

CR GAS 2019 Final Results Presentation





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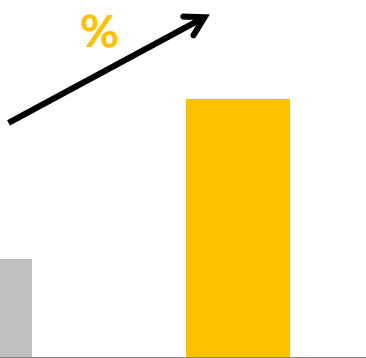
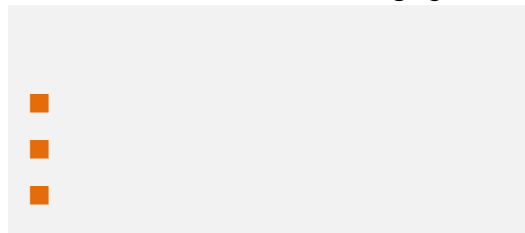


In 2019, the CR Gas key financial and operational indicators continued to improve, business scale, earning and return maintained rapid growth.

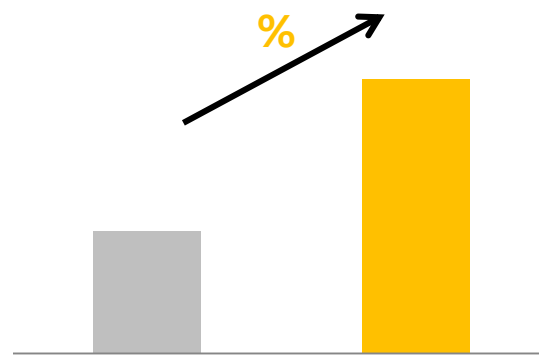
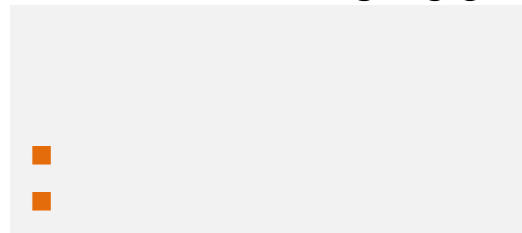


As a result of the acceleration of C&I energy conversion, gas sales volume (28.01 billion m³), number of customers (37.95 million) and turnover (HK\$55.84 billion) achieved a high growth rate in 2019.

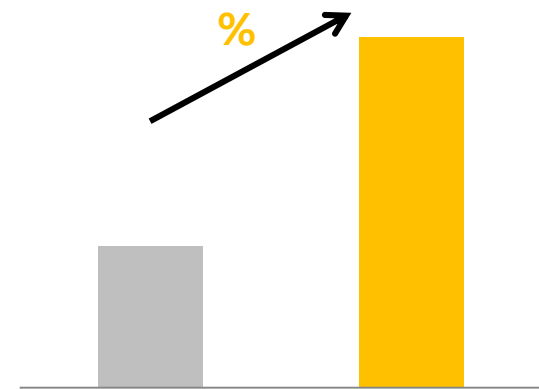
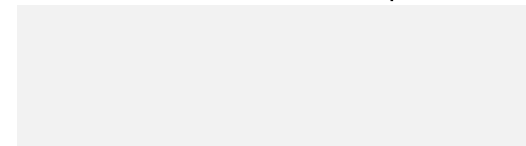
Volume **28.01B m³**



Customer **37.95 M**



Turnover **HK\$ 55.84B**





In 2019, profit attributable to shareholders reached HK\$5.04 billion, an increase of 13.3%; RMB depreciated in 2019, excluding the exchange impact,



In 2019, net cash flow from operating activities reached HK\$8.49 billion, bank balance and cash were HK\$13.24 billion, financial liquidity maintained at strong position.

Cash Flow

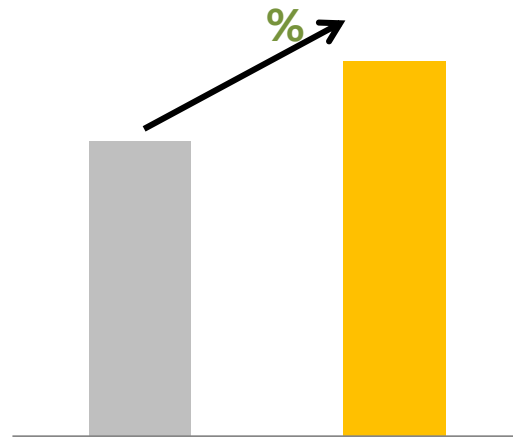
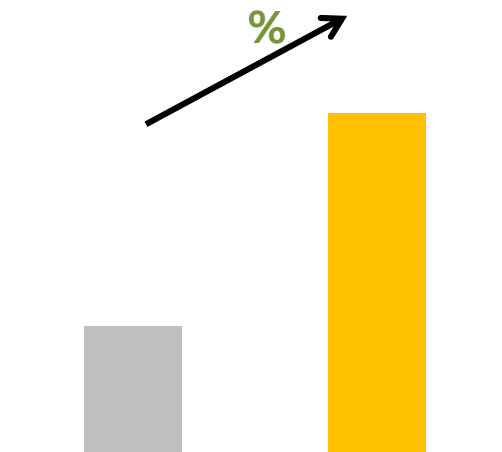
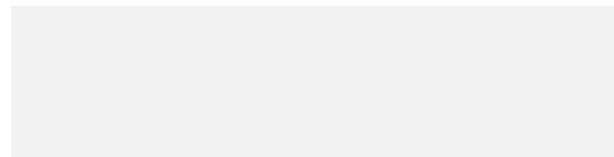
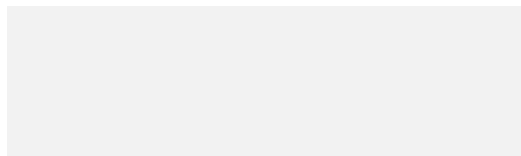
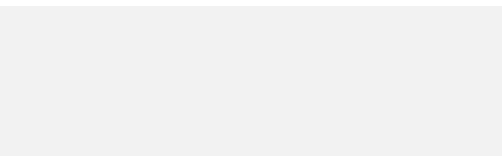
HK\$ 8.49 B

Debt Ratio

26.7%

Bank and Cash

HK\$ 13.24 B

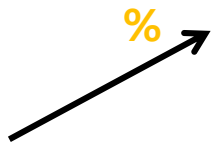




2019 proposed final dividend is HK\$0.72 per share, total dividend is HK\$0.87 per share, dividend payout ratio is 38%, maintain stable growth.

2019 Dividend **HK\$ 87**

Stable Growth in Dividend Payout





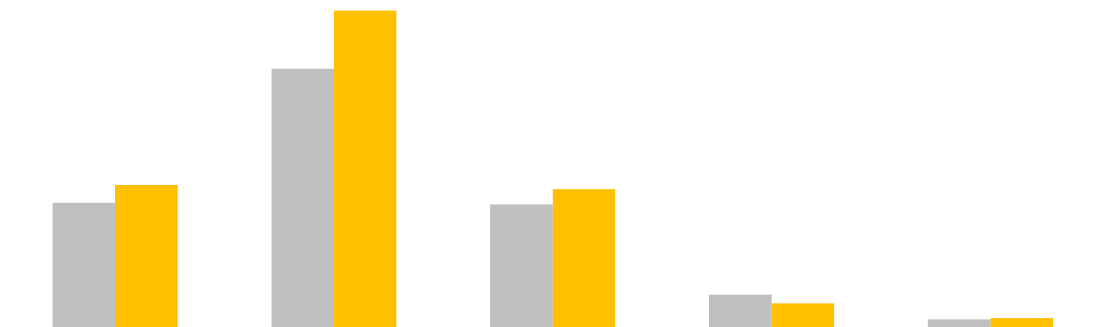
CR Gas continued to optimize its business structure in 2019, gas sales revenue proportion increased 0.6ppt to 79.2%, driven by the rapid growth of commercial and industrial gas sales volume.

Gas Sales Revenue Proportion



Gas Sales Volume Mix

% % % % %





《 CR Gas virtual borderless innovative management model 》

-
-
-
-

Award first prize of the “70th Anniversary of the Founding of New China” National SOE Management Innovation Achievement



Experts' Comments

Comment by CHEN, Xiaohong, Former Director of the Enterprise Research Center, R&D Center of State Council:

SUN, Minghua, Vice Chairman of the Chinese Enterprise Management Research Association, Chief Editor of the 《SOE Management》 :



To affirm CR Gas sustainable growth and outstanding performance, 3 major international credit rating agencies maintained the **AAA** 2019 credit rating, the highest rating to the Chinese city gas operators.

Maintain the highest rating

MOODY'S

Stable



Stable

FitchRatings

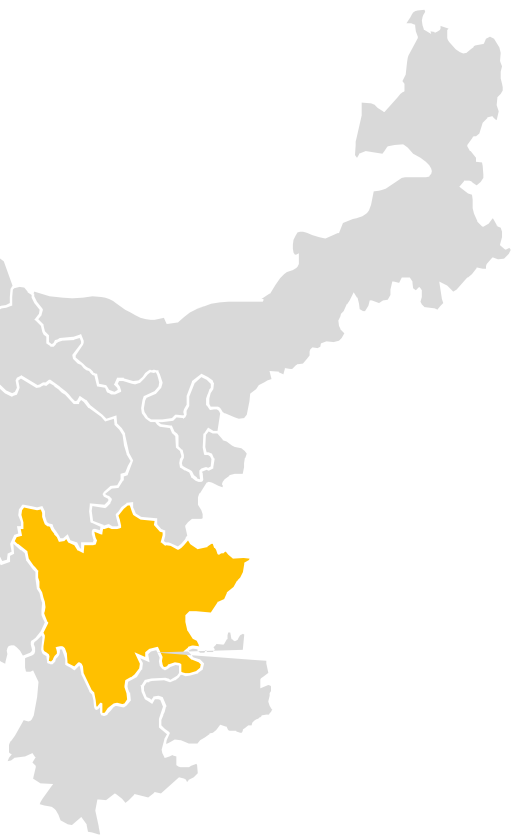
Stable

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New projects in 2019

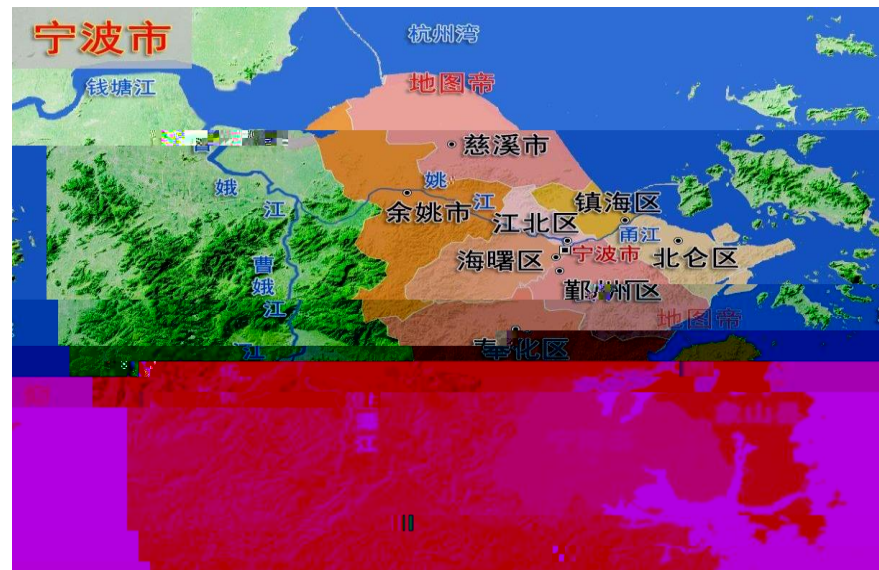
Group Level	Location	Project Level	Location
	福建省 厦门市		福建省 龙岩市
	江苏省 射阳县		福建省 福建省
	江苏省 南京市		广西省 梧州市
	江苏省 江阴市		四川省 达州市
	四川省 内江市		四川省 成都市
	福建省 武夷山市		
	四川省 宜宾市		
	香港		



On August 2, 2019, CR Gas, Ningbo government and Guangxing Gas agreed to set up a city gas JV in Ningbo. The JV agreement has been entered in December 2019.

Ningbo

Scale



JV Agreement: On August 2, 2019, CR Gas, Ningbo government and Guangxing Gas entered a JV co-operation agreement. JV agreement has been entered on December 12, 2019. CR Gas owns 48.1% of the JV.

Most significant SOE reform project in terms of size, quality and scale.



On October 22, 2019, CR Gas and Shanxi Gas Group entered an co-operation agreement. CR Gas is planning to acquire Taiyuan project through subscription of new shares.

Taiyuan

Scale :



Co-operation Agreement: Agreed by Shanxi government, CR Gas and Shanxi Gas Group entered an co-operation agreement on October 22, 2019. CR Gas is planning to acquire Taiyuan project through subscription of new shares.

Taiyuan is one of the 2 remaining provincial capital projects still wholly owned by government.



Actively participate in the Guangdong-Hong Kong- Macao Greater Bay Area development plan by setting up CR Gas vice operation headquarter, 8 city gas companies, 1 holding company and 1 technology company have been set up to capture the future development and growth in the Greater Bay Area.



Zhongshan "Cuiheng New District" Vice Operation Headquarter

†
†
†
†
†

3 New Startup units

Value-Added Service

Technology Center

Coverage in Greater Bay Area



2019 Greater Bay Area Highlight

"City Gas"

"Industry"

"Technology"

”



City Gas



Industry+Technology





Leverage on the core city gas business, CR Gas will develop through the value chain to enrich the business model. 5 midstream pipeline companies have been invested in order to expand the service coverage in the cities.



Midstream

Downstream



City Gas





Actively invest in the distributed energy projects, 10 new projects were signed in 2019, total investment of HK\$4 billion. A total of 32 projects were signed, total designed capacity is 340MW. Wuxi Mayuan district project becomes the model project.

Steadily Tap into the Distributed Energy Market

Industrial Park



Hospital Complex



Production Base

Concentrate on high quality project acquisition, development and operation

Wuxi Mayuan district project becomes the Nation's model project

Focus on regional customer base to enhance the return and profitability



Pilot project with Aero Engine Corporation of China (AECC) for domestic production of "Low Nitrogen combustion" gas turbine.

国家能源局

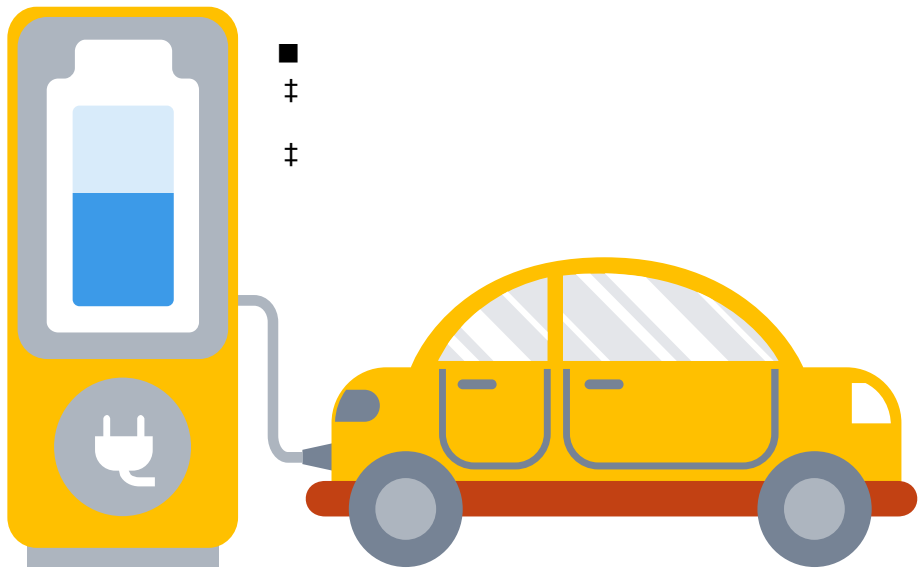
国能函科技[2019]81号

国家能源局关于将华能南通电厂燃气轮机发电项目等24个项目列入第一批燃气轮机创新发展示范项目的复函

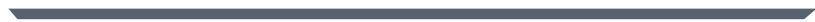


Continuous exploring the new energy business, satisfactory operating performance achieved in the transportation refueling market in the form of electricity, gas and hydrogen. In 2019, sales from electricity charging post reached 130 million units, and increase of 108%, operating profit increased 146% to HK\$40.37 million.

130 M units



Explore the Transportation Refueling Market





Leverage on the huge customer base, value-added services such as selling of gas appliances and gas insurance can be offered. Turnover from value-added services reached HK\$2.01 billion, increased 29.7%. Of which, gas insurance continued to increase 73.7% to HK\$330 million.

Turnover from
value-added services

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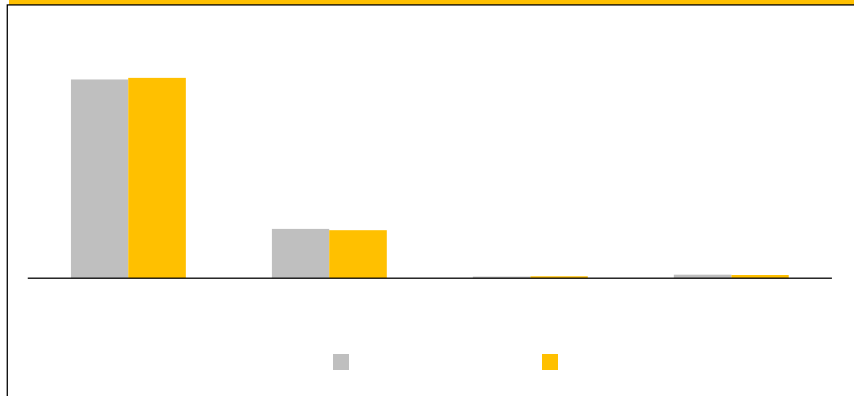






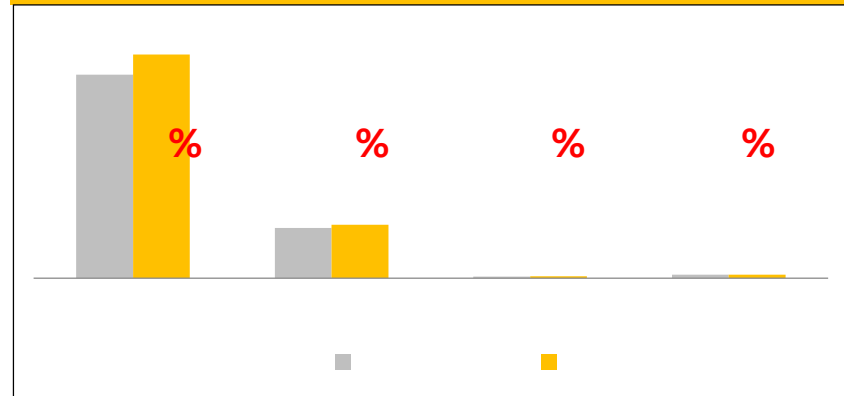


Revenue Mix

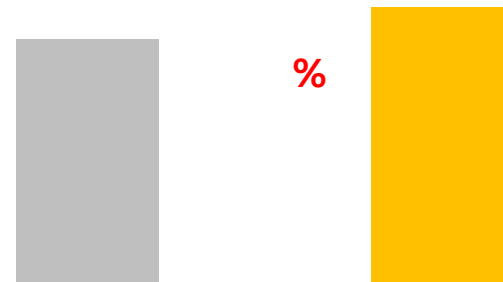


Gas Sales Volume

Revenue Growth Rate

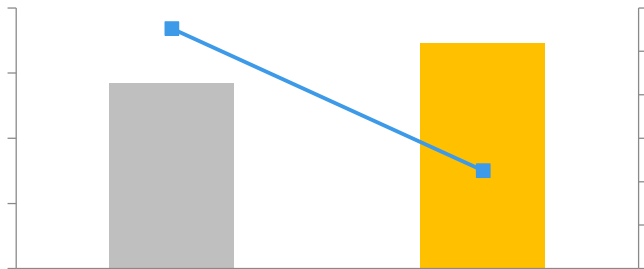


Residential Customer





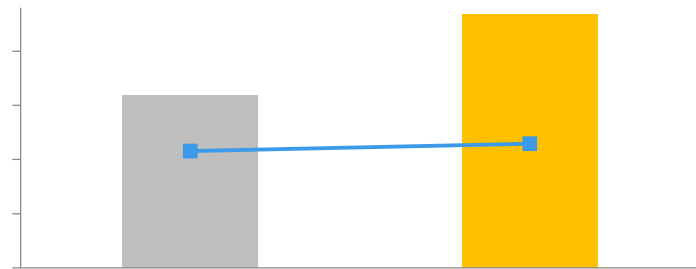
Total Costs



HK\$ Million



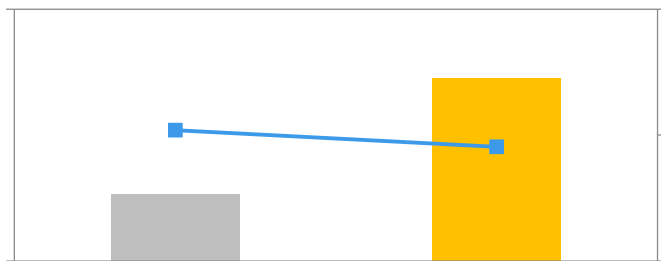
Finance Costs



HK\$ Million



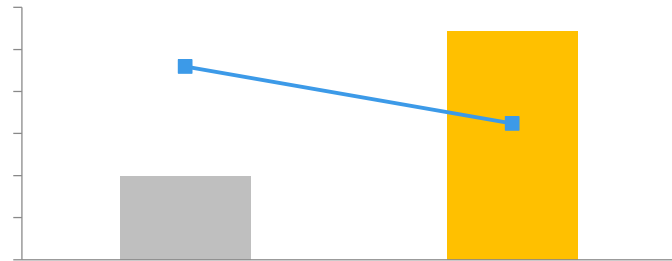
Selling & Distribution Expenses



HK\$ Million



General & Administrative Expenses



HK\$ Million





Equity & Debt





Disclaimer and Contact

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