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(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1083)

CONTINUING CONNECTED TRANSACTIONS

The Board would like to announce that on 10 December 2021, the Company and HKCG entered into:

- (i) the Master Gas Purchase Agreement with respect to the Gas Purchase Transactions;
- (ii) the Master Pipeline Materials Purchase Agreement with respect to the Pipeline Materials Purchase Transactions;
- (iii) the Master Engineering Work and Consultation Services Agreement with respect to the Engineering Work and Consultation Services Transactions; and
- (iv) the Master Healthy and Lifestyle Products and Services Purchase Agreement with respect to the Healthy and Lifestyle Products and Services Purchase Transactions.

As HKCG is a controlling shareholder of the Company, members of the HKCG Group are connected persons of the Company under the Listing Rules. The entering into of the CCT Master Agreements and the CCT Transactions contemplated thereunder, which are all to be carried out in the ordinary and usual course of business of the Group and are expected to continue and extend over a period of time, will therefore constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Since the Annual Cap Amounts for each of the CCT Transactions exceed HK\$3,000,000 and all of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the largest Annual Cap Amounts under each of the CCT Transactions are more than 0.1% but less than 5%, each of the CCT Transactions is only subject to the reporting, announcement and annual review requirements but is exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

THE MASTER GAS PURCHASE AGREEMENT

Members of the Group had from time to time purchased various types of fuel gas (including but not limited to liquefied coalbed methane, compressed natural gas and liquefied natural gas) from members of the HKCG Group pursuant to the Existing Master Gas Purchase Agreement, which term will expire on 31 December 2021. Whilst the demand for fuel gas will depend on the business requirements of the Group, it is envisaged that members of the Group will from time to time in their ordinary and usual course of business continue to enter into the Gas Purchase Transactions with the HKCG Group after the expiration of the Existing Master Gas Purchase Agreement. The Company had therefore on 10 December 2021 entered into the Master Gas Purchase Agreement with HKCG to set out the principal terms and conditions governing the Gas Purchase Transactions. Set out below are the principal terms of the Master Gas Purchase Agreement:

Date:

10 December 2021

Parties:

The Company and HKCG

Subject Matter:

Pursuant to the Master Gas Purchase Agreement, HKCG shall, or shall procure members of the HKCG Group to, enter into the Gas Purchase Transactions with members of the Group to sell various types of fuel gas (including but not limited to liquefied coalbed methane, compressed natural gas and liquefied natural gas) to members of the Group according to their needs. Each Gas Purchase Transaction will be effected and governed by the terms of the relevant purchase order or purchase contract to be entered into between the relevant member of the Group and the relevant member of the HKCG Group.

Duration:

The Master Gas Purchase Agreement shall be for a term commencing from 1 January 2022 to 31 December 2024 (both days inclusive) unless terminated earlier by agreement signed by the parties thereto.

Pricing Basis and Other Terms:

Pursuant to the Master Gas Purchase Agreement, the terms of each Gas Purchase Transaction (including the amount of consideration payable by the Group and the payment terms) shall be on normal commercial terms, negotiated on an arm's length basis and be on similar basis as the relevant member of the Group transacts business with other independent third party suppliers and shall be on terms which from the Group's perspective are no less favourable to the Group than those which the Group can obtain from other independent third party suppliers.

The relevant member of the Group will, before placing any purchase order or entering into any purchase contract with the HKCG Group, obtain pricing information from the open market and then shortlist at least two suppliers via tendering or other process (including requesting for fee quotations). It will then make evaluation taking into account the prevailing market price of the fuel gas, transportation cost, production cost and other costs. Under normal circumstances, the relevant member of the Group will first consider the supplier with the lowest price but it will also take into consideration other non-price factors, such as the demand and supply of gas, as appropriate. If the demand exceeds supply, the delivery capability of the supplier will be the priority consideration for selection of supplier, but if the supply exceeds demand, the price factor will be the priority consideration. After reviewing and considering the above factors, the management of the relevant member of the Group will then decide on whether to place a purchase order or enter into a purchase contract with the relevant member of the HKCG Group or a third party supplier.

THE MASTER PIPELINE MATERIALS PURCHASE AGREEMENT

Members of the Group had from time to time purchased various pipeline construction materials, gas meters and measuring tools from members of the HKCG Group pursuant to the Existing Master Pipeline Materials Purchase Agreement, which term will expire on 31 December 2021. Whilst the demand for pipeline construction materials, gas meters and measuring tools will depend on the business requirements of the Group, it is envisaged that members of the Group will from time to time in their ordinary and usual course of business continue to enter into the Pipeline Materials Purchase Transactions with the HKCG Group after the expiration of the Existing Master Pipeline Materials Purchase Agreement. The Company had therefore on 10 December 2021 entered into the Master Pipeline Materials Purchase Agreement with HKCG to set out the principal terms and conditions governing the Pipeline Materials Purchase Transactions. Set out below are the principal terms of the Master Pipeline Materials Purchase Agreement:

Date:

10 December 2021

Parties:

The Company and HKCG

Subject Matter:

Pursuant to the Master Pipeline Materials Purchase Agreement, HKCG shall, or shall procure members of the HKCG Group to, enter into the Pipeline Materials Purchase Transactions with members of the Group to sell various pipeline construction materials, gas meters and measuring tools to members of the Group according to their needs. Each Pipeline Materials Purchase Transaction will be effected and governed by the terms of the relevant purchase order or purchase contract to be entered into between the relevant member of the Group and the relevant member of the HKCG Group.

Duration:

The Master Pipeline Materials Purchase Agreement shall be for a term commencing from 1 January 2022 to 31 December 2024 (both days inclusive) unless terminated earlier by agreement signed by the parties thereto.

Pricing Basis and Other Terms:

Pursuant to the Master Pipeline Materials Purchase Agreement, the terms of each Pipeline Materials Purchase Transaction (including the amount of consideration payable by the Group and the payment terms) shall be on normal commercial terms, negotiated on an arm's length basis and be on similar basis as the relevant member of the Group transacts business with other independent third party suppliers and shall be on terms which from the Group's perspective are no less favourable to the Group than those which the Group can obtain from other independent third party suppliers.

The relevant member of the Group will, before placing any purchase order or entering into any purchase contract with the HKCG Group, invite suppliers which are in the Group's list of approved suppliers for pipeline construction materials, gas meters and measuring tools with the relevant production and delivery capability as well as quality assurance to submit tenders or fee quotations in respect of the sale of pipeline construction materials, gas meters and measuring tools to the relevant member of the Group. The management of the relevant member of the Group will then consider and evaluate each of such supplier's pricing proposal, relevant reputation, experience, delivery capability, historical performance (if applicable) and compare them with those of the HKCG Group and thereafter decide on whether to place a purchase order or enter into a purchase contract with the relevant member of the HKCG Group or a third party supplier.

THE MASTER ENGINEERING WORK AND CONSULTATION SERVICES AGREEMENT

U-Tech (Guang Dong), an indirect wholly-owned subsidiary of the Company, had from time to time in its ordinary course of business provided Engineering Work Services to members of the HKCG Group pursuant to the Existing Master Engineering Work Services Agreement, which term will expire on 31 December 2022. Other members of the Group who are capable of providing the Engineering Work Services had also in the past occasionally provided promotion and marketing consultation services to members of the HKCG Group, but the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the aggregate fees per annum paid to the HKCG Group are less than 0.1%.

Whilst the HKCG Group's demand for Engineering Work and Consultation Services will depend on the business requirements of the HKCG Group, it is envisaged that members of the HKCG Group will from time to time continue to require the Group to provide Engineering Work and Consultation Services in future. As there are other members of the Group capable of providing Engineering Work and Consultation Services and it is intended that such other members of the Group in addition to U-Tech (Guang Dong) will also in future provide Engineering Work and Consultation Services to members of the HKCG Group, the Company, HKCG and U-Tech (Guang Dong) had therefore on 10 December 2021 entered into the Master Engineering Work and Consultation Services Agreement to set out the principal terms and conditions governing the Engineering Work and Consultation Services Transactions, and to terminate the Existing Master Engineering Work Services Agreement with effect from 1 January 2022. Set out below are the principal terms of the Master Engineering Work and Consultation Services Agreement:

Date:

10 December 2021

Parties:

The Company, HKCG and U-Tech (Guang Dong), an indirect wholly-owned subsidiary of the Company

Subject Matter:

Pursuant to the Master Engineering Work and Consultation Services Agreement, members of the Group shall from time to time provide Engineering Work and Consultation Services to members of the HKCG Group according to their needs, and the relevant members of the HKCG Group shall pay relevant service fees to the relevant members of the Group in connection with the provision of the Engineering Work and Consultation Services. Each Engineering Work and Consultation Services Transaction will be effected and governed by terms of the relevant service contract to be entered into between the relevant member of the HKCG Group and the relevant member of the Group.

The Master Engineering Work and Consultation Services Agreement also provides that the Existing Master Engineering Work Services Agreement between U-Tech (Guang Dong) and HKCG will be terminated with effect from 1 January 2022. Upon termination of the Existing Master Engineering Work Services Agreement, any rights, obligations and responsibilities of both parties under such agreement shall also expire and shall no longer be binding on both parties.

Duration:

The Master Engineering Work and Consultation Services Agreement shall be for a term commencing from 1 January 2022 to 31 December 2024 (both days inclusive) unless terminated by either the Company or HKCG by not less than one month's written notice.

Pricing Basis and Other Terms:

Pursuant to the Master Engineering Work and Consultation Services Agreement, the terms of each Engineering Work and Consultation Services Transaction (including but not limited to the amount of service fees payable by the relevant member of the HKCG Group and the payment terms) shall be determined on a fair basis and on normal commercial terms, negotiated on an arm's length basis and be on similar basis as relevant member of the Group transacts business with other independent third party customers and shall be on terms which from the Group's perspective are no more favourable than those which the Group offers to other independent third party customers.

The service fees for the Engineering Work and Consultation Services to be provided by members of the Group to members of the HKCG Group shall be determined with reference to the pricing basis and method promulgated by the relevant State or provincial or industry departments of the PRC.

The Group will regularly review the service fees chargeable by other service providers on services similar to the Engineering Work and Consultation Services provided to the HKCG Group and compare them with the service fees which the relevant member of the Group charges for the Engineering Work and Consultation Services before the approval of separate service contract(s) between members of the Group and members of the HKCG Group to ensure that the Engineering Work and Consultation Services Transactions will be conducted in the interest of the Group.

THE MASTER HEALTHY AND LIFESTYLE PRODUCTS AND SERVICES PURCHASE AGREEMENT

Members of the Group had in the past occasionally purchased Healthy and Lifestyle Products and Services from members of the HKCG Group, but the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the aggregate fees per annum paid to the HKCG Group are less than 0.1%. Whilst the demand for the Healthy and Lifestyle Products and Services will depend on the business requirements of the Group, it is envisaged that members of the Group will from time to time in their ordinary and usual course of business continue to enter into the Healthy and Lifestyle Products and Services Purchase Transactions with the members of the HKCG Group. The Company had therefore on 10 December 2021 entered into the Master Healthy and Lifestyle Products and Services Purchase Agreement with HKCG to set out the principal terms and conditions governing the Healthy and Lifestyle Products and Services Purchase Transactions. Set out below are the principal terms of the Master Healthy and Lifestyle Products and Services Purchase Agreement:

Date:

10 December 2021

Parties:

The Company and HKCG

Subject Matter:

Pursuant to the Master Healthy and Lifestyle Products and Services Purchase Agreement, HKCG shall, or shall procure members of the HKCG Group to, enter into the Healthy and Lifestyle Products and Services Purchase Transactions with members of the Group to sell Healthy and Lifestyle Products and Services to members of the Group. Each Healthy and Lifestyle Products and Services Purchase Transaction will be effected and governed by the terms of the relevant purchase order or purchase contract (as the case may be) to be entered into between the relevant member of the Group and the relevant member of the HKCG Group.

Duration:

The Master Healthy and Lifestyle Products and Services Purchase Agreement shall be for a term commencing from 1 January 2022 to 31 December 2024 (both days inclusive) unless terminated earlier by agreement signed by the parties thereto.

Pricing Basis and Other Terms:

Pursuant to the Master Healthy and Lifestyle Products and Services Purchase Agreement, the terms of each Healthy and Lifestyle Products and Services Purchase Transaction (including the amount of consideration payable by the Group and the payment terms) shall be on normal commercial terms, negotiated on an arm's length basis and be on similar basis as the relevant member of the Group transacts business with other independent third party suppliers and shall be on terms which from the Group's perspective are no less favourable to the Group than those which the Group can obtain from other independent third party suppliers.

The relevant member of the Group will, before placing any purchase order or entering into any purchase contract with the HKCG Group, invite suppliers of Healthy and Lifestyle Products and Services which are in the Group's list of approved suppliers and meet the Group's requirements in terms of delivery capability as well as quality assurance to submit tenders or fee quotations in respect of the sale of the Healthy and Lifestyle Products and Services contemplated under the Healthy and Lifestyle Products and Services Purchase Transactions to the relevant member of the Group. The management of the relevant member of the Group will then consider and evaluate each of such supplier's quotation, reputation, experience, delivery capability, historical performance (if applicable) and compare them with those of relevant member of the HKCG Group and thereafter decide on whether to place a purchase order or enter into a contract with the relevant member of the HKCG Group or a third party supplier.

HISTORICAL FIGURES

The aggregate approximate amounts paid by the Group to the HKCG Group in connection with the Gas Purchase Transactions, the Pipeline Materials Purchase Transactions and the Healthy and Lifestyle Products and Services Purchase Transactions, and the aggregate approximate amounts received by U-Tech (Guang Dong) from the HKCG Group in connection with the Engineering Work Services Transactions and the aggregate approximate amounts received by the Group from the HKCG Group in connection with the provision of promotion and marketing consultation services for the years ended 31 December 2019 and 2020 and for the 9 months ended 30 September 2021 were as follows:

	For the year ended 31 December 2019	For the year ended 31 December 2020	For the 9 months ended 30 September 2021
Gas Purchase Transactions	RMB106,761,000 (approximately HK\$128,566,000)	RMB66,416,000 (approximately HK\$79,981,000)	RMB42,435,000 (approximately HK\$51,102,000)
Pipeline Materials Purchase Transactions	RMB140,799,000 (approximately HK\$169,556,000)	RMB155,473,000 (approximately HK\$187,227,000)	RMB116,247,000 (approximately HK\$139,989,000)
Engineering Work Services Transactions	N/A	RMB1,961,000 (approximately HK\$2,362,000)	RMB2,598,000 (approximately HK\$3,129,000)
Promotion and marketing consultation services	N/A	N/A	RMB12,000 (approximately HK\$14,000)
Healthy and Lifestyle Products and Services Purchase Transactions	RMB538,000 (approximately HK\$648,000)	RMB2,017,000 (approximately HK\$2,429,000)	RMB3,486,000 (approximately HK\$4,198,000)

ANNUAL CAP AMOUNTS AND BASIS FOR DETERMINING THE ANNUAL CAP AMOUNTS

It is expected that, the maximum aggregate fees payable by the Group to the HKCG Group in connection with the Gas Purchase Transactions, the Pipeline Materials Purchase Transactions and the Healthy and Lifestyle Products and Services Purchase Transactions, and the maximum aggregate fees payable by the HKCG Group to the Group in connection with the Engineering Work and Consultation Services Transactions per annum will not exceed the amounts set out below (“Annual Cap Amounts”):

	For the year ending 31 December 2022	For the year ending 31 December 2023	For the year ending 31 December 2024
Gas Purchase Transactions	RMB80,000,000 (approximately HK\$96,339,000)	RMB80,000,000 (approximately HK\$96,339,000)	RMB90,000,000 (approximately HK\$108,382,000)
Pipeline Materials Purchase Transactions	RMB200,000,000 (approximately HK\$240,848,000)	RMB230,000,000 (approximately HK\$276,975,000)	RMB260,000,000 (approximately HK\$313,102,000)
Engineering Work and Consultation Services Transactions	RMB31,000,000 (approximately HK\$37,331,000)	RMB45,000,000 (approximately HK\$54,191,000)	RMB56,000,000 (approximately HK\$67,437,000)
Healthy and Lifestyle Products and Services Purchase Transactions	RMB90,000,000 (approximately HK\$108,382,000)	RMB90,000,000 (approximately HK\$108,382,000)	RMB90,000,000 (approximately HK\$108,382,000)

The Annual Cap Amounts in respect of:

- (a) the Gas Purchase Transactions were arrived at with reference to the historical figures and the estimated demand for the Gas Purchase Transactions, the estimated volume of fuel gas which the HKCG Group is able to supply, the gas sources that can be provided by other independent suppliers and related tariffs and seasonal factors affecting the demand and supply of fuel gas;
- (b) the Pipeline Materials Purchase Transactions were arrived at with reference to the historical figures and the estimated demand for the Pipeline Materials Purchase Transactions, and similar products that can be provided by other independent suppliers and related prices;
- (c) the Engineering Work and Consultation Services Transactions were arrived at with reference to the historical figures, the expanded scale and operations of the businesses of the Group, the anticipated growth and development of such businesses and the estimated demand for the Engineering Work and Consultation Services Transactions, as well as the estimated market share of the relevant member of the Group, and the relevant service fees chargeable by other independent service providers for similar services; and

- (d) the Healthy and Lifestyle Products and Services Purchase Transactions were arrived at with reference to the historical figures, the expanded scale and operations of the businesses of the Group, the anticipated growth and development of such businesses and the estimated demand for the Healthy and Lifestyle Products and Services Purchase Transactions, and prices of similar products that can be sourced from other independent suppliers.

REASONS FOR AND BENEFITS OF ENTERING INTO THE CCT TRANSACTIONS

The Gas Purchase Transactions will enable the Group to secure steady and continuous gas supplies to advance its market development plan, to ensure a steady provision of gas to the Group's customers, to optimize the Group's purchasing costs, and, therefore enhance the gross profit of the Group.

The Pipeline Materials Purchase Transactions will enable the Group to maintain a steady supply of high quality pipeline construction materials, gas meters and measurement tools to meet the demand of the Group's pipeline construction and metering works, to optimize the Group's purchasing costs and therefore reduce capital expenditure for pipeline construction and metering works. The improvement on the engineering quality of pipeline construction and metering works will reduce the gas linkage and improve the accuracy of gas measurement, thereby enhancing the gross profit of the Group through the reduction of the difference between reported gas supply and actual gas supply.

The Engineering Work and Consultation Services Transactions will enable the Group to accelerate the accumulation of relevant experience, thereby enhancing the Group's efficiency in construction management and at the same time allowing the Group to develop the Engineering Work and Consultation Services market in the PRC, which will increase the Group's revenue in the provision of Engineering Work and Consultation Services, enhance return on investment and boost the development of the Group.

The Healthy and Lifestyle Products and Services Purchase Transactions will enable the Group to maintain a steady supply of high-quality healthy living products in order to satisfy the needs of customers of members of the Group, to optimize the Group's purchasing costs so that products can be sold to customers' at preferential prices, and to increase the revenue of the Group.

In light of the above, the Directors (including the independent non-executive Directors) consider that the CCT Transactions are and will continue to be conducted in the ordinary and usual course of business of the Group and on an arm's length basis, the terms of the CCT Master Agreements have been negotiated on an arm's length basis and are on normal commercial terms or better to the Group and both the terms of CCT Master Agreements and the relevant Annual Cap Amounts are fair and reasonable and are in the interests of the Group and the shareholders of the Company taken as a whole.

CONTINUING CONNECTED TRANSACTIONS

As HKCG is a controlling shareholder of the Company, members of the HKCG Group are connected person of the Company under the Listing Rules. The entering into of the CCT Master Agreements and the CCT Transactions contemplated thereunder, which are all to be carried out in the ordinary and usual course of business of the Group and are expected to continue and extend over a period of time, will therefore constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Since the Annual Cap Amounts for each of the CCT Transactions exceed HK\$3,000,000 and all of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the largest Annual Cap Amounts under each of the CCT Transactions are more than 0.1% but less than 5%, each of the CCT Transactions is only subject to the reporting, announcement and annual review requirements but is exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

As (i) Dr. Lee Ka-kit, a Director is deemed interested in approximately 41.53% of the total number of issued shares in HKCG, and (ii) Dr. Lee Ka-kit, Alfred Chan Wing-kin, Mr. Peter Wong Wai-ye, Mr. John Ho Hon-ming and Dr. the Hon. Moses Cheng Mo-chi, all being Directors, are also directors of HKCG, each of them has abstained from voting on the board resolutions to approve the CCT Master Agreements and the CCT Transactions contemplated thereunder as well as the Annual Cap Amounts.

INFORMATION ON THE COMPANY, HKCG AND U-TECH (GUANG DONG)

The Company is an investment holding company and the principal activities of its subsidiaries are the sales of piped gas and other types of energy, construction of gas pipelines, the sales of gas appliances and related products, and other value-added services in the PRC.

HKCG is a controlling shareholder of the Company and through its various wholly-owned subsidiaries holds approximately 65.98% of the total issued shares of the Company as at the date of this announcement. The principal activities of the HKCG Group are the production, distribution and marketing of gas, water supply and emerging environmentally-friendly energy businesses in Hong Kong and the PRC. Henderson Land Development Company Limited, which is a company listed on the Stock Exchange (Stock Code: 12), is a controlling shareholder of HKCG and through its various wholly-owned subsidiaries holds approximately 41.53% of the total issued shares of HKCG as at the date of this announcement.

The principal activities of U-Tech (Guang Dong) are urban pipeline engineering services, non-excavation engineering work services, water supply, drainage and heating engineering work services, urban pipeline inspection services and pipeline positioning measurement services, technical consultation services for engineering projects, project management services, bidding agency services, cost consultation services for customers, and sale of mechanical equipment and tools for urban engineering work.

DEFINITIONS

In this announcement, unless the context requires otherwise, the following expressions shall have the following meanings:

“Board”	the board of Directors
“CCT Master Agreements”	the Master Gas Purchase Agreement, the Master Pipeline Materials Purchase Agreement, the Master Engineering Work and Consultation Services Agreement and the Master Healthy and Lifestyle Products and Services Purchase Agreement
“CCT Transactions”	the Gas Purchase Transactions, the Pipeline Materials Purchase Transactions, the Engineering Work and Consultation Services Transactions and the Healthy and Lifestyle Products and Services Purchase Transactions

“Company”	Towngas China Company Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1083)
“Directors”	the directors of the Company
“Engineering Work Services”	the provision of engineering work services, including but not limited to non-excavation engineering work services, pipeline positioning measurement services, bidding agency services, cost consultation services, sale of innovative tools, urban pipeline engineering services, water supply, drainage and heating engineering work services, technical consultation services for engineering projects and pipeline inspection services
“Engineering Work and Consultation Services”	the provision of engineering work and consultation services, including but not limited to non-excavation engineering work services, pipeline positioning measurement services, bidding agency services, cost consultation services, sale of innovative tools, urban pipeline engineering services, water supply, drainage and heating engineering work services, technical consultation services for engineering projects, pipeline inspection services, maintenance services, rapid leak detection services and promotion and marketing consulting services
“Engineering Work and Consultation Services Transactions”	the provision of Engineering Work and Consultation Services by members of the Group to members of the HKCG Group and the payment by the relevant member of the HKCG Group to the relevant member of the Group of the relevant service fees in connection therewith
“Engineering Work Services Transactions”	the provision of Engineering Work Services by U-Tech (Guang Dong) to members of the HKCG Group and the payment by the relevant member of the HKCG Group to U-Tech (Guang Dong) of the relevant service fees in connection therewith
“Existing Master Engineering Work Services Agreement”	the agreement dated 6 December 2019 entered into between U-Tech (Guang Dong) and HKCG relating to the Engineering Work Services Transactions, particulars of which are set out in the announcement of the Company dated 6 December 2019
“Existing Master Gas Purchase Agreement”	the agreement dated 5 December 2018 entered into between the Company and HKCG relating to the Gas Purchase Transactions as amended by the supplemental agreement dated 23 May 2019 entered into between the same parties, particulars of which are set out in the announcements of the Company dated 5 December 2018 and 23 May 2019 respectively

“Existing Master Pipeline Materials Purchase Agreement”	the agreement dated 5 December 2018 entered into between the Company and HKCG relating to the Pipeline Materials Purchase Transactions, particulars of which are set out in the announcement of the Company dated 5 December 2018
“Gas Purchase Transactions”	the purchase of various types of fuel gas (including but not limited to liquefied coalbed methane, compressed natural gas and liquefied natural gas) by members of the Group from members of the HKCG Group
“Group”	the Company and its subsidiaries
“Healthy and Lifestyle Products and Services”	flour, edible oils, tea leaves, chili sauce, rice, wine, ginger, other quality agricultural products, quality healthy food and household products, quality gas safety products (such as gas alarms) and quality home gas safety inspection services
“Healthy and Lifestyle Products and Services Purchase Transactions”	the purchase of Healthy and Lifestyle Products and Services by members of the Group from members of the HKCG Group
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKCG”	The Hong Kong and China Gas Company Limited (香港中華煤氣有限公司), a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 3)
“HKCG Group”	HKCG and its subsidiaries (save and except the Company and any of its subsidiaries) and associates (as defined under the Listing Rules)
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Master Engineering Work and Consultation Services Agreement”	the agreement dated 10 December 2021 entered into between the Company and HKCG relating to the Engineering Work and Consultation Services Transactions
“Master Gas Purchase Agreement”	the agreement dated 10 December 2021 entered into between the Company and HKCG relating to the Gas Purchase Transactions
“Master Healthy and Lifestyle Products and Services Purchase Agreement”	the agreement dated 10 December 2021 entered into between the Company and HKCG relating to the Healthy and Lifestyle Products and Services Purchase Transactions

“ Master Pipeline Materials Purchase Agreement ”	the agreement dated 10 December 2021 entered into between the Company and HKCG relating to the Pipeline Materials Purchase Transactions
“ Pipeline Materials Purchase Transactions ”	the purchase of pipeline construction materials, gas meters and measuring tools by members of the Group from members of the HKCG Group
“ PRC ”	the People’s Republic of China, which for the purpose of this announcement excludes Hong Kong, the Macao Special Administrative Region of the People’s Republic of China and Taiwan
“ RMB ”	Renminbi yuan, the lawful currency of the PRC
“ Stock Exchange ”	The Stock Exchange of Hong Kong Limited
“ U-Tech (Guang Dong) ”	卓裕（廣東）工程建設有限公司* (U-Tech (Guang Dong) Engineering Construction Co., Ltd), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“ % ”	per cent.

By Order of the Board
Towngas China Company Limited
John Ho Hon-ming
Executive Director and Company Secretary

Hong Kong, 10 December 2021

As at the date of this announcement, the Board comprises:

Non-Executive Directors:

LEE Ka-kit (*Chairman*)
LIU Kai Lap Kenneth

Executive Directors:

Alfred CHAN Wing-kin
Peter WONG Wai-yee (*Chief Executive Officer*)
John HO Hon-ming (*Company Secretary*)
Martin KEE Wai-ngai (*Chief Operating Officer – Gas Business*)
John QIU Jian-hang (*Chief Operating Officer – Renewable Business*)

Independent Non-Executive Directors:

Moses CHENG Mo-chi
Brian David LI Man-bun
James KWAN Yuk-choi
HU Zhang-hong

** The English name of the PRC established company in this announcement is only a translation of its official Chinese name. In case of inconsistency, the Chinese name prevails.*

In this announcement, RMB has been converted to HK\$ at the rate of RMB0.8304 = HK\$1 for illustration purpose only. No representation is made that any amounts in RMB or HK\$ have been, could have been or could be converted at the above rate or at any other rates or at all.