THE HONG KONG AND CHINA GAS COMPANY LIMITED

(Incorporated in Hong Kong under the Companies Ordinance)
(Stock Code: 3)

PRELIMINARY ANNOUNCEMENT OF 2012 ANNUAL RESULTS

CHAIRMAN'S STATEMENT

THE YEAR'S RESULTS

The performance of the Group's gas business in Hong Kong remained steady in 2012. In comparison, the Group's city-gas businesses in mainland China thrived, continuing to record good profit growth; concurrently emerging environmentally-friendly energy businesses are being developed at a fast pace. As anticipated, the combined results of the Group's emerging environmentally-friendly energy and mainland utility businesses were higher than those of its Hong Kong gas business for the year 2012.

Profit after taxation attributable to shareholders of the Group for the year amounted to HK$7,727.9 million, an increase of HK$1,578.3 million compared to 2011. Earnings per share for the year amounted to HK88.9 cents, an increase of 25.7 per cent over 2011. Profit growth in 2012 was mainly due to growth in profit of mainland businesses, a revaluation surplus from the International Finance Centre ("IFC") complex and a one-off net gain. Profit after taxation attributable to shareholders of the Group, excluding revaluation surplus from the investment property, amounted to HK$6,333.4 million.

During the year under review, the Group invested HK$5,905.5 million in production facilities, pipelines, plants and other fixed and intangible assets for the sustainable development of its various businesses in Hong Kong and mainland China.

GAS BUSINESS IN HONG KONG

Local economic growth slowed down in 2012 compared to 2011 under the impact of a weak global economy and low demand from European and United States markets. Despite this, tourism, restaurant and hotel sectors, still benefiting from an increase in the number of inbound tourists, continued to prosper. However, as the average temperature for 2012 in Hong Kong was slightly higher than 2011, overall gas sales were affected as a result, and total volume of gas sales in Hong Kong for the year increased only slightly by 0.8 per cent compared to 2011. Appliance sales for the year 2012 increased by 6.1 per cent compared to 2011.

As at the end of 2012, the number of customers was 1,776,360, an increase of 25,807, as forecasted, compared to 2011.

The Company's operating costs have been increasing over the past few years. Although the Company has been implementing cost saving and process re-engineering measures, such initiatives are no longer offsetting additional costs. Therefore the Company will raise its standard gas tariff by HK1 cent per megajoule with effect from 1st April 2013, which represents 4.6 per cent of the standard gas tariff, with a commitment to no further increase for this tariff in the coming two years.

BUSINESS DEVELOPMENT IN MAINLAND CHINA

The Group's mainland businesses progressed well in 2012 in respect of the number of projects and profit.

The mainland economy continued to grow steadily during 2012 though the pace was slower compared with 2011 owing to the weak global economy and a downturn in domestic exports. The Group's city-gas and natural gas businesses, benefiting from both an increase in upstream natural gas supply and on-going economic advancement in certain regions on the mainland, recorded continuous growth during 2012. The Group's development of emerging environmentally-friendly energy projects, through its wholly-owned subsidiary ECO Environmental Investments Limited and the latter's subsidiaries (together known as "ECO"), is progressing well with ECO now at various stages of project investment, construction and gradual commissioning.

Mainland China's sustainable economic development is leading to a rise in internal demand for consumer goods, progressive urbanisation and an increasing demand for clean energy. These factors, coupled with improving upstream natural gas supplies, are creating good prospects and investment value for both city-gas and emerging environmentally-friendly energy businesses on the mainland in the long run. Furthermore, the Group's establishment of several data centre and telecommunications conduit system project companies, following the development of telecommunications businesses in both Hong Kong and the mainland over the last few years, is also contributing to diversification of the Group's businesses.

Overall, inclusive of projects of the Group's subsidiary, Towngas China Company Limited ("Towngas China"; stock code: 1083.HK), the Group had 150 projects on the mainland, as at the end of 2012, twelve more than at the end of 2011, spread across 22 provinces, municipalities and autonomous regions. These projects encompass upstream, midstream and downstream natural gas sectors, water supply and wastewater treatment sectors, natural gas vehicular filling stations, environmentally-friendly energy applications, energy resources, logistics businesses and telecommunications.

Diversification and an increase in the number of projects are rapidly transforming the Group from a locally-based company centred on city-gas businesses into a sizable, nation-wide, multi-business corporation with a focus on environmental protection, energy ventures and utility sectors.

UTILITY BUSINESSES IN MAINLAND CHINA

The Group's city-gas businesses are progressing well, with seven new projects successfully established by Towngas China in 2012. As at the end of 2012, the Group had 107 city-gas projects in mainland cities spread across 20 provinces, municipalities and autonomous regions. The total volume of gas sales of these projects for 2012 was approximately 11,900 million cubic metres, an increase of 15 per cent over 2011, and at the end of the year the Group's gas customers on the mainland stood at approximately 14.82 million. The Group continues to be a large-scale city-gas enterprise with outstanding performance on the mainland.

With on-going completion of large-scale natural gas projects, including transmission pipelines from Sichuan province to eastern and southern China and phase two of the West-to-East pipeline, and an increase in the sources and quantity of imported and domestic liquefied natural gas, the shortfall in the mainland's natural gas supply in the past few years is now gradually being mitigated. Thus, with sufficient sources of gas supply, expanding pipeline networks and the public's aspiration for greater environmental protection, the Group anticipates its mainland city-gas businesses will continue to thrive in the future.

The Group's midstream natural gas projects are making good progress. These include high-pressure natural gas pipeline joint ventures in Anhui province, in Hebei province, in Hangzhou city, Zhejiang province and in Jilin province; the Guangdong Liquefied Natural Gas Receiving Terminal project; a natural gas valve station project in Suzhou Industrial Park, Suzhou city, Jiangsu province; and a new pipeline project in Henan province. Towngas China, the Group's subsidiary, also added a midstream pipeline project located in Wafangdian, Dalian city, Liaoning province to its portfolio in 2012. These kinds of high-pressure, natural gas pipeline projects generate good returns and help the Group develop and strengthen its downstream city-gas markets.

As at the end of 2012, the Group had invested in and was operating four water projects, all of which are progressing well. These include water supply projects in Wujiang city, Jiangsu province and in Wuhu city, Anhui province; and an integrated water supply and wastewater joint venture project, together with an integrated wastewater treatment project for a special industry, in Suzhou Industrial Park, Suzhou city, Jiangsu province. During the first quarter of 2013, the Group successfully added a water supply project in Zhengpugang Xin Qu, Maanshan city, Anhui province to its portfolio, making a total of five water projects in hand.

Operation and management of businesses encompassing city-gas, city-water and midstream natural gas projects create positive synergy and mutual advantages. Furthermore, these businesses generate stable income and high environmental benefits, with room for expansion. The Group will therefore keep on looking for opportunities to invest in high-quality utility projects on the mainland.

EMERGING ENVIRONMENTALLY-FRIENDLY ENERGY BUSINESSES

ECO's two major businesses in Hong Kong – an aviation fuel facility, servicing Hong Kong International Airport, and dedicated liquefied petroleum gas ("LPG") vehicular filling stations – are operating smoothly. Total turnover for the aviation fuel facility for 2012 was 5.56 million tonnes of aviation fuel, providing a safe and reliable fuel supply for Hong Kong International Airport. In comparison, the profit margin for ECO's filling station business for 2012 was lower than in 2011 due to the impact of rising petroleum gas prices.

ECO's vehicular clean energy business on the mainland mainly focuses on the use of compressed or liquefied natural gas to replace diesel in order to conserve energy, reduce emissions and create economic benefits by saving on fuel costs. After several years of development, a network of filling stations established by ECO is gradually taking shape in Shaanxi, Shanxi, Shandong, Henan and Liaoning provinces mainly servicing heavy-duty trucks. As at the end of 2012, nine filling stations were in operation and another five under construction. Further expansion of this business into other provinces is expected. By increasing the number of filling stations, the brand name of ECO will gradually become more well-known in the market.

Construction of a logistics port in Jining city, Shandong province, to link an upstream dedicated coal transportation railway with a nearby downstream canal connecting Beijing and Hangzhou, part of ECO's new "Energy Logistics" business sector, is nearly complete. The pilot run for bulk cargo transportation has commenced. The logistics port is expected to be fully commissioned during the fourth quarter of 2013. ECO is also planning to provide liquefied natural gas filling facilities for incoming and outgoing heavy-duty trucks and river transport vessels at the pier so they may progressively replace their use of diesel.

With gradual depletion of global petroleum resources and associated price increases, the mainland is proactively developing alternative substitutes to meet its growth in demand for energy. To this end, ECO's coalbed methane liquefaction facility located in Jincheng city, Shanxi province is operating smoothly; production increased by 36 per cent in 2012 compared with the same period for 2011, generating good profits for the Group. ECO's methanol production plant in Erdos city, Inner Mongolia, which converts coal into methanol and has an annual production capacity of 200,000 tonnes, is now running smoothly at the pilot stage of production. To further enhance the economic benefits of this project, ECO plans to also convert the methanol into high value-added energy products.

In addition, ECO's new-energy research and development centre, which possesses a strong and growing technical force, is also working proactively on technologies to convert resources of low value into high value-added energy. Industrial tests on a medium scale, focused on converting coal tar oil of medium to low temperature into petrol or diesel, were successfully completed in 2012 and planning is now in place to apply this technology to commercial projects in 2013. Furthermore, ECO is also developing its interests in methanol processing and in conversion prospects for coke oven gas, tar oil and biomass energy. ECO will continue to work proactively to apply these technologies to industrial use; these kinds of investments are expected to play an increasingly important part in ECO's new energy businesses.

ECO also made a new investment in the upstream sector of its new energy businesses in mid-2012 by acquiring a 60 per cent effective stake in the development of onshore oilfield blocks in central Thailand; ECO has already smoothly taken over the operational management of the oilfields and organised a professional team to formulate a plan for their comprehensive development. In addition, in Guizhou province, ECO has conducted an innovative test with promising results on surface extraction of coalbed methane for coal mines of low permeability. In Inner Mongolia, ECO's Xiaoyugou coal mine, with an annual production capacity of 1.2 million tonnes, is now at the pilot stage of production and is expected to be fully commissioned during the first quarter of 2013 while its open-pit Kejian coal mine has been operating normally as planned.

TOWNGAS CHINA COMPANY LIMITED (STOCK CODE: 1083.HK)

Towngas China, a subsidiary of the Group, continued to record good growth in profit after taxation attributable to its shareholders, amounting to HK$841 million in 2012, an increase of approximately 19 per cent over 2011. As at the end of December 2012, the Group had an approximately 66.18 per cent interest in Towngas China.

In 2012, Towngas China acquired seven new piped-gas projects located in Wafangdian, Dalian city and Xinqiu district, Fuxin city, Liaoning province; in Binhai Science and Technology Industrial Park, Zhaoyuan city and Pingyin county, Jinan city, Shandong province; in Yifeng county, Yichun city, Jiangxi province; in Lingang Industrial Park, Shanhaiguan district, Qinhuangdao city, Hebei province; and in Changting county, Longyan city, the Group's first in Fujian province. Towngas China also added a new midstream pipeline project in Wafangdian, Dalian city, Liaoning province to its portfolio in 2012. Towngas China is focused on developing city-gas businesses in cities with a high proportion of industrial gas consumption. To capture investment opportunities resulting from the country's commitment to promote the utilisation of natural gas during the period of the Twelfth Five-Year Plan (2011-2015), Towngas China will continue to strive for rapid expansion through mergers and acquisitions.

In January 2013, Towngas China issued and sold 150 million new ordinary shares by placement (the "Placing") at a price of HK$6.31 per share. Net proceeds from the Placing after deducting related commission and other expenses were HK$930 million. The Placing was over-subscribed more than 20 times within a very short period of time, demonstrating a very good response. All new shares were finally subscribed by a number of investors. The Group's interest in Towngas China was slightly diluted from 66.18 per cent to 62.37 per cent after the Placing. The Placing helps Towngas China to strengthen its funding structure, lower its future financing costs and increase its public float.

DEVELOPMENT OF TOWN GAS NETWORK AND FACILITIES IN HONG KONG

The network supply capability of the Company is expanding at a good pace in line with market growth. Several network development projects are in progress to meet long-term demand.

Laying of a 15 km pipeline to bring natural gas from Tai Po to Ma Tau Kok gas production plant, to partially replace naphtha as feedstock for the production of town gas, is near completion with commissioning expected this year. Construction of a 9 km pipeline in the western New Territories to strengthen supply capability and reliability is also in progress. In tandem with the government's development of West Kowloon, South East Kowloon and a cruise terminal, network planning, design and construction in these locations are underway. Construction of a new submarine pipeline from Ma Tau Kok to North Point commenced in 2012. Meanwhile, the gas main extension to Lei Yue Mun is substantially complete and some of the restaurants situated along the South East Kowloon seashore have already converted to the use of town gas.

The Group will constantly allocate resources towards renovating Hong Kong's town gas network to ensure safety of gas supply.

PROPERTY DEVELOPMENTS

Leasing of the commercial area of the Grand Waterfront property development project located at Ma Tau Kok is good. The Group also has an approximately 15.8 per cent interest in the IFC complex. Rental demand for the shopping mall and office towers of IFC continues to be robust. The occupancy rate of the project's hotel complex, comprising the Four Seasons Hotel and rental serviced apartments, remains high.

FINANCING PROGRAMMES

In line with the Group's long-term business investments, the Group continued issuing medium term notes, for a total amount equivalent to HK$4.4 billion, during the year 2012 under its medium term note programme (the "Programme") established through HKCG (Finance) Limited, a wholly-owned subsidiary of the Group. Inclusive of the Group's first renminbi-denominated notes in Hong Kong issued in late March 2011 for a total amount of RMB1 billion over a term of five years, the Group had issued, as at the end of December 2012, medium term notes of an aggregate amount equivalent to HK$10.2 billion under the Programme with tenors ranging from 5 to 40 years.

COMMEMORATIVE ACTIVITIES FOR THE COMPANY'S 150TH ANNIVERSARY

The Company celebrated its 150th Anniversary in 2012. To reward our shareholders, the Company distributed a one-off special dividend of HK17.5 cents per share to shareholders in mid-2012; including interim and final dividends, the total dividend paid out represented 150 per cent of that originally recommended for the whole year. The Company also held a series of commemorative activities, including a 150th Anniversary cocktail reception on 15th October 2012 for several hundred guests representing political, commercial and other sectors; Mrs. Carrie Lam, Chief Secretary for Administration of the Hong Kong Special Administrative Region ("HKSAR"), was Guest of Honour. All were there to celebrate the Company serving the local community in Hong Kong for over one and a half centuries during which unremitting efforts have been made to contribute to the prosperous development of the territory.

COMPANY AWARDS

The Company gained a number of awards and recognitions in Hong Kong and overseas during its 150th Anniversary year, and for the first time reached the British newspaper Financial Times' "Global 500 List", with a ranking of 443rd, the only Asian company in the "Gas, water and multi-utilities" sector; market capitalisation of companies is a major criterion for ranking.

The Company has gained the "The Excellence of Listed Enterprise Awards" from Capital Weekly for two consecutive years, in recognition of the Company's excellent corporate governance, investor relations, corporate strategy, corporate social responsibility performance and business growth. The Company was also once again listed by Yazhou Zhoukan in 2012 in its "Global Chinese Business 1000" with sixth ranking for Hong Kong.

By virtue of their outstanding performance in corporate sustainability, both the Company and Towngas China have been selected as constituent companies of the Hang Seng Corporate Sustainability Index Series for the last two consecutive years, indicating the Group's high standard of performance in environmental, social and corporate governance aspects as well as workplace practices.

With good business results and comprehensive strengths in its business operations, the Company also reached the "Top 100 – Comprehensive Strength", the main ranking of the "Top 100 Hong Kong Listed Companies" jointly organised by Finet Group Limited and Tencent in 2012. Towngas China also made its way into the sub-ranking "Top 10 Stock Price Gainers".

A new series of appliances launched to commemorate the Company's 150th Anniversary was selected for the "2012 Hong Kong Awards for Industries: Consumer Product Design Category", in recognition that the Company's products are meeting the demands of the consumer market.

In mid-2012, the Company gained the Gold Award under the category of "Public Organisation and Utilities" of the "2011 Hong Kong Awards for Environmental Excellence" jointly organised by 11 organisations including the Government of the HKSAR and the Environmental Campaign Committee. In the "Hong Kong Green Awards 2012" organised by the Green Council, the Company also won the "Corporate Green Governance Award – Grand Award", the "Corporate Green Governance Award – Corporate Leadership" and the "Green Management Award (Corporate) – Gold", in recognition of the Company's outstanding achievements in environmental protection, management and green corporate governance.

HONG KONG EMPLOYEES AND PRODUCTIVITY

As at the end of 2012, the number of employees engaged in the town gas business in Hong Kong was 1,943 (2011 year end: 1,938), the number of customers was 1,776,360, and each employee served the equivalent of 914 customers, slightly up compared to each employee serving 903 customers as at the end of 2011. Inclusive of employees engaged in local businesses such as telecommunications, LPG vehicular filling stations and engineering contractual works, the total number of the Group's employees engaged in businesses in Hong Kong was 2,282 as at the end of 2012 compared with 2,255 as at the end of 2011. Related manpower costs amounted to HK$829 million for 2012. In 2012, there was an approximately 5.5 per cent average increase in remuneration over 2011. The Group will continue to offer employees rewarding careers based on their capabilities and performance and arrange a variety of training programmes in order to constantly enhance the quality of the Group's customer services.

On behalf of the Board of Directors, I would like to thank all our employees for their dedication and hard work in creating value for shareholders and customers.

BONUS ISSUE OF SHARES

The Directors propose to make a bonus issue of one new share credited as fully paid for every ten shares held on the Register of Members on 14th June 2013. The necessary resolution will be proposed at the forthcoming Annual General Meeting on 5th June 2013, and if passed, share certificates will be posted on 24th June 2013.

FINAL DIVIDEND

The Directors are pleased to recommend a final dividend of HK23 cents per share payable to shareholders whose names are on the Register of Members as at 14th June 2013. Including the interim dividend of HK12 cents per share paid on 3rd October 2012, the total dividend payout for the whole year shall be HK35 cents per share.

Barring unforeseen circumstances, the forecast dividends per share for 2013 after bonus share issue shall not be less than the interim and final dividends for 2012.

BUSINESS OUTLOOK FOR 2013

The Company predicts steady growth and an increase of about 25,000 new customers in Hong Kong during 2013. Restaurant, hotel and retail sectors are still benefiting from a prospering tourism industry in Hong Kong. However, the Government of the HKSAR anticipates that the global economy will continue to grow only modestly and downside risks still exist. In Hong Kong, operating costs for all business sectors are increasing. The Company's increase in the standard gas tariff with effect from 1st April 2013 will offset some of the pressure on its own rising operating costs. The Company will continue to enhance its operational efficiency so as to maintain stable revenue from its gas business in the territory.

In line with the gradual implementation of the Twelfth Five-Year Plan, the mainland government advocates increasing urbanisation, expanding domestic demand, more energy conservation and a reduction of gas emissions. As the mainland economy is sustaining good growth, it is anticipated that there will be rising demand for utility services and clean energy. The Group's city-gas and natural gas businesses on the mainland are therefore expected to continue to achieve good growth. Furthermore, following the mainland government's move towards a policy of energy diversification and environmental protection, the Group predicts good prospects for its emerging environmentally-friendly energy businesses, which will ignite a new light illuminating the way for the Group's long-term development and business growth.

It is projected that the Group's businesses will maintain good growth during 2013. The combined results of the Group's emerging environmentally-friendly energy and mainland utility businesses have already overtaken the results of its Hong Kong gas business, and, with the former's good prospects, are forecast to grow faster than the latter in the coming years.

With the Group's solid foundation in Hong Kong and its diverse business sectors spread across extensive areas on the mainland, together with its successful corporate brand names built up there over the last 20 years and an anticipated rising demand for clean energy, the Group predicts good prospects and an even better future for all its businesses in the years to come.

LEE Shau Kee
Chairman
Hong Kong, 18th March 2013

The Board of Directors has pleasure in presenting a summary of results of the Group for the year ended 31st December 2012 with comparative figures for the previous corresponding year as follows:

CONSOLIDATED INCOME STATEMENT
For the year ended 31st December 2012

	Note	**2012 HK$ Million**	2011 HK$ Million
Revenue	**2**	**24,922.5**	22,426.8
Total operating expenses	**3**	**(18,818.7)**	(16,752.2)
		6,103.8	5,674.6
Other gains, net	**4**	**1,006.6**	589.7
Interest expense		**(863.8)**	(752.0)
Share of results of associated companies		**2,455.4**	1,647.7
Share of results of jointly controlled entities		**1,199.4**	908.7
Profit before taxation		**9,901.4**	8,068.7
Taxation	**5**	**(1,484.6)**	(1,344.0)
Profit for the year		**8,416.8**	6,724.7
Attributable to:			
Shareholders of the Company		**7,727.9**	6,149.6
Non-controlling interests		**688.9**	575.1
		8,416.8	6,724.7
Dividends	**6**	**3,041.7**	4,147.8
Earnings per share – basic and diluted, HK cents	**7**	**88.9**	70.8*
Town gas sold in Hong Kong, million MJ		**28,359.8**	28,147.1
Number of customers in Hong Kong as at 31st December		**1,776,360**	1,750,553

* *Adjusted for the bonus issue in 2012*

CONSOLIDATED BALANCE SHEET
As at 31st December 2012

	Note	**At 31st December 2012 HK$ Million**	At 31st December 2011 HK$ Million
Assets			
Non-current assets			
Property, plant and equipment		**40,550.0**	32,255.1
Investment property		**540.0**	518.0
Leasehold land		**1,364.1**	1,351.2
Intangible assets		**3,845.4**	3,434.8
Associated companies		**16,307.1**	12,706.8
Jointly controlled entities		**9,103.6**	8,964.7
Available-for-sale financial assets		**3,078.6**	3,110.6
Derivative financial instruments		**381.0**	452.3
Retirement benefit assets		**86.5**	81.4
Other non-current assets		**2,329.6**	2,258.9
		77,585.9	65,133.8
Current assets			
Inventories		**1,831.8**	1,622.4
Trade and other receivables	8	**5,722.2**	5,606.7
Loan and other receivables from associated companies		**73.0**	73.3
Loan and other receivables from jointly controlled entities		**861.3**	468.1
Loan and other receivables from non-controlling shareholders		**154.7**	135.4
Financial assets at fair value through profit or loss		**347.1**	313.3
Time deposits over three months		**261.3**	493.7
Time deposits up to three months, cash and bank balances		**12,186.4**	11,242.2
		21,437.8	19,955.1
Current liabilities			
Trade and other payables	9	**(9,329.4)**	(7,990.5)
Amounts due to jointly controlled entities		**(392.4)**	(31.7)
Loan and other payables to non-controlling shareholders		**(211.5)**	(282.4)
Provision for taxation		**(828.8)**	(878.0)
Borrowings		**(6,490.8)**	(4,220.8)
		(17,252.9)	(13,403.4)
Net current assets		**4,184.9**	6,551.7
Total assets less current liabilities		**81,770.8**	71,685.5

CONSOLIDATED BALANCE SHEET *(Continued)*
As at 31st December 2012

	At 31st December 2012 HK$ Million	At 31st December 2011 HK$ Million
Non-current liabilities		
Customers' deposits	**(1,205.1)**	(1,165.7)
Deferred taxation	**(4,446.2)**	(2,444.1)
Borrowings	**(25,230.2)**	(21,628.4)
Loan payables to non-controlling shareholders	**(39.3)**	-
Asset retirement obligations	**(78.0)**	-
Derivative financial instruments	**(305.1)**	(115.1)
	(31,303.9)	(25,353.3)
Net assets	**50,466.9**	46,332.2
Capital and reserves		
Share capital	**2,172.6**	1,975.1
Share premium	**3,078.3**	3,275.8
Reserves	**38,068.8**	33,133.5
Proposed dividend	**1,998.8**	3,199.7
Shareholders' funds	**45,318.5**	41,584.1
Non-controlling interests	**5,148.4**	4,748.1
Total equity	**50,466.9**	46,332.2

Notes:

1. Changes in accounting policies

The principal accounting policies applied in the preparation of the consolidated accounts have been consistently applied to the two years presented, unless otherwise stated.

The Group has applied Hong Kong Financial Reporting Standards ("HKFRS") 7 (amendment) Financial Instruments: Disclosures – Transfer of Financial Assets" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), which are effective for the Group's financial year beginning 1st January 2012. There is however no significant impact on the Group's results and financial position nor any substantial changes in the Group's accounting policies.

Except for the above, the HKICPA has issued a number of new or revised standards, interpretations and amendments to standards which are not effective for accounting period beginning 1st January 2012 and have not been early adopted by the Group.

2. Segment information

The Group's principal activity is the production, distribution and marketing of gas, water supply and emerging environmentally-friendly energy businesses ("New Energy") in Hong Kong and mainland China. Revenue comprises turnover which includes the following:

	2012 **HK$ Million**	2011 HK$ Million
Gas sales before fuel cost adjustment	**16,754.4**	15,442.8
Fuel cost adjustment	**1,708.5**	1,471.6
Gas sales after fuel cost adjustment	**18,462.9**	16,914.4
Equipment sales	**1,305.1**	1,177.9
Maintenance and services	**336.2**	331.5
Water sales	**490.1**	444.8
Coal and oil sales	**1,241.3**	734.0
Rental income	**37.9**	33.0
Other sales	**3,049.0**	2,791.2
	24,922.5	22,426.8

2. Segment information *(Continued)*

The chief operating decision-maker has been identified as the executive committee members (the "ECM") of the Company. The ECM reviews the Group's internal reporting in order to assess performance and allocate resources. The ECM considers the business from both a product and geographical perspective. From a product perspective, management assesses the performance of (a) gas, water and related business; (b) New Energy and (c) property business. Gas, water and related business is further evaluated on a geographical basis (Hong Kong and Mainland China).

The ECM assesses the performance of the operating segments based on a measure of adjusted profit before interest, tax, depreciation and amortisation (the "adjusted EBITDA"). Other information provided, except as noted below, to the ECM is measured in a manner consistent with that in the accounts.

Segment assets exclude available-for-sale financial assets, financial assets at fair value through profit or loss, time deposit, cash and bank balances other than those included under segment assets for operation purposes, derivative financial instruments, retirement benefit assets, other non-current assets and loan and other receivables from non-controlling shareholders.

As a result of the fast growth of a new segment – New Energy, its contribution becomes significant to the Group, our segment presentation is changed for this year and the comparative figures are also restated accordingly.

The segment information provided to the ECM for the reportable segments is as follows:

	Gas, water and related business		New Energy	Property	Other segments	Total
	Hong Kong	**Mainland China**				
	2012 HK$ Million	**2012 HK$ Million**	**2012 HK$ Million**	**2012 HK$ Million**	**2012 HK$ Million**	**2012 HK$ Million**
Revenue	**9,276.2**	**12,790.4**	**2,679.5**	**37.9**	**138.5**	**24,922.5**
Adjusted EBITDA	**4,072.7**	**2,949.1**	**975.8**	**20.6**	**50.4**	**8,068.6**
Depreciation and amortisation	**(617.1)**	**(629.6)**	**(180.6)**	**(0.1)**	**(27.9)**	**(1,455.3)**
Unallocated expenses						**(509.5)**
						6,103.8
Other gains, net						**1,006.6**
Interest expense						**(863.8)**
Share of results of associated companies	**-**	**630.4**	**(0.6)**	**1,822.8**	**2.8**	**2,455.4**
Share of results of jointly controlled entities	**-**	**1,194.6**	**(0.9)**	**5.5**	**0.2**	**1,199.4**
Profit before taxation						**9,901.4**
Taxation						**(1,484.6)**
Profit for the year						**8,416.8**

2. **Segment information** *(Continued)*

	Gas, water and related business		New Energy	Property	Other segments	Total
	Hong Kong	Mainland China				
	2011	2011	2011	2011	2011	2011
	HK$	HK$	HK$	HK$	HK$	HK$
	Million	Million	Million	Million	Million	Million
Revenue	8,973.3	11,301.5	2,052.7	33.0	66.3	22,426.8
Adjusted EBITDA	4,126.8	2,687.1	779.7	17.4	16.5	7,627.5
Depreciation and amortisation	(593.2)	(588.0)	(107.5)	(0.2)	(14.7)	(1,303.6)
Unallocated expenses						(649.3)
						5,674.6
Other gains, net						589.7
Interest expense						(752.0)
Share of results of associated companies	-	513.0	(0.1)	1,133.9	0.9	1,647.7
Share of results of jointly controlled entities	-	889.7	(1.3)	20.3	-	908.7
Profit before taxation						8,068.7
Taxation						(1,344.0)
Profit for the year						6,724.7

Share of results of associated companies includes HK$1,394.5 million (2011: HK$725.0 million), being the Group's share of change in valuation of investment properties at the International Finance Centre (the "IFC") complex for the year.

2. **Segment information** *(Continued)*

	Gas, water and related business		New Energy	Property	Other segments	Total
	Hong Kong	**Mainland China**				
	2012 HK$ Million	**2012 HK$ Million**	**2012 HK$ Million**	**2012 HK$ Million**	**2012 HK$ Million**	**2012 HK$ Million**
Segment assets	**16,784.1**	**43,913.9**	**18,850.9**	**10,967.3**	**1,103.5**	**91,619.7**
Unallocated assets:						
Available-for-sale financial assets						**3,078.6**
Financial assets at fair value through profit or loss						**347.1**
Time deposits, cash and bank balances excluded from segment assets						**3,085.9**
Others						**892.4**
Total assets	**16,784.1**	**43,913.9**	**18,850.9**	**10,967.3**	**1,103.5**	**99,023.7**

	Gas, water and related business		New Energy	Property	Other segments	Total
	Hong Kong	Mainland China				
	2011 HK$ Million	2011 HK$ Million	2011 HK$ Million	2011 HK$ Million	2011 HK$ Million	2011 HK$ Million
Segment assets	15,989.1	38,426.6	13,431.3	8,402.3	686.0	76,935.3
Unallocated assets:						
Available-for-sale financial assets						3,110.6
Financial assets at fair value through profit or loss						313.3
Time deposits, cash and bank balances excluded from segment assets						3,728.7
Others						1,001.0
Total assets	15,989.1	38,426.6	13,431.3	8,402.3	686.0	85,088.9

The Company is domiciled in Hong Kong. The Group's revenue from external customers in Hong Kong for the year ended 31st December 2012 is HK$10,296.2 million (2011: HK$9,934.0 million), and the revenue from external customers in other geographical locations is HK$14,626.3 million (2011: HK$12,492.8 million).

At 31st December 2012, the total of non-current assets other than financial instruments and retirement benefit assets located in Hong Kong and other geographical locations are HK$21,172.7 million and HK$50,537.5 million (2011: HK$18,431.7 million and HK$40,798.9 million) respectively.

3. Total operating expenses

	2012 **HK$ Million**	2011 HK$ Million
Stores and materials used	**11,954.8**	10,736.2
Cost of coal purchased	**688.7**	416.0
Manpower costs	**1,997.4**	1,700.1
Depreciation and amortisation	**1,465.1**	1,311.0
Other operating items	**2,712.7**	2,588.9
	18,818.7	16,752.2

4. Other gains, net

	2012 **HK$ Million**	2011 HK$ Million
Net investment gains	**557.9**	432.9
Fair value gain on investment property	**22.0**	17.0
Net gain on acquisition of subsidiaries (Note 11(a))	**598.1**	124.6
Gain on disposal of a subsidiary (Note 10)	**66.3**	-
Provision for investment in a jointly controlled entity	**(20.0)**	-
Project research and development costs	**(120.1)**	-
Provision for other receivables	**(100.3)**	-
Ineffective portion on cash flow hedges	**0.8**	12.6
Others	**1.9**	2.6
	1,006.6	589.7

5. Taxation

The amount of taxation charged to the consolidated income statement represents:

	2012 HK$ Million	2011 HK$ Million
Current taxation - provision for Hong Kong profits tax at the rate of 16.5% (2011: 16.5%) on the estimated assessable profits for the year	**642.5**	606.3
Current taxation - provision for other countries income tax at the prevailing rates on the estimated assessable profits for the year	**536.0**	522.3
Current taxation – over provision in prior years	**(8.4)**	(14.5)
Deferred taxation - origination and reversal of temporary differences	**193.0**	103.6
Withholding tax	**121.5**	126.3
	1,484.6	1,344.0

6. Dividends

	2012 HK$ Million	2011 HK$ Million
Interim, paid of HK12 cents per ordinary share (2011: HK12 cents per ordinary share)	**1,042.9**	948.1
Final, proposed of HK23 cents per ordinary share (2011: HK23 cents per ordinary share)	**1,998.8**	1,817.1
Special, paid of HK17.5 cents per ordinary share for 2011	**-**	1,382.6
	3,041.7	4,147.8

7. Earnings per share

The calculation of basic earnings per share is based on the profit attributable to shareholders of HK$7,727.9 million (2011: HK$6,149.6 million) and the weighted average of 8,690,609,549 shares (2011: 8,690,609,549 shares *) in issue during the year.

As the impact of diluted potential ordinary shares of a subsidiary is insignificant during the years 2012 and 2011, the diluted earnings per share for the years ended 31st December 2012 and 2011 are approximately the same as the basic earnings per share.

** Adjusted for the bonus issue in 2012*

8. Trade and other receivables

	2012 **HK$ Million**	2011 HK$ Million
Trade receivables (Note)	**3,065.1**	2,851.2
Payments in advance	**1,496.9**	1,482.4
Other receivables	**1,160.2**	1,273.1
	5,722.2	5,606.7

Note:

The Group has established credit policies for different types of customers. The credit period offered for trade receivables, which are subject to periodic review by management, ranges from 30 to 60 days except for gas receivables of the Company which are due by 8 working days after billing date. As at 31st December 2012, the aging analysis of the trade receivables, net of impairment provision, is as follows:

	2012 **HK$ Million**	2011 HK$ Million
0 – 30 days	**2, 616.4**	2,599.5
31 – 60 days	**106.7**	63.0
61 – 90 days	**75.7**	27.6
Over 90 days	**266.3**	161.1
	3,065.1	2,851.2

9. Trade and other payables

	2012 **HK$ Million**	2011 HK$ Million
Trade payables (Note a)	**2,345.2**	1,736.7
Other payables and accruals (Note b)	**6,984.2**	6,253.8
	9,329.4	7,990.5

Notes:

(a) As at 31st December 2012, the aging analysis of the trade payables is as follows:

	2012 **HK$ Million**	2011 HK$ Million
0 – 30 days	**1,144.4**	863.5
31 – 60 days	**222.4**	218.7
61 – 90 days	**81.3**	146.8
Over 90 days	**897.1**	507.7
	2,345.2	1,736.7

(b) The balance includes an amount of approximately HK$45.7 million (2011: HK$45.7 million) payable to Henderson Land Development Company Limited in relation to its entitlement to 27 per cent of the net sales proceeds generated from the sales of residential units of Grand Waterfront.

10. Disposal of a subsidiary

On 6th January 2012, the Group disposed its 60 per cent equity interest in Shunde Hong Kong and China Gas Company Limited ("Shunde") to an associated company of the Group for cash consideration of HK$201.4 million. Since the Group lost control on Shunde, relevant assets and liabilities are deconsolidated from the Group's financial statements.

The assets and liabilities disposed of are as follows:

	HK$ Million
Property, plant and equipment	537.8
Leasehold land	29.9
Available-for-sale investment	24.7
Inventories	4.0
Trade and other receivables	59.5
Bank balances and cash	9.0
Trade and other payables	(184.0)
Bank borrowings	(271.2)
Provision for taxation	(0.6)
Deferred taxation	(6.9)
Net assets	202.2
Non-controlling interests	(80.9)
	121.3
Gain on revaluation of effective retained interest	19.3
Recognition of exchange reserve upon disposal	(17.8)
Transaction related costs	12.3
Gain on disposal (Note 4)	66.3
Consideration	201.4

Analysis of net cash inflow of cash and cash equivalents in respect of disposal of a subsidiary:

	HK$ Million
Cash consideration, net received	189.1
Cash and cash equivalents disposed	(9.0)
	180.1

11. Business combinations

(a) Business combinations under the Group's New Energy segment

In June 2012, the Group acquired 100 per cent of Pan Orient Energy (Thailand) Ltd. and its subsidiary, Pan Orient Resources (Thailand) Ltd. ("Pan Orient Companies"), the companies were incorporated in Bermuda and Thailand respectively, for cash consideration of approximately HK$1,403.8 million. The Pan Orient Companies are engaged in the exploration, production and sale of crude oil, which own 60 per cent participating interest of several petroleum concession rights of 20-year production period from July 2012 in Wichianburi of Thailand.

The inclusion of the acquired businesses does not have a significant impact of the Group's turnover and profit for the year.

Details of fair value of net identifiable assets acquired and goodwill are as follows:

	HK$ Million
Purchase consideration	**1,403.8**
Fair value of net identifiable assets acquired (see below)	**(2,029.0)**
Negative goodwill	**(625.2)**
Less: acquisition related cost	**27.1**
Net gain arising from the acquisition of Pan Orient Companies (Note 4)	**(598.1)**

The fair value of identifiable assets and liabilities arising from the acquisition are as follows:

	Fair value at acquisition date HK$ Million
Property, plant and equipment and oil properties	**3,696.9**
Inventories	**58.1**
Trade and other receivables	**28.4**
Bank balances and cash	**59.2**
Time deposits over three months	**5.9**
Trade and other payables	**(21.4)**
Provision for taxation	**(27.8)**
Asset retirement obligations	**(69.9)**
Deferred taxation	**(1,700.4)**
Net identifiable assets acquired	**2,029.0**

11. Business combinations *(Continued)*

(a) Business combinations under the Group's New Energy segment *(Continued)*

	HK$ Million
Purchase consideration for acquisition of subsidiaries, settled in cash	**1,367.3**
Cash and cash equivalents in subsidiaries acquired	**(59.2)**
Cash outflow on acquisition of subsidiaries	**1,308.1**

As at 31st December 2012, purchase consideration of HK$36.5 million for Pan Orient Companies remained unpaid and included in trade and other payables.

The negative goodwill of HK$625.2 million arising from the acquisition of Pan Orient Companies is mainly due to the recognition of fair value of oil reserve.

The reserve levels and its valuation have been assessed and confirmed by international professional petroleum technical expert consultants. The valuation is based on 10 million barrels of 1P oil reserve and 30 million barrels of 2P oil reserve, referenced to probabilistic approach in recommended evaluation practices issued by the Society of Petroleum Evaluation Engineers. Other key assumptions used for the valuation of the oil properties are as follows:

- Price of crude oil sold for 2012 - 2017 per barrel	**US$84-93**
- Discount rate	**15%**

(b) Business combinations under Towngas China

In June 2012, a subsidiary of Towngas China acquired a business in Benxi ("Benxi business") for cash consideration of approximately HK$73.6 million.

In the second half of 2012, Towngas China acquired the following subsidiaries:

Name	**Percentage of registered capital acquired**	**Purchase consideration HK$ Million**
Yifeng Hong Kong and China Gas Co., Ltd. ("Yifeng")	**100**	**33.6**
Changting Hong Kong and China Gas Co., Ltd. ("Changting")	**90**	**64.2**
Xinqiu Hong Kong and China Gas Co., Ltd. ("Xinqiu")	**100**	**162.9**
Fuxin Dali Gas Company Limited ("Dali")	**100**	**46.7**
Qinhuangdao Hong Kong and China Gas Co., Ltd. ("Qinhuangdao")	**51**	**61.5**
Pingyin Hong Kong and China Gas Co., Ltd. ("Pingyin")	**100**	**119.4**

The inclusion of the acquired businesses does not have a significant impact of the Group's turnover and profit for the year.

11. Business combinations *(Continued)*

(b) Business combinations under Towngas China *(Continued)*

Details of fair value of net identifiable assets acquired and goodwill are as follows:

	Benxi business HK$ Million	Yifeng HK$ Million	Chang-ting HK$ Million	Xinqiu HK$ Million	Dali HK$ Million	Qin-huang-dao HK$ Million	Pingyin HK$ Million	Total HK$ Million
Purchase Consideration	**73.6**	**33.6**	**64.2**	**162.9**	**46.7**	**61.5**	**119.4**	**561.9**
Fair value of net identifiable assets acquired (see below)	**(48.9)**	**(33.6)**	**(6.0)**	**(22.7)**	**(23.5)**	**(2.3)**	**(21.9)**	**(158.9)**
Goodwill	**24.7**	**-**	**58.2**	**140.2**	**23.2**	**59.2**	**97.5**	**403.0**

The goodwill is attributable to the future profitability of the acquired business of Benxi business, Yifeng, Changting, Xinqiu, Dali, Qinhuangdao and Pingyin and the synergies expected to arise after the Group's acquisitions.

The identifiable assets and liabilities arising from the acquisition are as follows:

	Fair value at acquisition date HK$ Million
Property, plant and equipment	**136.4**
Leasehold land	**12.4**
Inventories	**3.5**
Trade and other receivables	**26.0**
Cash and bank balances	**10.6**
Trade and other payables	**(24.7)**
Deferred taxation	**(2.5)**
Net Assets	**161.7**
Non-controlling interests	**(2.8)**
Net identifiable assets acquired	**158.9**

11. Business combinations *(Continued)*

(b) Business combinations under Towngas China *(Continued)*

	HK$ Million
Purchase consideration for acquisition of subsidiaries, settled in cash	**188.3**
Cash and cash equivalents in subsidiaries acquired	**(10.6)**
Cash outflow on acquisition of subsidiaries	**177.7**

As at 31st December 2012, purchase consideration of HK$49.1 million, HK$7.9 million, HK$80.4 million, HK$28.3 million and HK$119.4 million for Benxi business, Yifeng, Xinqiu, Dali and Pingyin respectively remained unpaid and included in trade and other payables.

In addition, purchase consideration of HK$57.8 million and HK$30.7 million for Changting and Qinhuangdao respectively remained unpaid and included in loan and other payables to non-controlling shareholders.

DIVIDEND AND BONUS SHARE ISSUE

The Board now recommends a final dividend of HK23 cents per share payable to shareholders of the Company whose names are on the register of members of the Company on 14th June 2013. The Board also recommends the issue of bonus shares on the basis of one bonus share for every ten existing shares held by shareholders registered as such on the register of members on 14th June 2013. The necessary resolutions will be proposed at the forthcoming Annual General Meeting on 5th June 2013, and if passed, dividend warrants and share certificates will be posted on 24th June 2013.

CLOSING OF REGISTER OF MEMBERS

In order to determine entitlement of shareholders to the right to attend and vote at the forthcoming 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.

In order to determine 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, for registration no later than 4:30 p.m. on Monday, 10th June 2013.

ANNUAL GENERAL MEETING

The Annual General Meeting of the Company will be held on Wednesday, 5th June 2013. For details of the Annual General Meeting, please refer to the Notice of Annual General Meeting which is expected to be published on or about Tuesday, 23rd April 2013.

FINANCIAL RESOURCES REVIEW

Liquidity and capital resources

As at 31st December 2012, the Group had a net current deposits position of HK$5,957 million (31st December 2011: HK$7,515 million) and long-term borrowings of HK$25,230 million (31st December 2011: HK$21,628 million). After taking into account a portfolio of financial assets at fair value through profit or loss of HK$347 million (31st December 2011: HK$313 million), net current funds as at 31st December 2012 amounted to HK$6,304 million (31st December 2011: HK$7,828 million). In addition, banking facilities available for use amounted to HK$7,139 million (31st December 2011: HK$6,962 million).

The operating and capital expenditures of the Group are funded by cash flow from operations, internal liquidity, banking facilities and debt financing. The Group has adequate and stable sources of funds and unutilised banking facilities to meet its future capital expenditures and working capital requirements.

Borrowing structure

In May 2009, the Group established a US$1 billion Medium Term Note Programme (the "Programme") which gives the Group the flexibility to issue notes at favorable terms and timing under the Programme. In May 2012, the Programme was updated with the size increased to US$2 billion. After the update of the Programme, other than Hong Kong dollar and Australian dollar notes, the Group issued two JPY Note of JPY5 billion each at a fixed coupon rate of 1.36 per cent and 1.19 per cent per annum respectively and both in 10-year maturity term. Up to 31st December 2012, the Group issued notes in the total amount of HK$10,210 million (31st December 2011: HK$5,855 million) with maturity terms of 5 years, 10 years, 12 years, 15 years, 30 years and 40 years in Renminbi, Australian dollar, Japanese yen and Hong Kong dollar under the Programme (the "MTNs"). The carrying value of the issued MTNs as at 31st December 2012 was HK$10,046 million (31st December 2011: HK$5,807 million).

As at 31st December 2012, the outstanding principal amount of the 10-year US dollar Guaranteed Notes (the "Guaranteed Notes") issued in August 2008 at a fixed coupon rate of 6.25 per cent per annum was US$995 million (31st December 2011: US$995 million) and the carrying value was HK$7,651 million (31st December 2011: HK$7,660 million).

As at 31st December 2012, the Group's borrowings amounted to HK$31,721 million (31st December 2011: HK$25,849 million). The increase was mainly due to the new issue of MTNs of total equivalent of HK$4,356 million, and net drawn down of bank loans for the rest. The Notes mentioned above together with the bank and other loans of HK$1,331 million had fixed interest rate and were unsecured. While the bank and other loans of HK$5 million of a joint venture, which was fully repaid in January 2013, was secured by a pledge of certain assets of the joint venture, the remaining bank and other loans were unsecured and had a floating interest rate, of which HK$6,469 million (31st December 2011: HK$7,317 million) were long-term bank loans while HK$6,219 million (31st December 2011: HK$4,188 million) had maturities within one year on revolving credit or term loan facilities. As at 31st December 2012, the maturity profile of the Group's borrowings was 20 per cent within 1 year, 4 per cent within 1 to 2 years, 24 per cent within 2 to 5 years and 52 per cent over 5 years (31st December 2011: 16 per cent within 1 year, 7 per cent within 1 to 2 years, 29 per cent within 2 to 5 years and 48 per cent over 5 years).

The US dollar Guaranteed Notes, the RMB Note, AUD Note and JPY Note issued, and a bank loan of RMB500 million raised in Hong Kong are hedged to Hong Kong dollars by currency swaps and the Group's borrowings are primarily denominated in Hong Kong dollars and Renminbi; thus, the Group has no significant exposure to foreign exchange risk. The gearing ratio [net borrowing / (shareholders' funds + net borrowing)] for the Group as at 31st December 2012 remained healthy at 30 per cent (31st December 2011: 25 per cent).

Contingent liabilities

As at 31st December 2012, the Group did not provide any guarantee in respect of bank borrowing facilities made available to any associated companies, jointly controlled entities or third parties (31st December 2011: Nil).

Currency profile

The Group's operations and activities are predominantly based in Hong Kong and mainland China. As such, its cash, cash equivalents or borrowings are mainly denominated in Hong Kong dollars, Renminbi or United States dollars, whereas borrowings for the Group's subsidiaries and joint ventures in mainland China are predominantly denominated in the local currency, Renminbi, in order to provide natural hedging for the investment there.

Group's investments in securities

Under the guidance of the Group's Treasury Committee, investments have been made in equity and debt securities. As at 31st December 2012, the investments in securities amounted to HK$3,426 million (31st December 2011: HK$3,424 million). The performance of the Group's investments in securities was satisfactory.

CORPORATE GOVERNANCE

The Company complied with the code provisions as set out in the Code on Corporate Governance Practices (formerly set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited) during the period from 1st January 2012 to 31st March 2012 and the Corporate Governance Code (the new edition of the Code on Corporate Governance Practices, which is applicable to financial reports covering a period after 1st April 2012) during the period from 1st April 2012 to 31st December 2012.

The audit committee has reviewed the Group's consolidated accounts for the year ended 31st December 2012, including the accounting principles and practices adopted by the Group, in conjunction with PricewaterhouseCoopers, the Group's external auditor and internal auditor.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the year.

By Order of the Board
JOHN H.M. HO
Chief Financial Officer and Company Secretary

Hong Kong, 18th March 2013

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

Non-executive Directors:	Dr. the Hon. Lee Shau Kee (Chairman), Mr. Colin Lam Ko Yin, Mr. Lee Ka Kit and Mr. Lee Ka Shing
Independent Non-executive Directors:	Mr. Leung Hay Man, Dr. the Hon. David Li Kwok Po and Professor Poon Chung Kwong
Executive Directors:	Mr. Alfred Chan Wing Kin and Mr. Peter Wong Wai Yee

Towngas
The Hong Kong and China Gas Company Limited