

Hong Kong Exchanges 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.

THE HONG KONG AND CHINA GAS COMPANY LIMITED

(Incorporated in Hong Kong under the Companies Ordinance)

(Stock Code: 3)

PROPOSED ADOPTION OF NEW ARTICLES OF ASSOCIATION

The Board proposes to adopt the New Articles to replace the existing Articles so as to bring them in line with the Statutory Changes.

The proposed adoption of the New Articles is subject to the approval of the shareholders of the Company by way of a special resolution at the Annual General Meeting. A circular containing, among other things, particulars relating to the major changes brought about by the adoption of the New Articles when compared with the existing Articles together with a notice convening the Annual General Meeting will be despatched to the shareholders of the Company in due course.

The board of directors (the “**Board**”) of The Hong Kong and China Gas Company Limited (the “**Company**”) wishes to announce that the following major statutory changes (collectively, the “**Statutory Changes**”) came into operation on 3 March 2014 and may have impacts on the provisions contained in the Articles of Association of the Company (the “**Articles**”):

- (a) the new Companies Ordinance, Chapter 622 of the laws of the Hong Kong Special Administrative Region of the People’s Republic of China (“**Hong Kong**”) (the “**New Companies Ordinance**”) has replaced the old Companies Ordinance, and the major changes include, inter alia, abolishing the par value for shares, abolishing the memorandum of association and regarding conditions in the memorandum of association of existing companies as provisions of the articles of association, removing the power to issue warrants to bearer, removing the power to convert shares into stock, requiring the company to give reasons for declining to register a transfer of shares upon request, reducing the threshold for demanding a poll and deeming consent from members to receive corporate communications via the company’s website; and
- (b) the old Companies Ordinance has been retitled as Companies (Winding up and Miscellaneous Provisions) Ordinance (Chapter 32 of the laws of Hong Kong) with core provisions affecting the operation of companies repealed except those provisions relating to prospectus, winding-up, insolvency of companies and disqualification of directors.

The Board proposes to adopt a new set of Articles (the “**New Articles**”) so as to bring them in line with the Statutory Changes. The major changes brought about by the adoption of the new Articles when compared with the existing Articles includes, inter alia, the following:

- (1) inserting provisions in the former memorandum of association of the Company (the “**Memorandum**”) regarding company name, capacity and members’ limited liabilities into the New Articles (those provisions in the Memorandum having been statutorily regarded as provisions of the New Articles pursuant to section 98 of the New Companies Ordinance);

- (2) amending the definition of “Companies Ordinance” to make reference to the New Companies Ordinance and where appropriate, to make references to the Companies (Winding up and Miscellaneous Provisions) Ordinance (Chapter 32 of the laws of Hong Kong);
- (3) amending the provisions relating to various ways to alter the Company’s capital in light of the abolishment of the par value of shares;
- (4) deleting references relating to “memorandum”, “authorised share capital”, “nominal value”, “nominal amount of the shares”, “premium”, “share premium account” and “capital redemption reserve” or similar wordings in the Articles and where applicable, replacing references to nominal value of shares with total voting rights;
- (5) removing the maximum number of proxies which a shareholder may appoint;
- (6) requiring the disclosure of interest of directors of the Company to include interest of the director’s connected entity;
- (7) requiring the Board to give the reasons for declining to register a share transfer if requested by the transferor or transferee;
- (8) abolishing the Company’s power to convert any paid up shares into stock (or vice versa); and
- (9) reducing the threshold for demanding a poll such that shareholders holding at least 5% (instead of one-tenth) of the total voting rights of all the shareholders having the right to vote at the meeting can demand a poll.

The Board also proposes to make certain housekeeping amendments to the Articles at the same time for the purpose of improving on the drafting and to correct typographical errors.

The proposed adoption of the New Articles is subject to the approval of the shareholders of the Company by way of a special resolution at the annual general meeting of the Company to be held on 4 June 2014 (the “**Annual General Meeting**”).

A circular containing, among other things, particulars relating to the major changes brought about by the adoption of the New Articles when compared with the existing Articles together with a notice convening the Annual General Meeting will be despatched to the shareholders of the Company in due course.

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

Hong Kong, 19 March 2014

As at the date of this announcement, the Board of the Company 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

