



Towngas to Invest in Foshan Water Environmental Protection Co., Ltd Poised To Capture Synergy with Its First Water Services Project in the Greater Bay Area

(16 October 2018, Hong Kong) The Hong Kong and China Gas Company Limited (“Towngas”) announced today that it will invest RMB 550 million in the Foshan Water Environmental Protection Co., Ltd (“Foshan Water Environmental Protection”), accounting for a registered capital of 26 per cent of the project. Foshan Water Environmental Protection is Towngas’s first water services project in the Greater Bay Area, which is poised to provide opportunities in water services and environmental business, creating synergy within the region for the Group.

Strategically located at the Pearl River Delta of the Guangdong Province, Foshan has been at the forefront of the economic and social developments of Guangdong Province, as one of the hubs in the Greater Bay Area. It is also a key part of the Guangzhou, Foshan and Zhaoqing economic circle, and Zhujiang-Xijiang economic belt.

Established in 1964, Foshan Water Industry Group Co., Ltd. is a major state-owned enterprise, specialising in water supplies, waste water treatment and projects commissioned by the municipal government. As part of the reform of state-owned enterprises, Foshan Water Industry Group and Foshan Financial Investment Holding Co., Ltd. jointly established Foshan Water Environmental Protection in March 2017.

From the perspective of tap water supplies, Foshan Water Environmental Protection has 15 water plants with a combined capacity of supplying 1.94 million tonnes of water every day, covering the major areas in Foshan city. It is a pioneer in the country when it comes to water services technology, servicing a total area of 2,060 square kilometres with over 800,000 households.



Mr. Alfred Chan, Managing Director of Towngas, mentioned, “Since Towngas has made a foray into the Mainland market in 1994 and invested in Hong Kong and China Water Limited in 2005, we have built a solid foundation for our utility business in city gas and water services. As the various government levels in mainland China are putting a higher priority in water resources, there is a tremendous potential for the water industry to grow.”

Mr. Chan added, “With the extensive city gas projects operating in the Pearl River Delta Region, as well as seven water services and recycling projects in Jiangsu and Anhui provinces, Towngas has managed to gain the confidence from investors and customers in respective areas. Foshan Water Environmental Protection is the first water services project Towngas has undertaken in the Greater Bay Area. The investment will accelerate the research and development, and application in the technology of the water industry, generating synergy with the existing business portfolio of the Group.”

The Foshan Municipal Government is implementing a three-year city management action plan through 968 initiatives, involving an investment amount of RMB 352.3 billion. Under the action plan, different industries, including public utilities and local infrastructure will undergo reforms so as to push for Foshan to connect with the international market in the long run. The plan will present opportunities for Foshan Water Environmental Protection to participate in other public utility and environmental businesses, and related engineering projects, boosting Foshan Water Environmental Protection’s future profitability.

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Photo 1



Zhao Hai, Foshan Municipal Government Deputy Mayor (seventh left back row); Feng Jun-bo, Chairman of State-owned Assets Supervision and Administration Commission of the State Council of Foshan City (sixth left back row); Alfred Chan, Towngas Managing Director (seventh right back row); and Peter WY Wong, Towngas Executive Director and Chief Operating Officer of Utilities Business (sixth right back row) were among those who witnessed the signing of contract by John Ho, Towngas Chief Financial Officer and Company Secretary (first right front row); Cao Guo-dong, Chairman of Foshan Water Industry Group Co., Ltd. (second right front row); and Xiao Feng-lei, Chairman of Foshan Financial Investment Holding Co., Ltd. (first left front row).



Photo 2



Zhao Hai, Foshan Municipal Government Deputy Mayor delivered speech at the contract signing ceremony between The Hong Kong and China Gas Company Limited and Foshan Water Environmental Protection Co., Ltd.

Photo 3



Alfred Chan, Towngas Managing Director delivered speech at the contract signing ceremony between The Hong Kong and China Gas Company Limited and Foshan Water Environmental Protection Co., Ltd.



Photo 4



Zhao Hai, Foshan Municipal Government Deputy Mayor (ninth left); Feng Jun-bo, Chairman of State-owned Assets Supervision and Administration Commission of the State Council of Foshan City (eighth left); Alfred Chan, Towngas Managing Director (eighth right); Peter WY Wong, Towngas Executive Director and Chief Operating Officer of Utilities Business (seventh right); John Ho, Towngas Chief Financial Officer and Company Secretary (sixth right); and other management proposed a toast to celebrate the Towngas to invest in Foshan Water Environmental Protection Co., Ltd.

For media enquiries, please contact:

Mr Bien Wong

Corporate Affairs Department

The Hong Kong and China Gas Company Limited

Tel: 2963-3135/ 6155-2480

Fax: 2516 7368

Email: ccd@towngas.com