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

昆 侖 能 源 有 限 公 司

(Stock Code: 00135.HK)

SUPPLEMENTAL ANNOUNCEMENT ON CONNECTED TRANSACTION

Reference is made to the announcements of Kunlun Energy Company Limited (the “**Company**”) dated 13 April 2021 and 16 April 2021 in relation to the establishment of the Partnership (the “**Announcements**”). Unless otherwise specified, capitalized terms used herein shall have the same meanings as those defined in the Announcements.

In order to facilitate the establishment of the Partnership, reorganize its equity structure and clarify its investment purpose and investment method, Guolian Fund, Hainan CNPC, Sichuan Huasheng, Beijing Chengtong ICBC Equity Investment Fund (Limited Partnership)* (北京誠通工銀股權投資基金 (有限合夥)) (“**Chengtong ICBC Fund**”) and CCB Financial Asset Investment Co., Ltd.* (建信金融資產投資有限公司) (“**CCB Financial Asset Investment**”) entered into a limited partnership agreement (“**Restated Agreement**”) on 28 June 2021. The terms thereof are substantially the same as that of the Partnership Agreement. Upon the signing of the Restated Agreement, Sino-Reclamation Investment is no longer a partner of the Partnership, and its original capital contribution to the Partnership will be paid by Chengtong ICBC Fund and CCB Financial Asset Investment, respectively.

SALIENT TERMS OF THE RESTATED AGREEMENT

The rights and obligations of each partner shall be governed by the Restated Agreement. Save as disclosed below, the salient terms of the Restated Agreement are the same as that of the Partnership Agreement:

Parties and Capital Contribution

Nature	Name	Payment	Capital contribution (RMB million)	Percentage
General partner, fund manager and executive partner	Guolian Fund	Cash	5.02	0.10%
Limited partner	Hainan CNPC	Cash	2,259.00	45.00%
Limited partner	Sichuan Huasheng	Cash	195.78	3.90%
Limited partner	Chengtong ICBC Fund	Cash	1,560.20	31.08%
Limited partner	CCB Financial Asset Investment	Cash	1,000.00	19.92%

Purpose of the Partnership

The Partnership is established to, through making equity investments, invest in Sichuan Huasheng, which is mainly engaged in natural gas end-user business and other energy businesses, and through using the proceeds raised by the Fund, acquire 51% of the net asset or equity of Sichuan Huasheng by way of public tender at the assets and equity exchange center, so as to acquire 51% equity interest of the company. The executive partner of the Fund shall perform its duty in a diligent manner to create lucrative return for all partners. The Fund has not entered into any agreement in respect of the public tender or the transactions contemplated thereunder, and the Fund may or may not succeed in its acquisition of 51% of the net asset or equity of Sichuan Huasheng by way of public tender.

Investment Decision Committee

The executive partner shall establish an investment decision committee with respect to the Fund's investment affairs which shall consist of five members, and Guolian Fund shall be entitled to nominate one director and four external expert members.

The entering into of the Restated Agreement will not change the contribution and shareholding ratio of the Group in the Partnership. Therefore, it will not have any material impact on relevant transactions and the Group. The Directors are of the view that the terms of the Restated Agreement are on normal commercial terms, fair and reasonable and in the interest of the Company and shareholders as a whole.

INFORMATION ON THE PARTIES

The Group, Hainan CNPC, Guolian Fund and Sichuan Huasheng

For the general information of the Group, Hainan CNPC, Guolian Fund and Sichuan Huasheng, please refer to the Announcements.

Chengtong ICBC Fund

Chengtong ICBC Fund was incorporated in the PRC on 30 August 2019, and is held directly and indirectly as to 50.00% and 50.00%, respectively, by ICBC Financial Asset Investment Co., Ltd.* (工銀金融資產投資有限公司), a wholly-owned subsidiary of the Industrial and Commercial Bank of China Limited (listed on the main board of the Stock Exchange with stock code of 1398 and on the Shanghai Stock Exchange with stock code of 601398) and China Chengtong Holdings Group Limited, a state-owned holding enterprise. Chengtong ICBC Fund is primarily engaged in investment, equity investment and investment and consultation. To the best knowledge, information and belief of the Directors of the Company after making reasonable enquiries, Chengtong ICBC Fund is a third party independent of the Company and its connected persons.

CCB Financial Asset Investment

CCB Financial Asset Investment was incorporated in the PRC on 26 July 2017, and is wholly-owned by China Construction Bank Corporation (listed on the main board of the Stock Exchange with the stock code of 939 and on the Shanghai Stock Exchange with the stock code of 601939). CCB Financial Asset Investment mainly engages in the marketisation of debt-to-equity swaps and supporting business. To the best knowledge, information and belief of the Directors of the Company after making reasonable enquiries, CCB Financial Asset Investment is a third party independent of the Company and its connected persons.

By order of the Board
Kunlun Energy Company Limited
Xie Mao
Company Secretary

Hong Kong, 28 June 2021

As at the date of this announcement, the Board of the Company comprises Mr. Fu Bin as the Chairman and executive Director, Mr. Qian Zhijia as 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.