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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)**



**中裕燃氣控股有限公司**

**ZHONGYU GAS HOLDINGS LIMITED**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 8070)**

**Rich Legend International Limited**

*(Incorporated in the British Virgin Islands with limited liability)*

**JOINT ANNOUNCEMENT**

**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**

**Closing of the Offers**

**Financial adviser to**

**China Gas Holdings Limited and Rich Legend**

**International Limited**



**MACQUARIE**

**Financial adviser to**

**Zhongyu Gas Holdings Limited**



**第一上海**

**FIRST SHANGHAI GROUP**

**FIRST SHANGHAI CAPITAL LIMITED**  
**第一上海融資有限公司**

\* *for identification purpose only*

The Offeror and China Gas announce that the Offers closed on 6 August 2010.

As at 4:00 p.m. on 6 August 2010, being the latest time for acceptance of the Offers, valid acceptances of (i) the Share Offer have been received in respect of 1,111,934,142 Zhongyu Shares (representing approximately 56.33% 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 140,712,000 Zhongyu Shares (representing approximately 98.60% of all outstanding Share Options as at the date of this announcement). As at 4:00 p.m. on 6 August 2010, no acceptance for the Convertible Bond Offer has been received.

The Offeror has not extended or revised the Offers.

### **PUBLIC FLOAT**

Following completion of the transfer of the 1,111,934,142 Zhongyu Shares tendered for acceptance by the respective Zhongyu Shareholders in respect the Share Offer to the Offeror, 292,454,000 Zhongyu Shares will be held by the public who are independent of the directors, chief executive or substantial shareholders of Zhongyu or its subsidiaries or any of their respective associates, representing approximately 14.82% of the issued share capital and voting rights of Zhongyu, as at the date of this announcement. Accordingly, Zhongyu will not fulfill the minimum public float requirement as set out under Rule 11.23 of the Listing Rules. Zhongyu has applied to the Stock Exchange for a temporary waiver from strict compliance with the public float requirement under Rule 11.23 of the Listing Rules for a period of 6 months commencing from 6 August 2010. The Offeror Directors and the new Zhongyu Director(s) to be appointed to the Zhongyu Board will take appropriate steps to restore the minimum public float as required under Rule 11.23 of the Listing Rules as soon as possible.

Reference is made to the offer document (the “**Offer Document**”) issued by the Offeror and China Gas on 17 May 2010 and the response document issued by Zhongyu on 31 May 2010 to the Zhongyu Shareholders, Zhongyu Optionholders and Zhongyu Bondholders, the announcements of the Offeror and China Gas dated 15 June 2010, 23 June 2010 and 23 July 2010. Capitalised terms used in this announcement shall, unless otherwise defined, have the same meanings given to them in the Offer Document.

## **CLOSE OF THE OFFERS AND LEVEL OF ACCEPTANCES AS AT THE LATEST TIME FOR ACCEPTANCES OF THE OFFERS**

The Offeror and China Gas announce that the Offers closed on 6 August 2010.

As at 4:00 p.m. on 6 August 2010, being the latest time for acceptance of the Offers, valid acceptances of (i) the Share Offer have been received in respect of 1,111,934,142 Zhongyu Shares (representing approximately 56.33% 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 140,712,000 Zhongyu Shares (representing approximately 98.60% of all outstanding Share Options as at the date of this announcement). As at 4:00 p.m. on 6 August 2010, no acceptance for the Convertible Bond Offer has been received.

The Offeror has not extended or revised the Offers.

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

As at 4:00 p.m. on 6 August 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.

## **PUBLIC FLOAT**

Following completion of the transfer of the 1,111,934,142 Zhongyu Shares tendered for acceptance by the respective Zhongyu Shareholders in respect the Share Offer to the Offeror, 292,454,000 Zhongyu Shares will be held by the public who are independent of the directors, chief executive or substantial shareholders of Zhongyu or its subsidiaries or any of their respective associates, representing approximately 14.82% of the issued share capital and voting rights of Zhongyu, as at the date of this announcement. Accordingly, Zhongyu will not fulfill the minimum public float requirement as set out under Rule 11.23 of the Listing Rules. Zhongyu has applied to the Stock Exchange for a temporary waiver from strict compliance with the public float requirement under Rule 11.23 of the Listing Rules for a period of 6 months commencing from 6 August 2010. The Offeror Directors and the new Zhongyu Director(s) to be appointed to the Zhongyu Board will take appropriate steps to restore the minimum public float as required under Rule 11.23 of the Listing Rules as soon as possible.

## GENERAL

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 Zhongyu Shares or rights over Zhongyu Shares. Apart from the Zhongyu Shares acquired or agreed to be acquired by the Offeror pursuant to the Offers, none of the Offeror or its Concert Parties acquired or agreed to acquire any Zhongyu Shares or rights over Zhongyu Shares during the Offer Period. None of the Offeror or its Concert Parties borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeover Code) of Zhongyu during the Offer Period.

By order of the board of <b>China Gas Holdings Limited</b> <b>Xu Ying</b> <i>Vice-Chairman</i>	By order of the board of <b>Rich Legend International Limited</b> <b>Xu Ying</b> <i>Director</i>	By order of the board of <b>Zhongyu Gas Holdings Limited</b> <b>Wang Wenliang</b> <i>Chairman</i>
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Hong Kong, 6 August 2010

*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 (other than that relating to Zhongyu Group, Hezhong and the Management Owners) and confirm, having made all reasonable enquires, that to the best of their knowledge, opinions expressed in this announcement (other than those expressed by Zhongyu Group, Hezhong and the Management Owners) 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.*

*The Zhongyu Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than that relating to China Gas Group, the Offeror, the Concert Parties, MCSL and Macquarie) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement (other than those expressed by the China Gas Group, the Offeror, the Concert Parties, MCSL and Macquarie) 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 Zhongyu comprises 8 directors, of whom Mr. Wang Wenliang (Chairman), Mr. Hao Yu (Chief Executive Officer), Mr. Lu Zhaoheng and Mr. Liu Siu Keung (Chief Financial Officer) are executive directors, Mr. Xu Yongxuan (Vice-Chairman) is a non-executive director, Mr. Wang Shunlong, Dr. Luo Yongtai and Mr. Hung, Randy King Kuen are independent non-executive directors.*

*The announcement, for which the directors of Zhongyu collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to Zhongyu. The directors of Zhongyu, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief:– (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.*

*This announcement will remain on the GEM website at <http://www.hkgem.com> on the “Latest Company Announcements” page for 7 days from the date of its publication and on Zhongyu’s website at <http://www.zygas.com.cn>.*