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香港中華煤氣有限公司

THE HONG KONG AND CHINA GAS COMPANY LIMITED

(Incorporated in Hong Kong under the Companies Ordinance with limited liability)

(Stock Code: 3)

CONNECTED TRANSACTIONS

On 2nd September 2022, Alpha Idea (a wholly-owned subsidiary of the Company) had countersigned and returned the Tender Confirmation Letters to Heng Shung in respect of the confirmation of the successful tenders for the carrying out of the Kitchen Cabinets Installation Works at various sites of the Projects.

Since the Kitchen Cabinets Installation Works will be conducted on normal commercial terms and all the relevant percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the transactions under each of the Tender Confirmation Letters are less than 0.1%, such transactions are fully exempt from all disclosure requirements under Chapter 14A of the Listing Rules.

Each of the Previous Transactions and the transactions in respect of the Kitchen Cabinets Installation Works was separately entered into and negotiated between the relevant parties, and relates to works at different sites of the Projects. However, given that the Installation Works and the Kitchen Cabinets Installation Works will be carried out at sites of the Projects which are within the vicinity of each other, the transactions in respect of the Kitchen Cabinets Installation Works and the Previous Transactions are therefore aggregated for the purpose of this announcement. As the transactions in respect of the Kitchen Cabinets Installation Works, if aggregated with the Previous Transactions, one of the relevant percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules is greater than 0.1% but less than 5%, the transactions in respect of the Kitchen Cabinets Installation Works and the Previous Transactions are subject to the reporting and announcement requirements and exempt from the circular (including independent financial advice) and shareholders' approval requirements under Chapter 14A of the Listing Rules.

THE PREVIOUS TRANSACTIONS

As at the date of this announcement, (i) Towngas Telecommunications (a wholly-owned subsidiary of the Company) had been engaged by HREAL (in respect of items 1 and 2 below), Asia Charming (in respect of item 3 below) and South Crown (in respect of items 4 and 5 below); (ii) Alpha Idea (a wholly-owned subsidiary of the Company) had been engaged by Fortress Star (in respect of item 6 below), First Mate (in respect of item 7 below) and South Crown (in respect of item 8 below); and (iii) the Company had been engaged by Asia Charming (in respect of item 9 below), for the carrying out of the Installation Works at various sites of the Projects (collectively referred to as the “**Previous Transactions**”) at a total fixed contract sum of HK\$27,327,340, as disclosed for informational purpose below:

Item	Date	Subject Matter	Location	Contract Sum
1	19 October 2021	The supply and installation of 5G router and data SIM with firewall solution	30-44 Gillies Avenue South/ 75-77 Baker Street, Hung Hom	HK\$69,600
2	25 February 2022	The supply of 1G broadband service with firewall solution	30-44 Gillies Avenue South/ 75-77 Baker Street, Hung Hom	HK\$188,420
3	13 May 2022	The supply and installation of in-house network cabling	30-44 Gillies Avenue South/ 75-77 Baker Street, Hung Hom	HK\$106,920
4	7 June 2022	The provision of pre-wiring and network cabling for Wi-Fi 6 wireless LAN services	80-86 Baker Street/ 1-21 Whampoa Street, Hung Hom	HK\$127,000
5	7 June 2022	The installation of 5G mobile network	80-86 Baker Street/ 1-21 Whampoa Street, Hung Hom	HK\$1,850,000
6	21 October 2021	The supply and installation of gas services	23-27 Whampoa Street/ 79-81 Baker Street, Hung Hom	HK\$6,871,500
7	21 October 2021	The supply and installation of gas services	46-50 Gillies Avenue South/ 12A-22A Bulkeley Street/ 39-41 Whampoa Street, Hung Hom	HK\$6,337,500
8	11 July 2022	The supply and installation of gas services	80-86 Baker Street/ 1-21 Whampoa Street, Hung Hom	HK\$11,304,000
9	5 July 2022	Works in relation to the diversion of existing gas main	At backlane of 30-50 Gillies Avenue South, Hung Hom	HK\$472,400

The contract sum in respect of the Previous Transactions was arrived at through the quotation process and is payable to Towngas Telecommunications and Alpha Idea by instalments in accordance with market practice, based on the stages of the Installation Works performed by Towngas Telecommunications and Alpha Idea (in respect of items 1 to 8 above). It is intended that the contract sum of item 9 above will be payable to the Company on a one-off basis in accordance with market practice.

THE TENDER CONFIRMATION LETTERS FOR KITCHEN CABINETS INSTALLATION WORKS

On 2nd September 2022, Alpha Idea had countersigned and returned the Tender Confirmation Letters to Heng Shung in respect of the confirmation of the successful tenders for the carrying out of the Kitchen Cabinets Installation Works at various sites of the Projects at a total fixed contract sum of HK\$46,554,066. The particulars of the Tender Confirmation Letters are set out below:

Item	Subject Matter	Location	Contract Sum
1	The supply and installation of kitchen cabinets	30-44 Gillies Avenue South/ 75-77 Baker Street, Hung Hom	HK\$15,979,850
2	The supply and installation of kitchen cabinets	23-27 Whampoa Street/ 79-81 Baker Street, Hung Hom	HK\$14,822,897
3	The supply and installation of kitchen cabinets	46-50 Gillies Avenue South/ 12A-22A Bulkeley Street/ 39-41 Whampoa Street, Hung Hom	HK\$15,751,319

The consideration amount for each of the Tender Confirmation Letters was arrived at through the tender process and was determined with reference to the prices and terms normally offered by Alpha Idea to independent third party customers and was no less favourable to the Group than those offered by the Group to its other independent third party customers.

The contract sum for each of the Tender Confirmation Letters will be payable to Alpha Idea by instalments in accordance with market practice, based on the progress of the Kitchen Cabinets Installation Works performed by Alpha Idea.

REASONS FOR AND BENEFITS OF THE TRANSACTIONS

Towngas Telecommunications is principally engaged in telecommunications, data centre, cloud and system integration business, and will from time to time in its ordinary and usual course of business provide services similar to the Installation Works.

Alpha Idea is principally engaged in entering installation and carcassing work contracts on behalf of its holding company, and will from time to time in its ordinary and usual course of business provide services similar to the Installation Works and the Kitchen Cabinets Installation Works.

The Group is principally engaged in the business of production, distribution and marketing of gas, water supply and emerging environmentally-friendly energy businesses in Hong Kong and Mainland China. The Company will from time to time in its ordinary and usual course of business provide services similar to the Installation Works.

The entering into of the Previous Transactions and transactions in respect of the Kitchen Cabinets Installation Works are in the ordinary and usual course of business of Towngas Telecommunications, Alpha Idea and the Company. It is expected that such transactions will contribute to the business of Towngas Telecommunications, Alpha Idea and the Company, and hence the Group as a whole.

The Directors (including the independent non-executive Directors) are of the view that such transactions are on normal commercial terms and in the ordinary and usual course of business of the Group, and the terms of which are fair and reasonable and in the interests of the Group and the shareholders of the Company as a whole.

LISTING RULES IMPLICATIONS

As HREAL, Asia Charming, South Crown, Fortress Star, First Mate and Heng Shung are wholly-owned subsidiaries of Henderson Land, which in turn is a controlling shareholder of the Company, they are connected persons of the Company under the Listing Rules. As such, the Previous Transactions and the transactions in respect of the Kitchen Cabinets Installation Works constitute connected transactions for the Company under Chapter 14A of the Listing Rules.

Since the Previous Transactions were conducted on normal commercial terms and all the relevant percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Previous Transactions were, in aggregate, less than 0.1%, the Previous Transactions were fully exempt from all disclosure requirements under Chapter 14A of the Listing Rules.

Since the Kitchen Cabinets Installation Works will be conducted on normal commercial terms and all the relevant percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the transactions under each of the Tender Confirmation Letters are less than 0.1%, such transactions are fully exempt from all disclosure requirements under Chapter 14A of the Listing Rules.

Each of the Previous Transactions and the transactions in respect of the Kitchen Cabinets Installation Works was separately entered into and negotiated between the relevant parties, and relates to works at different sites of the Projects. However, given that the Installation Works and the Kitchen Cabinets Installation Works will be carried out at sites of the Projects which are within the vicinity of each other, the transactions in respect of the Kitchen Cabinets Installation Works and the Previous Transactions are therefore aggregated for the purpose of this announcement. As the transactions in respect of the Kitchen Cabinets Installation Works, if aggregated with the Previous Transactions, one of the relevant percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules is greater than 0.1% but less than 5%, the transactions in respect of the Kitchen Cabinets Installation Works and the Previous Transactions are subject to the reporting and announcement requirements and exempt from the circular (including independent financial advice) and shareholders' approval requirements under Chapter 14A of the Listing Rules.

As Dr. Lee Ka-kit and Dr. Lee Ka-shing have deemed interests in the securities of Henderson Land under the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong), they are regarded to be materially interested and had abstained from voting in the meeting of the Directors on the resolutions approving the transactions in respect of the Kitchen Cabinets Installation Works.

GENERAL

So far as the Company is aware, HREAL is principally engaged in finance, management and agency services, Asia Charming, South Crown, Fortress Star and First Mate are principally engaged in property development and property investment, and Heng Shung is principally engaged in construction.

Henderson Land is an investment holding company and its subsidiaries are principally engaged in the businesses of property development and investment, construction, project management, property management, finance, hotel operation, department store operation and investment holding. The shareholding information of Henderson Land is available on the Stock Exchange's website (<https://www.hkexnews.hk/>).

DEFINITIONS

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

“Alpha Idea”	Alpha Idea International Limited (星滿國際有限公司), a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company
“Asia Charming”	Asia Charming Limited (昌鳴有限公司), a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of Henderson Land
“Company”	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)
“connected person”	has the same meaning as provided in the Listing Rules
“Directors”	the directors of the Company
“First Mate”	First Mate Development Limited (科美發展有限公司), a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of Henderson Land

“Fortress Star”	Fortress Star Limited (仁星有限公司), a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of Henderson Land
“Group”	the Company and its subsidiaries
“Henderson Group”	Henderson Land and its subsidiaries
“Henderson Land”	Henderson Land Development Company Limited (恒基兆業地產有限公司), 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: 12)
“Heng Shung”	Heng Shung Construction Company Limited (恒順建築有限公司), a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of Henderson Land
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HREAL”	Henderson Real Estate Agency Limited (恒基兆業地產代理有限公司), a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of Henderson Land
“Installation Works”	the works to be carried out at various sites of the Projects, particulars of which are set out in the section headed “The Previous Transactions” in this announcement
“Kitchen Cabinets Installation Works”	the supply and installation of kitchen cabinets at various sites of the Projects
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Previous Transactions”	has the meaning ascribed to it in the section headed “The Previous Transactions” in this announcement
“Projects”	Henderson Group’s redevelopment projects in Hung Hom
“South Crown”	South Crown Development Limited (南冠發展有限公司), a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of Henderson Land
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Tender Confirmation Letters”	the letters issued by Heng Shung to Alpha Idea to confirm that its tenders for the Kitchen Cabinets Installation Works will be accepted on the terms as set out therein
“Towngas Telecommunications”	Towngas Telecommunications Fixed Network Limited (名氣通電訊固網有限公司), a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

By Order of the Board of Directors

John Ho Hon-ming

*Executive Director, Chief Financial Officer and
Company Secretary*

Hong Kong, 2nd September 2022

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

<i>Non-executive Directors:</i>	Dr. Lee Ka-kit (Chairman), Dr. Lee Ka-shing (Chairman), Dr. Colin Lam Ko-yin and Mr. Andrew Fung Hau-chung
<i>Independent Non-executive Directors:</i>	Dr. the Hon. Sir David Li Kwok-po, Prof. Poon Chung-kwong and Dr. the Hon. Moses Cheng Mo-chi
<i>Executive Directors:</i>	Mr. Peter Wong Wai-yee and Mr. John Ho Hon-ming

