The Hong Kong and China Gas Company Limited (0003.HK)

2026 Interim Results

18 August 2026

Stable Utility Business & Maturing Growth Business

Restructuring to Unlock Value

- Dual growth drivers: **Utility** & **Growth Business**
- Green Fuels deployed across “marine, land and air”
- Successfully attracted investors to facilitate business expansion

Diversified Layout; Scaled-up Development

- Green fuels (green methanol, SAF, zero-carbon parks and PV generation) included in the 15th Five-Year Plan to expand scale and profitability of growth businesses
- National strategies to expand domestic demand, boost consumption and support steady growth of Towngas Lifestyle

Towngas

Utility Business

Hong Kong Gas Business

- Gas sales volume dropped by 3.5% YoY amid high temperature & outbound trips
- Successfully increased basic tariff by HK1.25 cents (+4.4%) and increased monthly maintenance charge by HK$1. Incremental annual revenue: ~HK$0.4 billion
- The first green hydrogen facility using biogas is scheduled to commence operation in Q4

Mainland Gas Business

- Diversified sourcing optimised gas supply costs
- Cost pass-through steadily completed with dollar margin increased by 0.01 RMB/m^3 to 0.55 RMB/m^3. Incremental revenue: ~RMB0.2 billion
- "Gas+" energy efficiency business momentum sustained, driving gas sales volume up to 0.11 billion m^3. Incremental revenue: ~RMB0.4 billion

Mainland Water and Environment

- Water and solid waste volumes increased by 2% and 5% respectively, driving net profit growth
- Expanded value-added services including operation trusteeship via asset-light model
- Optimised intelligent management and scheduling, delivering sustained improvement in operational efficiency

1H2026 Business Highlights

Towngas

Growth Business

ecoceres	VENEX	港华能源 Towngas Energy	Towngas Lifestyle 名气家
Advanced Biofuels	**Green Methanol**	**Renewable Energy**	**Extended Business**
• Market demand unfolded, sales volume doubled YoY • Zhangjiagang plant: stable operations. Malaysia plant: trial production on track. Total annual designed production capacity: 770,000 tonnes • Actively expanding into Asia-Pacific markets and diversified application scenarios such as data centres	• Sales volume: ~3,200 tonnes • Foshan project construction starts this year • Advanced green methanol bunkering in Hong Kong in line with government green policies	• Completed 0.24 GW of AuM, bringing cumulative AuM to 1.5 GW with total financing of RMB5.5 billion • Developed high-quality projects. Annual target: 1 GW PV grid-connected • Asset-light business achieved rapid growth	• Deepened community service network and expanded business channels • AI-driven service upgrades to boost customer loyalty • Revenue increased by 11% YoY, alongside sustained solid financial performance

1H2026 Overview of Business Operations

Utility Business

Hong Kong

Gas Sales Volume (TJ)
14,414 -3.5%
Equivalent to ~0.4 Billion m³ of Natural Gas

Customers* (million)
2.07 +0.015

From August 2026
Basic Tariff +4.4%
Monthly Maintenance Charge +1 HK$/household
Incremental annual revenue: ~HK$0.4 billion

Mainland

Gas Sales Volume (billion m³)
18.60 Remains Steady

Customers* (million)
44.96 +0.69

City Gas Dollar Margin (RMB/m³)
0.55 +0.01
Incremental revenue: ~RMB0.2 billion

Water Volume (billion tonnes)
0.80 +2%

Environment (Solid Waste) (million tonnes)
0.83 +5%

Growth Business

Green Fuels

Advanced Biofuels (thousand tonnes)
Annual Production Capacity: 770
Sales Volume: 320

Green Methanol (thousand tonnes)
Annual Production Capacity: 100
Sales Volume: 3

Renewable Energy

Accumulated PV Grid-connected* (GW)
3.0 +0.2

PV Generation Volume (billion kWh)
1.32 +12%

Electricity Trading Volume (billion kWh)
7.23 +99%

Extended Business

Customer Coverage* (million)
47.03 +0.705

Kitchen Appliance Sales Volume (million units)
Hong Kong: 0.15
Mainland: 0.27
Total: 0.42 +0.02

*Note: growth in customers and accumulated PV grid-connected is based on end-2025 figures

Agenda

Financial Highlights

2026 Interim Operating Profit after Tax

Towngas

(Unit: HK$ million)

Utility Business		Growth Business			Others
Hong Kong	Mainland	Extended Business	Renewable Energy	Green Fuels	Rental、Telecommu-nications
2,046	1,686	269	52	542	151
	(Towngas: 1,405) (Huayan Water: 281)	(Towngas Lifestyle: 307)	(1083.HK: 80)	(EcoCeres: 634) (VENEX: -92)	(Rent: 218) (Others: -67)
-5%	+8%	+8%	-55%	EcoCeres Achieved Strong Growth	+40%

Operating Profit after Tax: 4,746 million +19%

Profit Attributable to Shareholders: 3,640 million +23%

2026 Interim Results

Towngas

(Unit: HK$ million)	1H2025	1H2026	Change (%)
Revenue	27,514	29,526	+7
Operating Profit after Tax	**3,996**	**4,746**	**+19**
Corporate Financial Expenses	(763)	(789)	-3
Core Operating Profit	**3,233**	**3,957**	**+22**
Profit Attributable to Shareholders	**2,964**	**3,640**	**+23**

Basic Earnings per Share (HK Cents)	15.9	19.5	+23
Interim Dividend per Share (HK Cents)	12.0	12.0	Remains Steady

Financial Position

(Unit: HK$ billion)	Dec 2025	Jun 2026
Total Assets	163.6	168.0
Net Assets	71.4	72.7
Total Borrowings	59.7	62.5
Less: Cash	6.6	8.5
Net Borrowings	53.1	54.0
Net Gearing Ratio*	43%	43%

*Note: Net Debt / (Net Debt + Net Assets)

Credit Rating: STANDARD & POOR'S RATINGS SERVICES **A-** MOODY'S **A1**

Financial Prudence & Capital Discipline

(Unit: HK$ billion)	1H2025	1H2026
0003.HK (Including 1083.HK)	2.5	2.0
1083.HK	1.4	0.8*

***Note: Renewable Energy capital expenditure totalled HK$0.3 billion, supported by AuM financing to meet funding requirements**

Utility Business

——Hong Kong Gas Business

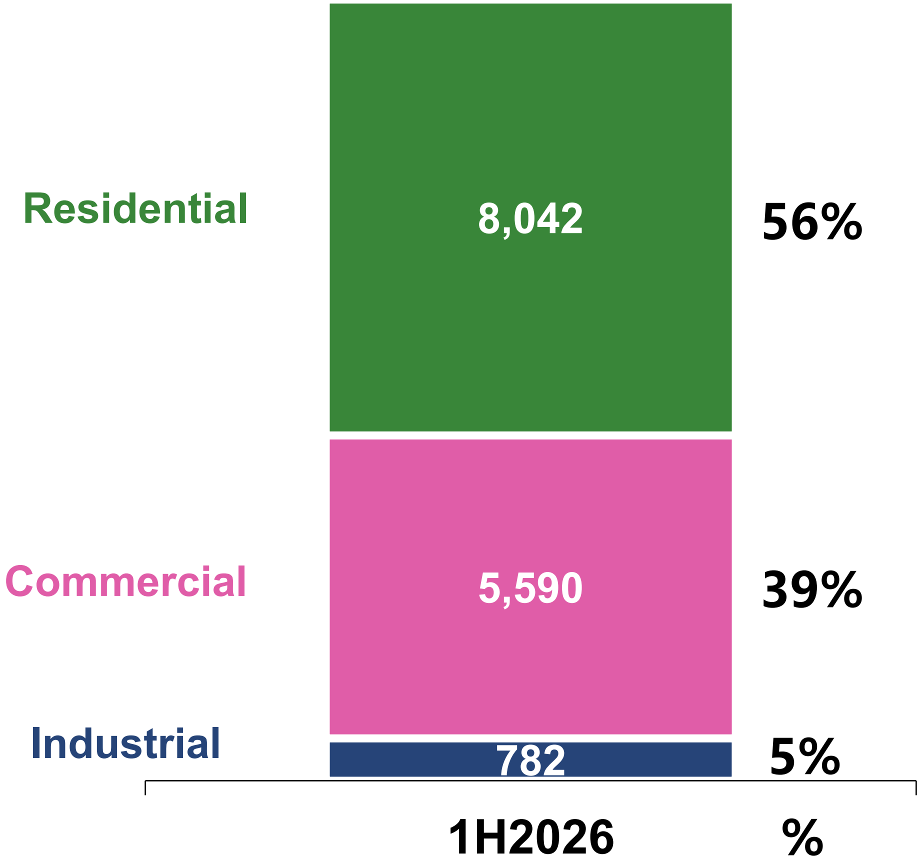
Gas Sales Volume Driven by High Temperature and Northbound Consumption

Gas Sales Volume

(Unit: TJ)

14,414 (-3.5%)*

(Equivalent to ~0.4 Billion m³ of Natural Gas)



Changes in Gas Sales Volume

(Unit: TJ)

Residential		-544
Commercial	Catering	+22
	Hotels	+2
	Hospitals & Social Welfare Agencies	+1
	Theme Parks	+1
Industrial	Food & Laundry Workshops	-2

* 1°C YoY increase in temperature;
8% increase in HK residents' outbound consumption trips

Stable Gas Business

Stable Profit Performance

- Adjusted basic tariff (+HK1.25 cents) and monthly maintenance charge (+HK$1). Incremental revenue: ~HK$0.4 billion
- Visitor arrivals to HK continued recovering, increased by 13% YoY in 1H2026
- 1H2026 GDP increased by 5.1% YoY, hitting a five-year high
- Negatively affected by 1°C YoY increase in temperature and 8% increase in HK residents' outbound consumption trips

Northern Metropolis Development Accelerated

- Planned population: 1.5 million
- Gas sales volume: ~5,500 TJ (~160 million m^3)
- Actively supporting and participating in new developments and the Northern Metropolis Action Agenda

Hydrogen Business Established; Pilots Progressing Orderly in 2H2026

Commercialised Hydrogen Energy Business

- Hydrogen extraction from pipelines – safe and convenient: daily supply capacity of 30 tonnes
- Joined forces with leading enterprises to build hydrogen energy ecosystem
- Demonstration project: hydrogen refueling system at Shatin Science Park

Green Fuel Used in Construction Sites

- 10 hydrogen projects currently under development
- Including 3 ongoing construction site power generation system projects:
  - Henderson Construction Site (Central)
  - HKHS Project (Shau Kei Wan)
  - Tuen Mun Villa Project

Supplies power to 5 charging bays, scheduled for commissioning in Q4 2026

Henderson Land construction site power supply system, scheduled for commissioning in Q4 2026

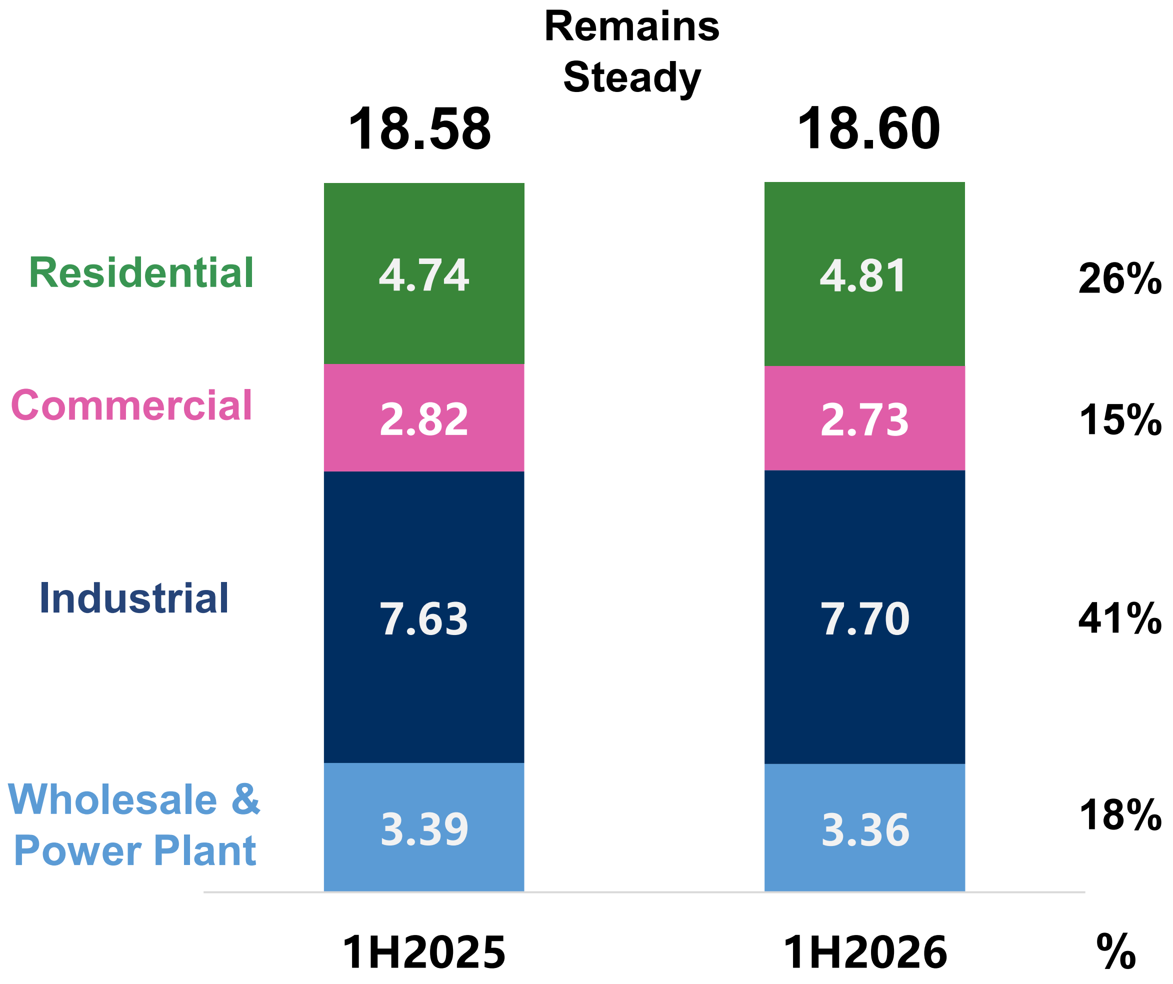
Utility Business

——Mainland Gas Business

Stable Gas Sales Volume

Gas Sales Volume

(Unit: billion m^3)



- PRC NG usage dropped by 2.4% YoY in 1H2026
- Notable impact due to mild winter: average winter temperature increased by 1.5°C, second-highest on record
- Affected by the mild winter, commercial gas sales volume dropped by 3% YoY
- Industrial gas sales volume remained stable, with strong growth in sectors such as non-ferrous metals and the "New Trio" industries

Steadily Rising Dollar Margin

Selling Price, Gas Cost and City Gas Dollar Margin

(Unit: RMB/m³)		1H2025	1H2026	Changes
Selling Price	Residential	2.82	2.83	+0.01
	Commercial	3.65	3.65	-
	Industrial	3.53	3.51	-0.02
Average Selling Price		3.35	3.34	-0.01
Gas Cost		2.81	2.79	-0.02
City Gas Dollar Margin		0.54	0.55	+0.01

Incremental revenue: ~RMB0.2 billion

- Dollar margin improved
- Dynamic sourcing countered market fluctuations, optimised costs and secured gas supply
- C&I cost pass-through is completed; over 90% of the enterprises completed residential cost pass-through

Connection Business Revenue

Towngas

PRC real estate market remained weak, new connections under pressure

The number of residential connections

(Unit: thousands)

1H2025	1H2026	Changes (%)
691	499	-28

Unit residential connection fee: ~RMB3,000 /household

- Affected by weak PRC real estate market, new connections declined
- Expanded coverage on resettlement housing and old urban district renewal projects
- Real estate stabilisation policies continuously eased downward pressure on the market

Advancing "Gas+" Energy Efficiency Business Expansion

(Unit: RMB)

Captured Incremental C&I Gas Demand and Integrated Energy Revenue

- Advancing gas-for-steam/electricity substitution. Secured 98 major customers in 1H2026, adding 0.26 billion m³ gas volume
- "Gas+" delivered integrated energy supply, energy trusteeship and energy-saving services. Energy sales: 1.63 billion kWh (+18%), driving gas sales volume up to 0.11 billion m³
- Integrated energy revenue: 0.79 billion (+13%); gross profit: 0.22 billion (+14%). Business scale and profitability improved simultaneously
- Jointly developed 530 C&I customers with annual contracted electricity sales volume of 3.1 billion kWh

"Gas+" featured extensive application scenarios and vast market potential

Food	Chemicals	Pharmaceuti-cals
Textiles	Machinery	Electronics
Advanced Materials	Automotive Manufacturing	Building Materials

Gas Supply Chain: Assurance of Gas Supply

- **Enhance gas supply security & cost efficiency management to sustain business growth**

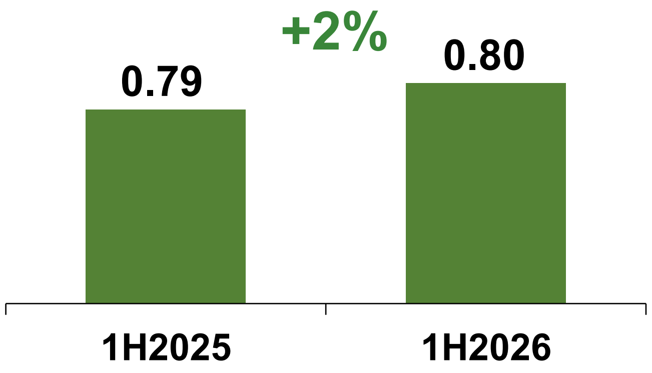
- Total gas sales volume reached 36.35 billion m³ in 2025, including coordinated gas volume of 4.64 billion m³ (accounting for 13%). Cost saving: ~RMB0.4 billion
- Implemented a 15 billion m³ (1.5 billion m³/year) pipeline gas LTA with the "Three Majors"; average unit price is ~RMB0.30/m³ below standard contract price
- LNG LTA trading is expected to generate ~RMB0.2 billion of profit over the next two years
- Gas storage: working gas volume of 0.34 billion m³; strengthened coordination with national pipeline networks on peak-shaving and emergency supply-security, optimised transportation routes and added over 100 injection-offtake points
- Coordinated and secured gas supply of 2.84 billion m³ in 1H2026

Utility Business

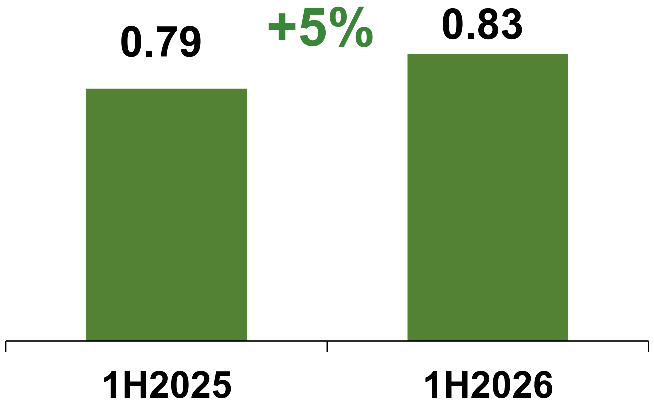
——Mainland Water & Environment

Water and Environmental Business Sustains Growth

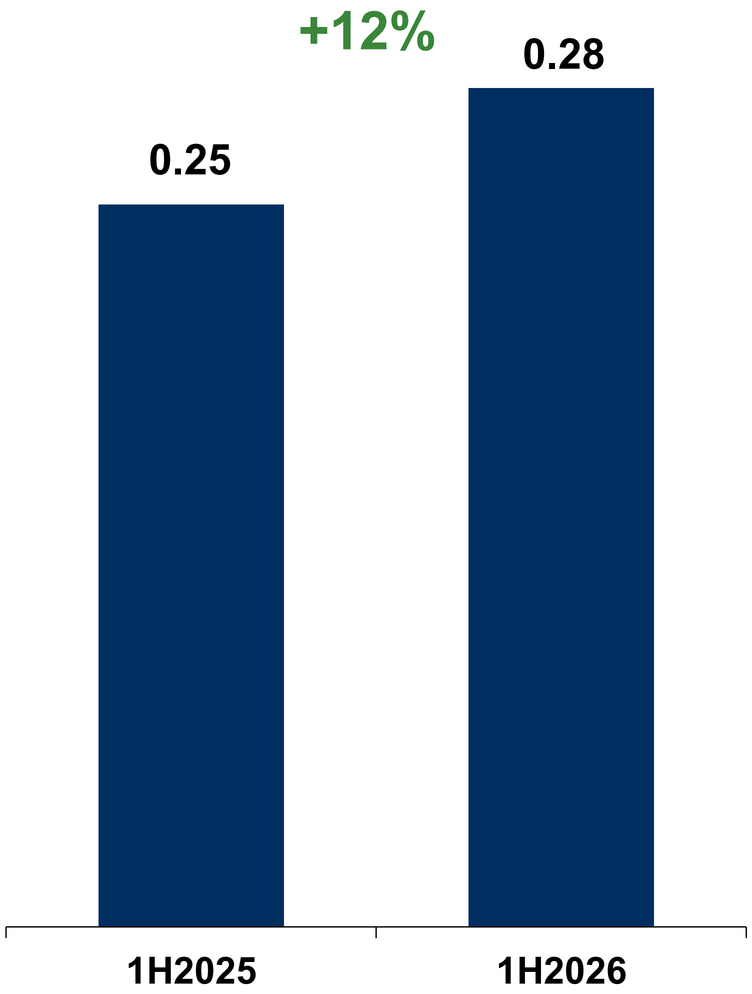
Water Volume
(Unit: billion tonnes)



Environment (Solid Waste)
(Unit: million tonnes)



Net Profit
(Unit: HK$ billion)



- Growth in water and solid waste volume boosted net profit
- Expanded value-added services including operation trusteeship via asset-light model
- Optimised intelligent management and scheduling to steadily improve operational efficiency
- Projects are located mainly in economically developed areas of Jiangsu, Anhui and Guangdong, maintaining stable operations

Growth Business

——Green Fuels

Ramp Up under SAF Mandates; Robust European HVO Demand

ecoceres

SAF

SAF Mandates

2025: 2%
to
2030: 6%[1]

2025: 2%
to
2030: 10%[2]

HVO

29%

2030 Transport-sector

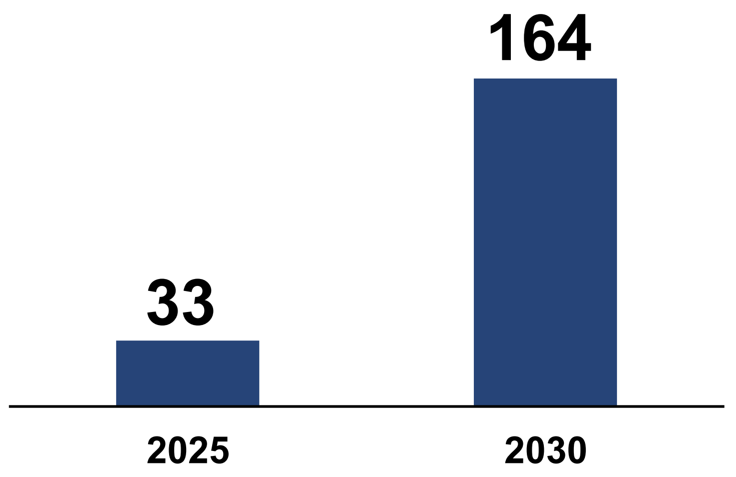
Renewable Energy Share[3]

Market Demand[4] **(million tonnes)**

~15 2025

~45 2030

Market Size[5] **(USD billion)**



- Market demand growth is expected to **outpace** new production capacity growth
- Gradual rollout of tighter mandates sustain market demand and **long-term growth**

Source: Argus Media
Notes:
1. Refuel EU
2. GOV.UK
3. EU RED III
4. Includes policy-driven demand only
5. Includes SAF and HVO

SAR Government Driving Industry Growth

- Constructed the Group's third production base in Dongguan
- Planned production capacity: 450,000 tonnes

Created an Integrated "End-to-End" Model

Greater Bay Area	Dongguan	Hong Kong
Waste-based Feedstock Collection	Refining Production	Blending, Refueling and Trading

Strong Progress in Customer Acquisition

- Under the extended agreement, EcoCeres' SAF is expected to help British Airways avoid approximately 198,000 tonnes of lifecycle carbon emissions, equivalent to offsetting the carbon footprint of around 341,000 round-trip economy class seats on direct flights between London and New York

- Schedule to supply SAF to Viva Energy Australia for storage and distribution through Viva Energy's Pinkenba fuel terminal in Brisbane, Queensland

Data Centres Fuel Supply

- Partnered with GDS to launch China’s first HVO pilot for data centres, pioneering a new low-carbon computing pathway

- Partnered with Singapore Bridge Data Centres to complete Southeast Asia’s first HVO-powered data centres backup fuel pilot

Green Methanol Deployment in the GBA & Belt and Road, Expanding Global New Energy Footprint

VENEX

Expanding Cooperation

Mainland

- Participated in the Ministry of Transport's sustainable transport certification system, becoming one of the first certified enterprises
- Invited to the UN High-level Political Forum on Sustainable Development to share a "Best Global Sustainable Transport Practice" case

Hong Kong

- Aligned with government priorities to advance green methanol bunkering in Hong Kong
- Strategically partnered with Sinopec, Geely and others to deploy methanol supply chain and diversified application scenarios

Opportunities & Challenges

- IMO will finalise the implementation timeline for the global shipping carbon tax in December
- 15th Five-Year Plan will comprehensively scale up the application of green fuel across maritime shipping and aviation sectors nationwide

Production & Sales

Green Methanol Sales Progressed Well

- Inner Mongolia plant sales in 1H2026: ~3,200 tonnes
- Completed first deliveries to chemical customers, including global industry leader BASF
- Orders from Samsung and other partners are steadily fulfilled

Foshan Project

- Sanshui plant: scheduled to officially commence in Q4 (commence operations in 2028)

Growth Business

——Renewable Energy

Consolidated Leading Position in C&I PV

- Covered 128 zero-carbon industrial parks
- Invested and managed PV installed capacity of 3 GW
- Invested and managed energy storage installed capacity of 0.85 GWh
- 3,500 industrial electricity customers with electricity sales of 7.2 billion kWh in 1H2026

Capital Recycling via AuM for New Project Investment

港华能源
Towngas Energy

Issued 4 tranches of Quasi-REITs and 1 tranche of inter-institutional REIT, totalling 581 MW

Inter-institutional REIT Issuance Ceremony (May 2026, Shenzhen Stock Exchange)

Cumulative AuM Scale (GW)	**1.5**
Average Equity Disposal Ratio	**70%**
Cumulative AuM Financing (RMB Billion)	**5.5**

Note：

1. Retained AuM asset management rights with annual management fee exceeding 2% of asset value
2. Obtained one-off equity disposal premium

Growth Business

——Extended Business

Continuous Business Growth of Towngas Lifestyle

Towngas Lifestyle 名气家

Population Coverage
~0.13 Billion

Customer Coverage
47.03 Million

Customer Penetration Rate

Financial Data (HK$ million)	Total	Hong Kong	Mainland
Revenue	2,200 (+11%)	1,030	1,170
Gross Profit Margin	37%	44%	30%
Net Profit	307 (+19%)	263	44

Replicate Benchmark Best Practices to Accelerate Business Growth

Average Revenue per Household (HK$/Day)	Target to achieve a daily revenue of HK$1 per household	2.6	1.4 (Yixing and Hangzhou)

Continuous Upgrading Lifestyle Service Solution Provider

Towngas Lifestyle 名气家

Hong Kong (Unit: HK$)

Kitchen Appliance

- Retail revenue increased by 19% to 0.77 billion
- Adopted bundled sales strategy for gas appliances and white goods to boost sales volume

New Businesses

- Offered elderly home-care products and services
- Launched custom cabinetry and whole-house furniture solutions

Mainland (Unit: RMB)

Smart Kitchen

- Trade-in sales of smart kitchen appliances business increased by 17% to 0.20 billion
- Established dedicated HVAC company; heating engineering business revenue increased by 14% to 0.12 billion

Home Safety

- Smart device connections doubled, covering a cumulative 0.44 million households
- Upgraded subscription-based security platform services, achieving a conversion rate of 7%

Insurance

- Insurance premium increased by 18% to 0.30 billion
- Home insurance contribution increased by 17% to 82%

Innovative Community Services

- Launched community service stations in Zhongshan and Hangzhou
- Opened 9 shops, with monthly revenue reaching 3 million

ESG & TERA-Award

Industry-leading ESG Performance

	2025	2026
MSCI	AA	**AA**
Hang Seng Corporate Sustainability Index Series	AAA	**AAA**
S&P Global	71	**71**

Selected as a constituent of the Dow Jones Best-in-Class Asia Pacific Index for **4 consecutive years**

TERA-Award Smart Energy Innovation Competition

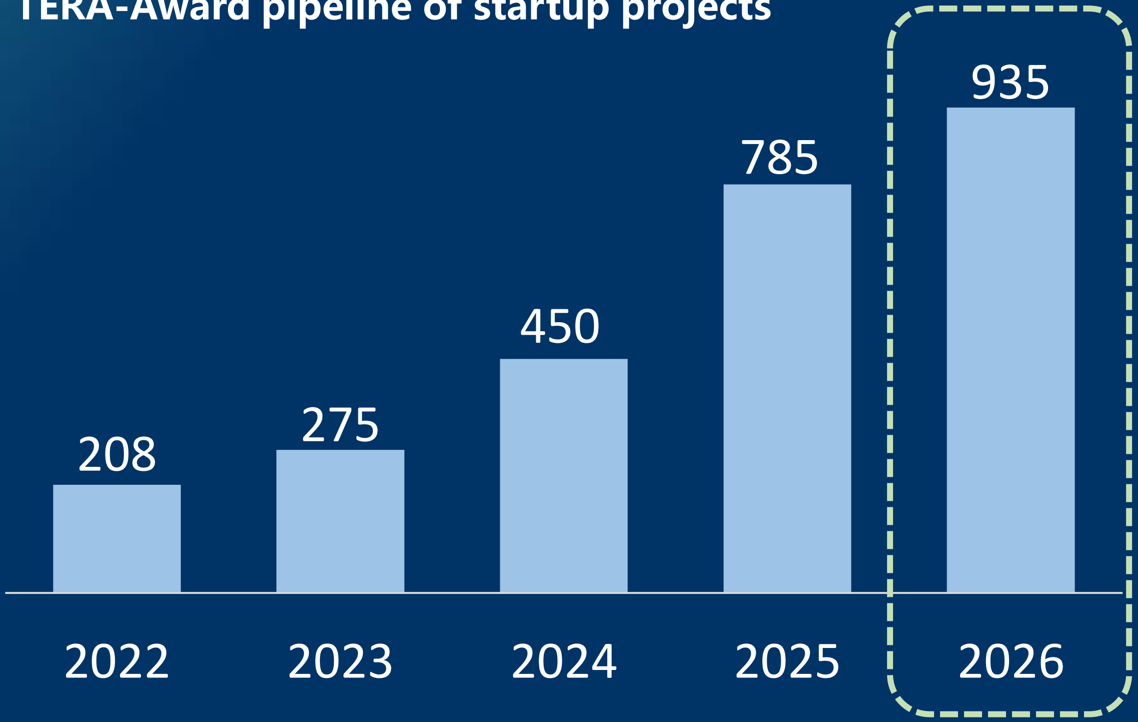
TERAWARD

Past 4 Editions

Collaborated international partnerships

2,600+

TERA-Award pipeline of startup projects



The 5th Edition

United Nations
UNIVERSITY OF CAMBRIDGE

Strategic collaborations

935
Total submissions

79
Countries and regions participated

Select around 5-10 high-quality projects for investment

2026:

- Group Challenges and Opportunities
- Full-year Business Guidance

Towngas

Challenges

Global warming

Declining family size

Northbound consumption

Opportunities

HKSAR Government exploring new energy solutions

- Hydrogen development for construction site
- Ensure low-carbon feedstock for gas production

Successfully adjusted basic tariff every time

Rolling out kitchen appliance cooperation with property developers

Seizing opportunities in the Northern Metropolis development

Leveraging the “Mega Events Economy” to attract mainland F&B brands

Mainland Gas Business

Challenges

Global warming

Downturn in mainland real estate market; declining new customer connections

Geopolitical instability affecting production and energy supply

Opportunities

Seizing opportunities under the 15th Five-Year Plan, fostering cross-segment synergy, scaling up "Gas+" energy efficiency businesses and engaging in local urban "green transition"

National initiative to expand domestic demand and upgrade housing quality, supporting the Group's value-added services

The Group is deploying "Gas+" and Towngas Lifestyle across the country

Diversified gas resources. China's natural gas consumption: from ~430 billion m^3 (2025) to 570 billion m^3 (2030E)

Mainland Water and Environment Business

Challenges

Slowing urban development, limited incremental growth

Elevated industry standards

Opportunities

Gas Business & Green Fuels Business leverage synergies to develop organic waste recycling solutions

Smart transformation towards “dark factories”. Offering water quality testing services. Incremental annual revenue: ~RMB10 million. Providing support to the Malaysia plant

Renewable Energy Business

Challenges

Implementation of "midday off-peak tariff" drives down returns of existing PV assets

Abolition of TOU tariffs affects C&I energy storage investment

Intense price competition among electricity retailers squeezes profit margins and triggers industry shakeout

Opportunities

Electricity prices stabilised; policies drive full industrial PV rollout with reinvestment financed via AuM

Capturing trillion-yuan investment opportunities in standalone energy storage, green power direct connection and zero-carbon parks, and assisting customers with EU CBAM compliance

Leveraging gas-electricity synergy & AI algorithms to capture electricity retail market consolidation opportunities

Extended Business

Towngas Lifestyle 名气家

Challenges

Sluggish domestic demand recovery; muted retail growth

Sustained downturn in real estate sector, shrinking engineering demand

Intensifying competition in Mainland and Hong Kong markets

Opportunities

National policies continue to drive consumption: housing quality upgrades, government-subsidized trade-in programs, AI+ consumption, and the silver economy

Unified branding as Mia Cucina ; offering premium gas and electric kitchen appliances

Align with the national 15-minute community living circle initiative: leverage in-home services, deepen community service network, and develop smart lifestyle service to boost customer loyalty

Green Fuels

ecoceres VENEX

Challenges

Pending implementation of IMO regulations

Diversified and evolving market technologies

Price volatility

Competition for raw materials

Competition among producers

Opportunities

EU has established mandatory sustainable fuel volume targets

Capture 15th Five-Year Plan opportunities for SAF & green methanol

- Engage with government & industry alliances to align with international standards and boost profile
- Partner with local governments for stable & diversified raw material supplies

Green methanol can be converted into fuels for "marine, land and air" transport, as well as chemical products

Cost reduction via technical optimisation and production control

2026 Full-year Business Guidance

Utility Business

Hong Kong

Gas Sales Volume (TJ)

26,563 -2.3%

Equivalent to ~0.75 Billion m³ of Natural Gas

Customers (million)

2.08 +0.026

Mainland

Gas Sales Volume (billion m³)

36.55 +1%

Customers (million)

45.72 +1.45

City Gas Dollar Margin (RMB/m³)

0.55 +0.01

Incremental annual revenue: ~RMB0.4 billion

Water Volume (billion tonnes)

1.69 +2%

Environment (Solid Waste) (million tonnes)

1.75 +2%

Growth Business

Green Fuels

Advanced Biofuels (thousand tonnes)

Annual Production Capacity: 770

Green Methanol (thousand tonnes)

Annual Production Capacity: 180

Renewable Energy

Accumulated PV Grid-connected (GW)

3.8 +1.0

PV Generation Volume (billion kWh)

3.05 +23%

Electricity Trading Volume (billion kWh)

15.0 +78%

Extended Business

Customer Coverage (million)

47.80 +1.476

Kitchen Appliance Sales Volume (million units)

Hong Kong: 0.26

Mainland: 0.69

Total: 0.95 +0.01

THANK YOU

Disclaimer

This presentation and corresponding discussion may contain certain forward-looking statements, including statements regarding our intent, belief or current expectations with respect to The Hong Kong and China Gas's businesses and operations, market conditions, results of operation and financial condition, capital adequacy, specific provisions and risk management practices. Readers are cautioned not to place undue reliance on these forward-looking statements in relation to holding, purchasing or selling securities or other financial products or instruments. The Hong Kong and China Gas does not undertake any obligation to publicly release the result of any revisions to these forward-looking statements to reflect events or circumstances after the date hereof or the occurrence of unanticipated events. Past performance cannot be relied on as a guide for future performance.

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