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THE HONG KONG AND CHINA GAS COMPANY LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 0003)

ANNOUNCEMENT AND RESUMPTION OF TRADING

The Hong Kong and China Gas Company Limited (the “**Company**”) has been informed by Henderson Land Development Company Limited (“**HLD**”) and Henderson Investment Limited (“**HIL**”) that, on 2 October 2007, they entered into a conditional acquisition agreement pursuant to which HLD has agreed to acquire from HIL its entire interest in 2,366,934,097 shares in the Company (representing approximately 39.06% of the total issued share capital of the Company) (the “**Transaction**”). Reference should be made to the joint announcement of HLD and HIL dated 2 October 2007 for details of the Transaction.

The Company has been informed by HLD that there will be no change in control of the Company as a result of the Transaction and that the Executive Director of the Corporate Finance Division of the Securities and Futures Commission has waived HLD’s obligation to make a general offer for the shares in the Company as a result of the Transaction pursuant to Note 6 to Rule 26.1 of the Takeovers Code.

At the request of the Company, trading in its shares on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) has been suspended from 9:30 a.m. on 2 October 2007 pending the release of an announcement which may contain information of a price-sensitive nature. Application has been made by the Company to the Stock Exchange for resumption of trading in the shares of the Company on the Stock Exchange with effect from 2:30 p.m. on 3 October 2007.

By Order of the Board

RONALD T.H. CHAN

Executive Director and Company Secretary

Hong Kong, 2 October 2007

As at the date of this announcement, the board of directors of the Company comprises: (1) non-executive directors: Dr. Lee Shau Kee (Chairman), Mr. Colin Lam Ko Yin, Mr. Lee Ka Kit and Mr. Lee Ka Shing; (2) independent non-executive directors: Mr. Liu Lit Man, Mr. Leung Hay Man and Dr. The Hon. David Li Kwok Po; and (3) executive directors: Mr. Ronald Chan Tat Hung, Mr. Alfred Chan Wing Kin and Mr. James Kwan Yuk Choi.



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