

## News flash: Hong Kong and China Gas (0003.HK) 2018 Annual Results

Dear Investors & Analysts,

(20 March 2019) The Hong Kong and China Gas Co., Ltd. (3 HK) is pleased to announce today its annual results for the year ended 31 December 2018.

### Results Highlights:

#### Group Results

- Profit after taxation attributable to shareholders of the Group for the year ended 31 December 2018 amounted to HK\$9,313 million, an increase of HK\$1,088 million or 13.2%
- Earnings per share amounted to HK 60.5 cents (+13.2%)
- Final dividend of HK 23 cents per share was declared (full year dividend: HK 35 cents per share)

#### Hong Kong Core Business: Moderate Growth

- Operating profit after tax grew by 2% to HK\$3.1Bn
- Gas sale volume recorded a growth of 1.7% to 29,550TJ
- Number of customers reached 1.91 million

#### Mainland Utilities Business: Progressing Steadily

- Operating profit after tax increased by 4% to HK\$3.8Bn
- Total gas sales volume grew by 20% to 29Bn m<sup>3</sup>, with city-gas volume rising 18% to 23Bn m<sup>3</sup> and midstream volume increasing 28% to 6Bn m<sup>3</sup>
- Added 14 new projects (January 2018 to 2019 YTD)

#### New Energy Business: Fast Growth

- Operating profit soared 42% to HK\$534Mn
- Improvement of contribution from projects in Mainland China
- Focusing on conversion of wastes into clean energies and materials, employing in-house developed technologies

**Please find in the attached the 2018 annual results announcement and a link to our investors' presentation for your information.**

For any enquiries, please feel free to contact me or my assistant Ms Fion Chan at 2963-3189.

Regards,

**W K Lo**

General Manager - Corporate Treasury & Investor Relations

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## **About The Hong Kong and China Gas Company Limited (HKCG)**

HKCG was founded in 1862 – the first public utility to begin operations in Hong Kong. Initially established to light up the streets of Hong Kong, our business in the territory today consists of the production and distribution of town gas, its marketing and sale, the provision of a full range of gas appliances, as well as comprehensive after-sales services.

Expanding into the mainland in 1994, our businesses in China include upstream, midstream and downstream gas projects, ranging from city-gas to natural gas storage, distributed energy system, gas transportation and vehicular gas refilling station projects. We have also diversified into telecommunications, building services, water supply, wastewater and food waste treatment, among others. In the past few years, in line with our vision to become a major energy supplier with an environmentally friendly focus, we have seen investment into new and unconventional energies, with projects ranging from the utilization of landfill gas to conversion of low value feedstock or wastes into high value clean energy and materials, emphasizing on self-developed green technologies.