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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional advisor.

If you have sold or transferred all your shares in **Towngas China Company Limited**, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)

**PROPOSALS INVOLVING GENERAL MANDATES
TO ISSUE AND REPURCHASE SHARES,
DECLARATION OF DIVIDEND, SCRIP DIVIDEND SCHEME AND
CLOSURE OF REGISTER OF MEMBERS,
RE-ELECTION AND ELECTION OF DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

The notice convening an annual general meeting of the Company to be held at Meeting Rooms S426-S427 (Harbour Road Entrance), Hong Kong Convention and Exhibition Centre, Wanchai, Hong Kong on Friday, 29 May 2015 at 11:00 a.m. is set out on pages 16 to 20 of this circular. Whether or not you are able to attend the meeting in person, please complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the office of the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time of the meeting (or any adjournment thereof). Completion and return of the form of proxy will not preclude you from attending and voting at the meeting (or any adjournment thereof) should you so wish.

20 April 2015

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DEFINITIONS

In this circular, the following expressions have the following meanings unless the context requires otherwise:

“AGM”	the annual general meeting of the Company to be held at Meeting Rooms S426-S427 (Harbour Road Entrance), Hong Kong Convention and Exhibition Centre, Wanchai, Hong Kong on Friday, 29 May 2015 at 11:00 a.m. and any adjournment thereof, notice of which is set out on pages 16 to 20 of this circular
“AGM Notice”	the notice for convening the AGM set out on pages 16 to 20 of this circular
“Annual Report”	the annual report of the Company for the year ended 31 December 2014
“Articles”	the articles of association of the Company
“Board”	the board of Directors
“Companies Law”	the Companies Law (2013 Revision) of the Cayman Islands
“Company”	Towngas China Company Limited (Stock Code: 1083), a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the main board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“Dividend”	the final dividend proposed to be paid out of the share premium account of the Company of ten HK cents per Share in respect of the year ended 31 December 2014
“Group”	the Company and its subsidiaries
“HKCG”	The Hong Kong and China Gas Company Limited, a controlling shareholder of the Company
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	13 April 2015, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange

DEFINITIONS

“Ordinary Resolution(s)”	the proposed ordinary resolution(s) as referred to in the AGM Notice
“Repurchase Mandate”	a general mandate to the Directors to exercise the power of the Company to repurchase Shares during the period as set out in Ordinary Resolution No. 4 in the AGM Notice up to a maximum of 10% of the total number of issued shares of the Company as at the date of passing of such resolution
“Scrip Dividend Scheme”	the scrip dividend scheme proposed by the Board and announced in the results announcement of the Company on 17 March 2015 which offers Shareholders a scrip alternative whereby Shareholders may elect to receive the Dividend wholly or partly by the allotment of new Share(s) credited as fully paid to be issued under the Scrip Dividend Scheme in lieu of cash
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	share(s) of HK\$0.10 each in the share capital of the Company
“Share Buy-Back Rules”	the relevant rules set out in the Listing Rules to regulate the repurchase by companies with primary listing on the Stock Exchange of their own securities
“Shareholder(s)”	holder(s) of Shares
“Share Issue Mandate”	a general mandate to the Directors to exercise the powers of the Company to allot, issue and deal with the Shares during the period as set out in Ordinary Resolution No. 5 in the AGM Notice up to a maximum of 20% of the total number of issued shares of the Company as at the date of passing of such resolution
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Buy-backs
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

LETTER FROM THE BOARD



港華燃氣有限公司
Towngas China Company Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1083)

Executive Directors:

Mr. Chan Wing Kin, Alfred (*Chairman*)
Mr. Wong Wai Yee, Peter (*Chief Executive Officer*)
Mr. Ho Hon Ming, John (*Company Secretary*)

Non-Executive Director:

Mr. Kwan Yuk Choi, James

Independent Non-Executive Directors:

Dr. Cheng Mo Chi, Moses
Mr. Li Man Bun, Brian David
Mr. Chow Vee Tsung, Oscar

Registered Office:

P.O. Box 309
Ugland House
Grand Cayman
KY1-1104
Cayman Islands

*Head Office and Principal Place of
Business in Hong Kong:*

23rd Floor
363 Java Road
North Point
Hong Kong

20 April 2015

To the Shareholders

Dear Sir or Madam,

**PROPOSALS INVOLVING GENERAL MANDATES
TO ISSUE AND REPURCHASE SHARES,
DECLARATION OF DIVIDEND, SCRIP DIVIDEND SCHEME AND
CLOSURE OF REGISTER OF MEMBERS,
RE-ELECTION AND ELECTION OF DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

1. INTRODUCTION

At the annual general meeting of the Company held on 26 May 2014, resolutions were passed by the Shareholders, amongst other things, to give general unconditional mandates to the Directors to exercise the powers of the Company to:

- (i) allot, issue and otherwise deal with Shares not exceeding 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of such resolution;

LETTER FROM THE BOARD

- (ii) repurchase Shares up to a maximum of 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of such resolution; and
- (iii) extend the general mandate for issuing Shares as mentioned in paragraph (i) above by an amount representing the aggregate nominal amount of the share capital of the Company repurchased by the Company under the general mandate granted to the Directors to repurchase Shares as mentioned in paragraph (ii) above.

The above general mandates will lapse at the conclusion of the AGM. It is therefore proposed to seek your approval at the AGM to grant fresh general mandates to the Directors to exercise the above powers.

The Board announced in the results announcement of the Company dated 17 March 2015 that it was the intention of the Board to recommend the payment of the dividend out of the share premium account of the Company of ten HK cents per Share in respect of the year ended 31 December 2014. It is therefore proposed to seek your approval at the AGM for the payment of the Dividend.

The purpose of this circular is to, inter alia, provide you with information regarding the proposals for the grant of the Repurchase Mandate and the Share Issue Mandate, the declaration of the Dividend, the Scrip Dividend Scheme and closure of the register of members of the Company, the re-election of retiring Directors and the election of a new Director, and to seek your approval in connection with such matters at the AGM.

2. GENERAL MANDATE TO REPURCHASE SHARES

An ordinary resolution will be proposed at the AGM to grant to the Directors the Repurchase Mandate, details of which are set out in Ordinary Resolution No. 4 in the AGM Notice. The Shares which may be repurchased by the Company pursuant to the Repurchase Mandate shall not exceed 10% of the total number of issued shares of the Company as at the date of passing of the Ordinary Resolution approving the Repurchase Mandate (subject to adjustment in the total number of issued shares of the Company in the case of consolidation, division or sub-division of all or any of the share capital of the Company).

An explanatory statement as required under the Share Buy-Back Rules to be sent to the Shareholders, giving certain information regarding the Repurchase Mandate to enable the Shareholders to make an informed decision on whether to vote for or against Ordinary Resolution No. 4, is set out in Appendix I hereto.

LETTER FROM THE BOARD

3. GENERAL MANDATE TO ISSUE SHARES

Two ordinary resolutions, namely Ordinary Resolutions Nos. 5 and 6 in the AGM Notice, will be proposed at the AGM (i) to grant to the Directors a general mandate to allot, issue and deal with new Shares not exceeding 20% of the total number of issued shares of the Company as at the date of passing of Ordinary Resolution No. 5 in the AGM Notice (subject to adjustment in the total number of issued shares of the Company in the case of consolidation, division or sub-division of all or any of the share capital of the Company) and (ii) to extend such general mandate so granted to the Directors by adding thereto any Shares repurchased by the Company pursuant to the Repurchase Mandate up to 10% of the total number of issued shares of the Company as at the date of passing of Ordinary Resolution No. 6 in the AGM Notice (subject to adjustment in the total number of issued shares of the Company in the case of consolidation, division or sub-division of all or any of the share capital of the Company).

Details of the Share Issue Mandate and the extension of the Share Issue Mandate are respectively set out in Ordinary Resolutions Nos. 5 and 6 in the AGM Notice.

4. DECLARATION OF DIVIDEND, SCRIP DIVIDEND SCHEME AND CLOSURE OF REGISTER OF MEMBERS

As mentioned in the results announcement of the Company dated 17 March 2015, it was the intention of the Board to recommend the payment of the Dividend out of the share premium account of the Company of ten HK cents per Share in respect of the year ended 31 December 2014 to Shareholders whose names appear on the register of members of the Company on 8 June 2015, totaling not less than HK\$263,285,000, subject to the approval of the Shareholders at the AGM and compliance with the Companies Law.

The Dividend will be payable in cash, with an option granted to Shareholders to receive new and fully paid Shares in lieu of cash in whole or in part under the Scrip Dividend Scheme. The new Shares will, on issue, rank *pari passu* in all respects with Shares in issue on the date of the allotment and issue of the new Shares except that they shall not be entitled to the Dividend. The circular containing details of the Scrip Dividend Scheme and the relevant election form is expected to be sent to Shareholders on or about 11 June 2015.

The Scrip Dividend Scheme is conditional upon the passing of the resolution relating to the payment of the Dividend at the AGM and the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the new Shares to be issued under the Scrip Dividend Scheme.

It is expected that the cheques for cash dividends and the share certificates to be issued under the Scrip Dividend Scheme will be sent by ordinary mail to Shareholders at their own risk on or about 10 July 2015.

LETTER FROM THE BOARD

Under Section 34(2) of the Companies Law, the share premium account may be applied by the company paying dividends to shareholders provided that no dividend may be paid to members out of the share premium account unless, immediately following the date on which the dividend is proposed to be paid, the company shall be able to pay its debts as they fall due in the ordinary course of business. The Board confirms that with respect to the Dividend, the Company meets the solvency test as laid down under the Companies Law and shall be able to pay its debts as they fall due in the ordinary course of business immediately following the date on which the Dividend is proposed to be paid.

The register of members will be closed for the following periods:

- (1) from 27 May 2015 to 29 May 2015, both days inclusive, during which period no transfer of Shares will be registered for the purpose of ascertaining the Shareholders entitled to attend and vote at the AGM; and
- (2) from 4 June 2015 to 8 June 2015, both days inclusive, during which period no transfer of Shares will be registered for the purpose of ascertaining the Shareholders entitled to the Dividend to be approved at the AGM.

All completed transfer forms accompanied by the relevant share certificates must be lodged with the branch share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited, Shops 1712—1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on 26 May 2015 and 3 June 2015 respectively.

5. RE-ELECTION AND ELECTION OF DIRECTORS

The Board currently consists of seven Directors, namely Mr. Chan Wing Kin, Alfred (Chairman), Mr. Wong Wai Yee, Peter (Chief Executive Officer) and Mr. Ho Hon Ming, John (Company Secretary), being the executive Directors, Mr. Kwan Yuk Choi, James being the non-executive Director, and Dr. Cheng Mo Chi, Moses, Mr. Li Man Bun, Brian David and Mr. Chow Vee Tsung, Oscar, being the independent non-executive Directors.

Pursuant to Article 112 of the Articles, at each annual general meeting, one-third of the Directors for the time being who have been longest in office since their last election shall retire from office by rotation such that each Director will be subject to retirement by rotation at least once every three years at the annual general meeting.

In accordance with Article 112 of the Articles, Mr. Ho Hon Ming, John, Dr. Cheng Mo Chi, Moses and Mr. Li Man Bun, Brian David shall retire from office by rotation at the AGM and all of them, being eligible, would offer themselves for re-election at the AGM.

LETTER FROM THE BOARD

In addition, the Board proposed to put forward Mr. Kee Wai Ngai, Martin for election as an executive Director at the AGM. Subject to his election as a Director at the AGM, it is proposed that he will have no fixed or proposed term of director's service with the Company but his term of appointment will be subject to the requirements for retirement, rotation, re-election and vacation of office of Directors as set forth in the Articles. The Board considers that Mr. Kee Wai Ngai, Martin is a suitable candidate as he possesses the requisite skills, knowledge and expertise to carry out the duties required of an executive Director.

Brief biographical details of the above-mentioned Directors who are proposed to be re-elected or elected at the AGM are set out in Appendix II to this circular.

6. ANNUAL GENERAL MEETING

The AGM Notice, which contains, inter alia, the Ordinary Resolutions for the Repurchase Mandate, the Share Issue Mandate, the extension of the Share Issue Mandate, the declaration of the Dividend, the Scrip Dividend Scheme, closure of the register of members and the re-election of retiring Directors and the election of a new Director, is set out on pages 16 to 20 of this circular.

7. ACTION TO BE TAKEN

A form of proxy for use at the AGM is enclosed with this circular. Whether or not you are able to attend the AGM in person, please complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the office of the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the AGM or any adjourned meeting (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjourned meeting (as the case may be).

8. RECOMMENDATION

The Directors are of the opinion that the proposals referred to in this circular are in the best interests of the Company and the Shareholders and therefore recommend you to vote in favour of all the relevant resolutions to be proposed at the AGM.

LETTER FROM THE BOARD

9. DIRECTORS' RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquires, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

Yours faithfully,
By Order of the Board
Towngas China Company Limited
Ho Hon Ming, John
Executive Director and Company Secretary

1. LISTING RULES

The Listing Rules permit companies with a primary listing on the Stock Exchange to repurchase their own shares on the Stock Exchange subject to certain restrictions. This appendix serves as an explanatory statement as required by the Share Buy-Back Rules to be sent to the Shareholders in connection with the proposed Repurchase Mandate.

2. REASONS FOR REPURCHASES

The Directors believe that the Repurchase Mandate is in the best interests of the Company and its Shareholders as a whole. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value and/or earnings per Share of the Company and will only be made when the Directors believe that such a repurchase will benefit the Company and its Shareholders.

3. TOTAL NUMBER OF ISSUED SHARES

As at the Latest Practicable Date, the total number of issued shares of the Company comprised 2,632,857,769 Shares.

Subject to the passing of Ordinary Resolution No. 4 in the AGM Notice and on the basis that no further Shares will be issued or repurchased by the Company prior to the AGM, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 263,285,776 Shares (representing 10% of the total number of issued shares of the Company as at the Latest Practicable Date) (subject to adjustment in the total number of issued shares of the Company in the case of consolidation, division or sub-division of all or any of the share capital of the Company) during the period from the date of passing of Ordinary Resolution No. 4 set out in the AGM Notice up to (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles or any applicable laws of the Cayman Islands to be held; or (iii) the revocation, variation or renewal of the Repurchase Mandate by ordinary resolution of the Shareholders in general meeting, whichever is the earliest.

4. FUNDING OF REPURCHASES

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its memorandum of association, the Articles and the applicable laws and regulations of the Cayman Islands. The Company may not purchase securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time.

5. GENERAL

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited consolidated financial statements contained in the Annual Report) in the event that the Repurchase Mandate is exercised in full. However, the Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or on its gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

6. SHARE PRICES

The highest and lowest prices at which the Shares were traded on the Stock Exchange during each of the previous twelve months before the Latest Practicable Date were as follows:

	Share Price	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
May 2014	9.26	8.13
June 2014	9.45	8.79
July 2014	9.39	8.90
August 2014	9.24	8.15
September 2014	8.93	8.04
October 2014	8.44	7.75
November 2014	8.58	7.77
December 2014	8.52	7.78
January 2015	7.95	6.70
February 2015	7.31	6.74
March 2015	7.94	6.85
April 2015 (up to the Latest Practicable Date)	8.29	7.00

7. UNDERTAKING

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the powers of the Company to make repurchases pursuant to the Repurchase Mandate and in accordance with the Listing Rules, the memorandum of association of the Company, the Articles and the applicable laws of the Cayman Islands.

None of the Directors nor, to the best of their knowledge, having made all reasonable enquiries, any of their close associates (as defined in the Listing Rules), has any present intention to sell any Shares to the Company under the Repurchase Mandate if such is approved by the Shareholders and exercised by the Board.

No core connected person (as defined in the Listing Rules) has notified the Company that it has a present intention to sell Shares to the Company, nor has undertaken not to do so, in the event that the Repurchase Mandate is approved by the Shareholders and exercised by the Board.

8. TAKEOVERS CODE

If as a result of a repurchase of Shares, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of Rule 32 of the Takeovers Code. As a result, a Shareholder, or a group of Shareholders acting in concert (within the meaning under the Takeovers Code), depending on the level of increase in the relevant Shareholder's interests, could obtain or consolidate control of the Company and become(s) obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

Saved as disclosed above, the Directors are not aware of any other consequences which may arise under Rules 26 and 32 of the Takeovers Code. The Directors do not intend to exercise the Repurchase Mandate to an extent which would, in the circumstances, trigger any potential consequences under the Takeovers Code.

As at the Latest Practicable Date, so far as is known to the Directors, (a) the number of Shares held by HKCG, through its various wholly-owned subsidiaries, was 1,642,489,654 Shares representing approximately 62.38% of the total issued shares of the Company as at the Latest Practicable Date and (b) the number of Shares held by Commonwealth Bank of Australia, through its various indirect wholly-owned subsidiaries, was 132,075,346 Shares representing approximately 5.02% of the total issued shares of the Company as at the Latest Practicable Date. In the event that the Directors exercise in full the power to repurchase Shares under the Repurchase Mandate, (a) the percentage shareholding of HKCG, through its various wholly-owned subsidiaries, in the Company shall increase from approximately 62.38% to approximately 69.32% and (b) the aggregate percentage shareholding of Commonwealth Bank of Australia, through its various indirect wholly-owned subsidiaries, in the Company shall increase from approximately 5.02% to approximately 5.57%. The Directors consider that such an increase would not give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code.

9. SHARE REPURCHASES BY THE COMPANY

No repurchases of Shares have been made by the Company in the six months preceding the Latest Practicable Date, whether on the Stock Exchange or otherwise.

The particulars of the retiring Directors proposed to be re-elected and the new Director proposed to be elected at the AGM are set out as follows:

(1) MR. HO HON MING, JOHN

Mr. Ho Hon Ming, John, *F.C.A., F.C.P.A., F.H.K.I.o.D., B.A.(Hons.)*, aged 58, has been an Executive Director and the Company Secretary of the Company since 1 March 2007. Mr. Ho is the chief financial officer and the company secretary of HKCG (a public listed company in Hong Kong and the controlling shareholder of the Company) and holds directorships in various subsidiaries of HKCG. He is a director of Changchun Gas Co., Ltd. and Shenzhen Gas Corporation Ltd., both are listed companies on the Shanghai Stock Exchange. Mr. Ho is a General Committee member of the Chamber of Hong Kong Listed Companies. He is a Fellow of the Institute of Chartered Accountants in England and Wales and also a Fellow of the Hong Kong Institute of Certified Public Accountants. Mr. Ho has over 36 years of experience in accounting, corporate finance and investment. Save as disclosed above, Mr. Ho did not hold any directorship in any other public companies, the securities of which are listed on any securities market in Hong Kong or overseas in the previous 3 years or hold any other major appointments or professional qualifications.

Pursuant to an appointment letter dated 1 April 2012 between the Company and Mr. Ho, Mr. Ho has no fixed or proposed term of director's service with the Company but his term of office is subject to the Listing Rules and the provisions of the Company's memorandum of association and Articles 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. Mr. Ho's director's fee is HK\$200,000 per annum. In addition, Mr. Ho has also received other emoluments of approximately HK\$3,350,000 for the year ended 31 December 2014. His remuneration is 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 Latest Practicable Date, Mr. Ho was deemed under Part XV of the SFO to be 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, representing approximately 0.11% of the total number of issued voting shares of the Company as at the Latest Practicable Date. Mr. Ho also has personal interest in 31,379 shares in HKCG (being an associated corporation of the Company), representing approximately 0.0003% of the total number of issued voting shares of HKCG as at the Latest Practicable Date.

Save as disclosed herein, as at the Latest Practicable Date, (a) Mr. Ho does not have any relationship with any other Directors, senior management or substantial or controlling shareholders of the Company; and (b) so far as the Directors are aware, there are no other matters concerning Mr. Ho that need to be brought to the attention of the Shareholders nor any information to be disclosed pursuant to the requirements of Rule 13.51(2)(h) to Rule 13.51(2)(w) of the Listing Rules.

(2) DR. CHENG MO CHI, MOSES

Dr. Cheng Mo Chi, Moses, *GBS, OBE, JP*, aged 65, has been an Independent Non-Executive Director since 23 May 2007 and is the Chairman of the Remuneration Committee and a member of the Audit Committee and the Nomination Committee of the Company. Dr. Cheng is a practising solicitor and the senior partner of Messrs. P.C. Woo & Co.. 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 serves as a member of the National Committee of the Chinese People's Political Consultative Conference and the Chairman of the Committee on Free Kindergarten Education established by the Education Bureau. He was awarded a Doctorate of the Academy *honoris causa* by The Hong Kong Academy for Performing Arts on 28 June 2013. Dr. Cheng currently holds directorships in China Mobile Limited, China Resources Enterprise, 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 being public listed companies in Hong Kong. He is also an independent non-executive director of ARA Asset Management Limited, a company whose shares are listed on the Singapore Stock Exchange. His other directorships in public listed companies in the last 3 years include Hong Kong Exchanges and Clearing Limited and Hong Kong Television Network Limited (formerly known as City Telecom (H.K.) Limited). Save as disclosed above, Dr. Cheng did not hold any directorship in any other public companies, the securities of which are listed on any securities market in Hong Kong or overseas in the previous 3 years or hold any other major appointments or professional qualifications.

Pursuant to an appointment letter dated 2 April 2013 between the Company and Dr. Cheng, Dr. Cheng was appointed for a term of 3 years commencing from 23 May 2013 to 22 May 2016. His term of office is also subject to the Listing Rules and the provisions of the Company's memorandum of association and Articles 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. Dr. Cheng's director's fee is HK\$500,000 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 Latest Practicable Date, Dr. Cheng does not have any interests in Shares within the meaning of Part XV of the SFO.

Save as disclosed herein, as at the Latest Practicable Date, (a) Dr. Cheng does not have any relationship with any other Directors, senior management or substantial or controlling shareholders of the Company; and (b) as far as the Directors are aware, there are no other matters concerning Dr. Cheng that need to be brought to the attention of the Shareholders nor any information to be disclosed pursuant to the requirements of Rule 13.51(2)(h) to Rule 13.51(2)(w) of the Listing Rules.

(3) MR. LI MAN BUN, BRIAN DAVID

Mr. Li Man Bun, Brian David, *JP, FCA, MBA, MA (Cantab)*, aged 40, has been an Independent Non-Executive Director since 23 May 2007 and is the Chairman of the Audit Committee and a member of the Remuneration Committee and the Nomination Committee of the Company. Mr. Li is also an Executive Director of The Bank of East Asia, Limited (“BEA”) (a listed company on the Stock Exchange). He was General Manager & Head of Wealth Management Division of BEA from July 2004 to March 2009. In April 2009, he was appointed Deputy Chief Executive of BEA, primarily responsible for BEA’s China and international businesses, and assisting the Chief Executive in the overall management and control of the BEA Group. He is also an independent non-executive director of Hopewell Highway Infrastructure Limited and China Overseas Land & Investment Limited, both of which are listed companies on the Stock Exchange. Mr. Li currently holds a number of public and honorary positions, including being a member of the Twelfth National Committee of the Chinese People’s Political Consultative Conference, a member of the Advisory Committee of the Securities and Futures Commission of Hong Kong, Chairman of the Traffic Accident Victims Assistance Advisory Committee of the Government of the Hong Kong Special Administrative Region (“HKSARG”), a member of the HKSARG Small and Medium Enterprises Committee, a member of the HKSARG Harbourfront Commission, a member of the HKSARG Aviation Development Advisory Committee, a member of the Hong Kong-Europe Business Council, a member of the Hong Kong-Taiwan Business Co-operation Committee, a Committee member of the Hong Kong Chapter, the Institute of Chartered Accountants in England and Wales (“ICAEW”), a member of the Inaugural Financial Consulting Committee for Authority of Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone of Shenzhen, and a Council Member of The Hong Kong Management Association 2014/2015. Mr. Li is a Fellow of the Hong Kong Institute of Certified Public Accountants and a Full Member of the Treasury Markets Association. Mr. Li is also a Fellow of the ICAEW. He holds an MBA from Stanford University as well as an MA and a BA from the University of Cambridge. Save as disclosed above, Mr. Li did not hold any directorship in any other public companies, the securities of which are listed on any securities market in Hong Kong or overseas in the previous 3 years or hold any other major appointments or professional qualifications.

Pursuant to an appointment letter dated 2 April 2013 between the Company and Mr. Li, Mr. Li was appointed for a term of 3 years commencing from 23 May 2013 to 22 May 2016. His term of office is also subject to the Listing Rules and the provisions of the Company’s memorandum of association and Articles 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. Mr. Li’s director’s fee is HK\$500,000 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 Latest Practicable Date, Mr. Li does not have any interests in Shares within the meaning of Part XV of the SFO.

Save as disclosed herein, as at the Latest Practicable Date, (a) Mr. Li does not have any relationship with any other Directors, senior management or substantial or controlling shareholders of the Company; and (b) as far as the Directors are aware, there are no other matters concerning Mr. Li that need to be brought to the attention of the Shareholders nor any information to be disclosed pursuant to the requirements of Rule 13.51(2)(h) to Rule 13.51(2)(w) of the Listing Rules.

(4) MR. KEE WAI NGAI, MARTIN

Mr. Kee Wai Ngai, Martin, *C.Eng., M.I.G.E.M., M.B.A., B.Sc.(Eng)*, aged 48. Mr. Kee graduated from the Department of Engineering, The University of Hong Kong and holds a master degree in Business Administration. He joined the Engineering Department of HKCG (a public listed company in Hong Kong and the controlling shareholder of the Company) in 1990, and has been participating in HKCG's business development in the Mainland since 1994. In 2003, Mr. Kee was appointed as the general manager of Changzhou Hong Kong and China Gas Company Limited. He has become the general manager of Nanjing Hong Kong and China Gas Company Limited since October 2006, and was appointed as the senior vice president in February 2009, responsible for the overall operation and management of the gas project companies in Jiangsu region, and was further responsible for managing the gas project companies in Anhui region in April 2012. He was then appointed as the executive vice president in October 2012, responsible for the operation and management of the gas project companies in Jiangsu, Anhui and Zhejiang regions, and is also in charge of the operation and management of the gas project companies in the southwest and Jiangxi regions starting from April 2015. Mr. Kee is a member of the 13th Nanjing Committee and previously a member of the 11th and 12th Changzhou Committee of the Chinese People's Political Consultative Conference. Save as disclosed above, Mr. Kee did not hold any directorship in any other public companies, the securities of which are listed on any securities market in Hong Kong or overseas in the previous 3 years or hold any other major appointments or professional qualifications.

Mr. Kee has not yet entered into any service contract with the Company. Subject to his election as a Director at the AGM, it is proposed that he will have no fixed or proposed term of director's service with the Company but he will hold office from the date of the AGM until the next following annual general meeting of the Company and shall then be eligible for re-election, and his term of appointment will be subject to the Listing Rules and the provisions of the Company's memorandum of association and Articles 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, and his emoluments will be determined by the Board from time to time with reference to his duties and responsibilities and the Company's performance and profitability.

As at the Latest Practicable Date, Mr. Kee does not have any interests in Shares within the meaning of Part XV of the SFO.

Save as disclosed herein, as at the Latest Practicable Date, (a) Mr. Kee does not have any relationship with any other Directors, senior management or substantial or controlling shareholders of the Company; and (b) as far as the Directors are aware, there are no other matters concerning Mr. Kee that need to be brought to the attention of the Shareholders nor any information to be disclosed pursuant to the requirements of Rule 13.51(2)(h) to Rule 13.51(2)(w) of the Listing Rules.

NOTICE OF ANNUAL GENERAL MEETING



港華燃氣有限公司 Towngas China Company Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1083)

NOTICE IS HEREBY GIVEN THAT the annual general meeting (the “**Annual General Meeting**”) of TOWNGAS CHINA COMPANY LIMITED (the “**Company**”) will be held at Meeting Rooms S426-S427 (Harbour Road Entrance), Hong Kong Convention and Exhibition Centre, Wanchai, Hong Kong, on Friday, 29 May 2015, at 11:00 a.m., for the following purposes:

1. To receive and adopt the audited consolidated financial statements and the reports of the directors of the Company (the “**Directors**”) and the auditor of the Company for the year ended 31 December 2014;
2. To re-elect the retiring Directors and to elect a new Director and to authorise the board of Directors (the “**Board**”) to fix the remuneration of the Directors;
3. To re-appoint the auditor of the Company and to authorise the Board to fix the remuneration of the auditor of the Company;
4. To consider and, if thought fit, pass (with or without modifications) the following resolution as an ordinary resolution of the Company:

“THAT:

- (a) subject to paragraph (b) of this resolution, the exercise by the directors of the Company (the “**Directors**”) during the Relevant Period (as hereinafter defined) of all powers of the Company to repurchase the issued shares in the share capital of the Company (the “**Shares**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) or any other stock exchange on which the shares of the Company may be listed and recognised by The Securities and Futures Commission of Hong Kong (the “**Securities and Futures Commission**”) and the Stock Exchange for such purpose, subject to and in accordance with the rules and regulations of the Securities and Futures Commission, the Stock Exchange or of any other stock exchange as amended from time to time and all applicable laws in this regard, be and is hereby generally and unconditionally approved;
- (b) the aggregate number of Shares which the Directors are authorised to repurchase pursuant to the approval in paragraph (a) of this resolution during the Relevant Period shall not exceed 10% of the total number of issued Shares

NOTICE OF ANNUAL GENERAL MEETING

as at the date of passing of this resolution (subject to adjustment in the total number of issued Shares in the case of consolidation, division or sub-division of all or any of the share capital of the Company during the Relevant Period) and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and

- (c) for the purpose of this resolution, “**Relevant Period**” means the period from the date of passing of this resolution until whichever is the earliest of:
- (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association of the Company or any applicable law of the Cayman Islands to be held; and
 - (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this resolution.”

5. To consider and, if thought fit, pass (with or without modifications) the following resolution as an ordinary resolution of the Company:

“**THAT:**

- (a) subject to paragraph (c) of this resolution, and pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the exercise by the directors of the Company (the “**Directors**”) during the Relevant Period (as hereinafter defined) of all powers of the Company to allot, issue and deal with additional shares of HK\$0.10 each in the share capital of the Company (the “**Shares**”) and to make or grant offers, agreements and options (including bonds, warrants, debentures, notes and any securities which carry rights to subscribe for or are convertible into shares of the Company) which would or might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) of this resolution shall authorise the Directors during the Relevant Period to allot, issue and deal with additional Shares and to make or grant offers, agreements and options (including bonds, warrants, debentures, notes and any securities which carry rights to subscribe for or are convertible into shares of the Company) which would or might require the exercise of such powers after the end of the Relevant Period;

NOTICE OF ANNUAL GENERAL MEETING

- (c) the aggregate number of Shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to options or otherwise) by the Directors pursuant to the approval in paragraph (a) of this resolution during the Relevant Period, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); or (ii) any issue of Shares for the grant or exercise of any option under any share option scheme of the Company or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries of shares or rights to acquire shares of the Company; or (iii) any issue of Shares as scrip dividend or similar arrangement providing for the allotment of Shares in lieu of the whole or part of a dividend on Shares in accordance with the Articles of Association of the Company in force from time to time; or (iv) any issue of Shares in the Company upon the exercise of rights of subscription or conversion under the terms of any existing warrants of the Company or any existing securities of the Company, shall not exceed 20% of the total number of issued Shares as at the date of passing of this resolution (subject to adjustment in the total number of issued Shares in the case of consolidation, division or sub-division of all or any of the share capital of the Company during the Relevant Period) and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and
- (d) for the purpose of this resolution, “**Relevant Period**” means the period from the date of passing of this resolution until whichever is the earliest of:
- (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association of the Company or any applicable law of the Cayman Islands to be held; and
 - (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this resolution.

“**Rights Issue**” means an offer of shares in the Company, or offer or issue of warrants, options or other securities giving rights to subscribe for shares open for a period fixed by the Directors to holders of shares in the Company whose names appear on the register on a fixed record date in proportion to their holdings of such shares (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements, or having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction applicable to the Company, or any recognised regulatory body or any stock exchange applicable to the Company).”

NOTICE OF ANNUAL GENERAL MEETING

6. To consider and, if thought fit, pass (with or without modifications) the following resolution as an ordinary resolution of the Company:

“**THAT** conditional upon the passing of resolutions nos. 4 and 5 set out in the notice convening this meeting, the unconditional general mandate granted to the directors of the Company to allot, issue and deal with additional Shares and to make or grant offers, agreements and options which might require the exercise of such powers pursuant to resolution no. 5 set out in the notice convening this meeting be and is hereby extended by the addition thereto of such number of Shares representing the aggregate number of Shares repurchased by the Company under the authority granted pursuant to resolution no. 4 set out in the notice convening this meeting, provided that such number of additional Shares shall not exceed 10% of the total number of issued Shares as at the date of passing of this resolution (subject to adjustment in the total number of issued Shares in the case of consolidation, division or sub-division of all or any of the share capital of the Company during the Relevant Period).”

7. As special business, to consider and, if thought fit, pass (with or without modifications) the following resolution as an ordinary resolution of the Company:

“**THAT** the payment of a final dividend, with an option for scrip dividend, from the share premium account of the Company of ten HK cents per share in respect of the year ended 31 December 2014 to the shareholders of the Company whose names appear on the register of members of the Company on 8 June 2015 be and is hereby approved.”

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

Hong Kong, 20 April 2015

Registered Office:

P.O. Box 309
Ugland House
Grand Cayman
KY1-1104
Cayman Islands

Principal Place of Business in Hong Kong:

23rd Floor
363 Java Road
North Point
Hong Kong

NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. A member of the Company entitled to attend and vote at the Annual General Meeting convened by the above notice is entitled to appoint one or more proxies to attend and vote instead of such member. A proxy need not be a member of the Company.
2. Completion and delivery of the form of proxy will not preclude a shareholder from attending and voting at the meeting if the member so desires.
3. At the Annual General Meeting, in compliance with Rule 13.39(4) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the chairman of the meeting will exercise his power under Article 76 of the Articles of Association to put each of the resolutions set out in this notice of Annual General Meeting to vote by way of poll.
4. In order to be valid, the form of proxy together with a power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority must be deposited with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the Annual General Meeting or any adjournment thereof.
5. With regard to item no. 2 in this notice, the Board proposes that the retiring Directors namely, Mr. Ho Hon Ming, John, Dr. Cheng Mo Chi, Moses, and Mr. Li Man Bun, Brian David be re-elected as Directors. The Board also proposed Mr. Kee Wai Ngai, Martin to be elected as an Executive Director. Biographical details of these Directors are set out in Appendix II to the circular dispatched to shareholders of the Company dated 20 April 2015.
6. As at the date of this notice, the executive Directors of the Company are Mr. Chan Wing Kin, Alfred (Chairman), Mr. Wong Wai Yee, Peter (Chief Executive Officer), and Mr. Ho Hon Ming, John (Company Secretary), the non-executive Director of the Company is Mr. Kwan Yuk Choi, James, and the independent non-executive Directors of the Company are Dr. Cheng Mo Chi, Moses, Mr. Li Man Bun, Brian David and Mr. Chow Vee Tsung, Oscar.