



Completion of Assets Injection Transaction

(15 July 2010) The Hong Kong and China Gas Company Limited (“Towngas 003.HK”) and Towngas China Company Limited (“Towngas China 1083.HK”) jointly announced today that the injection of six piped gas projects in Liaoning and Zhejiang provinces into Towngas China by Towngas has been completed.

The assets injection transaction was unanimously approved by Towngas China’s independent shareholders at the EGM on 29 April 2010. With the completion of this transaction, the shareholding of Towngas in Towngas China has been raised from approximately 45.5% to approximately 56.3%. As such, Towngas China becomes a majority-owned subsidiary of Towngas, and its position as a leading operator of piped gas businesses in the mainland is enhanced.

“Towngas is extremely pleased to announce the injection of six Mainland China piped gas companies in the Liaoning and Zhejiang provinces into Towngas China,” said Alfred Chan Wing-kin, Towngas Managing Director and Chairman of Towngas China. “The transaction will increase Towngas China’s scale and improve its financial and cashflow profile, allowing it to more effectively capitalise on the rapid development of piped gas infrastructure in Mainland China. After completion, Towngas China has a robust portfolio of 57 piped gas projects. The transaction further strengthens Towngas China’s position as a leading operator of piped gas businesses in Mainland China.”

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