

**Shandong joint venture companies merger approved at EGM
to advance “One City, One Enterprise” initiative**

(20 November 2024) Towngas Smart Energy Company Limited (the “Group”; stock code: 1083) held an extraordinary general meeting (“EGM”) today, approving the merger between Shandong Jihua (49% indirectly owned by the Group) and Shandong Towngas (49% indirectly owned by the Group’s parent company, The Hong Kong and China Gas Company Limited).

Following Shandong Jihua’s merger into Shandong Towngas, the shareholding structure will be adjusted as follows:

- 51% owned by Jinan Energy Group, a wholly state-owned enterprise of Jinan
- 30.3% owned by HKCG (Jinan), a wholly-owned subsidiary of The Hong Kong and China Gas Company Limited
- 18.7% owned by Towngas Investments, an indirect wholly-owned subsidiary of the Group

The merged Shandong Towngas will serve 2.45 million customers with annual gas sales exceeding 1 billion cubic metres. This strategic merger aligns with the development strategy in gas supply of the Jinan Municipal People’s Government, aiming to expand the Group’s operational scale and scope in Jinan, and gain first-mover advantage in the “One City, One Enterprise” gas supply reform. The merger will also integrate the strengths and resources of both parties, optimise asset allocation, and build stronger market competitiveness and risk resilience.

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Press photos:

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Photo 1:



Dr Lee Ka-kit (centre), Chairman of Towngas Smart Energy, presided over the extraordinary general meeting where the merger of Shandong joint venture companies was approved.

For media enquiries, please contact:

The Hong Kong and China Gas Company Limited

Ms May Tam
Assistant Corporate Affairs Manager
Tel: 2963 3475 / 9192 0062
Email: tam.may@tongas.com

Mr Julius Chow
Senior Corporate Affairs Officer
Tel: 2963 3471 / 6969 1360
Email: julius.chow@tongas.com