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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

Reference is made to the announcements made by China Gas Holdings Limited (the "Company") on 24 December 2010 (the "First Announcement"), 4 January 2011 (the "Second Announcement") and 31 January 2011 (the "Third Announcement") respectively (collectively referred to as the "Announcements"). Unless the context requires otherwise, terms used in this announcement shall have the same meanings as defined in the Announcements.

As set out in the Second Announcement, the Company has engaged PwC to carry out a review of the cash position of the Ex-Zhongyu Group, based on their unaudited December 2010 management accounts and bank statements together with a high level review of the related key internal controls which management has put in place to safeguard the Ex-Zhongyu Group's cash and bank balances.

As at 31 December 2010, unaudited management accounts of the Ex-Zhongyu Group indicated cash and bank balances of approximately HK\$6.36 billion, of which HK\$3.49 billion was held in bank accounts of the Company and certain of its intermediate holding companies and HK\$2.87 billion was held by Ex-Zhongyu Group's operating subsidiaries and joint ventures in the PRC. PwC checked all the bank balances held by the Company and certain of its intermediate holding companies and material bank balances maintained by selected key operating subsidiaries and joint ventures in the PRC against the relevant bank statements and other supporting documents held by the companies.

PwC has also sought and received confirmations totaling HK\$3.15 billion from banks in Hong Kong in relation to the Company's and its intermediate holding companies' reported 31 December 2010 bank balances. In respect of the Ex-Zhongyu Group's bank accounts in the PRC, due to the geographical spread of the Company's subsidiaries and time constraints, PwC limited its bank confirmations to certain material account balances at bank branches in Shanghai, Zhejiang and Shenzhen. PwC physically attended such branches and obtained confirmations totaling HK\$423 million. PwC submitted a report to the Company on 23 February 2011 indicating that no significant unusual items have come to their attention in their review.

In addition, Clever Decision or the companies relating to the Hubei Projects were not subject to PwC's review as the ledger cash and bank balances as of 31 December 2010 for these companies were not significant.

In respect of the high level review of related key internal controls mentioned above, PwC did not identify any specific irregularities in its 23 February 2011 report which are likely to have resulted in a material misstatement of the accounts. However, they did identify certain areas where internal controls could be improved for future purposes.

By the order of the Board of
China Gas Holdings Limited
Wong Sin Yue, Cynthia
Chairman

Hong Kong, 15 March 2011

** for identification purpose only*

As of the date of this announcement, Mr. Li Xiao Yun, Mr. Xu Ying, Mr. Liu Ming Hui, Mr. Leung Wing Cheong, Eric, Mr. Ma Jin Long, Mr. Zhu Wei Wei and Mr. Pang Ying Xue are the executive Directors, Mr. Feng Zhuo Zhi, Mr. Joe Yamagata, Mr. P.K. Jain, Mr. Moon Duk Kyu and Mr. Mulham Al Jarf are the non-executive Directors, and Mr. Zhao Yu Hua, Dr. Mao Er Wan and Ms. Wong Sin Yue, Cynthia are the independent non-executive Directors.