
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in China Gas Holdings Limited*, you should at once hand this circular with the accompanying form of proxy, to the purchaser or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

**CHINA GAS HOLDINGS LIMITED****中國燃氣控股有限公司****(Incorporated in Bermuda with limited liability)***(Stock Code: 384)**

- (1) RENEWAL OF GENERAL MANDATES TO
ISSUE SHARES AND REPURCHASE SHARES;
(2) RE-ELECTION AND ELECTION OF DIRECTORS;
(3) APPROVAL OF SENIOR EXECUTIVES'
EMPLOYMENT CONTRACTS;
AND
(4) NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the AGM of the Company to be held at Renaissance Harbour View Hotel Hong Kong, Boardroom 8, Lower Lobby, 1 Harbour Road, Wan Chai, Hong Kong at 10:00 a.m. on Wednesday, 22 August 2018 is set out on page 31 to page 37 of this circular. A form of proxy for use at the AGM is enclosed with the Annual Report which is despatched to you together with this circular.

If there is a black rainstorm warning signal or a tropical cyclone warning signal number 8 or above in force at or after 7:00 a.m. on 22 August 2018 or if the Hong Kong Observatory has announced at or before 7:00 a.m. on 22 August 2018 that either of the above mentioned warnings is to be issued within the next two hours, the chairman of the AGM may propose for the AGM to be adjourned to a date which falls within 13 days from 22 August 2018 if (i) a quorum is present and the adjournment is consented to by the shareholders present; or (ii) a quorum is not present. If the meeting is so adjourned, the Company will make announcement regarding the adjourned meeting.

Whether or not you intend to attend and vote at the AGM in person, you are requested to complete the form of proxy enclosed with the Annual Report in accordance with the instructions printed thereon and return it to the Company's branch share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong as soon as practicable but in any event not later than 48 hours before the time appointed for holding the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM should you so wish.

* *For identification purposes only*

DEFINITIONS

In this circular, the following expressions shall have the following meanings unless the context indicates otherwise:

“associate(s)”	has the same meaning ascribed thereto in the Listing Rules
“AGM”	the annual general meeting of the Company to be held at Renaissance Harbour View Hotel Hong Kong, Boardroom 8, Lower Lobby, 1 Harbour Road, Wan Chai, Hong Kong at 10:00 a.m. on Wednesday, 22 August 2018 or at any adjournment thereof
“Annual Report”	the annual report of the Company for the year ended 31 March 2018 despatched to the Shareholders together with this circular
“Board”	the board of Directors
“Bye-laws”	the bye-laws of the Company from time to time and references to a “Bye-law” are to a bye-law contained therein
“Company”	China Gas Holdings Limited, a company incorporated in Bermuda with limited liability, and the issued shares of which are listed on the Main Board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“Effective Date”	the date upon which the Employment Contracts are approved by the Independent Shareholders at the AGM
“Employment Contracts”	the employment contracts entered into between the Company and each of the Relevant Senior Executives all dated 3 July 2018, each, an “Employment Contract”
“Existing Employment Contracts”	the existing employment contracts entered into between the Company and each of the Relevant Senior Executives all dated 17 August 2012, each, an “Existing Employment Contract”
“Group”	the Company and all of its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

DEFINITIONS

“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Shareholders”	Shareholders who are not required to abstain from voting on the relevant resolution(s) to be proposed at the AGM to approve the Employment Contracts under the Listing Rules
“Issue Mandate”	a general and unconditional mandate proposed to be granted to the Directors to exercise all the powers of the Company to allot, issue and otherwise deal with additional Shares up to a maximum of 10% of the aggregate nominal share capital of the Company in issue as at the date of passing of the relevant resolution
“Latest Practicable Date”	16 July 2018, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Mr. HUANG”	Mr. HUANG Yong
“Mr. LIU”	Mr. LIU Ming Hui
“PRC”	the People’s Republic of China
“Relevant Senior Executives”	Mr. LIU and Mr. HUANG, each a “Relevant Senior Executive”
“Remuneration Committee”	the Remuneration Committee of the Company, comprising Ms. WONG Sin Yue Cynthia, Dr. MAO Erwan, Mr. ZHAO Yuhua, Ms. CHEN Yanyan, Mr. LIU, Mr. HUANG and Mr. ZHU Weiwei
“Repurchase Mandate”	a general and unconditional mandate proposed to be granted to the Directors to exercise all the powers of the Company to repurchase up to 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the relevant resolution

DEFINITIONS

“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	the ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	Hong Kong Code on Takeovers and Mergers
“%”	per cent

LETTER FROM THE BOARD



CHINA GAS HOLDINGS LIMITED

中國燃氣控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 384)

Executive Directors:

Mr. ZHOU Si (*Chairman*)
Mr. LIU Ming Hui
*(Executive Chairman, Managing Director
and President)*
Mr. HUANG Yong (*Executive President*)
Mr. ZHU Weiwei (*Vice President*)
Mr. MA Jinlong (*Vice President*)
Ms. LI Ching

Non-executive Directors:

Mr. YU Jeong Joon (*Vice Chairman*)
Mr. KWON Woonsang
(alternate to Mr. YU Jeong Joon)
Mr. LIU Mingxing
Ms. LIU Chang
(alternate to Mr. LIU Mingxing)
Mr. JIANG Xinhao
Mr. Rajeev Kumar MATHUR

Independent Non-executive Directors:

Mr. ZHAO Yuhua
Dr. MAO Erwan
Ms. WONG Sin Yue Cynthia
Ms. CHEN Yanyan
Mr. ZHANG Ling

Registered office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

*Head office and principal place
of business in Hong Kong:*

Room 1601, 16th Floor
Capital Centre, 151 Gloucester Road
Wan Chai
Hong Kong

20 July 2018

To the Shareholders

Dear Sir or Madam,

- (1) RENEWAL OF GENERAL MANDATES TO
ISSUE SHARES AND REPURCHASE SHARES;
(2) RE-ELECTION AND ELECTION OF DIRECTORS;
(3) APPROVAL OF SENIOR EXECUTIVE'S EMPLOYMENT CONTRACTS;
AND
(4) NOTICE OF ANNUAL GENERAL MEETING**

1. INTRODUCTION

The purpose of this circular is to provide you with details in relation to the resolutions to be proposed at the AGM, including (i) the proposed renewal of Issue Mandate and Repurchase Mandate; (ii) re-election and election of Directors; and (iii) the Employment Contracts.

* *For identification purposes only*

LETTER FROM THE BOARD

2. PROPOSED RENEWAL OF GENERAL MANDATE TO ISSUE AND TO REPURCHASE SHARES

At the AGM, an ordinary resolution will be proposed to grant the Directors a general and unconditional mandate to exercise all powers of the Company to issue new Shares up to 10% of the number of issued Shares as at the date of passing of the ordinary resolution.

At the AGM, an ordinary resolution will also be proposed to grant the Directors a general and unconditional mandate to exercise all powers of the Company to repurchase Shares on the Stock Exchange up to a maximum of 10% of the Shares in issue as at the date of passing of the ordinary resolution.

In addition, a separate ordinary resolution will further be proposed, that the Issue Mandate be extended so that the Directors be given a general mandate to issue further Shares of a number equal to the number of the Shares repurchased by the Company under the Repurchase Mandate.

In relation to the Issue Mandate, 4,968,519,572 Shares were in issue and fully paid as at the Latest Practicable Date. Assuming that there are no changes in the Company's issued and fully paid share capital from the Latest Practicable Date to the date of AGM and the ordinary resolution approving the Issue Mandate is passed, the maximum number of Shares that may be issued by the Company will be 496,851,957 Shares.

The Directors, as at the Latest Practicable Date, had no immediate plans to repurchase any Shares or to issue any new Shares (other than the Shares which may fall to be issued under the Share Option Scheme) pursuant to the relevant mandates.

The explanatory statement, as required by the Listing Rules to be sent to the Shareholders in connection with the Repurchase Mandate, is set out in Appendix I to this circular. The explanatory statement contains all information reasonably necessary to enable the Shareholders to make an informed decision on whether to vote for or against the relevant resolutions at the AGM.

3. RE-ELECTION AND ELECTION OF DIRECTORS

Pursuant to Bye-law 86(2) of the Bye-laws, the Directors shall have power from time to time and at any time to appoint any person as a Director either to fill a causal vacancy on the Board or, subject to authorization by the Shareholders in general meeting, as an addition to the Board. Any Director so appointed by the Board shall hold office only until the next following general meeting (in the case of filling a vacancy) or until the next following annual general meeting (in the case of an addition to their number) of the Company and shall then be eligible for re-election at that meeting. In this connection, Mr. ZHANG Ling and Mr. Rajeev Kumar MATHUR will retire, and being eligible, will offer themselves for re-election at the AGM.

LETTER FROM THE BOARD

Pursuant to Bye-law 87(1) of the Bye-laws, at each annual general meeting, one-third of the Directors for the time being, or, if their number is not a multiple of three, the number nearest to but not less than one-third, shall retire from office by rotation, provided that every Director shall be subject to retirement at least once every three years. Pursuant to Bye-law 87(1) of the Bye-laws of the Company and the Code Provision A.4.2 of the Corporate Governance Code set out in Appendix 14 to the Listing Rules, Mr. HUANG, Mr. YU Jeong Joon (“Mr. YU”), Mr. ZHAO Yuhua (“Mr. ZHAO”), Ms. Wong Sin Yue Cynthia (“Ms. WONG”) and Ms. CHEN Yanyan will retire by rotation, and Mr. HUANG, Mr. ZHAO, Ms. WONG and Ms. CHEN Yanyan, being eligible, will offer themselves for re-election at the AGM. In addition, Mr. LIU Mingxing will retire by rotation and, being eligible, will offer himself for re-election at the AGM taking into account Mr. YU’s retirement as described in the following paragraph.

Mr. YU has informed the Board that he decided not to offer himself for re-election at the AGM due to his own decision to devote more time to other business endeavours and he will retire from office immediately after the close of the AGM. Accordingly, Mr. KWON Woonsang will cease to act as an alternate Director to Mr. YU immediately after the close of the AGM. Mr. YU has confirmed that his retirement is not due to any disagreement with the Board and there is no other matter relating to his retirement that needs to be brought to the attention of the Shareholders. The Board would like to thank Mr. YU for his contributions to the Company during his tenure of office as a non-executive Director. Given that Mr. YU will not offer himself for re-election at the AGM, for the purpose of Bye-law 87(1) of the Bye-laws, Mr. LIU Mingxing, being eligible, will retire and offer himself for re-election at the AGM pursuant to Bye-law 87(1) of the Bye-laws.

The Board would like to propose the election of Mr. JO Jinho as a non-executive Director, subject to the approval of the Shareholders at the AGM. Mr. JO Jinho’s term of office will commence from the date on which approval of his election by the Shareholders is obtained at the AGM.

Pursuant to the Code Provision A.4.3 of the Corporate Governance Code set out in Appendix 14 to the Listing Rules, if an independent non-executive Director serves more than nine years, his or her further appointment should be subject to a separate resolution to be approved by shareholders.

Mr. ZHAO and Ms. WONG were appointed as independent non-executive Directors of the Company in November 2002 and October 2003 respectively. Each of them has served the Company as an independent non-executive Director for more than nine years, and each of them has thorough understanding of the Company’s operations and business. As independent non-executive Directors, both of them have always contributed objectively in advising and giving independent guidance to the Company in their capacity as independent non-executive Directors over the years. Mr. ZHAO and Ms. WONG have never been engaged in any executive management of the Group. The Board has received from each of Mr. ZHAO and Ms. WONG a confirmation of independence according to Rule 3.13 of the Listing Rules. Taking into consideration of the above and the independent natures of Mr. ZHAO’s and Ms. Wong’s role

LETTER FROM THE BOARD

and duties in the past years, both the Nomination Committee of the Company and the Board consider that the long service of Mr. ZHAO and Ms. WONG would not diminish their independence or affect their exercise of independent judgement and is satisfied that both Mr. ZHAO and Ms. WONG have the required character, integrity, experience and independence to continue fulfilling the roles of independent non-executive Directors. As such, the Board considers that re-election of Mr. ZHAO and Ms. WONG as independent non-executive Directors is in the best interest of the Company and the Shareholders as a whole.

Details of the above Directors proposed to be re-elected and Director to be elected at the AGM are set out in Appendix II to this circular.

4. RELEVANT SENIOR EXECUTIVES' EMPLOYMENT CONTRACTS

The Company and each of the Relevant Senior Executives entered into the Existing Employment Contracts on 17 August 2012, respectively. The Company and each of the Relevant Senior Executives entered into the employment contracts on 3 July 2017, respectively, with a view to replacing the Existing Employment Contracts, but the employment contracts have not come into effect as they were not approved by the Shareholders at the annual general meeting of the Company held on 10 August 2017. In light of the reasons set out in the paragraph headed "Reasons for the 10-year Term of Appointment of the Employment Contracts" in Appendix III, the Company has entered into the Employment Contracts with Mr. LIU in his capacity as Managing Director and President of the Company, and with Mr. HUANG in his capacity as Executive President of the Company, respectively, in each case on 3 July 2018 for a term of appointment of 10 years from the Effective Date.

According to Rule 13.68 of the Listing Rules, given that the term of appointment of each Employment Contract exceeds three years, each Employment Contract is subject to the approval of the Independent Shareholders. The Existing Employment Contracts shall be superseded by the Employment Contracts from the Effective Date, subject to the approval of the Independent Shareholders at the AGM.

Please refer to Appendix III in this circular for further details of the Employment Contracts, the biographical details of the Relevant Senior Executives and the reasons for the terms of appointment.

5. AGM

A notice of AGM is set out on pages 31 to 37 of this circular. As the Employment Contracts are for a term of appointment that exceeds three years, each Employment Contract is subject to the approval of the Independent Shareholders pursuant to Rule 13.68 of the Listing Rules. According to the register maintained by the Company pursuant to Part XV of the SFO, as at the Latest Practicable Date, Mr. LIU and Mr. HUANG together with their respective associates, were and deemed to be interested in 1,036,544,028 and 117,278,000 Shares

LETTER FROM THE BOARD

respectively, representing approximately 20.86% and 2.36% respectively of the entire issued share capital of the Company. Mr. LIU, Mr. HUANG and their respective associates are required to abstain from voting at the AGM on the resolutions to approve their respective Employment Contracts.

The Remuneration Committee comprises four independent non-executive Directors, namely Ms. WONG, Dr. MAO Erwan, Mr. ZHAO and Ms. CHEN Yanyan, and three executive Directors being Mr. LIU, Mr. HUANG and Mr. ZHU Weiwei. The Remuneration Committee (other than Mr. LIU and Mr. HUANG, who are interested in their respective Employment Contracts) has reviewed and considered the terms of the Employment Contracts for the purpose of advising the Independent Shareholders in respect of the Employment Contracts. The letter from the Remuneration Committee (other than Mr. LIU and Mr. HUANG) containing its advice and recommendation to the Independent Shareholders as to how to vote at the AGM with regard to the Employment Contracts is set out on page 30 of this circular.

Save as disclosed in this circular, to the best knowledge of the Directors, no Shareholder is required to abstain from voting in respect of any of the resolutions proposed at the AGM pursuant to the Listing Rules.

A form of proxy for use at the AGM is enclosed with the Annual Report. In order to be valid, the form of proxy must be completed in accordance with the instructions printed thereon and deposited, together with 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 at the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not less than 48 hours before the time appointed for holding the AGM or any adjournment thereof. Completion and delivery of the form of proxy will not preclude Shareholders from attending and voting in person at the AGM should they so wish and, in such event, the instrument appointing a proxy shall be deemed to be revoked.

6. RESPONSIBILITY STATEMENT

This circular (including its appendices), for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular (including its appendices) is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular (including its appendices) misleading.

LETTER FROM THE BOARD

Closure of Register of Members

For the purpose of determining the identity of the Shareholders who are entitled to attend and vote at the AGM, the register of members of the Company will be closed from 17 August 2018 (Friday) to 22 August 2018 (Wednesday) (both days inclusive), during which period no transfer of Shares will be registered. In order to qualify for attending and voting at the AGM to be held on 22 August 2018 (Wednesday), all transfers of Shares accompanied by the relevant share certificates and transfer forms must be lodged with the Company's branch share registrar and transfer office of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on 16 August 2018 (Thursday).

For the purpose of determining the Shareholders who are entitled to receive the proposed final dividend for the year ended 31 March 2018, the register of members of the Company will be closed from 29 August 2018 (Wednesday) to 31 August 2018 (Friday) (both days inclusive), during which period no transfer of Shares will be registered. Subject to approval of the Shareholders at the AGM, the proposed final dividend will be payable, on or about 28 September 2018 (Friday), to the Shareholders whose names appear on the register of members of the Company on 31 August 2018 (Friday). In order to qualify for the proposed final dividend, all transfers of Shares accompanied by the relevant share certificates and transfer forms must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on 28 August 2018 (Tuesday).

Voting by Way of Poll

Pursuant to Rule 13.39(4) of the Listing Rules and Bye-law 66 of the Bye-laws of the Company, at any general meeting of the Company, a resolution put to the vote of the meeting shall be taken by poll, other than resolution which relates purely to a procedural or administrative matter which may be decided by the chairman in good faith to be voted by a show of hands. The Company will appoint a scrutineer to handle vote-taking procedures at the AGM. The results of the poll will be published on the websites of the Stock Exchange and the Company in accordance with Rule 13.39(5) of the Listing Rules.

Recommendation

The Directors are of the opinion that the resolutions to be proposed at the AGM as referred in this circular are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of all the relevant resolutions to be proposed at the AGM.

LETTER FROM THE BOARD

General Information

Your attention is also drawn to the additional information set out in the Appendices to this circular.

Yours faithfully,
On behalf of the Board
CHINA GAS HOLDINGS LIMITED
ZHOU Si
Chairman

* *For identification purposes only*

This explanatory statement contains all the information required pursuant to Rule 10.06(1)(b) of the Listing Rules.

1. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company was 4,968,519,572 Shares.

Subject to the passing of the ordinary resolution granting the Repurchase Mandate and on the basis that there are no changes in the Company's issued and fully paid share capital from the Latest Practicable Date to the date of AGM, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 496,851,957 Shares.

2. REASONS FOR SHARE REPURCHASE

The Directors believe that the Repurchase Mandate is in the best interests of the Company and its Shareholders as a whole.

Whilst it is not possible to anticipate in advance any specific circumstance in which the Directors might consider being appropriate to repurchase the Shares, they believe that an ability to do so would give the Company flexibility that would be beneficial to the Company and the Shareholders. Such repurchases may, depending on market conditions and funding arrangements at that time, lead to an enhancement of the net asset value per Share and/or earnings per Share. Repurchases of Shares will only be made when the Directors believe that such repurchases will benefit the Company and the Shareholders.

3. SOURCE OF FUNDS OF REPURCHASE

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its memorandum of association and Bye-laws and the applicable laws and regulations of Bermuda. The laws of Bermuda provide that: (i) the amount of capital repaid in connection with a repurchase of Shares may only be paid, with respect to the par value of the Shares to be repurchased, out of either the capital paid up on the relevant Shares, or the funds of the Company that would otherwise be available for dividend or distribution, or the proceeds of a fresh issue of Shares made for the purpose of the repurchase; (ii) the amount of premium payable on repurchase may only be paid out of either the funds of the Company that would otherwise be available for dividend or distribution or out of the share premium account of the Company; (iii) no purchase by the Company of its own Shares may be effected if, on the date on which the purchase is to be effected, there are reasonable grounds for believing that the Company is, or after the purchase would be, unable to pay its liabilities as they become due; and (iv) the Shares so repurchased would be treated as cancelled but the aggregate amount of authorised share capital of the Company would not be reduced.

On the basis of the consolidated financial position of the Company as at 31 March 2018 (being the date to which the latest published audited financial statements of the Company have been made up) and in particular the working capital position of the Company at that time and the number of Shares in issue, the Directors consider that there might be a material adverse impact on the working capital position or the gearing position of the Company in the event that the Repurchase Mandate is exercised in full at any time during the proposed repurchase period. However, no purchase would be made in circumstances that would have a material adverse impact on the working capital position or the gearing position of the Company (as compared with the position disclosed in its latest published audited financial statements).

4. SHARE PRICES

The highest and lowest prices at which the Shares traded on the Stock Exchange during each of the following months up to and including the Latest Practicable Date were as follows:

	Price per Share	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2017		
July	20.25	15.46
August	20.20	18.40
September	23.80	18.98
October	25.00	22.95
November	25.20	21.60
December	25.50	21.50
2018		
January	25.25	20.50
February	25.20	21.80
March	29.70	23.00
April	29.50	27.20
May	32.70	27.65
June	36.70	29.80
July (up to the Latest Practicable Date)	35.05	29.75

5. UNDERTAKING

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the powers of the Company to make repurchases pursuant to the Repurchase Mandate and in accordance with the Listing Rules, the memorandum of association of the Company and Bye-laws and the applicable laws and regulations of Bermuda.

As at the Latest Practicable Date, none of the Directors nor, to the best of their knowledge and belief having made all reasonable enquiries, any of their close associates (as defined in the Listing Rules), had any present intention to sell any Shares to the Company in the event that the Repurchase Mandate is approved at the AGM.

As at the Latest Practicable Date, no core connected persons (as defined in the Listing Rules) of the Company had notified the Company that they had a present intention to sell Shares to the Company, or have undertaken not to do so, in the event that the Company is authorised to make purchases of the Shares.

6. EFFECT OF TAKEOVERS CODE

If, as a result of a repurchase of Shares by the Company, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of Rule 32 of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert (within the meaning of the Takeovers Code), depending on the level of increase in the interest of the Shareholder(s), could obtain or consolidate control of the Company and become(s) obliged to make a mandatory general offer in accordance with Rule 26 of the Takeovers Code.

According to the register kept under Section 336 of the SFO and information received by the Company, as at the Latest Practicable Date, the following Shareholders are taken to have 5% or more of the total issued shares of the Company:

Name of Shareholders	Number of Shares interested	Percentage of shareholding in the Company	
		As at the Latest Practicable Date	Assuming that the Repurchase Mandate is exercised in full
Beijing Enterprises Group Company Limited ("BE Group")	1,237,663,143 (Note 1)	24.91%	27.68%
Beijing Enterprises Group (BVI) Company Limited ("BE Group BVI")	1,237,663,143 (Note 1)	24.91%	27.68%
Beijing Enterprises Holdings Limited ("Beijing Enterprises")	1,237,663,143 (Note 1)	24.91%	27.68%
Hong Mao Developments Limited ("Hong Mao")	1,164,911,143 (Note 1)	23.45%	26.05%
Mr. LIU	1,086,544,028 (Notes 2 and 3)	21.87%	24.30%
Joint Coast Alliance Market Development Limited ("Joint Coast")	754,908,000 (Notes 2 and 3)	15.19%	16.88%

Name of Shareholders	Number of Shares interested	Percentage of shareholding in the Company	
		As at the Latest Practicable Date	Assuming that the Repurchase Mandate is exercised in full
China Gas Group Limited (“CGGL”)	754,908,000 <i>(Notes 2 and 3)</i>	15.19%	16.88%
CHIU Tat Jung Daniel (“Mr. CHIU”)	976,723,435 <i>(Note 4)</i>	19.66%	21.84%
First Level Holdings Limited (“First Level”)	976,723,435 <i>(Note 4)</i>	19.66%	21.84%
Fortune Dynasty Holdings Limited (“Fortune Dynasty”)	975,723,435 <i>(Note 4)</i>	19.64%	21.82%
Fortune Oil Limited (“Fortune Oil”)	975,723,435 <i>(Note 4)</i>	19.64%	21.82%
Fortune Oil PRC Holdings Limited (“Fortune Oil PRC”)	911,409,544 <i>(Note 4)</i>	18.34%	20.38%
CHEY Taewon (“Mr. CHEY”)	780,908,500 <i>(Note 5)</i>	15.72%	17.46%
SK Holdings Co., Ltd. (“SK Holdings”)	780,908,500 <i>(Note 5)</i>	15.72%	17.46%
SK E&S Co., Ltd. (“SK E&S”)	780,908,500 <i>(Note 5)</i>	15.72%	17.46%
The Capital Group Companies, Inc	398,018,742 <i>(Note 6)</i>	8.01%	8.90%

Notes:

1. Each of BE Group, BE Group BVI and Beijing Enterprises was deemed to be interested in 1,237,663,143 Shares, 72,752,000 of which were directly and beneficially owned by Beijing Enterprises, and 1,164,911,143 of which were directly and beneficially owned by Hong Mao. Hong Mao. was wholly-owned by Beijing Enterprises which was owned as to 41.06% by BE Group BVI, 7.93% by Modern Orient Limited (“Modern Orient”) and 12.97% by Beijing Enterprises Investments Limited (“Beijing Enterprises Investments”). Modern Orient was wholly-owned by Beijing Enterprises Investments which is owned as to 72.72% by BE Group BVI. BE Group BVI was wholly-owned by BE Group.
2. Mr. LIU was deemed to be interested in a total of 1,086,544,028 Shares, comprising:
 - (i) 281,636,028 Shares beneficially owned by him;
 - (ii) 50,000,000 underlying Shares beneficially owned by way of share options; and
 - (iii) 754,908,000 Shares beneficially owned by CGGL. CGGL was owned as to 50% by Joint Coast which, in turn, is wholly-owned by Mr. LIU.
3. Joint Coast was deemed to be interested in 754,908,000 Shares beneficially owned by CGGL. CGGL is owned as to 50% by Joint Coast which, in turn, is wholly-owned by Mr. LIU.

4. Each of Mr. CHIU and First Level was deemed to be interested in a total of 976,723,435 Shares, comprising:
 - (i) 754,908,000 Shares beneficially owned by CGGL. CGGL was owned as to 50% by Fortune Oil PRC;
 - (ii) 156,501,544 Shares beneficially owned by Fortune Oil PRC which is a wholly-owned subsidiary of Fortune Oil. Fortune Oil is a wholly-owned subsidiary of Fortune Dynasty which is owned as to 70% by First Level;
 - (iii) 27,617,919 Shares beneficially owned by First Marvel Investment Limited which is a wholly-owned subsidiary of Fortune Oil;
 - (iv) 36,695,972 Shares beneficially owned by Fortune Oil Holdings Limited which is a wholly-owned subsidiary of Fortune Oil; and
 - (v) 1,000,000 Shares beneficially owned by First Level which, in turn, is owned as to 99% by Mr. CHIU.
5. Each of Mr. CHEY, SK Holdings and SK E&S was deemed to be interested in a total of 780,908,500 Shares, comprising:
 - (i) 705,034,500 Shares beneficially owned by SK E&S. SK E&S is owned as to 100% by SK Holdings. SK Holdings is owned as to 23.40% by Mr. CHEY;
 - (ii) 73,008,000 Shares beneficially owned by Busan City Gas Co., Ltd. ("Busan City") which is owned as to 76.40% by SK E&S; and
 - (iii) 2,866,000 Shares beneficially owned by SK E&S Hong Kong Co., Ltd., which is owned as to 50% by Busan City and 50% by SK E&S.
6. The Capital Group Companies, Inc. was deemed to be interested in 398,018,742 Shares which were beneficially owned by its wholly-owned subsidiary Capital Research and Management Company.

On the basis that there are no changes in the Company's issued and fully paid share capital from the Latest Practicable Date to the date of AGM and none of the substantial shareholders (as defined in the Listing Rules) of the Company dispose of its/his Shares, in the event that the Directors exercise in full the Repurchase Mandate, the interests of the above Shareholders would be increased to such percentages of the issued share capital of the Company as set out in the fourth column of the above table. To the best knowledge of the Directors, there are no Shareholder or group of Shareholders acting in concert, who may become obliged to make a mandatory offer under Rule 26 of the Takeovers Code as a consequence of such increase as a result of the Repurchase Mandate exercised in full.

7. SHARE REPURCHASES MADE BY THE COMPANY

No repurchase of the Shares has been made by the Company in the six months preceding the Latest Practicable Date.

**APPENDIX II BIOGRAPHICAL DETAILS OF DIRECTORS PROPOSED
TO BE RE-ELECTED AND ELECTED AT THE AGM**

As required by the Listing Rules, the particulars of the Directors proposed to be re-elected and elected at the AGM are set out in this Appendix II.

Mr. HUANG, aged 55, is currently the executive president of the Company. Mr. HUANG was appointed as an executive Director of the Company in June 2013. He is also a director of certain subsidiaries of the Company and a member of each of the Executive Committee, the Nomination Committee and the Remuneration Committee. Mr. HUANG is the founder of the Company and has been the Executive President of the Company since joining in 2002. He is responsible for the formulation and implementation of the Group's overall strategies and plans and the Group's development and operation. Prior to joining the Company, he worked at Shenzhen Nanyou (Holdings) Ltd. and Asia Environmental Development Company Limited* (亞洲環境發展有限公司). Mr. HUANG received a bachelor's degree and a master's degree in law from Wuhan University in 1985 and 1988 respectively. He has extensive experience in legal affairs and corporate management.

Saved as disclosed above, Mr. HUANG had not held any directorship in publicly listed companies, whether in Hong Kong or overseas, during the last three years and up to the Latest Practicable Date, nor did he have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company (as defined in the Listing Rules). As at the Latest Practicable Date, Mr. HUANG did not hold any other position with the Company and its subsidiaries.

As at the Latest Practicable Date, there was an Existing Employment Contract between the Company and Mr. HUANG in his capacity as the executive president of the Company under which Mr. HUANG is currently entitled to a monthly salary of HK\$605,000, housing allowance of up to HK\$100,000 per month and discretionary bonus as may be approved by the Remuneration Committee with reference to his roles and responsibilities and the prevailing market conditions. As at Latest Practicable Date, Mr. Huang has entered into the Employment Contract with the Company, which is subject to the approval of the Independent Shareholders at the AGM. For details of the terms and conditions of the Employment Contract, please refer to Appendix III in this circular.

Mr. HUANG, in his capacity as a Director, has no fixed term of appointment, and he is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Bye-laws of the Company.

As at the Latest Practicable Date, Mr. HUANG was deemed to be interested in 167,278,000 Shares, representing 3.37% of the issued share capital of the Company under Part XV of the SFO, which comprises (i) 117,278,000 Shares (including 770,000 Shares held by his spouse Ms. ZHAO Xiaoyu); and (ii) share options entitling him to subscribe for 50,000,000 Shares.

**APPENDIX II BIOGRAPHICAL DETAILS OF DIRECTORS PROPOSED
TO BE RE-ELECTED AND ELECTED AT THE AGM**

Save as disclosed above, the Board is not aware of any other information required to be disclosed pursuant to the requirements of Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules, nor is there any other matters that needs to be brought to the attention of the Shareholders of the Company.

Mr. LIU Mingxing, aged 45, was appointed as a non-executive Director of the Company in July 2014. He is also currently a member of the Corporate Governance and Risk Control Committee. Mr. LIU Mingxing is currently a professor of Economics of China Institute for Educational Finance Research, Peking University. He was an associate professor of Economics of China Institute for Educational Finance Research, Peking University from January 2008 to July 2013, and a lecturer of Economics and an associate professor of Economics of the School of Government, Peking University from September 2003 to December 2007. From 2001 to 2003, he engaged in postdoctoral research at The National Bureau of Economic Research in the United States. Mr. LIU Mingxing acted as a consultant and provided policy advisory services to the Ministry of Finance and the Ministry of Education of China, the World Bank, the Organization for Economic Co-operation and Development (OECD), the United Nations Educational, Scientific and Cultural Organization and Department for International Development of the United Kingdom on various occasions. Mr. LIU Mingxing published a large number of academic papers and books in respect of economics and finance in China and worldwide. He received a bachelor's degree and a master's degree in economics from Zhongnan University of Economics and Law in 1994 and 1997 respectively and a doctorate degree in economics from Peking University in 2001. He has experience in finance and economics. Mr. LIU Mingxing is the younger brother of Mr. LIU, the Executive Chairman, the Executive Director, Managing Director and President and a shareholder of the Company. Mr. LIU Mingxing is also the uncle of Ms. LIU Chang, being the alternate director of himself.

Save as disclosed above, Mr. LIU Mingxing had not held any other directorships in publicly listed companies, whether in Hong Kong or overseas, during the last three years and up to the Latest Practicable Date, nor did he have any relationship with any Directors, senior management or substantial or controlling Shareholders of the Company (as defined in the Listing Rules).

As at the Latest Practicable Date, there was no service agreement between the Company and Mr. LIU Mingxing, but Mr. LIU Mingxing is entitled to a director's fee as may be approved by the Board of the Company with reference to his roles and responsibilities and the prevailing market conditions. Currently, Mr. LIU Mingxing, as a non-executive Director, is entitled to an annual director's fee of HK\$264,000 and discretionary bonus payment. He is also entitled to an annual fee of HK\$66,000 as a member of the Corporate Governance and Risk Control Committee.

Mr. LIU Mingxing has no designated length of service with the Company but he is subject to retirement by rotation and reelection at the annual general meeting of the Company in accordance with the Bye-laws of the Company.

As at the Latest Practicable Date, Mr. LIU Mingxing had interest in share options entitling him to subscribe for 800,000 Shares.

**APPENDIX II BIOGRAPHICAL DETAILS OF DIRECTORS PROPOSED
TO BE RE-ELECTED AND ELECTED AT THE AGM**

Save as disclosed above, the Board is not aware of any other information required to be disclosed pursuant to the requirements of Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules, nor is there any other matters that needs to be brought to the attention of the Shareholders of the Company.

Mr. JO Jinho, aged 56, is currently a President of SK E&S Co., Ltd. (“SK E&S”) in China business department. He was a general manager of Wuhan Sailuo SK City Gas Co., Limited. Mr. JO Jinho obtained a bachelor’s degree of arts from National Chengchi University, Taiwan, Republic of China, and a master’s degree of arts from Fu Jen Catholic University, Taiwan, Republic of China and executive master’s degree in business administration of Guanghua School of Management, Peking University, PRC.

SK E&S is the substantial shareholders of the Company, holding directly and indirectly 780,908,500 shares of the Company (“SK E&S Shares”), representing 15.72% of the issued share capital of the Company as at the Latest Practicable Date.

Mr. JO Jinho is proposed to be elected as a non-executive Director, subject to the approval of the Shareholders at the AGM.

Save as disclosed above, Mr. JO Jinho had not held any other directorships in publicly listed companies, whether in Hong Kong or overseas, during the last three years and up to the Latest Practicable Date, nor did he have any relationship with any Directors, senior management or substantial or controlling Shareholders of the Company (as defined in the Listing Rules). As at the Latest Practicable Date, Mr. JO Jinho did not hold any other position with the Company and its subsidiaries.

The Company expects that, assuming the ordinary resolution electing Mr. JO Jinho as a non-executive Director is passed at the AGM, there will be no service agreement between the Company and Mr. JO Jinho, but Mr. JO Jinho, as a non-executive Director, is entitled to a director’s fee as approved by the Board with reference to his roles and responsibilities and the prevailing market conditions. Subject to the passing of the ordinary resolution, Mr. JO Jinho is entitled to an annual director’s fee of HK\$264,000 and discretionary bonus payment.

The Company expects that, assuming the ordinary resolution electing Mr. JO Jinho as non-executive Director is passed at the AGM, there will be no designated length of service from Mr. JO Jinho as a non-executive Director but he is subject to retirement by rotation and re-election in accordance with the Bye-laws of the Company.

As at the Latest Practicable Date, Mr. JO Jinho was not interested in the SK E&S Shares and did not hold any interest in the Shares or underlying shares of the Company.

**APPENDIX II BIOGRAPHICAL DETAILS OF DIRECTORS PROPOSED
TO BE RE-ELECTED AND ELECTED AT THE AGM**

Save as disclosed above, the Board is not aware of any other information to be disclosed pursuant to the requirement of the Rules 13.51(2)(h) and 13.51(2)(v) of the Listing Rules and there are no other matters that needs to be brought to the attention of the Shareholders of the Company.

Mr. Rajeev Kumar MATHUR (“Mr. MATHUR”), aged 57, was appointed as a non-executive Director by the Company on 1 July 2018. He is also currently a member of the Corporate Governance and Risk Control Committee. Mr. MATHUR is also currently an executive director of GAIL Indian Limited (“GAIL”). He is an engineer. He obtained a master’s degree in business administration with specialization in marketing management and has experience of about three decades in the natural gas and petrochemical industry. Mr. MATHUR is the chairman of Energy Committee of PHD Chamber of Commerce & Industry and a member of Hydrocarbon Committee of Federation of Indian Chamber of Commerce & Industry. He is also a member of the Governing Council of Natural Gas Society in India. Mr. MATHUR started his career with GAIL. Over 30 years in the gas industry, he has steered many initiatives in the marketing and business development areas covering natural gas trading, transmission and marketing & other allied products within India and overseas.

He was the managing director of Mahanagar Gas Limited, a leading city gas distribution company in Mumbai and is listed on National Stock Exchange of India Limited and The Bombay Stock Exchange in India, from September 2014 to May 2018. He is currently in charge of corporate affairs and risk management in GAIL. Mr. MATHUR served as a non-executive director and a member of Corporate Governance and Risk Control Committee of the Company from November 2013 to November 2014.

GAIL is a shareholder of the Company, holding, directly and indirectly, 150,000,000 shares (the “GAIL Shares”), representing 3.02% of the issued share capital of the Company as at the Latest Practicable Date. Mr. MATHUR held 180 shares in GAIL as at the Latest Practicable Date but he is not deemed to be interested in the GAIL Shares.

Save as disclosed above, Mr. MATHUR had not held any other directorships in publicly listed companies, whether in Hong Kong or overseas, during the last three years and up to the Latest Practicable Date, nor did he have any relationship with any Directors, senior management or substantial or controlling Shareholders of the Company (as defined in the Listing Rules). As at the Latest Practicable Date, Mr. MATHUR did not hold any other position with the Company and its subsidiaries.

As at the Latest Practicable Date, there was no service agreement between the Company and Mr. MATHUR, but Mr. MATHUR, as a non-executive Director, is entitled to a director’s fee as approved by the Board with reference to his roles and responsibilities and the prevailing market conditions. Currently, Mr. MATHUR is entitled to an annual director’s fee of HK\$264,000 and discretionary bonus payment. He is also entitled to an annual fee of HK\$66,000 as a member of the Corporate Governance and Risk Control Committee.

Mr. MATHUR has no designated length of service as a non-executive director but he is subject to retirement by rotation and re-election in accordance with the Bye-laws of the Company.

**APPENDIX II BIOGRAPHICAL DETAILS OF DIRECTORS PROPOSED
TO BE RE-ELECTED AND ELECTED AT THE AGM**

As at the Latest Practicable Date, Mr. MATHUR did not hold any interest in the Shares or underlying shares of the Company.

Save as disclosed above, the Board is not aware of any other information to be disclosed pursuant to the requirement of the Rules 13.51(2)(h) and 13.51(2)(v) of the Listing Rules and there are no other matters that needs to be brought to the attention of the Shareholders of the Company.

Mr. ZHAO Yuhua (“Mr. ZHAO”), aged 50, was appointed as an independent non-executive Director of the Company in November 2002. He is also currently the Chairman of the Audit Committee and a member of each of the Nomination Committee, the Remuneration Committee and the Corporate Governance and Risk Control Committee. He has been engaging in corporate financing and financial advisory business since 1993. Mr. ZHAO received a bachelor’s degree and a master’s degree in economics from Nankai University in 1989 and 1993 respectively. He has substantial experience in finance.

Saved as disclosed above, Mr. ZHAO had not held any directorship in publicly listed companies, whether in Hong Kong or overseas, during the last three years and up to the Latest Practicable Date, nor did he have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company (as defined in the Listing Rules). As at the Latest Practicable Date, Mr. ZHAO did not hold any other position with the Company and its subsidiaries.

As at the Latest Practicable Date, there was no service agreement between the Company and Mr. ZHAO but Mr. ZHAO is entitled to a director’s fee as may be approved by the Board of the Company with reference to his roles and responsibilities and the prevailing market conditions. Currently, Mr. ZHAO, as an independent non-executive Director, is entitled to an annual director’s fee of HK\$264,000 and discretionary bonus payment. He is also entitled to a total annual fee of HK\$330,000 as the chairman of the Audit Committee and members of each of the Nomination Committee, Remuneration Committee and Corporate Governance and Risk Control Committee.

Mr. ZHAO has no designated length of service with the Company but he is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Bye-laws of the Company.

As at the Latest Practicable Date, Mr. ZHAO held 1,400,000 Shares and had interest in options to subscribe for 1,000,000 Shares.

Save as disclosed above, the Board is not aware of any other information to be disclosed pursuant to the requirement of the Rules 13.51(2)(h) and 13.51(2)(v) of the Listing Rules and there are no other matters that needs to be brought to the attention of the Shareholders of the Company.

**APPENDIX II BIOGRAPHICAL DETAILS OF DIRECTORS PROPOSED
TO BE RE-ELECTED AND ELECTED AT THE AGM**

Ms. WONG Sin Yue Cynthia (“**Ms. WONG**”), aged 66, was appointed as an independent non-executive Director of the Company in October 2003, having taken up the position as non-executive Chairperson of the Board from March 2011 to August 2013. She is also currently the chairperson of the Remuneration Committee, the vice chairperson of the Corporate Governance and Risk Control Committee and a member of each of the Audit Committee and the Nomination Committee. Ms. WONG retired in February 2015 from the position of Deputy General Manager of China Merchants Holdings (International) Company Limited (Stock Exchange Stock Code: 144), a position she had held since November 2003. Prior to that, she held various senior positions at reputable international investment banks including Societe Generale, Deutsche Morgan Grenfell, Samuel Montague and Bear Stearns Asia for over 15 years during which she had advised more than 50 companies in Greater China and Asia in their equity, equity finance or equity-related activities. Ms. WONG received a master’s degree in business administration from the University of East Asia, Macau in 1989. She has substantial experience in corporate finance.

Save as disclosed above, Ms. WONG had not held any other directorships in publicly listed companies, whether in Hong Kong or overseas, during the last three years and up to the Latest Practicable Date, nor did she have any relationship with any Directors, senior management or substantial or controlling Shareholders of the Company (as defined in the Listing Rules). As at the Latest Practicable Date, Ms. Wong did not hold any other position with the Company and its subsidiaries.

As at the Latest Practicable Date, there was no service agreement between the Company and Ms. WONG, but Ms. WONG is entitled to a director’s fee as may be approved by the Board of the Company with reference to her roles and responsibilities and the prevailing market conditions. Currently, Ms. WONG, as an independent non-executive Director, is entitled to an annual director’s fee of HK\$264,000 and discretionary bonus payment. She is also entitled to total annual fee of HK\$396,000 as the Vice Chairperson of the Corporate Governance and Risk Control Committee and the Chairperson of the Remuneration Committee, and as members of each of the Audit Committee and the Nomination Committee.

Ms. WONG has no designated length of service with the Company but she is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Bye-laws of the Company.

As at the Latest Practicable Date, Ms. WONG held 1,200,000 Shares and share options entitling her to subscribe for 1,000,000 Shares.

Save as disclosed above, the Board is not aware of any other information required to be disclosed pursuant to the requirements of the Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules, nor is there any other matters that needs to be brought to the attention of the Shareholders of the Company.

APPENDIX II BIOGRAPHICAL DETAILS OF DIRECTORS PROPOSED TO BE RE-ELECTED AND ELECTED AT THE AGM

Ms. CHEN Yanyan (“Ms. CHEN”), aged 55, was appointed as an independent non-executive Director of the Company in December 2012. She is also currently a member of each of the Audit Committee, the Nomination Committee, the Remuneration Committee and the Corporate Governance and Risk Control Committee. Ms. CHEN is currently an economist, senior political engineer, and an expert in Logistics and Supply Chain Management Specialty of Expert Database of Science and Technology Expert Committee of Shenzhen Municipal Government. She is also a research fellow of the Chinese Logistics Society and a representative of the 11th Women’s Congress of Guangdong Province. Ms. CHEN is currently a director of Guangdong Misun Technology Co., Ltd. (Stock Code: 839002) listed on the China’s New Third Board, an independent director of Shenzhen Jame Technology Corp., Ltd.* (深圳市杰美特科技股份有限公司), Shenzhen Huashengchang Technology Industrial Co., Ltd. * (深圳市華盛昌科技實業股份有限公司) and two public companies listed on the Shenzhen Stock Exchange, (“SZSE”) i.e., Shenzhen Wenke Landscape Co., Ltd. (SZSE Stock Code: 2775), and Shenzhen Comix Group Co., Ltd. (SZSE Stock Code: 2301). She was an independent director of Shenzhen Woer Heat-Shrinkable Material Co., Ltd. (SZSE Stock Code: 2130) from 2010 to 2016. Ms. CHEN received a post-graduate education in Economics from Guangdong Provisional Committee Party School in 1999. She received “Second Prize of Technological Progress by the China Federation of Logistic and Purchasing” in 2008 and 2009. She has substantial experience in logistics and management.

Saved as disclosed above, Ms. CHEN had not held any directorship in publicly listed companies, whether in Hong Kong or overseas, during the last three years and up to the Latest Practicable Date, nor did he have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company (as defined in the Listing Rules). As at the Latest Practicable Date, Ms. CHEN did not hold any other position with the Company and its subsidiaries.

As at the Latest Practicable Date, there was no service agreement between the Company and Ms. CHEN but Ms. CHEN is entitled to a director’s fee as may be approved by the Board of the Company with reference to his roles and responsibilities and the prevailing market conditions. Currently, Ms. CHEN, as an independent non-executive Director, is entitled to an annual director’s fee of HK\$264,000 and discretionary bonus payment. She is also entitled to a total annual fee of HK\$264,000 as members of each of the Audit Committee, Nomination Committee, Remuneration Committee and Corporate Governance and Risk Control Committee.

Ms. CHEN has no designated length of service with the Company but she is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Bye-laws of the Company.

As at the Latest Practicable Date, Ms. CHEN had interest in options to subscribe for 1,000,000 Shares.

Save as disclosed above, the Board is not aware of any other information to be disclosed pursuant to the requirement of the Rules 13.51(2)(h) and 13.51(2)(v) of the Listing Rules and there are no other matters that needs to be brought to the attention of the Shareholders of the Company.

**APPENDIX II BIOGRAPHICAL DETAILS OF DIRECTORS PROPOSED
TO BE RE-ELECTED AND ELECTED AT THE AGM**

Mr. Zhang Ling (“**Mr. ZHANG**”), aged 62, was appointed as an independent non-executive Director of the Company in November 2017. He is also currently a member of each of the Audit Committee and the Corporate Governance and Risk Control Committee. Mr. ZHANG is currently a Professor and a Mentor of doctoral students at the China University of Political Science and Law, a director of the China Law Society, an Executive Vice President and a Legal Representative of the Chinese Society of Criminology* (中國犯罪學學會), the person-in-charge of the National Victimology Professional Committee* (全國被害人學專業委員會) and an officer of the Asian Law (Eastern Asia) Research Institution of the China University of Political Science and Law. Mr. ZHANG also serves as an independent director of each of Luzhou Laojiao Co., Ltd. (SZ stock Code: 000568) and Zhengzhou Sino-Crystal Diamond Co., Ltd. (SZ GEM Stock Code: 300064). In 1999, Mr. ZHANG was an external lecturer in the law department of Aichi University in Japan. From 2000 to 2002, Mr. ZHANG was a foreign researcher in the law research centre of Waseda University in Japan. Subsequently, Mr. ZHANG served as the deputy procurator and a committee member of the inspection committee of Beijing Chaoyang People’s Procuratorate* (北京市朝陽區檢察院) during 2004 to 2010, and has been serving as a committee member of the expert consultation committee of the Forth Court of Beijing People’s Procuratorate (Railway Inspections)*(北京市檢察院第四分院(鐵檢分院) since 2015. Mr. ZHANG served as an independent director of Huadian Energy Company Limited (Shanghai Stock Exchange Stock Code: 600726) from 2010 to 2014. Mr. ZHANG received a master’s degree in law from Jilin University in 1987, a doctorate degree in law from the same university in 1995 and a doctorate degree in law from Waseda University in Japan in 2002. He has substantial experience in law and legal affairs.

Saved as disclosed above, Mr. ZHANG had not held any directorship in publicly listed companies, whether in Hong Kong or overseas, during the last three years and up to the Latest Practicable Date, nor did he have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company (as defined in the Listing Rules). As at the Latest Practicable Date, Mr. ZHANG did not hold any other position with the Company and its subsidiaries.

As at the Latest Practicable Date, there was no service agreement between the Company and Mr. ZHANG but Mr. ZHANG is entitled to a director’s fee as may be approved by the Board of the Company with reference to his roles and responsibilities and the prevailing market conditions. Currently, Mr. ZHANG, as an independent non-executive Director, is entitled to an annual director’s fee of HK\$264,000 and discretionary bonus payment. He is also entitled to a total annual fee of HK\$132,000 as members of each of the Audit Committee and Corporate Governance and Risk Control Committee.

**APPENDIX II BIOGRAPHICAL DETAILS OF DIRECTORS PROPOSED
 TO BE RE-ELECTED AND ELECTED AT THE AGM**

Mr. ZHANG has no designated length of service with the Company but he is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Bye-laws of the Company.

As at the Latest Practicable Date, Mr. ZHANG did not hold any interest in the Shares or underlying shares of the Company.

Save as disclosed above, the Board is not aware of any other information to be disclosed pursuant to the requirement of the Rules 13.51(2)(h) and 13.51(2)(v) of the Listing Rules and there are no other matters that needs to be brought to the attention of the Shareholders of the Company.

REMUNERATION TERMS OF THE EMPLOYMENT CONTRACTS

Detailed remuneration terms of the Employment Contract of each Relevant Senior Executive are set out below:

Name of the Relevant Senior Executive	Title	Monthly salary HK\$ (Note 1)	Monthly housing reimbursement HK\$	Bonus HK\$
Mr. LIU	Managing Director and President	660,000	100,000	Discretionary bonus, subject to the approval of the Remuneration Committee, in accordance with the performance of the Company in the preceding financial year
Mr. HUANG	Executive President	605,000	100,000	Ditto

Note:

- The basic salary of each Relevant Senior Executive shall be reviewed annually and may be adjusted at the discretion of the Remuneration Committee, in accordance with the salary adjustment level of the Group's general staff in the preceding financial year.

STANDARD TERMS OF THE EMPLOYMENT CONTRACTS

Each of the Employment Contracts contains similar employment terms and conditions such as the term of appointment, termination of employment and non-compete undertakings. The key employment terms and conditions are summarised below:

Term of appointment: Ten (10) years commencing from the Effective Date, subject to the approval of the Independent Shareholders at the AGM.

Before the expiry of the term of appointment of each of the Employment Contracts, the Company and each of the Relevant Senior Executives shall negotiate the renewal of each of the Employment Contracts. Unless otherwise agreed by the Company and each of the Relevant Senior Executives, each of the Employment Contracts terminates automatically on the expiry date of the term of appointment.

Termination of the Employment Contracts

If any of the following events occurs or continues to occur, the Company may immediately terminate the employment of the Relevant Senior Executive under the Employment Contracts by notice in writing:

- (a) the Relevant Senior Executive has committed any dishonest behaviour, or is in wilful neglect in the discharge of his duties, or is in default which results in serious loss to the Company or the Group or is in any serious default;
- (b) the Relevant Senior Executive is in habitual breach of the terms of the Employment Contract, tending to bring himself or the Company or any other members of the Group into grave disrepute;
- (c) the Relevant Senior Executive becomes bankrupt or insolvent or enters into any indemnity arrangement or settlement agreement with his creditor(s);
- (d) the Relevant Senior Executive suffers from mental illness or requires long-term psychiatric treatment;
- (e) the Relevant Senior Executive is convicted of any criminal offence (other than traffic offences);
- (f) during his term of employment, the Relevant Senior Executive refuses to carry out any of the reasonable and lawful resolutions and instructions from the Board; or
- (g) any other circumstances in which the Company may terminate the Employment Contract without any notice under the common law or other applicable laws.

If the Employment Contract is terminated in accordance with (a) to (g) above, the Relevant Senior Executive shall not be entitled to claim any compensation (except for outstanding wages and accrued but unused annual leave). If the Employment Contract is terminated by the Company other than in accordance with (a) to (g) above before the expiry of the term of appointment of the Employment Contract, the Company shall give written notice to the Relevant Senior Executive or make a payment in lieu of notice. The written notice period shall expire on the last day of the term of appointment of the Relevant Senior Executive. The amount of payment in lieu of notice shall be calculated on a daily basis based on the remaining term of appointment of the Relevant Senior Executive. If the Company fails to give written notice or make a payment in lieu of notice before or at the time of the termination of the Employment Contract, the Relevant Senior Executive is entitled to take legal action against the Company for the recovery of the relevant payment in lieu of notice. All reasonable costs incurred by such legal action shall be borne by the Company.

If the Employment Contract is terminated by the Relevant Senior Executive, the Relevant Senior Executive shall give written notice to the Company or make a payment in lieu of notice. The written notice period shall expire on the last day of the term of appointment of the Relevant Senior Executive. The amount of payment in lieu of notice shall be calculated on a daily basis based on the remaining term of appointment of the Relevant Senior Executive. If the Relevant Senior Executive fails to give written notice or make a payment in lieu of notice before or at the time of the termination of the Employment Contract, the Company is entitled to take legal action against the Relevant Senior Executive for the recovery of the relevant payment in lieu of notice. All reasonable costs incurred by such legal action shall be borne by the Relevant Senior Executive.

Non-compete undertakings

Each Relevant Senior Executive shall not, for a period of 6 months after the termination of his Employment Contract, among other things, directly or indirectly, (i) in Hong Kong, the PRC or the place where the Relevant Senior Executive resides, operates in any business which is in competition with any business or activity which the Group engages in and with which that senior executive was involved or has knowledge during the period of 12 months immediately preceding the last day of his service at the Company (the “Relevant Period”), (ii) solicit business to or conduct business with the Group’s restricted personnel, including customers, employees, consultants, senior staff, suppliers, investors of the Group or prospective customers, employees, consultants, senior staff, suppliers or investors who were in negotiation with the Group during the Relevant Period with a view to competing with any member of the Group or causing harm to the reputation of the Group or (iii) solicit or otherwise endeavour to entice away from the Group any employees with whom he had dealings during the Relevant Period.

Severability

In case any provision in the Employment Contract (including but not limited to any provision in relation to restraint of trade or non-compete undertaking) shall be held to be invalid or unenforceable by any court of competent jurisdiction, the enforceability of the remaining provisions shall not in any way be affected thereby.

BIOGRAPHICAL DETAILS OF THE RELEVANT SENIOR EXECUTIVES

For the biographical details of Mr. HUANG, please refer to page 16 of this circular. The biographical details of Mr. LIU are set out below.

Mr. LIU, aged 55, is currently the executive chairman, managing director and president of the Company. He is also the chairman of the Executive Committee, a member of each of the Nomination Committee and the Remuneration Committee. Mr. LIU was appointed as a non-executive Director of the Company in August 2012 and was elected as an executive Director of the Company in September 2012. Mr. LIU was a non-executive Director of the

Company from April 2002 to July 2002, an executive Director of the Company from July 2002 to April 2011 and the managing director of the Company from July 2002 to January 2011. He was re-appointed as managing director and president of the Company in August 2012. Mr. LIU is the founder of the Company and also a director of certain subsidiaries of the Company. He is responsible for the Group's overall strategic planning and development and operation. Mr. LIU received a bachelor's degree in science from Hebei Normal University in 1984. He obtained a master's degree in political economics from the Graduate School of Renmin University of China in 1999 and completed the education of DBA (Doctor of Business Administration) program from the Shenzhen Research Institute of Renmin University of China in 2006. He has substantial experience in the infrastructure and energy industry in China. He is the elder brother of Mr. LIU Mingxing, the non-executive Director of the Company and the father of Ms. LIU Chang, the alternate to Mr. LIU Mingxing.

Saved as disclosed above, Mr. LIU had not held any directorship in publicly listed companies, whether in Hong Kong or overseas, during the last three years and up to the Latest Practicable Date, nor did he have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company (as defined in the Listing Rules). As at the Latest Practicable Date, Mr. LIU did not hold any other position with the Company and its subsidiaries.

As at the Latest Practicable Date, there was an Existing Employment Contract between the Company and Mr. LIU in his capacity as the managing director and president of the Company under which Mr. LIU is entitled to a monthly salary of HK\$660,000, housing allowance of up to HK\$100,000 per month and discretionary bonus as may be approved by the Remuneration Committee with reference to his roles and responsibilities and the prevailing market conditions. On 3 July 2018, Mr. LIU entered into the Employment Contract with the Company for his position as the managing director and president of the Company, which is subject to the approval of the Independent Shareholders at the AGM. For details of the terms and conditions of the Employment Contracts, please refer to Appendix III.

Mr. LIU, in his capacity as a Director, has no fixed term of appointment, and he is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Bye-laws of the Company.

As at the Latest Practicable Date, Mr. LIU was deemed to be interested in 1,086,544,028 Shares, representing 21.87% of the issued share capital of the Company under Part XV of the SFO, which comprises (i) 281,636,028 Shares beneficially held by him; (ii) share options entitling him to subscribe for 50,000,000 Shares; and (iii) 754,908,000 Shares beneficially owned by China Gas Group Limited, which is owned as to 50% by Joint Coast Alliance Market Development Limited, which in turn, is wholly-owned by Mr. LIU.

Save as disclosed above, the Board is not aware of any other information required to be disclosed pursuant to the requirements of Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules, nor is there any other matters that needs to be brought to the attention of the Shareholders of the Company.

REASONS FOR THE 10-YEAR TERM OF APPOINTMENT OF THE EMPLOYMENT CONTRACTS

Mr. LIU is the founder, executive chairman, managing director and president of the Company. He is responsible for the Group's overall strategic planning and development and operation. Under his strong and effective leadership, the Group has achieved rapid and healthy development in the past 16 years since 2002 when it began to invest in the PRC's gas industry and is a large gas corporation which currently provides clean energy services to more than 30 million residential users and 178,685 industrial and commercial users, covering a combined urban population reaching 120 million, and it is now also the largest vertically integrated liquefied petroleum gas operation service provider in the PRC. The Group is actively coordinating and cooperating with the PRC local governments at various levels to accelerate "coal-to-gas" conversion for urban residents, town and villages residents, and industrial and commercial users. In the coming years, natural gas demand from residential, industrial and commercial users implementing "coal-to-gas" projects will continue to increase, which will become one of the important drivers of the growth in gas sales volume. Under the general trend of national energy transformation, the Group will also accelerate the establishment of new business growth points, actively construct an integrated energy development ecosystem, and continuously enhance the Group's competitiveness. Mr. LIU's continuous service and his insights into the PRC's energy industry development and outstanding leadership and management experience are crucial to the Group's development in achieving the above goal. Therefore, the Board believes that entering into a 10-year term employment contract with Mr. LIU will allow the Group to have a more stable management team to implement and consolidate the Group's long-term development strategies and further unlock the Group's growth potential and is in the interests of the Group and the Shareholders as a whole.

Mr. HUANG is the founder of the Company. He has been the executive president of the Company since 2002 and was appointed as executive Director of the Company in June 2013. He is responsible for the formulation and implementation of the Group's overall strategies and plans and the Group's development and operation. Mr. HUANG has contributed his sharp market insights, effective project development strategies and outstanding safety and operation management to the Group's proud performance in the industry. Mr. HUANG's continuous service and his abundant operation experience are crucial to the Group and will help ensure stable and excellent leadership in the process of development strategy implementation. Therefore, the Board believes that entering into a 10-year term employment contract with Mr. HUANG will allow the Group to have a more stable management team to implement and consolidate the Group's long-term development strategies and further unlock the Group's growth potential and is in the interests of the Group and the Shareholders as a whole.

**CHINA GAS HOLDINGS LIMITED****中國燃氣控股有限公司****(Incorporated in Bermuda with limited liability)***(Stock Code: 384)**

20 July 2018

To the Independent Shareholders

Dear Sir or Madam,

RELEVANT SENIOR EXECUTIVES' EMPLOYMENT CONTRACTS

We have reviewed and considered the terms of the Employment Contracts for the purpose of advising you in respect of the Employment Contracts, details of which are set out in the circular issued by the Company to the Shareholders dated 20 July 2018 (the "Circular"), of which this letter forms part. Terms defined in the Circular shall have the same meanings when used herein unless the context otherwise requires.

We wish to draw your attention to the letter from the Board on pages 4 to 10 of the Circular.

Given the long-term development nature of the Group's business activities, we consider that a stable core management team is essential to the Group's long-term growth and sustainability. Having taken into account the experience of each of the Relevant Senior Executives, their respective duties and responsibilities within the Group, their respective past performance and contribution to the Group, the Group's need to have a stable core management team for the benefit of long-term for growth and sustainability and the prevailing market conditions, we consider that the terms of the Employment Contracts are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

Accordingly, we recommend you to vote in favour of the ordinary resolutions to be proposed at the AGM to approve the Employment Contracts.

Yours faithfully,

For and on behalf of the Remuneration Committee

Ms. WONG Sin Yue Cynthia**Dr. MAO Erwan****Mr. ZHAO Yuhua****Ms. CHEN Yanyan****Mr. ZHU Weiwei**

* *For identification purposes only*

NOTICE OF AGM



CHINA GAS HOLDINGS LIMITED

中國燃氣控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 384)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting (the “AGM”) of China Gas Holdings Limited (the “Company”) will be held at Renaissance Harbour View Hotel Hong Kong, Boardroom 8, Lower Lobby, 1 Harbour Road, Wanchai, Hong Kong at 10:00 a.m. on Wednesday, 22 August 2018 for the following purposes:

AS ORDINARY BUSINESS

To consider and, if thought fit, pass with or without amendments, each of the following resolutions as ordinary resolutions:

1. To receive and approve the audited financial statements and the reports of the directors and the auditors of the Company for the year ended 31 March 2018;
2. To declare a final dividend of HK\$27 cents per share for the year ended 31 March 2018;
3. (a) To re-elect the following directors of the Company:
 - i. To re-elect Mr. HUANG Yong as an executive Director of the Company;
 - ii. To re-elect Mr. LIU Mingxing as a non-executive Director of the Company;
 - iii. To re-elect Mr. Rajeev Kumar MATHUR as a non-executive Director of the Company;
 - iv. To re-elect Mr. ZHAO Yuhua as an independent non-executive Director of the Company;
 - v. To re-elect Ms. WONG Sin Yue Cynthia as an independent executive Director of the Company;

NOTICE OF AGM

- vi. To re-elect Ms. CHEN Yanyan as an independent non-executive Director of the Company; and
 - vii. To re-elect Mr. ZHANG Ling as an independent non-executive Director of the Company;
 - (b) To elect Mr. JO Jinho as a non-executive Director of the Company;
 - (c) To authorise the board of directors of the Company (the “Board”) to fix the directors’ remuneration;
4. To re-appoint the auditors of the Company and to authorise the Board to fix the auditors’ remuneration;

AS SPECIAL BUSINESS

To consider and, if thought fit, pass with or without amendments, each of the following resolutions 5, 6, 7 and 8 as ordinary resolutions:

5. **“THAT:**
- (a) subject to paragraph (b) below, the exercise by the directors of the Company (the “Directors”) during the Relevant Period (as defined below) of all powers of the Company to repurchase shares of the Company on The Stock Exchange of Hong Kong Limited (“Stock Exchange”) or on any other stock exchange on which the shares of the Company may be listed and which is recognised by the Securities and Futures Commission and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited or of any other stock exchange (as applicable) as amended from time to time, subject to and in accordance with all applicable laws, rules and regulations and the Bye-laws of the Company, be and is hereby generally and unconditionally approved;
 - (b) the aggregate nominal amount of shares of the Company which the Company is authorised to repurchase pursuant to the approval in paragraph (a) above shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue at the date of passing this resolution and the said approval shall be limited accordingly; and

NOTICE OF AGM

(c) for the purpose of this resolution:

“Relevant Period” means the period from the time of passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by laws to be held; or
- (iii) the passing of an ordinary resolution by shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this resolution.”

6. **“THAT:**

- (a) subject to the following paragraphs of this resolution and subject to and in accordance with all applicable laws, rules and regulations and the Bye-laws of the Company, the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with additional shares in the share capital of the Company and to make or grant offers, agreements, options and similar rights to subscribe for or convert any security into shares of the Company (including warrants, bonds, notes and debentures convertible into shares of the Company) be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorise the Directors during the Relevant Period (as defined below) to make or grant offers, agreements and options (including warrants, bonds, notes and debentures convertible into shares of the Company) which would or might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted or issued (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to:
 - (i) a Rights Issue (as defined below);
 - (ii) an issue of shares pursuant to any specific authority granted by shareholders of the Company in general meeting, including upon the exercise of rights of subscription or conversion under the terms of any warrants issued by the Company or any bonds, notes, debentures convertible into shares of the Company;

NOTICE OF AGM

- (iii) the grant of options and the exercise of any option granted under any share option scheme or similar arrangement for the time being adopted by the Company and/or any of its subsidiaries;
- (iv) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the Bye-laws of the Company; or
- (v) any adjustment, after the date of grant or issue of any options, rights to subscribe for or convert any security into shares or other securities referred to above, in the price at which shares in the Company shall be subscribed, and/or in the number of shares in the Company which shall be subscribed, on exercise of relevant rights under such options, warrants or other securities, such adjustment being made in accordance with, or as contemplated by, the terms of such options, rights to subscribe or other securities,

shall not exceed aggregate of 10% of the nominal amount of the share capital of the Company in issue as at the date of this resolution and the said approval shall be limited accordingly; and

- (d) for the purpose of this resolution:

“Relevant Period” means the period from the time of passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by laws to be held; or
- (iii) the passing of an ordinary resolution by shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this resolution.

NOTICE OF AGM

“Rights Issue” means an offer of shares of the Company or an issue of options, warrants or other securities giving the right to subscribe for shares of the Company, open for a period fixed by the Directors to holders of shares of the Company on the register of members on a fixed record date in proportion to their then holdings of such shares of the Company (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, or the requirements of any recognised regulatory body or any stock exchange in, any territory outside Hong Kong).”

7. “**THAT** conditional upon the passing of resolutions numbered 5 and 6 above set out in this notice, the general mandate granted to the Directors to issue, allot and deal with additional shares of the Company and to make or grant offers, agreements, options and similar rights to subscribe for or convert any security into shares in the Company pursuant to resolution numbered 6 set out in this notice be and is hereby extended by the addition to it of an amount representing the aggregate nominal amount of shares of the Company which are repurchased by the Company pursuant to and since the granting to the Company of the general mandate to repurchase shares in accordance with resolution numbered 5 set out in this notice, provided that such extended amount shall not exceed 10% of the aggregate nominal amount of shares of the Company in issue as at the date of the passing of this resolution.”

8. “**THAT**
 - (a) the employment contract dated 3 July 2018 between Mr. LIU Ming Hui and the Company, a copy of the same having been produced at the meeting marked “A” and signed by the chairman of the meeting for identification purposes, be and is hereby unconditionally approved, confirmed and ratified and that any one of the directors of the Company be and is hereby authorised to do such acts and things and to sign all documents and to take any steps which in his/her absolute discretion considered to be necessary, desirable or expedient to carry out or give effect to the provisions of the employment contract; and

NOTICE OF AGM

- (b) the employment contract dated 3 July 2018 between Mr. HUANG Yong and the Company, a copy of the same having been produced at the meeting marked “B” and signed by the chairman of the meeting for identification purposes, be and is hereby unconditionally approved, confirmed and ratified and that any one of the directors of the Company be and is hereby authorised to do such acts and things and to sign all documents and to take any steps which in his/her absolute discretion considered to be necessary, desirable or expedient to carry out or give effect to the provisions of the employment contract.”

On behalf of the Board
CHINA GAS HOLDINGS LIMITED
ZHOU Si
Chairman

Hong Kong, 20 July 2018

* *For identification purposes only*

Principal Place of Business in Hong Kong:

Room 1601
16th Floor
Capital Centre
151 Gloucester Road
Wan Chai
Hong Kong

Registered office:

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

NOTICE OF AGM

Notes:

1. Any shareholder entitled to attend and vote at the above meeting (or at any adjournment thereof) is entitled to appoint one or, if he is a holder of more than one share, more proxies to attend and vote on his behalf. A proxy need not be a shareholder of the Company.
2. A form of proxy for use in connection with the AGM is enclosed with the Company's 2017/18 annual report (the "Annual Report"). In order to be valid, the form of proxy, together with the power of attorney or other authority (if any) under which it is signed or a copy of such authority notarially certified must be deposited at the Company's branch share registrar, Computershare Hong Kong Investor Services Limited, 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof (as the case may be).
3. **For the purpose of determining the identity of the shareholders entitled to attend and vote at the AGM, the register of members of the Company will be closed from 17 August 2018 (Friday) to 22 August 2018 (Wednesday) (both days inclusive), during which period no transfer of shares in the Company will be registered.** In order to qualify for attending and voting at the AGM to be held on 22 August 2018 (Wednesday), all transfers of shares accompanied by the relevant share certificates and transfer forms, must be lodged with the Company's branch share registrar and transfer office of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on 16 August 2018 (Thursday).

For the purpose of determining the entitlement of the shareholders to receive the proposed final dividend for the year ended 31 March 2018, the register of members of the Company will be closed from 29 August 2018 (Wednesday) to 31 August 2018 (Friday) (both days inclusive), during which period no transfer of shares will be registered. Subject to approval of the shareholders at the AGM, the proposed final dividend will be payable on or about 28 September 2018 (Friday) to the shareholders whose names appear on the register of members of the Company on 31 August 2018 (Friday). In order to qualify for the proposed final dividend, all transfers of shares accompanied by the relevant share certificates and transfer forms must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on 28 August 2018 (Tuesday).

4. Where there are joint holders of any shares, any one of such joint holders may vote at the meeting (or at any adjournment thereof) personally or by proxy in respect of such shares as if he was solely entitled thereto; but if more than one of such joint holders be present at the meeting, the vote of the senior holder who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.
5. A circular containing the information regarding, among other things, the re-election and election of directors, the general mandates to issue and repurchase shares of the Company, are sent to the shareholders together with this notice and the Annual Report.
6. If there is a black rainstorm warning signal or a tropical cyclone warning signal number 8 or above in force at or after 7:00 a.m. on 22 August 2018 or if the Hong Kong Observatory has announced at or before 7:00 a.m. on 22 August 2018 that either of the above mentioned warnings is to be issued within the next two hours, the chairman of the AGM may propose for the AGM to be adjourned to a date which falls within 13 days from 22 August 2018 if (i) a quorum is present and the adjournment is consented to by the shareholders present; or (ii) a quorum is not present. If the meeting is so adjourned, the Company will make announcement regarding the adjourned meeting.
7. As at the date of this Notice, Mr. ZHOU Si, Mr. LIU Ming Hui, Mr. HUANG Yong, Mr. ZHU Weiwei, Mr. MA Jinlong and Ms. LI Ching are the executive Directors of the Company, Mr. YU Jeong Joon (his alternate being Mr. KWON Woonsang), Mr. LIU Mingxing (his alternate being Ms. LIU Chang), Mr. JIANG Xinhao and Mr. Rajeev Kumar MATHUR are the non-executive Directors of the Company and Mr. ZHAO Yuhua, Dr. MAO Erwan, Ms. WONG Sin Yue Cynthia, Ms. CHEN Yanyan and Mr. ZHANG Ling are the independent non-executive Directors of the Company.