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CHINA GAS HOLDINGS LIMITED

中國燃氣控股有限公司*

(incorporated in Bermuda with limited liability)

(Stock Code: 384)

ANNOUNCEMENT

The board of directors of the Company has noted today's increase in the trading volume in the shares of the Company and wish to state that, save as disclosed herein, it is not aware of any reasons for such increase.

This announcement is made at the request of The Stock Exchange of Hong Kong Limited.

The board of directors of China Gas Holdings Limited (the "**Company**") has noted today's increase in trading volume in the shares of the Company and wish to state that, save for the information disclosed herein, it is not aware of any reasons for such increase.

Reference is made to the announcement (the "**Hai Xia Announcement**") of the Company dated 9 March 2005 in relation to the sale and purchase of a total of 190,000,000 shares of the Company between Mr. Liu Ming Hui, the managing director and a substantial shareholder of the Company, as vendor, and Hai Xia Finance Holdings Limited, as purchaser. Defined terms used in this announcement shall have the same meanings as given to them in the Hai Xia Announcement. The Board was informed by Mr. Liu that the acquisition of part of the Second-tranche Sale Shares, namely, 10,000,000 Shares, by Hai Xia from Mr. Liu was completed on the Stock Exchange during its trading hours on 13 March 2005. As at the date of this announcement, the sale and purchase of 20,000,000 Shares has been completed and the sale and purchase of the remaining 170,000,000 Shares is scheduled to be completed on or before 31 August 2006 or such other date as Mr. Liu and Hai Xia may agree.

Save as disclosed in the Company's announcements dated 9 March 2005, 28 January 2005 and 24 January 2005, the Board confirms that there are no negotiations or agreements relating to intended acquisitions or realisations which are disclosable under rule 13.23, neither is the Board aware of any matter disclosable under the general obligation imposed by rule 13.09, which is or may be of a price-sensitive nature.

Made by the order of the Board of the Company, the directors of which individually and jointly accept responsibility for the accuracy of this statement.

By Order of the Board
Liu Ming Hui
Managing Director

Hong Kong, 13 May 2005

** for identification purpose only*

As at the date of this announcement, Mr. Li Xiaoyun, Mr. Xu Ying, Mr. Liu Ming Hui, Mr. Ma Jin Long and Mr. Zhu Wei Wei are the executive Directors, Mr. Wu Bangjie is the non-executive Director and Mr. Zhao Yu Hua, Dr. Mao Er Wan and Ms. Wong Sin Yue, Cynthia are the independent non-executive Directors.

Please also refer to the published version of this announcement in The Standard.