

News flash: Hong Kong and China Gas (3 HK) – Official Opening of Underground Salt-Cavern Gas Storage

Dear Investors & Analysts,

(7 November 2018) The Hong Kong and China Gas Co Ltd (“Towngas”) is pleased in announcing that its underground salt-cavern gas storage at Jintan, Jiangsu Province, China has officially opened and commenced operation. This marks China’s first underground salt-cavern gas storage facility built by a city-gas enterprise.

The Towngas China Jintan Gas Storage provides a total storage capacity of about one billion cubic metres with 22 gas wells constructed in three phases. The current commencement of the first phase with three wells offers a storage capacity of about 100 million cubic metres and provides a maximum daily capacity of 5 million cubic metres.

The underground gas storage will provide emergency peak shaving supply for Eastern China area and the rest of the country and therefore will help to provide sufficient natural gas supply to Towngas’ companies. The storage could enable us to leverage on seasonal fluctuation in gas prices in our acquisition, storage and supply of gas so that greater economic benefits will be achieved for our Group.

Please refer to the attached press release for more information.



HKCG_Jintan-Underground-Cavern_

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, 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 253 projects across 26 provincial regions in mainland China.