

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

Dear Investors & Analysts,

(19 August 2020) The Hong Kong and China Gas Co., Ltd. (3 HK) is pleased in announcing today the unaudited interim results for the six months ended 30 June 2020.

Interim Results Highlights:

Group Results

- Operating profit of principal businesses after taxation for the six months ended 30 June 2020, exclusive of the shared revaluation loss from an investment property, the International Finance Centre complex and provision for assets, was HK\$ 3,517 million, a decrease of 9%
- Profit after taxation attributable to shareholders of the Group for the six months ended 30 June 2020 amounted to HK\$ 2,667 million, a decrease of 31%
- Earnings per share amounted to HK 15 cents (-31%)
- Interim dividend of HK 12 cents per share was declared (same as 2019)

Hong Kong Core Business

- Operating profit after tax amounted to HK\$ 1.7 billion, an increase of 1%
- Gas sale volume was approximately 15,165 million MJ, a decrease of 3.9%, mainly due to COVID-19
- Number of customers reached 1.93 million

Mainland Utilities Business

- Operating profit after tax reached HK\$1.8 billion, a decrease of 17%
- Total city-gas volume decreased by 4% to 12.4 billion m³ and midstream volume grew by 9% to 3.8 billion m³, making a total gas volume of 16.2 billion m³, a decrease of 1%
- Invested in Tongshan Caofeidian LNG receiving terminal, with an import right of 1 million ton per year
- Building first mover ‘Smart Energy’ strategy

New Energy Business

- Operating profit after tax decreased by 25% to HK\$ 67 million, mainly due to depressed commodities price and worsening trade relation
- Stable income from aviation fuel facility in Hong Kong
- Capitalization on R&D achievements for advanced biofuels and agricultural waste utilization projects

Please find in the attached the [2020 interim results announcement](#) for your information. You may refer to the results presentation for more information on the group’s results.

The presentation could be downloaded via the following link.

https://www.towngas.com/getmedia/ac1e1875-a829-4617-9902-0a15408bd1c1/HKCG_2020_InterimResults_Presentation_0818.pdf.aspx?ext=.pdf

For any enquiries, please feel free to contact me or my assistant Ms Fiona Kan at 2963-3189 (email: fiona.kan@towngas.com).



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.

HKCG has invested in 267 projects across 26 provincial regions in mainland China.