

Hong Kong Exchange and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

This announcement appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for the securities of TCC.



DISCLOSEABLE AND CONNECTED TRANSACTION
ACQUISITION OF THE ENTIRE ISSUED SHARE CAPITAL OF THE TARGET
COMPANY
ASSIGNMENT OF THE SHAREHOLDER LOANS
AND
POTENTIAL CONTINUING CONNECTED TRANSACTIONS



The Hong Kong and China Gas Company Limited
(incorporated in Hong Kong with limited liability)
(Stock code: 3)

APPLICATION FOR WHITEWASH WAIVER

Morgan Stanley
Financial Adviser to HKCG

Reference is made to the joint announcement of HKCG and TCC issued on the morning of 17 March 2010. Capitalised terms used herein shall, unless otherwise defined, have the same meaning as adopted in the Announcement dated 17 March 2010.

Assuming that there is no change in the number of Shares being held by the public as at the date of this announcement, TCC will have insufficient public float upon Completion. For the purpose of facilitating TCC in obtaining from the Stock Exchange the listing approval for the Consideration Shares (as one of the conditions precedents for completion of the Agreement), HKCG and TCC will use best endeavours to explore various means (including considering the possibility of TCC issuing additional primary Shares to public investors or the disposal of Shares by HKCG or its wholly-owned subsidiary) to restore the public float to the required 25% level on the date of Completion.

Completion of the Agreement is subject to the fulfillment of the Conditions and the Acquisition and the Consideration Share Issue may or may not proceed. Accordingly, the issue of this announcement does not in any way imply that the Acquisition and the Consideration Share Issue will be completed. Shareholders of TCC and HKCG and investors should exercise caution when dealing in the shares of TCC and HKCG.

By Order of the Board
Towngas China Company Limited
John HO Hon Ming
*Executive Director and
Company Secretary*

By Order of the Board
**The Hong Kong and China Gas Company
Limited**
Alfred CHAN Wing Kin
Managing Director

Hong Kong, 17 March 2010

At the date of this announcement, the boards of directors of TCC and HKCG, respectively comprise:

Towngas China Company Limited

Executive Directors:

Mr. Alfred CHAN Wing Kin (Chairman)
Mr. Peter WONG Wai Yee (Chief Executive Officer)
Mr. James KWAN Yuk Choi
Mr. John HO Hon Ming
Ms. Margaret LAW Wai Fun
Mr. OU Yaping
Mr. Francis TANG Yui Man
(alternate director to Mr. OU Yaping)

Independent Non-executive Directors:

Dr. CHOW Yei Ching
Dr. Moses CHENG Mo Chi
Mr. Brian David LI Man Bun

The Hong Kong and China Gas Company Limited

Non-executive Directors:

Dr. The Hon. LEE Shau Kee (Chairman)
Mr. Colin LAM Ko Yin
Mr. LEE Ka Kit
Mr. LEE Ka Shing

Independent Non-executive Directors:

Mr. LEUNG Hay Man
Dr. The Hon. David LI Kwok Po
Professor POON Chung Kwong

Executive Directors:

Mr. Alfred CHAN Wing Kin (Managing Director)
Mr. James KWAN Yuk Choi

The directors of TCC jointly and severally accept full responsibility for the accuracy of the information (other than that in respect of HKCG, HK&CG(China) and persons acting in concert with it and the Target Group and opinions expressed by HKCG or its directors) in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement (other than opinions expressed by HKCG or its directors) have been arrived at after due and careful consideration and there are no other facts (other than those relating to HK&CG(China), HKCG and the Target Group) not contained in this announcement the omission of which would make any statements in this announcement misleading.

The directors of HKCG jointly and severally accept full responsibility for the accuracy of the information (other than that in respect of TCC and opinions expressed by TCC or its directors) in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement (other than opinions expressed by TCC or its directors) have been arrived at after due and careful consideration and there are no other facts (other than those relating to TCC) not contained in this announcement the omission of which would make any statements in this announcement misleading.