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# 港華燃氣有限公司 Towngas China Company Limited

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1083)**

## NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the annual general meeting (the “**Annual General Meeting**”) of TOWNGAS CHINA COMPANY LIMITED (the “**Company**”) will be held at Concord Room, 8/F, Renaissance Harbour View Hotel, 1 Harbour Road, Wanchai, Hong Kong, on Monday, 30 May 2011, at 11:00 a.m., for the following purposes:

1. To receive and consider the audited consolidated financial statements and the reports of the directors of the Company (the “**Directors**”) and auditors of the Company for the year ended 31 December 2010;
2. To re-elect Directors and to authorize the board of Directors (the “**Board**”) to fix the remuneration of the Directors;
3. To re-appoint auditors of the Company and to authorize the Board to fix the remuneration of the auditors of the Company;

## ORDINARY RESOLUTIONS

4. To consider and, if thought fit, pass (with or without modifications) the following resolution as an ordinary resolution of the Company:

“**THAT:**

- (a) subject to paragraph (b) of this resolution, the exercise by the directors of the Company (the “**Directors**”) during the Relevant Period (as hereinafter defined) of all powers of the Company to repurchase its shares of HK\$0.10 each in the share capital of the Company (the “**Shares**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) or any other stock exchange on which the shares of the Company may be listed and recognized by The Securities and Futures Commission of Hong Kong (the “**Securities and Futures Commission**”) and the Stock Exchange for such purpose, subject to and in accordance with the rules and regulations of the Securities and Futures Commission, the Stock Exchange or of any other stock exchange as amended from time to time and all applicable laws in this regard, be and is hereby generally and unconditionally approved;

- (b) the aggregate nominal amount of Shares which the Directors are authorized to repurchase pursuant to the approval in paragraph (a) of this resolution during the Relevant Period shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of this resolution and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and
  - (c) for the purpose of this resolution, “**Relevant Period**” means the period from the date of passing of this resolution until whichever is the earliest 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 any applicable law of the Cayman Islands to be held; and
    - (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this resolution.”
5. To consider and, if thought fit, pass (with or without modifications) the following resolution as an ordinary resolution of the Company:

“**THAT:**

- (a) subject to paragraph (c) of this resolution, and pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the exercise by the directors of the Company (the “**Directors**”) during the Relevant Period (as hereinafter defined) of all powers of the Company to allot, issue and deal with additional shares of HK\$0.10 each in the share capital of the Company (the “**Shares**”) and to make or grant offers, agreements and options (including bonds, warrants, debentures, notes and any securities which carry rights to subscribe for or are convertible into shares of the Company) which would or might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) of this resolution shall authorize the Directors during the Relevant Period to allot, issue and deal with additional Shares and to make or grant offers, agreements and options (including bonds, warrants, debentures, notes and any securities which carry rights to subscribe for or are convertible into shares of the Company) which would or might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to options or otherwise) by the Directors pursuant to the approval in paragraph (a) of this resolution during the Relevant Period, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); or (ii) any issue of Shares for the grant or exercise of any option under any share option scheme of the Company or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries of shares or rights to acquire shares

of the Company; or (iii) any issue of Shares as scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the Articles of Association of the Company in force from time to time; or (iv) any issue of Shares in the Company upon the exercise of rights of subscription or conversion under the terms of any existing warrants of the Company or any existing securities of the Company, shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of this resolution and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and

(d) for the purpose of this resolution, “**Relevant Period**” means the period from the date of passing of this resolution until whichever is the earliest 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 any applicable law of the Cayman Islands to be held; and

(iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this resolution.

“**Rights Issue**” means an offer of shares in the Company, or offer or issue of warrants, options or other securities giving rights to subscribe for shares open for a period fixed by the Directors to holders of shares in the Company whose names appear on the register on a fixed record date in proportion to their holdings of shares (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements, or having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction applicable to the Company, or any recognized regulatory body or any stock exchange applicable to the Company).”

6. To consider and, if thought fit, pass (with or without modifications) the following resolution as an ordinary resolution of the Company:

“**THAT** conditional upon the passing of resolutions nos. 4 and 5 set out in the notice convening this meeting, the unconditional general mandate granted to the Directors to allot, issue and deal with additional shares and to make or grant offers, agreements and options which might require the exercise of such powers pursuant to resolution no. 5 set out in the notice convening this meeting be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of the share capital of the Company repurchased by the Company under the authority granted pursuant to resolution no. 4 set out in the notice convening this meeting, provided that such amount shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of this resolution.”

7. As special business, to consider and, if thought fit, pass (with or without modifications) the following resolution as an ordinary resolution of the Company:

“**THAT** the payment of a final dividend from the share premium account of the Company of three HK cents per share in respect of the year ended 31 December 2010 to the shareholders of the Company whose names appeared on the register of members of the Company on 30 May 2011 be and is hereby approved.”

### **SPECIAL RESOLUTION**

8. As special business, to consider and, if thought fit, to pass with or without modification the following resolution as a Special Resolution:

“**THAT** the existing articles of association of the Company be and are hereby amended in the following manner:

- (a) Article 2

By adding the new entries in the following form to Article 2:

<b>Corporate Communication</b>	“Corporate Communication” shall mean any document issued or to be issued by the Company for the information or action of holders of any of its securities, including but not limited to: (a) the directors’ report, its annual accounts together with a copy of the auditor’s report, where applicable, its summary financial report; (b) the interim report and, where applicable, its summary interim report; (c) a notice of meeting; (d) a listing document; (e) a circular; and (f) a proxy form, within the meaning ascribed thereto under the Listing Rules;”
<b>electronic means</b>	“electronic means” includes sending or otherwise making available to the intended recipients of the communication in the electronic format;”
<b>Electronic Transactions Laws</b>	“Electronic Transactions Law” means the Electronic Transactions Law (2003 Revision) of the Cayman Islands and any amendment thereto or re-enactments thereof for the time being in force and includes every other law incorporated therewith or substituted therefor;”
<b>published on the Exchange’s website</b>	“published on the Exchange’s website” shall mean published in English and Chinese on the Exchange’s website in accordance with the Listing Rules;”

(b) By deleting the phrase “(2004 Revision)” by substituting therefor with the phrase “(2010 Revision”) in the definition of “the Companies Law/the Law” in Article 2;

(c) By deleting the definition of “electronic” in Article 2 by substituting therefor with the following paragraph:

“**electronic** shall have the meaning given to it in the Electronic Transactions Law;”

(d) By adding the following immediate after the definition of “singular and plural” in Article 2:

“**Section 8 Electronic Transactions Law** Section 8 of the Electronic Transactions Law shall not apply to the Company;”

(e) Article 15(c)

By deleting the existing Article 15(c) in its entity and substituting therefor with the following:

“(c) The register may, on the Company giving at least 14 days’ notice published on the Exchange’s website, or, subject to the Listing Rules, by electronic communication in the manner in which notices may be served by the Company by electronic means as herein provided or by advertisement published in the newspapers, be closed at such times and for such periods as the Board may from time to time determine, either generally or in respect of any class of shares, provided that the register shall not be closed for more than 30 days in any year (or such longer period as the members may by ordinary resolution determine provided that such period shall not be extended beyond 60 days in any year). The Company shall, on demand, furnish any person seeking to inspect the register or part thereof which is closed by virtue of this Article with a certificate under the hand of the Secretary stating the period for which, and by whose authority, it is closed.”

(f) Article 28

By deleting the existing Article 28 in its entity and substituting therefor with the following:

“In addition to the giving of notice in accordance with Article 26, notice of the person appointed to receive payment of every call and of the times and places appointed for payment may be given to the members affected by notice published on the Exchange’s website, or, subject to the Listing Rules, by electronic communication in the manner in which notices may be served by the Company by electronic means as herein provided or by advertisement published in the newspapers.”

(g) Article 44

By deleting the existing Article 44 in its entirety and replacing by the following:

“The registration of transfers may, on the Company giving at least 14 days’ notice by advertisement published on the Exchange’s website, or, subject to the Listing Rules, by electronic communication in the manner in which notices may be served by the Company by electronic means as herein provided or by advertisement published in the newspapers, be suspended subject to the requirements in Article 15(c).”

(h) Article 80

By deleting “A” at the beginning and substituting therefor with “Subject to the Listing Rules, a” in Article 80.

(i) Article 163(a)

By deleting Article 163(a) in its entirety and substituting therefor with the following new paragraph:

“Except as otherwise provided in these Articles, any Corporate Communication and any notices or other documents (including a share certificate) may be served by the Company or by the Board on any member either personally or by sending it through the post in a prepaid letter addressed to such member at his registered address as appearing in the register or, to the extent permitted by the Listing Rules and all applicable laws and regulations, by electronic means, including but not limited to, by transmitting it to any electronic number or address or website supplied by the member to the Company or by placing it on the Company’s Website provided that the Company has obtained either (a) the member’s prior express positive confirmation in writing or (b) the member’s deemed consent, in the manner specified by the Listing Rules to receive or otherwise have made available to him notices and documents to be given or issued to him by the Company by such electronic means, or (in the case of notice) by advertisement published in the manner prescribed under the Listing Rules. In the case of joint holders of a share, all notices shall be given to that holder for the time being whose name stands first in the register and notice so given shall be sufficient notice to all the joint holders.”.

(j) Article 164

By deleting the existing Article 164 in its entirety and substituting therefor with the following:

“A member shall be entitled to have notice served on him at any address within Hong Kong. The Company shall give notice sufficient to enable members, whose registered addresses are in Hong Kong, to exercise their rights or comply with the terms of the notice. Any member who has not given an express positive confirmation in writing to the Company or is not deemed to have given an express confirmation in the manner specified in the Listing Rules to receive or otherwise have made available to him notices and documents to be given or issued to him by the Company by electronic means and whose registered address is outside Hong Kong may notify the Company in writing of an address in Hong Kong which for the purpose of service of notice shall be deemed to be his registered address. A member who has no registered address in Hong Kong shall be deemed to have received any notice which shall have been displayed at the transfer office and shall have remained there for a period of 24 hours and such notice shall be deemed to have been received by such member on the day following that on which it shall have been first so displayed, provided that, without prejudice to the other provisions of these Articles, nothing in this Article 164 shall be construed as prohibiting the Company from sending, or entitling the Company not to send, notices or other documents of the Company to any member whose registered address is outside Hong Kong.”

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

Hong Kong, 6 April 2011

*Registered office:*

P.O. Box 309  
Ugland House  
Grand Cayman  
KY1-1104  
Cayman Islands

*Principal Place of business in Hong Kong:*

23rd Floor,  
363 Java Road,  
North Point,  
Hong Kong

*Notes:*

1. A member of the Company entitled to attend and vote at the Annual General Meeting convened by the above notice is entitled to appoint one or more proxies to attend and vote instead of such member. A proxy need not be a member of the Company.
2. Completion and delivery of the form of proxy will not preclude a shareholder from attending and voting at the meeting if the member so desires.
3. At the Annual General Meeting, in compliance with Rule 13.39(4) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the Chairman of the meeting will exercise his power under Article 76 of the Articles of Association to put each of the resolutions set out in the Notice of Annual General Meeting to vote by way of poll.
4. In order to be valid, the form of proxy together with a power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority must be deposited with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the Annual General Meeting or any adjournment thereof.
5. With regard to item no. 2 in this notice, the Board proposes that the retiring Directors namely, Mr. Wong Wai Yee, Peter, Mr. Kwan Yuk Choi, James and Mr. Ho Hon Ming, John be re-elected as Directors of the Company. Biographical details of these Directors are set out in Appendix II to the circular dispatched to shareholders of the Company dated 6 April 2011.
6. As at the date of this notice, the executive Directors of the Company are Mr. Chan Wing Kin, Alfred (Chairman), Mr. Wong Wai Yee, Peter (Chief Executive Officer), Mr. Kwan Yuk Choi, James, Mr. Ho Hon Ming, John (Company Secretary), and Ms. Law Wai Fun, Margaret, and the independent non-executive Directors are Dr. Chow Yei Ching, Dr. Cheng Mo Chi, Moses and Mr. Li Man Bun, Brian David.

*Note:* The Chinese translation of this notice which contains details of the proposed amendments to the Articles of the Company is for reference only. In case of inconsistency, the English version shall prevail.