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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
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) as the principal meeting place and Hall 1A (Expo Drive Entrance) as the additional meeting venue, Hong Kong Convention and Exhibition Centre, 1 Expo Drive, Wanchai, Hong Kong on Wednesday, 7th June 2023 at 12:00 noon at which the above proposals will be considered is set out from pages 13 to 16. 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.

25th April 2023

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EXPECTED TIMETABLE

2023

| | |
|---|---|
| Latest time for lodging transfers for entitlement to the right to attend and vote at the Annual General Meeting | 4:30 p.m. on Thursday, 1st June |
| Book close period (both days inclusive) | From Friday, 2nd June to Wednesday, 7th June |
| Proxy forms for the Annual General Meeting to be returned by | 12:00 noon on Monday, 5th June |
| Record date for determination of entitlement to the right to attend and vote at the Annual General Meeting | Wednesday, 7th June |
| Annual General Meeting | 12:00 noon on Wednesday, 7th June |
| Publication of poll results announcement | Wednesday, 7th June |
| Register re-opens | Thursday, 8th June |
| Latest date of dealing in Shares cum entitlement to the final dividend | Thursday, 8th June |
| First date of dealing in Shares ex entitlement to the final dividend | Friday, 9th June |
| Latest time for lodging transfers for entitlement to the final dividend | 4:30 p.m. on Monday, 12th June |
| Book close period (both days inclusive) | From Tuesday, 13th June to Thursday, 15th June |
| Record date for determination of entitlement to the final dividend | Thursday, 15th June |
| Register re-opens | Friday, 16th June |
| Despatch of dividend cheques | Monday, 26th 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 Wednesday, 7th June 2023 at 12:00 noon, notice of which is set out from pages 13 to 16 of this document |
| “Articles of Association” | the articles of association of the Company as altered from time to time |
| “Board” | the board of Directors |
| “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 |
| “Hong Kong” | the Hong Kong Special Administrative Region of the People’s Republic of China |
| “Latest Practicable Date” | Tuesday, 18th April 2023, 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 |
| “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* *
Dr. Lee Ka-shing, *Chairman* *
Dr. Colin Lam Ko-yin *
Mr. Andrew Fung Hau-chung *
Dr. the Hon. Sir David Li Kwok-po **
Prof. Poon Chung-kwong **
Dr. Moses Cheng Mo-chi **
Mr. Peter Wong Wai-yee
Mr. John Ho Hon-ming

Registered Office:

23rd Floor
363 Java Road
North Point
Hong Kong

* *non-executive director*

** *independent non-executive director*

25th April 2023

To the Shareholders

Dear Sir or Madam,

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

1. INTRODUCTION

The purposes of this circular are to provide you with information regarding the proposals for the re-election of retiring Directors, the renewal of general mandates granted to the Directors to issue Shares and buy back Shares, and to seek your approval at the Annual General Meeting in connection with, inter alia, such matters.

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. Peter Wong Wai-yee are due to retire by rotation at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-appointment.

LETTER FROM THE BOARD

Pursuant to Article 91 of the Articles of Association, any Director appointed by the Board shall hold office only until the first annual general meeting after his appointment, but shall not be taken into account in determining the directors or the number of directors who are to retire by rotation at that meeting. By virtue of Article 91 of the Articles of Association, the office of Mr. Andrew Fung Hau-chung, Non-executive Director, will end at the forthcoming Annual General Meeting and, being eligible, offer himself 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, Mr. Peter Wong Wai-ye and Mr. Andrew Fung Hau-chung 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 and the Policy for the Independence of the Board 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. 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, objective and independent 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 and is free from any relationships and circumstances which are likely to affect, or could appear to affect, his independent judgement. 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. 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 Friday, 2nd June 2023 to Wednesday, 7th June 2023, 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, 1st June 2023 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 final dividend, the Register will be closed from Tuesday, 13th June 2023 to Thursday, 15th June 2023, 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 Monday, 12th June 2023 in order for the transferee to be entitled to the proposed the final dividend.

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

At the annual general meeting of the Company held on 6th June 2022, 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 6th June 2022; 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 6th June 2022, 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 6th June 2022) 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(I), 5(II) and 5(III) 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 18,659,870,098 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 mandates (i) to issue Shares to allot and issue up to 3,731,974,019 Shares representing 20 per cent of the issued shares of the Company; and (ii) to buy back up to 1,865,987,009 Shares on the Stock Exchange representing up to 10 per cent of the issued shares of the Company.

LETTER FROM THE BOARD

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.

5. ANNUAL GENERAL MEETING

The notice convening the Annual General Meeting to be held at Meeting Room N101 (Expo Drive Entrance) as the principal meeting place and Hall 1A (Expo Drive Entrance) as the additional meeting venue, Hong Kong Convention and Exhibition Centre, 1 Expo Drive, Wanchai, Hong Kong on Wednesday, 7th June 2023 at 12:00 noon is set out from pages 13 to 16 of this document. At the Annual General Meeting, ordinary resolutions numbered 3, 5(I), 5(II) and 5(III) will be proposed to re-elect the retiring Directors, renew of the general mandate for the buy-back of Shares and renew 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 sent in 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

6. RECOMMENDATIONS

The Board believes that the re-election of the retiring Directors 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*

(In case of any inconsistency, the English version of this circular shall prevail over the Chinese version.)

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

Aged 59. Dr. Lee was appointed to the Board in 1990 and subsequently appointed Chairman in May 2019. He is also a chairman of the Nomination Committee and a member of the Remuneration Committee of the Company. 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 appointed as a Non-executive Director and the Chairman of the Board of Towngas Smart Energy Company Limited (“Towngas Smart Energy”), a subsidiary of the Company, with effect from 25th October 2021. 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 14th 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. 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. the Hon. Lee Shau-kee, a controlling shareholder of the Company and the brother of Dr. 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 7,748,692,715 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 2,162,535,761 shares in Towngas Smart Energy (representing approximately 66.36 per cent of the issued shares of Towngas Smart Energy), 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 but he is subject to the 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 2022, 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 as well as other emoluments of approximately HK\$107,000 from the Company. In addition, for the financial year ended 31st December 2022, Dr. Lee received the director’s fee payable by Towngas Smart Energy to him of HK\$300,000, which was determined by the board of directors of Towngas Smart Energy and was approved by the shareholders of Towngas Smart Energy at its annual general meeting in 2022.

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, FBSC, 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 84. Sir David was appointed to the Board in 1984. He is also the chairman of the Board Audit and Risk Committee and the Remuneration Committee and a member of the Nomination Committee of the Company. Sir David is the Executive Chairman of The Bank of East Asia, Limited. He is an Independent Non-executive Director of 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 Guangdong Investment 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 Territory, 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 61,000,000 Shares (representing approximately 0.33 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 but he is subject to the 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 2022, 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\$71,000 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 Sir David's re-election that need to be brought to the attention of the Shareholders.

Mr. Peter Wong Wai-ye C.P.A. (CANADA), C.M.A., C.P.A. (HK), A.C.G., H.K.A.C.G., F.I.G.E.M., F.H.K.I.o.D., M.B.A., *Managing Director*

Aged 71. Mr. Wong joined the Group in 1997, initially as its Financial Controller. Since 2002, he has been deeply involved in the development of the Group's mainland utilities business, operating from its headquarters in Shenzhen, China. Mr. Wong was appointed to the Board in February 2013 and as Deputy Managing Director of the Company in April 2021, and has been Managing Director with effect from 6th June 2022. He is also the chairman of the Board Environmental, Social and Governance Committee of the Company. Mr. Wong holds directorships in various subsidiaries of the Group. He is also an Executive Director and the Chief Executive Officer of Towngas Smart Energy Company Limited ("Towngas Smart Energy"), a subsidiary of the Company, and a director of Shenzhen Gas Corporation Ltd. ("Shenzhen Gas"), and was appointed as the Vice Chairman of Shenzhen Gas with effect from 26th April 2022. Mr. Wong was appointed as a director of Foran Energy Group Co., Ltd. ("Foran Energy") with effect from 8th April 2022 and was appointed as the Vice Chairman of Foran Energy with effect from 29th December 2022. He was previously a director of China-Singapore Suzhou Industrial Park Development Group Co., Ltd. ("CSSD") until his retirement at CSSD on 29th June 2020. All of the above companies are listed public companies. Save as disclosed, Mr. Wong 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. Wong was named consecutively as one of "The Best CEO of Chinese Listed Companies" by Forbes in 2012 and 2013. He is a chartered professional accountant of Canada, a certified public accountant of Hong Kong and a chartered company secretary and chartered governance professional in both Hong Kong and the United Kingdom. Mr. Wong is a Fellow of The Hong Kong Institute of Directors and a Fellow of The Institution of Gas Engineers and Managers of the United Kingdom. He completed the Advanced Management Program from Harvard Business School in the United States. Mr. Wong was formerly a director of the Certified Management Accountants Society of British Columbia, Canada and the president of its Hong Kong branch, a member of the Advisory Board of the Department of Accounting of Hong Kong Shue Yan University, and a member of the Mainland Business Advisory Committee of the Hong Kong Trade Development Council. He is a Council Member of the Vocational Training Council, a Council Member of the Employers' Federation of Hong Kong, and a member of the Advisory Committee and External Advisor of the Career Planning and Development Steering Committee of the College of Professional and Continuing Education, The Hong Kong Polytechnic University. He is also the Chairman of the Advisory Board of The Hong Kong Management Association ("HKMA") Global Centre for ESG Education and Research 2021/2022 and a council member of HKMA 2021/2022. Mr. Wong has over 46 years of experience in corporate finance, management and international working experience.

As at the Latest Practicable Date, Mr. Wong has personal interest of 5,120,000 shares of Towngas Smart Energy (an associated corporation of the Company), representing approximately 0.157 per cent of the issued shares of Towngas Smart Energy, and has interest in 1,800,000 underlying shares of Towngas Smart Energy pursuant to share options granted under the share option scheme of Towngas Smart Energy entitling him to subscribe for 1,800,000 shares of Towngas Smart Energy (representing approximately 0.055 per cent of the issued shares of Towngas Smart Energy) within the meaning of Part XV of the Securities and Futures Ordinance.

Save as disclosed herein, as at the Latest Practicable Date Mr. Wong has no relationship with any Directors, senior management or substantial or controlling shareholders of the Company.

As at the Latest Practicable Date, Mr. Wong 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 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 2022, Mr. Wong received a fixed remuneration of HK\$250,000 as director's fee and other emoluments of approximately HK\$30,711,000 from the Group, including the director's fee payable by Towngas Smart Energy to him of HK\$200,000, which was determined by the board of directors of Towngas Smart Energy and was approved by the shareholders of Towngas Smart Energy at its annual general meeting in 2022.

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

Mr. Andrew Fung Hau-chung BBS, JP, BA, *Non-executive Director*

Aged 65. Mr. Fung was appointed to the Board in June 2022. Mr. Fung is an Executive Director and the Chief Financial Officer of Henderson Land Development Company Limited (“Henderson Land Development”), a controlling shareholder of the Company and the shares of which are listed on the Main Board of the Stock Exchange. He holds the Bachelor of Arts Degree from The University of Hong Kong and the Honorary Fellowship awarded by Lingnan University. Mr. Fung served as an executive director and the Head of Global Banking and Markets of Hang Seng Bank Limited, a listed company on the Main Board of the Stock Exchange, before he stepped down from such positions in July 2017. He has been engaged in the banking industry since graduation, serving at Societe Generale, The Hongkong and Shanghai Banking Corporation Limited, Commonwealth Bank of Australia, Hong Kong Branch and DBS Bank (Hong Kong) Limited. He has 41 years of experience in banking, capital markets and asset management. He is the Professor of Practice (Finance) in the School of Accounting and Finance of The Hong Kong Polytechnic University, the Adjunct Professor of The Hang Seng University of Hong Kong and a member of the school management committee of Buddhist Tai Hung College. Mr. Fung is currently a member of the Court of The University of Hong Kong, a trustee of The D.H. Chen Foundation, a member of the Cantonese Opera Advisory Committee, a member of the Cantonese Opera Development Fund Advisory Committee and a member of the Banking Review Tribunal. Mr. Fung had previously been a board member of the Hospital Authority, a board member of the Airport Authority Hong Kong, a director of The Hong Kong Mortgage Corporation Limited, an associate member of the Central Policy Unit of the Government of the Hong Kong Special Administrative Region, a lay council member of the Hong Kong Institute of Certified Public Accountants, a client representative director of OTC Clearing Hong Kong Limited and the chairman of the Hospital Governing Committee of Pamela Youde Nethersole Eastern Hospital. Save as disclosed, Mr. Fung 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.

As at the Latest Practicable Date, Mr. Fung did not have any interests in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance. Save as disclosed herein, Mr. Fung has no relationship with any Directors, senior management or substantial or controlling shareholders of the Company.

As at the Latest Practicable Date, Mr. Fung 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 on an annual basis. His director’s fee and other emoluments are determined with reference to his duties and responsibilities. For the financial year ended 31st December 2022, Mr. Fung received a remuneration of approximately HK\$138,000 as director’s fee (the fixed director’s fee of HK\$250,000 per annum) and other emoluments of approximately HK\$100 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 Mr. Fung’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(I) 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 18,659,870,098 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 1,865,987,009 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 2022) 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 7,748,692,715 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 <i>(HK\$)</i> | Lowest <i>(HK\$)</i> |
|--|---------------------------------|--------------------------------|
| April 2022 | 9.56 | 8.54 |
| May 2022 | 8.88 | 8.32 |
| June 2022 | 8.98 | 8.20 |
| July 2022 | 8.57 | 8.16 |
| August 2022 | 8.33 | 7.70 |
| September 2022 | 7.67 | 6.71 |
| October 2022 | 7.16 | 6.00 |
| November 2022 | 6.81 | 6.07 |
| December 2022 | 7.60 | 6.56 |
| January 2023 | 8.25 | 7.20 |
| February 2023 | 7.95 | 7.24 |
| March 2023 | 7.44 | 6.83 |
| April 2023 (up to the Latest Practicable Date) | 6.96 | 6.76 |

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 (the “AGM”) of The Hong Kong and China Gas Company Limited (the “Company”) will be held at Meeting Room N101 (Expo Drive Entrance) as the principal meeting place and Hall 1A (Expo Drive Entrance) as the additional meeting venue, Hong Kong Convention and Exhibition Centre, 1 Expo Drive, Wanchai, Hong Kong on Wednesday, 7th June 2023 at 12:00 noon for the following purposes:

1. To receive and consider the audited financial statements for the financial year ended 31st December 2022 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**

- (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

NOTICE OF ANNUAL GENERAL MEETING

(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.”

(II) **“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

NOTICE OF ANNUAL GENERAL MEETING

- (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(I) 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(II); 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).”

- (III) “**THAT** conditional upon the passing of Resolutions 5(I) and 5(II) 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(II) 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(I) 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
*Executive Director, Chief Financial Officer and
Company Secretary*

Hong Kong, 25th April 2023

NOTICE OF ANNUAL GENERAL MEETING

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.
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 form of proxy 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. At the AGM, 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.
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 Friday, 2nd June 2023 to Wednesday, 7th June 2023, 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, 1st June 2023 in order for the transferee to be entitled to attend and vote at the Annual General Meeting (or any adjournment thereof).
5. For the purpose of determining shareholders who qualify for the proposed final dividend, the register of members of the Company will be closed from Tuesday, 13th June 2023 to Thursday, 15th June 2023, 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, 12th June 2023 in order for the transferee to be entitled to the proposed final dividend.
6. If Resolution 2 above is approved, the final dividend will be payable on Monday, 26th June 2023 to shareholders of the Company entitled thereto.
7. The Chinese translation of this notice is for reference only, and in case of any inconsistency, the English version shall prevail.