

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

**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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*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1083)**

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

The notice convening an annual general meeting of the Company to be held at Concord Room, 8/F, Renaissance Harbour View Hotel, 1 Harbour Road, Wanchai, Hong Kong on Monday, 3 June 2013 at 11:00 a.m. is set out on pages 14 to 18 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.

15 April 2013

# CONTENTS

	<i>Page</i>
<b>DEFINITIONS</b> .....	1
<b>LETTER FROM THE BOARD</b> .....	3
1. INTRODUCTION .....	3
2. GENERAL MANDATE TO REPURCHASE SHARES .....	4
3. GENERAL MANDATE TO ISSUE SHARES .....	4
4. DECLARATION OF DIVIDEND AND CLOSURE OF REGISTER OF MEMBERS .....	5
5. RE-ELECTION OF DIRECTORS .....	5
6. ANNUAL GENERAL MEETING .....	6
7. ACTION TO BE TAKEN .....	6
8. RECOMMENDATION .....	6
9. DIRECTORS' RESPONSIBILITY STATEMENT .....	6
<b>APPENDIX I — EXPLANATORY STATEMENT ON THE SHARE                   REPURCHASE MANDATE</b> .....	7
<b>APPENDIX II — BIOGRAPHICAL DETAILS OF THE DIRECTORS                   PROPOSED FOR RE-ELECTION</b> .....	10
<b>NOTICE OF ANNUAL GENERAL MEETING</b> .....	14

## 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 Concord Room, 8/F, Renaissance Harbour View Hotel, 1 Harbour Road, Wanchai, Hong Kong on Monday, 3 June 2013 at 11:00 a.m. and any adjournment thereof, notice of which is set out on pages 14 to 18 of this circular
“AGM Notice”	the notice for convening the AGM set out on pages 14 to 18 of this circular
“Annual Report”	the annual report of the Company for the year ended 31 December 2012
“Articles”	the articles of association of the Company
“Board”	the board of Directors of the Company
“Companies Law”	the Companies Law (2011 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 six HK cents per Share in respect of the year ended 31 December 2012
“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”	8 April 2013, 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
“Ordinary Resolution(s)”	the proposed ordinary resolution(s) as referred to in the AGM Notice

## DEFINITIONS

“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 aggregate nominal amount of the issued share capital of the Company as at the date of passing of such resolution
“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 aggregate nominal amount of the issued share capital of the Company as at the date of passing of such resolution
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.



**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

15 April 2013

*To the Shareholders*

Dear Sir or Madam,

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

**1. INTRODUCTION**

At the annual general meeting of the Company held on 4 June 2012, 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;
- (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

## **LETTER FROM THE BOARD**

- (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 15 March 2013 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 six HK cents per Share in respect of the year ended 31 December 2012. 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 and closure of register of members and the re-election of retiring Directors, 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 aggregate nominal amount of the issued share capital of the Company as at the date of passing of the Ordinary Resolution approving the Repurchase Mandate.

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.

### **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 issued share capital of the Company as at the date of passing of Ordinary Resolution No. 5 in the AGM Notice 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 issued share capital of the Company as at the date of passing of Ordinary Resolution No. 6 in the AGM Notice.

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.

## LETTER FROM THE BOARD

#### 4. DECLARATION OF DIVIDEND AND CLOSURE OF REGISTER OF MEMBERS

As mentioned in the results announcement of the Company dated 15 March 2013, it was the intention of the Board to recommend the payment of the dividend out of the share premium account of the Company of six HK cents per Share in respect of the year ended 31 December 2012 to Shareholders whose names appeared on the register of members of the Company on 11 June 2013, totaling not less than HK\$156,710,000, subject to the approval of the Shareholders at the AGM and compliance with the Companies Law.

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 29 May 2013 to 3 June 2013, 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 7 June 2013 to 11 June 2013, 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 28 May 2013 and 6 June 2013 respectively.

#### 5. RE-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 95 of the Articles, Directors appointed to fill a casual vacancy to the Board shall hold office until the next following general meeting and shall be eligible for re-election at that meeting. In addition, 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.

## **LETTER FROM THE BOARD**

In accordance with Article 95 of the Articles, Mr. Kwan Yuk Choi, James shall retire from office at the AGM and, being eligible, would offer himself for re-election. 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.

Brief biographical details of the above-mentioned Directors who are proposed to be re-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 and closure of register of members and the re-election of retiring Directors, is set out on pages 14 to 18 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 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.

### **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. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 2,611,844,830 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 261,184,483 Shares (representing 10% of the aggregate nominal amount of the issued share capital of the Company as at the Latest Practicable Date) 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 2012	5.89	5.08
June 2012	5.85	5.12
July 2012	5.86	5.22
August 2012	6.03	5.36
September 2012	6.18	5.61
October 2012	6.25	5.75
November 2012	6.70	6.07
December 2012	6.63	6.31
January 2013	6.82	6.35
February 2013	7.06	6.33
March 2013	7.73	6.80
April 2013 (up to the Latest Practicable Date)	7.28	6.92

## 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 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 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 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 in 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, the number of Shares held by HKCG, through its various wholly-owned subsidiaries, was 1,628,172,901 Shares representing approximately 62.34% of the issued share capital 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, the percentage shareholding of HKCG, through its various wholly-owned subsidiaries, in the Company shall increase from approximately 62.34% to approximately 69.26%.

## 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 at the AGM are set out as follows:*

**(1) MR. KWAN YUK CHOI, JAMES**

Mr. Kwan Yuk Choi, James, *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, was appointed as an Executive Director of the Company in 2007 and was re-designated as a Non-Executive Director of the Company with effect from 1 February 2013. Mr. Kwan currently acts as a senior adviser to HKCG (a public listed company in Hong Kong and the controlling shareholder of the Company) 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. 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. Mr. Kwan was also an executive director and the chief operating officer of HKCG prior to his retirement on 1 February 2013. Save as disclosed above, Mr. Kwan 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.

The current term of office of Mr. Kwan shall expire at the conclusion of the AGM. It is proposed to re-elect Mr. Kwan as a non-executive Director for a term of 3 years commencing on the date of the AGM, subject to the Listing Rules and the provisions of the Company's memorandum of association and the 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. Kwan's director's fee is 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 Latest Practicable Date, Mr. Kwan had personal interest in 1,500,000 Shares (representing approximately 0.06% of the issued share capital of the Company) and was deemed interested in 1,515,000 underlying Shares (representing approximately 0.06% of the issued share capital 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 SFO. Mr. Kwan has personal and family interest in 58,460 and 66,235 shares respectively in HKCG (being an associated corporation of the Company), representing approximately 0.0014% of the issued share capital of HKCG as at the Latest Practicable Date.

Save as disclosed herein, as at the Latest Practicable Date, (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 are aware, there are no other matters concerning Mr. Kwan 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)(v) of the Listing Rules.

**(2) MR. HO HON MING, JOHN**

Mr. Ho Hon Ming, John, *F.C.A., F.C.P.A., B.A. (Hons.)*, aged 56, 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. Mr. Ho 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 34 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.

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 the 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\$2,916,000 for the year ended 31 December 2012. 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 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 0.12% of the issued share capital of the Company within the meaning of Part XV of the SFO. Mr. Ho also has personal interest in 25,934 shares in HKCG (being an associated corporation of the Company), representing approximately 0.0003% of the issued share capital 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)(v) of the Listing Rules.

**(3) DR. CHENG MO CHI, MOSES**

Dr. Cheng Mo Chi, Moses, *GBS, OBE, JP*, aged 63, 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 Honourary President and Chairman Emeritus. Dr. Cheng serves as a member of the National Committee of the Chinese People's Political Consultative Conference. Dr. Cheng currently holds directorships in China Mobile Limited, China Resources Enterprise, Limited, Guangdong Investment Limited, Hong Kong Television Network Limited (formerly known as City Telecom (H.K.) 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. Dr. Cheng 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 China COSCO Holdings Company Limited, Hong Kong Exchanges and Clearing Limited and ARA Asset Management (Fortune) Limited, which manages Fortune Real Estate Investment Trust, a real estate investment trust listed on both the Singapore Stock Exchange and Hong Kong Stock Exchange. 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.

The current term of office of Dr. Cheng shall expire on 22 May 2013 and the Company has on 2 April 2013 entered into a letter of appointment with Dr. Cheng for a term of 3 years commencing on 23 May 2013, subject to the Listing Rules and the provisions of the Company's memorandum of association and the 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 interest 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) so 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)(v) of the Listing Rules.

**(4) MR. LI MAN BUN, BRIAN DAVID**

Mr. Li Man Bun, Brian David, *JP, FCA, MBA, MA (Cantab)*, aged 38, 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 the Deputy Chief Executive of The Bank of East Asia, Limited (“BEA”), responsible for BEA’s China and international businesses. Mr. Li is also an independent non-executive director of Hopewell Highway Infrastructure Limited and China Overseas Land & Investment Limited respectively, both are listed companies on the Hong Kong Stock Exchange. In June 2011, Mr. Li resigned as an independent director of Xinjiang Goldwind Science & Technology Co., Ltd., a company listed on the Shenzhen Stock Exchange and the Hong Kong Stock Exchange. Mr. Li serves as a member of the National Committee of the Chinese People’s Political Consultative Conference. He is a Fellow of the Institute of Chartered Accountants in England and Wales and holds an MBA from Stanford University as well as an MA and 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.

The current term of office of Mr. Li shall expire on 22 May 2013 and the Company has on 2 April 2013 entered into a letter of appointment with Mr. Li for a term of 3 years commencing on 23 May 2013, subject to the Listing Rules and the provisions of the Company’s memorandum of association and the 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 interest 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)(v) 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 Concord Room, 8/F, Renaissance Harbour View Hotel, 1 Harbour Road, Wanchai, Hong Kong, on Monday, 3 June 2013, 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 auditor of the Company for the year ended 31 December 2012;
2. To re-elect the retiring Directors and to authorise the board of Directors (the “**Board**”) to fix the remuneration of the Directors;
3. To re-appoint 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 its shares of HK\$0.10 each 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 nominal amount 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 aggregate nominal amount of the issued share capital of the Company as at the date of passing of this resolution and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and



## NOTICE OF ANNUAL GENERAL MEETING

- (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;
- (c) the aggregate nominal amount of share capital 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 of the Company in accordance with the Articles of Association of the Company in force from time to time; or (iv) any issue of

## NOTICE OF ANNUAL GENERAL MEETING

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 aggregate nominal amount of the share capital of the Company in issue as at the date of passing of this resolution 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).”

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 an amount representing the aggregate nominal amount of the share capital of the Company repurchased by the Company under the authority granted pursuant to resolution no. 4 set out in the notice convening this meeting, provided that such amount shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of this resolution.”

**NOTICE OF ANNUAL GENERAL MEETING**

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 from the share premium account of the Company of six HK cents per share in respect of the year ended 31 December 2012 to the shareholders of the Company whose names appeared on the register of members of the Company on 11 June 2013 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, 15 April 2013

*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. Kwan Yuk Choi, James, Mr. Ho Hon Ming, John, Dr. Cheng Mo Chi, Moses and Mr. Li Man Bun, Brian David be re-elected as Directors. Biographical details of these Directors are set out in Appendix II to the circular dispatched to shareholders of the Company dated 15 April 2013.
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.