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

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**If you are in any doubt** as to any aspect of this document or as to the action to be taken you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**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  
AND  
RENEWAL OF THE GENERAL MANDATES  
TO ISSUE SHARES AND REPURCHASE SHARES**

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The notice convening the Annual General Meeting of The Hong Kong and China Gas Company Limited to be held at the Four Seasons Grand Ballroom, Four Seasons Hotel, 8 Finance Street, Central, Hong Kong on Thursday, 14th May 2009 at noon at which the above proposals will be considered is set out on pages 12 to 14. 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).

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21st April 2009

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## DEFINITIONS

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*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 Thursday, 14th May 2009 at noon, notice of which is set out on pages 12 to 14 of this document
“Articles of Association”	the articles of association of the Company as altered from time to time
“Board”	the board of Directors
“Company”	The Hong Kong and China Gas Company Limited
“Directors”	the directors of the Company
“Latest Practicable Date”	16th April 2009, 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, 8th May 2009, being the date for determination of entitlement to the final dividend, and right to attend and vote at the Annual General Meeting
“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
“US\$”	United States dollars, the lawful currency of the United States of America

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## LETTER FROM THE CHAIRMAN

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# 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. Liu Lit Man \*\*

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. James Kwan Yuk Choi

Mr. Lee Ka Shing \*

*Registered Office:*

23rd Floor  
363 Java Road  
North Point  
Hong Kong

\* *non-executive director*

\*\* *independent non-executive director*

21st April 2009

*To the Shareholders*

Dear Sir or Madam,

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

#### **1. INTRODUCTION**

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 and the renewal of the general mandates to issue Shares and repurchase Shares.

#### **2. CLOSURE OF REGISTER OF MEMBERS**

The Register will be closed from Wednesday, 6th May 2009 to Friday, 8th May 2009 (both days inclusive) in order to determine entitlements of Shareholders to the proposed final dividend for the financial year ended 31st December 2008, and the right to attend and vote at the Annual General Meeting (or any adjournment thereof). In order to be entitled to attend and vote at the Annual General Meeting (or any adjournment thereof), and to qualify for the proposed final dividend, 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, Hong Kong not later than 4:30 p.m. on Tuesday, 5th May 2009.

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## LETTER FROM THE CHAIRMAN

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### 3. 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, Mr. Colin Lam Ko Yin, Dr. The Hon. David Li Kwok Po and Mr. Lee Ka Shing, non-executive Directors, and 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. Details and brief biography of each of Mr. Colin Lam Ko Yin, Dr. The Hon. David Li Kwok Po, Mr. Lee Ka Shing and Mr. Alfred Chan Wing Kin are set out in Appendix I to this document.

### 4. RENEWAL OF THE GENERAL MANDATES TO ISSUE SHARES AND REPURCHASE SHARES

At the annual general meeting of the Company held on 19th May 2008, 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 19th May 2008; and (ii) to allot, issue and otherwise deal with 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 19th May 2008, 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 19th May 2008) 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(I), 5(II) and 5(III) 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 issue any new Shares or warrants pursuant to the relevant mandate.

As at the Latest Practicable Date, the number of Shares in issue (assuming that 46,935,000 Shares repurchased between 20th March 2009 and the Latest Practicable Date (both days inclusive) were cancelled) was 6,618,664,584 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 1,323,732,916 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.

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## LETTER FROM THE CHAIRMAN

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### 5. ANNUAL GENERAL MEETING

The notice convening the Annual General Meeting to be held at the Four Seasons Grand Ballroom, Four Seasons Hotel, 8 Finance Street, Central, Hong Kong on Thursday, 14th May 2009 at noon is set out on pages 12 to 14. At the Annual General Meeting, ordinary resolutions numbered 3, 5(I), 5(II) and 5(III) will be proposed to re-elect the retiring Directors, to approve 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.

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 Rooms 1806-1807, 18th Floor, Hopewell Centre, 183 Queen's Road East, 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.

### 6. RECOMMENDATIONS

The Board believes that the re-election of the retiring Directors 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 recommend you to vote in favour of all the relevant resolutions to be proposed at the Annual General Meeting.

Yours faithfully,  
**Lee Shau Kee**  
*Chairman*

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

Aged 57. Mr. Lam was appointed to the Board in 1983. He has more than 35 years' experience in banking and property development. He is a member of the Court of The University of Hong Kong, 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 a Director of Miramar Hotel and Investment Company, Limited, all of which are listed public companies. Save as disclosed above, Mr. Lam has not held any directorship in other listed public companies during the last three years. 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 18th 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.

The term of office for Mr. Lam will expire on 31st December 2011 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 2008, Mr. Lam received a fixed remuneration of HK\$130,000 as director's fee and other emoluments of approximately HK\$30,000 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.

**Dr. The Hon. David Li Kwok Po** G.B.M., G.B.S., O.B.E., J.P., M.A. Cantab. (Economics & Law), Hon. D.Sc. (Imperial), Hon. D.B.A. (Napier), Hon. D. Hum. Litt. (Trinity, USA), Hon. D.Soc.Sc. (Lingnan), Hon. LL.D. (Hong Kong), Hon. LL.D. (Warwick), Hon. LL.D. (Cantab), F.C.A., F.C.P.A., F.C.P.A. (Aust.), F.C.I.B., F.H.K.I.B., F.B.C.S., C.I.T.P., F.C.I.Arb., Officier de L'Ordre de la Couronne, Grand Officer of the Order of the Star of Italian Solidarity, The Order of the Rising Sun, Gold Rays with Neck Ribbon, Officier de la Légion d'Honneur, *Independent Non-executive Director*

Aged 70. Dr. Li was appointed to the Board in 1984. He is the Chairman and Chief Executive of The Bank of East Asia, Limited. Dr. Li is also a director of various listed public companies, including AFFIN Holdings Berhad, China Overseas Land & Investment Limited, COSCO Pacific Limited, Criteria CaixaCorp, S.A., Guangdong Investment Limited, The Hongkong and Shanghai Hotels, Limited, PCCW Limited, San Miguel Brewery Hong Kong Limited, SCMP Group Limited and Vitasoy International Holdings Limited. He was a Director of AviChina Industry & Technology Company Limited, China Merchants China Direct Investments Limited and Dow Jones & Company, Inc. Save as disclosed above, Dr. Li has not held any directorships in other listed public companies during the last three years. Dr. Li was awarded the Grand Bauhinia Medal by the Government of the Hong Kong Special Administrative Region in 2007 and he also received the Business Person of the Year Award under the Hong Kong Business Awards 2006.

Dr. Li is the Chairman of The Chinese Banks' Association, Limited and the Chairman of the Hong Kong Management Association. Dr. Li is currently a Member of the Banking Advisory Committee, Member of the Council of the Treasury Markets Association and a Member of the Legislative Council of the Hong Kong Special Administrative Region. Dr. Li is a Fellow of Hong Kong Institute of Certified Public Accountants, Fellow of Institute of Chartered Accountants in England and Wales, Fellow of The Australian Society of Certified Practising Accountants, Fellow of Chartered Institute of Bankers, Fellow of The Hong Kong Institute of Bankers, Chartered Fellow of British Computer Society, Chartered IT Professional and Fellow of Chartered Institute of Arbitrators in England.

As at the Latest Practicable Date, Dr. Li has personal interest of 18,200,000 Shares (representing 0.27 per cent of the issued share capital (assuming that 46,935,000 Shares repurchased between 20th March 2009 and the Latest Practicable Date (both days inclusive) were cancelled) of the Company) within the meaning of Part XV of the Securities and Futures Ordinance.

The term of office for Dr. Li will expire on 31st December 2011 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 2008, Dr. Li received a fixed remuneration of HK\$230,000 as director's fee and other emoluments of approximately HK\$60,000 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. Li's re-election that need to be brought to the attention of the Shareholders.



**Mr. LEE Ka Shing** *Non-executive Director*

Aged 37. Mr. Lee was appointed to the Board in 1999. He was educated in Canada. He is a Vice Chairman of Henderson Land Development Company Limited (“Henderson Land Development”) and Henderson Investment Limited and Managing Director of Miramar Hotel and Investment Company, Limited, all of which are listed public companies. Save as disclosed above, Mr. Lee has not held any directorship in other listed public companies during the last three years. Mr. Lee is a Member of the Tenth Guangxi Zhuangzu Zizhiqu Committee of the Chinese People’s Political Consultative Conference and a Member of the Tenth Foshan Committee of the Chinese People’s Political Consultative Conference. Mr. Lee is the son of Dr. Lee Shau Kee, the Chairman of the Company and the brother of Mr. Lee Ka Kit, a Non-executive Director of the Company.

Mr. Lee is also a Vice Chairman of Henderson Development Limited (“Henderson Development”) and a Director of Disralei Investment Limited (“Disralei Investment”), Medley Investment Limited (“Medley Investment”), Faxson Investment Limited (“Faxson Investment”), Chelco Investment Limited (“Chelco Investment”) and Macrostar Investment Limited (“Macrostar Investment”). Henderson Land Development, Henderson Development, Disralei Investment, Medley Investment, Faxson Investment, Chelco 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, Mr. Lee as a discretionary beneficiary of discretionary trusts, is deemed to have an interest in 2,705,807,442 Shares (representing 40.88 per cent of the issued share capital (assuming that 46,935,000 Shares repurchased between 20th March 2009 and the Latest Practicable Date (both days inclusive) were cancelled) of the Company) within the meaning of Part XV of the Securities and Futures Ordinance. He is also taken to be interested in 893,172,901 shares (45.63 per cent) of Towngas China Company Limited, 9,500 shares (95 per cent) of Lane Success Development Limited and 2 shares (100 per cent) of Yieldway International Limited, all of which are associated corporations of the Company.

The term of office for Mr. Lee will expire on 31st December 2011 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 is determined with reference to his duties and responsibilities. For the financial year ended 31st December 2008, Mr. Lee received a fixed remuneration of HK\$130,000 as director’s fee 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. Lee’s re-election that need to be brought to the attention of the Shareholders.

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

Aged 58. 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 (executive director) in May 1997. Mr. Chan is the Chairman of Towngas China Company Limited (“Towngas China”), a listed public company. Save as disclosed above, Mr. Chan has not held any directorship in other listed public companies during the last three years. 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 joint venture companies in mainland China. He is a Member of the Eleventh Wuhan Committee of the Chinese People’s Political Consultative Conference and a Standing Director of China Gas Association. Mr. Chan is also a General Committee Member of The Chamber of Hong Kong Listed Companies for the year 2008-2009. 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 and Fellow of The Institution of Mechanical Engineers, Fellow of The Hong Kong Institution of Engineers, Fellow of The Institution of Gas Engineers & Managers and Fellow of The Energy Institute.

As at the Latest Practicable Date, Mr. Chan has personal interest of 124,417 Shares (representing less than 0.01 per cent of the issued share capital (assuming that 46,935,000 Shares repurchased between 20th March 2009 and the Latest Practicable Date (both days inclusive) were cancelled) of the Company) within the meaning of Part XV of the Securities and Futures Ordinance. He also has interest in the share options granted by Towngas China, an associated corporation of the Company, with a right to subscribe for 3,618,000 shares (0.18 per cent) of Towngas China, and debentures of Towngas China in the sum of US\$1,000,000.

As at the Latest Practicable Date, Mr. Chan has no fixed nor proposed term of director’s service but 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 and the Company’s performance and profitability. For the financial year ended 31st December 2008, Mr. Chan received a fixed remuneration of HK\$130,000 as director’s fee and other emoluments of approximately HK\$24,170,000 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. Chan’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(I) 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, (assuming that 46,935,000 Shares repurchased between 20th March 2009 and the Latest Practicable Date (both days inclusive) were cancelled), was 6,618,664,584 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 661,866,458 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 2008) 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 3,903,670 Shares personally (0.06 per cent of the total issued Shares (assuming that 46,935,000 Shares repurchased between 20th March 2009 and the Latest Practicable Date (both days inclusive) were cancelled)). In addition, 2,705,807,442 Shares (40.88 per cent of the total issued Shares (assuming that 46,935,000 Shares repurchased between 20th March 2009 and the Latest Practicable Date (both days inclusive) were cancelled)) 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 2,709,711,112 Shares (40.94 per cent of the total issued Shares (assuming that 46,935,000 Shares repurchased between 20th March 2009 and the Latest Practicable Date (both days inclusive) were cancelled)) as at the Latest Practicable Date. If the repurchase mandate is exercised in full by the Company and assuming that Dr. Lee Shau Kee does not dispose of any of his Shares, his percentage shareholding in the Company will amount to 45.49 per cent of the total issued Shares (assuming that 46,935,000 Shares repurchased between 20th March 2009 and the Latest Practicable Date (both days inclusive) were cancelled). 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) In the six months immediately prior to the Latest Practicable Date, the Company repurchased Shares on the Stock Exchange as follows:

Date of Repurchase	Number of Shares Repurchased	Price per Share	
		Highest (HK\$)	Lowest (HK\$)
20th March 2009	6,626,000	11.36	10.94
23rd March 2009	1,885,000	11.70	11.52
24th March 2009	2,456,000	11.88	11.56
25th March 2009	1,046,000	11.98	11.80
26th March 2009	2,977,000	12.06	11.80
27th March 2009	1,607,000	11.92	11.56
30th March 2009	1,657,000	12.02	11.90
31st March 2009	2,130,000	12.22	12.14
1st April 2009	2,449,000	12.10	11.92
2nd April 2009	2,016,000	12.30	11.88
3rd April 2009	4,401,000	12.34	12.04
6th April 2009	1,295,000	12.50	12.46
7th April 2009	1,913,000	12.90	12.58
8th April 2009	1,481,000	13.06	12.76
9th April 2009	988,000	13.32	13.00
14th April 2009	2,361,000	13.58	13.20
15th April 2009	4,823,000	13.90	13.48
16th April 2009	4,824,000	13.70	12.96

Save as disclosed above, the Company had not purchased any Shares in the six months immediately prior to the Latest Practicable Date.

- (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:

	<b>Highest</b> <i>(HK\$)</i>	<b>Lowest</b> <i>(HK\$)</i>
April 2008	21.773 A	19.091 A
May 2008	21.400	18.980
June 2008	19.780	18.480
July 2008	18.600	17.140
August 2008	18.160	16.960
September 2008	18.620	16.980
October 2008	17.900	9.350
November 2008	15.000	11.940
December 2008	13.980	11.460
January 2009	12.800	11.600
February 2009	12.720	11.520
March 2009	12.380	10.700

A – Adjusted for the bonus issue 1 for 10 with ex-date 5th May 2008

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

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## NOTICE OF ANNUAL GENERAL MEETING

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# 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 in the Four Seasons Grand Ballroom, Four Seasons Hotel, 8 Finance Street, Central, Hong Kong on Thursday, 14th May 2009 at noon for the following purposes:

1. To receive and consider the statement of accounts for the financial year ended 31st December 2008 and the reports of the Directors and Auditors thereon.
2. To declare a final dividend.
3. To re-elect Directors.
4. To re-appoint PricewaterhouseCoopers as Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to authorise the Directors of the Company to fix their remuneration.
5. As special business, to consider and, if thought fit, pass the following resolutions as ordinary resolutions:

(I) **“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;
- (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

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## NOTICE OF ANNUAL GENERAL MEETING

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- (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.”

(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 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(I) 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(II); 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).”



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- (III) “**THAT** conditional upon the passing of Resolutions 5(I) and 5(II) 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(II) for the time being in force to exercise the powers of the Company to allot, issue and otherwise deal with 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 total 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 total 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(I) 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, 21st April 2009

*Notes:*

1. The Directors of the Company wish to state that they have no immediate plans to issue any new shares or warrants in the Company.
2. Any member entitled to attend and vote at the meeting may appoint one or more than one proxy to attend, and on a poll, to vote on his 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 Rooms 1806-1807, 18th Floor, Hopewell Centre, 183 Queen's Road East, 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. The register of members will be closed from Wednesday, 6th May 2009 to Friday, 8th May 2009, both days inclusive, during which period no share transfer will be effected. In order to be entitled to attend and vote at the Annual General Meeting (or any adjournment thereof), and to qualify for the proposed final dividend, 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, Hong Kong not later than 4:30 p.m. on Tuesday, 5th May 2009.
5. If approved, the dividend will be payable on Friday, 15th May 2009.