

**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.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this document, 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 document.



**香港中華煤氣有限公司**  
**THE HONG KONG AND CHINA GAS COMPANY LIMITED**

*(Incorporated in Hong Kong under the Companies Ordinance with limited liability)*

**(Stock Code: 3)**

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

---

The notice convening the Annual General Meeting of The Hong Kong and China Gas Company Limited to be held at Meeting Room N101 (Expo Drive Entrance), Hong Kong Convention and Exhibition Centre, Wanchai, Hong Kong on Monday, 1st June 2015 at 12:00 noon at which the above proposals will be considered is set out on pages 11 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). In calculating the period mentioned for depositing the form of proxy, no account is to be taken of any part of a day that is a public holiday.

---

## CONTENTS

---

	<i>Page</i>
<b>Expected Timetable</b> . . . . .	ii
<b>Definitions</b> . . . . .	iii
<b>Letter from the Chairman</b>	
1. Introduction . . . . .	1
2. Re-election of Retiring Directors . . . . .	2
3. Issue of Bonus Shares . . . . .	2
4. Conditions of the Bonus Share Issue . . . . .	2
5. Closure of Register of Members . . . . .	3
6. Trading Arrangements . . . . .	3
7. Renewal of the General Mandates to Issue Shares and Buy Back Shares . . . . .	4
8. Annual General Meeting . . . . .	4
9. Recommendations . . . . .	5
<b>Appendix I – Biographies of Retiring Directors Who Stand for Re-election</b> . . . . .	6
<b>Appendix II – Explanatory Statement</b> . . . . .	9
<b>Notice of Annual General Meeting</b> . . . . .	11

---

## EXPECTED TIMETABLE

---

2015

Latest time for lodging transfers for entitlement to the right to attend and vote at the Annual General Meeting . . . . .	4:30 p.m. on Wednesday, 27th May
Book close period (both days inclusive) . . . . .	From Thursday, 28th May to Monday, 1st June
Proxy forms for the Annual General Meeting to be returned by . . . . .	12:00 noon on Friday, 29th May
Record date for determination of entitlement to the right to attend and vote at the Annual General Meeting . . . . .	Monday, 1st June
Annual General Meeting . . . . .	12:00 noon on Monday, 1st June
Publication of Poll Results . . . . .	Monday, 1st June
Register re-opens . . . . .	Tuesday, 2nd June
Latest date of dealing in Shares cum entitlements to the final dividend and the Bonus Share Issue . . . . .	Tuesday, 2nd June
First date of dealing in Shares ex entitlements to the final dividend and the Bonus Share Issue . . . . .	Wednesday, 3rd June
Latest time for lodging transfers for entitlements to the final dividend and the Bonus Share Issue . . . . .	4:30 p.m. on Thursday, 4th June
Book close period (both days inclusive) . . . . .	From Friday, 5th June to Tuesday, 9th June
Record Date for determination of entitlements to the final dividend and the Bonus Share Issue . . . . .	Tuesday, 9th June
Register re-opens . . . . .	Wednesday, 10th June
Despatch of dividend cheques and certificates for Bonus Shares . . . . .	Wednesday, 17th June
First date of dealing in Bonus Shares . . . . .	9:00 a.m. on Thursday, 18th June

---

## DEFINITIONS

---

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

“Annual General Meeting”	the annual general meeting of the Company to be held on Monday, 1st June 2015 at 12:00 noon, notice of which is set out on pages 11 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
“Bonus Share Issue”	issue of Bonus Shares
“Bonus Shares”	the Shares proposed to be issued by way of bonus on the terms set out in this document
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Company”	The Hong Kong and China Gas Company Limited (香港中華煤氣有限公司), a company incorporated in Hong Kong with limited liability, whose shares are listed on the Main Board of the Stock Exchange
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	14th April 2015, 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. 622 of the Laws of Hong Kong)
“Record Date”	Tuesday, 9th June 2015, being the date for determination of entitlements to the final dividend and Bonus Shares

---

## DEFINITIONS

---

“Register”	the register of members of the Company
“Securities and Futures Ordinance”	Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) and any amendments thereto
“Shareholder(s)”	Holder(s) of Shares
“Shares”	shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

---

## LETTER FROM THE CHAIRMAN

---

# 香港中華煤氣有限公司 THE HONG KONG AND CHINA GAS COMPANY LIMITED

(Incorporated in Hong Kong under the Companies Ordinance with limited liability)

(Stock Code: 3)

*Directors:*

Dr. the Hon. Lee Shau Kee, *Chairman* \*

Mr. Leung Hay Man \*\*

Dr. Colin Lam Ko Yin \*

Dr. the Hon. David Li Kwok Po \*\*

Dr. Lee Ka Kit \*

Mr. Alfred Chan Wing Kin

Mr. Lee Ka Shing \*

Professor Poon Chung Kwong \*\*

Mr. Peter Wong Wai Yee

*Registered Office:*

23rd Floor

363 Java Road

North Point

Hong Kong

\* *non-executive director*

\*\* *independent non-executive director*

23rd April 2015

*To the Shareholders*

Dear Sir or Madam,

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

#### **1. INTRODUCTION**

In the announcement dated 18th March 2015 of the audited results of the Company for the financial year ended 31st December 2014, the Directors proposed the Bonus Share Issue, details of which, together with a proposal to renew general mandates granted to the Directors to issue Shares and buy back Shares are set out below. In addition, the purpose of this document is to give you notice of the Annual General Meeting to be convened for the purpose of considering and, if thought fit, passing resolutions to approve, *inter alia*, the re-election of retiring Directors, the Bonus Share Issue and the renewal of the general mandates to issue Shares and buy back Shares.

---

## LETTER FROM THE CHAIRMAN

---

### 2. RE-ELECTION OF RETIRING DIRECTORS

According to the Articles of Association, one-third of all the Directors are subject to retirement by rotation at every annual general meeting. Pursuant to Article 97 of the Articles of Association, Dr. the Hon. Lee Shau Kee, Professor Poon Chung Kwong and Mr. Alfred Chan Wing Kin, are due to retire by rotation at the forthcoming Annual General Meeting and, being eligible, offer themselves for reappointment.

The Nomination Committee has also recommended to the Board that the above-mentioned Directors are eligible for reappointment. Details and brief biography of each of Dr. the Hon. Lee Shau Kee, Professor Poon Chung Kwong and Mr. Alfred Chan Wing Kin are set out in Appendix I to this document.

Professor Poon Chung Kwong has given a confirmation in writing of his independence to the Company pursuant to Rule 3.13 of the Listing Rules. The Board, through the assessment and recommendation by the Nomination Committee, has considered him to be independent. The Board is of the view that Professor Poon has demonstrated his ability to provide an independent view to the Company's affair and is able to continue to fulfill his role as required and thus recommends him for re-election at the Annual General Meeting.

### 3. ISSUE OF BONUS SHARES

The Directors recommend a bonus issue of Shares, be allotted and issued without consideration, on the basis of one Bonus Share for every ten existing Shares held by Shareholders whose names are on the Register on the Record Date. The Bonus Shares will rank *pari passu* in all respects with the Shares from their date of issue except that they will not rank for any dividend declared or recommended by the Company in respect of the financial year ended 31st December 2014. Fractional entitlements to the Bonus Shares will not be allotted to Shareholders and will be aggregated and sold for the benefit of the Company. As at the Latest Practicable Date, the number of Shares in issue was 10,512,089,553 Shares. On the basis of such figure, and assuming there is no issue or buy-back of Shares prior to the Record Date, the number of Bonus Shares to be issued is 1,051,208,955 Shares.

### 4. CONDITIONS OF THE BONUS SHARE ISSUE

The Bonus Share Issue is conditional upon:

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

---

## LETTER FROM THE CHAIRMAN

---

### 5. CLOSURE OF REGISTER OF MEMBERS

In order to determine entitlement of Shareholders to the right to attend and vote at the Annual General Meeting (or any adjournment thereof), the Register will be closed from Thursday, 28th May 2015 to Monday, 1st June 2015, 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 Wednesday, 27th May 2015.

In order to determine Shareholders who qualify for the proposed Bonus Share Issue and final dividend, the Register will be closed from Friday, 5th June 2015 to Tuesday, 9th June 2015, 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 Thursday, 4th June 2015.

### 6. TRADING ARRANGEMENTS

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

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

The Bonus Shares will be traded in board lots of 1,000 Shares each. It is expected that certificates for the Bonus Shares will be posted to Shareholders on Wednesday, 17th June 2015 at their own risk and the first date of dealing in the Bonus Shares will commence at 9:00 a.m. on Thursday, 18th June 2015.

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

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



---

## LETTER FROM THE CHAIRMAN

---

### **7. RENEWAL OF THE GENERAL MANDATES TO ISSUE SHARES AND BUY BACK SHARES**

At the annual general meeting of the Company held on 4th June 2014, ordinary resolutions were passed to renew the general mandates to the Board (i) to buy back Shares, the total number of Shares of which did not exceed 10 per cent of the total number of Shares in issue as at 4th June 2014; and (ii) to allot, issue and otherwise deal with additional Shares not exceeding, where the Shares are to be allotted wholly for cash, 10 per cent and in any event 20 per cent of the total number of Shares in issue on 4th June 2014, together with the number of any Shares bought back (up to a maximum of 10 per cent of the total number of Shares in issue as at 4th June 2014) by the Company in accordance with (i) above, if any.

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

As at the Latest Practicable Date, the number of Shares in issue was 10,512,089,553 Shares. On the basis of such figure and assuming there is no issue or buy-back 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 2,102,417,910 Shares representing 20 per cent of the issued shares 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 buy-back mandate is set out in Appendix II to this document. This contains all the information reasonably necessary to enable Shareholders to make an informed decision on whether to vote for or against the resolution.

### **8. ANNUAL GENERAL MEETING**

The notice convening the Annual General Meeting to be held at Meeting Room N101 (Expo Drive Entrance), Hong Kong Convention and Exhibition Centre, Wanchai, Hong Kong on Monday, 1st June 2015 at 12:00 noon is set out on pages 11 to 14 of this document. At the Annual General Meeting, ordinary resolutions numbered 3, 5(I), 5(II), 5(III) and 5(IV) will be proposed to re-elect the retiring Directors, to approve the Bonus Shares Issue, the renewal of the general mandate for the buy-back 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 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, as soon as possible and in any event no later than 48 hours before the time appointed for holding the meeting. In calculating the period mentioned for depositing the form of proxy, no account is to be taken of any part of a day that is a public holiday. 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.

---

## LETTER FROM THE CHAIRMAN

---

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.

An announcement of the results of the poll will be made by the Company following the conclusion of the Annual General Meeting in accordance with Rule 13.39(5) of the Listing Rules.

### **9. RECOMMENDATIONS**

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

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

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

Aged 86. Dr. Lee was appointed to the Board in 1978 and subsequently appointed Chairman in 1983. He has been engaged in property development in Hong Kong for more than 55 years. Dr. Lee is the Chairman and Managing Director of Henderson Land Development Company Limited (“Henderson Land Development”) and Henderson Investment Limited, a Vice Chairman of Sun Hung Kai Properties Limited as well as a Non-executive Director of Hong Kong Ferry (Holdings) Company Limited and Miramar Hotel and Investment Company, Limited. He was previously an Independent Non-executive Director of The Bank of East Asia, Limited. All the above companies are listed public companies. Save as disclosed, Dr. Lee did not hold any other directorships in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas. Dr. Lee was awarded the Grand Bauhinia Medal by the Government of the Hong Kong Special Administrative Region in 2007. Dr. Lee is the father of Dr. Lee Ka Kit and Mr. Lee Ka Shing, Non-executive Directors of the Company.

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

As at the Latest Practicable Date, Dr. Lee has corporate interest of 4,364,016,823 Shares (representing 41.51 per cent of the issued shares of the Company) within the meaning of Part XV of the Securities and Futures Ordinance. He also has corporate interest of 1,642,489,654 shares in Towngas China Company Limited (representing approximately 62.38 per cent of the issued shares of Towngas China Company Limited), 9,500 shares in Lane Success Development Limited (representing 95 per cent of the issued shares of Lane Success Development Limited) and 2 shares in Yieldway International Limited (representing 100 per cent of the issued shares of Yieldway International Limited), all of which are associated corporations of the Company. Save as disclosed herein, Dr. Lee has no relationship with any Directors, senior management or substantial or controlling shareholders of the Company.

As at the Latest Practicable Date, Dr. Lee has not entered into any service contract, which falls within the meanings of Rule 13.68 of the Listing Rules requiring the prior approval of Shareholders at general meetings, with the Company. The term of office for Dr. Lee will expire on 31st December 2017 and he is subject to retirement by rotation and reappointment in accordance with the Articles of Association. The director’s fee, additional fees as the Chairman of the Board and members of the Board committees payable to him were and shall be reviewed by the remuneration committee of the Company on an annual basis. His director’s fee, additional fees as the Chairman of the Board and members of the Board committees as well as other emoluments are determined with reference to his duties and responsibilities. For the financial year ended 31st December 2014, Dr. Lee received a fixed remuneration of HK\$600,000 as director’s fee, additional fees as the Chairman of the Board and members of the Board committees as well as other emoluments of approximately HK\$201,000 from the Company.

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

**Professor POON Chung Kwong** G.B.S., J.P., Ph.D., D.Sc., *Independent Non-executive Director*

Aged 75. Professor Poon was appointed to the Board in 2009. Professor Poon is currently the Chairman of Virya Foundation Limited (a registered non-profit charitable organisation). Professor Poon is an Emeritus Professor and the President Emeritus of The Hong Kong Polytechnic University. He had devoted 40 years of his life to advancing university education in Hong Kong before he retired in January 2009 from his 18-year presidency at The Hong Kong Polytechnic University. Professor Poon is a Non-executive Director of Lee & Man Paper Manufacturing Limited and an Independent Non-executive Director of Henderson Land Development Company Limited (“Henderson Land Development”), Chevalier International Holdings Limited, Hopewell Highway Infrastructure Limited and K. Wah International Holdings Limited, all of which are listed public companies. Save as disclosed, Professor Poon did not hold any other directorships in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas. Henderson Land Development has discloseable interests in the Company under the provisions of the Securities and Futures Ordinance.

Professor Poon was appointed a non-official Justice of the Peace in 1989 and received the OBE award in 1991, the Gold Bauhinia Star award in 2002 and also the “Leader of the Year Awards 2008 (Education)”. In addition, he was appointed as a member of the Legislative Council (1985 – 1991) and a member of the National Committee of the Chinese People’s Political Consultative Conference (1998 – 2013). Professor Poon obtained a Bachelor of Science (Honours) Degree from the University of Hong Kong, a Doctor of Philosophy Degree and a Higher Doctor of Science Degree from the University of London. He was a Postdoctoral Fellow at the California Institute of Technology and University of Southern California. He also held the Honorary Degree of Doctor of Humanities from The Hong Kong Polytechnic University in 2009.

As at the Latest Practicable Date, Professor Poon has personal interest of 136,906 Shares jointly held with his spouse (representing less than 0.01 per cent of the issued shares of the Company) within the meaning of Part XV of the Securities and Futures Ordinance. Save as disclosed herein, Professor Poon has no relationship with any Directors, senior management or substantial or controlling shareholders of the Company.

As at the Latest Practicable Date, Professor Poon has not entered into any service contract, which falls within the meanings of Rule 13.68 of the Listing Rules requiring the prior approval of Shareholders at general meetings, with the Company. The term of office for Professor Poon will expire on 31st December 2017 and he is subject to retirement by rotation and reappointment in accordance with the Articles of Association. The director’s fee and additional fees as members of the Board committees payable to him were and shall be reviewed by the remuneration committee of the Company on an annual basis. His director’s fee, additional fees as members of the Board committees and other emoluments are determined with reference to his duties and responsibilities. For the financial year ended 31st December 2014, Professor Poon received a fixed remuneration of HK\$650,000 as director’s fee, additional fees as members of the Board committees and other emoluments of approximately HK\$2,000 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 Professor Poon’s re-election that need to be brought to the attention of the Shareholders.

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

Aged 64. Mr. Chan joined the Company as the General Manager – Marketing in 1992 and was appointed as the General Manager – Marketing & Customer Service in 1995. He was appointed to the Board in January 1997 and as the Managing Director in May 1997. Mr. Chan is the Chairman of Towngas China Company Limited (“Towngas China”) and a director of Shenzhen Gas Corporation Ltd., both of which are listed public companies. Save as disclosed, Mr. Chan did not hold any other directorships in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas. He is also an Independent Non-executive Director of Standard Chartered Bank (Hong Kong) Limited.

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

As at the Latest Practicable Date, Mr. Chan has personal interest of 200,371 Shares jointly held with his spouse (representing less than 0.01 per cent of the issued shares of the Company) within the meaning of Part XV of the Securities and Futures Ordinance. He also has interest in 3,618,000 share options granted by Towngas China, an associated corporation of the Company, with a right to subscribe for 3,618,000 shares of Towngas China (representing approximately 0.14 per cent of the issued shares of Towngas China). Save as disclosed herein, Mr. Chan has no relationship with any Directors, senior management or substantial or controlling shareholders of the Company.

As at the Latest Practicable Date, Mr. Chan has not entered into any service contract, which falls within the meanings of Rule 13.68 of the Listing Rules requiring the prior approval of Shareholders at general meetings, with the Company but he is subject to the retirement by rotation and reappointment in accordance with the Articles of Association. The director’s fee payable to him was and shall be reviewed by the remuneration committee of the Company (the “Remuneration Committee”) on an annual basis. His other remunerations and discretionary bonus (if any) shall be determined by the Remuneration Committee from time to time with reference to his duties and responsibilities and the Group’s performance and profitability. For the financial year ended 31st December 2014, Mr. Chan received a fixed remuneration of HK\$200,000 as director’s fee and other emoluments of approximately HK\$37,600,000 from the Group, including the director’s fee payable by Towngas China to him of HK\$200,000, which was determined by the board of directors of Towngas China and was approved by the shareholders of Towngas China at its annual general meeting in 2014.

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 buy-back of Shares and also constitutes the memorandum required under section 239(2) of the Ordinance. References in this statement to “Share(s)” means share(s) of all classes in the capital of the Company and includes shares and securities issued by the Company which carry a right to subscribe or buy back shares in the capital of the Company.

- (i) The resolution set out as Resolution 5(II) in the notice convening the Annual General Meeting which will be proposed as an ordinary resolution at that meeting, relates to the renewal of a general mandate to Directors to buy back on the Stock Exchange fully-paid up Shares representing up to 10 per cent of the Shares in issue as at the date of such resolution. As at the Latest Practicable Date, the number of Shares in issue was 10,512,089,553 Shares. On the basis of such figure and assuming there is no issue or buy-back of Shares prior to the date of the Annual General Meeting, the Directors would be authorised to buy back up to 1,051,208,955 Shares.

- (ii) The Directors believe that the ability to buy back Shares is in the best interests of the Company and its Shareholders.

Buy-backs 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 buy back 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 bought back on any occasion and the price and other terms upon which the same are bought back at the relevant time having regard to the circumstances then pertaining.

- (iii) It is envisaged that any buy-back 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 2014) in the event that the proposed Share buy-backs were to be carried out in full at any time during the proposed buy-back 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 close 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 buy-backs 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, was beneficially interested in 4,364,016,823 Shares (representing approximately 41.51 per cent of the total issued Shares) through 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 Limited (“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 shares of Henderson Development. Dr. Lee Shau Kee beneficially owned all the issued shares of Rimmer and Hopkins. On this basis of such figure, if the buy-back mandate is exercised in full by the Company and assuming that Dr. Lee Shau Kee does not receive, acquire or dispose of any Shares, his percentage shareholding in the Company will amount to 46.13 per cent of the total issued Shares. Accordingly, under Rule 26 of the Hong Kong Code on Takeovers and Mergers, an obligation to make a general offer to Shareholders may arise as a result of an exercise of the mandate.
- (viii) The Company did not buy back any Shares in the six months prior to the Latest Practicable Date (whether on the Stock Exchange or otherwise).
- (ix) No “core 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.
- (x) The highest and lowest prices at which the Shares traded on the Stock Exchange in the previous twelve months were as follows:

	<b>Highest</b> <i>(HK\$)</i>	<b>Lowest</b> <i>(HK\$)</i>
April 2014	16.455 A	15.364 A
May 2014	17.218 A	15.745 A
June 2014	17.364 A	16.500
July 2014	17.240	16.660
August 2014	18.400	16.940
September 2014	18.280	16.780
October 2014	18.100	16.500
November 2014	18.900	18.020
December 2014	18.360	17.060
January 2015	17.980	17.300
February 2015	17.880	17.220
March 2015	18.000	17.120
April 2015 (up to the Latest Practicable Date)	18.900	17.780

A – adjusted for the bonus issue 1 for 10 with ex-date 6th June 2014.

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



---

## NOTICE OF ANNUAL GENERAL MEETING

---

# 香港中華煤氣有限公司 THE HONG KONG AND CHINA GAS COMPANY LIMITED

(Incorporated in Hong Kong under the Companies Ordinance with limited liability)

(Stock Code: 3)

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting of The Hong Kong and China Gas Company Limited (the “Company”) will be held at Meeting Room N101 (Expo Drive Entrance), Hong Kong Convention and Exhibition Centre, Wanchai, Hong Kong on Monday, 1st June 2015 at 12:00 noon for the following purposes:

1. To receive and consider the audited accounts for the financial year ended 31st December 2014 and the reports of the Directors and Auditor thereon.
2. To declare a final dividend.
3. To re-elect Directors.
4. To re-appoint PricewaterhouseCoopers as Auditor of the Company to hold office from the conclusion of this meeting until the conclusion of the next annual general meeting of the Company and to authorise the Directors of the Company to fix its remuneration.
5. As special business, to consider and, if thought fit, pass the following resolutions as ordinary resolutions:

### Ordinary Resolutions

- (I) “**THAT** conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited (the “Listing Committee”) granting listing of and permission to deal in the new shares of the Company to be issued pursuant to this Resolution, and upon the recommendation of the Directors of the Company, such number of shares of the Company (the “Bonus Share(s)”) which is equal to 10 per cent of the number of shares in the Company in issue on 9th June 2015 be allotted and issued without consideration to and among the shareholders of the Company whose names are on the register of members on 9th June 2015 on the basis of one Bonus Share for every ten shares in the Company held by such shareholders of the Company on such date and that the Bonus Shares to be allotted and issued pursuant to this Resolution shall rank *pari passu* in all respects with the existing issued shares in the Company except that they will not be entitled to participate in any dividend declared or recommended by the Company in respect of the financial year ended 31st December 2014 and that the Directors of the Company be and are hereby authorised to deal with any fractions arising from the distribution by the sale of the Bonus Shares representing such fractions and to retain the net proceeds for the benefit of the Company and further that the Directors of the Company be and are hereby authorised to do all acts and things as may be necessary and expedient in connection with the issue of the Bonus Shares.”



---

## NOTICE OF ANNUAL GENERAL MEETING

---

(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 buy back Shares be and is hereby generally and unconditionally approved;
- (b) the total number of Shares which may be bought back pursuant to the approval in paragraph (a) above shall not exceed 10 per cent of the total number of Shares in issue as at the date of passing this Resolution (subject to adjustment in the case of subdivision and consolidation of Shares), and the said approval shall be limited accordingly; and
- (c) for the purpose of this Resolution:

“Relevant Period” means the period from the passing of this Resolution until whichever is the earlier of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association of the Company or by law to be held; and
- (iii) the revocation or variation of the authority given under this Resolution by an ordinary resolution of the shareholders of the Company in general meeting; and

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

(III) **“THAT**

- (a) subject to paragraph (b) below, the exercise by the Directors of the Company during the Relevant Period of all the powers of the Company to allot, issue and otherwise deal with additional Shares and to make, issue or grant offers, agreements, options and warrants which will or might require Shares to be allotted, issued or disposed of during or after the end of the Relevant Period be and is hereby generally and unconditionally approved;

---

## NOTICE OF ANNUAL GENERAL MEETING

---

- (b) the total number of Shares 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 total number of Shares in issue as at the date of passing this Resolution (subject to adjustment in the case of subdivision and consolidation of Shares); and
- (c) for the purpose of this Resolution:

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

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

---

## NOTICE OF ANNUAL GENERAL MEETING

---

- (IV) “**THAT** conditional upon the passing of Resolutions 5(II) and 5(III) set out in the Notice of Annual General Meeting of which this Resolution forms part, the general mandate granted to the Directors of the Company pursuant to the said Resolution 5(III) for the time being in force to exercise the powers of the Company to allot, issue and otherwise deal with additional shares 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 total number of shares of the Company 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 number of shares of the Company bought back by the Company pursuant to the exercise by the Directors of the Company in accordance with the said Resolution 5(II) of the powers of the Company to buy back such shares of the Company, provided that such amount shall not exceed 10 per cent of the total number of shares of the Company in issue as at the date of passing this Resolution (subject to adjustment in the case of subdivision and consolidation of shares of the Company).”

By Order of the Board

**JOHN H.M. HO**

*Chief Financial Officer and Company Secretary*

Hong Kong, 23rd April 2015

*Notes:*

1. The Directors of the Company wish to state that they have no immediate plans to buy back any existing shares in the Company or to issue any new shares or warrants in the Company (other than the issue of Bonus Shares).
2. Any member entitled to attend and vote at the meeting may appoint more than one proxy to attend and to speak, and on a poll, to vote on his/her behalf. A proxy need not be a member of the Company. The proxy form and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power of attorney or authority, must be deposited with the Company's share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, at least 48 hours before the time appointed for holding the meeting or any adjournment thereof. In calculating the period mentioned for depositing the form of proxy, no account is to be taken of any part of a day that is a public holiday.
3. At the Annual General Meeting, the Chairman of the meeting will exercise his power under Article 70 of the Articles of Association of the Company to put each of the resolutions set out in the Notice of Annual General Meeting to the vote by way of poll.
4. For the purpose of determining entitlement of shareholders to the right to attend and vote at the Annual General Meeting (or any adjournment thereof), the register of members of the Company will be closed from Thursday, 28th May 2015 to Monday, 1st June 2015, 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 Wednesday, 27th May 2015.
5. For the purpose of determining shareholders who qualify for the proposed issue of Bonus Shares and final dividend, the register of members of the Company will be closed from Friday, 5th June 2015 to Tuesday, 9th June 2015, 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 Thursday, 4th June 2015.
6. If Resolutions 2 and 5(I) above are approved, the dividend will be payable on Wednesday, 17th June 2015 and share certificates for the Bonus Shares will be despatched to the shareholders of the Company on the same day.