



# Company Profile



## CONTRIBUTING TO THE COMMUNITY

With Hong Kong as our home, we seek not only to provide quality services and products to our customers, but also as a member of our community, we aim to do our best to give a helping hand to those in need.

We therefore encourage our employees to participate in community volunteer services, providing every support for our "Towngas Volunteer Service Team" which was formed by our employees to care for the community. Extending these services, Towngas customers and retirees are also invited to join us in this programme.

Doing our utmost to help the underprivileged, in 1995, we launched our "Elderly Concession Scheme" offering special benefits for qualified senior citizens. These benefits include a waiver of their account deposit, monthly maintenance charge and monthly minimum charge, together with a 50% discount on the first 500 megajoules of gas consumed as well as free maintenance services for their gas appliances. Since then we have expanded the programme, launching further concession schemes for people with disabilities as well as single-parent families, to help relieve any economic hardships.

Since 2000, we have organised our annual charitable event, "Rice Dumplings for the Community" during the Dragon Boat Festival. The programme not only seeks to bring warmth and cheer to elderly citizens, it also supports the Community Chest. Towngas Volunteer Service Team members, students, district councillors and members of the community gather together to wrap healthy rice dumplings for the elderly and to raise fund for the Chest.

In addition to rice dumplings, we also deliver turnip cakes and mooncakes to the elderly during important Chinese festivals such as Lunar New Year and Mid-Autumn Festival, to spread the spirit of joy and sharing on these festive occasions. On a more day-to-day level, we provide free soup seeking to bring warmth and care to the elderly who live alone.

This focus on the elderly is further extended with a variety of activities to cater for their daily needs. Apart from free photo-taking and hair-cutting services, we help to install safety rails and conduct free check-up services for Personal Emergency Link (PE Link) elderly users. The PE Link system "links" elderly residents directly to emergency services.

Committed to the needs of Hong Kong's children as they are the future of our community, we launched an English learning workshop "Cooking for Fun" in 2006. With the support of the Social Welfare Department, Towngas volunteers organise workshops for children from underprivileged families throughout the territory, to learn English through the joys of cooking. These workshops provide an excellent means for the children to build self-confidence, expand their social network and raise their interest in learning English.

We also offer assistance and support to social enterprises in Hong Kong. In conjunction with the Tung Wah Group of Hospitals (TWGHs), we unveiled "COOK EASY" food pack delivery service, our first social enterprise initiative in 2007. Based on special recipes created by our Towngas Cooking Centre, TWGHs' "Take a Break" catering service creates "COOK EASY" food packs for customers. The service provides employment opportunities for the mentally handicapped and other disadvantaged individuals, who assist in the cleaning, preparation and packaging of the food packs.

Further strengthening our ties with the community, we established District Council Focus Teams in 2000. By participating in and organising community activities, we are able to communicate directly with the community, enabling us to better understand and meet its needs.

## MAJOR AWARDS

### Environmental Awards

- Hong Kong Awards for Industries: Environmental Performance Grand Award (2004 and 2007)
- Hong Kong Eco-Business Awards: Grand Award in the Green Office (Large Organisations) category (2002)

### Social Caring Awards

- The Hong Kong Council of Social Service: Total Caring Award (2008)
- Social Welfare Department: Highest Service Hour Award (Private Organisations - Best Customers Participation) (2008)

### Corporate Management Awards

- Hong Kong Awards for Industries: Customer Service Grand Award (2009)
- Hong Kong Awards for Industries: Productivity and Quality Grand Award (2008)
- Institution of Gas Engineers and Managers, United Kingdom: Company of the Year (1999 and 2006)



## OUR MAINLAND BUSINESS

Commencing with joint ventures in Guangdong province and less than 5,000 customers in 1994, we have seen rapid growth in our mainland gas business in the past decade. At present, our Group on the mainland has more than 110 projects in 20 provinces, municipalities and autonomous regions, ranging from piped city-gas projects, upstream and midstream projects to water projects and eco-friendly energy projects.

With the piped city-gas business forming the core of our activities on the mainland, we are now the largest piped city-gas operator in the country, with more than ten million residential, commercial and industrial customers.

Fulfilling our corporate mission to provide quality products and services, in 2005 we introduced our own "Bauhinia" brand, offering a range of quality and high efficiency appliances. "Bauhinia" products have been a great success since their launch, with accumulated sales reaching 390,000 units.

## OTHER DIVERSIFIED BUSINESSES

The diversification of our business has strengthened our competitive edge and expanded our horizons.

## New Eco-energy

ECO Environmental Investments Limited (ECO), a subsidiary of Towngas, focuses on the new eco-friendly energy business. In Hong Kong, ECO operates LPG filling stations, utilises landfill gas and has developed and operates the Airport's Aviation Fuel Facility. ECO's strategy to expand its new energy business echoes the change in China's energy policy – as such, the company is actively involved in the exploration and utilisation of coalbed methane, coal-mine methane, coal-based chemicals and eco-friendly vehicular fuels.

## Telecommunications

Since its establishment in 2004, Towngas Telecommunications Company Limited (TTC) has provided high-end telecommunications and quality network solutions to telecom carriers, service providers and large corporations. Riding on our existing territory-wide gas pipe network, TTC installs optical fibres within pipes, providing high bandwidth, cost-effective and environmentally friendly telecommunications networks. TTC has also expanded its business into mainland China with the establishment of joint ventures in Shandong province. This venture provides a relatively low cost and much more environmentally friendly telecommunications network and infrastructure for local operators.

## Water Supply and Wastewater Operations

In view of the opening up of the water market on the mainland, we seized the opportunity to develop a water supply and wastewater treatment business. Today, the Company's three water projects are operated by Hong Kong & China Water Limited. These joint ventures, situated in Wuhu, Anhui province; Wujiang, Jiangsu province; and the Suzhou Industrial Park, serve a total of over 700,000 customers.

## Building Service Engineering

U-Tech Engineering Company Limited (U-Tech) leads Hong Kong in the use of trenchless technology. Based on this new engineering technology, pipeline

construction projects are carried out without the need to excavate trenches in roads. This ensures minimal disturbance to the environment and reduces the inconvenience caused to the public. Having built its industry reputation with this specialist expertise, U-Tech is growing its business in leaps and bounds. It is currently carrying out extensive building equipment and pipeline infrastructure works for major utility companies and property developers.

## TOWARDS THE FUTURE

Over the past century, we have advanced with the times, bringing innovative products and services to our customers. With these solid and established foundations together with our wealth of experience, we have become an acknowledged leader in the energy industry. With the grasping of business opportunities in mainland China as well, we have been able to grow from a single-entity local company in Hong Kong into a sizeable nationwide multi-business enterprise.

We will continue to expand our gas business to realize our Towngas vision – to become Asia's leading energy supplier and quality service provider, with an environmentally friendly focus.





# REACHING NEW HEIGHTS



## Vision

To be Asia's leading energy supplier and service provider, with an environmentally friendly focus.

## Mission

To provide our customers with a safe, reliable supply of energy, and the caring, competent and efficient service they expect, while also working to preserve, protect and improve our environment.

Founded in 1862, the Hong Kong and China Gas Company Limited (Towngas) is one of the largest energy suppliers in Hong Kong. For the past 140 years, Towngas has been growing with the territory – making the transition from a gas company supplying fuel for street lamps to a leader in the energy industry who provides uninterrupted gas supply both to the residential and commercial sectors throughout Hong Kong. Today, operating with world-class corporate management and business practices, as well as having gained the trust of the people of Hong Kong, Towngas is the leading gas company in the Greater China region.

In the wake of the rapid economic development in China, there has been tremendous demand for clean energy. Fulfilling this need both with determination and enthusiasm, we have not only developed a thriving piped city-gas business in the country, we have also introduced clean energy as well as an advanced safety and environmental management system in the process. Our activities are thus improving living standards on the mainland, while reducing air pollution and protecting the environment.

With the establishment of these solid foundations in the gas industry, we have diversified our business, moving into eco-friendly energy, water projects, building service engineering as well as telecommunication infrastructure, which are enabling us to grow more vigorously towards a brighter future.

## GAS SAFETY

As an energy company, safety is of paramount importance in everything that we do. We are therefore constantly enhancing our safety management at Towngas to further increase our standards of safety. Currently, we supply town gas to 1.7 million customers in Hong Kong. Services are provided with a pipeline network consisting of more than 3,400 km supported by our Grid Control Centre, which operates 24 hours a day to monitor this network. Regular pipeline inspections ensure a reliable gas supply and our Emergency Teams are on alert around the clock.



We provide a comprehensive maintenance service for our customers. Additional preventive measures include Regular Safety Inspections with our teams calling on all residential customers at regular intervals to carry out routine safety checks on gas risers, installations and appliances.

## INNOVATIVE PRODUCTS

Providing one-stop services, we continue to develop a range of innovative products for the market. At the same time, regular market research studies help us to learn more about customer requirements, enabling us to introduce efficient and stylish products with innovative functions that meet their needs.

## The Residential Market

A wide range of quality products are provided for the residential market. Apart from a series of hotplates and water heaters, we also provide built-in hobs, gas dryers, ovens and cookers, range hoods as well as kitchen cabinets to serve the many different needs of today's modern lifestyle.

## The Commercial and Industrial Market

Coping with the needs of Hong Kong's different industries, Towngas has introduced gas products and application systems with comprehensive functions and high energy efficiencies. Our aim is to serve as an effective business partner, helping our clients to improve their business while enhancing their competitive edge.

Our gas dehumidifiers are widely used in shopping malls, commercial kitchens and wet markets to improve indoor air quality. Major customers in this direction include the Hong Kong Convention and Exhibition Centre as well as Hong Kong Film Archive.



Another popular product, our wall-mounted condensing water heaters contribute to a significant 34% increase in energy efficiency compared to traditional water heaters. Heightening their efficiencies, they are installed in modules to meet the needs of businesses, such as hotels, hospitals and indoor swimming pools, which require large yet varying quantities of hot water.

## CUSTOMER SERVICES

"Customer-focus" is a core principle at Towngas. We do our utmost to provide caring and competent services to meet customer needs and offer greater convenience. Aiming to provide "Six-star Services", we provide a 24-hour hotline and same-day services for installation and maintenance.

Understanding the importance of direct communication as an effective means of enhancing our services, we value customer comments and suggestions and respond promptly to them. In addition to our customer surveys, our Customer Focus Team also visits public and private housing estates regularly, gathering customer opinions on our products and services, while also promoting gas safety.

Every year, we receive a large number of complimentary letters from customers in recognition of these quality services. Receiving more than 5,000 letters in 2009, this has provided us with a strong driving force to make every effort to provide even better services.

## ENVIRONMENTAL PROTECTION

Towngas fully supports environmental protection, seeking both to ensure a better living environment and to promote the sustainable development of our planet. We not only support and sponsor different activities held by green organisations to raise the environmental awareness of our employees and the public, but we also take strong environmental measures within the Company.

Firstly, we apply an environmental management system that plans, coordinates and supervises all work systems to ensure that our operations proceed smoothly, efficiently and with minimum impact on the environment. At the same time, making sure that we operate to the highest standards worldwide, our production plant has been certified to the internationally acclaimed ISO 14001 standard.

The use of clean feedstock is essential in the production of town gas. In the early 1970s, we made the switch, producing town gas from cleaner naphtha fuel instead of heavy oil and coal. In 2006, we moved forward yet again, introducing natural gas as part of the feedstock in our production of town gas. This dual use of natural gas and naphtha as feedstock has significantly reduced carbon dioxide, nitrogen oxide and sulphur oxide emissions.

We also utilise landfill gas from the Shuen Wan and Northeast New Territories landfill sites as a heating fuel in the production of town gas. This use of landfill gas as an energy source, not only conserves natural resources, it also reduces the emission of greenhouse gases and improves air quality.

Maintaining our commitment to conserve resources and manage waste we put the 5R concept – "Reduce, Replace, Recover, Recycle and Reuse" – into practice in our daily operations. Together with this policy, which conserves energy, materials and resources, our "Used Gas Appliance Recycling Programme" also recycles the metal from discarded appliances further conserving natural resources. The revenues raised through this programme are used to support green educational initiatives.

In 2008, Towngas took the lead, becoming among the first of the Hong Kong Government's "Carbon Audit Green Partners" to endorse its Carbon Reduction Charter. As a Green Partner, we pledge to audit our carbon emissions within the Company, while at the same time taking measures to reduce these emissions. Our carbon inventories were also verified under ISO 14064-1 specifications.

