

Towngas China Company Limited

(1083 HK)

2012 Annual Results

2013 Roadshow Presentation



Disclaimer

This presentation and subsequent discussion may contain certain forward-looking statements. These forward-looking statements reflect the company's view on some future events and involve known and unknown risks and uncertainties and other factors which may cause actual performance and development differ materially. Past performance cannot be relied on as a guide for future performance.

Agenda

- Company Overview
- Financial and Operational Performance
- Future Outlook



Company Overview



Territorial Coverage



74 projects covering
15 provincial regions

Piped city-gas

66 JVs (2011)



7 new city-gas (2012)



1 new midstream (2012)



As at Dec 2012

8 New Projects Added in 2012

City-gas **7** projects

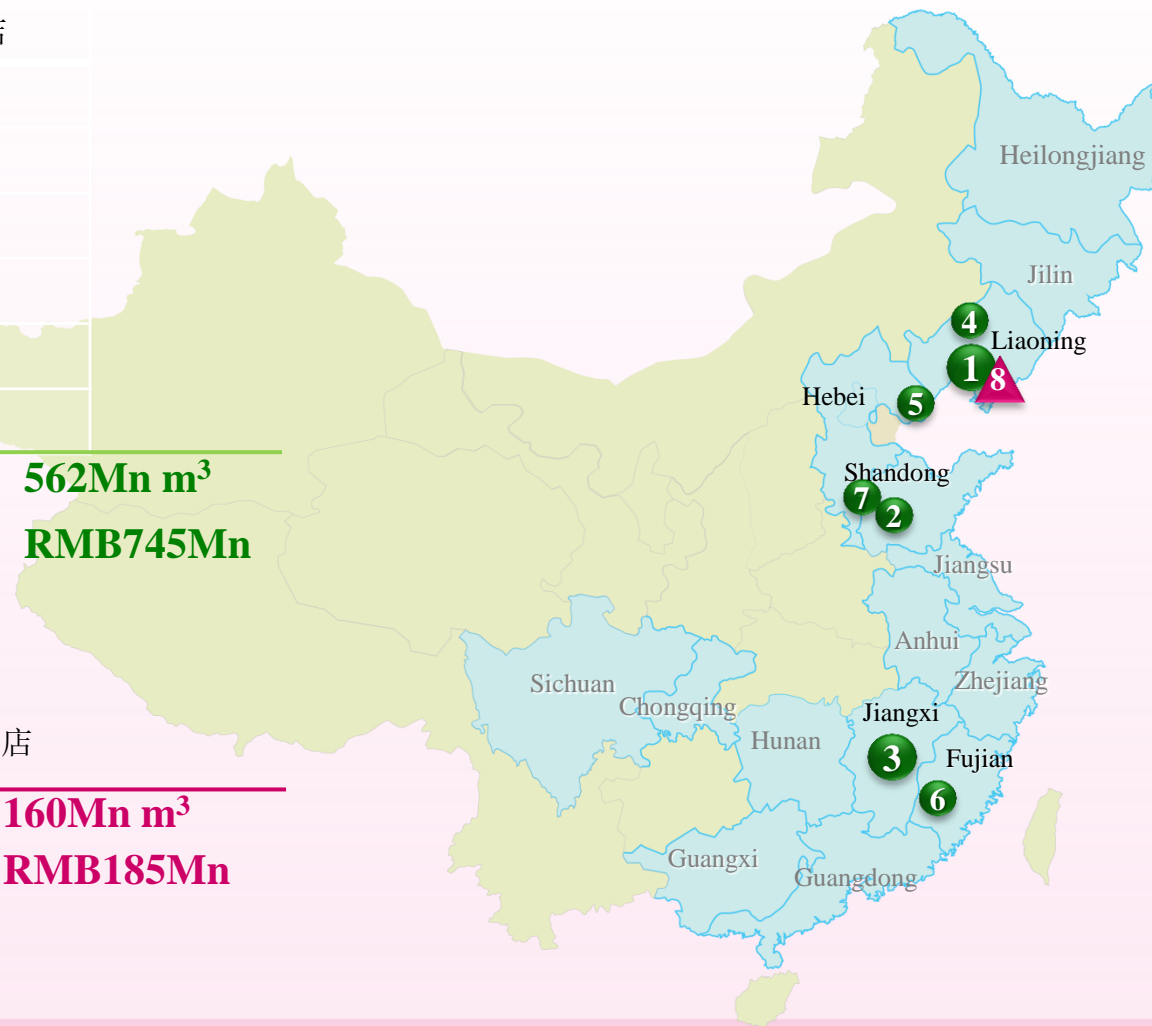
- ① Liaoning Wafangdian 遼寧省瓦房店
- ② Shandong Zhaoyuan 山東省招遠
- ③ Jiangxi Yifeng 江西省宜豐
- ④ Liaoning Xinqiu 遼寧省阜新新邱
- ⑤ Hebei Qinhuandao 河北省秦皇島市
- ⑥ Fujian Changting 福建省長汀縣
- ⑦ Shandong Pingyin 山東省平陰

Gas consumption in 5 years' time: **562Mn m³**
 Total investment: **RMB745Mn**

Midstream **1** project

- ⑧ Liaoning Wafangdian 遼寧省瓦房店

Gas consumption in 5 years' time: **160Mn m³**
 Total investment: **RMB185Mn**



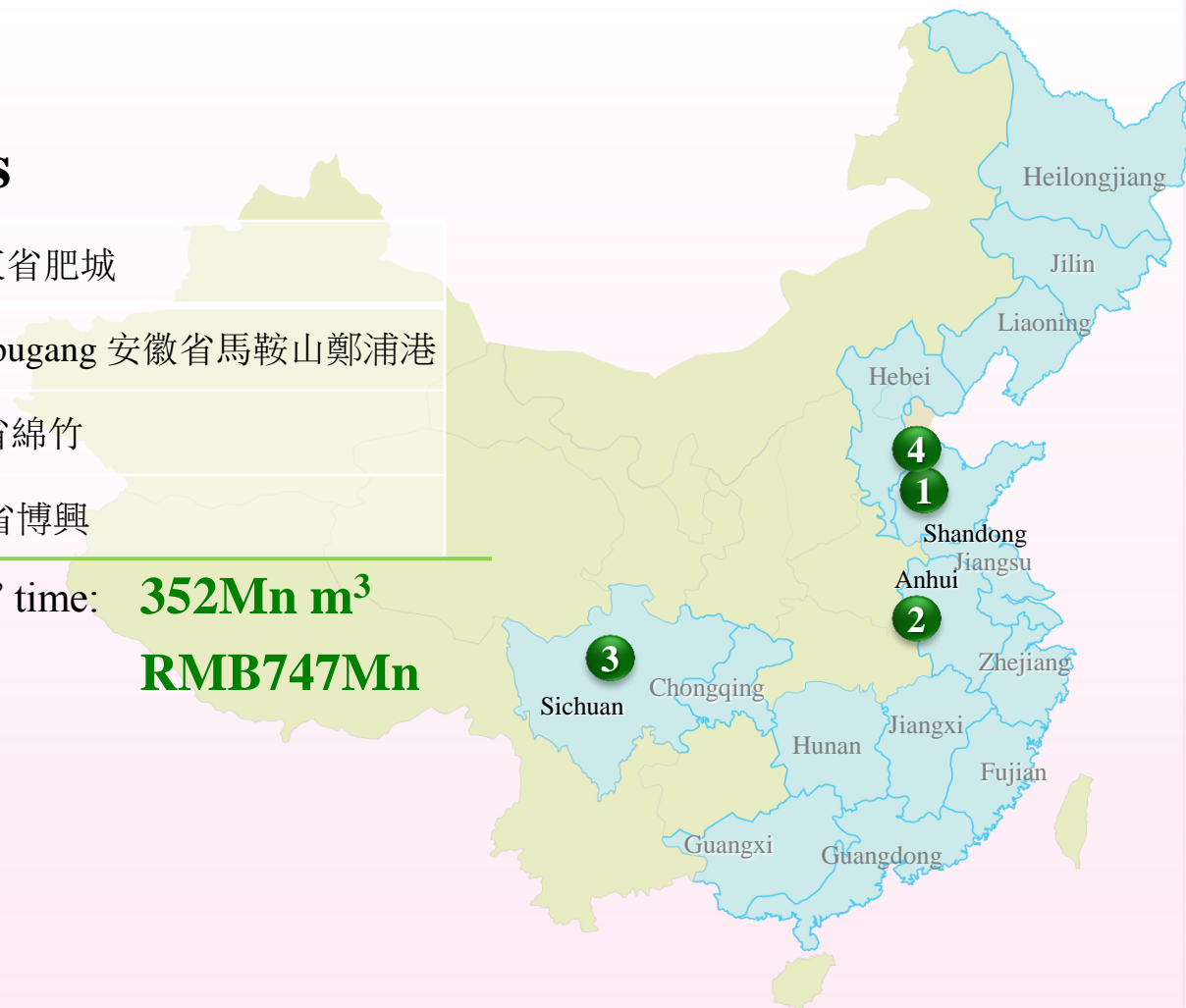
4 New Projects Added YTD March 2013

City-gas **4** projects

- 1 Shandong Feicheng 山東省肥城
- 2 Anhui Maanshan Zhengpugang 安徽省馬鞍山鄭浦港
- 3 Sichuan Mianzhu 四川省綿竹
- 4 Shandong Boxing 山東省博興

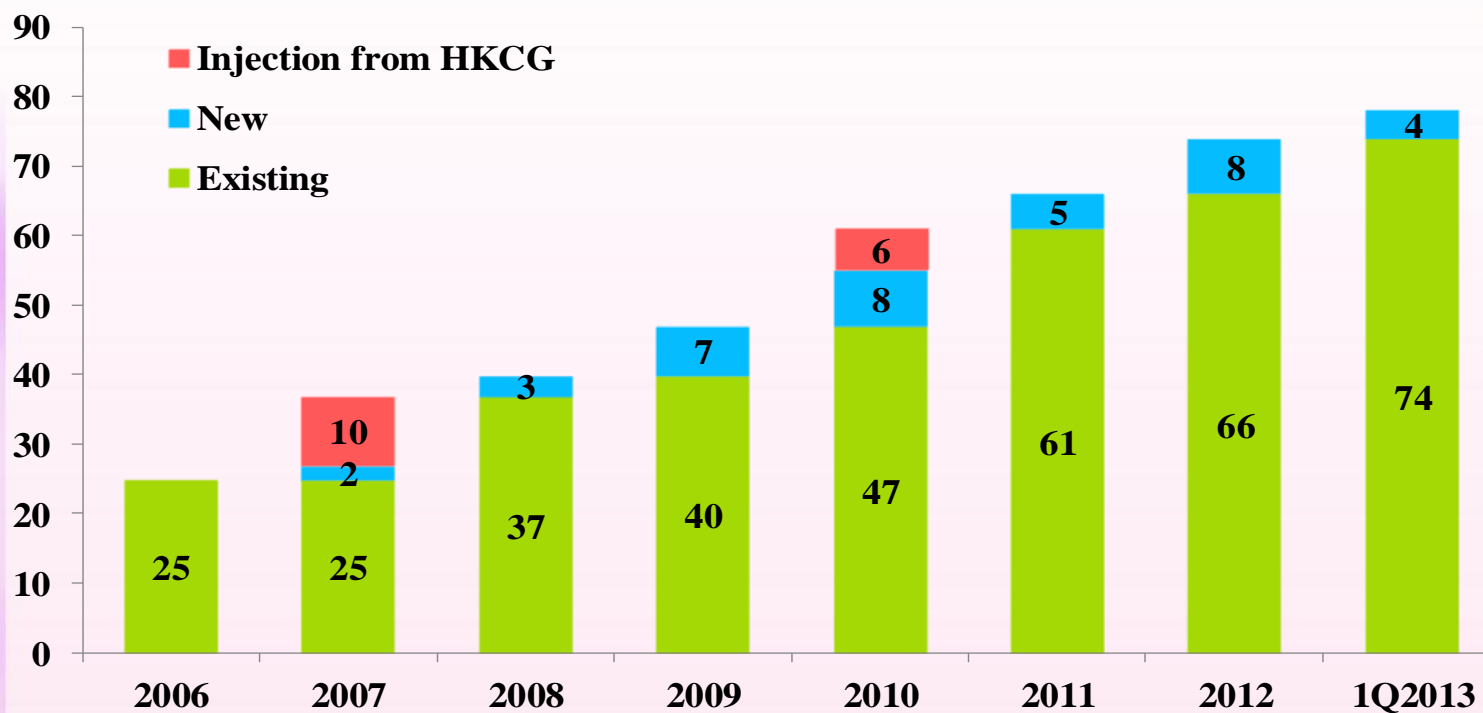
Gas consumption in 5 years' time: **352Mn m³**

Total investment: **RMB747Mn**



Number of Piped-gas Projects

2006	2007	2008	2009	2010	2011	2012	1Q2013
25	37	40	47	61	66	74	78



❖ 2012: include Liaoning Wafangdian midstream project

Financial and Operational Performance



2012 Achievements

- Record high profit

- Improvement in gas margins

- 74 JVs in total, 7 city-gas & 1 midstream projects added

- 2013 Achievements:

 - 4 city-gas projects added

 - Record high market capitalization at HK\$19.6Bn (15 Mar 2013)

Results Highlights (Financial)

(HK\$Mn)	2011	2012	Change
Gas Sales	3,288	3,972	+21%
Connection Fees	1,033	1,211	+17%
Turnover	4,321	5,183	+20%
Profit attributable to shareholders	709	841	+19%
Basic EPS (HK cents)	28.84	34.17	+19%
Full year dividend per share (HK cents)	5	6	+20%

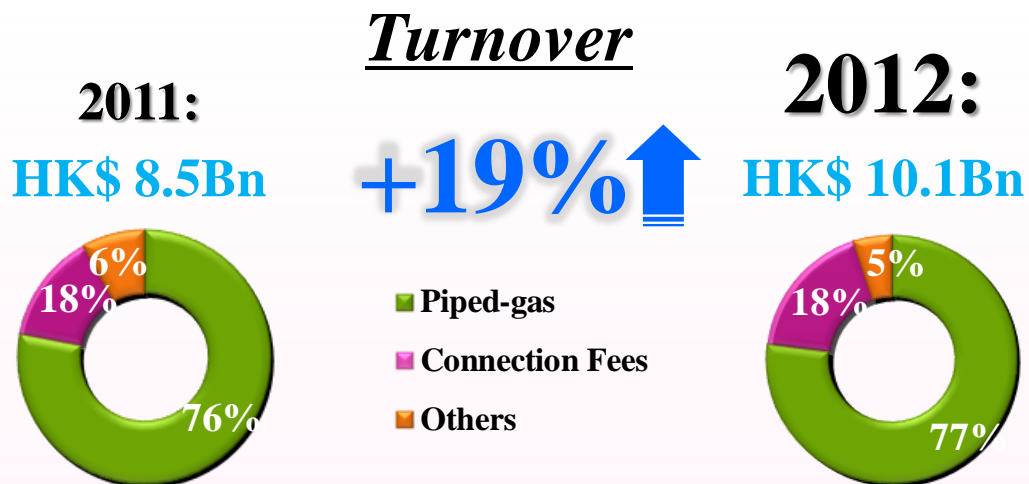
Key Balance Sheet Items

(HK\$Mn)	2011	2012	Change
Total Assets	18,183	21,255	+17%
Total Liabilities	7,884	9,968	+26%
Total Equity	10,299	11,287	+10%
Gearing Ratio*	19.6%	18.6%	

Note:

* Definition of Gearing Ratio: Net Debt excluding HKCG loans (“ND”) to equity attributable to shareholders plus ND

Results Highlights (Management)



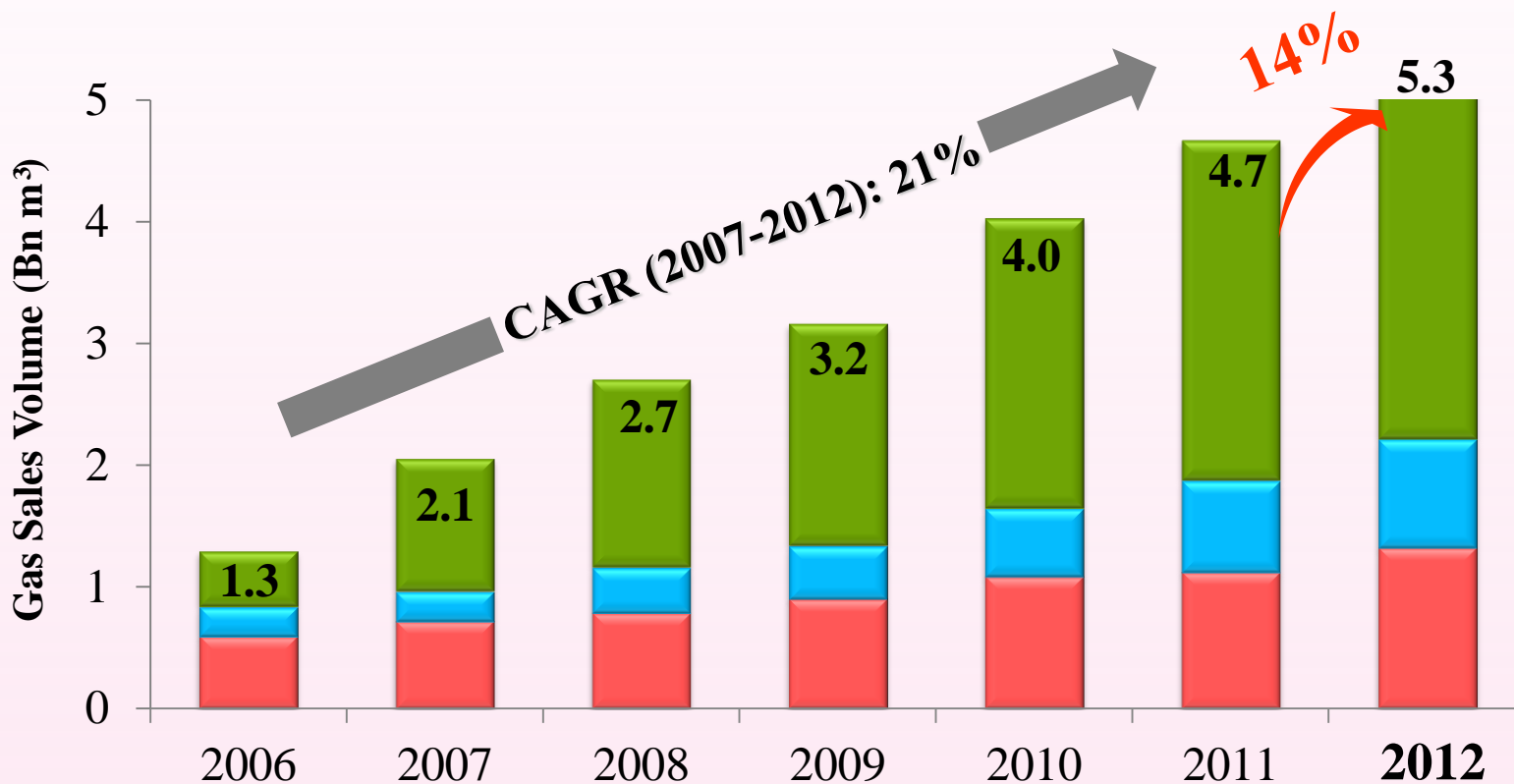
(HK\$Mn)	2011	2012	Change
Piped-gas	6,439	7,805	+21%
Connection Fees	1,478	1,770	+20%
Others	539	528	-2%
Total Turnover	8,456	10,103	+19%
JV profit contribution	803	1,025	+28%
Profit margin ratio	9.5%	10.1%	
Exchange difference	117	45	-62%
Administration expenses	(91)	(116)	+27%
Financial cost	(120)	(113)	-6%
Profit attributable to shareholders	709	841	+19%

Improvement in margin

*All JVs shared equity basis

Growing Gas Sales Volume

(Bn m ³)	2011	2012	Change
Industrial	2.79	3.10	+11%
Commercial	0.76	0.89	+18%
Residential	1.12	1.32	+18%
Total	4.67	5.32	+14%



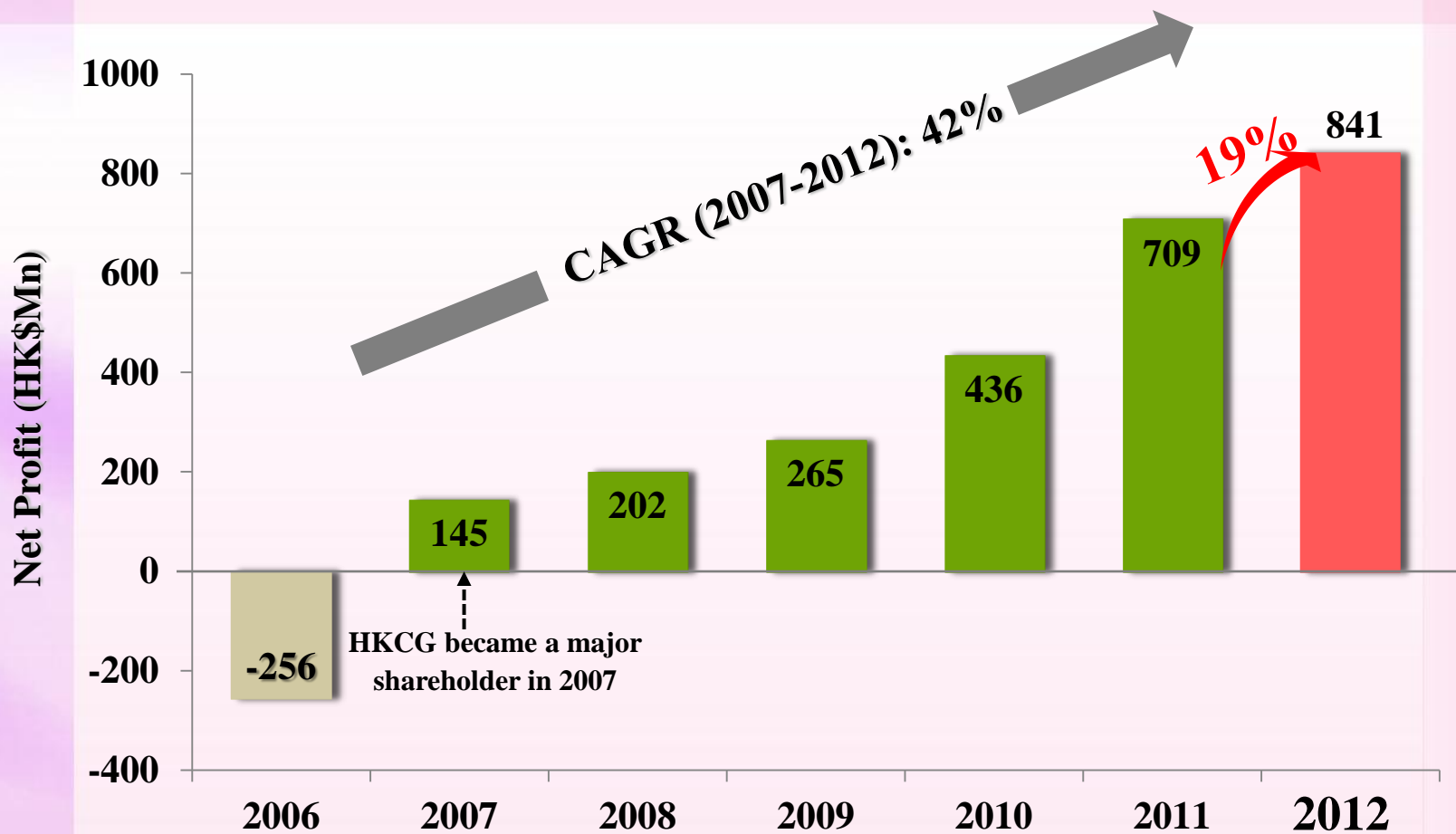
*All JVs (100%)

Gas Sales Volume Distribution of JVs

Shared Equity Basis

Volume (Mn m ³)	2011	2012	Change
Subsidiaries	1,024	1,135	+11%
JCEs & Associates	964	1,146	+19%
Chengdu JV	136	144	+6%
Total	2,124	2,425	+14%

Continuous Profit Growth



Market Capitalization

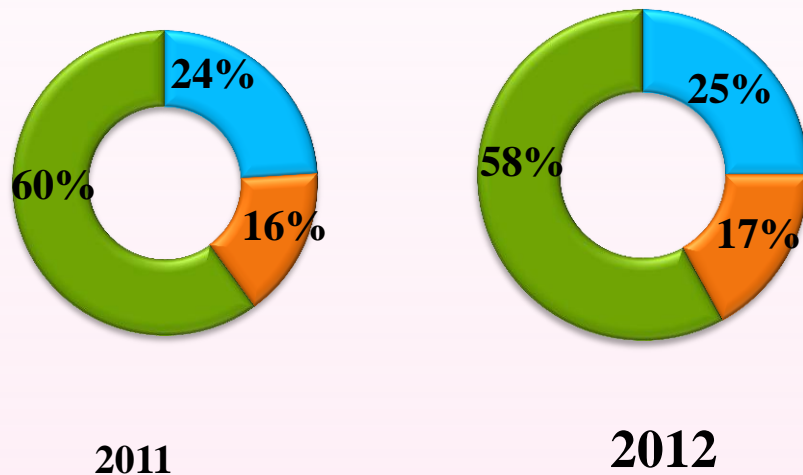


*Bloomberg

Operational Highlights

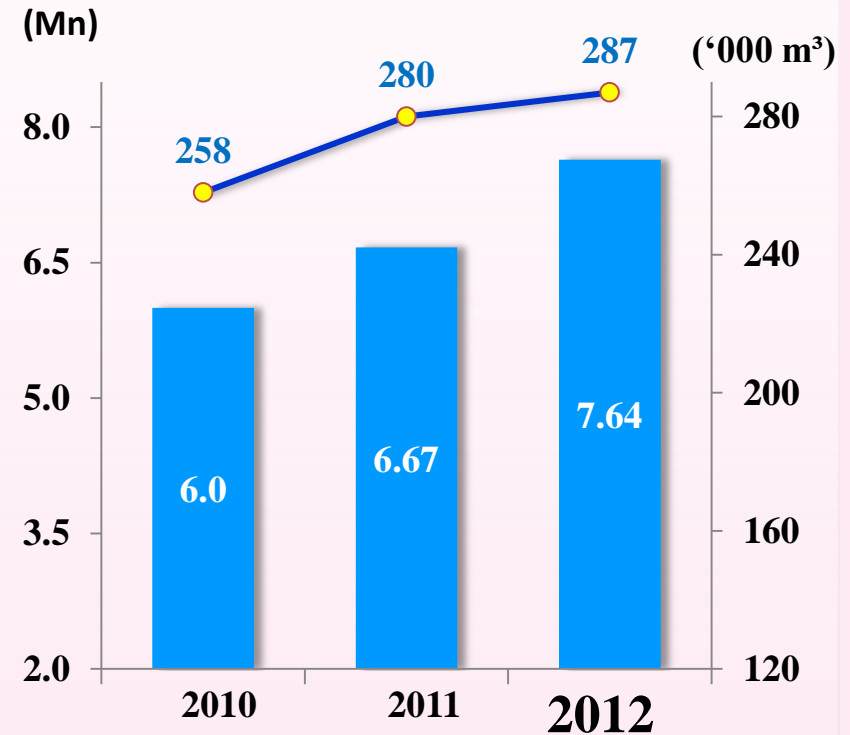
Gas Sales Volume Mix (%)

Residential Commercial Industrial



No. of Customers

Customers No. (LHS)
Gas Volume/Employee No. (RHS)



* All JVs (100%)

Successful Share Placement

16 January 2013

No. of share placed

150mn @HK\$6.31/share

Proceeds raised

HK\$946mn

Over-subscription

>20x

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

This announcement appears for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for any securities of the Company in any jurisdiction including the United States. Securities may not be offered or sold in the United States absent registration or an exemption from registration under the U.S. Securities Act. Any public offering of securities to be made in the United States will only be made by means of a prospectus that may be obtained from the issuer or the selling security holder and that contains detailed information about the issuer and management as well as financial information. There is no intention to make a public offering of the securities referred to in this announcement in the United States.



港華燃氣有限公司
Towngas China Company Limited

(Incorporated in the Cayman Islands with limited liability)

PLACING AND ISSUE OF NEW SHARES
 UNDER GENERAL MANDATE

AND

RESUMPTION OF TRADING

HSBC   UBS

As Placing Agents

On 10 January 2013 (before the opening of the trading hours), the Company and the Placing Agents entered into the Placing Agreement pursuant to which each of the Placing Agents has conditionally agreed with the Company to act as agents for the Company during the Placing Period to procure subscribers to subscribe for, or failing which to subscribe as principal, severally and not jointly nor jointly and severally in their respective proportions for a total of 150,000,000 new Shares at a price of HK\$6.31 per Placing Share.

The Placing Price represents a discount of approximately 4.10% to the closing price of HK\$6.58 per Share as quoted on the Stock Exchange on the Last Trading Day and a discount of approximately 2.77% to the average closing price of approximately HK\$6.49 per Share as quoted on the Stock Exchange for the last 5 trading days immediately preceding 9 January 2013, the date on which trading in the Shares was halted pending the

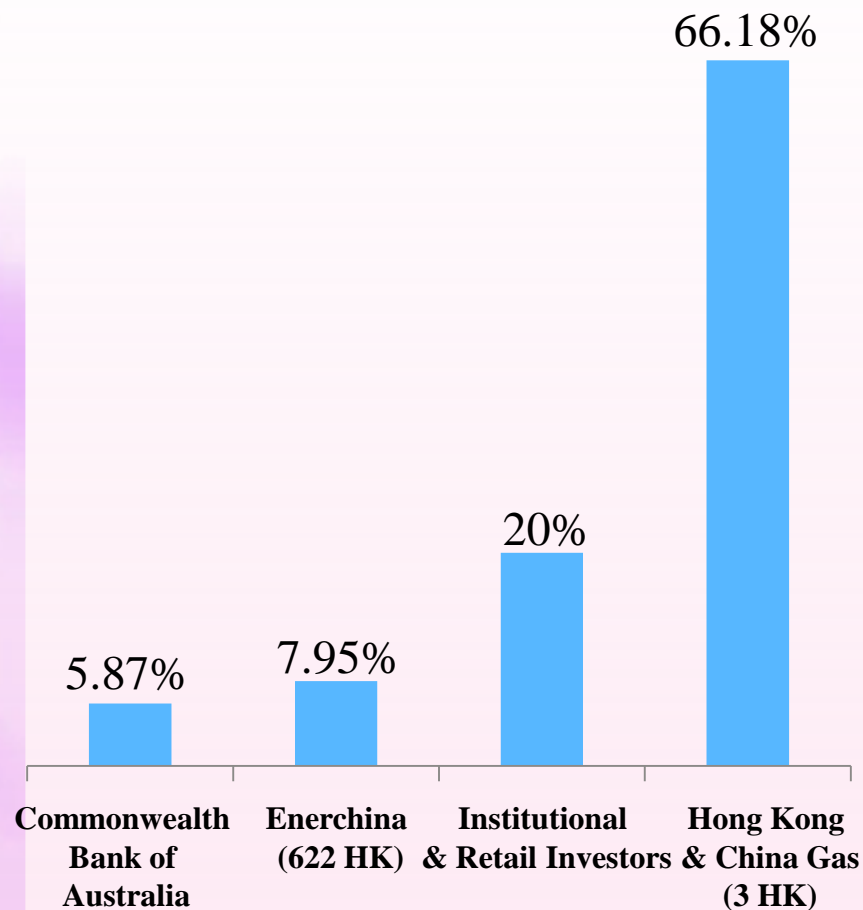
- 1 -

(This page is intentionally left blank for the purpose of providing space for the inclusion of any additional information that may be required for the completion of the placing process.)

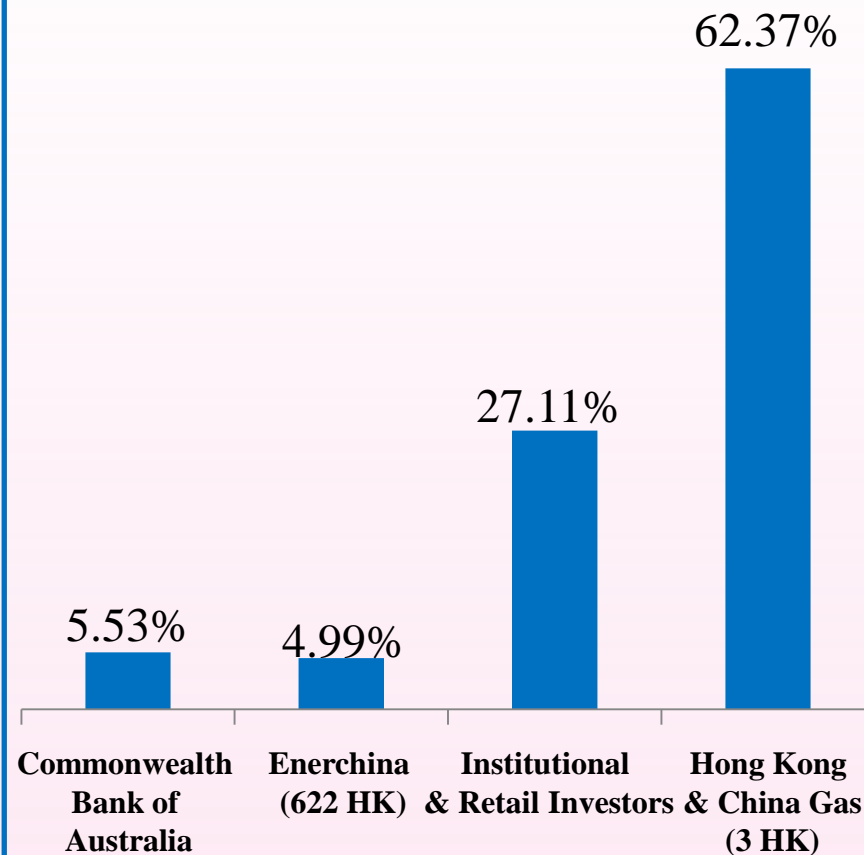
Towngas China (1083.hk)

Shareholders Profile

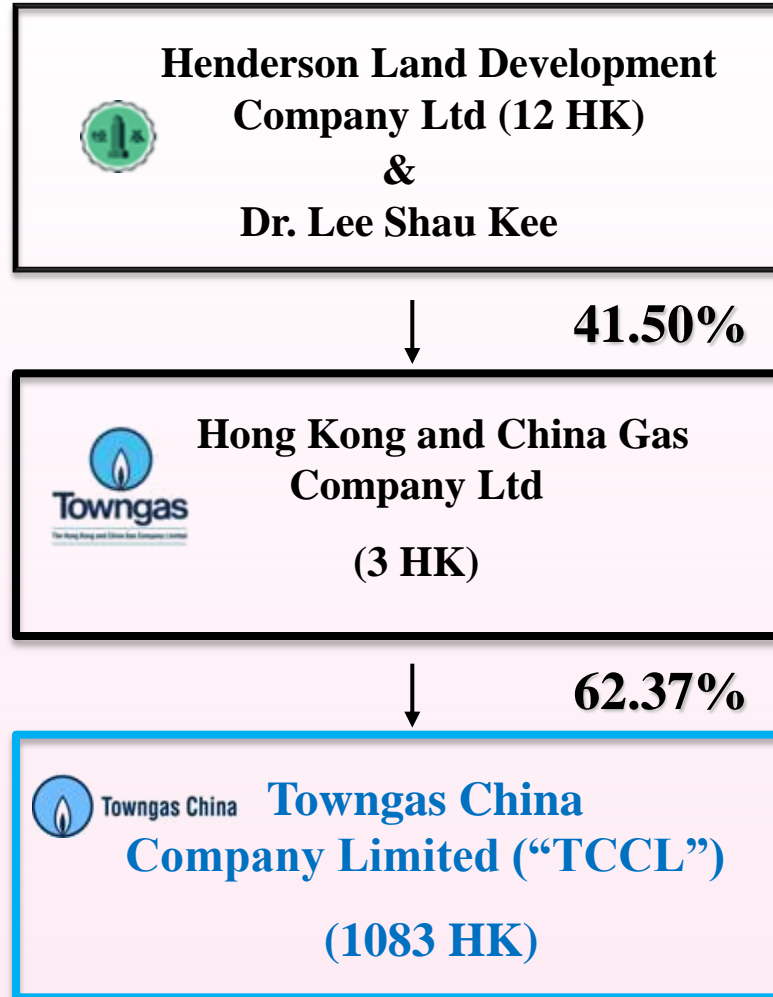
1 January 2013



15 March 2013



Corporate Structure

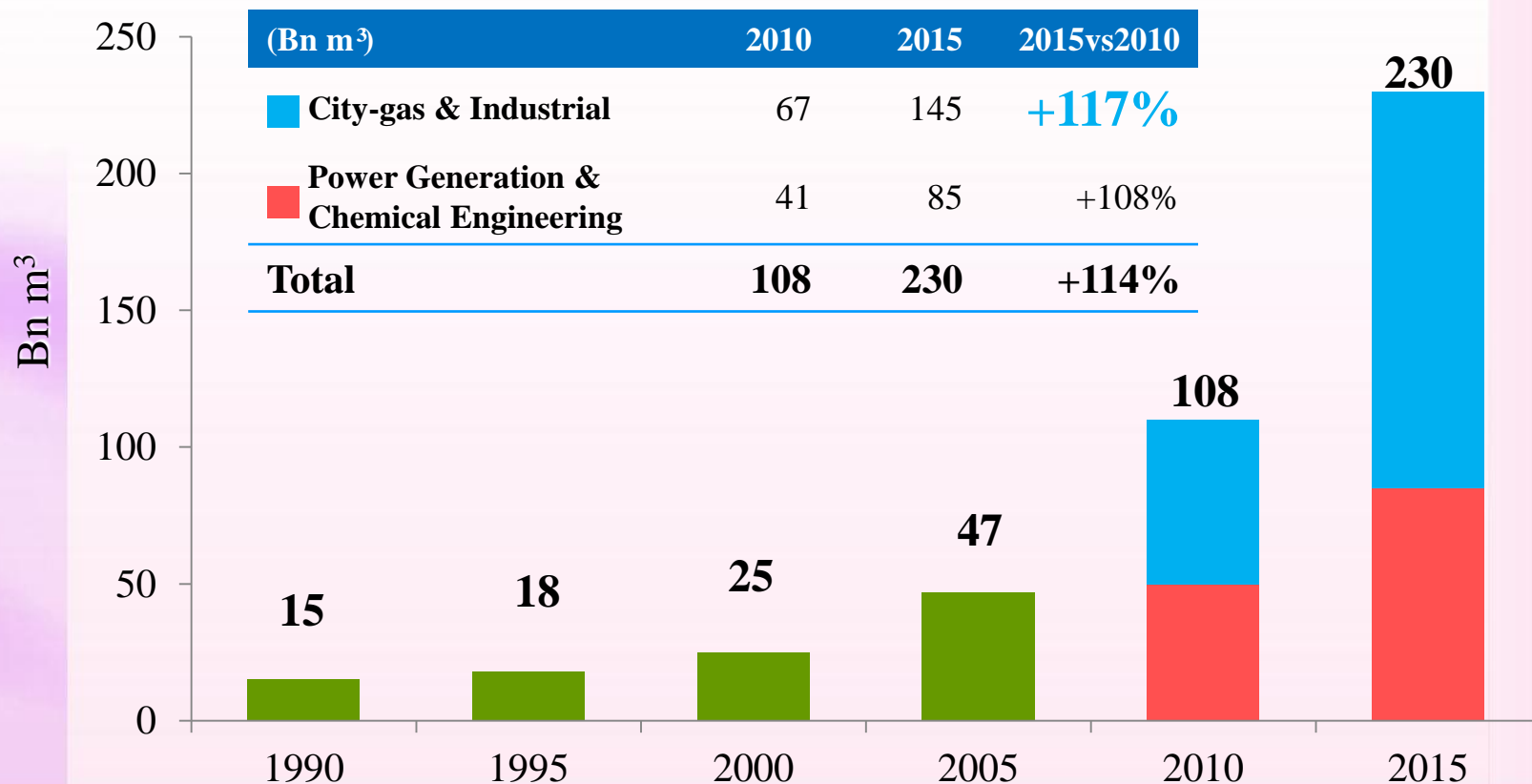


Future Outlook



Outlook: Strong NG Demand

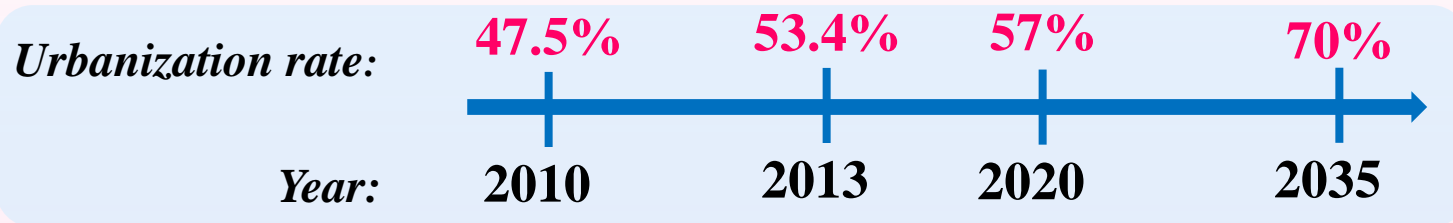
National NG Demand Forecast



Source: BP / Guangdong Oil & Gas Association (OGA)

City-gas Business Outlook

- Increasing natural gas supplies:
 - W2E2
 - W2E3
 - Burma pipeline
 - Russia Eastern Pipeline
- China remains a manufacturing country
- Increase in urbanization rate:



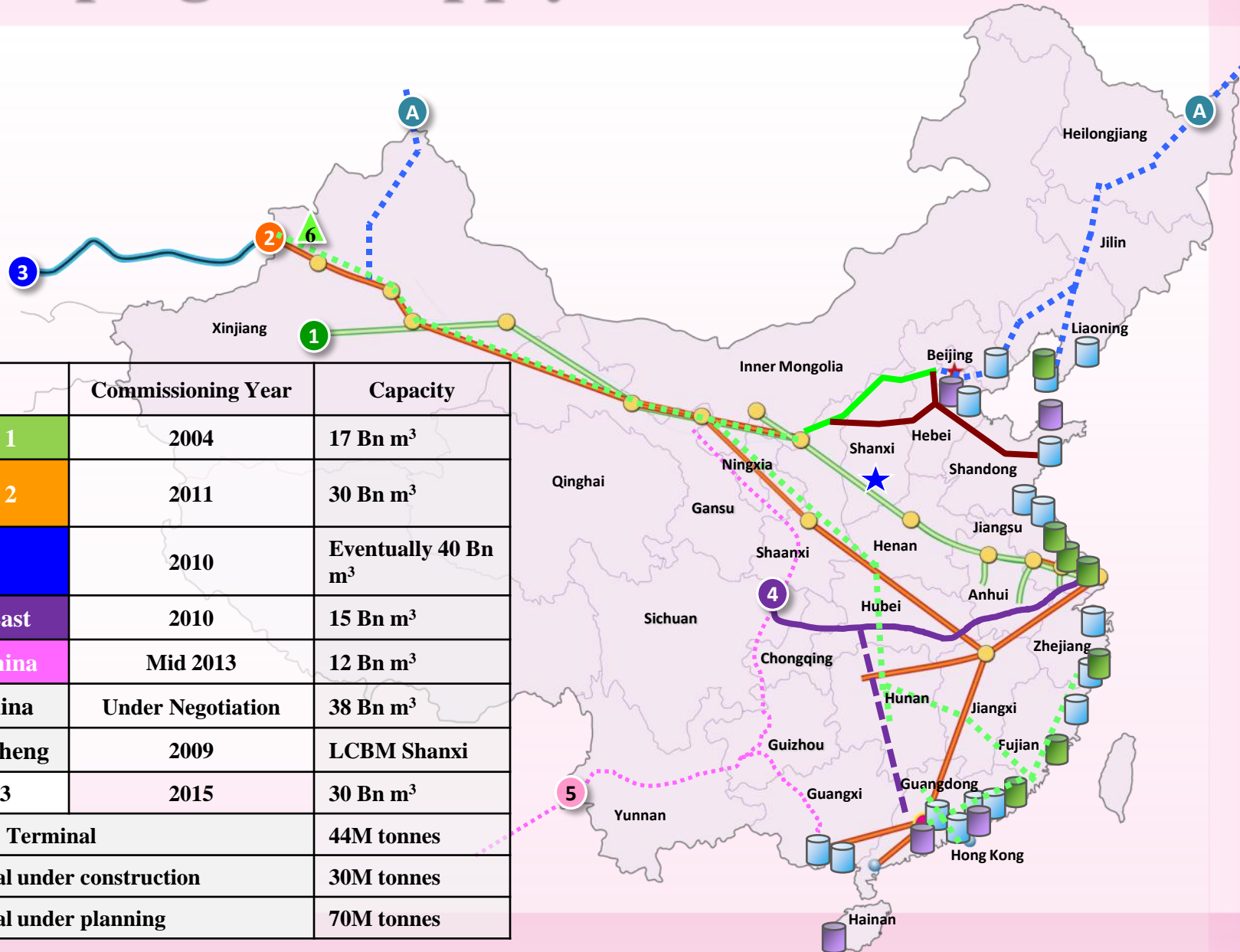
- Increasing housing supply:
Affordable home

2011-2015	36 Mn
2013	6.3 Mn



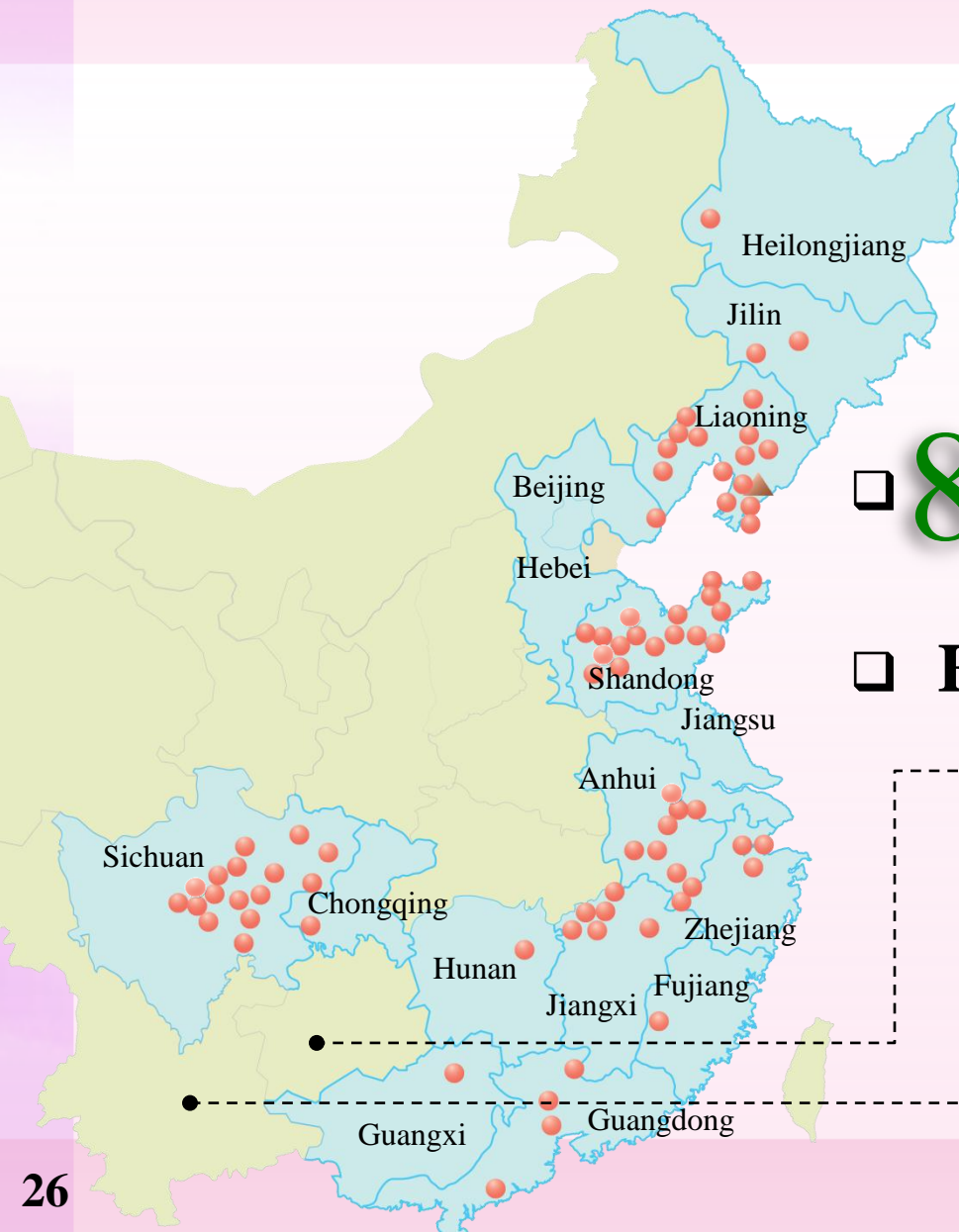
- No significant change in connection fee policy

Developing NG Supply Infrastructure



	NG Source	Commissioning Year	Capacity
①	West to East 1	2004	17 Bn m ³
②	West to East 2	2011	30 Bn m ³
③	Central Asia	2010	Eventually 40 Bn m ³
④	Sichuan to East	2010	15 Bn m ³
⑤	Burma to China	Mid 2013	12 Bn m ³
A	Russia to China	Under Negotiation	38 Bn m ³
★	HKCG Jincheng	2009	LCBM Shanxi
⑥	West to East 3	2015	30 Bn m ³
	Existing LNG Terminal		44M tonnes
	LNG Terminal under construction		30M tonnes
	LNG Terminal under planning		70M tonnes

Outlook: Expanding Coverage



□ **8-10** new projects / year

□ Extending new territories :

Guizhou

Yunnan

Thank You!

