



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

Dear Investors & Analysts,

(19 March 2020) The Hong Kong and China Gas Co. Ltd. (3 HK) is pleased to report today the audited annual results for the year ended 31 December 2019.

Results Highlights:

Group Results: Stable Operating Results

- Profit after taxation for the year ended 31 December 2019 exclusive of the shared revaluation surplus from an investment property, the International Finance Centre complex, was HK\$ 6,766 million, a decrease of 7%
- Profit after taxation attributable to shareholders of the Group for the year ended 31 December 2019 amounted to HK\$ 6,966 million, a decrease of 25%
- Earnings per share amounted to HK 41 cents (-25%)
- Final dividend of HK 23 cents per share was declared (Full year dividend maintained at HK 35 cents per share)
- A bonus issue of one share for every twenty shares held was declared
- Resilient public utilities as core business

Hong Kong Core Business: Stable & Resilient

- Operating profit after tax amounted to HK\$ 3.0 billion, a decrease of 4%
- Gas sale volume was approximately 28,712 million MJ, a decrease of 2.8%, mainly due to record high temperature
- Number of customers reached 1.93 million

Mainland Utilities Business: Continuous Growth

- Operating profit after tax reached HK\$3.9 billion, an increase of 1% (an increase of 5% in constant Rmb)
- Total city-gas volume increased by 11% to 25.5 billion m³ and midstream volume grew by 19% to 7.1 billion m³, making a total gas volume of 32.6 billion m³, an increase of 13%
- Growing concern over environmental protection provide good potential for growth in natural gas market

New Energy Business: Progressing Steadily

- Operating profit after tax decreased by 68% to HK\$ 0.2 billion
- Hong Kong aviation fuel facility, LPG refilling stations & landfill gas utilisation are operating well
- The development of advanced biofuel project at Jiangsu province and agricultural waste utilization project at Hebei province are in good progress
- Aspiration for environmental protection creates increasing demand for renewable energy

Please find in the attached the [2019 annual results announcement](#) for your information. You may refer to the [results presentation](#) for more information on the group's results.

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 266 projects across 26 provincial regions in mainland China.