

APPENDIX 21: SECURITY POLICY

Our Purpose

The Hong Kong and China Gas Company Limited (the "Company") is committed to providing its employees and contractors with a safe and secure working environment, to protecting employees and company assets from harm and loss as well as to minimise potential security threats to the Company facilities and its employees. All our subsidiaries, project companies, associates, suppliers and business partners are encouraged to make reference to the principles of this policy, where applicable.

Our Commitment

The Company strives for achieving the following objectives:

- To assess and minimise security risks in gas production and supply operations as well as its services;
- To adopt proactive security risk management approach and to prevent criminal activities from occurring on company premises;
- To promote security awareness and consciousness among its employees and contractors through education and training;
- To recommend and adopt adequate risk-commensurate security protection of company premises based on criticality and vulnerability;
- To carry out security surveys and security risk assessments for major company premises including project companies in China and conduct periodic security audits to its operations with high security risks;
- To closely partner with the Government Authorities, to provide necessary training to employees and to exercise the special security management system so as to envisage the global trend of terrorist attacks and possible threat by social unrest activities;
- To develop, implement and maintain security management system to continual improve security performance of the Company; and
- To maintain high quality of security service by utilising frontier technology.

Managers shall ensure that this policy is fully explained to and observed by their subordinates and all contractors as well as all service providers under their supervision.

All employees and contractors are responsible for:

- Assuring reasonable security protection of company assets and properties under their control;
- Complying with security guidelines, procedures, rules, regulations, etc.;
- Identifying and minimising security risks at their workplace;
- Reporting security related incident to the Company security personnel for handling; and
- Cooperating with Company security personnel when they are in the discharge of security duties.

Employees at all levels are required to fully understand and actively support this policy to achieve objectives.

The Corporate Sustainability Department (CSD) is responsible for the development and periodic review of this policy, for designing and administering security programs and training courses, for distributing security related information, for monitoring and auditing performance of this policy. The CSD is also an advisory and consultative resource for managers and employees to interpret and implement this policy.