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(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1083)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (“**EGM**”) 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 29 April, 2010 at 11:30 a.m. for the purpose of considering and, if though fit, passing the following resolutions as ordinary resolutions of the Company:

ORDINARY RESOLUTIONS

1. “**THAT:**

- (a) the conditional sale and purchase agreement between the Company and Hong Kong & China Gas (China) Limited (“**HK&CG(China)**”) dated 17 March 2010 (the “**Agreement**”) and for the purpose of identification marked “A”, be and is hereby approved, confirmed and ratified;
- (b) the acquisition by the Company of the entire issued share capital of Towngas (BVI) Holdings Limited (the “**Target Company**”) and the taking of the assignment by the Company of the outstanding loans due from the Target Company to HK&CG(China) as at completion of the Agreement (the “**Acquisition**”) and the allotment and issue of 485,000,000 ordinary shares of HK\$0.10 each in the capital of the Company to HK&CG(China) credited as fully paid at the unit price of HK\$3.55 per share in full satisfaction of the consideration of the Acquisition (the “**Consideration Share Issue**”), in each case in accordance with the terms and conditions of the Agreement, be and are hereby approved; and
- (c) any one director of the Company or any other person authorized by the board of directors of the Company from time to time, or any two directors of the Company if the affixation of the common seal is necessary, be and are hereby authorised for and on behalf of the Company to do all such further acts and things and execute such further documents and take all steps which may be in his or her or their opinion necessary, desirable or expedient to implement all transactions contemplated under the Agreement (including the allotment and issue of shares pursuant to the Consideration Share Issue), including agreeing and making any modifications, amendments waivers, variations or extensions of the Agreement and the transactions contemplated thereunder.”

2. “**THAT** subject to and conditional on the passing of resolution number 1 set out in the notice of this meeting, the waiver of the obligation of HK&CG(China) and persons acting in concert with it to make a mandatory offer for all the securities of the Company not already owned by them, which would otherwise arise under rule 26.1 of the Code on Takeovers and Mergers issued by the Securities and Futures Commission of Hong Kong (the “**Takeovers Code**”) as a result of the Consideration Share Issue (as defined in ordinary resolution number 1 set out in the notice of this meeting), granted or to be granted by the Executive Director of the Corporate Finance Division of the Securities and Futures Commission of Hong Kong pursuant to Note 1 of the Notes on Dispensations from Rule 26 of the Takeovers Code be and is hereby approved.”

Notes:

- (1) A form of proxy for use at the EGM is enclosed.
- (2) Any member of the Company entitled to attend and vote at the EGM is entitled to appoint a proxy to attend and vote instead of him in accordance with the Articles of Association of the Company. A proxy need not be a member of the Company.
- (3) A member who is the holder of two or more Shares may appoint more than one proxy to represent him and vote on his behalf at the EGM.
- (4) To be valid, the form of proxy, together with the power of attorney or other authority, if any, under which it is signed, or a certified copy of such power or authority must be deposited at 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 EGM (or any adjournment thereof) and in default the form of proxy shall not be treated as valid. Completion and return of the form of proxy will not preclude members of the Company from attending and voting in person at the EGM (or any adjournment thereof) should they so wish. If a member who has lodged a form of proxy attends the EGM, his form of proxy will be deemed to have been revoked.
- (5) Where there are joint registered holders of any share, any one of such persons may vote at the meeting, either personally or by proxy, in respect of such share as if he were solely entitled thereto, but if more than one of such joint holders be present at the meeting personally or by proxy, that one of the said persons so present being the most or, as the case may be, the more senior shall alone be entitled to vote in respect of the relevant joint holding and for this purpose seniority shall be determined by the order in which the names stand in the register of members in respect of the joint holding. Several executors or administrators of a deceased member in whose name any share stands shall be deemed joint holders.
- (6) The voting in respect of the approval of the ordinary resolutions will be conducted by way of poll as required by the Listing Rules and the Takeovers Code. HK&CG(China) and persons acting in concert with it (including Planwise and Superfun) will abstain from voting in respect of the resolutions at the EGM.
- (7) Resolutions 1(a), 1(b) and 1(c) shall be voted as a single resolution.
- (8) Terms used in this notice shall have the same meanings as defined in the circular dated 7 April 2010.

Registered office:

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

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

Hong Kong, 7 April 2010

At the date of this announcement, the board of directors of the Company comprise:

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