



Towngas Joins Hong Kong International Carbon Market Council

(2 September 2022) The Hong Kong and China Gas Company Limited (“Towngas”, Stock Code: 0003.HK) is pleased to join Hong Kong Exchanges and Clearing Limited’s (HKEX) Hong Kong International Carbon Market Council. Towngas joins this leading Council as part of its commitment to engage in proactive sustainability efforts. With the comprehensive and solid industry base, Towngas will be offering useful insights on the development of carbon trading issues, covering Hong Kong and international markets.

In 2021, China launched its national emissions trading scheme to delegate responsibility of reducing greenhouse gases to enterprise level and seek to boost the economic benefits of carbon reduction. Currently, over 2,000 electricity companies were identified as emission-intensive industries and were included in the pilot run. China has become one of the world’s biggest emissions trading markets. As at 31 December 2021, a total of 179 million tonnes of emission allowances changed hands during the first compliance period, and the cumulative trading turnover was 7.661 billion yuan, showing huge potential of the carbon trading market.

Mr Alan Chan, Chief Investment Officer of Towngas, was pleased with the appointment and said, “China's 14th Five Year Plan set a very clear target for implementing nationwide ecological conservation and green development. Since China opening up of its economy, Hong Kong has been playing a pilot role. Hong Kong's financial market, which is one of the leading international financial centres, operates under effective and transparent regulations that are in line with international standards and that is why Hong Kong is an ideal hub to promote green financing. Carbon trading is a great opportunity to accelerate green finance development during the green economy transformation and to contribute towards the country's dual carbon goals.”

Mr Chan added, “Towngas and its subsidiary Towngas Smart Energy Company Limited have been supporting the country’s carbon reduction policy through carrying out initiatives such as energy conservation and emission reduction, technological innovation and industry investment to promote low-carbon development. In November 2021, ‘Towngas China’ was renamed to ‘Towngas Smart Energy’. The name change reiterated our commitment in offering smart energy solutions, accelerating transformation into a leading integrated clean energy supplier, and reflecting the direction of the new business development.”

In recent years, Hong Kong has positioned the development of green finance as the highlights of financial industry growth. Towngas, as a public utility of 160 years of history, together with Towngas Smart Energy, have always been playing leading roles in green finance. For example, Towngas was one of the first energy providers in Hong Kong to issue its inaugural green bonds in 2017 so as to raise funds for the waste-to-energy endeavours. In April 2022, Towngas Smart Energy led the industry in issuing its first sustainability-linked bond, linking Sustainability Performance Targets to interest rate. This is to show the Group's commitment on sustainability.

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For media enquiries, please contact:

Mr Bien Wong

Corporate Affairs, ESG and Mainland
Business Strategy Manager

Tel.: 2963 3135 / 6155 2480

Fax: 2516 7368

Email: bien.wong@towngas.com

Ms Julia Wong

Senior Corporate Communications Officer

Tel.: 2963 3492 / 6064 0007

Fax: 2516 7368

Email: julia.wong@towngas.com