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CHINA GAS
中國燃氣

CHINA GAS HOLDINGS LIMITED

中國燃氣控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 384)

RICH LEGEND INTERNATIONAL LIMITED

(Incorporated in the British Virgin Islands)

Results of Acceptance in respect of

**Conditional voluntary general offer by
Macquarie Capital Securities Limited
on behalf of**

**Rich Legend International Limited, a wholly-owned subsidiary of
China Gas Holdings Limited**

**to acquire all of the issued shares in the share capital of
Zhongyu Gas Holdings Limited**

**(other than those shares already held by Rich Legend International Limited
and parties acting in concert with it)**

and

**to acquire all of the outstanding convertible bonds of Zhongyu Gas Holdings Limited
and**

**for the cancellation of all the outstanding share options of
Zhongyu Gas Holdings Limited**

Financial adviser to

China Gas Holdings Limited and Rich Legend International Limited



MACQUARIE

As at 4:00 p.m. on Monday, 14 June 2010 being the First Closing Date, forms of acceptance for (i) the Share Offer have been received in respect of 1,040,740,200 Zhongyu Shares (representing approximately 52.72% of the issued share capital of Zhongyu as at the date of this announcement); and (ii) the Option Offer have been received in respect of Share Options to subscribe for 88,152,000 Zhongyu Shares (representing approximately 61.77% of all outstanding Share Options as at the date of this announcement). As at 4:00 p.m. on Monday, 14 June 2010, no acceptance for the Convertible

Bond Offer has been received.

However, the Offeror has been informed by the legal advisers of Hezhong, the controlling shareholder of Zhongyu, that the acceptance of the Share Offer purportedly made by Hezhong may not have been duly authorised and therefore may be invalid. The Offeror and China Gas are seeking further clarification and confirmation of the status of the acceptance of the Share Offer by Hezhong, and therefore are currently not in a position to declare definitively whether, as at the First Closing Date, Condition (A) as set out under the section headed "Conditions of the Offers" in the "Letter from MCSL" of the Offer Document has been satisfied.

China Gas has applied to the Stock Exchange for the granting the listing of and permission to deal in the Consideration Shares on 8 June 2010 and the Stock Exchange has granted approval for the listing of and permission to deal in the Consideration Shares on 10 June 2010. Accordingly, as at the First Closing Date, Condition (B) as set out under the section headed "Conditions of the Offers" in the "Letter from MCSL" of the Offer Document has been satisfied.

China Gas and the Offeror had previously made the Request to the Executive to invoke Conditions (C), (G) and (H) as set out under the section headed "Conditions of the Offers" in the "Letter from MCSL" of the Offer Document so as not to proceed with the Offers, but the Executive had ruled that it would not consent to the Request. Subsequently, China Gas and the Offeror made the Review Application to the Takeovers Panel for review of the Executive's ruling on the Request, and the Takeovers Panel upheld the Executive's ruling on the Request.

As at the First Closing Date, Condition (D) as set out under the section headed "Conditions of the Offers" in the "Letter from MCSL" of the Offer Document has not been satisfied as the PRC Anti-trust Clearance has not yet been obtained. Consequently, as at the First Closing Date, Conditions (D) and (E) as set out under the section headed "Conditions of the Offers" in the "Letter from MCSL" of the Offer Document have also not been satisfied. A further announcement will be made by China Gas and the Offeror in relation to the status of China Gas' application for the PRC Anti-trust Clearance.

As at the First Closing Date, Condition (F) as set out under the section headed "Conditions of the Offers" in the "Letter from MCSL" of the Offer Document has been satisfied.

Pursuant to Rule 15.3 of the Takeovers Code, as forms of acceptance to the Share Offer have been received by the Offeror in respect of Zhongyu Shares representing more than 50% of the issued share capital of Zhongyu, the Offers will remain open for acceptance until 4:00 p.m. on 28 June 2010. If, however, before such time the Offeror receives valid evidence of any invalidity of Hezhong's acceptance of the Share Offer as described above such as to render Condition (A) mentioned above not being satisfied, the Offeror and China Gas will make an announcement of such fact and, in such event, the Offers shall lapse. If the PRC Anti-trust Clearance is not obtained by 28 June 2010, the Offeror does not intend to waive Condition (D) in respect of the PRC Anti-trust Clearance or extend the Offers, and in such circumstances, the Offers may also lapse.

Subject to the above, the latest time for acceptance is 4:00 p.m. on 28 June 2010 or such other time and/or date as the Offeror may announce with the consent of the Executive.

WARNING: The Offers may or may not become unconditional for the reasons as set out in this announcement. Zhongyu Shareholders, Zhongyu Bondholders, Zhongyu Optionholders and shareholders of China Gas, and investors or potential investors of Zhongyu and China Gas should therefore exercise caution when dealing in shares, convertible bonds and/or options of Zhongyu and China Gas.

Reference is made to the offer document ("**Offer Document**") issued to the Zhongyu Shareholders, Zhongyu Optionholders and Zhongyu Bondholders on 17 May 2010. Capitalised terms used in this announcement shall, unless otherwise defined, have the same meanings given to them in the Offer Document.

LEVEL OF ACCEPTANCES

As at 4:00 p.m. on Monday, 14 June 2010 being the First Closing Date, forms of acceptance for (i) the Share Offer have been received in respect of 1,040,740,200 Zhongyu Shares (representing approximately 52.72% of the issued share capital of Zhongyu as at the date of this announcement); and (ii) the Option Offer have been received in respect of Share Options to subscribe for 88,152,000 Zhongyu Shares (representing approximately 61.77% of all outstanding Share Options as at the date of this announcement). As at 4:00 p.m. on Monday, 14 June 2010, no acceptance for the Convertible Bond Offer has been received.

Immediately prior to the commencement of the Offer Period on 26 January 2010, none of the Offeror or its Concert Parties held, controlled or directed any interests in the share capital or voting rights of Zhongyu. None of the Offeror or its Concert Parties (i) acquired or agreed to acquire any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of Zhongyu ("**Zhongyu Securities**"), or (ii) borrowed or lent any Zhongyu Securities during the Offer Period. Neither the Offeror nor its Concert Parties own any Zhongyu Securities.

CONDITIONS TO THE OFFERS

The Offers are conditional upon, amongst other things, valid acceptances of the Share Offer being received (and not, where permitted, withdrawn) by 4:00 p.m. on the First Closing Date (or such other time or date as the Offeror may, subject to the rules of the Takeovers Code, decide) in respect of such number of Zhongyu Shares which would result in the Offeror and the Concert Parties holding more than 50% of the voting rights in Zhongyu.

The Offeror has been informed by the legal advisers of Hezhong, the controlling shareholder of Zhongyu, that the acceptance of the Share Offer purportedly made by Hezhong may not have been duly authorised and therefore may be invalid. The Offeror and China Gas are seeking further clarification and confirmation of the status of the acceptance of the Share Offer by Hezhong, and therefore are currently not in a position to declare definitively whether, as at the First Closing Date, Condition (A) as set out under the section headed "Conditions of the Offers" in the "Letter from MCSL" of the Offer Document has been satisfied.

China Gas has applied to the Stock Exchange for the granting the listing of and permission to deal in the China Gas Shares to be issued as consideration under the Offers ("**Consideration Shares**") on 8 June 2010 and the Stock Exchange has granted approval for the listing of and permission to deal in the Consideration Shares on 10 June 2010. Accordingly, as at the First Closing Date, Condition (B) as set out under the section headed "Conditions of the Offers" in the "Letter from MCSL" of the Offer Document has been satisfied.

On 16 April 2010, China Gas and the Offeror made the Request to the Executive to invoke Conditions (C), (G) and (H) as set out under the section headed "Conditions of the Offers" in the "Letter from MCSL" of the Offer Document so as not to proceed with the Offers. On 20 April 2010, the Executive ruled that it would not consent to the Request and issued its formal ruling to this effect on the Request on 28 April 2010. On 6 May 2010, China Gas and the Offeror made the Review Application to the Takeovers Panel for review of the Executive's ruling on the Request. On 13 May 2010, the Takeovers Panel upheld the Executive's ruling on the Request.

As at the First Closing Date, Condition (D) as set out under the section headed "Conditions of the Offers" in the "Letter from MCSL" of the Offer Document has not been satisfied as the PRC Anti-trust Clearance has not yet been obtained. Consequently, as at the First Closing Date, Conditions (D) and (E) as set out under the section headed "Conditions of the Offers" in the "Letter from MCSL" of the Offer Document have also not been satisfied. A further announcement will be made by China Gas and the Offeror in relation to the status of China Gas' application for the PRC Anti-trust Clearance.

As at the First Closing Date, Condition (F) as set out under the section headed "Conditions of the Offers" in the "Letter from MCSL" of the Offer Document has been satisfied.

OFFERS REMAIN OPEN FOR ACCEPTANCES

Pursuant to Rule 15.3 of the Takeovers Code, as forms of acceptance to the Share Offer have been received by the Offeror in respect of Zhongyu Shares representing more than 50% of the issued share capital of Zhongyu, the Offers will remain open for acceptance until 4:00 p.m. on 28 June 2010. If, however, before such time the Offeror receives valid evidence of any invalidity of Hezhong's acceptance of the Share Offer as described above such as to render Condition (A) mentioned above not being satisfied, the Offeror and China Gas will make an announcement of such fact and, in such event, the Offers shall lapse. If the PRC Anti-trust Clearance is not obtained by 28 June 2010, the Offeror does not intend to waive Condition (D) in respect of the PRC Anti-trust Clearance or extend the Offers, and in such circumstances, the Offers may also lapse. Subject to the above, the latest time for acceptance is 4:00 p.m. on 28 June 2010 or such other time and/or date as the Offeror may announce with the consent of the Executive.

WARNING: The Offers may or may not become unconditional for the reasons as set out in this announcement. Zhongyu Shareholders, Zhongyu Bondholders, Zhongyu Optionholders and shareholders of China Gas, and investors or potential investors of Zhongyu and China Gas should therefore exercise caution when dealing in shares, convertible bonds and/or options of Zhongyu and China Gas.

By order of the board of
China Gas Holdings Limited
Liu Ming Hui
Managing Director

By order of the board of
Rich Legend International Limited
Liu Ming Hui
Director

Hong Kong, 15 June 2010

**for identification purpose only*

The directors of each of China Gas and the Offeror jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquires, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statements in this announcement misleading.

As at the date of this announcement, the board of directors of China Gas comprises 13 directors, of whom Mr. Li Xiao Yun (Chairman), Mr. Xu Ying (Vice-Chairman), Mr. Liu Ming Hui (Managing Director), Mr. Zhu Wei Wei and Mr. Ma Jin Long are executive directors, Mr. Feng Zhuo Zhi, Mr. Joe Yamagata, Mr. R.K. Goel, Mr. Moon Duk Kyu and Mr. Mulham Al Jarf are non-executive directors, Mr. Zhao Yu Hua, Dr. Mao Er Wan and Ms. Wong Sin Yue Cynthia are independent non-executive directors.

As at the date of this announcement, the board of directors of the Offeror comprises 3 directors, namely Mr. Xu Ying, Mr. Liu Ming Hui and Mr. Zhu Wei Wei.