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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 12 April 2024, (i) Alpha Idea (a wholly-owned subsidiary of the Company) had countersigned and returned the Tender Acceptance Notices to Heng Lai in respect of the tender acceptance for carrying out the Gas Cookers Installation Works at different sites of the Project; and (ii) Fairbo had countersigned and returned the Quotation to Towngas Telecommunications (a wholly-owned subsidiary of the Company) in respect of its engagement of Towngas Telecommunications for carrying out the 5G Mobile Network Service Installation Works at different sites of the Project.

Since the Gas Cookers Installation Works and 5G Mobile Network Service 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 Acceptance Notices and the Quotation 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 Gas Cookers Installation Works and the 5G Mobile Network Service Installation Works was separately entered into between the relevant parties at different times and relates to works at different sites of the Project. Nevertheless, in view of the close vicinity of the sites, the transactions in respect of the Gas Cookers Installation Works, the 5G Mobile Network Service Installation Works and the Previous Transactions are aggregated for the purpose of this announcement and to keep the market informed. As one of the relevant percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules for such aggregated transactions is greater than 0.1% but less than 5%, the transactions are 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) the Company had been engaged by Fairbo (in respect of item 1 below); and (ii) Alpha Idea (a wholly-owned subsidiary of the Company) had been engaged by Fairbo (in respect of item 2 below) and Heng Lai (in respect of items 3 and 4 below), for the carrying out of the Installation Works at different sites of the Project (collectively referred to as the “**Previous Transactions**”) at a total fixed contract sum of HK\$56,040,983, as disclosed for informational purpose below:

Item	Date	Subject Matter	Location	Contract Sum
1	13 April 2023	The diversion of existing gas pipes	1-27 Berwick Street & 1-14 Yiu Tung Street, Shum Shui Po	HK\$235,400
2	30 May 2023	Works in relation to gas mains and gas appliances	1-27 Berwick Street, Shum Shui Po	HK\$24,657,500
3	7 November 2023	The supply and installation of kitchen cabinets	Tower 1A & 1B, 1-27 Berwick Street, Shum Shui Po	HK\$21,755,678
4	7 November 2023	The supply and installation of kitchen cabinets	Tower 2, 1-27 Berwick Street, Shum Shui Po	HK\$9,392,405

The contract sum in respect of each of the Previous Transactions was arrived at through quotation (in respect of items 1 and 2 above) or tender processes (in respect of items 3 and 4 above) and is payable, in line with market practice, in one lump sum following work completion (in respect of item 1 above) or by instalments based on the stages of the Installation Works performed (in respect of items 2 to 4 above).

THE GAS COOKERS INSTALLATION WORKS

On 12 April 2024, Alpha Idea had countersigned and returned the Tender Acceptance Notices to Heng Lai in respect of the confirmation of the successful tenders for the carrying out of the Gas Cookers Installation Works at different sites of the Project at a total fixed contract sum of HK\$2,370,337. The particulars of the Tender Acceptance Notices are set out below:

Item	Subject Matter	Location	Contract Sum
1	The supply and installation of gas cookers	Tower 1A & 1B, 1-27 Berwick Street, Shum Shui Po	HK\$1,675,258
2	The supply and installation of gas cookers	Tower 2, 1-27 Berwick Street, Shum Shui Po	HK\$695,079

The consideration amount for each of the Tender Acceptance Notices was arrived at through tender processes 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 Acceptance Notices will be payable to Alpha Idea, in line with market practice, by instalments based on the progress of the Gas Cookers Installation Works performed.

THE 5G MOBILE NETWORK SERVICE INSTALLATION WORKS

On 12 April 2024, Fairbo had countersigned and returned the Quotation to Towngas Telecommunications in respect of its engagement of Towngas Telecommunications for carrying out the 5G Mobile Network Service Installation Works at different sites of the Project at a total fixed contract sum of HK\$2,750,000. The particulars of the Quotation are set out below:

Item	Subject Matter	Location	Contract Sum
1	The installation of 5G mobile network service	1-27 Berwick Street, Shum Shui Po	HK\$2,750,000

The consideration amount for the Quotation was arrived at through quotation processes and was determined with reference to the prices and terms normally offered by Towngas Telecommunications 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.

Pursuant to the Quotation, it was intended that the contract sum shall be payable to Towngas Telecommunications in two instalments, with (i) 70% of the total contract sum being payable upon the signing of the Quotation; and (ii) the remaining balance being payable upon completion of the 5G Mobile Network Service Installation Works.

REASONS FOR AND BENEFITS OF THE TRANSACTIONS

The Company, through 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 Chinese Mainland. The Company 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 Gas Cookers Installation Works.

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 5G Mobile Network Service Installation Works.

The Previous Transactions and transactions in respect of the Gas Cookers Installation Works and the 5G Mobile Network Service Installation Works are conducted in the ordinary and usual course of businesses of the Company, Alpha Idea and Towngas Telecommunications. It is expected that such transactions will contribute to the business of 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 Fairbo and Heng Lai are wholly-owned subsidiaries of Henderson Land, a controlling shareholder of the Company, they constitute connected persons of the Company under the Listing Rules. As such, the Previous Transactions and the transactions in respect of the Gas Cookers Installation Works and the 5G Mobile Network Service 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 Gas Cookers Installation Works and the 5G Mobile Network Service 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 Acceptance Notices and the Quotation 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 Gas Cookers Installation Works and the 5G Mobile Network Service Installation Works was separately entered into between the relevant parties at different times and relates to works at different sites of the Project. Nevertheless, in view of the close vicinity of the sites, the transactions in respect of the Gas Cookers Installation Works, the 5G Mobile Network Service Installation Works and the Previous Transactions are aggregated for the purpose of this announcement and to keep the market informed. As one of the relevant percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules for such aggregated transactions is greater than 0.1% but less than 5%, the transactions are 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 Gas Cookers Installation Works and the 5G Mobile Network Service Installation Works.

GENERAL

So far as the Company is aware, Fairbo is engaged in property development and property investment, and Heng Lai is principally engaged in construction works.

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:

“5G Mobile Network Service Installation Works”	the installation of 5G mobile network services at different sites of the Project
“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
“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(s)”	has the same meaning as provided in the Listing Rules
“controlling shareholder”	has the same meaning as provided in the Listing Rules
“Directors”	the directors of the Company
“Fairbo”	Fairbo Investment Limited (快寶投資有限公司), a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of Henderson Land
“Gas Cookers Installation Works”	the supply and installation of gas cookers at different sites of the Project
“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 Lai”	Heng Lai Construction Company Limited (恒麗建築有限公司), 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

“Installation Works”	the works to be carried out at different sites of the Project, particulars of which are set out in the section headed “The Previous Transactions” in this announcement
“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
“Project”	Henderson Group’s development project in 1-27 Berwick Street, Shum Shui Po
“Quotation”	the quotation issued by Towngas Telecommunications to and confirmed by Fairbo of its engagement of Towngas Telecommunications for carrying out the 5G Mobile Network Service Installation Works
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tender Acceptance Notices”	the notices issued by Heng Lai to and confirmed by Alpha Idea of its tender acceptance of the Gas Cookers Installation Works
“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
Elsa Wong Lai-kin
Company Secretary

Hong Kong, 12 April 2024

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. the Hon. Poon Chung-kwong and Dr. the Hon. Moses Cheng Mo-chi
<i>Executive Directors:</i>	Mr. Peter Wong Wai-yee and Mr. Yeung Lui-ming

