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

ANNOUNCEMENT

COMPLETION OF ISSUE OF NEW SHARES AND CONVERTIBLE BONDS UNDER GENERAL MANDATE

The Board is pleased to announce that all the conditions precedent of the Subscription have been fulfilled and Completion took place on 18 November 2021. 116,783,333 Subscription Shares were allotted and issued to the Investor and the Convertible Bonds in the principal amount of RMB1,835,603,119.35 (equivalent to HK\$2,217,715,500 at the Agreed Exchange Rate) were issued to the Investor pursuant to the Subscription Agreement.

Reference is made to the announcement of Towngas China Company Limited (the “**Company**”) dated 25 October 2021 in relation to, among other things, the Subscription (the “**Announcement**”). Unless otherwise defined herein, capitalized terms used in this announcement shall have the same meanings as those defined in the Announcement.

COMPLETION OF THE SUBSCRIPTION

The Board is pleased to announce that all the conditions precedent to the Subscription have been fulfilled and Completion took place on 18 November 2021.

On 18 November 2021, (i) 116,783,333 Subscription Shares were allotted and issued to the Investor at the Subscription Price of HK\$5.00 per Subscription Share; and (ii) the Convertible Bonds in the principal amount of RMB1,835,603,119.35 (equivalent to HK\$2,217,715,500 at the Agreed Exchange Rate), which may be fully converted into 350,350,000 Conversion Shares based on the initial Conversion Price (subject to adjustment events) of HK\$6.33 per Conversion Share, were issued to the Investor pursuant to the Subscription Agreement.

Immediately after Completion, there are 3,159,895,343 Shares in issue and the 116,783,333 Subscription Shares represent approximately 3.70% of the total number of issued Shares as enlarged by the allotment and issue of the Subscription Shares. The maximum number of 350,350,000 Conversion Shares will represent approximately 9.98% of the total number of issued Shares as enlarged by the issue of both the Subscription Shares and the Conversion Shares, assuming that there is no further issue of Shares from the date of this announcement until full conversion of the Convertible Bonds at the initial Conversion Price of HK\$6.33 per Conversion Share other than the issue of the Subscription Shares and the Conversion Shares.

EFFECTS ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is a table showing the shareholding structure of the Company (i) immediately before Completion, (ii) immediately after the issue of the Subscription Shares, and (iii) immediately after the issue of the Subscription Shares and full conversion of the Convertible Bonds, assuming that the Conversion Price is HK\$6.33 per Conversion Share and based on the principal amount of the Convertible Bonds in HK\$ at the Agreed Exchange Rate of HK\$2,217,715,500 and there is no further issue of Shares from the date of this announcement other than the Subscription Shares and the Conversion Shares:

| Shareholder | Shareholding immediately before Completion | | Shareholding immediately after the issue of the Subscription Shares | | Shareholding immediately after the issue of the Subscription Shares and the Conversion Shares <i>(Note 3)</i> | |
|-----------------------------------------|--------------------------------------------|------------------|---------------------------------------------------------------------|------------------|------------------------------------------------------------------------------------------------------------------|------------------|
| | <i>No. of Shares</i> | <i>Approx. %</i> | <i>No. of Shares</i> | <i>Approx. %</i> | <i>No. of Shares</i> | <i>Approx. %</i> |
| Parent <i>(Note 1)</i> | 2,084,895,656 | 68.51% | 2,084,895,656 | 65.98% | 2,084,895,656 | 59.39% |
| Investor | --- | --- | 116,783,333 | 3.70% | 467,133,333 | 13.31% |
| Alfred Chan Wing-kin <i>(Note 2)</i> | 4,161,034 | 0.14% | 4,161,034 | 0.13% | 4,161,034 | 0.12% |
| Peter Wong Wai-yee <i>(Note 2)</i> | 3,201,000 | 0.11% | 3,201,000 | 0.10% | 3,201,000 | 0.09% |
| John Ho Hon-Ming <i>(Note 2)</i> | 1,133,862 | 0.04% | 1,133,862 | 0.04% | 1,133,862 | 0.03% |
| James Kwan Yuk-choi <i>(Note 2)</i> | 2,265,000 | 0.07% | 2,265,000 | 0.07% | 2,265,000 | 0.06% |
| Public Shareholders | 947,455,458 | 31.13% | 947,455,458 | 29.98% | 947,455,458 | 26.99% |
| Total: | 3,043,112,010 | 100% | 3,159,895,343 | 100% | 3,510,245,343 | 100% |

Notes

1. The Shares are held through various wholly-owned subsidiaries of Parent. Dr. Lee Ka-kit, a Director, is also deemed under the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) to be interested in these Shares.

2. A Director.

3. The figures in this column are for illustrating the dilution effect of the issue of the Subscription Shares and the Conversion Shares on the shareholding of the existing Shareholders and are arrived based on the assumption that the Convertible Bonds are converted in full at the initial Conversion Price of HK\$6.33 per Conversion Share based on the principal amount of the Convertible Bonds in HK\$ at the Agreed Exchange Rate of HK\$2,217,715,500 and there is no further issue of Shares from the date of this announcement other than the Subscription Shares and the Conversion Shares.

APPOINTMENT OF NON-EXECUTIVE DIRECTOR

Reference is made to the announcement of the Company dated 10 November 2021 in relation to, among other things, the appointment of Mr. Liu Kai Lap Kenneth as a non-executive director of the Company with effect from Completion. The Board is pleased to announce that Mr. Liu's appointment has taken effect as from Completion.

By Order of the board of directors of
Towngas China Company Limited
John Ho Hon-ming
Executive Director and Company Secretary

Hong Kong, 18 November 2021

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

Non-Executive Directors:

LEE Ka-kit (*Chairman*)

LIU Kai Lap Kenneth

Executive Directors:

Alfred CHAN Wing-kin

Peter WONG Wai-yee (*Chief Executive Officer*)

John HO Hon-ming (*Company Secretary*)

Martin KEE Wai-ngai (*Chief Operating Officer – Gas Business*)

John QIU Jian-hang (*Chief Operating Officer – Renewable Business*)

Independent Non-Executive Directors:

Moses CHENG Mo-chi

Brian David LI Man-bun

James KWAN Yuk-choi

HU Zhang-hong