



Towngas

The Hong Kong and China Gas Company Limited

Press Release

**Towngas announces tariff adjustment; promises tariff freeze
for two years**

(29 March 2010) The Hong Kong and China Gas Company Ltd (Towngas) announced that it will raise its standard tariff by 0.6 cents per MJ effective from 1 April 2010. The increase is equivalent to 2.6% of its current effective tariff. Over 90% of its residential customers will pay no more than \$8.50 extra for their gas consumption each month. Towngas also promises to freeze its standard tariff for the next two years.

Customers of Towngas' various concession schemes, including the elderly, people with disabilities and single parent families will not be affected by the latest tariff adjustment. These customers will continue to enjoy a 50% discount for the first 500MJ of town gas they consume each month, and their Monthly Maintenance Charge and spare parts costs are waived.

“This is the second time we adjust our standard tariff in 12 years, and we consider the adjustment a modest one. This is necessary in view of the continuous upward trend of our operating expenses, such as staff costs, materials and rentals. At the same time, Towngas continues to invest hundreds of millions of dollars annually in its gas network and infrastructure to ensure a safe and reliable gas supply to customers,” said Towngas Managing Director Alfred Chan Wing-kin. Mr Chan also said that after careful examination of the company's cost structure and different needs in the community, Towngas will freeze its tariff for the next two years.

As an energy supplier, Towngas has always made its best efforts to protect the environment and exercise effective cost control measures. It introduced natural gas as dual feedstock for town gas production in October 2006, passing on directly fuel savings of \$3.7 billion to customers since then. The effective town gas price in 2009 was 18% lower than that before the introduction of natural gas.



Towngas

The Hong Kong and China Gas Company Limited

Press Release

Towngas will continue to invest in its infrastructure to supply gas to newly-developed areas, providing safe and reliable supplies to its customers. Apart from delivering all customers with excellent services, the company works proactively to care for the needy and the environment.

*** ***

For press enquiries, please contact:
Corporate Communications Department
The Hong Kong and China Gas Company Limited
Tel: 2963 3493
Fax: 2516 7368