



News flash: Hong Kong and China Gas (0003.HK) – New City Water Project Investment

Dear Investors & Analysts,

(10 October 2018) The Hong Kong and China Gas Co Ltd (HKCG) is pleased to announce that it has invested in Foshan Water Environmental Co Ltd (Foshan Water) with a 26% equity stake at an investment cost of RMB 550 million. This is HKCG's first water project in the Guangdong-Hong Kong-Macau Greater Bay Area (Greater Bay Area), China.

Foshan Water Environmental owns 15 water plants with a total daily capacity of supplying 1.94 million tonnes of fresh water. The Company, with advanced water technologies and in a leading position nationwide, serves a total area of 2,060 square kilometres with over 800,000 customers, covering the major districts of the Foshan City in Guangdong Province, China.

The Foshan city government is promoting a three-year plan of city cleaning and management with 968 initiatives and planned investment of RMB352 billion, which will provide a bright development future for the Company in possible participating in other utilities, environmental and related infrastructure businesses.

Foshan City is one of the major hubs in the economically vibrant Pearl River Delta and the fast developing Greater Bay Area. Investment in the Foshan Water Environmental would definitely provide synergy to HKCG's strong presence in the city-gas projects in the area and also to the 7 water and recycling projects in Jiangsu and Anhui Provinces in eastern China.

A copy of HKCG's press release is enclosed for your information.



Foshan Water
Project_Press Release

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, 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.