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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)*

**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**

**Status of Conditions and Offers becoming unconditional in all respects**

**Financial adviser to  
China Gas Holdings Limited and Rich Legend International Limited**



**MACQUARIE**

The Offeror and China Gas have on 23 July 2010 received written notification from MOFCOM on its approval of the Application, and have therefore obtained the PRC Anti-trust Clearance. Accordingly, 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 been satisfied.

As stated in the Results Announcement and in the Clarification Announcement, the only Conditions which have been satisfied as at the First Closing Date are Conditions (A), (B) and (F) as set out under the section headed "Conditions of the Offers" in the "letter from MCSL" of the Offer Document.

As at the date of this announcement, the Offeror has, for the purposes of the Offers only, waived 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, subject to and without prejudice to any and all legal rights it has against Hezhong and/or the Management Owners under or in connection with the Irrevocable Undertaking.

Accordingly, as all conditions as set out under the section headed "Conditions of the Offers" in the "Letter from MCSL" of the Offer Document have been satisfied or waived by the Offeror, the Offeror announces that the Offers have become unconditional in all respects as at the date of this announcement.

Pursuant to Rule 15.3 of the Takeovers Code, where a conditional offer becomes or is declared unconditional (whether as to acceptances or in all respects), it should remain open for acceptance for not less than 14 days thereafter. Accordingly, the Offers will remain open for a further 14 days from the date of this announcement, and the latest time for acceptance is 4:00 p.m. on 6 August 2010 or such later time and/or date as the Offeror may announce with the consent of the Executive.

Reference is made to the offer document (the "**Offer Document**") issued by China Gas and the Offeror to the Zhongyu Shareholders, Zhongyu Optionholders and Zhongyu Bondholders on 17 May 2010, the announcements published by China Gas and the Offeror dated 15 June 2010 (the "**Results Announcement**") and 23 June 2010 ("**Clarification Announcement**"). Capitalised terms used in this announcement shall, unless otherwise defined, have the same meanings given to them in the Offer Document and the Clarification Announcement.

#### **PRC ANTI-TRUST CLEARANCE OBTAINED**

As stated in the Results Announcement, the Offers are conditional upon, among other things, Condition (D) as set out under the section headed "Conditions of the Offers" in the "letter from MCSL" of the Offer Document which includes all Consents (including the PRC Anti-trust Clearance, if any) as are necessary for the acquisition of the Zhongyu Shares and in connection with, including, without limitation, any change in the direct or indirect shareholder(s) or ultimate controlling shareholder(s) of any member of the Zhongyu Group that has been granted the concession rights or licences to carry out its operations having been obtained in form and substance satisfactory to the Offeror and remaining in full force and effect without variation from all Relevant authority(ies) and all conditions (if any) to such Consents having been fulfilled.

The Offeror and China Gas have on 23 July 2010 received written notification from MOFCOM on its approval of the Application, and have therefore obtained the PRC Anti-trust Clearance. Accordingly, 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 been satisfied.

#### **OTHER CONDITIONS TO THE OFFERS**

As stated in the Results Announcement and in the Clarification Announcement, the only Conditions which have been satisfied as at the First Closing Date are Conditions (A), (B) and (F) as set out under the section headed "Conditions of the Offers" in the "letter from MCSL" of the Offer Document.

As at the date of this announcement, the Offeror has, for the purposes of the Offers only, waived 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, subject to and without prejudice to any and all legal rights it has against Hezhong and/or the Management Owners under or in connection with the Irrevocable Undertaking.

Accordingly, as all conditions as set out under the section headed "Conditions of the Offers" in the "Letter from MCSL" of the Offer Document have been satisfied or waived by the Offeror, the Offeror announces that the Offers have become unconditional in all respects as at the date of this announcement.

#### **NON ACCEPTANCE OF THE SHARE OFFER BY HEZHONG AND THE MANAGEMENT OWNERS**

As stated in the Clarification Announcement, as at 4:00 p.m. on Monday, 14 June 2010, based on information available to the Offeror, Hezhong and the Management Owners have not tendered acceptances of the Share Offer in respect of all of the Zhongyu Shares held by them, being 946,921,542 Zhongyu Shares as stated in the Offer Document and the Response Document, and are consequently in breach of their respective obligations under the Irrevocable Undertaking to accept the Share Offer in respect of all of the Zhongyu Shares held by them. The Offeror and China Gas remain in the process of reviewing their options in relation to this breach of the Irrevocable Undertaking and will take such actions, if any, as they may consider appropriate.

#### **OFFERS REMAIN OPEN FOR ACCEPTANCES**

Pursuant to Rule 15.3 of the Takeovers Code, where a conditional offer becomes or is declared unconditional (whether as to acceptances or in all respects), it should remain open for acceptance for not less than 14 days thereafter. Accordingly, the Offers will remain open for a further 14 days from the date of this announcement, and the latest time for acceptance is 4:00 p.m. on 6 August 2010 or such later time and/or date as the Offeror may announce with the consent of the Executive.

The Zhongyu Shareholders who wish to accept the Share Offer must complete and sign the **WHITE** Form of Acceptance and forward it, together with the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) for the number of Zhongyu Shares in respect of which the Zhongyu Shareholders intend to accept the Share Offer, by post or by hand, marked "**Share Offer**" on the envelope, to the Receiving Agent, Tricor Secretaries Limited at 26<sup>th</sup> Floor, Tesbury

Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as practicable, but in any event so as to reach the Receiving Agent no later than 4:00 p.m. on 6 August 2010 (or such later time and/or date as the Offeror may announce with the consent of the Executive).

The Zhongyu Bondholders who wish to accept the Convertible Bond Offer must complete and sign the **YELLOW** Form of Acceptance and forward it, together with the relevant certificate(s) of the Convertible Bonds and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) stating the nominal amount (which shall be in multiples of US\$10,000) of Convertible Bonds in respect of which he/she/it intends to accept the Convertible Bond Offer, by post or by hand, marked "**Convertible Bond Offer**" on the envelope, to the Receiving Agent, Tricor Secretaries Limited at 26<sup>th</sup> Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as practicable, but in any event so as to reach the Receiving Agent no later than 4:00 p.m. on 6 August 2010 (or such later time and/or date as the Offeror may announce with the consent of the Executive).

The Zhongyu Optionholders who wish to accept the Option Offer must complete and sign the **PINK** Form of Acceptance and forward it, together with the relevant certificate(s) stating the number of Share Options in respect of which he/she/it intends to accept the Option Offer, by post or by hand, marked "**Option Offer**" on the envelope, to the Receiving Agent, Tricor Secretaries Limited at 26<sup>th</sup> Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as practicable, but in any event so as to reach the Receiving Agent no later than 4:00 p.m. on 6 August 2010 (or such later time and/or date as the Offeror may announce with the consent of the Executive).

## **SETTLEMENT OF THE OFFERS**

For the Zhongyu Shareholders who have already accepted the Share Offer and have submitted to the Receiving Agent their duly completed and signed **WHITE** Form of Acceptance, together with the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof), a cheque for the amount due to each Zhongyu Shareholder less seller's ad valorem stamp duty in respect of the Zhongyu Shares tendered by him/her/it and the share certificate of the new China Gas Shares to be allotted and issued to the Zhongyu Shareholder under the Share Offer will be despatched to the Zhongyu Shareholder by ordinary post at his/her/its own risk as soon as possible but in any event within 10 days of the later of the date of this announcement and the date of receipt of the completed **WHITE** Form of Acceptance and all the relevant documents by the Receiving Agent from the Zhongyu Shareholder accepting the Share Offer.

For the Zhongyu Bondholders who have already accepted the Convertible Bond Offer and have submitted to the Receiving Agent their duly completed and signed **YELLOW** Form of Acceptance, together with the relevant certificate(s) of the Convertible Bonds and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof), a cheque for the amount due to each Zhongyu Bondholder less seller's ad valorem stamp duty in respect of the Convertible Bonds tendered by him/her/it and the share certificate of the new China Gas Shares to be allotted and issued to the Zhongyu Bondholder under the Convertible Bond Offer will be despatched to the Zhongyu Bondholders by ordinary post at his/her/its own risk as soon as possible but in any event within 10 days of the later of the date of this announcement and the date of receipt of the completed **YELLOW** Form

of Acceptance and all the relevant documents by the Receiving Agent from the Zhongyu Bondholder accepting the Convertible Bond Offer.

For the Zhongyu Shareholders who have already accepted the Share Offer and have submitted to the Receiving Agent their duly completed and signed **PINK** Form of Acceptance, together with the relevant certificate(s) of the Share Options, a cheque for the amount due to each Zhongyu Optionholder less seller's ad valorem stamp duty in respect of the Share Options tendered by him/her/it and the share certificate of the new China Gas Shares to be allotted and issued to the Zhongyu Optionholder under the Option Offer will be despatched to the Zhongyu Optionholders by ordinary post at his/her/its own risk as soon as possible but in any event within 10 days of the later of the date of this announcement and the date of receipt of the completed **PINK** Form of Acceptance and all the relevant documents by the Receiving Agent from the Zhongyu Optionholder accepting the Option Offer.

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, 23 July 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.*