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港華燃氣有限公司
Towngas China Company Limited

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1083)

RETIREMENT OF DIRECTOR AND RE-DESIGNATION OF DIRECTOR

Retirement of Director

The board of directors (the “Board”) of Towngas China Company Limited (the “Company”, and together with its subsidiaries, the “Group”) announces that Ms. Law Wai Fun, Margaret (“Ms. Law”) will resign from her office as an Executive Director of the Company with effect from 1 January 2013 upon her retirement. Ms. Law has confirmed that she has no disagreement with the Board and that there is no matter relating to her resignation that needs to be brought to the attention of the shareholders of the Company. The Board would like to express its sincere gratitude to Ms. Law for her valuable contribution to the Group during her term of office.

Re-designation of Director

The Board also announces that Mr. Kwan Yuk Choi, James (“Mr. Kwan”) will retire from his office as an Executive Director of the Company and will be re-designated as a Non-Executive Director of the Company with effect from 1 February 2013.

Mr. Kwan, *J.P., C.Eng., F.H.K.I.E., F.I.G.E.M., F.I.Mech.E., F.E.I., F.C.I.B.S.E., M.B.A., B.Sc. (Eng)*, aged 61, has been an Executive Director of the Company since 1 March 2007. Mr. Kwan is currently an executive director and the chief operating officer of The Hong Kong and China Gas Company Limited (“HKCG”, a public listed company in Hong Kong and the controlling shareholder of the Company) but will be resigning from such directorship upon his retirement on 1 February 2013. Mr. Kwan also holds directorships in various subsidiaries of HKCG and the Company but will resign from all such directorships after his retirement. Mr. Kwan will however act as a senior adviser to HKCG on a part-time basis from 1 February 2013 to 31 January 2015. He is also a director of Shenzhen Gas Corporation Ltd., which is a listed company on the Shanghai Stock Exchange. Mr. Kwan was awarded an Honourary Fellowship by The Hong Kong University of Science and Technology in 2011. He is currently a member of Construction Industry Council, a member of the Governing Council of the Hong Kong Quality Assurance Agency, a member of Transport Advisory Committee and a member of the Vocational Training Council of the Hong Kong Special Administrative Region and a member of the Twelfth Nanjing Committee of the Chinese People’s Political Consultative Conference. He was the President of The Institution of Gas Engineers UK (currently known as The Institution of Gas Engineers & Managers) in 2000/2001 and The Hong Kong Institution of Engineers in 2004/2005.

Mr. Kwan is a Chartered Engineer, Fellow of The Hong Kong Institution of Engineers; Fellow of The Institution of Mechanical Engineers, Fellow of The Institution of Gas Engineers & Managers, Fellow of The Energy Institute and Fellow of Chartered Institution of Building Services Engineers of the United Kingdom.

Save as disclosed above, Mr. Kwan has not held any directorship in other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years and does not hold any other position with the Company and other members of the Group, or other major appointments and professional qualifications.

Pursuant to an appointment letter dated 31 December 2012 between the Company and Mr. Kwan, Mr. Kwan was appointed as a Non-Executive Director of the Company for an initial term from 1 February 2013 until the conclusion of the next following general meeting of the Company, subject to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and the provisions of the Company's memorandum and articles of association in force from time to time, including but not limited to, the requirements for retirement, rotation and vacation of office of directors as set forth in the articles of association of the Company. Mr. Kwan's director's fee shall be HK\$200,000 per annum, subject to determination by the Board from time to time with reference to his duties and responsibilities and the Company's performance and profitability.

As at the date of this announcement, Mr. Kwan was deemed interested in 3,015,000 underlying shares of the Company pursuant to options granted under the share option scheme approved and adopted by the Company on 28 November 2005 within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong). As at the date of this announcement, Mr. Kwan was also interested in a total of 124,695 shares in HKCG, of which 58,460 shares in HKCG were held by himself and 66,235 shares were held by his spouse.

Save as disclosed above, (a) Mr. Kwan does not have any relationships with any directors, senior management or substantial or controlling shareholders of the Company, and (b) so far as the directors of the Company are aware, there are no other matters concerning Mr. Kwan that need to be brought to the attention of the shareholders of the Company nor any information to be disclosed pursuant to the requirements of Rule 13.51(2)(h) to Rule 13.51(2)(v) of the Listing Rules.

By order of the Board
Towngas China Company Limited
HO Hon Ming, John
Executive Director and Company Secretary

Hong Kong, 31 December 2012

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

Executive Directors:
CHAN Wing Kin, Alfred (*Chairman*)
WONG Wai Yee, Peter (*Chief Executive Officer*)
KWAN Yuk Choi, James
HO Hon Ming, John (*Company Secretary*)
LAW Wai Fun, Margaret

Independent Non-Executive Directors:
CHENG Mo Chi, Moses
LI Man Bun, Brian David
CHOW Vee Tsung, Oscar