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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)

APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTOR

Dr. Cheng Mo Chi, Moses has been appointed as an Independent Non-executive Director of the Company and a member of each of the Board Audit and Risk Committee, the Remuneration Committee and the Nomination Committee of the Company, all with effect from 14 January 2019.

The board of directors (the “**Board**”) of The Hong Kong and China Gas Company Limited (the “**Company**”) is pleased to announce that Dr. Cheng Mo Chi, Moses (“**Dr. Cheng**”) has been appointed as an Independent Non-executive Director of the Company and a member of each of the Board Audit and Risk Committee, the Remuneration Committee and the Nomination Committee of the Company, all with effect from 14 January 2019.

Dr. Cheng Mo Chi, Moses, *G.B.M., G.B.S., O.B.E., J.P.*, aged 68, is a practising solicitor and the consultant of Messrs. P.C. Woo & Co. after serving as its senior partner from 1994 to 2015. Dr. Cheng was a member of the Legislative Council of Hong Kong. He is the founder chairman of the Hong Kong Institute of Directors of which he is now the Honorary President and Chairman Emeritus. Dr. Cheng is now also serving as the Chairman of the Insurance Authority. Dr. Cheng has been an independent non-executive director of Towngas China Company Limited, a subsidiary of the Company, since May 2007. He also currently holds directorships in China Mobile Limited, China Resources Beer (Holdings) Company Limited, Guangdong Investment Limited, Kader Holdings Company Limited, K. Wah International Holdings Limited, Liu Chong Hing Investment Limited and Tian An China Investments Company Limited. All the above companies are listed public companies. He was previously an independent non-executive director of ARA Asset Management Limited, a company whose shares were formerly listed on the Singapore Stock Exchange. Save as disclosed above, Dr. Cheng did not hold any other directorships in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas.

As at the date of this announcement, Dr. Cheng does not have any interest in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), and has no relationship with any directors, senior management or substantial or controlling shareholders of the Company.

Pursuant to an appointment letter made between the Company and Dr. Cheng, the term of office for Dr. Cheng shall commence from his appointment date and expire on 31 December 2020 and is also subject to retirement by rotation and re-appointment in accordance with the Company's Articles of Association and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"). Under the terms of such appointment letter, the director's fee payable to Dr. Cheng is fixed at the rate of HK\$250,000 per annum until the Company in general meetings otherwise determines. He is also entitled to additional fees of HK\$250,000, HK\$100,000 and HK\$100,000 per annum for acting as a member of each of the Board Audit and Risk Committee, the Remuneration Committee and the Nomination Committee of the Company respectively. The said director's fee and additional fees as members of the Board committees were determined with reference to his duties and responsibilities, and will be subject to review by the Remuneration Committee of the Company on an annual basis. Dr. Cheng has not entered into nor proposed to enter into any service contracts, which fall within the meanings of Rule 13.68 of the Listing Rules requiring the prior approval of shareholders of the Company at general meetings, with the Company.

Save as disclosed above, there are no other matters concerning Dr. Cheng's appointment that need to be brought to the attention of the shareholders of the Company nor any information required to be disclosed pursuant to the requirements of Rule 13.51(2)(h) to (v) of the Listing Rules.

The Board would like to express its warm welcome to Dr. Cheng to join the Board.

Following the appointment of Dr. Cheng, (i) the Board comprises three Independent Non-executive Directors representing one-third of the members of the Board, which fulfills the requirements under Rules 3.10(1) and 3.10A of the Listing Rules; and (ii) the Board Audit and Risk Committee of the Company comprises a minimum of three members, which fulfills the requirement under Rule 3.21 of the Listing Rules.

By order of the Board

JOHN H.M. HO

Chief Financial Officer and Company Secretary

Hong Kong, 14 January 2019

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

- Non-executive Directors:* Dr. the Hon. Lee Shau Kee (Chairman), Dr. Colin Lam Ko Yin, Dr. Lee Ka Kit and Mr. Lee Ka Shing
- Independent Non-executive Directors:* Dr. the Hon. Sir David Li Kwok Po, Professor Poon Chung Kwong and Dr. Moses Cheng Mo Chi
- Executive Directors:* Mr. Alfred Chan Wing Kin and Mr. Peter Wong Wai Yee

