

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

## 2025 Interim Results

### 20 August 2025



## Macro Environment

Uncertainty in tariff policies affects industrial energy consumption

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Weak economy and slight decline in PMI affect exports

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“Launching the Construction of Zero-Carbon Parks” brings positive impacts to green energy

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The government boosts consumption through fiscal subsidies and consumer coupons

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Green energy embarks on growth cycle

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The “Northern Metropolis Action Agenda” promotes the development of the new district

## Group Strategy

Leading HK’s hydrogen energy development with HKCG’s hydrogen energy edge

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Rising city gas dollar margin and reducing operating expenses

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Expanding the gas resources pool

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Pursuing Renewable Energy asset-light strategy

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Seize opportunity of “trade-in” program  
Increasing average revenue per household

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Accelerating the development of advanced biofuels/green methanol projects

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Digital and intelligent empowerment to enhance quality & efficiency

## Utility Business

### Hong Kong Utility

- Gas sales volume remained steady
- Orderly execution of hydrogen-powered construction sites and hydrogen charging stations
- The Northern Metropolis is projected to accommodate an additional population of 1.5 million in the future, with a potential gas demand reaching 5,500 TJ (~160 million m<sup>3</sup>)

### Mainland Utility

- Gas sales volume remained steady
- Dollar margin increased by 0.04 RMB/m<sup>3</sup>
- Stable water business drove 8% profit growth

### Gas Supply Chain

- Gas sourcing diversification boosted cost efficiency & supply resilience
- Signed a 15 billion m<sup>3</sup> (1.5 billion m<sup>3</sup>/year) pipeline gas LTA with the “Three Majors”
- Secured LNG import supply of 1.5 million tonnes/year (2.1 billion m<sup>3</sup>/year)

## Growth Business

### Extended Business

- HK, Yixing & Hangzhou achieved per household daily revenue of HK\$1; now being replicated in other cities under the group
- Successfully completed first round financing of US\$45 million; next round engagement progressing

### Renewable Energy

- Profits sustained steady growth, up 6% YoY
- Two tranches of quasi-REITs raised RMB1 billion
- PV power generation increased by 44% to 1.18 billion kWh
- ESS rapid growth with 775 MWh contracts secured

### Advanced Biofuels

- Malaysia plant to commence trial production in September
- Foster regional SAF industry
- Secured BA agreement, enabling ~0.4 million tonnes carbon reduction
- Partnered with Xiamen Airlines to collect and transport waste cooking oil

### Green Methanol

- Partnered with Foran Energy to form JV “VENEX” targeting 1 million tonnes capacity
- Expected 2025 sales target: 0.02 million tonnes
- Collaborating with regional governments to co-build GBA green shipping fuel hub

Utility Business		Growth Business		
Hong Kong	Mainland	Extended Business	Renewable Energy	Green Fuels
<u>Gas Sales Volume</u> (TJ) <b>14,935</b> Remains Steady (Equivalent to 430 Million m³ of Natural Gas)	<u>Gas Sales Volume</u> (billion m³) <b>18.58</b> Remains Steady	<u>Customer Coverage</u> (million) <b>45.51</b> <b>+0.99</b>	<u>Accumulated PV Grid-connected</u> (GW) <b>2.6</b> <b>+0.3</b>	<u>Advanced Biofuels</u> (million tonnes) Production Volume: <b>0.16</b>
<u>Customers</u> (million) <b>2.04</b> <b>+0.01</b>	<u>Customers</u> (million) <b>43.47</b> <b>+0.98</b>			- SAF: <b>0.11</b> - HVO: <b>0.05</b>
	<u>City Gas Dollar Margin</u> (RMB/m³) <b>0.54</b> <b>+0.04</b>	<u>Kitchen Appliance Sales Volume</u> (million units) - Hong Kong: <b>0.13</b> Remains Steady - Mainland: <b>0.27</b> <b>+0.01</b>	<u>PV Generation Volume</u> (billion kWh) <b>1.18</b> <b>+44%</b>	<u>Green Methanol</u> (million tonnes) Production Capacity: <b>0.12</b>
	<u>Water Volume</u> (billion tonnes) <b>0.79</b> Remains Steady		<u>Electricity Trading Volume</u> (billion kWh) <b>3.64</b> <b>+14%</b>	
	<u>Environment (Solid Waste)</u> (million tonnes) <b>0.79</b> Remains Steady			



## Financial Highlights

## Business Review

### ■ Utility Business

- Hong Kong Gas Business
- Mainland Gas Business
- Mainland Water and Environment

### ■ Growth Business

- Extended Business
- Renewable Energy
- Green Fuels

## ESG

## Group Business Guidance

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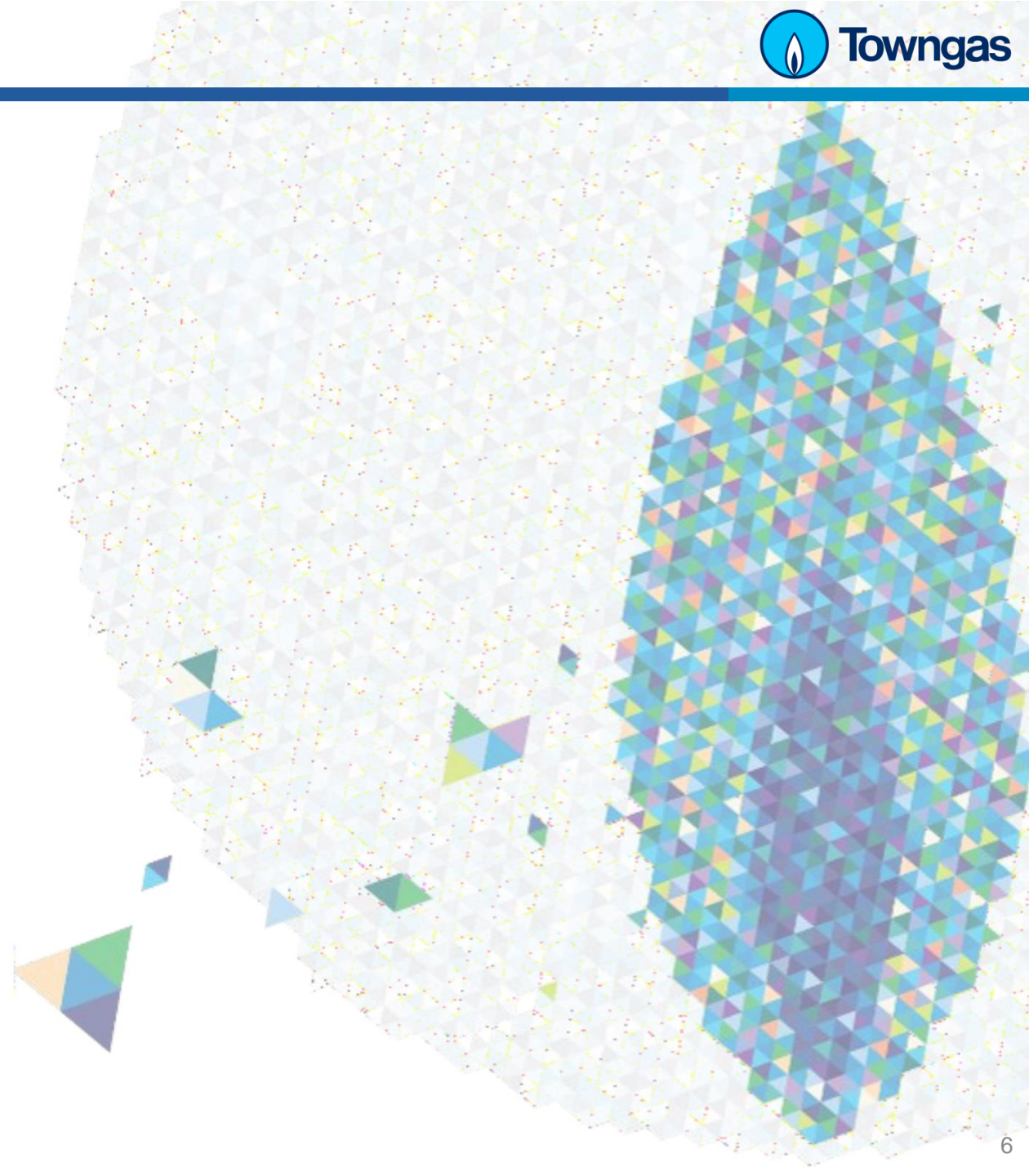
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# Financial Highlights

Utility Business		Growth Business			Others
Hong Kong	Mainland	Extended Business	Renewable Energy	Green Fuels	
2.15 billion	1.56 billion	0.25 billion	0.12 billion	-0.19 billion	0.11 billion
			(1083: 0.17 billion)	Advanced Biofuels: -0.13 billion Green Methanol: -0.06 billion	Rent: 0.20 billion Others: -0.09 billion
+6%	-1%	+39%	+6%	-	+26%
(In RMB: remains steady)					

Profit from Operations: 4.0 billion +3%

RMB Exchange Rate: -1%

(Unit: HK\$)



(Unit: HK\$ million)	1H2024	1H2025	Change (%)
Revenue	27,496	27,514	-
Profit from Operations	3,885	3,996	+3
Corporate Financial Expenses	(699)	(912)	-30
Core Operating Profit	3,186	3,084	-3*
Profit Attributable to Shareholders	3,040	2,964	-3*
Basic Earnings per Share (HK Cents)	16.3	15.9	-3
Interim Dividend per Share (HK Cents)	12.0	12.0	-

\*Note: excluding foreign exchange gains and losses on borrowings, core operating profit increased by 4%, and profit attributable to shareholders increased by 5%

(Unit: HK\$ billion)	31 Dec 2024	30 Jun 2025
Total Assets	158.3	162.4
Borrowings	57.4	61.0
Cash	6.4	8.4
Net Assets	68.3	68.9
Net Gearing Ratio*	43%	43%

\*Note: Net Debt / (Net Debt + Equity)

Credit Rating:

STANDARD

& POOR'S

RATINGS SERVICES

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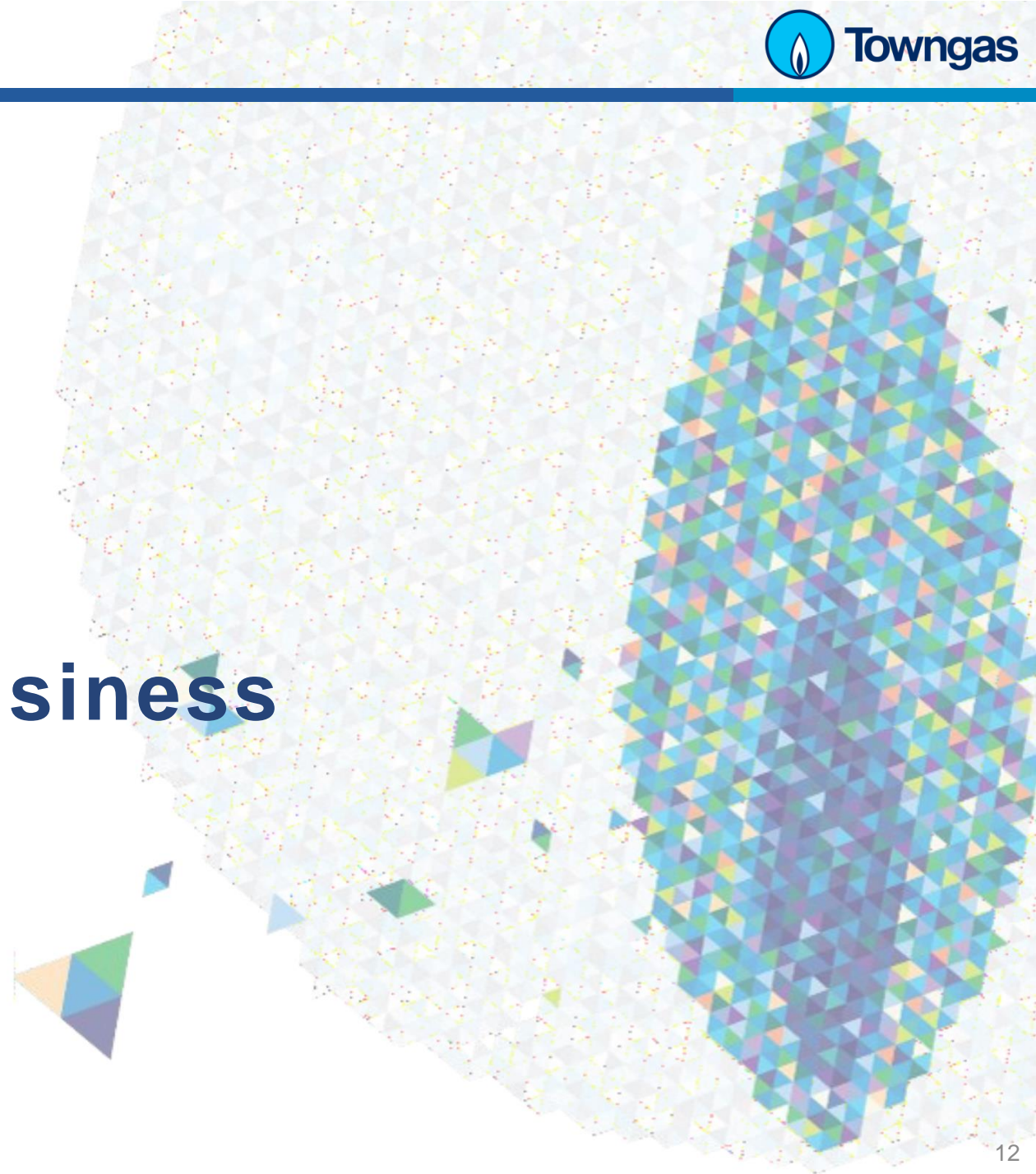
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(Unit: HK\$ billion)	1H2024	1H2025
0003.HK	3.3	2.5
1083.HK	2.0	1.4

# Utility Business

## ——Hong Kong Gas Business



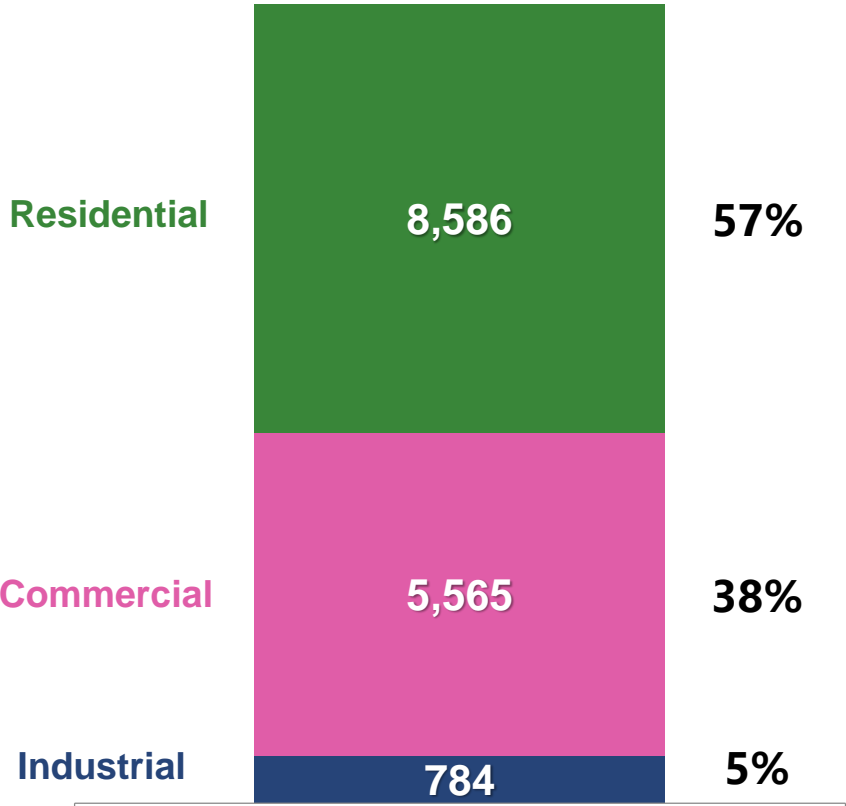


Gas Sales Volume

(Unit: TJ)

14,935 (Remains Steady)

(Equivalent to 430 Million m<sup>3</sup> of Natural Gas)



1H2025

%

Changes in Gas Sales Volume

(Unit: TJ)

Residential

+209

Avg. temp. dropped by 0.8°C

Commercial

Hotels

-12

Affected by less Southbound tourists

Hospitals & Social Welfare Agencies

-19

Catering

-74

Affected by Northbound consumption

Theme Parks

-24

Industrial

Food & Laundry Workshops

-78

Affected by catering contraction

## Stable Gas Business

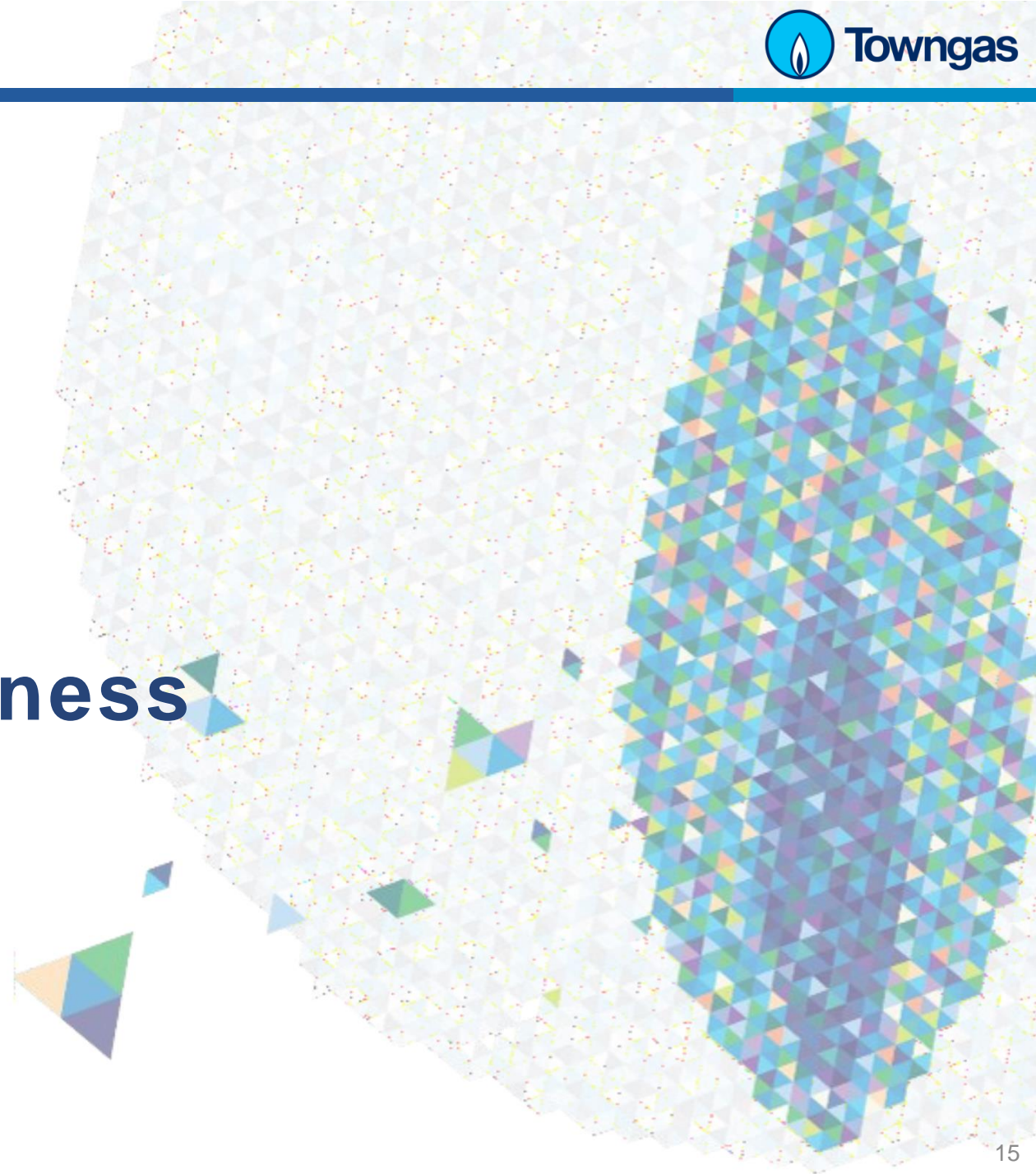
- Stable gas sales volume
  - Recovery of tourism and commercial customers
  - Continuing to develop energy-efficient dehumidifier/dryer markets
- Northern Metropolis development accelerated:
  - Population growth exceeding 1.5 million
  - Gas sales volume increased by 5,500 TJ (~160 million m<sup>3</sup>)

## Commercialised Hydrogen Energy Business

- Collaborating with the HKSAR government to promulgate a development blueprint for green energy
  - Green hydrogen production at a landfill site
- Building commercial application ecosystem for hydrogen energy:
  - Construction site power generation
  - EV charging station
  - Hydrogen charging station

# Utility Business

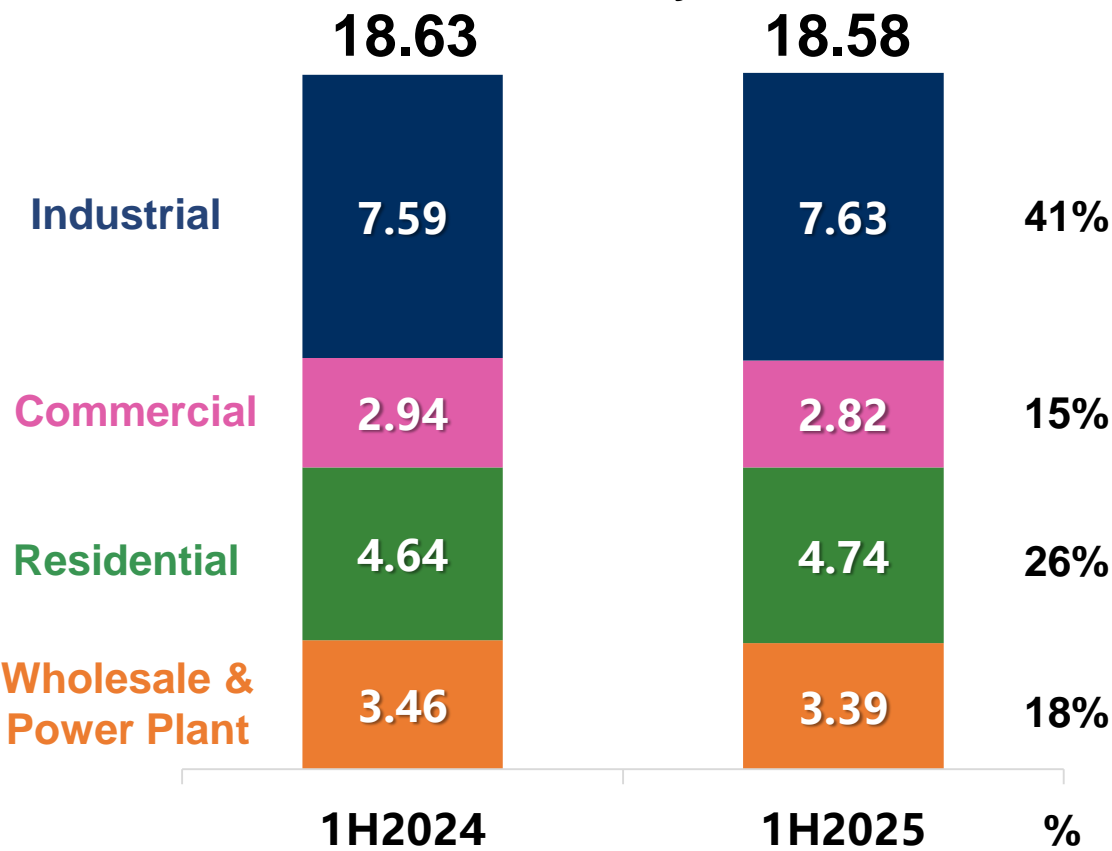
## ——Mainland Gas Business



## Gas Sales Volume

(Unit: billion m<sup>3</sup>)

Remains  
Steady



- Warm winter & macro pressures cut PRC NG usage by 0.9% YoY in 1H2025
- Steady increase of the Group's retail gas sales volume (Residential + Commercial + Industrial)
- Warm winter reduced commercial gas demand
- Affected by the weak real estate market, gas demand pivot from basic materials such as glasses and steels to new industries



# Rising Dollar Margin

## Selling Price, Gas Cost and Dollar Margin

(Unit: RMB/m <sup>3</sup> )		1H2024	1H2025	Changes
Selling Price	Residential	2.78	2.82	+0.04
	Commercial	3.71	3.65	-0.06
	Industrial	3.57	3.53	-0.04
Average Selling Price		3.37	3.35	-0.02
Gas Cost		2.87	2.81	-0.06
City Gas Dollar Margin		0.50	0.54	+0.04

- Dollar margin improved in 1H2025
- Residential gas price increased
- Non-residential cost pass-through completed
- Dynamic sourcing optimised gas supply costs
- Continuously promoting the residential cost pass-through; Xuzhou, Ma'anshan, and Yantai have successfully completed cost pass-through

## The national real estate market remained weak, new connections under pressure

The number of household connections

(Unit: thousands)

User Type	1H2024	1H2025	Changes (%)
Residential	727	691	-5
Industrial & Commercial	11	9	-21

Unit residential connection fee

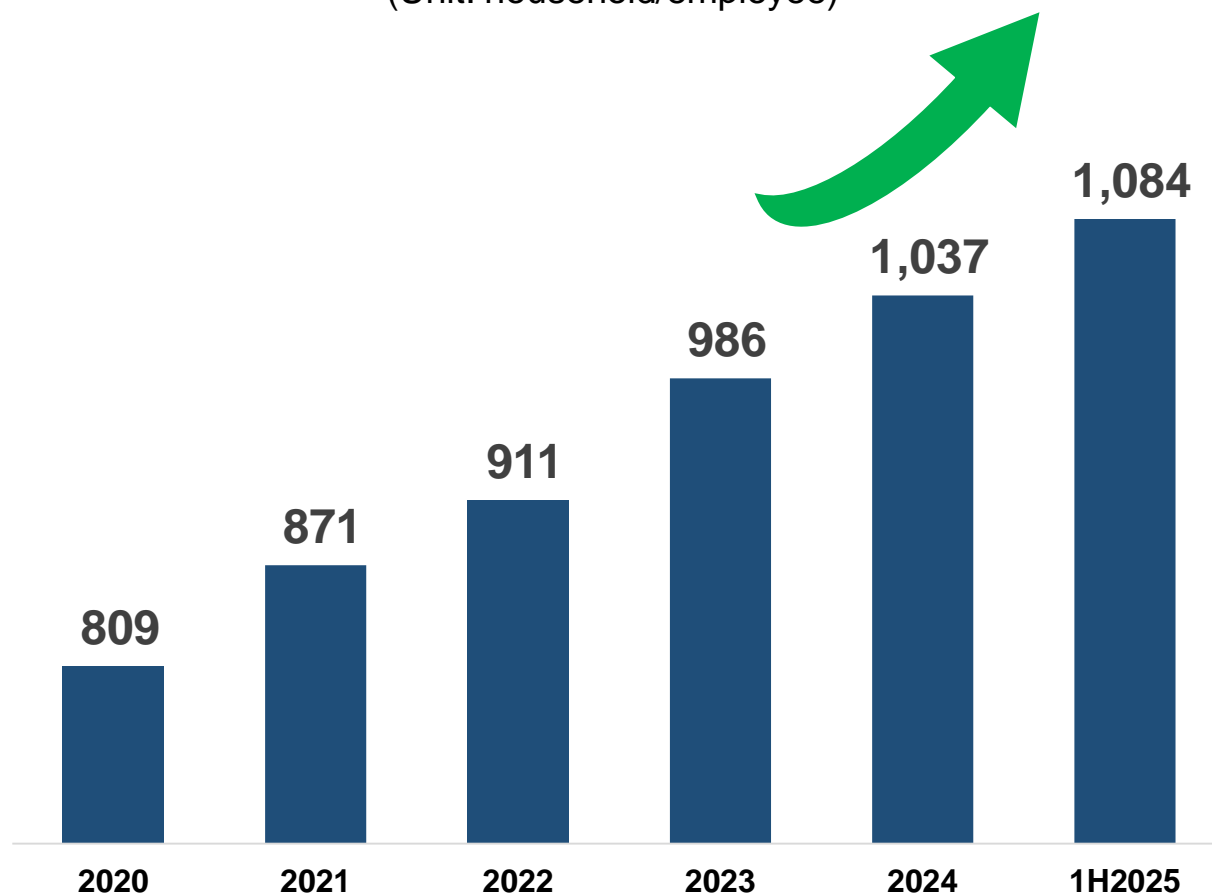
(Unit: RMB/household)

	1H2024	1H2025	Changes (%)
Residential Connection Fee	2,942	2,948	+0.2

- Affected by the weak real estate market, new connections declined
- Expanding coverage on township and old urban district renewal projects

## Customer Service Efficiency Ratio

(Unit: household/employee)



- Optimised the personnel structure to increase the customer service efficiency ratio
- Centralised operations & AI applications amplified scale economies
- Operating expenses (excluding depreciation and amortisation) decreased by 4%

- Deepening existing markets, advancing gas-for-steam/electricity substitution
- Secured 75 major clients in 1H2025, adding 240 million m<sup>3</sup> annual volume
- Gas+ business rapid growth, accelerated strategic deployment in emerging sectors such as energy trusteeship & industrial energy conservation
- Energy sales volume reached 1.3 billion kWh (equivalent to 130 million m<sup>3</sup> of natural gas) in 1H2025

## Jiangsu & Zhejiang Textile Industries Steam-to-gas Conversion



## Energy Trusteeship for Hospital





# Gas Supply Chain: Assurance of Gas Supply

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



The Group's total gas sales volume reached 36.4 billion m<sup>3</sup> in 2024

1

Signed a 15 billion m<sup>3</sup> (1.5 billion m<sup>3</sup>/year) pipeline gas LTA with the "Three Majors"

2

Secured LNG import supply of 1.5 million tonnes/year (2.1 billion m<sup>3</sup>/year), sufficient to meet decade-long demand from 2027 onward

3

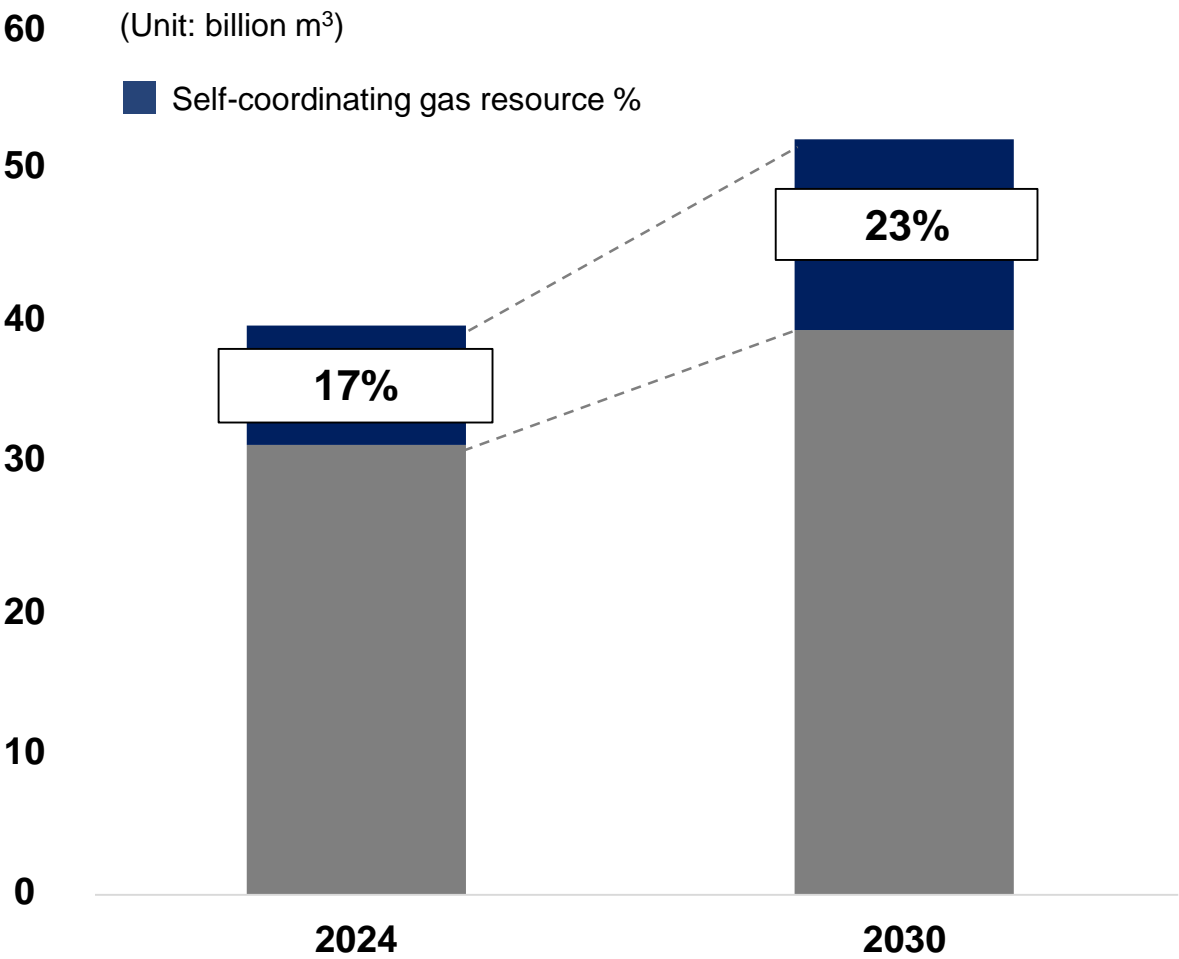
Self-coordinating gas resources:

- Shanxi Ganghua: 0.25 billion m<sup>3</sup>/year
- Sichuan Weiyuan: 0.17 billion m<sup>3</sup>/year

4

Coordinating an aggregate total gas volume of 6 billion m<sup>3</sup>/year with supply chain integration (asset pool includes gas storage facilities, LNG terminals and unconventional gas supply)

## Steady Growth of Self-coordinating Gas Resource Volume



- **Group coordination target:**
  - 2025: ~6 billion m<sup>3</sup>
  - 2030: ~10 billion m<sup>3</sup>
- **Integrated gas supply operation through all platforms to mitigate market volatility & systemic risks**

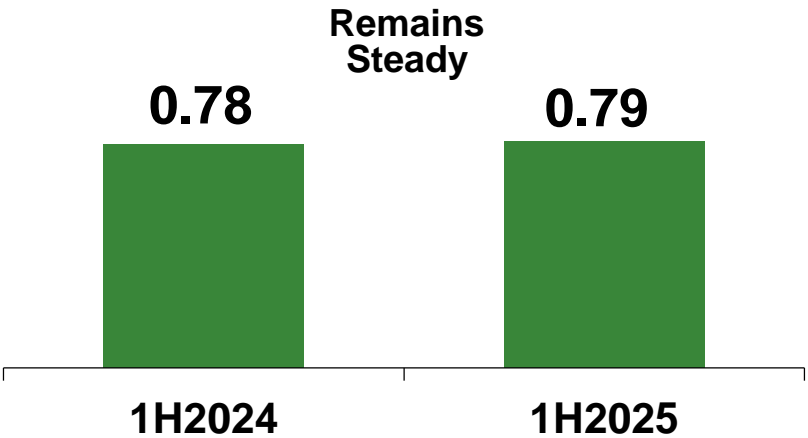
# Utility Business

## ——Mainland Water & Environment



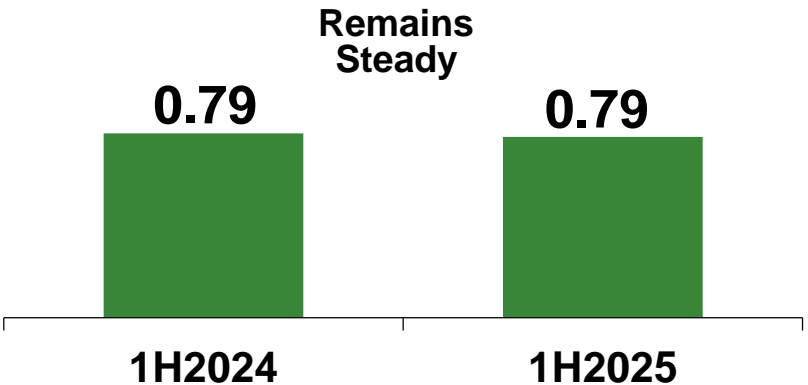
## 💧 Water Volume

(Unit: billion tonnes)



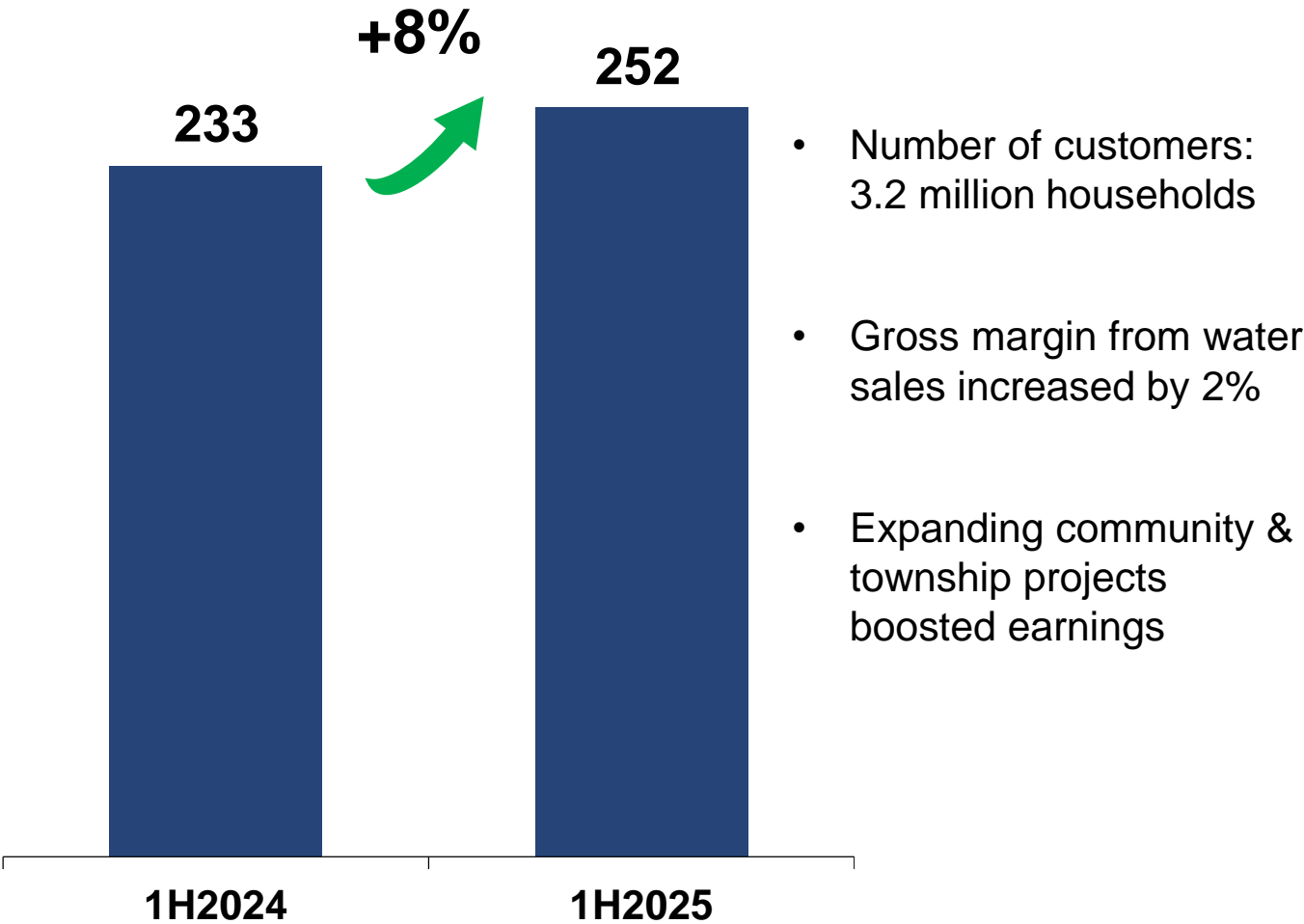
## 🗑️ Environment (Solid Waste)

(Unit: million tonnes)



## Net Profit

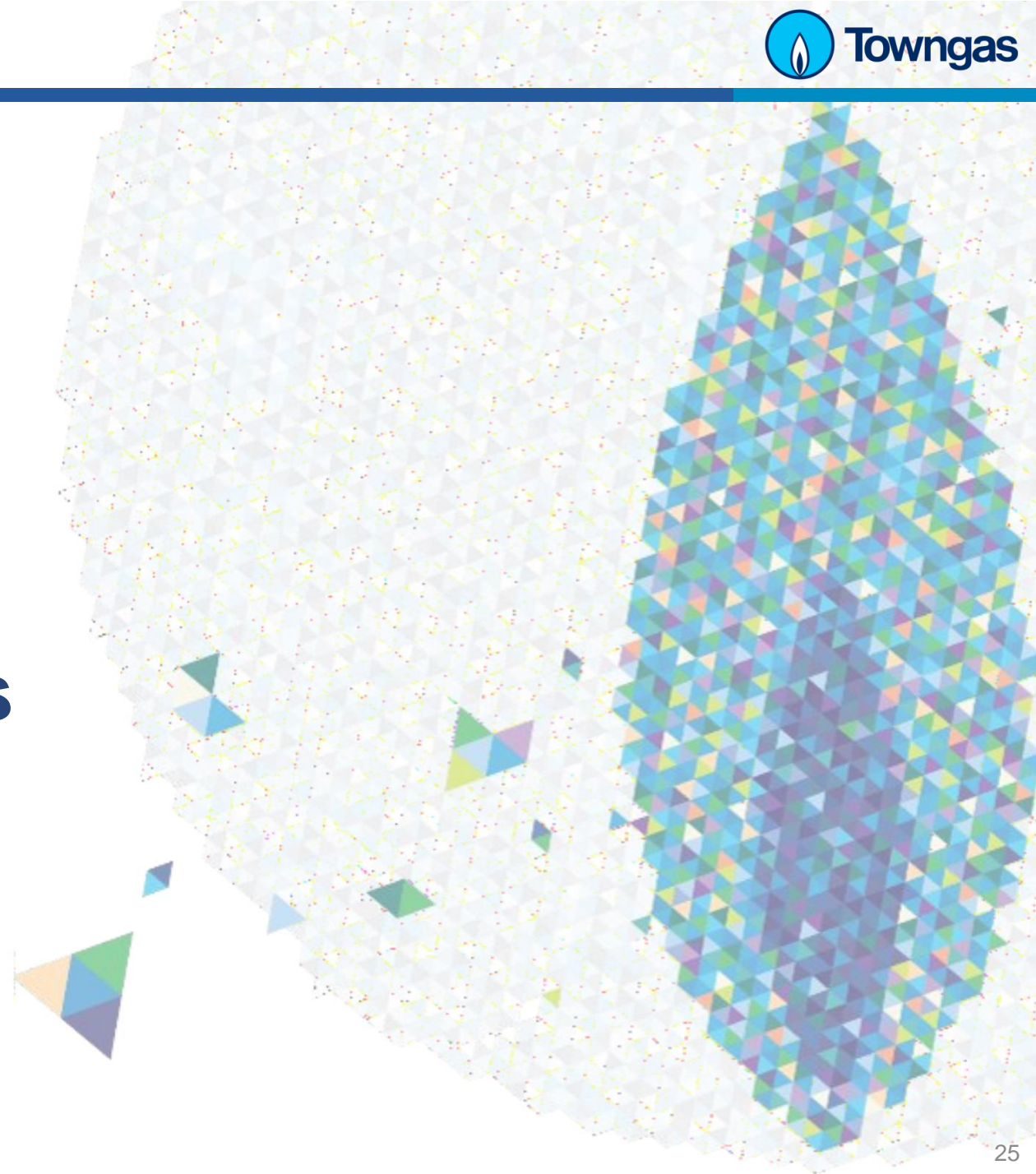
(Unit: HK\$ million)





# Growth Business

## ——Extended Business



Population Coverage

**~0.13 Billion**

Customer  
Penetration Rate



**80%**



**10%**

Financial Data (HK\$ Million)	Total	Hong Kong	Mainland
Revenue	2,003	894	1,109
Net Profit	258	234	24
Operational Data			
Smart Kitchen (Kitchen Appliances, Million Units)	0.40	0.13	0.27
Insurance Business (Business Profit)	/	Comprehensive operation commenced	+10%
Home Safety (Products & Services Revenue)	/	/	+7%
Average Revenue per Household (HK\$/Day)	/	2.7	Benchmark cities - Yixing and Hangzhou: 1.2
Customer Coverage (Million)	45.51	2.04	43.47



**Financing Amount:  
US\$45 Million**



**Strategic investor influx  
empowered resources and  
amplified market propulsion**

## Smart Kitchen

- Forge long-term strategic cooperation with major developers



➤ Henderson Land Development  
➤ New World Development and  
➤ Wheelock Properties...etc.

- Seize the opportunity of national subsidies to boost sales in the existing market



“Trade-in” programs propelled YoY growth

## Insurance Business

- Insurance brokerage platform live following acquisition close



- Form a proprietary team and enhance the product structure



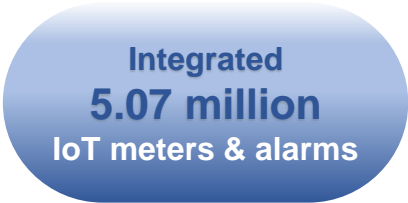
The institution covers 15 provinces



Integrated home insurance rose to

## Home Safety

- Enhanced AIoT platform enabled intelligent interconnections



- Synergistic trinity comprising: Appliance + Platform + Service



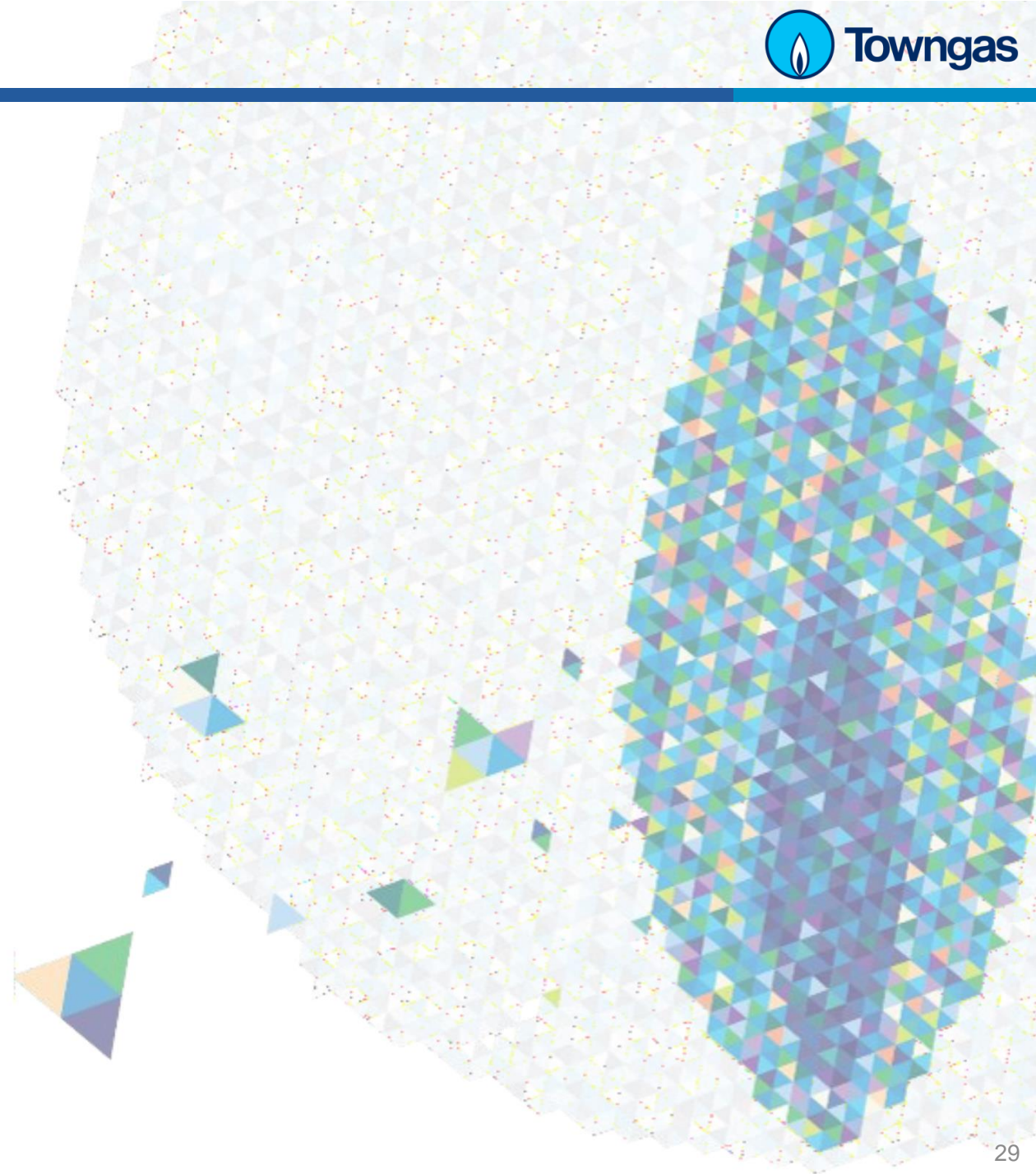
Number of cities covered by one-stop solution

### Upgrade to a “Service Solution Provider Model”



# Growth Business

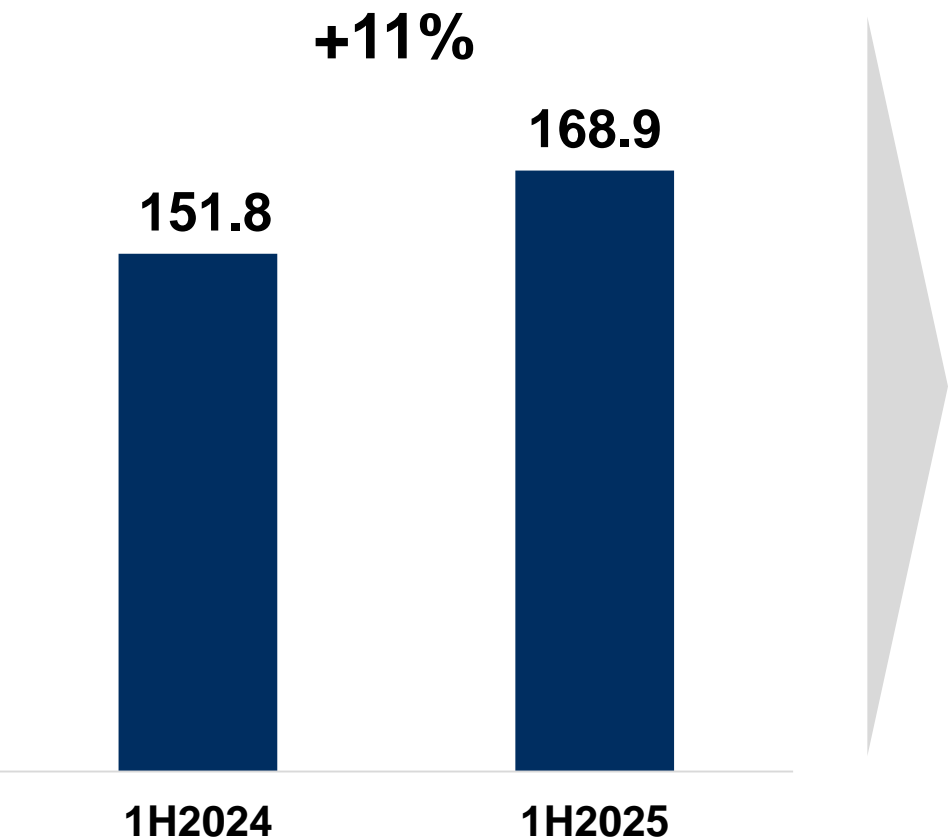
## ——Renewable Energy



Operational Data	1H2024	1H2025	Changes
PV Grid-connected (GW)	2.1	2.6	+0.5
Power Generation Volume (billion kWh)	0.82	1.18	+44%
Gross Margin per kWh (RMB/kWh)	0.30	0.26	-0.04
Financial Data (RMB million)			
BU Profit Contribution	223.2	230.1	+3%
PV Business Net Profit	151.8	168.9	+11%
AuM Disposal Gain	43.1	36.5	-15%
Energy & Carbon Management Services Net Profit	28.3	24.7	-13%
Net Profit (RMB million)	151.0	160.2	+6%
Net Profit (HK\$ million)	164.0	172.3	+5%
0003 Shared Net Profit (HK\$ million)	109.0	116.0	+6%

## — PV Business Net Profit —

(Unit: RMB million)

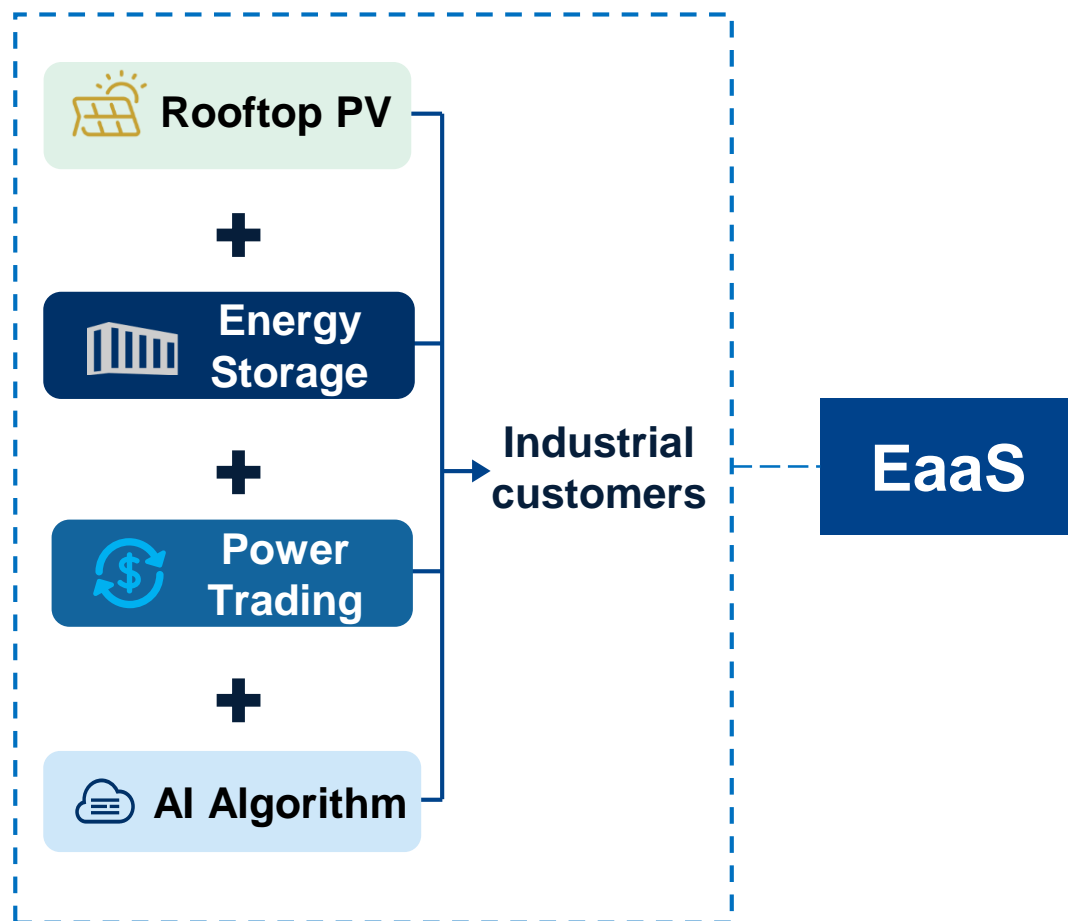


- 1** The gross margin per kWh declined by RMB0.04/kWh due to policy impacts
- 2** Achieved additional 280 MW grid connection, maintaining a return rate of 9%
- 3** Intelligent operation and maintenance management, improving power generation and utilisation efficiency by 5%



**Case: Ma'anshan Tianneng 100 MWh  
Energy Storage Power Station  
(Total investment: RMB0.13 billion;  
Towngas's equity stake: 25%; IRR: over 15%)**

- 1** Energy storage investment under AuM model, delivering full lifecycle services including development, construction, and O&M
- 2** Energy storage contracted volume secured 775 MWh in 1H2025; 1 GWh annual target on track
- 3** Energy storage grid-connected capacity reached 260 MWh; 800 MWh annual target on track



- 1** Electricity market liberalisation creates opportunities for EaaS; accelerating electricity sales and AI algorithms deployment
- 2** The electricity trading volume reached 3.64 billion kWh, with approximately 1,500 industrial customers
- 3** Leveraging synergies with city gas operations and advancing bulk electricity sales contracts with gas customers in 2H2025





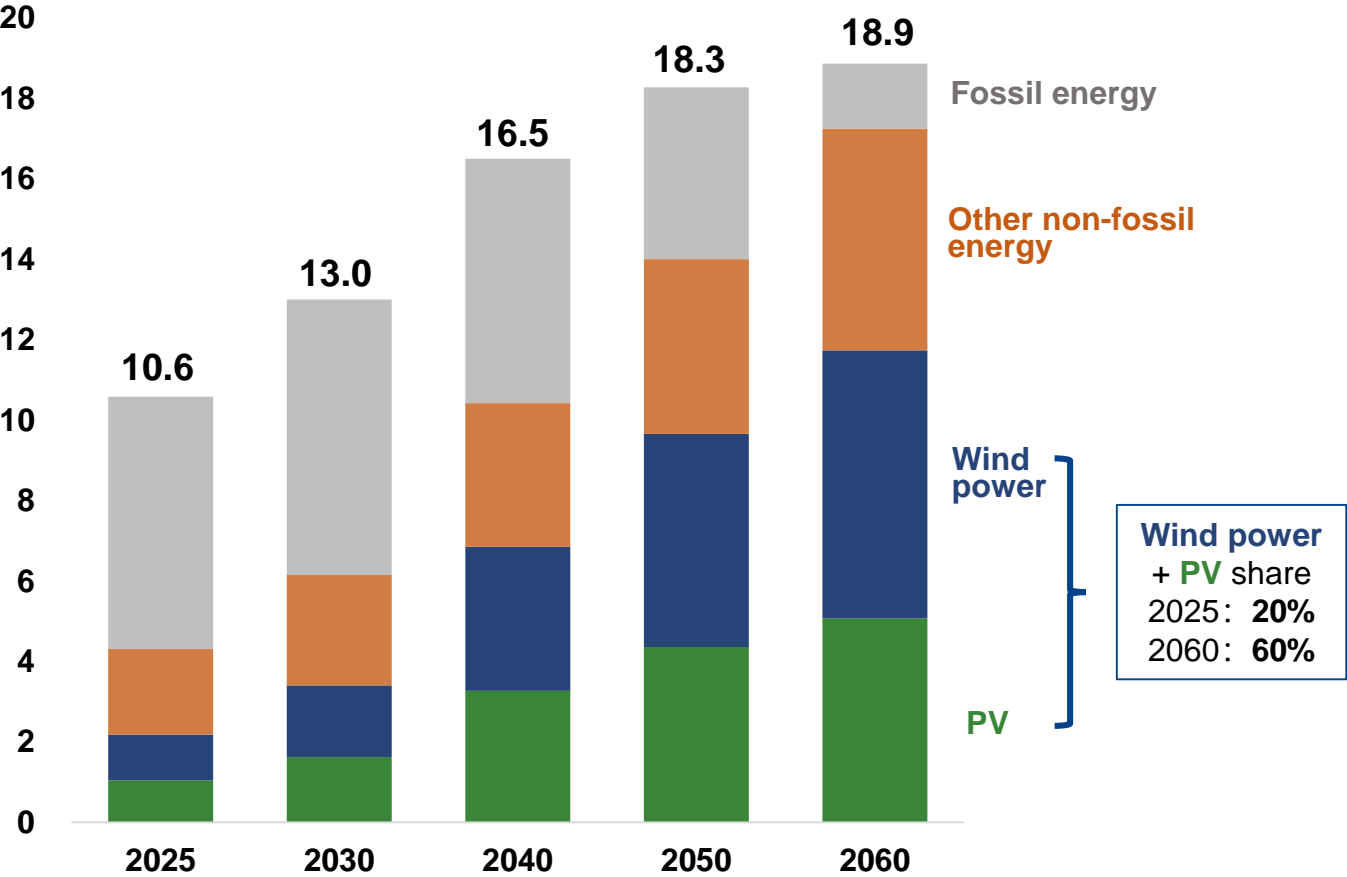
**Successfully issued quasi-REITs**

- 1** 560 MW AuM capacity achieved, leading industry in both power generation efficiency and cost management
- 2** Two tranches of quasi-REITs (200 MW) secured cumulative financing of approximately RMB1 billion
- 3** Secured cumulative financing of approximately RMB1.9 billion, empowering PV/energy storage projects

## Renewable Energy Becoming Main Source of Power Generation

Power Generation Structure Forecast

(Unit: trillion kWh)



## Navigate Challenges & Seize Opportunities

### 1. Leverage “High-Return” Advantage

- Intensified focus on “Zero-Carbon Parks” customer cultivation

### 2. Pursue “PV + Energy Storage” Investment Approach

- Elevating investment in C&I storage assets

### 3. Expansion of “AI-Empowered” Electricity Sales

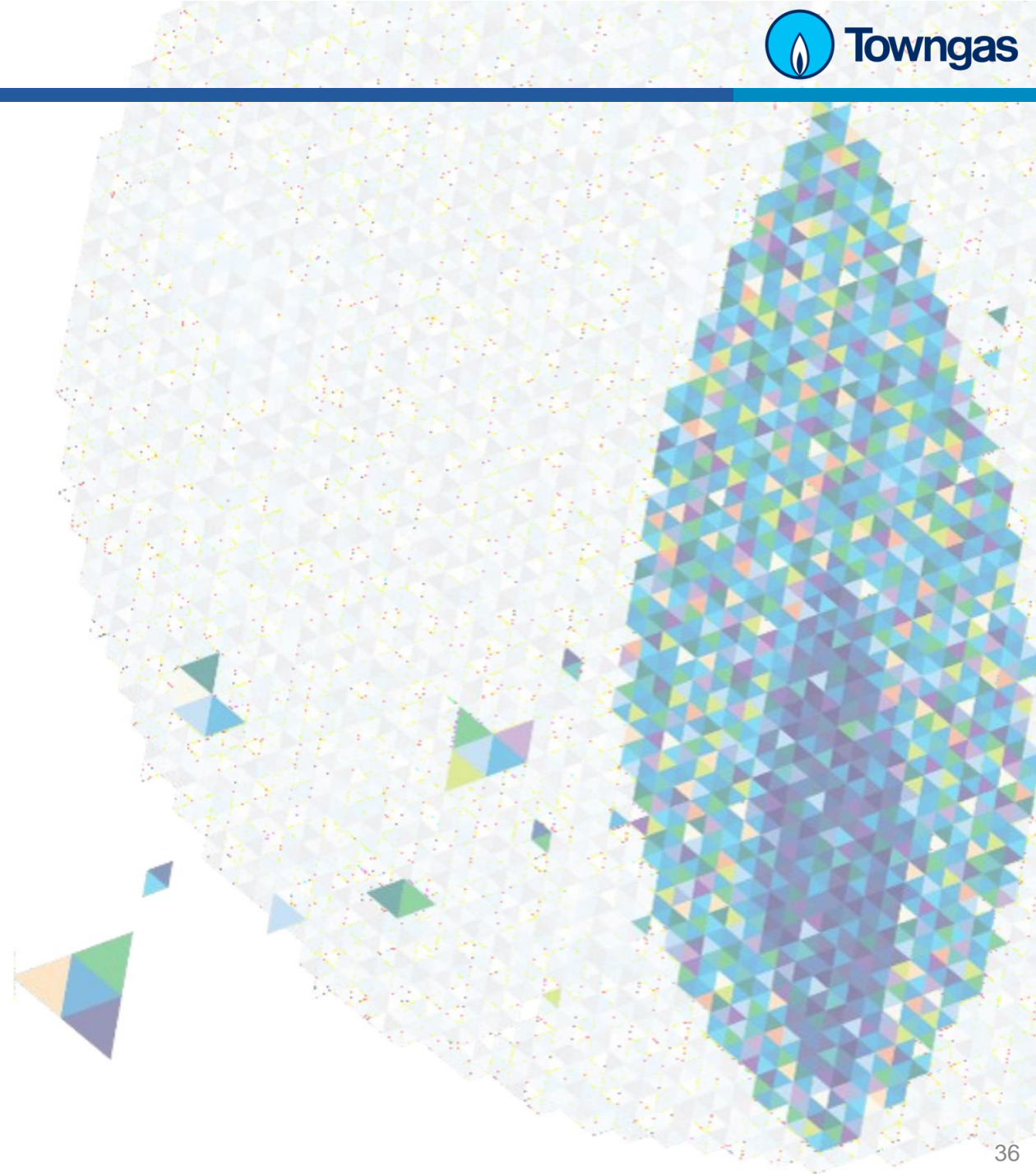
- Document No.136 presents opportunities
- Strategic alignment: electricity sales portfolio (PV + Power Trading + Energy Storage) & Gas operations

## 2030: A World-leading Intelligent Energy Aggregation Service Provider

- Manage 12 GW of PV & 6 GWh of energy storage
- AI algorithms accelerate sustainable growth

# Growth Business

## ——Green Fuels





**Current  
Production  
Capacity**

**Inner Mongolia's production plant upgrade to produce green methanol**

- Comprehensive transition to green production: 0.3 million tonnes (by 2028)
- First ISCC EU commercial production in China
- Acquired ISO Carbon Accounting Certification and expanded green chemical markets

**Confirmed  
Partnership**

**Established a JV company VENEX with Foran Energy**

- JV (VENEX) formation via Inner Mongolia plant asset transfer
- Sanshui Project - Phase I production capacity: 0.2 million tonnes (by 2028)

**Regional major ports**

- Shanghai port commenced deliveries
- Singapore 2025 orders secured

**Expanding  
Cooperation**

**Hong Kong**

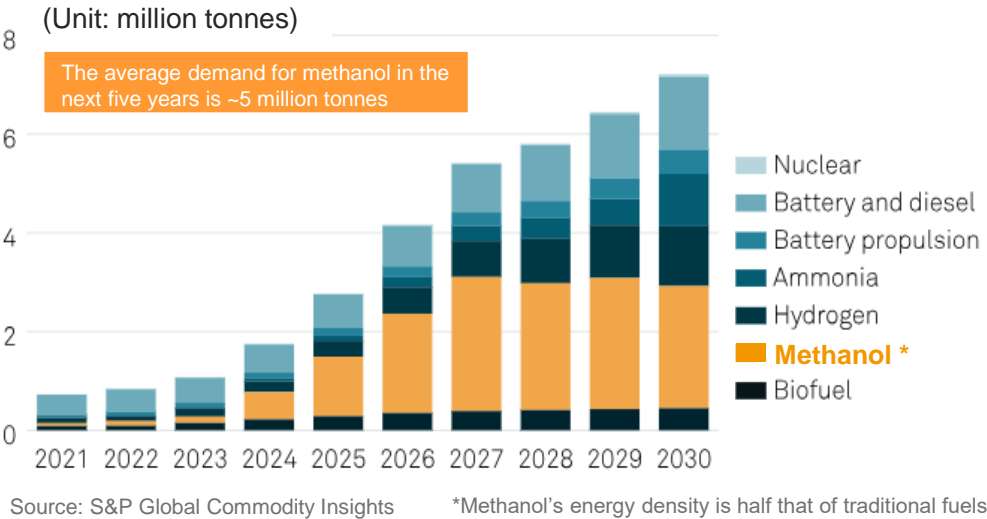
- Executed strategic collaboration MOU with government, bunkering and shipping

**New construction project in South China**

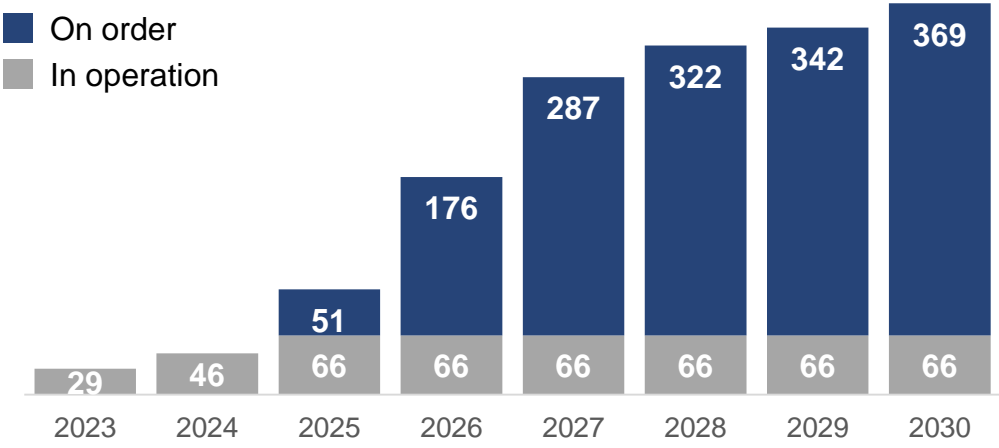
- Partners: upstream feedstock providers, green electricity/hydrogen suppliers, product off-takers
- Production capacity: 0.2 million tonnes



### Green Methanol Will Become The Primary Low-carbon Marine Fuel



### Growth of Methanol Fueled Fleet



### International Marine Transportation Emissions Reduction is Beneficial to The Green Methanol Market

- The European Union (EU)'s maritime decarbonisation policy will become effective in 2025
- The International Maritime Organization (IMO) plans to implement carbon reduction measures starting from 2028
- Projected green methanol bunkering in Asia's key ports:
  - Exceed 1.4 million tonnes per year in next 5 years
  - Greater Bay Area contributes 0.5 million tonnes
- Strategic Asia focus mitigates EU/US market dependency



## Green Construction Site

H<sub>2</sub> Power Generation System  
1<sup>st</sup> Demonstration project:  
to be completed in Nov 2025



## Waste to Hydrogen

Green H<sub>2</sub> from Tseung Kwan O Landfill Biogas  
Production commences: Jan 2026



## Hydrogen Powered Charging Station

PADEL+ in Sai Kung:  
commenced operations in 2024



Hydrogen Powered Charging Station in Science Park:  
to be completed in Jun 2026





Prices Rebound

1H2025 result affected by SAF/HVO pricing headwinds, mitigated by June uptick

Steady Output & Market-driven Adjustments

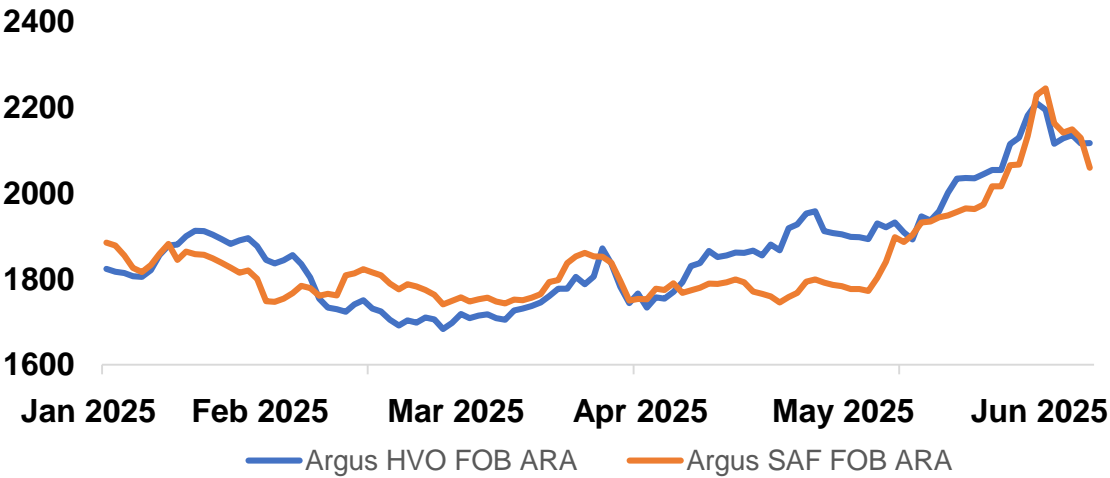
Production remained steady, Market-responsive capacity adjustments implemented

Combined Total Production Capacity: 0.77 Million Tonnes

Zhangjiagang and Malaysia plants' total designed capacity: 0.77 million tonnes

Production (Unit: thousand tonnes)	1H2025	2H2025 (E)	Changes
SAF	113	165	+52
HVO	50	33	-17
Biomass Naphtha	0	8	+8
Total	163	206	+43

SAF & HVO Market Price Index Trends  
(US\$/tonnes)



The construction of Malaysia plant is expected to be completed on schedule



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## Now British Airways Joins EcoCeres To Lead The Future Of Sustainable Air Travel With Long-Term SAF Partnership

Thursday, July 3, 2025



### Secured BA Supply Agreement

EcoCeres deepened strategic cooperation with BA and signed a multi-year agreement to supply BA with SAF

### Helped BA Reduce Carbon Emissions of ~0.4 Million Tonnes

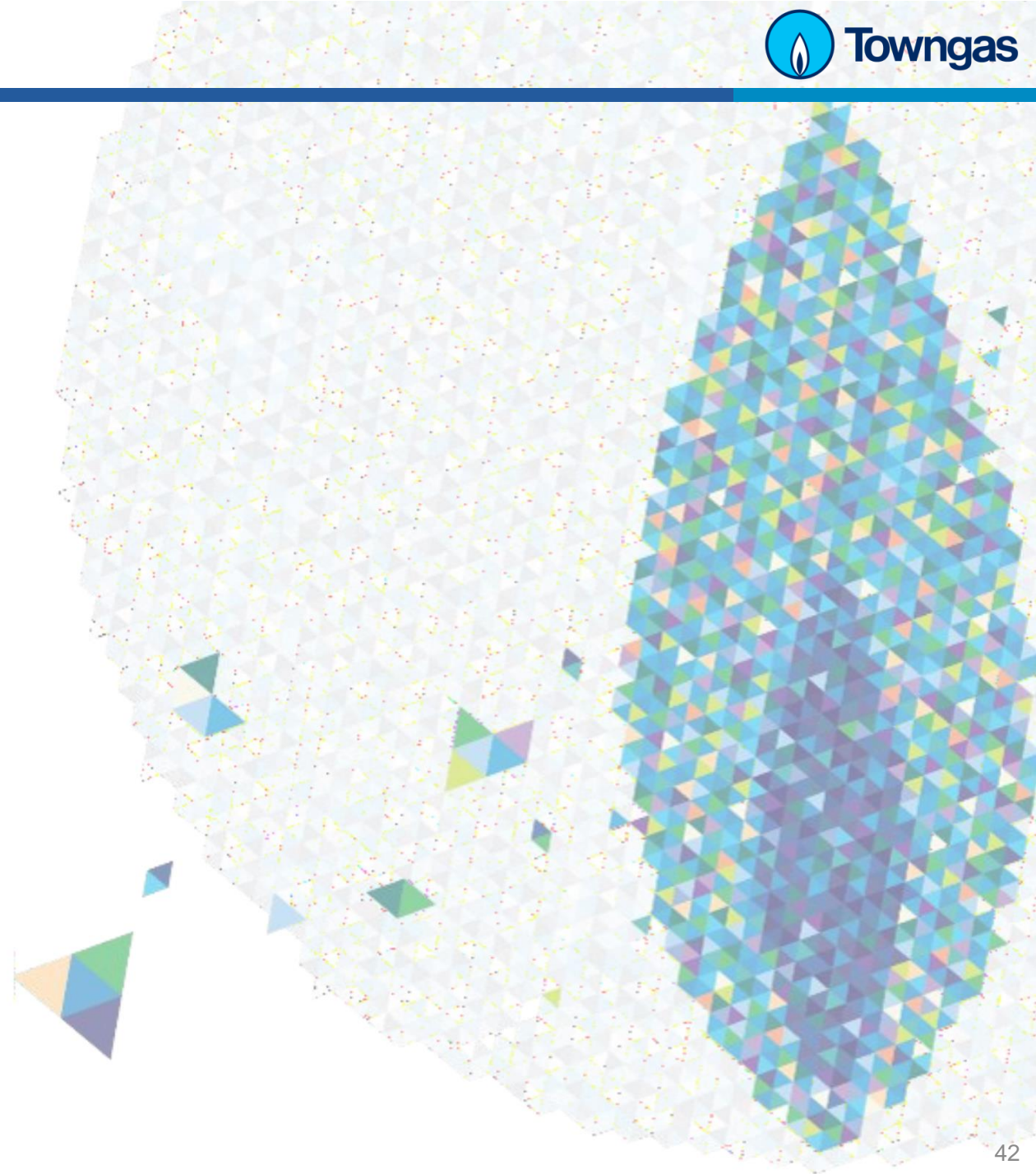
Strategic partnership is expected to help BA reduce lifecycle carbon emissions of ~0.4 million tonnes

### Equivalent to The Total Emissions of Flying ~240,000 Passengers

Equivalent to the total emissions of flying ~240,000 economy class passengers on return flights between London and New York



# ESG



	2024	2025
<b>MSCI</b> 	A	AA ▲
 FTSE Russell	3.4	3.5 ▲
 Hang Seng Corporate Sustainability Index Series	AA+	AA+
<b>S&amp;P Global</b>	71	71 ●

Ranked **first** among gas utilities

Selected for inclusion in the Sustainability Yearbook (China Edition) for **three consecutive years**



# TERAÂWARD

## The 4<sup>th</sup> TERA-Award Smart Energy Innovation Competition (2024)



- 785 submissions from 76 countries and regions in 2024
- Ceremony held at University of Cambridge
- A British startup (Barocal) won the Gold Award

# Group Business Guidance



Utility Business

Growth Business

Hong Kong		Mainland		Extended Business		Renewable Energy		Green Fuels	
<u>Gas Sales Volume</u> (TJ)		<u>Gas Sales Volume</u> (billion m³)		<u>Customer Coverage</u> (million)		<u>Accumulated PV Grid-connected</u> (GW)		<u>Advanced Biofuels</u> (million tonnes)	
27,200	Remains Steady	36.6	+0.5%	46.15	+1.62	2.9	+0.6	Production Volume: <b>0.37</b>	
		<u>Customers</u> (million)						- Malaysia plant to commence production before year-end	
		44.09	+1.60						
<u>Customers</u> (million)		<u>City Gas Dollar Margin</u> (RMB/m³)		<u>Kitchen Appliance Sales Volume</u> (million units)		<u>PV Generation Volume</u> (billion kWh)		<u>Green Methanol</u> (million tonnes)	
2.06	+0.02	0.54	+0.02	Hong Kong: 0.274	+0.01	2.58	+40%	Production Capacity: <b>Increase to 0.15</b>	
		<u>Water Volume</u> (billion tonnes)		Mainland: 0.69	+0.02			- Sales Target: <b>0.02</b>	
		1.67	+1%						
		<u>Environment (Solid Waste)</u> (million tonnes)				<u>Electricity Trading Volume</u> (billion kWh)			
		1.61	Remains Steady			8.8	+5%		

# THANK YOU

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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