

## News flash: Hong Kong and China Gas (0003.HK) 2019 Interim Results

Dear Investors & Analysts,

(20 August 2019) The Hong Kong and China Gas Co., Ltd. (3 HK) is pleased to report the unaudited interim results for the six months ended 30 June 2019.

### Results Highlights:

#### Group Results

- Profit after taxation attributable to shareholders of the Group for the half-year ended 30 June 2019 amounted to HK\$3,889Mn, a decrease of 18.8%
- Profit after taxation for the half-year ended 30 June 2019 exclusive of the shared revaluation surplus from an investment property, the International Finance Centre complex, was HK\$3,752Mn, a decrease of 5.3%
- Earnings per share amounted to HK 23 cents (-18.8%)
- An interim dividend of HK 12 cents per share was declared

#### Hong Kong Core Business: Growth Slowly

- Operating profit after tax amounted to HK\$1.67Bn
- Gas sale volume was approximately 15,776Mn MJ, a decrease of 2.4%, mainly due to exceptionally hot weather
- Number of customers reached 1.92 million

#### Mainland Utilities Business: Progressing Well

- Operating profit after tax reached HK\$2.12Bn, an increase of 2% (an increase of 7.8% in constant Rmb)
- Total city-gas volume increased by 13% to 12.9Bn m<sup>3</sup> and midstream volume grew by 18% to 3.5Bn m<sup>3</sup>, making a total gas volume of 16.4Bn m<sup>3</sup>, an increase of 14%
- Added 5 new projects

#### New Energy Business: Progressing Steadily

- Operating profit after tax decreased by 67% to HK\$90Mn
- Hong Kong aviation fuel facility, LPG refilling stations & landfill gas utilisation are operating well
- Clean coal chemical project in Inner Mongolia worsened noticeably due to a significant fall in the selling price of methanol and ethylene glycol caused by a reversal of the external economic environment
- New energy business will continue to develop and apply new technologies for conserving energy and reducing pollutant emissions

**Please find in the attached the 2019 interim results announcement.**

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.

HKCG has invested in 260 projects across 26 provincial regions in mainland China.