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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 22nd November 2024, U-Tech (a wholly-owned subsidiary of the Company) had countersigned and returned the Letter of Award to Pacific Gate in respect of a successful tender for a contract to carry out the Seawater Main Related Installation Works for the Project.

As Pacific Gate is a wholly-owned subsidiary of Henderson Land, which in turn is a controlling shareholder of the Company, Pacific Gate is a connected person of the Company under the Listing Rules and the transaction in respect of the Seawater Main Related Installation Works constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules.

Since the Previous Letter of Nomination and the Letter of Award are entered into between the Group and the Henderson Group within 12 months in relation to the works to be performed for the Project, and when calculated on an aggregated basis, one or more of the relevant percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Gas Pipes Installation Works and the Seawater Main Related Installation Works is/are greater than 0.1% but less than 5%, the Transactions are only subject to the reporting and announcement requirements, and are exempt from the circular (including independent financial advice) and shareholders' approval requirements under Chapter 14A of the Listing Rules.

THE PREVIOUS LETTER OF NOMINATION

On 16th August 2024, Carswell (a wholly-owned subsidiary of the Company) had countersigned and returned the Previous Letter of Nomination to Pacific Gate in respect of the confirmation of nomination of Carswell as the sub-contractor to carry out the Gas Pipes Installation Works for the Project.

Under the terms of the Previous Letter of Nomination, Carswell shall carry out the Gas Pipes Installation Works for the Project for the contract sum of HK\$8,500,000. Such consideration amount was provided by Carswell through the quotation process and was determined with reference to the prices and terms normally offered by Carswell to independent third party customers and is no less favourable to the Group than those offered by the Group to its other independent third party customers. Such consideration is payable to Carswell by instalments in accordance with market practice, following the award of sub-contract and based on the stages of the Gas Pipes Installation Works performed by Carswell.

Pursuant to the Previous Letter of Nomination, Carswell is required to enter into a nominated sub-contract with the Main Contractor. It is expected that such nominated sub-contract would contain similar terms as those set out in the Previous Letter of Nomination, except that the terms and conditions to carry out the Gas Pipes Installation Works (including the timing of payment of such consideration and the specifications of the Gas Pipes Installation Works) will be set out in more detail. Upon the entering into by Carswell of the nominated sub-contract with the Main Contractor, Pacific Gate will be released and discharged from all claims and demands under the Previous Letter of Nomination, and all its liabilities thereunder will be transferred to the Main Contractor.

So far as the Company is aware, the Main Contractor is a third party independent of the Company and its connected persons.

THE LETTER OF AWARD

On 22nd November 2024, U-Tech (a wholly-owned subsidiary of the Company) had countersigned and returned the Letter of Award to Pacific Gate in respect of a successful tender for a contract to carry out the Seawater Main Related Installation Works for the Project.

Under the terms of the Letter of Award, the maximum contract sum for the Seawater Main Related Installation Works (including all optional works) will be HK\$265,443,750. Such consideration amount was arrived at through the tender process and was determined with reference to the prices and terms normally offered by U-Tech 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. Such consideration will be payable to U-Tech by instalments in accordance with market practice, based on the stages of the Seawater Main Related Installation Works performed by U-Tech.

REASONS FOR AND BENEFITS OF THE TRANSACTIONS

Carswell is principally engaged in gas projects. Carswell will from time to time in its ordinary and usual course of business provide services similar to the Gas Pipes Installation Works.

U-Tech is principally engaged in the installation of underground pipes, ducts and cables, the development of service systems in buildings for utility and telecommunication facilities and other related services. U-Tech will from time to time in its ordinary and usual course of business provide services similar to the Seawater Main Related Installation Works.

The Transactions are conducted in the ordinary and usual course of businesses of Carswell and U-Tech. It is expected that the Transactions will contribute to the business of Carswell, U-Tech, and hence the Group as a whole.

The Directors (including the independent non-executive Directors) are of the view that the 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 Pacific Gate is a wholly-owned subsidiary of Henderson Land, which in turn is a controlling shareholder of the Company, Pacific Gate is a connected person of the Company under the Listing Rules. As such, the Transactions constitute connected transactions for the Company under Chapter 14A of the Listing Rules. Nonetheless, as the Gas Pipes Installation Works will be conducted on normal commercial terms and all of the relevant percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Gas Pipes Installation Works were less than 0.1%, the transaction in respect of the Gas Pipes Installation Works was fully exempt from all disclosure requirements under Chapter 14A of the Listing Rules on a standalone basis.

Since the Previous Letter of Nomination and the Letter of Award are entered into between the Group and the Henderson Group within 12 months in relation to the works to be performed for the Project, and when calculated on an aggregated basis, one or more of the relevant percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Gas Pipes Installation Works and the Seawater Main Related Installation Works is/are greater than 0.1% but less than 5%, the Transactions are only subject to the reporting and announcement requirements, and are exempt from the circular (including independent financial advice) and shareholders' approval requirements under Chapter 14A of the Listing Rules.

As Dr. the Hon. 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 resolution approving the transaction in respect of the Seawater Main Related Installation Works.

GENERAL

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 the Chinese mainland.

So far as the Company is aware, Pacific Gate is principally engaged in property development and investment.

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, 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:

“Carswell” Carswell Developments Limited (星爾發展有限公司), 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
“Gas Pipes Installation Works”	the works for installation of gas pipes and hot water system for 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)
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Letter of Award”	a letter issued by Pacific Gate to and confirmed by U-Tech in respect of a successful tender for a contract to carry out the Seawater Main Related Installation Works on the terms as set out therein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Main Contractor”	the main contractor in respect of the construction for the Project, and so far as the Company is aware, is not a connected person of the Company within the meaning of the Listing Rules
“Pacific Gate”	Pacific Gate Development Limited (國基發展有限公司), a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of Henderson Land

“Previous Letter of Nomination”	a letter issued by Pacific Gate to and confirmed by Carswell in respect of the confirmation of nomination of Carswell as the sub-contractor to carry out the Gas Pipes Installation Works on the terms as set out therein
“Project”	Henderson Group’s development project at Site 3 of New Central Harbourfront (Inland Lot No. 9088), Central, Hong Kong
“Seawater Main Related Installation Works”	the works for supply and installation of air conditioning seawater intake and discharge mains, associated cable ducts and draw pits, and alteration and additional works at seawater pump house for the Project
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transactions”	the carrying out of the Gas Pipes Installation Works by Carswell and the Seawater Main Related Installation Works by U-Tech respectively for the Project
“U-Tech”	U-Tech Engineering Company Limited (卓裕工程有限公司), a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company
“%”	per cent.

By Order of the Board of Directors
Elsa Wong Lai-kin
Company Secretary

Hong Kong, 22nd November 2024

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

Non-executive Directors: Dr. the Hon. Lee Ka-kit (Chairman), Dr. Lee Ka-shing (Chairman), Dr. Colin Lam Ko-yin and Mr. Andrew Fung Hau-chung

Independent Non-executive Directors: Dr. the Hon. Sir David Li Kwok-po, Prof. the Hon. Poon Chung-kwong, Dr. the Hon. Moses Cheng Mo-chi and Prof. Anna Wong Wai-kwan

Executive Directors: Mr. Peter Wong Wai-yee, Mr. Yeung Lui-ming and Mr. Chan Ying-lung

