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(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1083)

PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL

The current authorised share capital of the Company is HK\$300,000,000 divided into 3,000,000,000 Shares. In order to provide the Company with a flexibility for future investment opportunities, the Board proposes to increase the authorised share capital of the Company to HK\$500,000,000 by the creation of an additional 2,000,000,000 Shares. The proposed increase in the authorised share capital of the Company is subject to the approval of the Shareholders by way of an ordinary resolution at the AGM.

A circular containing, among other matters, details of the proposed increase in authorised share capital of the Company, together with a notice of AGM and the related proxy form, will be dispatched to the Shareholders on or about 17 April 2012.

PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL

The current authorised share capital of the Company is HK\$300,000,000 divided into 3,000,000,000 Shares. As at the date of this announcement, 2,460,344,830 Shares were in issue and there were outstanding options carrying rights to subscribe for an aggregate of 16,240,800 Shares. In order to provide the Company with a flexibility for future investment opportunities, the Board proposes to increase the authorised share capital of the Company to HK\$500,000,000 by the creation of an additional 2,000,000,000 Shares. Immediately after the completion of the increase in authorised share capital of the Company and assuming no new Shares are issued or no Shares are repurchased from the date of this announcement up to the AGM, the authorised share capital of the Company will be HK\$500,000,000 divided into 5,000,000,000 Shares, with 2,460,344,830 Shares in issue and 2,539,655,170 Shares remaining unissued. The proposed increase in authorised share capital of the Company is subject to the approval of the Shareholders by way of an ordinary resolution at the AGM.

GENERAL

An ordinary resolution, to be voted by way of poll, to approve, the proposed increase in the authorised share capital of the Company, will be proposed at the AGM. A circular containing, among other matters, details of the proposed increase in authorised share capital of the Company, together with a notice of AGM and the related proxy form, will be dispatched to the Shareholders on or about 17 April 2012.

DEFINITION

“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, 4 June 2012 at 11:00 a.m. to consider and, if thought fit, to approve the increase in authorised share capital
“Board”	the board of directors of the Company
“Directors”	directors of the Company
“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 of Hong Kong Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Share(s)”	share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Shares
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

For and on behalf of
Towngas China Company Limited
Ho Hon Ming, John
Executive Director and Company Secretary

Hong Kong, 16 March 2012

At the date of this announcement, the Board comprises:

Executive Directors:

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

Independent Non-executive Directors:

CHOW Yei Ching
CHENG Mo Chi, Moses
LI Man Bun, Brian David