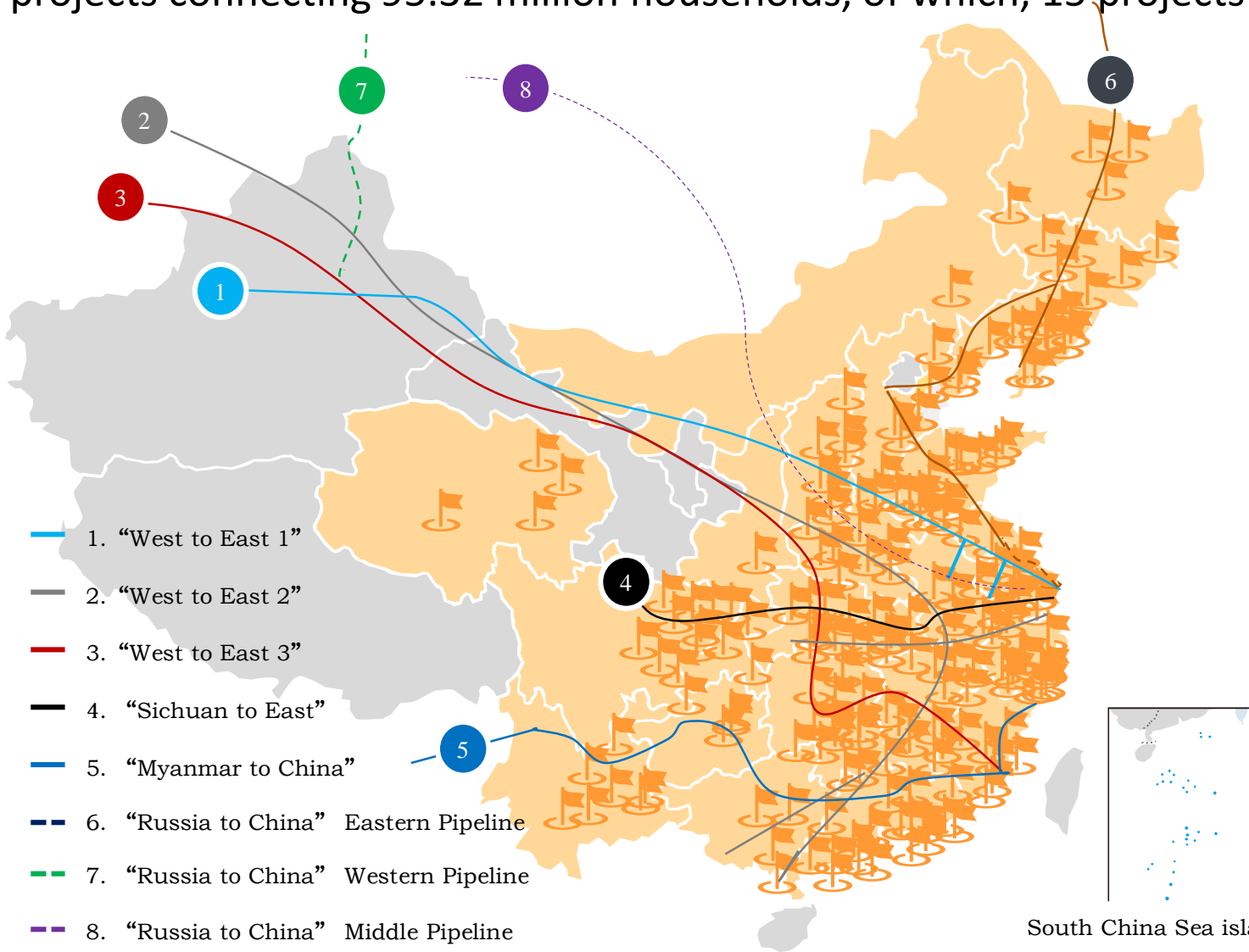
Hydrogen Energy

User Energy Storage

Carbon Trading

.....

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. 1H2023, CR Gas has 275 city gas projects connecting 95.32 million households, of which, 15 projects are located in provincial capital.



	<b>275</b>	City Gas Projects
	<b>15</b>	Provincial Capitals
	<b>76</b>	Prefecture-level Cities
	<b>55.85 M</b>	Customers
	<b>298 K km</b>	Pipeline
	<b>95.32 M</b>	Connectable Households

South China Sea islands



1H2023, 3 and 2 projects were signed and registered respectively at group level. CR Gas has completed financial statement consolidation of 10 high quality projects since the start of the 13<sup>th</sup> 5-year plan period. Chongqing Gas was consolidated in the financial statements 1H2023. An additional 2% stake increase in Xiamen project completed in July 2023 and will be consolidated in the financial statements. CR Gas' city gas distribution core business will be further strengthened.

## New Investment in 1H2023

- Signed Project **3**
- Registered Project **2**

Kunming Gas, Hunan Jingzhou county, Fuyang (area expansion)

- Estimated Investment **HK\$ 880 million**
- Post Acquisition Kunming Market

### Acquired controlling stake in Kunming Gas to consolidate Kunming market

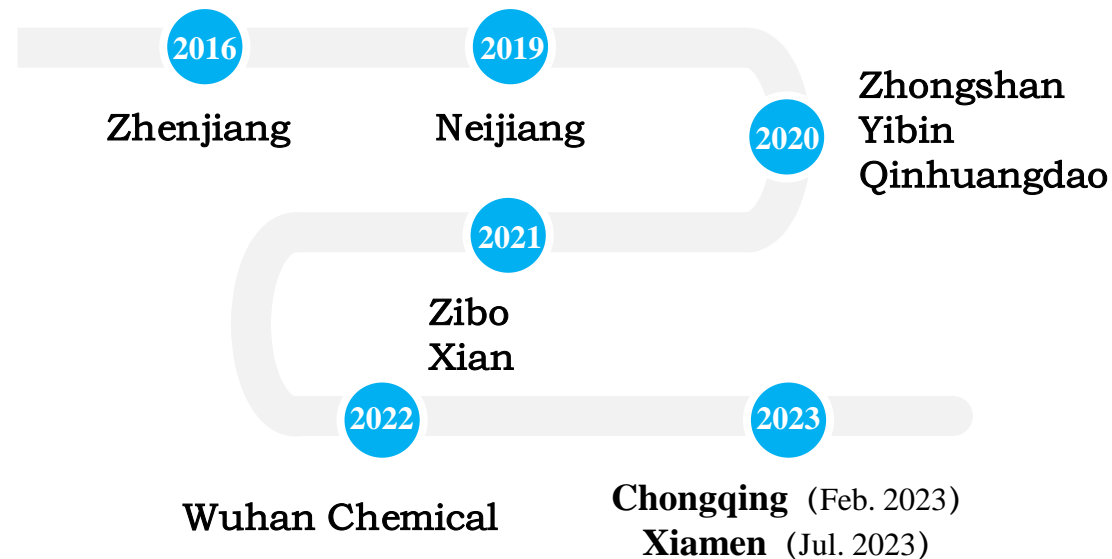
- Operation Area: **72% of Kunming**
- Population: **3.2 million**
- Member Company: **21**
- Annual Volume: **500M m<sup>3</sup>** (including member companies)
- No. of Customer: **2.07M** (including member companies)



CR Gas operation area  
Kunming Gas operation area

## Consolidation of High Quality Projects

- Complete **10** high quality projects consolidation since 2016



- Performance of the above 10 projects (2022)



On 21 June 2023, Rudong LNG receiving terminal commenced construction, it will be fully compatible with CR Gas's major city gas market and expand its industry influence. Annual gas supply contract coverage increased to 99.3%, Gas procurement of 1.3 billion m<sup>3</sup> was arranged in 1H2023, an increase of 60%, 360 million m<sup>3</sup> unconventional gas contract was signed, 160M m<sup>3</sup> underground storage has leased, upstream gas supply security continues to improve.

### Cooperation with the 3 Major Oil and Gas Suppliers

#### Expansion in gas contract scale

- An extra **350M** m<sup>3</sup> was managed to add into this year's annual contract volume, annual gas supply contract coverage reached **99.3%**, an yoy increase of **2.3** PPT;

#### Increase in gas volume coordination

1H2023, gas volume coordination reached **1.30B** m<sup>3</sup>, an increase of **60%**, procurement costs will expect to reduce RMB**0.09**/m<sup>3</sup> in these area.

### Improvement in Upstream Gas Resources Security

#### Explore other quality gas sources

- Unconventional gas contract of **360M** m<sup>3</sup> such as coal gas, coalbed methane and shale gas, etc was signed;
- Approach **30+** global suppliers to obtain contract quotations for consideration.

#### Develop underground gas storage

- Auction in exchange for National Pipeline's storage and distribution pass ( “储运通” );
- Underground storage of **160M** m<sup>3</sup> and **10M** m<sup>3</sup> “储运通” leased, peak season costs will expect to reduce RMB**50M**.



**Construction commenced on 21 June 2023, Phase 1 expected to be completed in 2026.**

#### Turnover Capacity

**6.50M** ton (1<sup>st</sup> phase 9.0B m<sup>3</sup>)

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

#### Downstream Market

**Over 80 CR Gas projects within 500km radius**

👉 **2022 Volume 9.34** B m<sup>3</sup>

Taking the opportunity of the Nation's "Urban Village Renovation in Super and Super-Large City" policy, accelerate the development of household users, promote industrial energy saving technical transformation, together with the safe reform approach, continue to encourage commercial customers adopting "bottle to gas", newly developed customers will contribute over 1 billion m<sup>3</sup> gas volume per year.



### **Residential:** **Speed up New Connection**

Accelerate the new household connection with the support of "Urban Village Renovation in Super and Super-Large City" policy.

→ **New Households**

**1.46** million

→ **Contribution**

**280** million m<sup>3</sup>/year

### **Industrial:** **Promote Energy Transformation**

Identify potential industrial to promote industry energy saving technical transformation.

→ **New Industrial**

**1,778** customers

→ **Contribution**

**730** million m<sup>3</sup>/year

### **Commercial:** **Encourage "Bottle to Gas"**

Emphasis on safety issues to encourage "Bottle to Pipe Gas" conversion.

→ **New Bottle to Gas**

**4,370** customers

→ **Contribution**

**80** million m<sup>3</sup>/year

### **Transportation:** **Accelerate Transformation**

- Formulate action plan to explore new markets;
- Transform to combined station.

→ **Close/Exit in 1H2023**

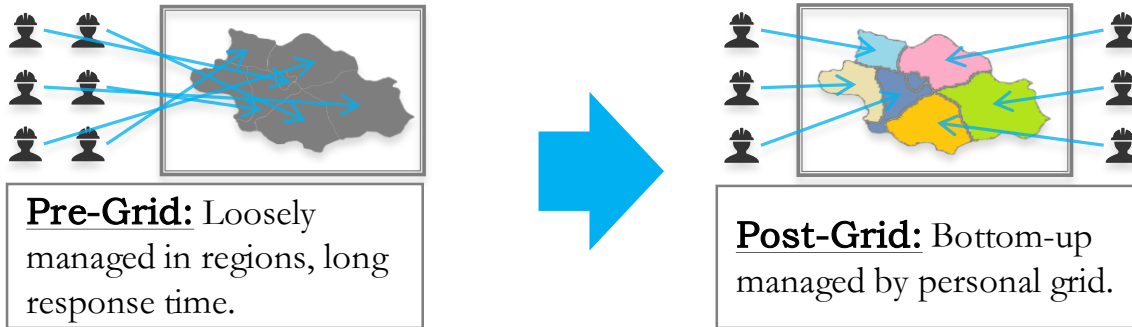
**6** stations

→ **Station Transformed**

**33** stations

Promote brand new customer services model, continuous to execute the grid based management, over 30 million users have been covered in 1H2023. Establish the image of “Gas Butler”, change the customer experience from the customer center to gas concierge door-to-door services; personalized gas concierge will become a “mobile shop” of the comprehensive services, CR Gas’s comprehensive services will be an “everywhere available” model.

Grid Management: Change in Services Model



Customer Services Enhancement

- Customer experience: prompt response;
- Employee value: career satisfaction;
- Risk Security: Grid emergency management capability focus.

- Self safety inspection success rate by grid **↑ 21.2%**
- Risk rectification completion rate **↑ 20.2%**

Over **30** million users have been covered, will be fully covered by end of the 14<sup>th</sup> 5-year Plan period.

Gas Concierge: Change in Contact Method



Before



After

- Customer Center
- Service at Customer Center
- 0.1 million customers per center;
- 500+ centers for CR Gas.

Channel

Model

Contact

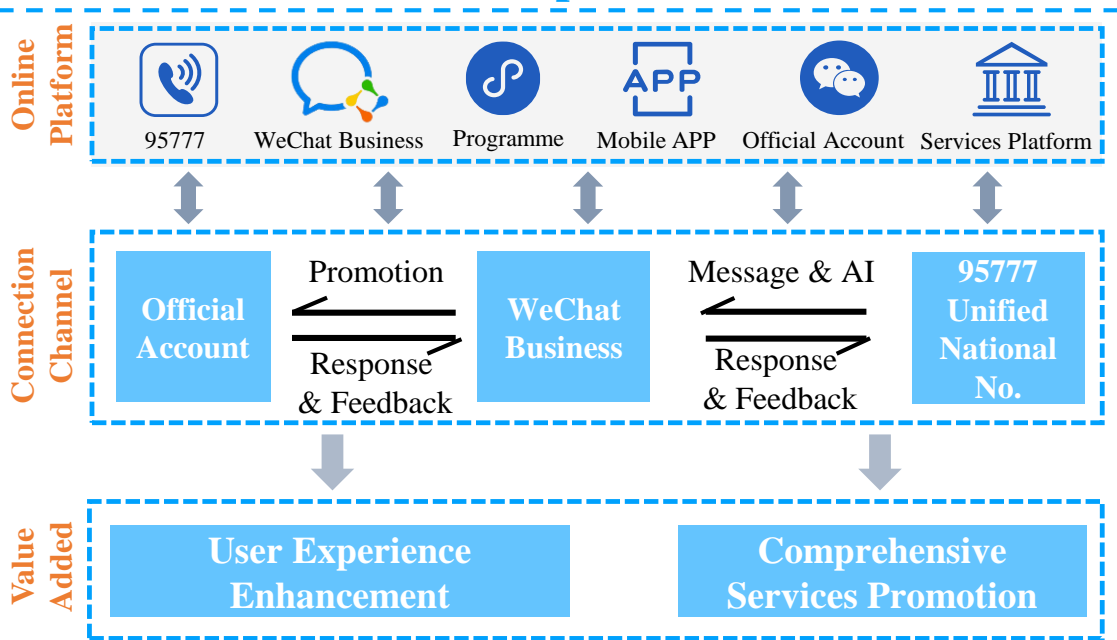
- Personalized Butler
- Door-to-Door Services
- 5-10k** per grid staff;
- 10k+** grid staff for CR Gas.

Gas Butler become a “mobile shop” and “everywhere available model.”

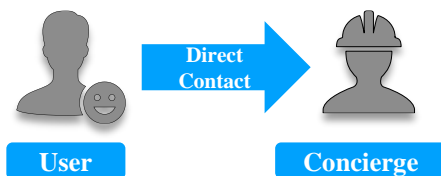
Establish a smart services system through online platform such as WeChat Business, unified national service phone number 95777, official account to manage content disclosure and empower gas concierge to better service the customers. By introduction of AI engine to offer a smart and humanize intelligent customer services.

### All-Around Smart Customer Services System

#### Blueprint

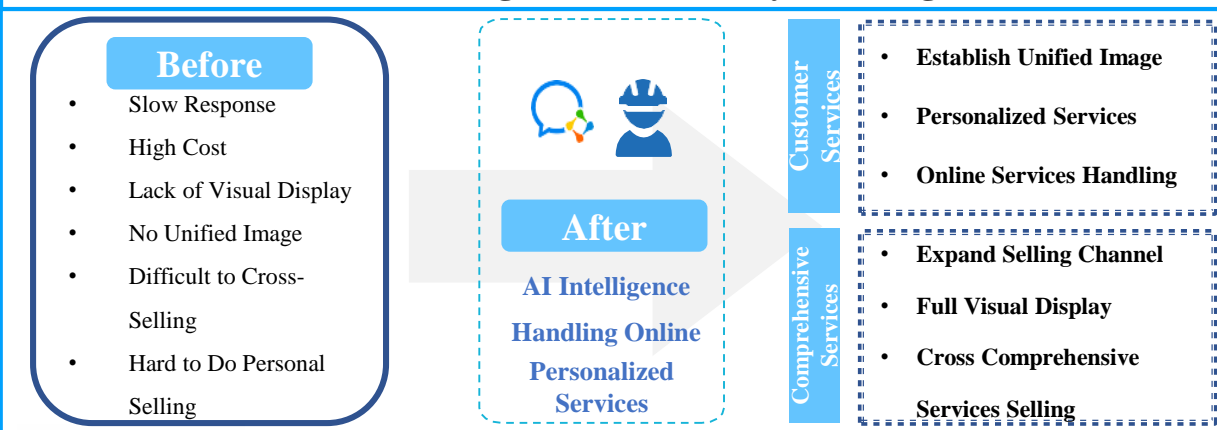


Establish End-to-End information Transmission by Grid Transformation, **to Achieve Customer Needs Direct to the Grid.**

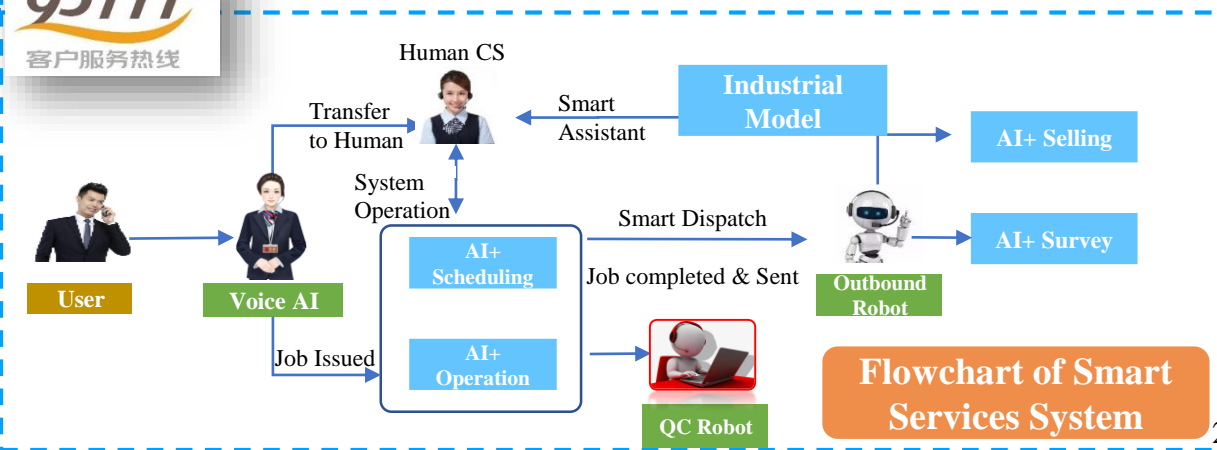


### Multi-Dimension Customer Services Experiences

#### WeChat Business (3M registered since July, 10M registered in 2023.)



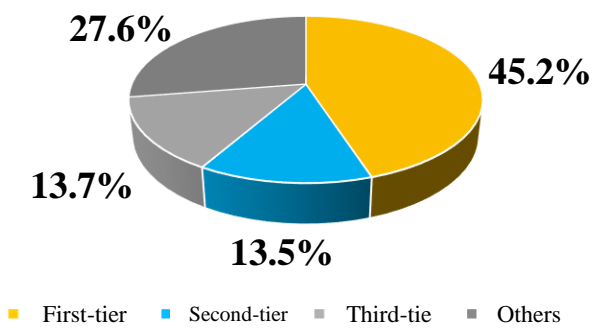
#### 95777 Unified National Services Phone Center



CR Gas has 53.921 million household customers. Of which, 39.039 million household customers are located in affluent 3<sup>rd</sup>-tier or above cities. CR Gas provides customers a one-stop assembly solution for a smart kitchen with an emphasis on safe gas usage.

## Huge & Prime Customer Resources

City Household Proportion by Tier



Household Customer	53.921 M
3 <sup>rd</sup> -tier or above Household	39.039 M

## One-Stop Smart Kitchen Assembly Solution

**美装宝**  
— Custom Installation & Decoration

Custom design decorated buried pipe with durable protection and professional installation complied with safety requirements.



**厨安宝**  
— Safety Inspection & Monitoring

“百尊智+” APP provides gas shut off with one button, 24 hours gas leakage inspection, voice signal alarm, and auto shut off functions.



**智能厨电**  
— Smart & Safe Appliances

High-end kitchen appliance series with “百尊智+” APP remote control and hood-cooker linked switch.



美装宝 美装燃气管道暗埋定制产品宝	厨安宝 厨房燃气安防报警产品	百尊厨电 智能百尊厨居家电
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Note: City Category from China Business Network

Continuous growth in kitchen electricity-gas-heat and insurance agent products, turnover per household from comprehensive services business (CSB) increased to RMB50.6. Turnover from CSB increased 7.7% from HK\$1.37 billion to HK\$1.47 billion, contribution increased 11.4% from HK\$0.56 billion to HK\$0.62 billion. Excluding exchange impact, increased 14.9% and 18.8% respectively.

Expansion in Comprehensive Services Business

Kitchen Electricity-Gas-Heat Market Share

8.7%



1H2022: 5.7%

Insurance Agent Market Share

25.6%



1H2022: 24.5%

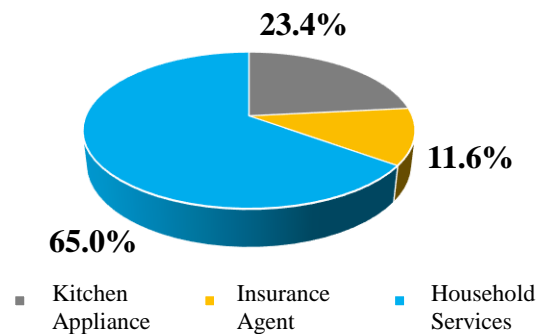
CSB Existing Customer Household Turnover

RMB50.6



1H2022: RMB41.3

1H2023 Turnover Mix



Rapid Growing in Turnover and Contribution

CSB Turnover

+7.7%

Excluding Exchange Impact

+14.9%

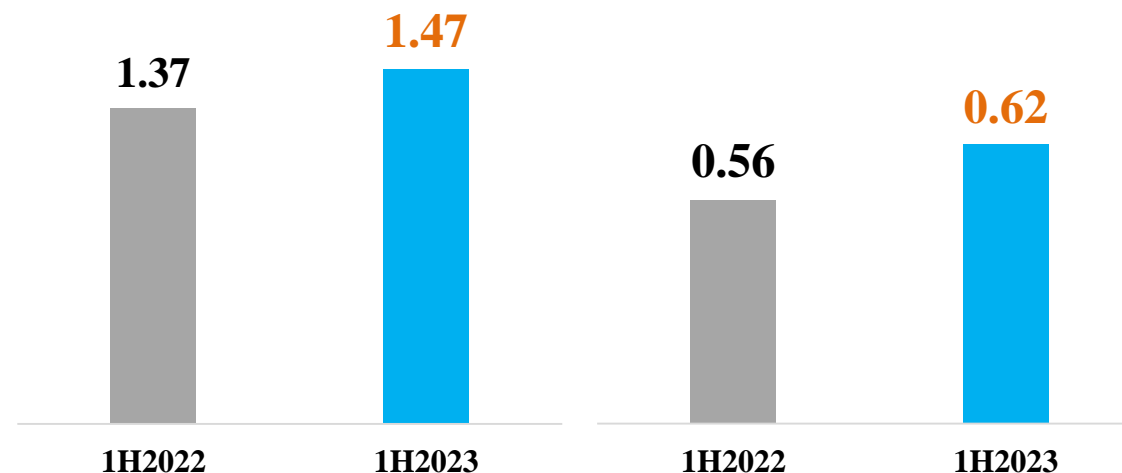
CSB Contribution

+11.4%

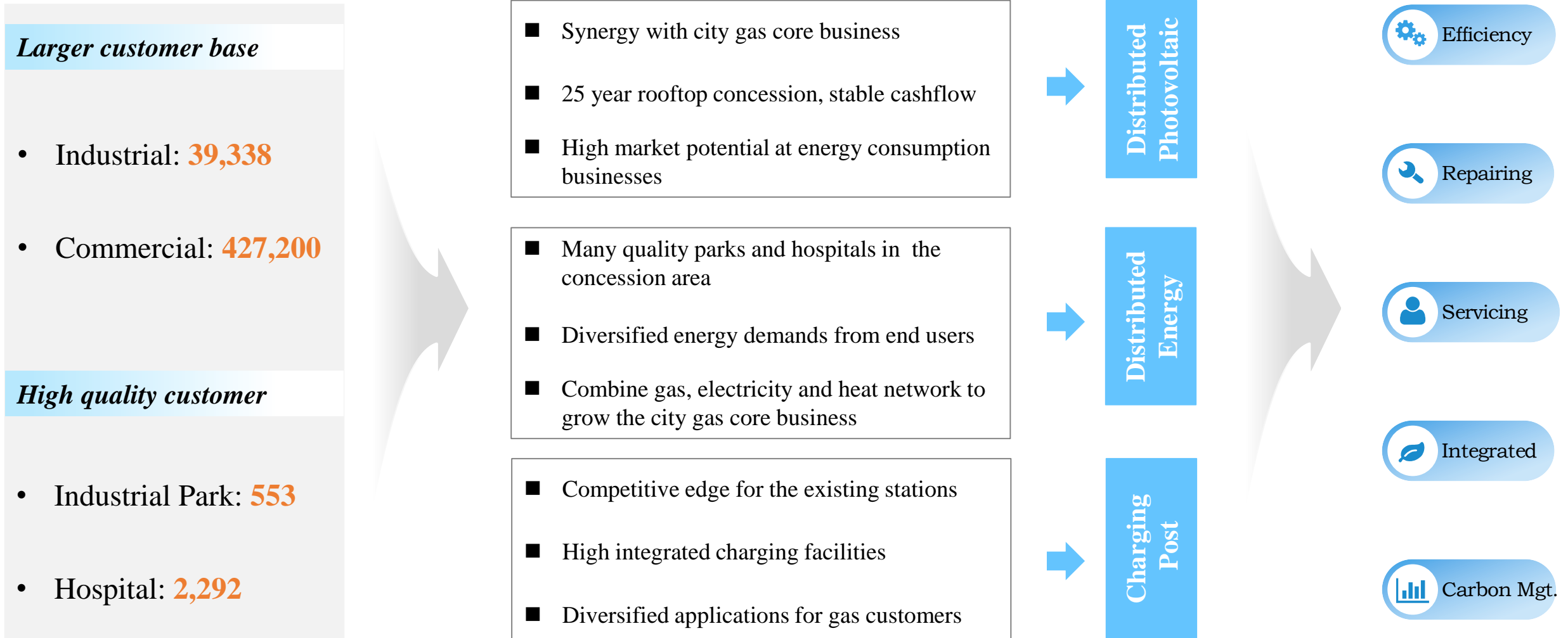
Excluding Exchange Impact

+18.8%

HK\$ Billion



Leverage on the competitiveness of the core city gas distribution business and the large customer resources, CR Gas can identify quality distributed photovoltaic and distributed energy projects and continues to enhance the integrated energy solution capability, establish an integrated energy business with CR Gas's characteristics.





In Nantong Jiangsu develop Yongjin distributed photovoltaic project, project investment was RMB85.97 million, 20MW installed capacity, annual electricity sold is 20.66 million kWh, expected turnover is RMB9.91 million. In Chongqing Shuitu industrial park invest BOE distributed energy project, project investment was RMB300 million, 45MW installed capacity, annual consumption scale is 240 million kWh, expected turnover is RMB180 million. Pilot project of PV, Storage, Charging, Exchange and Repair combined station in Jiangmen.

### Distributed PV

#### Jiangsu Yongjin Project



- Installed Capacity: **20MW**
- Annual Sales: **20.66M kWh**
- Est. Income: **RMB9.91M**
- CO<sub>2</sub> Reduction: **17,000 ton**

### Distributed Energy

#### BOE's Chongqing Shuitu Industrial Park Project



- Installed Capacity: **45MW**
- Annual Production: **240M kWh**
- Est. Income: **RMB180M**
- CO<sub>2</sub> Reduction: **160,000 ton**

### Charging Station

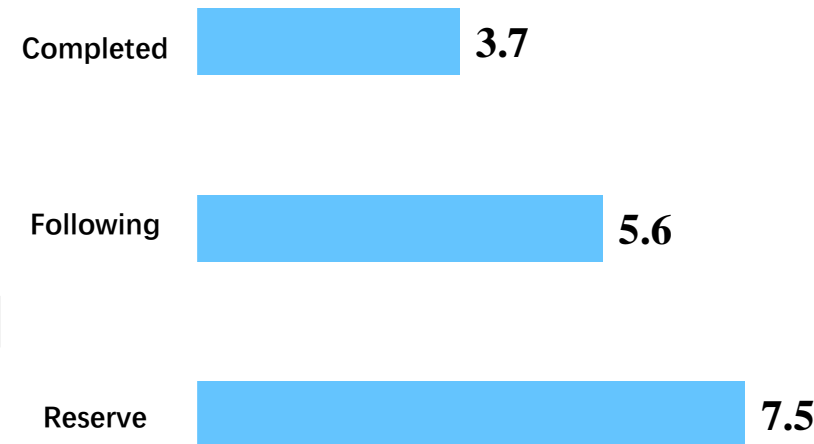
#### Jiangmen Baishi Station



- Model: Combined PV, Storage, Charging, Exchange and Repair
- Charging/Exchange: **4M kWh p.a.**
- Est. Income: **RMB4.39M**
- CO<sub>2</sub> Reduction: **130 ton**

### Project Opportunity "Pyramid"

*Billion kWh*



Estimated Annual Sales of the Investigated Project: **7.5B kWh**, of which:

- Annual Key Identified Project Sales: **5.6B kWh**
- 2023 Estimated Completed Project: **3.7B kWh**

Leverage on the “3 combined power network” resources advantage of Xiangyang integrated energy company to co-develop the distributed photovoltaic project with Dongfeng light truck smart factory. Invested by third party, Xiangyang company utilizes the incremental distribution network to provide grid connection and settlement services and execute light asset operation model. Installed capacity is 56MW, annual sales is 55.5 million kWh and estimated gross profit is RMB10 million p.a..

## Dongfeng Light Truck Smart and Green Factory 56 MW PV Project

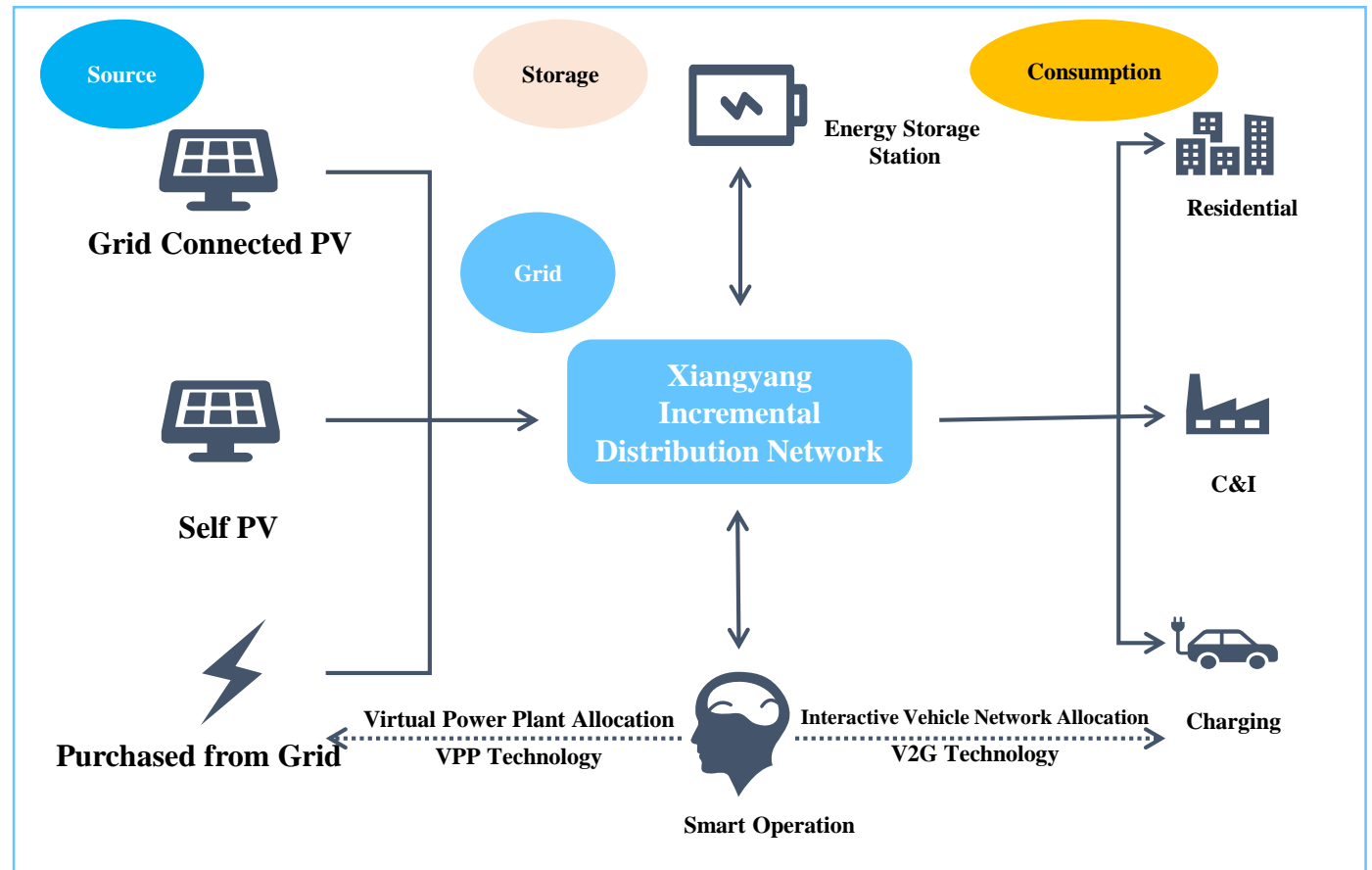


Customer provides rooftop, 3<sup>rd</sup> party invests and constructs, Xiangyang company provide grid connection and settlement services.

- Annual Sales: **55.50M kWh**
- CO<sub>2</sub> reduction: **45,000 ton**
- Clean Energy utilization: **100%**



## Model: Grid Connection+Distributed PV+Smart Platform

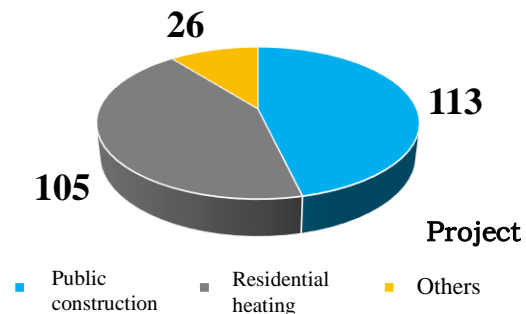


Leverage on the customer resources in the operation area, CR Gas focuses on developing quality integrated energy projects. 42 projects were signed in 1H2023 with estimated investment of HK\$460 million. There are total of 244 projects. Energy sales increased 25.4%, turnover increased 37.8% to HK\$600 million.

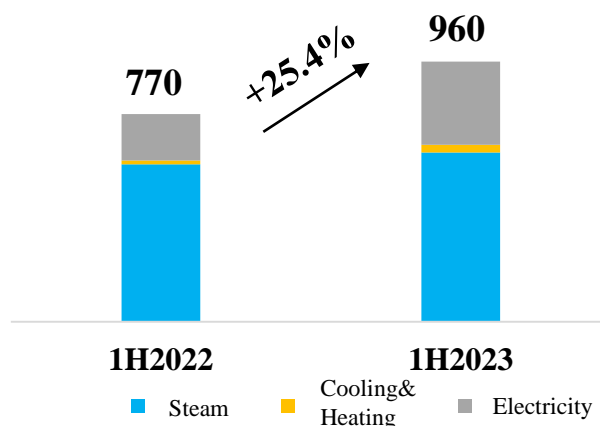
## Integrated Energy Business in 1H2023

- Newly Signed Project **42** projects
- Estimated Investment **HK\$460M**
- Operating Project **142** projects
- Developed Project **244** projects

### Developed Project



### Energy Sales Million kWh



### Distributed Photovoltaic:

- Signed Project: **27** projects
- Est. Investment: HK\$**210M**
- Developed Project: **99** projects

### Distributed Energy:

- Signed Project: **15** projects
- Est. Investment: HK\$**250M**
- Developed Project: **145** projects

## 1H 2023 Financial Highlights

### Expanding Turnover

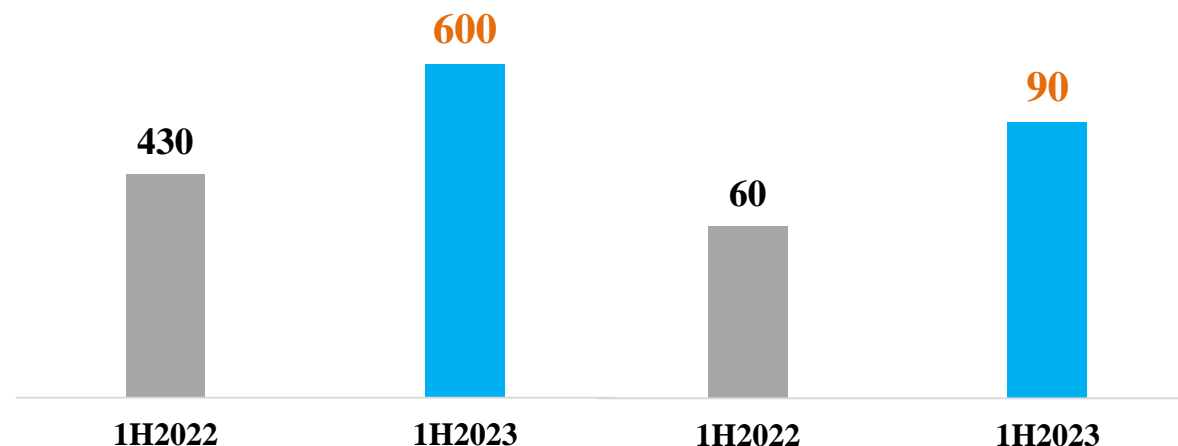
HK\$ Million

**+37.8%**

### Growing Contribution

HK\$ Million

**+49.9%**



Professional EV charging companies have been set up in Nanjing and Hangzhou, etc. to expand and secure the public transport depots and explore the possibilities of social and new type depots utilizing the existing resources and competitive edge. 1H2023, 6 charging stations were added, a total of 177 stations in operations, electricity sales reached 150 million kWh, an increase of 39.8%. Turnover increased 25.4% to HK\$110 million.



### Accelerate EV Charging Business

- **Replicate Public Transport Cooperation Model:** Promote Nanjing and Hangzhou EV company model.

1

- **Explore New Type Station:** Study PV, Storage, Charging, Exchange and Repair total solution combined station.

2

- **Pilot Social Charging Station:** leverage on the competitive edge of existing project locations.

3

- **Explore Virtual Power Plant:** Establish interactive charging grid smart energy system, participate in virtual power plant establishment.

4

Utilizing existing gas station resources to expand the charging station coverage

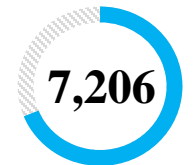


### Continuous Expanding Charging Business

- A total of 177 stations in operations;
- 150 million in electricity sales, turnover was HK\$110 million.



Operating Station



Contracted Vehicle

Electricity Sold

150 M kWh ↑ +39.8%

Electricity Sold

Turnover

110 M HK\$ ↑ +25.4%

Turnover

Actively explore the new businesses opportunities such as the hydrogen energy industry, energy user storage and carbon trading, pilot “氢进万家” project in Shandong, research and study of hydrogen and combined hydrogen pipeline, hydrogen combustion utilization, new technology of hydrogen production from gas; 2 energy storage projects are carried out in Huizhou and Hangzhou and trial of carbon asset trading, 30,000 ton carbon asset sales in 1H2023, and promoting customers to realize their resources advantage.

## Hydrogen Energy Studies

### ■ Shandong “氢进万家” project

- 30 km hydrogen pipeline demonstration, 2 hydrogen energy communities;
- Combined hydrogen application demonstration in building district;
- Combined heat and electricity supply system demonstration

Self-Invest

RMB**18.00M**

Government

RMB**12.00M**

### ■ Combustion Technology Laboratory with Tongji University

Focus on the application of combined hydrogen combustion technology and natural gas energy saving.

### ■ Incubate Hydrogen Production from NG and Graphene Technology with Venture Capital

### ■ Trial of end market hydrogen refueling

**7** hydrogen refueling stations in operation, **15** stations are planning to build, **154** ton hydrogen sold 1H2023, increased **98.9%**.

### ■ Participate in SOFC Related State Level Research Subject Application

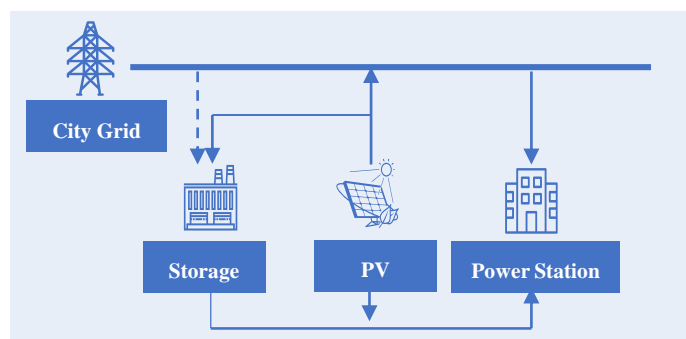
## Energy User Storage Pilot Project

### 2 energy storage projects carried out

#### Dayawan zero carbon station

- Storage Scale: 30 kW / 138 kWh
- Operation Mode: 10:00 – 14:00 PV to storage charging, 19:00 – 03:00 power supply to station
- Daily Storage/Supply: 61.8 kWh /59.9 kWh

#### Operation Model:



## Trial of Carbon Asset Trading

- 1H2023 donation: **20,000** ton carbon asset
- 1H2023 sales: **30,000** ton carbon asset
- Total recognition: **66,000** ton carbon asset
- Establish “Carbon Neutrality” platform
- Establish “Industry Alliance”



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1 Results Highlights

2 Company Development

3 Financial & Operational Highlights



As at	30 June 2022 (HK\$'000)	30 June 2023 (HK\$'000)	Increase/(Decrease)
Turnover	48,100,627	48,369,601	0.6%
Gross profit	8,826,983	8,818,865	(0.1%)
Profit from operation <sup>(1)</sup>	4,789,717	5,597,876	16.9%
Profit for the period	3,929,277	4,557,546	16.0%
Profit attributable to the equity holders	3,045,380	3,545,256	16.4%
Net cash from operating activities	(9,916)	4,756,323	—
Basic EPS <sup>(2)</sup> (HK\$)	1.34	1.56	16.4%
Interim dividend proposed/paid per share (HK\$)	0.15	0.15	—

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 2022 (HK\$'000)	30 June 2023 (HK\$'000)	Increase/(Decrease)
<b>Total assets</b>	<b>112,303,585</b>	<b>135,830,556</b>	<b>21.0%</b>
<b>Bank balance and cash</b>	<b>6,437,479</b>	<b>18,600,688</b>	<b>188.9%</b>
<b>Total bank, note and other borrowings<sup>(1)</sup></b>	<b>22,462,820</b>	<b>35,350,471</b>	<b>57.4%</b>
<b>Net borrowings</b>	<b>16,025,341</b>	<b>16,749,783</b>	<b>4.5%</b>
<b>Equity attributable to the equity holders</b>	<b>39,307,612</b>	<b>39,784,906</b>	<b>1.2%</b>
<b>Non-controlling interests</b>	<b>13,237,811</b>	<b>17,994,208</b>	<b>35.9%</b>
<b>Total equity</b>	<b>52,545,423</b>	<b>57,779,114</b>	<b>10.0%</b>

Note: (1) The amount due to an intermediate holding company (1H2023: HK\$1,781,000, 2022: HK\$2,507,449,000) and amount due from an intermediate holding company (1H2023: HK\$0, 2022: HK\$2,238,960,000) are included in bank, notes and other borrowing.



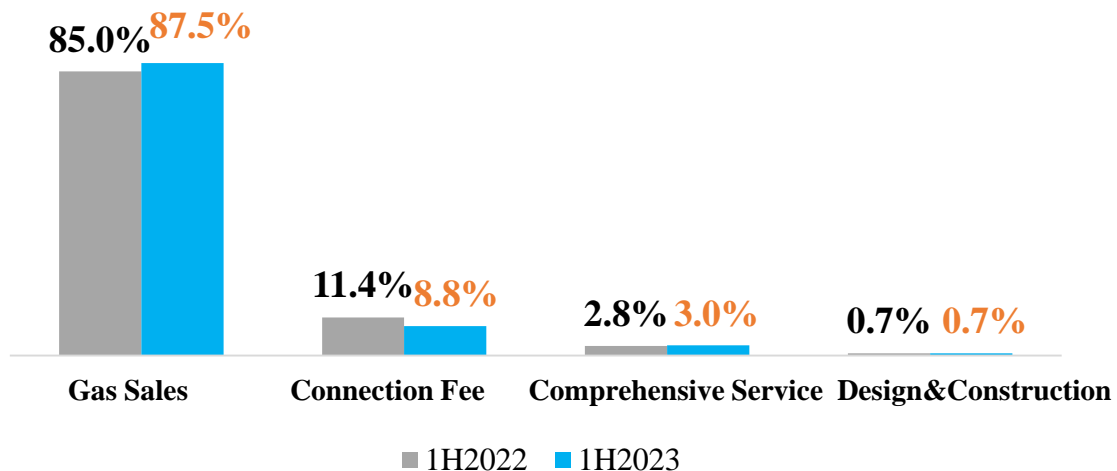
As at	30 June 2022	30 June 2023	Increase/(Decrease)
Gross profit margin	18.4%	18.2%	(0.2PPT)
Net profit margin	8.2%	9.4%	+1.2PPT
Net profit margin attributable to the owner of the Company	6.3%	7.3%	+1.0PPT
Debt to capitalization ratio <sup>(2)</sup>	29.9% <sup>(1)</sup>	38.0%	+8.1PPT
Debt to asset ratio <sup>(3)</sup>	20.0% <sup>(1)</sup>	26.0%	+6.0PPT
Return to equity	15.5%	17.8%	+2.3PPT

Note: (1) Debt ratio as at 31 December 2022;

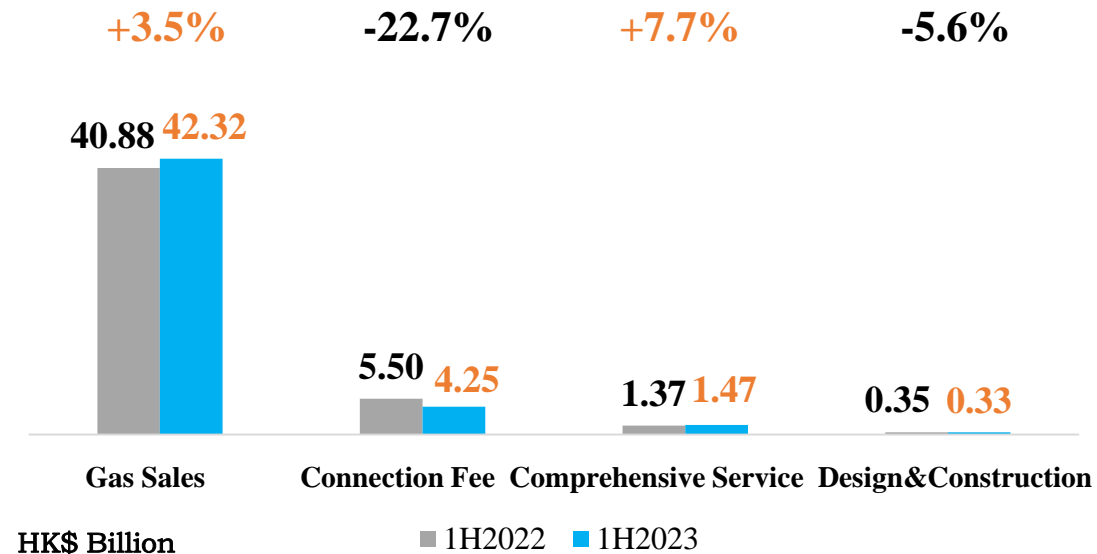
(2) Debt/capitalization gearing ratio is the ratio of total bank, note and other borrowings to total bank, note and other borrowings and total equity;

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

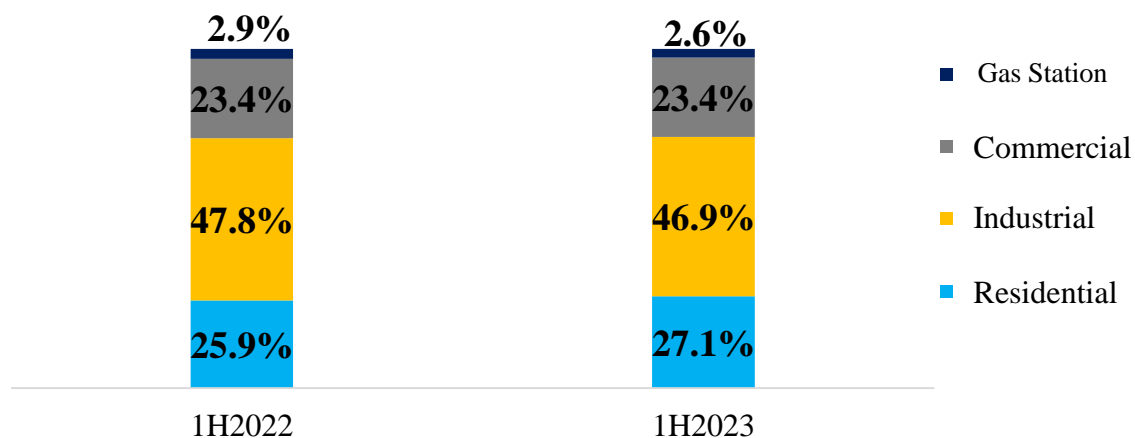
## Revenue Mix



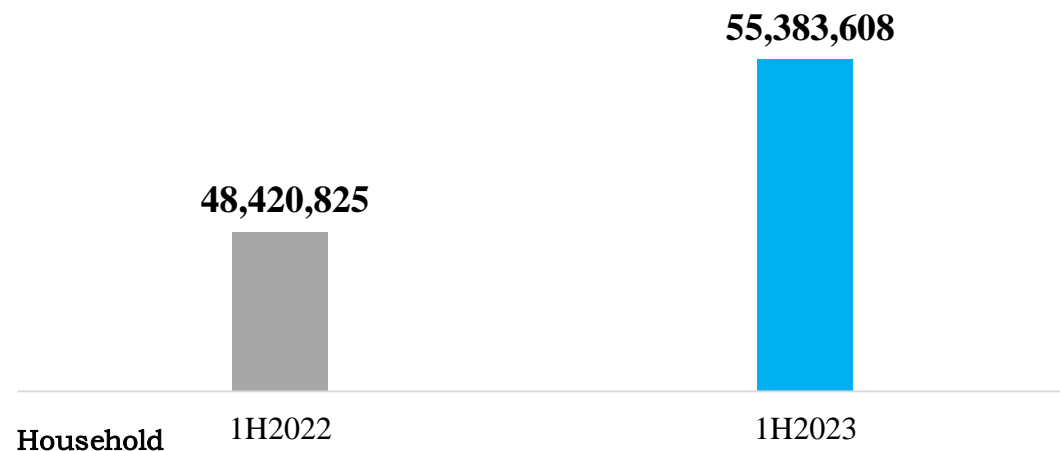
## Revenue Growth



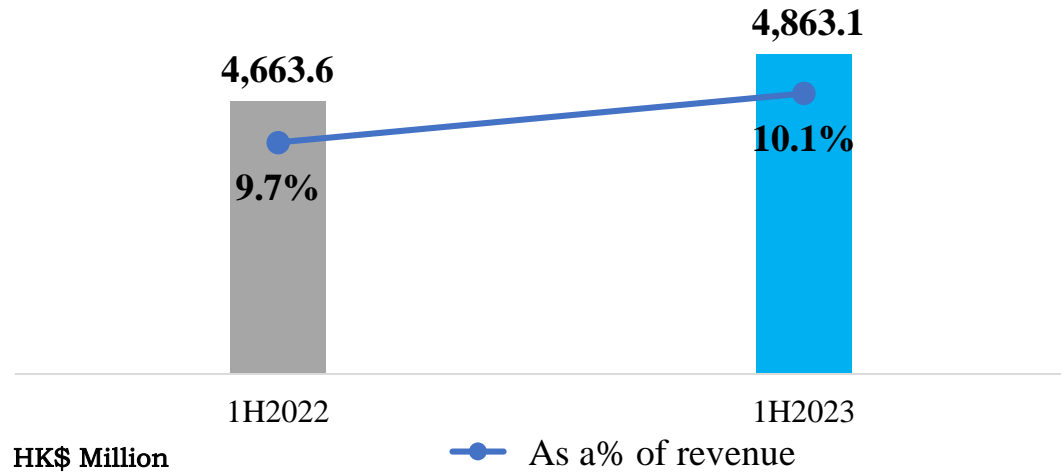
## Volume Mix



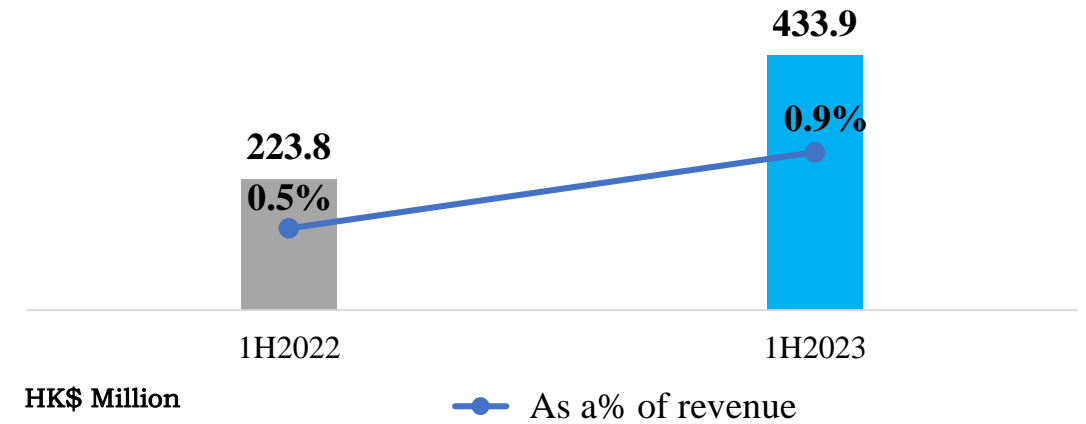
## Residential Customer



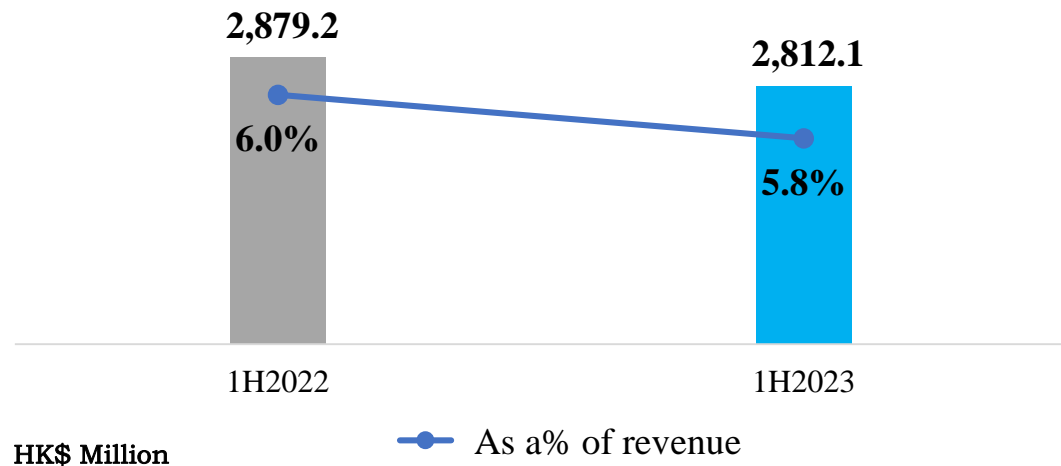
Total Costs



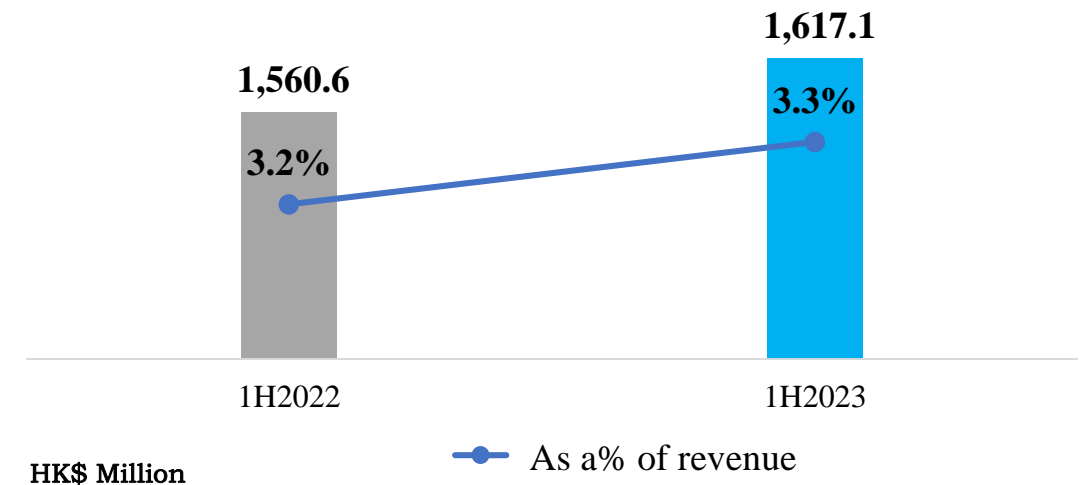
Finance Costs



Selling & Distribution Expenses

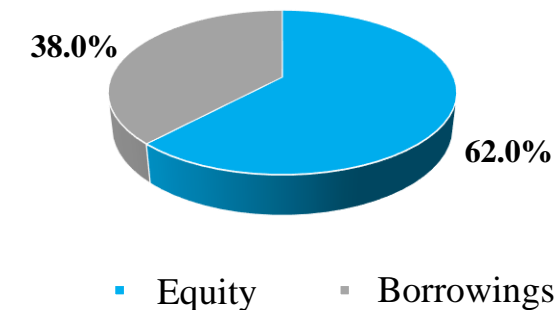


Administrative Expenses



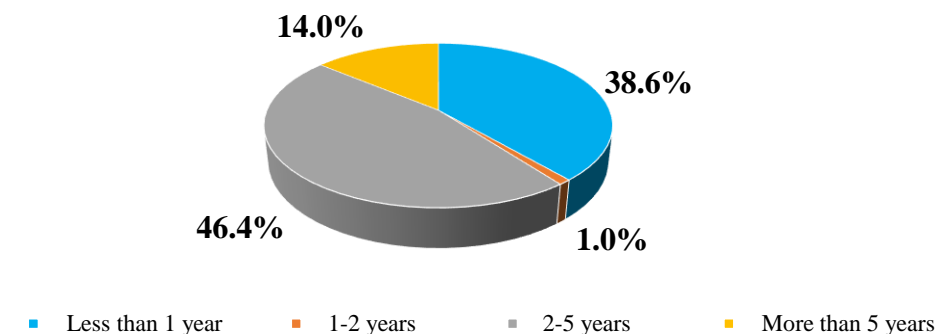
## Equity & Borrowings

	HK\$'000	%
Total equity	57,779,114	62.0%
Total bank & other borrowings	35,350,471	38.0%
Total capital	93,129,585	100.0%



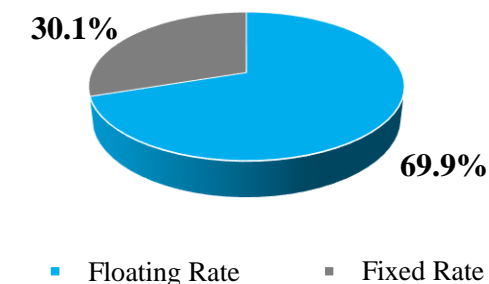
## Long & Short Term Borrowings

	HK\$'000	%
Less than 1 year	13,656,573	38.6%
1-2 years	356,841	1.0%
2-5 years	16,401,103	46.4%
More than 5 years	4,935,954	14.0%
Total	35,350,471	100.0%



## Fixed & Floating Borrowings

	HK\$'000	%
Floating rate	24,717,432	69.9%
Fixed rate	10,633,039	30.1%
Total	35,350,471	100.0%



	30 June 2022	30 June 2023	Change
Number of projects	268	275	7
Connectable householders (million)	86.78	95.32	9.8%
Connectable population (million)	286.37	324.09	13.2%
Penetration rate of residential household	56.1%	58.4%	+2.3PPT
Gross gas sales volume (million m <sup>3</sup> )	18,562	19,842	6.9%
Residential	4,809	5,384	12.0%
Industrial	8,876	9,310	4.9%
Commercial	4,337	4,638	6.9%
CNG Station	353	334	(5.4%)
LNG Station	187	176	(5.7%)
Average gas tariff / cost / gross margin (RMB per m <sup>3</sup> )	3.55/3.10/0.45	3.58/3.08/0.5	0.03/(0.02)/0.05

	30 June 2022	30 June 2023	Change
<b>Total length of pipeline (km)</b>	<b>255,144</b>	<b>298,482</b>	<b>43,338</b>
<b>Connected customers</b>	<b>48,827,701</b>	<b>55,850,146</b>	<b>7,022,445</b>
<b>Residential</b>	<b>48,420,825</b>	<b>55,383,608</b>	<b>6,962,783</b>
<b>Industrial</b>	<b>30,443</b>	<b>39,338</b>	<b>8,895</b>
<b>Commercial</b>	<b>376,433</b>	<b>427,200</b>	<b>50,767</b>
<b>Average residential connection fee (RMB)</b>	<b>2,670</b>	<b>2,660</b>	<b>(10)</b>
<b>New C&amp;I with paid connection fee</b>	<b>18,044</b>	<b>22,735</b>	<b>4,691</b>
<b>New residential with paid connection fee</b>		—	
<b>Gross basis</b>	<b>1,714,787</b>	<b>1,341,941</b>	<b>(372,846)</b>
<b>Consolidated basis</b>	<b>1,325,178</b>	<b>1,073,471</b>	<b>(251,707)</b>
<b>Gas stations (CNG/LNG/L-CNG)</b>	<b>334 (206/78/50)</b>	<b>331 (201/78/52)</b>	<b>(3) ((5)/0/2)</b>

# 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 safety
- Leverage on regional resources support, provide integrated clean energy solution

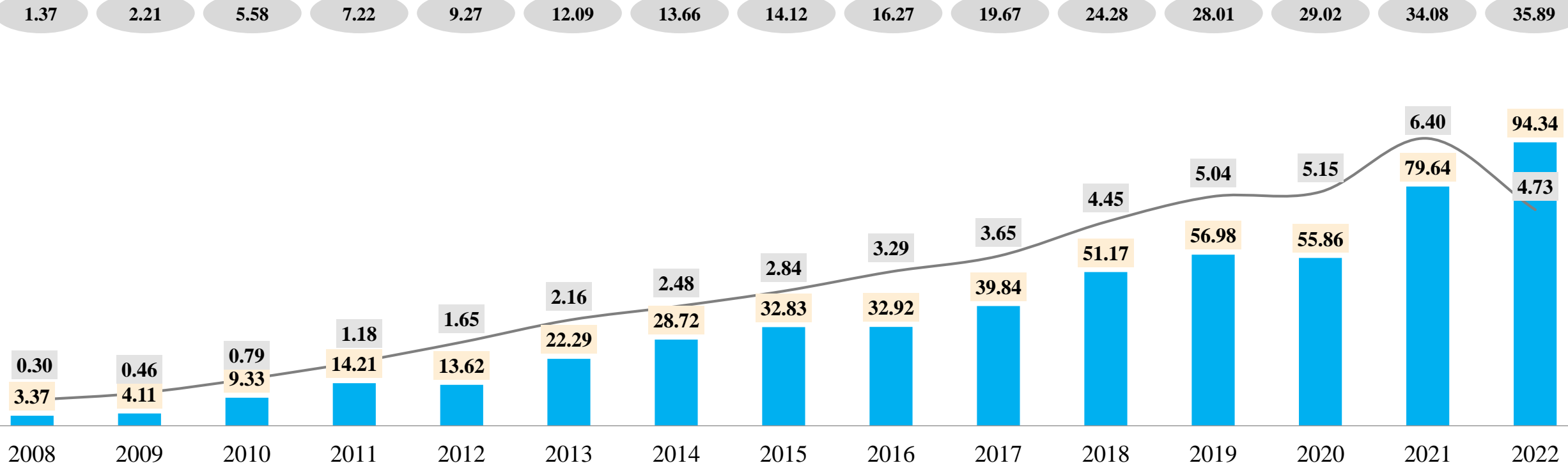
## N New Businesses

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

2008-2022 Volume CAGR: 26.3%

2008-2022 Turnover CAGR: 26.9%

2008-2022 Profit attributable to shareholders CAGR: 21.9%



Billion m<sup>3</sup>/HK\$ Billion

Turnover

Profit attributable to shareholders

Gas sales volume

## 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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2023 Interim Results Presentation





# CR Gas

## 2023 Interim Results Announcement

August 25, 2023