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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)*

### POSITIVE PROFIT ALERT

This announcement is made by the Company pursuant to Rule 13.09 (1) of the Listing Rules.

The Board wishes to inform the Shareholders and potential investors that the FY2010 audited results of the Group may record a significant increase in net profit as compared to the net profit recorded in the audited financial statements of the Group for the year ended 31 March 2009. This positive profit alert announcement is only based on the preliminary review of the unaudited FY2010 financial statements of the Group, which have not been confirmed nor audited by the Company's auditors.

The Company is still in the process of finalizing the audit of its financial statements for FY2010. In particular, the exact amount of such increase is subject to external valuation and the Board is not yet in the position to quantify such increase as at the date of this announcement.

**Shareholders and potential investors are advised to exercise caution in dealing in the shares of the Company.**

This announcement is made by China Gas Holdings Limited (the "Company", together with its subsidiaries, the "Group") pursuant to the Rule 13.09 (1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

After preliminary review by the Company's management of the unaudited financial statements of the Group for the year ended 31 March 2010 (the "**FY2010**"), the board of directors (the "**Board**") of the Company wishes to inform the shareholders of the Company (the "**Shareholders**") and potential investors that the audited results of the Group for the year

ended 31 March 2010, which are due to be announced on 7 July 2010, may record a significant increase in net profit as compared to the net profit recorded in the audited financial statements of the Group for the year ended 31 March 2009. The Board believes that such increase is mainly attributable to: (i) the positive fair value adjustments of the derivative financial instruments embedded with the outstanding interest rate swap contracts entered into by the Company; and (ii) the negative goodwill gain arising from the discount on the acquisition of a subsidiary during the course of FY2010.

The Company is still in the process of finalizing the audit of its financial statements for FY2010. In particular, the exact amount of such increase is subject to external valuation and the Board is not yet in the position to quantify such increase as at the date of this announcement. The information contained in this announcement is only a preliminary assessment by the Board based on the unaudited FY2010 financial statements of the Group (which have not been confirmed nor audited by the Company's auditors) and the information currently available to them. The FY2010 audited results of the Group are expected to be announced on 7 July 2010.

**Shareholders and potential investors are advised to exercise caution in dealing in the shares of the Company.**

By Order of the Board of  
**China Gas Holdings Limited**  
**Liu Ming Hui**  
*Managing Director*

Hong Kong, 29 June 2010

*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.*

*\* For identification purpose only*