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If you have sold all your shares in The Hong Kong and China Gas Company Limited, you should at once hand this document and the accompanying form of proxy to the purchaser or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser.

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THE HONG KONG AND CHINA GAS COMPANY LIMITED

(Incorporated in Hong Kong under the Companies Ordinance)

(Stock Code: 3)

**NOTICE OF ANNUAL GENERAL MEETING
PROPOSALS FOR
RE-ELECTION OF RETIRING DIRECTORS
ISSUE OF BONUS SHARES
AND
RENEWAL OF THE GENERAL MANDATES
TO ISSUE SHARES AND REPURCHASE SHARES**

The notice convening the Annual General Meeting of The Hong Kong and China Gas Company Limited to be held at the Convention Hall, Hong Kong Convention and Exhibition Centre, 1 Harbour Road, Wanchai, Hong Kong on Wednesday, 5th June 2013 at 12:00 noon at which the above proposals will be considered is set out on pages 14 to 17. Whether or not you are able to attend the meeting, please complete and return the accompanying form of proxy as instructed as soon as possible and in any event not less than 48 hours before the time appointed for holding the meeting (or any adjournment thereof).

23rd April 2013

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EXPECTED TIMETABLE

2013

Latest time for lodging transfers for entitlement to the right to attend and vote at the Annual General Meeting	4:30 p.m. on Friday, 31st May
Book close period (both days inclusive)	From Monday, 3rd June to Wednesday, 5th June
Proxy forms for the Annual General Meeting to be returned by	12:00 noon on Monday, 3rd June
Record date for determination of entitlement to the right to attend and vote at the Annual General Meeting	Wednesday, 5th June
Annual General Meeting	12:00 noon on Wednesday, 5th June
Register re-opens	Thursday, 6th June
Latest date of dealing in Shares cum entitlements to the final dividend and the Bonus Share Issue	Thursday, 6th June
First date of dealing in Shares ex entitlements to the final dividend and the Bonus Share Issue	Friday, 7th June
Latest time for lodging transfers for entitlements to the final dividend and the Bonus Share Issue	4:30 p.m. on Monday, 10th June
Book close period (both days inclusive)	From Tuesday, 11th June to Friday, 14th June
Record Date for determination of entitlements to the final dividend and the Bonus Share Issue	Friday, 14th June
Register re-opens	Monday, 17th June
Despatch of dividend cheques and certificates for Bonus Shares	Monday, 24th June
First date of dealing in Bonus Shares	On or about Tuesday, 25th June

DEFINITIONS

In this document and the appendices the following expressions have the following meanings unless the context otherwise requires:

“Annual General Meeting”	the annual general meeting of the Company to be held on Wednesday, 5th June 2013 at 12:00 noon, notice of which is set out on pages 14 to 17 of this document
“Articles of Association”	the articles of association of the Company as altered from time to time
“Board”	the board of Directors
“Bonus Share Issue”	issue of Bonus Shares
“Bonus Shares”	the Shares proposed to be issued by way of bonus on the terms set out in this document
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Company”	The Hong Kong and China Gas Company Limited, a company incorporated in Hong Kong with limited liability, whose shares are listed on the Main Board of the Stock Exchange
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Latest Practicable Date”	15th April 2013, being the latest practicable date prior to the printing of this document for ascertaining certain information contained herein
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Ordinance”	Companies Ordinance (Cap. 32 of the Laws of Hong Kong)
“Record Date”	Friday, 14th June 2013, being the date for determination of entitlements to the final dividend and Bonus Shares
“Register”	the register of members of the Company
“Shareholders”	holders of Shares
“Shares”	shares of HK\$0.25 each in the capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of the Hong Kong Special Administrative Region, The People’s Republic of China

LETTER FROM THE CHAIRMAN

THE HONG KONG AND CHINA GAS COMPANY LIMITED

(Incorporated in Hong Kong under the Companies Ordinance)

Directors:

Dr. the Hon. Lee Shau Kee, *Chairman* *
Mr. Leung Hay Man **
Mr. Colin Lam Ko Yin *
Dr. the Hon. David Li Kwok Po **
Mr. Lee Ka Kit *
Mr. Alfred Chan Wing Kin
Mr. Lee Ka Shing *
Professor Poon Chung Kwong **
Mr. Peter Wong Wai Yee

Registered Office:

23rd Floor
363 Java Road
North Point
Hong Kong

* *non-executive director*

** *independent non-executive director*

23rd April 2013

To the Shareholders

Dear Sir or Madam,

**PROPOSALS FOR
RE-ELECTION OF RETIRING DIRECTORS
ISSUE OF BONUS SHARES
AND
RENEWAL OF THE GENERAL MANDATES
TO ISSUE SHARES AND REPURCHASE SHARES**

1. INTRODUCTION

In the announcement dated 18th March 2013 of the audited results of the Company for the financial year ended 31st December 2012, the Directors proposed the Bonus Share Issue, details of which, together with a proposal to renew general mandates granted to the Directors to issue Shares and repurchase Shares are set out below. In addition, the purpose of this document is to give you notice of the Annual General Meeting to be convened for the purpose of considering and, if thought fit, passing resolutions to approve, *inter alia*, the re-election of retiring Directors, the Bonus Share Issue and the renewal of the general mandates to issue Shares and repurchase Shares.

LETTER FROM THE CHAIRMAN

2. RE-ELECTION OF RETIRING DIRECTORS

According to the Articles of Association, one-third of the non-executive Directors and one-third of the executive Directors are subject to retirement by rotation at every annual general meeting. Pursuant to Article 97 of the Articles of Association, Dr. the Hon. Lee Shau Kee, Mr. Leung Hay Man and Mr. Colin Lam Ko Yin, non-executive Directors, Mr. Alfred Chan Wing Kin, an executive Director, are due to retire by rotation at the forthcoming Annual General Meeting and, being eligible, offer themselves for reappointment.

Pursuant to Article 91 of the Articles of Association, any Director appointed by the Board either to fill a vacancy or as an addition to the existing Board shall hold office only until the next following annual general meeting and shall then be eligible for re-election at that meeting but shall not be taken into account in determining the directors or the number of directors who are to retire by rotation at that meeting. By virtue of Article 91 of the Articles of Association, the office of Mr. Peter Wong Wai Yee, an executive Director, will end at the Annual General Meeting and, being eligible, offer himself for reappointment.

The Nomination Committee has also recommended to the Board that the above-mentioned Directors are eligible for reappointment. Details and brief biography of each of Dr. the Hon. Lee Shau Kee, Mr. Leung Hay Man, Mr. Colin Lam Ko Yin, Mr. Alfred Chan Wing Kin and Mr. Peter Wong Wai Yee are set out in Appendix I to this document.

Mr. Leung Hay Man was appointed to the Board in 1981 and has served on the Board for more than 9 years. Mr. Leung has given a confirmation in writing of his independence to the Company pursuant to Rule 3.13 of the Listing Rules. The Board, through the assessment and recommendation by the Nomination Committee, has considered him to be independent. The Board is of the view that Mr. Leung has demonstrated his ability to provide an independent view and is able to continue to fulfill his role as required and thus recommends him for re-election at the Annual General Meeting.

3. ISSUE OF BONUS SHARES

The Directors recommend a bonus issue of Shares, credited as fully paid by way of capitalisation of part of the Company's share premium account, on the basis of one Bonus Share for every ten existing Shares held by Shareholders whose names are on the Register on the Record Date. The Bonus Shares will rank *pari passu* in all respects with the Shares from their date of issue except that they will not rank for any dividend declared or recommended by the Company in respect of the financial year ended 31st December 2012. Fractional entitlements to the Bonus Shares will not be allotted to Shareholders and will be aggregated and sold for the benefit of the Company. As at the Latest Practicable Date, the number of Shares in issue was 8,690,609,549 Shares. On the basis of such figure, and assuming there is no issue or repurchase of Shares prior to the Record Date, the number of Bonus Shares to be issued is 869,060,954 Shares.

LETTER FROM THE CHAIRMAN

4. CONDITIONS OF THE BONUS SHARE ISSUE

The Bonus Share Issue is conditional upon:

- (a) Shareholders approving Resolution 5(I) as set out in the notice of Annual General Meeting of the Company at the Annual General Meeting; and
- (b) the Listing Committee of the Stock Exchange granting listing of and permission to deal in the Bonus Shares.

5. CLOSURE OF REGISTER OF MEMBERS

In order to determine entitlement of Shareholders to the right to attend and vote at the Annual General Meeting (or any adjournment thereof), the Register will be closed from Monday, 3rd June 2013 to Wednesday, 5th June 2013, both days inclusive, during which period no share transfer will be effected. All transfers accompanied by the relevant share certificates must be lodged with the Company's share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration no later than 4:30 p.m. on Friday, 31st May 2013.

In order to determine Shareholders who qualify for the proposed Bonus Share Issue and final dividend, the Register will be closed from Tuesday, 11th June 2013 to Friday, 14th June 2013, both days inclusive, during which period no share transfer will be effected. All transfers accompanied by the relevant share certificates must be lodged with the Company's share registrar, Computershare Hong Kong Investor Services Limited, for registration no later than 4:30 p.m. on Monday, 10th June 2013.

6. TRADING ARRANGEMENTS

Application has been made to the Listing Committee of the Stock Exchange for listing of and permission to deal in the Bonus Shares. Subject to the granting of listing of and permission to deal on the Stock Exchange, the Bonus Shares to be issued by the Company will be admitted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the date on which dealings in the Bonus Shares commence on the Stock Exchange or such other date as shall be determined by HKSCC. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Shareholders should seek the advice of their stockbroker or other professional adviser for details of those settlement arrangements and how such arrangements will affect their rights and interests.

Settlement of transactions between members of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter.

The Bonus Shares will be traded in board lots of 1,000 Shares each. It is expected that certificates for the Bonus Shares will be posted to Shareholders on Monday, 24th June 2013 at their own risk and the first date of dealing in the Bonus Shares will be on or about Tuesday, 25th June 2013.

LETTER FROM THE CHAIRMAN

The Shares are not listed or dealt in on any stock exchange other than the Stock Exchange. The Directors do not intend to apply for listing of or permission to deal in the Bonus Shares on any stock exchange other than the Stock Exchange.

Stamp duty in Hong Kong will be payable in respect of dealings in the Bonus Shares.

7. RENEWAL OF THE GENERAL MANDATES TO ISSUE SHARES AND REPURCHASE SHARES

At the annual general meeting of the Company held on 5th June 2012, ordinary resolutions were passed to renew the general mandates to the Board (i) to repurchase Shares, the aggregate nominal amount of which does not exceed 10 per cent of the aggregate nominal amount of the issued share capital of the Company as at 5th June 2012; and (ii) to allot, issue and otherwise deal with additional Shares not exceeding, where the Shares are to be allotted wholly for cash, 10 per cent and in any event 20 per cent of the aggregate nominal amount of the share capital of the Company in issue on 5th June 2012, together with the nominal amount (up to a maximum of 10 per cent of the aggregate nominal amount of the Company's issued share capital as at 5th June 2012) of any Shares repurchased by the Company in accordance with (i) above, if any.

Pursuant to the Ordinance and the Listing Rules, these general mandates will lapse at the conclusion of the Annual General Meeting, unless renewed then. Resolutions set out as Resolutions 5(II), 5(III) and 5(IV) in the notice of Annual General Meeting will be proposed to renew these mandates. With reference to these resolutions, the Board wishes to state that they have no immediate plans to repurchase any Shares or to issue any new Shares or warrants pursuant to the relevant mandates.

As at the Latest Practicable Date, the number of Shares in issue was 8,690,609,549 Shares. On the basis of such figure and assuming there is no issue or repurchase of Shares prior to the date of the Annual General Meeting, the Company would be allowed under the general mandate to issue Shares to allot and issue up to 1,738,121,909 Shares representing 20 per cent of the issued share capital of the Company.

The explanatory statement required by the Listing Rules to be sent to Shareholders in connection with the resolution pertaining to the proposed renewal of the share repurchase mandate is set out in Appendix II to this document. This contains all the information reasonably necessary to enable Shareholders to make an informed decision on whether to vote for or against the resolution.

8. ANNUAL GENERAL MEETING

The notice convening the Annual General Meeting to be held at the Convention Hall, Hong Kong Convention and Exhibition Centre, 1 Harbour Road, Wanchai, Hong Kong on Wednesday, 5th June 2013 at 12:00 noon is set out on pages 14 to 17. At the Annual General Meeting, ordinary resolutions numbered 3, 5(I), 5(II), 5(III) and 5(IV) will be proposed to re-elect the retiring Directors, to approve the Bonus Shares Issue, the renewal of the general mandate for the repurchase of Shares and the renewal of the general mandate to allot, issue and otherwise deal with additional Shares.

LETTER FROM THE CHAIRMAN

A form of proxy for the Annual General Meeting is enclosed. Whether or not you are attending the meeting, please complete the form of proxy as instructed and return the same to the Company's share registrar, 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 no later than 48 hours before the time appointed for holding the meeting. You can still attend and vote at the Annual General Meeting (or any adjournment thereof) even if you have completed and sent in a proxy form.

At the Annual General Meeting, the Chairman of the meeting will exercise his power under Article 70 of the Articles of Association to put each of the resolutions set out in the notice of Annual General Meeting to the vote by way of poll.

9. RECOMMENDATIONS

The Board believes that the re-election of the retiring Directors, the Bonus Share Issue and the renewal of the general mandates to repurchase Shares and to issue new Shares are in the interests of the Company and the Shareholders and accordingly recommends you to vote in favour of all the relevant resolutions to be proposed at the Annual General Meeting.

Yours faithfully,
Lee Shau Kee
Chairman

Dr. the Hon. LEE Shau Kee G.B.M., D.B.A. (Hon.), D.S.Sc. (Hon.), LL.D. (Hon.),
Chairman & Non-executive Director

Age 84. Dr. Lee was appointed to the Board in 1978 and subsequently appointed Chairman in 1983. He has been engaged in property development in Hong Kong for more than 55 years. Dr. Lee is the Chairman and Managing Director of Henderson Land Development Company Limited (“Henderson Land Development”) and Henderson Investment Limited, Chairman of Miramar Hotel and Investment Company, Limited, a Vice Chairman of Sun Hung Kai Properties Limited and a Non-executive Director of Hong Kong Ferry (Holdings) Company Limited. He is also an Independent Non-executive Director of The Bank of East Asia, Limited but will retire from such directorship on 24th April 2013. All the above companies are listed public companies. Save as disclosed, Dr. Lee did not hold any other directorships in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas. Dr. Lee was awarded the Grand Bauhinia Medal by the Government of the Hong Kong Special Administrative Region in 2007. Dr. Lee is the father of Mr. Lee Ka Kit and Mr. Lee Ka Shing, Non-executive Directors of the Company.

Dr. Lee is also a Director of Henderson Development Limited (“Henderson Development”), Hopkins (Cayman) Limited (“Hopkins”), Rimmer (Cayman) Limited (“Rimmer”), Riddick (Cayman) Limited (“Riddick”), Timpani Investments Limited (“Timpani Investments”), Disralei Investment Limited (“Disralei Investment”), Medley Investment Limited (“Medley Investment”) and Macrostar Investment Limited (“Macrostar Investment”). Henderson Land Development, Henderson Development, Hopkins, Rimmer, Riddick, Timpani Investments, Disralei Investment, Medley Investment and Macrostar Investment have discloseable interests in the Company under the provisions of the Securities and Futures Ordinance.

As at the Latest Practicable Date, Dr. Lee has personal interest of 5,195,784 Shares (representing 0.06 per cent of the issued share capital of the Company) and corporate interest of 3,601,429,693 Shares (representing 41.44 per cent of the issued share capital of the Company) within the meaning of Part XV of the Securities and Futures Ordinance. He also has corporate interest of 1,628,172,901 shares in Towngas China Company Limited (representing approximately 62.34 per cent of the issued share capital of Towngas China Company Limited), 9,500 shares in Lane Success Development Limited (representing 95 per cent of the issued share capital of Lane Success Development Limited) and 2 shares in Yieldway International Limited (representing 100 per cent of the issued share capital of Yieldway International Limited), all of which are associated corporations of the Company.

As at the Latest Practicable Date, Dr. Lee has not entered into any service contract with the Company. The term of office for Dr. Lee will expire on 31st December 2014 and he is subject to retirement by rotation and reappointment in accordance with the Articles of Association. The director’s fee and additional fee as Chairman payable to him was and shall be reviewed by the remuneration committee of the Company on an annual basis. His director’s fee, additional fee as Chairman and other emoluments are determined with reference to his duties and responsibilities. For the financial year ended 31st December 2012, Dr. Lee received a fixed remuneration of HK\$320,000 as director’s fee and additional fee as Chairman and other emoluments of approximately HK\$161,000 from the Company.

Save as disclosed above, there is no information to be disclosed pursuant to the requirements of Rule 13.51(2) of the Listing Rules nor are there other matters in relation to Dr. Lee’s re-election that need to be brought to the attention of the Shareholders.

Mr. LEUNG Hay Man F.R.I.C.S., F.C.I.Arb., F.H.K.I.S., *Independent Non-executive Director*

Age 78. Mr. Leung was appointed to the Board in 1981. He is an Independent Non-executive Director of Henderson Land Development Company Limited (“Henderson Land Development”), Henderson Investment Limited and Hong Kong Ferry (Holdings) Company Limited, all of which are listed public companies. Save as disclosed, Mr. Leung did not hold any other directorships in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas. Henderson Land Development has discloseable interests in the Company under the provisions of the Securities and Futures Ordinance. Mr. Leung is a Fellow of the Royal Institute of Chartered Surveyors, Fellow of the Chartered Institute of Arbitrators and Fellow of the Hong Kong Institute of Surveyors.

As at the Latest Practicable Date, Mr. Leung has no relationship with any directors, senior management or substantial or controlling shareholders of the Company and does not have any interests in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

As at the Latest Practicable Date, Mr. Leung has not entered into any service contract with the Company. The term of office for Mr. Leung will expire on 31st December 2014 and he is subject to retirement by rotation and reappointment in accordance with the Articles of Association. The director’s fee payable to him was and shall be reviewed by the remuneration committee of the Company on an annual basis. His director’s fee and other emoluments are determined with reference to his duties and responsibilities. For the financial year ended 31st December 2012, Mr. Leung received a fixed remuneration of HK\$320,000 as director’s fee and other emoluments of approximately HK\$18,000 from the Company.

Save as disclosed above, there is no information to be disclosed pursuant to the requirements of Rule 13.51(2) of the Listing Rules nor are there other matters in relation to Mr. Leung’s re-election that need to be brought to the attention of the Shareholders.

Mr. Colin LAM Ko Yin F.C.I.L.T., F.H.K.I.o.D., *Non-executive Director*

Age 61. Mr. Lam was appointed to the Board in 1983. He has more than 39 years' experience in banking and property development. He is a Director of The University of Hong Kong Foundation for Educational Development and Research Limited and a Director of Fudan University Education Development Foundation. Mr. Lam is a Vice Chairman of Henderson Land Development Company Limited ("Henderson Land Development") and Henderson Investment Limited, Chairman of Hong Kong Ferry (Holdings) Company Limited, and an Executive Director of Miramar Hotel and Investment Company, Limited, all of which are listed public companies. Save as disclosed, Mr. Lam did not hold any other directorships in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas. Mr. Lam was awarded an Honorary University Fellowship by The University of Hong Kong in 2008. He is a Fellow of The Chartered Institute of Logistics and Transport in Hong Kong and a Fellow of The Hong Kong Institute of Directors.

Mr. Lam is a Director of Henderson Development Limited ("Henderson Development"), Hopkins (Cayman) Limited ("Hopkins"), Rimmer (Cayman) Limited ("Rimmer"), Riddick (Cayman) Limited ("Riddick"), Disralei Investment Limited ("Disralei Investment"), Medley Investment Limited ("Medley Investment") and Macrostar Investment Limited ("Macrostar Investment"). Henderson Land Development, Henderson Development, Hopkins, Rimmer, Riddick, Disralei Investment, Medley Investment and Macrostar Investment have discloseable interests in the Company under the provisions of the Securities and Futures Ordinance.

Mr. Lam was a non-executive director of Smartie Food Services Company Limited ("Smartie Food") from June 1989 to April 1994. Smartie Food was a company incorporated in Hong Kong and engaged in the business of roasted meat. By a court order of 18 May 1994, Smartie Food was put into winding up by the court. Mr. Lam had resigned as a director of Smartie Food before the winding up and did not take part in any matters giving rise to the winding up of Smartie Food. The affairs of Smartie Food had been completely wound up in December 1995.

As at the Latest Practicable Date, Mr. Lam has no relationship with any directors, senior management or substantial or controlling shareholders of the Company and does not have any interests in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

As at the Latest Practicable Date, Mr. Lam has not entered into any service contract with the Company. The term of office for Mr. Lam will expire on 31st December 2014 and he is subject to retirement by rotation and reappointment in accordance with the Articles of Association. The director's fee payable to him was and shall be reviewed by the remuneration committee of the Company on annual basis. His director's fee and other emoluments are determined with reference to his duties and responsibilities. For the financial year ended 31st December 2012, Mr. Lam received a fixed remuneration of HK\$160,000 as director's fee and other emoluments of approximately HK\$79,000 from the Company.

Save as disclosed above, there is no information to be disclosed pursuant to the requirements of Rule 13.51(2) of the Listing Rules nor are there other matters in relation to Mr. Lam's re-election that need to be brought to the attention of the Shareholders.

Mr. Alfred CHAN Wing Kin B.B.S., C.Eng., F.H.K.I.E., F.I.Mech.E., F.I.G.E.M., F.E.I., M.Sc. (Eng), B.Sc. (Eng),
Managing Director

Age 62. Mr. Chan joined the Company as the General Manager – Marketing in 1992 and was appointed as the General Manager – Marketing & Customer Service in 1995. He was appointed to the Board in January 1997 and as the Managing Director in May 1997. Mr. Chan is the Chairman of Towngas China Company Limited (“Towngas China”) and a director of Shenzhen Gas Corporation Ltd., both of which are listed public companies. Save as disclosed, Mr. Chan did not hold any other directorships in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas. He is also an Independent Non-executive Director of Standard Chartered Bank (Hong Kong) Limited.

Mr. Chan is a director of major local and overseas subsidiary companies of the Group. He is also the Chairman and President of Hong Kong & China Gas Investment Limited, the Group’s investment holding company in mainland China and chairman, vice chairman or a director of most of the Group’s project companies in mainland China. He is a Vice Chairman of China Gas Association. Mr. Chan received the Executive Award under the DHL/SCMP Hong Kong Business Awards 2005 and the Director of the Year Awards – Listed Companies (SEHK – Hang Seng Index Constituents) Executive Directors from The Hong Kong Institute of Directors in 2006. Mr. Chan 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 and Fellow of The Energy Institute of the United Kingdom.

As at the Latest Practicable Date, Mr. Chan has personal interest of 165,597 Shares (representing less than 0.01 per cent of the issued share capital of the Company) within the meaning of Part XV of the Securities and Futures Ordinance. He also has interest in 3,618,000 share options granted by Towngas China, an associated corporation of the Company, with a right to subscribe for 3,618,000 shares of Towngas China (representing approximately 0.14 per cent of the issued share capital of Towngas China). Save as disclosed herein, Mr. Chan has no relationship with any Directors, senior management or substantial or controlling shareholders of the Company.

As at the Latest Practicable Date, Mr. Chan has not entered into any service contract with the Company but he is subject to retirement by rotation and reappointment in accordance with the Articles of Association. The director’s fee payable to him was and shall be reviewed by the remuneration committee of the Company (the “Remuneration Committee”) on an annual basis. His other remunerations and discretionary bonus (if any) shall be determined by the Remuneration Committee from time to time with reference to his duties and responsibilities and the Group’s performance and profitability. For the financial year ended 31st December 2012, Mr. Chan received a fixed remuneration of HK\$160,000 as director’s fee and other emoluments of approximately HK\$35,350,000 from the Group. In addition, Mr. Chan received the director’s fee payable by Towngas China to him of HK\$200,000, which was determined by the board of directors of Towngas China which were approved by the shareholders of Towngas China at its annual general meeting in 2012.

Save as disclosed above, there is no information to be disclosed pursuant to the requirements of Rule 13.51(2) of the Listing Rules nor are there other matters in relation to Mr. Chan’s re-election that need to be brought to the attention of the Shareholders.

Mr. Peter WONG Wai Yee C.M.A., A.C.S., A.C.I.S., M.B.A, *Executive Director and Chief Operating Officer – Utilities Business*

Age 61. Mr. Wong joined the Company in 1997, initially as its Financial Controller, and in 2000 became its Audit & Business Improvement Manager. Since 2002, he has been deeply involved in the development of the Group's mainland utilities business, operating from its headquarters in Shenzhen, mainland China. Mr. Wong was appointed to the Board in February 2013. Mr. Wong is currently the Head – Mainland Utilities of the Company and also holds directorships in various subsidiaries of the Company. He is also an Executive Director and the Chief Executive Officer of Towngas China Company Limited ("Towngas China") and a director of Shenzhen Gas Corporation Ltd., both of which are listed public companies. Save as disclosed, Mr. Wong did not hold any other directorships in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas.

Mr. Wong was named as one of "The Best CEO of Chinese Listed Companies" by Forbes China in June 2012. He is a professional accountant and a chartered company secretary. He was formerly a director of the Certified Management Accountants Society of British Columbia, Canada and the president of its Hong Kong branch. He is a member of the Advisory Board of the Department of Accounting of Hong Kong Shue Yan University. Mr. Wong has over 36 years of experience in corporate finance, management and international working experience.

As at the Latest Practicable Date, Mr. Wong has interest in 3,015,000 share options granted by Towngas China, an associated corporation of the Company, with a right to subscribe for 3,015,000 shares of Towngas China (representing approximately 0.12 per cent of the issued share capital of Towngas China) within the meaning of Part XV of the Securities and Futures Ordinance. Save as disclosed herein, Mr. Wong has no relationship with any Directors, senior management or substantial or controlling shareholders of the Company.

As at the Latest Practicable Date, Mr. Wong has not entered into any service contract with the Company. Mr. Wong shall hold office until the Annual General Meeting, subject to the retirement by rotation and reappointment in accordance with the Articles of Association. Mr. Wong shall receive a director's fee payable by the Company of HK\$160,000 per annum and other emoluments of approximately HK\$10,840,000 per annum to be paid by the Group. The director's fee payable to Mr. Wong shall be reviewed by the remuneration committee of the Company (the "Remuneration Committee") on an annual basis. His other remunerations and discretionary bonus (if any) shall be determined by the Remuneration Committee from time to time with reference to his duties and responsibilities and the Group's performance and profitability. For the year ended 31st December 2012, Mr. Wong received emoluments of approximately HK\$9,980,000 from the Group. In addition, he received the director's fee payable by Towngas China to him of HK\$200,000, which was determined by the board of directors of Towngas China and was approved by the shareholders of Towngas China at its annual general meeting in 2012.

Save as disclosed above, there is no information to be disclosed pursuant to the requirements of Rule 13.51(2) of the Listing Rules nor are there other matters in relation to Mr. Wong's re-election that need to be brought to the attention of the Shareholders.

The following is the explanatory statement required to be sent to Shareholders under the Listing Rules in connection with the proposed renewal of the general mandate for the repurchase of Shares and also constitutes the memorandum required under section 49BA of the Ordinance. References in this statement to “Shares” means share(s) of all classes in the capital of the Company and includes shares of HK\$0.25 each and securities issued by the Company which carry a right to subscribe or purchase shares in the capital of the Company.

- (i) The resolution set out as Resolution 5(II) in the notice convening the Annual General Meeting which will be proposed as an ordinary resolution at that meeting, relates to the renewal of a general mandate to Directors to repurchase on the Stock Exchange fully-paid up Shares representing up to 10 per cent of the Shares in issue as at the date of such resolution. As at the Latest Practicable Date, the number of Shares in issue was 8,690,609,549 Shares. On the basis of such figure and assuming there is no issue or repurchase of Shares prior to the date of the Annual General Meeting, the Directors would be authorised to repurchase up to 869,060,954 Shares.
- (ii) The Directors believe that the ability to repurchase Shares is in the best interests of the Company and its Shareholders.

Repurchases may, depending on the circumstances, result in an increase in net assets per Share and/or earnings per Share. The Directors are seeking the renewal of a general mandate to repurchase Shares to give the Company the flexibility to do so if and when appropriate. The Directors will decide the number(s) and class(es) of Shares to be repurchased on any occasion and the price and other terms upon which the same are repurchased at the relevant time having regard to the circumstances then pertaining.

- (iii) It is envisaged that any repurchase would be funded from the distributable profits of the Company in accordance with the Articles of Association and the laws of Hong Kong.
- (iv) The working capital or gearing position of the Company could be adversely affected (as compared with the position disclosed in the Company’s most recently published audited accounts contained in the annual report for the financial year ended 31st December 2012) in the event that the proposed Share repurchases were to be carried out in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the general mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital or gearing position of the Company as is from time to time appropriate.
- (v) 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) presently intend to sell Shares to the Company in the event that the general mandate is renewed.

- (vi) The Directors have undertaken to the Stock Exchange to exercise the power of the Company to make purchases pursuant to the proposed general mandate in accordance with the Listing Rules and the laws of Hong Kong.
- (vii) As at the Latest Practicable Date, Dr. Lee Shau Kee, the Chairman, beneficially owned 5,195,784 Shares personally (representing 0.06 per cent of the total issued Shares). In addition, 3,601,429,693 Shares (representing 41.44 per cent of the total issued Shares) were beneficially owned by a subsidiary of Henderson Development Limited (“Henderson Development”), Fu Sang Company Limited (“Fu Sang”) and some of the subsidiaries of Faxson Investment Limited (“Faxson Investment”). Faxson Investment was a wholly-owned subsidiary of Henderson Land Development Company Limited, a subsidiary of Henderson Development. Rimmer (Cayman) Limited (“Rimmer”) as trustee of a discretionary trust held a majority of units in a unit trust (“Unit Trust”). Hopkins (Cayman) Limited (“Hopkins”) as trustee of the Unit Trust beneficially owned all the issued ordinary shares which carry the voting rights in the share capitals of Henderson Development and Fu Sang. Dr. Lee Shau Kee beneficially owned all the issued shares of Rimmer and Hopkins.
- (viii) Together with his personal shareholding in the Company, Dr. Lee Shau Kee was interested in 3,606,625,477 Shares (representing 41.50 per cent of the total issued Shares) as at the Latest Practicable Date. On this basis of such figure, if the repurchase mandate is exercised in full by the Company and assuming that Dr. Lee Shau Kee does not receive, acquire or dispose of any Shares, his percentage shareholding in the Company will amount to 46.11 per cent of the total issued Shares. Accordingly, under Rule 26 of the Hong Kong Code on Takeovers and Mergers, an obligation to make a general offer to Shareholders may arise as a result of an exercise of the mandate.
- (ix) The Company did not repurchase any Shares in the six months prior to the Latest Practicable Date (whether on the Stock Exchange or otherwise).
- (x) 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 and no such persons have undertaken not to sell any Shares held by them to the Company in the event that the general mandate is renewed by the Shareholders.

- (xi) The highest and lowest prices at which the Shares traded on the Stock Exchange in the previous twelve months are as follows:

	Highest <i>(HK\$)</i>	Lowest <i>(HK\$)</i>
April 2012	18.636 A	17.945 A
May 2012	18.364 A	16.255 A
June 2012	16.909 A	16.020
July 2012	18.000	16.380
August 2012	18.600	17.620
September 2012	19.680	17.840
October 2012	20.800	19.480
November 2012	21.600	19.620
December 2012	21.600	20.700
January 2013	22.300	21.000
February 2013	22.500	21.350
March 2013	22.700	21.500
April 2013 (up to the Latest Practicable Date)	23.150	22.300

A – adjusted for the bonus issue 1 for 10 with ex-date 7th June 2012.

(In case of discrepancy between the original English version and the Chinese translation of this document, the English version shall prevail.)

NOTICE OF ANNUAL GENERAL MEETING

THE HONG KONG AND CHINA GAS COMPANY LIMITED

(Incorporated in Hong Kong under the Companies Ordinance)

NOTICE IS HEREBY GIVEN that the Annual General Meeting of The Hong Kong and China Gas Company Limited (the “Company”) will be held at the Convention Hall, Hong Kong Convention and Exhibition Centre, 1 Harbour Road, Wanchai, Hong Kong on Wednesday, 5th June 2013 at 12:00 noon for the following purposes:

1. To receive and consider the audited accounts for the financial year ended 31st December 2012 and the reports of the Directors and Auditor thereon.
2. To declare a final dividend.
3. To re-elect Directors.
4. To re-appoint PricewaterhouseCoopers as Auditor of the Company to hold office from the conclusion of this meeting until the conclusion of the next annual general meeting of the Company and to authorise the Directors of the Company to fix its remuneration.
5. As special business, to consider and, if thought fit, pass the following resolutions as ordinary resolutions:

Ordinary Resolutions

- (I) “**THAT** conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited (the “Listing Committee”) granting listing of and permission to deal in the new shares of HK\$0.25 each in the capital of the Company to be issued pursuant to this Resolution (“Bonus Shares”), and upon the recommendation of the Directors of the Company, an amount standing to the credit of the share premium account of the Company which is equal to one-tenth of the aggregate nominal amount of the share capital of the Company in issue on 14th June 2013 be capitalised and the Directors of the Company be and are hereby authorised to apply such sum in paying up in full at par such number of Bonus Shares in the capital of the Company which is equal to one-tenth of the number of shares in the Company in issue on 14th June 2013 to be allotted and credited as fully paid to and among the shareholders of the Company whose names are on the register of members on 14th June 2013 on the basis of one Bonus Share for every ten shares in the Company held by such shareholders

NOTICE OF ANNUAL GENERAL MEETING

of the Company on such date and that the Bonus Shares to be allotted and issued pursuant to this Resolution shall rank *pari passu* in all respects with the existing issued shares in the Company except that they will not be entitled to participate in any dividend declared or recommended by the Company in respect of the financial year ended 31st December 2012 and that the Directors of the Company be and are hereby authorised to deal with any fractions arising from the distribution by the sale of the Bonus Shares representing such fractions and to retain the net proceeds for the benefit of the Company and further that the Directors of the Company be and are hereby authorised to do all acts and things as may be necessary and expedient in connection with the issue of the Bonus Shares.”

(II) **“THAT**

- (a) subject to paragraph (b) below, the exercise by the Directors of the Company during the Relevant Period of all the powers of the Company to purchase Shares be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of Shares which may be purchased pursuant to the approval in paragraph (a) above shall not exceed 10 per cent of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing this Resolution, and the said approval shall be limited accordingly; and
- (c) for the purpose of this Resolution:

“Relevant Period” means the period from the passing of this Resolution until whichever is the earlier 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 by law to be held; and
- (iii) the revocation or variation of the authority given under this Resolution by an ordinary resolution of the shareholders of the Company in general meeting;

“Shares” means shares of all classes in the capital of the Company and warrants and other securities which carry a right to subscribe or purchase shares of the Company.”

NOTICE OF ANNUAL GENERAL MEETING

(III) **“THAT**

- (a) subject to paragraph (b) below, the exercise by the Directors of the Company during the Relevant Period of all the powers of the Company to allot, issue and otherwise deal with additional Shares and to make, issue or grant offers, agreements, options and warrants which will or might require Shares to be allotted, issued or disposed of during or after the end of the Relevant Period be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors of the Company pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue, or (ii) the exercise of rights of subscription or conversion under the terms of any warrants issued by the Company or any securities which are convertible into Shares, shall not exceed, where the Shares are to be allotted wholly for cash, 10 per cent and in any event 20 per cent of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing this Resolution; and
- (c) for the purpose of this Resolution:

the expressions “Relevant Period” and “Shares” shall have the same meaning as assigned to them under Resolution 5(II) set out in the Notice of Annual General Meeting of which this Resolution forms part, with references to “this Resolution” in the definition of “Relevant Period” being construed as references to this Resolution 5(III); and

“Rights Issue” means the allotment, issue or grant of shares in the Company open for a period fixed by the Directors of the Company to holders of shares of the Company or any class thereof on the register of members on a fixed record date in proportion to their then holdings of such shares or class thereof (subject to such exclusions or other arrangements as the Directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction, or the requirements of any recognised regulatory body or any stock exchange in, any territory applicable to the Company).”

NOTICE OF ANNUAL GENERAL MEETING

- (IV) “**THAT** conditional upon the passing of Resolutions 5(II) and 5(III) set out in the Notice of Annual General Meeting of which this Resolution forms part, the general mandate granted to the Directors of the Company pursuant to the said Resolution 5(III) for the time being in force to exercise the powers of the Company to allot, issue and otherwise deal with additional shares in the capital of the Company and to make, issue or grant offers, agreements, options and warrants which will or might require the exercise of such powers be and is hereby extended by the addition to the aggregate nominal amount of share capital which may be allotted or agreed conditionally or unconditionally to be allotted by the Directors of the Company pursuant to such general mandate an amount representing the aggregate nominal amount of shares in the capital of the Company purchased by the Company pursuant to the exercise by the Directors of the Company in accordance with the said Resolution 5(II) of the powers of the Company to purchase such shares, provided that such amount shall not exceed 10 per cent of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing this Resolution.”

By Order of the Board

JOHN H.M. HO

Chief Financial Officer and Company Secretary

Hong Kong, 23rd April 2013

Notes:

1. The Directors of the Company wish to state that they have no immediate plans to repurchase any existing shares in the Company or to issue any new shares or warrants in the Company (other than the issue of Bonus Shares).
2. Any member entitled to attend and vote at the meeting may appoint not more than two proxies to attend, and on a poll, to vote on his/her behalf. A proxy need not be a member of the Company. The proxy form and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power of attorney or authority, must be deposited with the Company's share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, at least 48 hours before the time appointed for holding the meeting or any adjournment thereof.
3. At the Annual General Meeting, the Chairman of the meeting will exercise his power under Article 70 of the Articles of Association of the Company to put each of the resolutions set out in the Notice of Annual General Meeting to the vote by way of poll.
4. For the purpose of determining entitlement of shareholders to the right to attend and vote at the Annual General Meeting (or any adjournment thereof), the register of members of the Company will be closed from Monday, 3rd June 2013 to Wednesday, 5th June 2013, both days inclusive, during which period no share transfer will be effected. All transfers accompanied by the relevant share certificates must be lodged with the Company's share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration no later than 4:30 p.m. on Friday, 31st May 2013.
5. For the purpose of determining shareholders who qualify for the proposed issue of Bonus Shares and final dividend, the register of members of the Company will be closed from Tuesday, 11th June 2013 to Friday, 14th June 2013, both days inclusive, during which period no share transfer will be effected. All transfers accompanied by the relevant share certificates must be lodged with the Company's share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration no later than 4:30 p.m. on Monday, 10th June 2013.
6. If Resolutions 2 and 5(I) above are approved, the dividend will be payable on Monday, 24th June 2013 and share certificates for the Bonus Shares will be despatched to the shareholders of the Company on the same day.