



The Hong Kong and China Gas acquires a city-gas project in Hangzhou City,  
the provincial capital of Zhejiang Province

(19 Nov 2013) The Hong Kong and China Gas (“Towngas”) is pleased to announce that it has added a city-gas project in Hangzhou City, the provincial capital of Zhejiang Province. With a total investment of about RMB 640 million, Towngas will hold a 24% stake in the joint venture. The other shareholders include Hangzhou Gas (Group) Company Limited (“Hangzhou Gas Group”) and Shell (China) Limited and Shell China B.V. (“Shell”).

This project includes the high pressure transmission midstream network and the down-stream city-gas business. At present, there are about 700,000 city-gas user accounts in the city. Total gas sales volume in 2012 is around 700 million cubic meter. It is projected that the annual gas sales volume will reach one billion cubic metre in three years’ time.

Since 2005, Towngas has invested and participated in the management of the high pressure transmission midstream network of the Hangzhou City. Nowadays, there is a natural gas network of 60 kilometre of high pressure pipeline and 3,400 kilometre of medium to low pressure pipeline within the city. Riding on the strength and reputation of Towngas as well as the smooth cooperation with the other shareholders, which include Shell and the Hangzhou Gas Group, the investment is now expanded to the downstream city gas business of the city. The strong shareholders group for the joint venture company will contribute to its success, with Shell bringing in its international oil and gas experience, the Hangzhou Gas Group contributing its strength as a state-owned enterprise under the Hangzhou city government, and Towngas providing its expertise in the natural gas mid and down-stream business in mainland China.

Hangzhou, the provincial capital of Zhejiang Province, is an economically vibrant city in Eastern China. With an urban population of about 7 million, it ranks the eighth in per capita GDP among all the cities in China. As well as an important economic centre in China, it is a world famous tourist city. In

addition to tourism, major industries in the city also embrace machinery, electronics, pharmaceuticals, food-processing and silk products.

This is Towngas' fourth city-gas project in Zhejiang province, which will definitely bolster Towngas' position in the province as well as in Eastern China. Synergy effect is expected with the other three projects in the same province.

\*\*\*\*\*

Media Enquiries:

The Hong Kong and China Gas Company Limited

Corporate Communications Department

Tel: 2963 3493

Fax: 2516 7368

E-mail: [ccd@towngas.com](mailto:ccd@towngas.com)

For the latest information about Towngas, please visit our e-NewsCentre at [www.towngas.com](http://www.towngas.com).