

Towngas Smart Energy sees 34% Higher Profits in 2022 Interim Results
First Chinese City Gas Utility to Receive “Medium Risk” ESG Rating from Sustainalytics

(16 August 2022) Towngas Smart Energy Company Limited (“Towngas Smart Energy”, Stock Code: 1083) today announces its 2022 interim results. For the six months ended 30 June 2022, gas sales volume increased by 4% to 7,541 million cubic metres and revenue surged by 31% to HK\$10.16 billion. Compared to the corresponding period last year, profit after taxation attributable to shareholders of the Group was HK\$1,042 million, increased by HK\$264 million, up 34%; and basic earnings per share amounted to HK33.04 cents. Having recently received an environmental, social and governance (ESG) rating upgrade from Sustainalytics, the international rating agency, the Group outperforms the industry and emerges as the first city gas utility on the Chinese mainland to be rated as “medium risk”. This serves as a testimony to the efforts and achievements in ESG scope recognised by market.

Mr Isaac Yeung Chung-kwan, The Hong Kong and China Gas Company Limited (“HKCG”, Stock Code: 0003) Head of Corporate ESG / Head of Corporate Affairs says, “Towngas Smart Energy and its parent company, Towngas, have been integrating ESG practices in all aspects of our operations and have made concrete progress, so we are very encouraged by this ESG rating upgrade from Sustainalytics. In recent years, climate change has become an important issue at the national level. In addition to reflecting the commitment of the business sector to society through its resources invested and the subsequent performance, ESG is also an integral part of risk assessment. The professional recognition of the Company's sustainable development efforts will undoubtedly help strengthen the confidence of investors and stakeholders in our operations and governance.”

For the interim results, the national goals of achieving "carbon peak" and "carbon neutrality" and policies on environmental protection provide us with vast room for development. The Group will continue to seek high-quality renewable energy projects and make prudent investments following the three strategic directions of integration, decarbonisation and digitalisation.

The Group will continuously devote resources into the R&D of innovative environmental technologies, and combine energy innovation and R&D with commercial mass production to achieve high-quality business development.

We have 298 projects in 23 provinces/municipalities/autonomous regions on the Chinese mainland, with business spanning across city gas and renewable energy.

Facing the impact of the pandemic, the rising energy prices and the evolution of the international landscape, we further developed the gas business and strove to develop the renewable energy business by virtue of our proven track record and professional management, and recorded decent growth in the first half of the year. Gas sales volume increased by 4% to 7,541 million cubic metres and revenue surged by 31% to HK\$10.16 billion.

The ESG performance of a corporate has been attracting growing concern from investors and stakeholders. Towngas Smart Energy has long been striving to incorporating ESG concepts into the governance and daily operation of business, aiming at improving the sustainable performance from all aspects.

In mid August, Towngas Smart Energy has received from Sustainalytics the “medium risk” rating, which shows significant improvement from the “high risk” rating received last year. Together with the S&P Global ESG Ratings Towngas Smart Energy has received in Q1 this year, the company has obtained five global ESG ratings, facilitating investors and stakeholders to learn more about the ESG relevant risks and strategies of our business.

For details of the 2022 interim results, please refer to the corporate website (www.towngassmartenergy.com) and HKEXnews (<https://www.hkexnews.hk/>).

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