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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.

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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 Company (the "AGM") to be held at Hall 3F (Harbour Road Entrance), Hong Kong Convention and Exhibition Centre, 1 Expo Drive, Wanchai, Hong Kong on Friday, 5th June 2020 at 12:00 noon at which the above proposals will be considered is set out from pages 13 to 18. 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.

PRECAUTIONARY MEASURES FOR THE AGM

In view of the ongoing novel coronavirus (COVID-19) outbreak, mass gatherings would potentially impose a significant risk in terms of the spread of the virus. For the safety of our shareholders, staff and stakeholders, **the Company encourages shareholders, instead of attending the AGM in person, to appoint the Chairman of the AGM as their proxy to vote on the relevant resolutions at the AGM**, by completing and returning the form of proxy accompanying the Annual Report 2019 in accordance with the instructions printed thereon.

Shareholders and other persons attending the AGM should note that, consistent with the government guidelines for the prevention and control of COVID-19, the Company will implement precautionary measures to reduce the risk of contracting and spreading of COVID-19 at the AGM, including:

- (a) mandatory body temperature screening;
- (b) mandatory health declaration;
- (c) mandatory wearing of surgical face masks; and
- (d) NO refreshments, no food and beverage service, and no handing out of corporate gifts or gift coupons.

For the safety of the attendees at the AGM, the Company reserves the right to deny entry into or require any person to leave the AGM venue if such person:

- (i) refuses to comply with any of the above precautionary measures;
- (ii) is having a body temperature of over 37.4 degree Celsius;
- (iii) is subject to any Hong Kong Government prescribed quarantine or has close contact with any person under quarantine; or
- (iv) has any flu-like symptoms.

The Company seeks the understanding and cooperation of all shareholders to minimize the risk of spreading COVID-19.

22nd April 2020

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EXPECTED TIMETABLE

2020

Latest time for lodging transfers for entitlement to the right to attend and vote at the Annual General Meeting	4:30 p.m. on Monday, 1st June
Book close period (both days inclusive)	From Tuesday, 2nd June to Friday, 5th June
Proxy forms for the Annual General Meeting to be returned by	12:00 noon on Wednesday, 3rd June
Record date for determination of entitlement to the right to attend and vote at the Annual General Meeting	Friday, 5th June
Annual General Meeting	12:00 noon on Friday, 5th June
Publication of poll results announcement	Friday, 5th June
Register re-opens	Monday, 8th June
Latest date of dealing in Shares cum entitlements to the final dividend and the Bonus Share Issue	Monday, 8th June
First date of dealing in Shares ex entitlements to the final dividend and the Bonus Share Issue	Tuesday, 9th June
Latest time for lodging transfers for entitlements to the final dividend and the Bonus Share Issue	4:30 p.m. on Wednesday, 10th June
Book close period (both days inclusive)	From Thursday, 11th June to Monday, 15th June
Record Date for determination of entitlements to the final dividend and the Bonus Share Issue	Monday, 15th June
Register re-opens	Tuesday, 16th June
Despatch of dividend cheques and certificates for Bonus Shares	Tuesday, 23rd June
First date of dealing in Bonus Shares	9:00 a.m. on Wednesday, 24th 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 Friday, 5th June 2020 at 12:00 noon, notice of which is set out from pages 13 to 18 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(s)”	the Share(s) proposed to be issued by way of bonus on the terms set out in this document
“Bonus Share Issue”	issue of Bonus Shares
“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”	Tuesday, 14th April 2020, 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 (Chapter 622 of the Laws of Hong Kong) and any amendments thereto

DEFINITIONS

“Record Date”	Monday, 15th June 2020, being the date for determination of entitlements to the proposed final dividend and Bonus Shares
“Register”	the register of members of the Company
“Securities and Futures Ordinance”	Securities and Futures Ordinance (Chapter 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 BOARD

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. Lee Ka-kit, *Chairman* *
Mr. Lee Ka-shing, *Chairman* *
Dr. Colin Lam Ko-yin *
Dr. the Hon. Sir David Li Kwok-po **
Mr. Alfred Chan Wing-kin
Prof. Poon Chung-kwong **
Mr. Peter Wong Wai-yee
Dr. Moses Cheng Mo-chi **

Registered Office:

23rd Floor
363 Java Road
North Point
Hong Kong

* *non-executive director*
** *independent non-executive director*

22nd April 2020

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 19th March 2020 of the audited results of the Company for the financial year ended 31st December 2019, 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 BOARD

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. Lee Ka-kit, Dr. the Hon. Sir David Li Kwok-po and Mr. Alfred Chan Wing-kin, are due to retire by rotation at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-appointment.

The Nomination Committee has recommended to the Board that the above-mentioned Directors are eligible for re-appointment. Details and brief biography of each of Dr. Lee Ka-kit, Dr. the Hon. Sir David Li Kwok-po and Mr. Alfred Chan Wing-kin are set out in Appendix I to this document.

The nomination of Dr. the Hon. Sir David Li Kwok-po for re-appointment as Independent Non-executive Director at the forthcoming Annual General Meeting has been considered by the Nomination Committee in accordance with the nomination policy of the Company as well as taking into account the diversity aspects (including without limitation, gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and lengths of service), with due regard for the benefits of diversity, as set out under the board diversity policy of the Company. The Nomination Committee has also taken into account the skill mix of the Board, and with Sir David's professional qualifications in accounting and extensive management experience in the banking industry, he would continue to provide related valuable advice to the business development of the Company and contribute to the diversity of the existing Board.

Dr. the Hon. Sir David Li Kwok-po was appointed to the Board in 1984 and has served on the Board for more than 9 years. Sir David has given a confirmation in writing of his independence to the Company pursuant to Rule 3.13 of the Listing Rules. During his tenure of office, Sir David has been providing objective and independent views to the Company over the years, and he remains committed to his independent role. The members of the Nomination Committee were of the view that the long service of Sir David would not affect his exercise of independent judgement and were satisfied that Sir David has the required character, integrity and experience to continue fulfilling the role of an independent non-executive director. The Board, through the assessment and recommendation by the Nomination Committee, has considered him to be independent. The Board is of the view that, as Sir David is not involved in the daily management of the Group nor in any relationships or circumstances which would interfere with the exercise of his independent judgement as an independent non-executive director, he has demonstrated his ability to provide professional and independent views to the Company's affairs and is able to continue to fulfill his role as required and thus recommends him for re-election at the Annual General Meeting.

LETTER FROM THE BOARD

3. ISSUE OF BONUS SHARES

As mentioned in the preliminary announcement of 2019 annual results dated 19th March 2020, the Board proposed a bonus issue of Shares be allotted and issued without consideration, on the basis of one Bonus Share for every twenty 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 or distribution declared or recommended by the Company in respect of the financial year ended 31st December 2019. 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 16,925,052,244 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 846,252,612 Shares. The reason for the Bonus Share Issue is to enable Shareholders to enjoy a pro-rata increase in the number of shares being held in the Company without incurring any costs. The Directors consider that the Bonus Share Issue is in the interests and for the benefits of Shareholders. The necessary resolution for the approval of the Bonus Share Issue will be proposed at the Annual General Meeting.

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.

5. CLOSURE OF REGISTER OF MEMBERS

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 will be closed from Tuesday, 2nd June 2020 to Friday, 5th June 2020, 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 Monday, 1st June 2020 in order for the transferee to be entitled to attend and vote at the Annual General Meeting (or any adjournment thereof).

For the purpose of determining Shareholders who qualify for the proposed Bonus Share Issue and the final dividend, the Register will be closed from Thursday, 11th June 2020 to Monday, 15th June 2020, 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 Wednesday, 10th June 2020 in order for the transferee to be entitled to the proposed Bonus Share Issue and the final dividend.

LETTER FROM THE BOARD

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 in the Bonus Shares 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 Tuesday, 23rd June 2020 at their own risk and the first date of dealing in the Bonus Shares will commence at 9:00 a.m. on Wednesday, 24th June 2020.

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.

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

At the annual general meeting of the Company held on 28th May 2019, 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 28th May 2019; 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 28th May 2019, 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 28th May 2019) 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.

LETTER FROM THE BOARD

As at the Latest Practicable Date, the number of Shares in issue was 16,925,052,244 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 3,385,010,448 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 Hall 3F (Harbour Road Entrance), Hong Kong Convention and Exhibition Centre, 1 Expo Drive, Wanchai, Hong Kong on Friday, 5th June 2020 at 12:00 noon is set out from pages 13 to 18 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 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. You can still attend and vote at the Annual General Meeting (or any adjournment thereof) even if you have completed and returned a form of proxy.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll except where the Chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. 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. Article 69 of the Articles of Association provides that on a poll, every Shareholder present in person or by proxy shall have one vote for every Share held by that Shareholder.

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.

LETTER FROM THE BOARD

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 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 Ka-kit **Lee Ka-shing**
Chairman *Chairman*

Dr. Lee Ka-kit G.B.S., J.P., D.B.A. (Hon.), *Chairman & Non-executive Director*

Aged 56. Dr. Lee was appointed to the Board in 1990 and subsequently appointed Chairman in May 2019. He was educated in the United Kingdom. He is a Chairman and Managing Director of Henderson Land Development Company Limited (“Henderson Land Development”) and a Vice Chairman of Henderson Investment Limited. Dr. Lee was previously a Non-executive Director of The Bank of East Asia, Limited and an Independent Non-executive Director of Xiaomi Corporation until his resignation, both on 23rd August 2019. 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 is a Member of the Standing Committee of the 13th National Committee of the Chinese People’s Political Consultative Conference and a Member as well as the Chairman of the Board of Directors of One Country Two Systems Research Institute. He was appointed as a Justice of the Peace by the Government of the Hong Kong Special Administrative Region (the “HKSAR”) in 2009, and was awarded the Gold Bauhinia Star by the Government of the HKSAR in 2015. Dr. Lee was awarded an Honorary University Fellowship by The University of Hong Kong in 2009, and was also awarded an Honorary Degree of Doctor of Business Administration by Edinburgh Napier University in 2014. He is the son of Dr. Lee Shau-kee, a controlling shareholder of the Company and the brother of Mr. Lee Ka-shing, a Chairman and Non-executive Director of the Company.

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

As at the Latest Practicable Date, Dr. Lee, as a discretionary beneficiary of discretionary trusts, was deemed to have an interest in 7,028,292,718 Shares (representing approximately 41.53 per cent of the issued shares of the Company) within the meaning of Part XV of the Securities and Futures Ordinance. He was also taken to be interested in 1,945,034,864 shares in Towngas China Company Limited (representing approximately 67.76 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 nor proposed to enter into any service contracts, which fall within the meaning 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 2020 and he is subject to retirement by rotation and re-appointment 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 are determined with reference to his duties and responsibilities. For the financial year ended 31st December 2019, Dr. Lee received a fixed remuneration of HK\$700,000 as director’s fee, additional fees as the Chairman of the Board and members of the Board committees 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.

Dr. the Hon. Sir David Li Kwok-po GBM, GBS, OBE, JP, MA Cantab. (Economics & Law), Hon. LLD (Cantab), Hon. DSc. (Imperial), Hon. LLD (Warwick), Hon. DBA (Edinburgh Napier), Hon. D.Hum.Litt. (Trinity, USA), Hon. LLD (Hong Kong), Hon. DSocSc (Lingnan), Hon. DLitt (Macquarie), Hon. DSocSc (CUHK), FCA, FCPA, FCPA (Aust.), FCIB, FHKIB, FBCS, CITP, Officier de l'Ordre de la Couronne, Grand Officer of the Order of the Star of Italian Solidarity, The Order of the Rising Sun, Gold Rays with Neck Ribbon, Commandeur dans l'Ordre National de la Légion d'Honneur, *Independent Non-executive Director*

Aged 81. Sir David was appointed to the Board in 1984. Sir David is the Executive Chairman of The Bank of East Asia, Limited. He is an Independent Non-executive Director of Guangdong Investment Limited, The Hongkong and Shanghai Hotels, Limited, San Miguel Brewery Hong Kong Limited and Vitasoy International Holdings Limited. He was previously an Independent Non-executive Director of PCCW Limited. All the above companies are listed public companies. Save as disclosed, Sir David 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.

Sir David is a Member of the Council of the Treasury Markets Association. He is Founding Chairman of The Friends of Cambridge University in Hong Kong Limited, Chairman of the Advisory Board of The Salvation Army, Hong Kong and Macau Command, Chairman of the Executive Committee of St. James' Settlement and a Fellow of the Hong Kong Academy of Finance. He was a Member of the Executive Council of Hong Kong from 2005 to 2008 and the Legislative Council of Hong Kong from 1985 to 2012.

As at the Latest Practicable Date, Sir David has personal interest of 50,066,109 Shares (representing approximately 0.30 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, Sir David has no relationship with any Directors, senior management or substantial or controlling shareholders of the Company.

As at the Latest Practicable Date, Sir David has not entered into nor proposed to enter into any service contracts, which fall within the meaning 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 Sir David will expire on 31st December 2020 and he is subject to retirement by rotation and re-appointment 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 2019, Sir David received a fixed remuneration of HK\$700,000 as director's fee and additional fees as members of the Board committees as well as other emoluments of approximately HK\$45,000 from the Company.

Other than the information contained in an announcement by the Company dated 24th October 2018 in relation to an investigation undertaken by the National Court in Madrid, there is no information relating to Sir David that is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules.

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 Sir David's re-election that need to be brought to the attention of the Shareholders.

Mr. Alfred Chan Wing-kin B.B.S., Hon.F.E.I., Hon.F.I.I.U.S., C.Eng., F.H.K.I.E., F.I.Mech.E., F.I.G.E.M., M.Sc. (Eng), B.Sc. (Eng), *Managing Director*

Aged 69. 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”), the Vice Chairman of Shenzhen Gas Corporation Ltd., a director of Foran Energy Group Co., Ltd. (formerly known as Foshan Gas Group Co., Ltd.) and a Non-executive Director of the tenth session of the board of directors of Shanghai Dazhong Public Utilities (Group) Co., Ltd., all 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.

Mr. Chan is a director of major local and overseas subsidiary companies of the Company. He is also the Chairman and President of Hong Kong & China Gas Investment Limited, an investment holding company in mainland China and chairman, vice chairman or a director of a number of the project companies in mainland China. He is an Honorary President of The Hong Kong Management Association and a Vice Chairman of China Gas Association. Mr. Chan is a Member of the Standing Committee on Judicial Salaries and Conditions of Service of the Government of the Hong Kong Special Administrative Region. He was previously the Deputy Chairman of the Council of The Hong Kong Institute of Education (now known as The Education University of Hong Kong) and a Member of the Board of Stewards of The Education University of Hong Kong Foundation. Mr. Chan received the Executive Award under the DHL/SCMP Hong Kong Business Awards 2005, the Director of the Year Awards – Listed Companies (SEHK – Hang Seng Index Constituents) Executive Directors from The Hong Kong Institute of Directors in 2006, the Leadership Award in Gas Industry Award 2015 from the Institution of Gas Engineers & Managers and the Energy and Utilities Alliance of the United Kingdom, “The CEO of the Year 2017” Award from China Newsweek in 2017 and was named consecutively as one of “The 100 Best-Performing CEOs in the World” by Harvard Business Review from 2015 to 2019. He was awarded an Honorary Fellowship by The Hong Kong Institute of Education (now known as The Education University of Hong Kong) in 2016. Mr. Chan, a Chartered Engineer, is also Honorary Fellow of the Energy Institute of the United Kingdom, Fellow of The Hong Kong Institution of Engineers; Fellow of The Institution of Mechanical Engineers, Fellow of the Institution of Gas Engineers & Managers of the United Kingdom and Honorary Fellow of International Institute of Utility Specialists.

As at the Latest Practicable Date, Mr. Chan has personal interest of 322,697 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 personal interest of 3,881,901 shares in Towngas China (an associated corporation of the Company), 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 nor proposed to enter into any service contracts, which fall within the meaning 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 re-appointment 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 2019, Mr. Chan received a fixed remuneration of HK\$250,000 as director's fee and other emoluments of approximately HK\$33,647,000 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 approved by the shareholders of Towngas China at its annual general meeting in 2019.

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 of 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 16,925,052,244 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 1,692,505,224 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 asset value 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 financial statements contained in the annual report for the financial year ended 31st December 2019) 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 controlling shareholder of the Company, was beneficially interested in 7,028,292,718 Shares (representing approximately 41.53 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 46.14 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) of the Company 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 Shareholders.
- (x) The highest and lowest prices at which the Shares traded on the Stock Exchange in the previous twelve months were as follows:

	Highest (HK\$)	Lowest (HK\$)
April 2019	17.545 A	16.727 A
May 2019	18.036 A	16.836 A
June 2019	17.760	16.700
July 2019	18.000	17.240
August 2019	17.440	15.080
September 2019	15.960	14.800
October 2019	15.480	14.960
November 2019	15.600	14.900
December 2019	15.340	14.540
January 2020	16.000	14.840
February 2020	15.360	14.800
March 2020	15.340	11.740
April 2020 (up to the Latest Practicable Date)	14.440	12.520

A – adjusted for the bonus issue 1 for 10 with ex-date 30th May 2019.

(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)

PRECAUTIONARY MEASURES FOR THE AGM

In view of the ongoing novel coronavirus (COVID-19) outbreak, mass gatherings would potentially impose a significant risk in terms of the spread of the virus. For the safety of our shareholders, staff and stakeholders, **the Company encourages shareholders, instead of attending the AGM in person, to appoint the Chairman of the AGM as their proxy to vote on the relevant resolutions at the AGM**, by completing and returning the form of proxy accompanying the Annual Report 2019 in accordance with the instructions printed thereon.

Shareholders and other persons attending the AGM should note that, consistent with the government guidelines for the prevention and control of COVID-19, the Company will implement precautionary measures to reduce the risk of contracting and spreading of COVID-19 at the AGM, including:

- (a) mandatory body temperature screening;
- (b) mandatory health declaration;
- (c) mandatory wearing of surgical face masks; and
- (d) NO refreshments, no food and beverage service, and no handing out of corporate gifts or gift coupons.

For the safety of the attendees at the AGM, the Company reserves the right to deny entry into or require any person to leave the AGM venue if such person:

- (i) refuses to comply with any of the above precautionary measures;
- (ii) is having a body temperature of over 37.4 degree Celsius;
- (iii) is subject to any Hong Kong Government prescribed quarantine or has close contact with any person under quarantine; or
- (iv) has any flu-like symptoms.

The Company seeks the understanding and cooperation of all shareholders to minimize the risk of spreading COVID-19.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting (the “AGM”) of The Hong Kong and China Gas Company Limited (the “Company”) will be held at Hall 3F (Harbour Road Entrance), Hong Kong Convention and Exhibition Centre, 1 Expo Drive, Wanchai, Hong Kong on Friday, 5th June 2020 at 12:00 noon for the following purposes:

1. To receive and consider the audited financial statements for the financial year ended 31st December 2019 and the reports of the Directors and Independent 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 5 per cent of the number of shares in the Company in issue on 15th June 2020 be allotted and issued without consideration to and among the shareholders of the Company whose names are on the register of members on 15th June 2020 on the basis of one Bonus Share for every twenty 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 or distribution declared or recommended by the Company in respect of the financial year ended 31st December 2019 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 on The Stock Exchange of Hong Kong Limited 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 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 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.”

NOTICE OF ANNUAL GENERAL MEETING

(III) “**THAT**

- (a) subject to compliance with the prevailing requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and 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;
- (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 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 pursuant to the exercise of such powers be and is hereby extended by the addition to the total number of Shares 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 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, provided that such amount 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).”

By Order of the Board
John Ho Hon-ming
Chief Financial Officer and Company Secretary

Hong Kong, 22nd April 2020

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, 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.
3. In light of the epidemic situation of novel coronavirus (COVID-19), the following precautionary measures will be implemented at the AGM to safeguard the health and safety of shareholders who might be attending the AGM in person:
 - Mandatory body temperature screening will be conducted for every attendee at the entrance of the AGM venue. Any person with a body temperature of over 37.4 degree Celsius may be denied entry into the AGM venue and be required to leave the AGM venue.
 - Every attendee will be required to wear a surgical face mask throughout the AGM and inside the AGM venue, and to sit at a distance from other attendees.
 - NO refreshments, no food and beverage service, and no handing out of corporate gifts or gift coupons.

NOTICE OF ANNUAL GENERAL MEETING

- Each attendee may be asked whether (a) he/she travels outside of Hong Kong within the 14-day period immediately before the AGM; (b) he/she is subject to any Hong Kong Government prescribed quarantine; and (c) he/she has any flu-like symptoms or close contact with any person under quarantine or with recent travel history. Anyone who responds positively to any of these questions may be denied entry into the meeting venue and be required to leave the meeting venue.

In addition, the Company encourages shareholders, instead of attending the AGM in person, to appoint the Chairman of the AGM as their proxy to vote on the relevant resolutions at the AGM, by completing and returning the form of proxy accompanying the Annual Report 2019 in accordance with the instructions printed thereon.

4. At the Annual General Meeting, the Chairman of the meeting will exercise their 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.
5. 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 Tuesday, 2nd June 2020 to Friday, 5th June 2020, 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 Monday, 1st June 2020 in order for the transferee to be entitled to attend and vote at the Annual General Meeting (or any adjournment thereof).
6. For the purpose of determining shareholders who qualify for the proposed issue of Bonus Shares and the final dividend, the register of members of the Company will be closed from Thursday, 11th June 2020 to Monday, 15th June 2020, 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, 10th June 2020 in order for the transferee to be entitled to the proposed issue of Bonus Shares and the final dividend.
7. If Resolution 2 above is approved, the final dividend will be payable on Tuesday, 23rd June 2020 to shareholders of the Company entitled thereto. If Resolution 5(I) above is approved, the share certificates for the Bonus Shares will be despatched on the same day to shareholders of the Company entitled thereto.