
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action you should take, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Kunlun Energy Company Limited, you should at once hand this circular to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or the transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss however arising from or in reliance upon the whole or any part of the contents of this circular.



KUNLUN ENERGY COMPANY LIMITED
(incorporated in Bermuda with limited liability)

昆 侖 能 源 有 限 公 司

(Stock Code: 00135.HK)

RE-ELECTION OF DIRECTORS, PROPOSED APPOINTMENT OF NEW AUDITOR, GENERAL MANDATES TO REPURCHASE SHARES AND ISSUE SHARES AND NOTICE OF ANNUAL GENERAL MEETING

A notice of annual general meeting of the Company to be held at Meeting Room 316, Mingren Building, No. 101 Anli Road, Chaoyang District, Beijing, PRC on Wednesday, 26 May 2021 at 10:00 a.m. is set out on pages 17 to 21 of this circular. A proxy form for use by the shareholders of the Company at the Annual General Meeting is enclosed with this circular. Whether or not you intend to attend and vote at the Annual General Meeting in person, you are requested to complete the proxy form enclosed in accordance with the instructions printed thereon and return it to the principal office of the Company at 39th Floor, 118 Connaught Road West, Hong Kong or the Company's Branch Registrar in Hong Kong, Tricor Secretaries Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as practicable but in any event not later than 48 hours before the time for holding the Annual General Meeting or adjourned meeting (as the case may be). Completion and return of the proxy form will not preclude you from attending and voting in person at the Annual General Meeting should you so wish.

PRECAUTIONARY MEASURES FOR THE ANNUAL GENERAL MEETING

Please see page 1 of this circular for measures being taken to prevent and control the spread of the COVID-19 at the Annual General Meeting, including:

- compulsory body temperature checks and health declarations;
- wearing of surgical face masks; and
- no distribution of souvenir, small gift and refreshment.

Any person who does not comply with the precautionary measures or is subject to any Hong Kong Government prescribed quarantine may be denied entry into the meeting venue. The Company encourages attendees to wear surgical face masks and reminds Shareholders that they may appoint the chairman of the meeting as their proxy to vote on the relevant resolution(s) at the Annual General Meeting as an alternative to attending the Annual General Meeting in person.

20 April 2021

CONTENTS

	<i>Page</i>
Precaution Measures for the Annual General Meeting	1
Definitions	2
Letter from the Board	
1. Introduction	4
2. Re-election of Directors	5
3. Proposed Appointment of New Auditor	5
4. General Mandate to Issue Shares	6
5. General Mandate to Repurchase Shares	6
6. Proposed Final Dividend and Special Dividend	6
7. Closure of Shareholders Register	7
8. Proxy	8
9. Recommendation	8
Appendix I — Explanatory Statement on Repurchase of Shares	9
Appendix II — Details (Including Biographies) of Directors	
Offering Themselves for Re-election	13
Notice of Annual General Meeting	17

PRECAUTION MEASURES FOR THE ANNUAL GENERAL MEETING

The health of our Shareholders, staff and stakeholders is of paramount importance to us. In view of the ongoing COVID-19 pandemic, the Company will implement the following precautionary measures at the Annual General Meeting to protect attending Shareholders, staff and stakeholders from the risk of infection:

- (i) Compulsory body temperature check will be performed for every Shareholder or proxy at the entrance of the venue and anyone with a body temperature of more than 37.2 degrees Celsius will not be given access to the venue;
- (ii) Every Shareholder or proxy is required to wear surgical face mask before they are permitted to attend, and during their attendance at the Annual General Meeting;
- (iii) No refreshment will be served;
- (iv) No souvenir and small gift will be distributed; and
- (v) Each attendee may be asked whether (a) he/she has travelled outside of Hong Kong within the 14-day period immediately before the Annual General Meeting; and (b) he/she is subject to any Hong Kong Government prescribed quarantine. Anyone who responds positively to any of these questions may be denied entry into the meeting venue or be required to leave the meeting venue.

In the interest of all stakeholders' health and safety and in accordance with recent guidelines for prevention and control of the spread of the COVID-19, the Company reminds all Shareholders that physical attendance in person at the Annual General Meeting is not necessary for the purpose of exercising voting rights. Shareholders may appoint the chairman of the meeting as their proxy to vote on the relevant resolution(s) at the Annual General Meeting instead of attending the Annual General Meeting in person, by completing and returning the form of proxy attached to this circular.

If any Shareholder chooses not to attend the Annual General Meeting in person but has any question about any resolution or about the Company, or has any matter for communication with the Board, he/she is welcome to send such question or matter in writing to our principal place of business in Hong Kong or to our email at info@kunlun.com.hk. If any Shareholder has any question relating to the Annual General Meeting, please contact Tricor Secretaries Limited, the branch share registrar and transfer office of the Company in Hong Kong as follows:

Tricor Secretaries Limited
Level 54, Hopewell Centre
183 Queen's Road East
Hong Kong
Tel: (852) 2980 1333
Email: is-enquiries@hk.tricorglobal.com

DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions bear the following meanings:

“Annual General Meeting”	the annual general meeting of the Company to be held at Meeting Room 316, Mingren Building, No. 101 Anli Road, Chaoyang District, Beijing, PRC on Wednesday, 26 May 2021 at 10:00 a.m.
“Board”	the board of directors of the Company
“Bye-laws”	the Bye-laws of the Company as amended, supplemented or modified from time to time
“CNPC”	中國石油天然氣集團公司 (China National Petroleum Corporation*), a state-owned enterprise established under the laws of the PRC
“Company”	Kunlun Energy Company Limited, a company incorporated with limited liability in Bermuda and the shares of which are listed on the Main Board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	13 April 2021, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the The Stock Exchange of Hong Kong Limited
“Notice”	the notice dated 20 April 2021 for convening the Annual General Meeting as set out on pages 17 to 21 of this circular
“PetroChina”	PetroChina Company Limited, a joint stock limited company incorporated in the PRC, which shares are listed on the Shanghai Stock Exchange and the Stock Exchange with its American Depositary Receipts listed on the New York Stock Exchange. PetroChina is a non-wholly owned subsidiary of CNPC and the controlling shareholder of the Company holding approximately 54.38% of the total issued share capital of the Company as at the Latest Practicable Date
“PRC”	the People’s Republic of China (for the purposes of this circular only, excluding Hong Kong, Macau Special Administrative Region of the PRC and Taiwan)

DEFINITIONS

“Repurchase Mandate”	the proposed general mandate to be granted to the Directors to repurchase Shares of up to maximum of 10% of the issued share capital of the Company as at the date of passing of the relevant resolution granting such mandate
“SASAC”	State-owned Assets Supervision and Administration Commission of the State Council
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share Issue Mandate”	the proposed general mandate to be granted to the Directors to allot, issue and otherwise deal with Shares of up to a maximum of 20% of the issued share capital of the Company as at the date of passing of the relevant resolution granting such mandate
“Shareholders”	shareholders of the Company
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers

* *For identification purpose only*

LETTER FROM THE BOARD



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

(Stock Code: 00135.HK)

Directors:

Executive Directors

Mr. Fu Bin (*Chairman*)
Mr. Qian Zhijia (*Chief Executive Officer*)
Mr. Zhou Yuanhong
Mr. Miao Yong (*Chief Financial Officer*)

Independent Non-Executive Directors

Dr. Liu Xiao Feng
Mr. Sun Patrick
Mr. Tsang Yok Sing Jasper

Registered office:

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

Principal office in Hong Kong:

39th Floor
118 Connaught Road West
Hong Kong

20 April 2021

To the Shareholders

Dear Sir or Madam,

**RE-ELECTION OF DIRECTORS,
PROPOSED APPOINTMENT OF NEW AUDITOR,
GENERAL MANDATES
TO REPURCHASE SHARES AND ISSUE SHARES
AND
NOTICE OF ANNUAL GENERAL MEETING**

1. INTRODUCTION

At the previous annual general meeting of the Company held on 27 May 2020, general mandates were granted to the Directors to exercise the powers of the Company to issue Shares and to repurchase Shares. Under the terms of the Listing Rules, these general mandates will lapse at the conclusion of the Annual General Meeting unless renewed at that meeting.

The purpose of this circular is to provide you with information relating to the proposals to (i) re-elect Directors; (ii) appoint new auditor; (iii) grant the general mandates to repurchase shares and issue shares with effect from the date of the Annual General Meeting to be held on Wednesday, 26 May 2021; and (iv) the proposed payment of final dividends and special dividends.

LETTER FROM THE BOARD

2. RE-ELECTION OF DIRECTORS

In accordance with Article 97 of the Company's Bye-laws and pursuant to code provision A.4.2 of the Corporate Governance Code as set out in Appendix 14 to the Listing Rules, Mr. Zhou Yuanhong ("Mr. Zhou") and Mr. Miao Yong ("Mr. Miao") will retire at the forthcoming Annual General Meeting. Mr. Zhou and Mr. Miao are eligible and will offer themselves for re-election at the Annual General Meeting.

Mr. Fu Bin ("Mr. Fu") and Mr. Qian Zhijia ("Mr. Qian") were appointed as Directors to fill a casual vacancy in 2020 and shall hold office until the next following annual general meeting of the Company and shall then be eligible for re-election at the meeting. Mr. Fu and Mr. Qian will retire at the forthcoming Annual General Meeting and will offer themselves for re-election at the Annual General Meeting.

Biographical details of Mr. Fu, Mr. Qian, Mr. Zhou and Mr. Miao as required by Rule 13.51(2) of the Listing Rules are set out in Appendix II to this circular to enable the Shareholders to make informed decision on the re-election of Directors.

Resolution nos. 4(A), 4(B), 4(C) and 4(D) as set out in the Notice will be proposed to re-elect Mr. Fu, Mr. Qian, Mr. Zhou and Mr. Miao as executive Directors respectively at the Annual General Meeting.

Mr. Fu, Mr. Qian, Mr. Zhou and Mr. Miao have different cultural, educational and professional background and have abundant experiences in their respective areas of expertise. The Board believes that Mr. Fu, Mr. Qian, Mr. Zhou and Mr. Miao have brought, and will continue to bring, their respective valuable experiences, skills and perspectives to the Board with a view of contributing to the diversity of the Board.

3. PROPOSED APPOINTMENT OF NEW AUDITOR

According to the relevant regulations issued by the Ministry of Finance of PRC and the SASAC, there are restrictions in respect of the number of years of audit services that an accounting firm can continuously provide to a state-owned enterprise and its subsidiaries. KPMG will retire as the international auditor of PetroChina, the controlling shareholder of the Company and a subsidiary of CNPC (a state-owned enterprise under the control of SASAC) with effect from the close of the forthcoming annual general meeting of PetroChina and will not offer themselves for re-appointment due to the relevant requirement. The board of directors of PetroChina resolved to appoint PricewaterhouseCoopers as its international auditor for the year 2021.

As the Company is the subsidiary of PetroChina and PricewaterhouseCoopers is proposed to be appointed as the international auditor for PetroChina for the year 2021, the Board considers that it would be more efficient and cost effective for PricewaterhouseCoopers to be appointed as the auditor of the Company. Accordingly, the Board, with the recommendation of Audit Committee of the Company, has resolved to appoint PricewaterhouseCoopers as the auditor of the Company for the year 2021 in place of KPMG, which is subject to the approval by the Shareholders at the Annual General Meeting.

LETTER FROM THE BOARD

KPMG confirmed in writing that there were no circumstances connected with their retirement that they consider should be brought to the attention to the Board, the Audit Committee of the Company and the holders of securities of the Company. The Board also confirmed that there were no relevant matters regarding the change in auditors that should be brought to the attention to the Shareholders. The Board and the Audit Committee of the Company further confirmed that there were no disagreements or unresolved matters between the Company and KPMG regarding the change in auditors.

4. GENERAL MANDATE TO ISSUE SHARES

It will be proposed at the Annual General Meeting two ordinary resolutions respectively granting the Directors general mandate to allot, issue and otherwise deal with Shares not exceeding 20% of the issued share capital of the Company as at the date of passing the resolution (excluding Shares that may be issued pursuant to the exercise of any share option scheme adopted by the Company) and adding to such general mandate so granted to the Directors any Shares representing the aggregate nominal amount of the Shares repurchased by the Company after the granting of the general mandate to repurchase up to 10% of the issued share capital of the Company at the date of passing the relevant ordinary resolutions. As at the Latest Practicable Date, the issued share capital comprised of 8,658,801,708 Shares. Subject to the passing of the relevant ordinary resolution at the Annual General Meeting, the Company will be allowed under the Share Issue Mandate to issue a maximum of 1,731,760,341 Shares. The granting of the Share Issue Mandate will ensure flexibility and discretion of the Directors in the event it becomes desirable to issue any shares of the Company. Resolution nos. 7 and 9 as set out in the Notice will be proposed at the Annual General Meeting as ordinary resolutions to grant to the Directors the Share Issue Mandate and as extended by adding the amount of any Shares repurchased by the Company under the Repurchase Mandate.

5. GENERAL MANDATE TO REPURCHASE SHARES

An ordinary resolution will also be proposed at the Annual General Meeting to grant the Directors a general mandate to exercise the powers to repurchase the Shares up to 10% of the issued and fully paid-up share capital of the Company as at the date of passing such resolution. An explanatory statement in relation to the Repurchase Mandate, as required by the Listing Rules, is set out in Appendix I to this circular. The explanatory statement contains all the information reasonably necessary to enable you as Shareholder to make an informed decision on whether or not to vote for or against the ordinary resolution to grant the Repurchase Mandate to the Directors at the Annual General Meeting. Resolution no. 8 as set out in the Notice will be proposed at the Annual General Meeting as an ordinary resolution to grant to the Directors the Repurchase Mandate.

6. PROPOSED FINAL DIVIDEND AND SPECIAL DIVIDEND

As stated in the announcement issued by the Company dated 23 March 2021 relating to the annual results of the Group for the year ended 31 December 2020, with reference to the Group's results in operations, capital expenditures and cash flows in 2020 and taking into consideration the completion of the disposal of 60% equity interest in PetroChina Beijing Gas Pipeline Co., Ltd.* (中石油北京天然氣管道有限公司) and 75% equity interest in

LETTER FROM THE BOARD

PetroChina Dalian LNG Co., Ltd* (中石油大連液化天然氣有限公司) (the “Transaction”) by the Company, the Board recommended the payment of a final dividend of RMB21.01 cents per share and a special dividend of RMB213.66 cents per share, totalling RMB234.67 cents per share to Shareholders whose names appear on the Company’s register of members (the “Shareholders Register”) on 3 June 2021 (Thursday). The payment of the final dividend is subject to the approval of the Shareholders at the Annual General Meeting and the payment of the special dividend is subject to (i) the completion of the Transaction in accordance with the terms and conditions under the equity transfer agreement entered into between the Company and China Oil & Gas Pipeline Network Corporation (國家石油天然氣管網集團有限公司) on 20 December 2020; (ii) the receipt by the Company of the proceeds from the Transaction; and (iii) the approval of the Shareholders at the Annual General Meeting. The payment is expected to be made on or before 30 July 2021 (Friday). Accordingly, the proposed final dividend and special dividend attributable to owners of the Company is RMB20,320 million in total.

7. CLOSURE OF SHAREHOLDERS REGISTER

For the purposes of determining Shareholders’ eligibility to attend and vote at the Annual General Meeting, and entitlement to the final dividend and special dividend, the Shareholders Register will be closed. Details of such closures are set out below:

(i) For determining eligibility to attend and vote at the Annual General Meeting:

Latest time to lodge transfer documents for registration	4:00 p.m. on 20 May 2021 (Thursday)
Closure of Shareholders Register	from 21 May 2021 (Friday) to 26 May 2021 (Wednesday) (both dates inclusive)
Record date	26 May 2021 (Wednesday)

(ii) For determining entitlement to the final dividend and special dividend:

Latest time to lodge transfer documents for registration	4:00 p.m. on 1 June 2021 (Tuesday)
Closure of Shareholders Register	from 2 June 2021 (Wednesday) to 3 June 2021 (Thursday) (both dates inclusive)
Record date	3 June 2021 (Thursday)

During the above closure periods, no transfer of Shares will be registered. To be eligible to attend and vote at the Annual General Meeting, and to qualify for the final dividend and special dividend, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company’s Branch Registrar in Hong Kong, Tricor Secretaries Limited, at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong no later than the aforementioned latest time.

LETTER FROM THE BOARD

8. PROXY

A proxy form for use at the Annual General Meeting is enclosed with this circular. If you intend to appoint proxy to attend the Annual General Meeting, you are requested to complete the proxy form and return it to the Company's principal office at 39th Floor, 118 Connaught Road West, Hong Kong or the Company's Branch Registrar in Hong Kong, Tricor Secretaries Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for holding the Annual General Meeting or adjourned meeting (as the case may be). Completion and return of the proxy form will not prevent you from attending and voting at the Annual General Meeting if you so wish.

The Company would like to inform Shareholders that the Listing Rules require any vote of the Shareholders (attending in person or by proxy) at a general meeting must be taken by poll and the Chairman of the Annual General Meeting will, pursuant to the Bye-laws, demand a poll vote on all the resolutions to be proposed at the Annual General Meeting accordingly. On a poll, every Shareholder who is present in person or by proxy shall have one vote for every Share of which he is a holder.

9. RECOMMENDATION

The Board is pleased to recommend the re-election of the Directors whose biographical details are respectively set out in Appendix II to this circular for Shareholders' consideration and the appointment of new auditor. The Board also considers that the proposed Repurchase Mandate, the proposed Share Issue Mandate, the proposed extension of the Share Issue Mandate by the number of shares repurchased under the Repurchase Mandate and the proposed payment of final dividend and special dividend are all in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend that all Shareholders should vote in favour of all the resolutions set out in the Notice.

Yours faithfully,
On behalf of the Board of
Kunlun Energy Company Limited
Fu Bin
Chairman

This Appendix serves as an explanatory statement given to the Shareholders, as required under the Listing Rules in connection with the proposed Repurchase Mandate.

REASONS FOR REPURCHASES

The Directors believe that the flexibility afforded by the Repurchase Mandate would be in the best interests of the Company and the Shareholders. Such repurchase of Shares may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the value of the Company, its assets and/or its earnings per Share and will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders.

SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised of 8,658,801,708 Shares.

Subject to the passing of the ordinary resolution no. 8 as set out in the Notice at the Annual General Meeting, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 865,880,170 Shares, representing 10% of the issued share capital of the Company on the date of passing the resolution, subject to adjustment of any further Shares issued or cancelled on repurchases after the Latest Practicable Date and up to the date of the Annual General Meeting.

FUNDING OF REPURCHASES

The Directors propose that repurchases of Shares under the Repurchase Mandate would be financed by the Company's internal resources and/or existing banking facilities. In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with the Memorandum of Association and Bye-laws of the Company, laws of Bermuda and the Listing Rules.

There might be material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited accounts contained in the annual report for the year ended 31 December 2020) in the event that the proposed share repurchases were to be carried out in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse impact on the working capital or the gearing position of the Company which in the opinion of the Directors are from time to time appropriate for the Company.

SHARE PRICES

The highest and lowest prices at which the Shares were traded on the Stock Exchange during each of the previous 12 months before the Latest Practicable Date were as follows:

	Share Prices	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2020		
March	5.74	2.90
April	5.14	4.19
May	5.35	4.47
June	5.27	4.55
July	6.65	4.95
August	6.74	5.47
September	5.82	4.86
October	5.40	4.83
November	6.53	5.00
December	7.70	5.68
2021		
January	7.77	6.50
February	8.06	6.58
March	8.56	7.15
April (up to and including the Latest Practicable Date)	8.75	8.08

DISCLOSURE OF INTERESTS

The Directors have undertaken to the Stock Exchange that they will exercise the Repurchase Mandate in accordance with the Listing Rules and the laws of Bermuda and in accordance with the regulations set out in the Memorandum of Association and the By-laws of the Company.

If as a result of repurchase of Shares by the Company pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of the Takeovers Code. Accordingly, a Shareholder, or group of Shareholders acting in concert (within the meaning under the Takeovers Code), could, depending on the level of increase in the Shareholders' interest, obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, the register of substantial Shareholders maintained under section 336 of the SFO showed that the Company has been notified of the following interests, being 5% or more of the Company's issued share capital.

Name	Number of Shares ⁽³⁾		Percentage of the total number of Shares in issue
	Direct interest	Indirect interest	
PetroChina Hong Kong Ltd. ("PetroChina Hong Kong") ⁽¹⁾	4,708,302,133 (L)	—	54.38%
PetroChina ⁽¹⁾	—	4,708,302,133 (L)	54.38%
Fairy King Investments Ltd. ⁽²⁾	277,432,000 (L)	—	3.20%
CNPC International Ltd. ("CNPCI") ⁽²⁾	—	277,432,000 (L)	3.20%
China National Oil and Gas Exploration and Development Corporation ("CNODC") ⁽²⁾	—	277,432,000 (L)	3.20%
CNPC ⁽¹⁾⁽²⁾	—	4,985,734,133 (L)	57.58%

Notes:

- (1) PetroChina Hong Kong is wholly-owned by PetroChina, which is in turn owned as to 80.80% by CNPC. Accordingly, CNPC is deemed to have interest in the 4,708,302,133 (L) shares held by PetroChina Hong Kong.
- (2) Fairy King Investments Ltd. is a wholly-owned subsidiary of CNPCI, which is in turn wholly-owned by CNODC, which is in turn owned as to 100.00% by CNPC. Accordingly, CNPC is deemed to have interest in the 277,432,000 (L) shares held by Fairy King Investments Ltd..
- (3) (L) indicates a long position.

In the event that the Directors exercise in full the Repurchase Mandate to be granted pursuant to the ordinary resolution to be proposed at the Annual General Meeting, the shareholding of the substantial shareholders of the Company will be as follows:

- (i) the shareholding of each of PetroChina Hong Kong and PetroChina in the Company would be increased to approximately 60.42%;
- (ii) the shareholding of each of Fairy King Investments Ltd., CNPCI and CNODC in the Company would be increased to approximately 3.56%; and
- (iii) the shareholding of CNPC in the Company would be increased to approximately 63.98%.

The Directors consider that such repurchase would not give rise to an obligation for the above Shareholders to make a mandatory offer under Rule 26 of the Takeovers Code. The Directors have no intention to exercise the Repurchase Mandate to such extent that the number of Shares held by the public would be reduced to below 25% of the issued share capital of the Company.

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their respective close associates (as defined in the Listing Rules) presently intend to sell Shares to the Company under the Repurchase Mandate in the event that the Repurchase Mandate is approved by the Shareholders.

The Company has not been notified by any core connected persons (as defined in the Listing Rules) of the Company that they have a present intention to sell any Shares, or that they have undertaken not to sell any Shares held by them to the Company, in the event that the Repurchase Mandate is approved by the Shareholders.

SHARE PURCHASES MADE BY THE COMPANY

During the previous six months' period ended prior to the Latest Practicable Date, neither the Company nor any of its subsidiaries has purchased or redeemed any of the Shares.

APPENDIX II DETAILS (INCLUDING BIOGRAPHIES) OF DIRECTORS OFFERING THEMSELVES FOR RE-ELECTION

The following are the particulars of the Directors proposed to be re-elected at the Annual General Meeting.

Mr. Fu Bin

Mr. Fu, aged 56, was appointed as an executive Director of the Company on 19 November 2020, and served as the Chairman of the Board from 19 November 2020. He is also the chairman of the nomination committee.

Mr. Fu is currently executive director of PetroChina Natural Gas Marketing Company (中國石油天然氣銷售分公司), president of PetroChina Natural Gas and Pipelines Company (中國石油天然氣與管道分公司), and executive director and president of China Petroleum Hong Kong (Holding) Limited (中國石油天然氣香港有限公司).

Mr. Fu, being a senior economist, obtained a bachelor's degree in engineering and a master's degree in engineering from China University of Petroleum, East China, and China University of Petroleum, Beijing, respectively, and completed the EMBA course at the University of Houston.

Mr. Fu has over 30 years of experience in the Chinese petroleum and gas industry. Since 1992, Mr. Fu had worked in China National Petroleum Corporation Marketing Company (中國石油天然氣總公司銷售公司), China National Petroleum Marketing Corporation (中國石油銷售總公司) and the Refining and Marketing Company of PetroChina Company Limited ("PetroChina") (中國石油天然氣股份有限公司煉油與銷售分公司). Mr. Fu became executive vice president and president of China Marine Bunker (PetroChina) Co., Ltd. (中國船舶燃料有限責任公司) in November 2003 and July 2007 respectively. He became vice president of PetroChina Marketing Company (中國石油銷售分公司) in November 2009, president of PetroChina Sichuan Marketing Company (中國石油四川銷售分公司) as well as president of Sichuan Petroleum Corporation (四川省石油集團公司) in October 2014, and president of PetroChina Marketing Company in April 2018. He became executive director of PetroChina Natural Gas Marketing Company, president of PetroChina Natural Gas and Pipelines Company, and executive director and president of China Petroleum Hong Kong (Holding) Limited in October 2020.

The Company has entered into a formal letter of appointment as an executive Director with Mr. Fu for a term of three years commencing from the date of the conclusion of the Annual General Meeting, subject to retirement and re-election in accordance with the By-laws. The Company will not provide any director's fee and emolument to Mr. Fu. He is entitled to receive the corresponding remuneration from PetroChina in relation to his posts in accordance with the requirements of the national laws and regulations and PetroChina as amended from time to time.

Save as disclosed above, Mr. Fu (i) does not hold any other position with the Company and other members of the Group; (ii) has not held any other directorship in any listed public company in Hong Kong or overseas in the last three years; and (iii) does not have any relationship with any directors, senior management or substantial or controlling shareholders of the Company.

APPENDIX II DETAILS (INCLUDING BIOGRAPHIES) OF DIRECTORS OFFERING THEMSELVES FOR RE-ELECTION

Mr. Fu does not, and is not deemed to, have any interest or short position in any Shares, underlying shares or debentures of the Company or any of its associated corporations within the meaning of Part XV of the SFO.

Save as disclosed above, there is no other information which is discloseable nor is/was he involved in any of the matters required to be disclosed pursuant to any of the requirements under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules, and there are no other matters relating to Mr. Fu's appointment which need to be brought to the attention of the Shareholders.

Mr. Qian Zhijia

Mr. Qian, aged 55, was appointed as an executive Director and Chief Executive Officer of the Company on 19 November 2020.

Mr. Qian is currently president of PetroChina Natural Gas Marketing Company (中國石油天然氣銷售分公司).

Mr. Qian, being a senior engineer, obtained a bachelor's degree in engineering and a doctorate degree in engineering from Southwest Petroleum University, and completed the EMBA course at the University of Houston.

Mr. Qian has over 30 years of experience in the Chinese petroleum and gas industry and had worked in Sichuan Petroleum Administration Bureau (四川石油管理局) and PetroChina Southwest Oil and Gas Field Company (中國石油西南油氣田分公司) since July 1989. He became vice president of PetroChina Southwest Oil and Gas Field Company in December 2009, as well as vice president of PetroChina Natural Gas Southwest Marketing Company (中國石油天然氣銷售西南分公司) in December 2016 concurrently. In May 2017, Mr. Qian became executive vice president of PetroChina Southwest Oil and Gas Field Company and vice president of PetroChina Natural Gas Southwest Marketing Company. In July 2018, Mr. Qian became president of PetroChina Natural Gas Southwest Marketing Company and vice president of PetroChina Southwest Oil and Gas Field Company. In January 2019, Mr. Qian became vice president of the Company and vice president of PetroChina Natural Gas Marketing Company. In October 2020, Mr. Qian became president of PetroChina Natural Gas Marketing Company.

The Company has entered into a formal letter of appointment as an executive director with Mr. Qian for a term of three years commencing from the date of the conclusion of the Annual General Meeting, subject to retirement and re-election in accordance with the By-laws. The Company will not provide any director's fee and emolument to Mr. Qian. He is entitled to receive the corresponding remuneration from PetroChina in relation to his posts in accordance with the requirements of the national laws and regulations and PetroChina as amended from time to time.

APPENDIX II DETAILS (INCLUDING BIOGRAPHIES) OF DIRECTORS OFFERING THEMSELVES FOR RE-ELECTION

Save as disclosed above, Mr. Qian (i) does not hold any other position with the Company and other members of the Group; (ii) has not held any other directorship in any listed public company in Hong Kong or overseas in the last three years; and (iii) does not have any relationship with any directors, senior management or substantial or controlling shareholders of the Company.

Mr. Qian does not, and is not deemed to, have any interest or short position in any Shares, underlying shares or debentures of the Company or any of its associated corporations within the meaning of Part XV of the SFO.

Save as disclosed above, there is no other information which is discloseable nor is/was he involved in any of the matters required to be disclosed pursuant to any of the requirements under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules, and there are no other matters relating to Mr. Qian's appointment which need to be brought to the attention of the Shareholders.

Mr. Zhou Yuanhong

Mr. Zhou, aged 53, was appointed as an executive Director of the Company on 12 January 2018.

Mr. Zhou is a Senior Accountant, now appointed as the Deputy General Manager of the Capital Operation Department of CNPC and a director of CNPC Capital Company Limited. With a working experience of more than 30 years in the petroleum and natural gas industry, Mr. Zhou has long been engaged in financial management and capital operation in PetroChina and possesses extensive knowledge and experience in financial management and capital operation.

Mr. Zhou successively obtained a bachelor's degree from Xi'an Shiyou Institute and a master's degree from the University of New South Wales, Australia.

The Company will enter into a formal letter of appointment as an executive Director with Mr. Zhou for a term of three years commencing from the day of the conclusion of the Annual General Meeting, subject to retirement and re-election in accordance with the Bye-laws of the Company. The Company will not provide any director's fee and emolument to Mr. Zhou. He is entitled to receive the corresponding remuneration from PetroChina in relation to his post in accordance with the requirements of the national laws and regulations and PetroChina as amended from time to time.

Save as disclosed above, Mr. Zhou (i) does not hold any other position with the Company and other members of the Group; (ii) has not held any other directorship in any listed public company in Hong Kong or overseas in the last three years; and (iii) does not have any relationship with any directors, senior management or substantial or controlling shareholders of the Company.

APPENDIX II DETAILS (INCLUDING BIOGRAPHIES) OF DIRECTORS OFFERING THEMSELVES FOR RE-ELECTION

Mr. Zhou does not, and is not deemed to, have any interest or short position in any Shares, underlying shares or debentures of the Company or any of its associated corporations within the meaning of Part XV of the SFO.

Save as disclosed above, there is no other information which is discloseable nor is/was he involved in any of the matters required to be disclosed pursuant to any of the requirements under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules, and there are no other matters relating to Mr. Zhou's appointment which need to be brought to the attention of the Shareholders.

Mr. Miao Yong

Mr. Miao, aged 47, was appointed as an executive Director of the Company on 12 January 2018 and Chief Financial Officer of the Company on 6 November 2018.

Mr. Miao, being a senior accountant, has over 20 years of working experience in the oil and gas industry in PRC. From July 2009, he was deputy chief accountant of Finance Department of PetroChina. From June 2012, he was chief accountant of PetroChina Southwest Pipelines Branch Company (中國石油西南管道分公司). From December 2016, he was Chief Accountant of PetroChina Pipelines. From July 2017, he was Chief Accountant of PetroChina Natural Gas Marketing Company.

The Company will enter into a formal letter of appointment as an executive Director with Mr. Miao for a term of three years commencing from the day of the conclusion of the Annual General Meeting, subject to retirement and re-election in accordance with the By-laws of the Company. The Company will not provide any director's fee and emolument to Mr. Miao. He is entitled to receive the corresponding remuneration from PetroChina in relation to his posts in accordance with the requirements of the national laws and regulations and PetroChina as amended from time to time.

Save as disclosed above, Mr. Miao (i) does not hold any other position with the Company and other members of the Group; (ii) has not held any other directorship in any listed public company in Hong Kong or overseas in the last three years; and (iii) does not have any relationship with any directors, senior management or substantial or controlling shareholders of the Company.

Mr. Miao does not, and is not deemed to, have any interest or short position in any Shares, underlying shares or debentures of the Company or any of its associated corporations within the meaning of Part XV of the SFO.

Save as disclosed above, there is no other information which is discloseable nor is/was he involved in any of the matters required to be disclosed pursuant to any of the requirements under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules, and there are no other matters relating to Mr. Miao's appointment which need to be brought to the attention of the Shareholders.

NOTICE OF ANNUAL GENERAL MEETING



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

(Stock Code: 00135.HK)

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company will be held at Meeting Room 316, Mingren Building, No. 101 Anli Road, Chaoyang District, Beijing, PRC on Wednesday, 26 May 2021 at 10:00 a.m. for the following purposes:

1. To receive, consider and adopt the audited Financial Statements and the Reports of Directors and of the Auditors for the year ended 31 December 2020;
2. To declare and pay a final dividend of RMB21.01 cents per ordinary share of the Company for the year ended 31 December 2020;
3. To declare and pay a special dividend of RMB213.66 cents per ordinary share of the Company;
4. (A) To re-elect Mr. Fu Bin as an executive Director;
(B) To re-elect Mr. Qian Zhijia as an executive Director;
(C) To re-elect Mr. Zhou Yuanhong as an executive Director;
(D) To re-elect Mr. Miao Yong as an executive Director;
5. To authorise the Directors to fix the remuneration of the Directors for the year ending 31 December 2021;
6. To appoint PricewaterhouseCoopers as the auditor of the Company for the ensuing year and to authorise the directors of the Company to fix their remuneration;
7. To consider and, if thought fit, pass with or without amendment, the following resolution as ordinary resolution by way of special business:

“**THAT** there be granted to the Directors an unconditional general mandate to allot, issue and deal with additional shares in the capital of the Company, and to make or grant offers, agreements and options in respect thereof, subject to the following conditions:

(a) such mandate shall not extend beyond the Relevant Period (as defined in paragraph (d) of this resolution) save that the Directors may during the Relevant Period make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period;

NOTICE OF ANNUAL GENERAL MEETING

- (b) the aggregate nominal amount of share capital of the Company allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors otherwise than any shares that may be issued pursuant to (i) a Rights Issue (as defined in this resolution); or (ii) the exercise of any share option scheme adopted by the Company for the purpose of granting or issuing shares or rights to acquire shares of the Company to the Directors, officers and/or employees of the Company and/or any of its subsidiaries; or (iii) any scrip dividend or similar arrangement pursuant to the Bye-laws from time to time, shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue at the date of passing this resolution and the said mandate shall be limited accordingly;
- (c) such mandate shall be additional to the authority to be given to the Directors to grant options under any share option scheme adopted by the Company and, at any time, to allot and issue additional shares in the capital of the Company arising from the exercise of subscription rights under such options; and
- (d) for the purpose of this resolution, “Relevant Period” means the period from the passing of this resolution until the earlier of:
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws or any applicable laws of Bermuda to be held; or
 - (iii) the date on which the revocation or variation of the authority given under this resolution by an ordinary resolution of the Shareholders in general meeting.

“Rights Issue” means the allotment, issue or grant of Shares pursuant to an offer of shares open for a period fixed by the Directors made to holders of shares on the Register of Members of the Company on a fixed record date in proportion to their then holdings of such shares (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restriction or obligation under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, or in any territory outside, Hong Kong and Bermuda).”;

NOTICE OF ANNUAL GENERAL MEETING

8. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution by way of special business:

“THAT

- (a) subject to paragraph (b) of this resolution, the exercise by the Directors during the Relevant Period (as defined in paragraph (c) of this resolution) of all the powers of the Company to repurchase shares of HK\$0.01 each in the capital of the Company on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or any other stock exchange on which the shares may be listed or traded and recognized by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and/or the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
 - (b) the aggregate nominal amount of the shares of the Company to be repurchased pursuant to the approval in paragraph (a) above shall not exceed 10% of the total nominal amount of the share capital of the Company in issue on the date of the passing of this resolution, and the said approval shall be limited accordingly; and
 - (c) for the purpose of this resolution, “Relevant Period” means the period from the passing of this resolution until the earlier of:
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws of the Company or any applicable laws of Bermuda to be held; or
 - (iii) the date on which the revocation or variation of this resolution by an ordinary resolution of the Shareholders in general meeting.”; and
9. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution by way of special business:

“THAT conditional upon the passing of resolution nos. 7 and 8 set out in the notice convening this meeting, the general mandate granted under resolution no. 7 be and is hereby extended by adding the aggregate nominal amount of shares repurchased by the Company pursuant to resolution no. 8 to the aggregate nominal amount of shares which may be allotted or agreed conditionally or unconditionally to be allotted by the Directors under resolution no. 7.”

NOTICE OF ANNUAL GENERAL MEETING

CLOSURE OF SHAREHOLDERS REGISTER

For the purposes of determining shareholders' eligibility to attend and vote at the Annual General Meeting, and entitlement to the final dividend and special dividend, the Company's register of members (the "Shareholders Register") will be closed. Details of such closures are set out below:

(iii) For determining eligibility to attend and vote at the Annual General Meeting:

Latest time to lodge transfer documents for registration	4:00 p.m. on 20 May 2021 (Thursday)
Closure of Shareholders Register	from 21 May 2021 (Friday) to 26 May 2021 (Wednesday) (both dates inclusive)
Record date	26 May 2021 (Wednesday)

(iv) For determining entitlement to the final dividend and special dividend:

Latest time to lodge transfer documents for registration	4:00 p.m. on 1 June 2021 (Tuesday)
Closure of Shareholders Register	from 2 June 2021 (Wednesday) to 3 June 2021 (Thursday) (both dates inclusive)
Record date	3 June 2021 (Thursday)

During the above closure periods, no transfer of shares will be registered. To be eligible to attend and vote at the Annual General Meeting, and to qualify for the final dividend and special dividend, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's Branch Registrar in Hong Kong, Tricor Secretaries Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong no later than the aforementioned latest time.

By Order of the Board
Xie Mao
Company Secretary

Hong Kong, 20 April 2021

NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. Unless otherwise defined, capitalised terms used in this notice shall have the same meanings as those defined in the circular of the Company dated 20 April 2021.
2. At the Annual General Meeting, the Chairman of the meeting will put each of the above resolutions to the vote by way of a poll. On a poll, every shareholder who is present in person or by proxy shall have one vote for every share of which he is the holder.
3. A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote in his/her stead. A proxy need not be a member of the Company. **Completion and return of the form of proxy will not preclude a member from attending and voting in person at the meeting or any adjourned meeting should be so wish.**
4. To be valid, the form of proxy, together with a power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power of attorney or authority, must be deposited at the Company's principal office at 39th Floor, 118 Connaught Road West, Hong Kong or the Company's Branch Registrar in Hong Kong, Tricor Secretaries Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for holding the meeting or adjourned meeting (as the case may be). The form of proxy must be completed strictly in accordance with the instructions set out therein.
5. Concerning item 4 above, in accordance with Article 97 of the Company's Bye-laws, Mr. Zhou Yuanhong and Mr. Miao Yong will retire at the closing of the Annual General Meeting, and being eligible offer themselves for re-election at the Annual General Meeting. Mr. Fu Bin and Mr. Qian Zhijia will retire at the Annual General Meeting, and offer themselves for re-election at the Annual General Meeting.
6. Concerning resolution no. 7 above, approval is being sought from the shareholders of the Company for a general mandate to issue shares to be granted to the Directors.
7. Concerning resolution no. 8 above, approval is being sought from the shareholders of the Company for a general mandate to repurchase shares to be granted to the Directors.
8. Concerning resolution no. 9, approval is being sought from the shareholders of the Company for an extension of the general mandate to be granted to the Directors pursuant to resolution no. 7 to allot shares by adding to it the number of shares repurchased by the Company under the authority granted to the Directors pursuant to resolution no. 8.

As at the date of this notice, the Board comprises Mr. Fu Bin as the Chairman and Executive Director, Mr. Qian Zhijia as the Chief Executive Officer and Executive Director, Mr. Zhou Yuanhong as Executive Director, Mr. Miao Yong as Chief Financial Officer and Executive Director, and Dr. Liu Xiao Feng, Mr. Sun Patrick and Mr. Tsang Yok Sing Jasper as Independent Non-Executive Directors.