



**Towngas joined IDG Capital in Launching the Country's First 10 Billion Zero-carbon Technology Fund specialising in Technology Investment and Scene Empowerment to collaborate in Zero-carbon Business Developments**

(25 January 2022) The Hong Kong and China Gas Company Limited (Towngas, Stock Code: 0003.HK) joined IDG Capital in announcing the launch of China's first Zero-carbon Technology Investment Fund ("Zero-carbon Fund" or "Fund"), with a scale of RMB 10 billion, initially RMB 5 billion in the first phase of fund raising. At the same time, both parties announced a full strategic partnership in zero-carbon innovations, utilising Towngas' subsidiary Towngas Smart Energy Company Limited's (Towngas Smart Energy, Stock Code: 1083.HK, Dr Lee Ka-kit is Chairman of the Board) strength in scene empowerment to explore zero-carbon innovations and solutions together.

The Zero-carbon Fund is the country's first and only technology fund in the field with a focus on technology investment and business applications. The Fund will look into cutting-edge technical products combining iterative operation to offer energy saving solutions to industrial and commercial clients, and contribute to the Country's dual zero-carbon goals. The Fund will not only provide financial support to start-up firms, it will also enable the firms to apply their innovations to the existing resources of Towngas and Towngas Smart Energy, making their solutions more feasible by utilising the strengths of both IDG Capital and Towngas.

The Fund will follow closely on the technological change of energy transformation and look for long-time partnership with outstanding teams who can offer solutions for technical and bottle-neck problems. It will also drive systematical developments in areas of "regeneration in energy source", "electricity in energy application" and "smart electricity system". The first RMB 5 billion investment will focus on zero-carbon related technologies like solar energy, wind energy, powered battery, energy reserve, smart energy grid, hydrogen energy, carbon exchange and management projects. The Zero-carbon Fund will base in Changzhou City and has already received full support from local government authorities. The Zero-carbon Fund will collaborate with the City on various business developments and promote synergy towards zero-carbon goal.

Mr Alan Chan, Towngas Chief Investment Officer said, “Centralising the national dual-carbon strategy, Towngas follows the long-term investment strategy and focus on the general direction of zero-carbon technology to carry out a series of strategic plans and investments. We not only continuously improve the business ecosystem and industrial value chain by investing in innovative technology projects, but also have the biggest difference from other investment institutions which provide rich application scenarios for companies invested in energy technology innovation. Towngas and its subsidiary Towngas Smart Energy not merely have 304 city-gas projects in the Mainland, it also serves more than 40 million household customers and 400,000 industrial and commercial users, and officially launched the comprehensive smart energy projects 5 years ago. Currently, 118 smart energy projects have been deployed in 21 provinces, autonomous regions and municipalities across the country and among them, 33 are zero-carbon industrial parks projects. In future, integrated comprehensive energy solutions, decarbonisation and digitalisation are the three major business directions. IDG Capital has excellent new energy technology investment capabilities and performance records, and has been continuously deploying in the new energy industry for more than 20 years. Towngas expects the respective advantages of both parties would further improve its own energy technology innovation ecology, accelerate the application of excellent technologies and products in the energy field, improve asset management efficiency, and devote to providing customers with economical, efficient and low-carbon comprehensive energy solutions, and accelerate the zero-carbon development of urban energy consumption by investing in IDG Capital's zero-carbon fund.”

Ms Fang Jun, a partner of IDG Capital said, “We are well aware that the development of innovative technologies and products in the energy field can only be achieved by continuous feedback from scenario applications, in order to drive the process of testing and implementation of technologies faster. Under the “dual-carbon goals”, Towngas and Towngas Smart Energy have continued to deploy abundant energy application scenarios for a long time, which will effectively drive the technology companies invested by the Fund to continue to enter the market and achieve rapid development. IDG Capital, as one of the first investment institutions started new energy investment, will put its rich investment experience in the field of clean energy into upstream and downstream energy industry chain, and combine with the plenteous energy application scenarios of Towngas to support and

empower the development of these enterprises with key technological advantages and large-scale manufacturing advantages so as to jointly promote the early achievement of carbon neutrality.”

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### **About Towngas and Towngas Smart Energy**

Founded in 1862, The Hong Kong and China Gas Company Limited (Towngas, Stock Code: 0003.HK) is Hong Kong’s first public utility. Today, we are one of the largest energy suppliers in Hong Kong, operating with world-class corporate management and leading-edge business practices. Towngas Smart Energy Company Limited (stock code: 1083.HK) is a listed company under Towngas. Its business scope includes city gas, renewable energy and other businesses. It strives to build a green energy industry chain and realise the complementary advantages of traditional energy and renewable energy. Since 1994, Towngas' investment in the Mainland has covered upstream, mid-stream and downstream natural gas projects, water and environmental projects, renewable energy projects, extended business, emerging green energy, telecommunications and equipment engineering. At present, Towngas has 451 projects in the Mainland. With the continuous expansion of diversified businesses, Towngas is gradually developing from a local company operating a single business in Hong Kong into a large national multi-industry enterprise focused on environmental and energy industries.

### **About IDG Capital**

IDG Capital has been investing in the field of clean energy for more than 20 years, and firmly believes that technology is the only way to solve the sustainable development of energy and low-carbon green development. Over the years, IDG Capital has focused on "renewable energy sources", "electric drive of terminal energy applications", and "smart power system", and has been deeply involved in investing industries like photovoltaics, power batteries, electric vehicles, hydrogen energy, energy storage, smart grids, etc. It has been supporting the rapid growth of a large number of energy technology innovation

enterprises such as Cnana Technology, Aiko Solar, GS-Solar, Gokin Solar, CHINT, JOVO Energy, Sunwoda Electronic Co. Ltd., SVOLT, WeLion New Energy Technology Co., Ltd., XPeng Motors, NIO, NIUTRON, Niu Technologies, REFIRE, Hyundai New Energy Technology Co., Ltd., SHPT, EnerVenue, Singularity Energy Technology Co., Ltd., Hyperstron Technology Co. Ltd., Star Charge, etc. IDG Capital not only motivates the fast development of clean energy in China, but also helps the global development of mainland enterprises to bring low-cost clean energy to all parts of the world.

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