



Towngas announces interim results for 2021

(20 August 2021) The Hong Kong and China Gas Company Limited (Towngas) announced its 2021 interim results today, declaring an interim dividend of HK 12 cents per share. The key figures are as follows:

Towngas' 2021 Interim Results

- The Group's unaudited profit after taxation attributable to shareholders for the six months ended 30 June 2021 amounted to HK\$4,200 million, up by HK\$1,533 million from the same period last year, an increase of 57.5%
- Earnings per share amounted to HK22.5 cents
- An interim dividend of HK12 cents per share was declared for year 2021

With the COVID-19 pandemic spanning over a year and a half as of mid-2021, over 200 billion positive cases have been recorded in over 200 countries and regions around the world. Thanks to its effective preventive and containment measures, China has been able to curb the spread of the epidemic and swiftly resume work and production, enabling the mainland's continuous stable economic recovery in the first half of the year. Aside from the supply of certain parts such as chips, a smooth supply and demand cycle has been maintained, injecting momentum for the market.

In terms of the Group's Hong Kong business, the city's unemployment rate for the second quarter slightly decreased to 5.5 per cent; while multiple economic figures have proven positive, gas sales for the food and beverage industry have declined as a result of dine-in and operating hour restrictions. The city's average temperature, which has been higher than that of last year, has also impacted residential gas sales. Nevertheless, as town gas service is closely tied to the public's daily needs, the number of local customer accounts has increased by about 9,000 since the end of 2020 to 1.95 million households. Likewise, gas appliance sales rose 12.8 per cent compared to the same period last year.

With respect to its mainland business, in the first half of the year, the Group's total gas sales volume rose 28 per cent, while the number of customer accounts increased to 33.02 million households. In July, Towngas China completed its subscription of a 25 per cent equity interest in Shanghai Gas, the results of which will be accounted for in the second half of the year. Benefitting from the continued solidification of economic operations, profit from the Group's mainland utilities business also recorded considerable growth, which is expected to continue for the second half of the year.

In addition, the hydro-treated vegetable oil (HVO) project in Zhangjiagang city, Jiangsu province under ECO, a subsidiary of the Group, has been officially commissioned last August. With the project's production capacity expanding 40 per cent in the fourth quarter, profit for the second half of the year is expected to increase significantly. The International Air Transport Association (IATA)'s continuous advocacy for sustainable aviation fuel (SAF) is set to increase its value. Possessing the technology necessary for manufacturing SAF, ECO will lay a solid foundation for the Group's further development of its biomass utilisation business.

Guided by a stable yet enterprising operational strategy, the Group will continue its proactive development of smart energy and drive its projects in the fields of zero-carbon industrial park, multi-energy complementary systems, photovoltaics, energy storage and conservation systems and beyond. Going forward, the Group will continue cultivating strategic areas such as Beijing, Tianjin and Hebei, the Yangtze River Delta and the Guangdong-Hong Kong-Macao Greater Bay Area, among others. The Group is set to develop in diverse directions that are favourable to the entire business alongside its innovative research and development as well as operational edge spanning various industries to bring about long-term growth in its relevant businesses.

For more details, please refer to the preliminary 2021 interim results announcement on the Company website at www.towngas.com and the HKEX News website at www.hkexnews.hk.

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