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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in China Gas Holdings Limited (the “**Company**”), you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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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)

**PROPOSED GRANT OF OPTIONS;
PROPOSED REFRESHMENT OF SCHEME MANDATE LIMIT
AND
NOTICE OF SPECIAL GENERAL MEETING**

A notice convening the special general meeting of the Company to be held at Level 5, Taishan Room, Island Shangri-La Hong Kong, Two Pacific Place, Supreme Court Road, Central, Hong Kong on Friday, 28 August 2009 at 11:15 a.m. is set out on pages 12 to 15 of this circular. A form of proxy for use at the special general meeting is enclosed with this circular. Such form of proxy is also published on the website of The Stock Exchange of Hong Kong Limited at www.hkex.com.hk.

Whether or not you are able to attend the special general meeting, you are requested to complete the accompanying form of proxy, in accordance with the instructions printed thereon and deposit the same at the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the special general meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the special general meeting or any adjournment thereof should you so wish.

11 August 2009

* *for identification purpose only*

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

“associate(s)”	has the meaning ascribed to this term under the Listing Rules
“Board”	the board of Directors
“Bye-law(s)”	the bye-law(s) of the Company
“Code”	the Hong Kong Code on Takeovers and Mergers
“Company”	China Gas Holdings Limited, a company incorporated in Bermuda with limited liability and the issued Shares of which are listed on the main board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“Eligible Participant(s)”	any Director (whether executive or non-executive and whether independent or not), any employee (whether full-time or part-time), or any employee, partner or director of any business consultant, joint venture partner, financial adviser or legal adviser of or to the Company or the Group (whether on an employment or contractual or honorary basis and whether paid or unpaid), who, in the absolute opinion of the Board, have contributed to the Company or the Group, are eligible for Options under the Share Option Scheme
“Grant of Options”	the proposed grant of Options to the Grantees under the Share Option Scheme at the SGM
“Grantees”	the Eligible Participants to which Options are proposed to be granted under the Share Option Scheme at the SGM
“Group”	the Company and all of its subsidiaries
“Hai Xia”	Hai Xia Finance Holdings Limited, a substantial shareholder of the Company holding 346,000,003 Shares (including 118,500,000 Shares to be purchased from Mr. Liu Ming Hui pursuant to a sale and purchase agreement dated 8 March 2005), representing 10.38% issued share capital of the Company
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	10 August 2009, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular

DEFINITIONS

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Options”	the options granted under the Share Option Scheme to subscribe for Shares in accordance with the Share Option Scheme
“Refreshment of Scheme Mandate Limit”	the proposed refreshment of the maximum limit on number of Shares of which 46,849,495 Shares, representing approximately 1.41% of the issued share capital of the Company as at the Latest Practicable Date, which may be issued by the Directors under the Share Option Scheme at the SGM
“Scheme Mandate Limit”	the maximum number of Shares which may be allotted and issued upon the exercise of all Options to be granted by the Board under the Share Option Scheme to subscribe up to 10% of the Shares in issue as at the date of passing the relevant resolution, and if refreshed shall not exceed 10% of the Shares in issue as at the date of approval of the refreshed limit by the Shareholders
“SGM”	the special general meeting of the Company to be convened and held on Friday, 28 August 2009 at 11:15 a.m. to consider and, if thought fit, approve, among other things, the proposed Refreshment of Scheme Mandate Limit and the proposed Grant of Options
“Share Option Scheme”	the share option scheme adopted by the Company on 6 February 2003
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the price per Share at which a grantee of the Share Option Scheme may subscribe for Shares on the exercise of an Option granted under the Share Option Scheme
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

LETTER FROM THE BOARD



CHINA GAS HOLDINGS LIMITED

中國燃氣控股有限公司*

(incorporated in Bermuda with limited liability)

(Stock Code: 384)

Executive Directors:

Mr. Li Xiao Yun (*Chairman*)
Mr. Xu Ying (*Vice-Chairman*)
Mr. Liu Ming Hui (*Managing Director*)
Mr. Ma Jin Long
Mr. Zhu Wei Wei

Registered office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Non-executive Directors:

Mr. Feng Zhuo Zhi
Mr. Joe Yamagata
Mr. R.K. Goel
Mr. Kim Joong Ho
Mr. William Rackets

*Head office and principal place
of business in Hong Kong:*

Room 1601
16th Floor
AXA Centre
151 Gloucester Road
Wanchai
Hong Kong

Independent non-executive Directors:

Mr. Zhao Yu Hua
Dr. Mao Er Wan
Ms. Wong Sin Yue, Cynthia

11 August 2009

*To the Shareholders and,
for information only, the holders of the Options*

Dear Sir or Madam,

**PROPOSED GRANT OF OPTIONS;
PROPOSED REFRESHMENT OF SCHEME MANDATE LIMIT
AND
NOTICE OF SPECIAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide with you the information relating to (i) the proposed Grant of Options; (ii) the proposed Refreshment of Scheme Mandate Limit; and (iii) the notice of the SGM, at which resolutions will be proposed to the Shareholders to consider and, if thought fit, to approve the proposed Grant of Options and the proposed Refreshment of Scheme Mandate Limit.

* *for identification purpose only*

LETTER FROM THE BOARD

GRANT OF OPTIONS

On 3 August 2009, the Board had conditionally resolved to grant a total of 337,000,000 Options to the following Grantees:

Name of Grantee	Capacity	Number of Options	Approximate % to issued share capital of the Company as at the Latest Practicable Date
Mr. Li Xiao Yun	Executive Director and chairman of the Board	5,000,000	0.15
Mr. Zhu Wei Wei	Executive Director	4,000,000	0.12
Mr. Ma Jin Long	Executive Director	4,000,000	0.12
Mr. Feng Zhuo Zhi	Non-executive Director	3,000,000	0.09
Mr. Joe Yamagata	Non-executive Director	3,000,000	0.09
Mr. R.K. Goel	Non-executive Director	3,000,000	0.09
Mr. Kim Joong Ho	Non-executive Director	3,000,000	0.09
Mr. William Rackets	Non-executive Director	3,000,000	0.09
Mr. Zhao Yu Hua	Independent non-executive Director	3,000,000	0.09
Dr Mao Er Wan	Independent non-executive Director	3,000,000	0.09
Ms. Wong Sin Yue, Cynthia	Independent non-executive Director	3,000,000	0.09
Mr. Xu Ying	Executive Director	100,000,000	3.00
Mr. Liu Ming Hui	Executive Director	100,000,000	3.00
Mr. Huang Yong	Executive president, employee of the Company	100,000,000	3.00
Total		<u>337,000,000</u>	<u>10.11</u>

According to Rule 17.03(3) of the Listing Rules, the total number of securities which may be issued upon exercise of all Options to be granted under the Share Option Scheme or other schemes must not in aggregate exceed 10% of the relevant class of securities in issue as at the date of approval of the limit. However, a listed issuer may seek separate approval by its shareholders in general meeting for granting options beyond the 10% limit. The Grant of Options is subject to the Shareholders' approval to be obtained by the Company and details of which are set out in the paragraph headed "Implications under the Listing Rules" below.

LETTER FROM THE BOARD

Terms of the Options

Subject to the Shareholders' approval to be obtained by the Company at SGM in accordance with the Listing Rules, the Options will be granted in accordance with the terms of the Share Option Scheme and summary of the principal terms of the Options are set out below:

(a) *Duration and the condition*

The Options granted to Mr. Xu Ying, Mr. Liu Ming Hui and Mr. Huang Yong have a life of ten years from 3 August 2009, being the date of the grant of the Options, and exercisable upon obtaining Shareholders' approval in respect of the grant at the SGM.

The Options granted to other Grantees have a life of five years from 3 August 2009, being the date of the grant of the Options.

The exercise of the Options by Mr. Xu Ying, Mr. Liu Ming Hui and Mr. Huang Yong will respectively be subject to a condition that the profit after taxation of the Group as stated in the latest audited report of the Company shall not be less than HK\$1.5 billion. Such condition shall not apply in the event of a change in control of the Company under the Code and Hai Xia ceases to be the substantial Shareholder of the Company. Save for the aforesaid there is no specific performance target before the exercise of the Options and the exercise period of the Options and the Options are exercisable upon obtaining Shareholders' approval in respect of the grant at the SGM.

For each of the other Grantees, the exercise of Options is respectively subject to a condition that they remain as a director of the Company for a period of two years (except for the case of retirement) from the date of grant of the Options up to 2 August 2011 and the exercise period of the Options is from 3 August 2011 to 2 August 2014. Such condition shall not apply in the event of a change in control of the Company under the Code and Hai Xia ceases to be the substantial Shareholder of the Company.

Save as disclosed above, there is no special condition or specific performance target to be fulfilled before the Options can be exercised.

The Shares fall to be issued upon exercise of the Options shall rank pari passu with the Shares then existing in all respects, including the entitlement of receiving dividends and other distributions the record date for which is on or after the date of allotment and issue of those Shares.

LETTER FROM THE BOARD

(b) Subscription Price

In compliance with Rule 17.02(9) of the Listing Rule and the Share Option Scheme, the Options are exercisable at the Subscription Price of HK\$2.10 per Share, which is the highest of (i) HK\$0.01, being the nominal value of a Share; (ii) HK\$2.10, being the closing price of the Shares as stated in the daily quotations sheet of the Stock Exchange on the date of the grant of Options, and (iii) HK\$2.06, being the average closing price of Shares as stated in the daily quotations sheets on the Stock Exchange from 27 July 2009 to 31 July 2009, both dates inclusive (being the five trading days immediately preceding the date of the grant of Options).

(c) Reasons and consideration for the grant of the Options

Each of the Grantees is Director or senior management of the Company and the Options are proposed to be granted to each of them in recognition of their contributions to the growth of the Group in the past and as an incentive for their continuing commitments and contributions to the Group in the future. The consideration payable on acceptance of the Options is HK\$10.00 for the Options.

The Directors (including the independent non-executive Directors) consider that the terms of the Options are fair and reasonable. Copy of the rules of the Share Option Scheme shall be available for inspection at Room 1601, 16th Floor, AXA Centre, 151 Gloucester Road, Wanchai, Hong Kong from the date of this circular until 28 August 2009, being the date of the SGM.

Information on Options granted under the Share Option Scheme

A total of 616,324,711 existing Options have been granted under the Share Option Scheme and remain outstanding up to the Latest Practicable Date. Assuming that the proposed Grant of Options is approved by the Shareholders at the SGM and that no Options granted under the Share Option Scheme are exercised from the Latest Practicable Date up to the date of the SGM, the Company will have 953,324,711 Options outstanding immediately after the SGM, representing approximately 28.59% of the total issued share capital of the Company.

LETTER FROM THE BOARD

For illustration purpose only, the following table illustrates the changes in the shareholdings of the Grantees and their respective associates and the connected persons to the Company in the issued share capital of the Company upon the exercise in full of all the Options and the existing Options:

Name of Grantee	No. of Options outstanding as at the Latest Practicable Date	No. of Shares held as at the Latest Practicable Date	No. of Options to be granted	Total no. of Shares held upon exercise in full all the Options together with the Shares held	Approximate% to issued share capital of the Company as at the Latest Practicable Date
Mr. Li Xiao Yun	10,000,000	–	5,000,000	15,000,000	0.45
Mr. Zhu Wei Wei	10,000,000	–	4,000,000	14,000,000	0.42
Mr. Ma Jin Long	9,240,711	–	4,000,000	13,240,711	0.39
Mr. Feng Zhuo Zhi	–	–	3,000,000	3,000,000	0.09
Mr. Joe Yamagata	–	–	3,000,000	3,000,000	0.09
Mr. R.K. Goel	–	–	3,000,000	3,000,000	0.09
Mr. Kim Joong Ho	–	–	3,000,000	3,000,000	0.09
Mr. William Rackets	–	–	3,000,000	3,000,000	0.09
Mr. Zhao Yu Hua	1,700,000	–	3,000,000	4,700,000	0.14
Dr Mao Er Wan	1,000,000	–	3,000,000	4,000,000	0.12
Ms. Wong Sin Yue, Cynthia	1,700,000	–	3,000,000	4,700,000	0.14
Mr. Xu Ying	95,000,000	–	100,000,000	195,000,000	5.85
Mr. Liu Ming Hui	135,000,000	391,624,000*	100,000,000	626,624,000	18.80
Mr. Huang Yong	<u>22,000,000</u>	<u>50,000,000</u>	<u>100,000,000</u>	<u>172,000,000</u>	<u>5.16</u>
Total	<u><u>285,640,711</u></u>	<u><u>441,624,000</u></u>	<u><u>337,000,000</u></u>	<u><u>1,064,264,711</u></u>	<u><u>31.92</u></u>

* Among these 391,624,000 Shares, 273,124,000 Shares are beneficially owned by Mr. Liu Ming Hui and 118,500,000 Shares are to be delivered to Hai Xa pursuant to a sale and purchase agreement dated 8 March 2005. Details of the transaction have been set out in the announcement of the Company dated 9 March 2005. As of the date of this announcement, sale and purchase of 71,500,000 Shares had been completed, the outstanding number of Shares to be sold and purchased is 118,500,000 Shares.

LETTER FROM THE BOARD

Implication under the Listing Rules

Pursuant to Rule 17.03(3) of the Listing Rules, the Shares which may be issued upon exercise of all outstanding Options granted and yet to be exercised under the Share Option Scheme or other schemes at any time will not exceed 30% of the Shares in issue from time to time. As mentioned in the paragraph headed “Information on Options granted under the Share Option Scheme” above, as at the Latest Practicable Date, a total of 616,324,711 existing Options have been granted under the Share Option Scheme. Assuming the proposed grant of Options is approved by the Shareholders at the SGM and that no Options granted under the Share Option Scheme are exercised from the Latest Practicable Date up to the date of the SGM, the Company will have 953,324,711 Options outstanding immediately after the SGM, representing approximately 28.59% of the total issued share capital of the Company. As such, the proposed grant of Options to the Grantees will not result in the 30% limit being exceeded.

According to Rule 17.04(1) of the Listing Rules, as each of the Grantees (except Mr. Huang Yong who is an employee to the Company) is a Director (together with Mr. Liu Ming Hui, an executive Director, also being a substantial Shareholder), each grant of Options must be approved by the independent non-executive Directors. In pursuance of the meeting of the Board held on 3 August 2009, the proposed Grant of Options has been approved by all the independent non-executive Directors (provided that the independent non-executive Director and his associates who is the grantee of the Options has abstained from voting of the relevant resolution approving granting of Options to him respectively).

Grant of Options to Mr. Liu Ming Hui

In addition, pursuant to Rule 17.04(1) of the Listing Rules, as Mr. Liu Ming Hui, an executive Director, is a substantial Shareholder and the grant of Options to him would result in the Shares issued and to be issued upon exercise of all options already granted and to be granted to him in the 12-month period up to and including the date of such grant in aggregate exceed 0.1% of the issued share capital of the Company and having an aggregate value in excess of HK\$5 million, such grant of Options to him must also be approved by the Shareholders in the SGM by way of poll with Mr. Liu Ming Hui and his associates holding 391,624,000 Shares in total, or approximately 11.74% of the total issued Shares as at the Latest Practicable Date, abstaining from voting of the resolution and all connected persons of the Company, holding 391,624,000 Shares in total, or approximately 11.74% of the total issued Shares as at the Latest Practicable Date, abstaining from voting in favour of the relevant resolution at the SGM. As at the Latest Practicable Date, no connected persons of the Company has indicated to the Company that they will vote against the such resolution.

Grant of Options to Mr. Xu Ying and Mr. Huang Yong

Pursuant to Rule 17.03(4) of the Listing Rules, as the total number of Shares issued and to be issued upon exercise of the Options to be granted to Mr. Xu Ying, an executive Director, and Mr. Huang Yong, an employee of the Company, (including both exercised and outstanding Share Options) in 12-month period exceed 1% of the Shares in issue, such grant must be separately approved by Shareholders in the SGM by way of poll with Mr. Xu Ying and Mr. Huang Yong and their respective associates abstain from voting. Mr. Xu Ying holds nil Shares as at the Latest Practicable Date.

LETTER FROM THE BOARD

In this regard, Mr. Huang Yong, holding 50,000,000 Shares in total, representing approximately 1.50% of the total issued Shares as at the Latest Practicable Date, will abstain from voting the relevant resolution at the SGM.

Grant of Options to the Grantees (other than Mr. Liu Ming Hui, Mr. Xu Ying and Mr. Huang Yong)

Save as disclosed above, the grant of Options to the Grantees (other than Mr. Liu Ming Hui, Mr. Xu Ying and Mr. Huang Yong as mentioned above) must also be approved by the Shareholders in the SGM by way of poll. In this regard, the Grantees and their respective associates who are also Shareholders will abstain from voting on the relevant resolution at the SGM.

To the best of the knowledge, information and belief having made all reasonable enquiries, there was no voting trust nor other agreement nor arrangement nor understanding (other than an outright sale) entered into by or binding upon any Shareholder; and any obligation or entitlement of any Shareholder as at the date by reference to which disclosure of the shareholding of any such Shareholder is made in this circular, whereby he has or may have temporarily or permanently passed control over the exercise of the voting right in respect of his Shares in the Company to the third party, either generally or on a case-by-case basis.

REFRESHMENT OF SCHEME MANDATE LIMIT

The Share Option Scheme

The Share Option Scheme was adopted by the Company pursuant to the written resolutions of the Company on 6 February 2003. The Scheme Mandate Limit was set at 10% of the Shares in issue as at the date of adoption of the Share Option Scheme in compliance with the Listing Rules. Subject to prior Shareholders' approval, the Company may, at any time thereafter, refresh the Scheme Mandate Limit to the extent not exceeding 10% of the Shares in issue as at the date of the aforesaid Shareholders' approval.

As at the Latest Practicable Date, none of the Directors are trustee of the Share Option Scheme or have any direct or indirect interest in the trustee.

The Scheme Mandate Limit

The Scheme Mandate Limit was refreshed on 12 August 2004 for a 10% of the then total issued share capital of the Company, pursuant to which the Company was authorised to grant options to subscribe for up to a maximum number of 175,415,176 Shares.

The Scheme Mandate Limit was further refreshed on 18 August 2005 for a 10% of the then total issued share capital of the Company, pursuant to which the Company was authorised to grant options to subscribe for up to a maximum number of 222,694,990 Shares.

As at the Latest Practicable Date, the number of Shares which may be issued upon the exercise of all the Options to be granted under the existing Scheme Mandate Limit was 222,694,000 Shares, representing 99.99% of the existing Scheme Mandate Limit.

LETTER FROM THE BOARD

The proposed refreshment

As at the Latest Practicable Date, the Company has granted options under the Share Option Scheme to subscribe for 739,334,711 Shares, of which 114,650,000 were exercised, 8,360,000 were lapsed, and 616,324,711 remain outstanding and not yet exercised.

As at the Latest Practicable Date, there were 3,333,914,020 Shares in issue. If the scheme limit is “refreshed” on the basis of 3,333,914,020 Shares in issue as at the Latest Practicable Date and assuming that no Shares are issued or repurchased by the Company prior to the SGM, the Company may grant options entitling holders thereof to subscribe for up to a maximum number of 333,391,402 Shares, representing 10% of the issued share capital of the Company as at the date of SGM. However, the maximum number of Shares which may be issued upon exercise of all outstanding Options granted under the Share Option Scheme and other share option schemes of the Company must not exceed 30% of the Shares in issue from time to time, the Directors will only be allowed to grant further Options carrying the rights to subscribe for a maximum of 46,849,495 Shares. As such, the Board proposes to refresh the Scheme Mandate Limit to the effect that the maximum number of Shares which may be issued upon the exercise of all the Options to be granted under the Scheme Mandate Limit as refreshed will be 46,849,495 Shares (assuming no further issue or repurchase of Shares prior to the SGM), representing approximately 1.41% of the issued share capital of the Company as at the date of the approval of the proposed Refreshment of Scheme Mandate Limit by the Shareholders at the SGM.

No Shareholders are required to abstain from voting of the proposed Refreshment of Scheme Mandate Limited.

Conditions of the proposed refreshment

The Refreshment of the Scheme Mandate Limit is conditional upon:

- (i) the passing of an ordinary resolution to approve the Refreshment of the Scheme Mandate Limit at the SGM; and
- (ii) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Shares which may fall to be issued upon the exercise of the options to be granted under the Share Option Scheme and any other share option schemes of the Company under the refreshed limit at the SGM.

Application will be made to the Stock Exchange for the listing of, and permission to deal, in the Shares, representing 1.41% of the Shares in issue at the SGM, which may fall to be issued upon the exercise of the options that may be granted under the refreshed Scheme Mandate Limit.

The Directors consider the proposed Refreshment of Scheme Mandate Limit is in the interest of the Company to permit the granting of further Options so as to provide incentives to, and recognize the contributions of, the Eligible Participants under the terms of the Share Option Scheme.

LETTER FROM THE BOARD

SGM

The notice convening the SGM is set out on pages 12 to 15 of this circular. At the SGM, ordinary resolutions will be proposed to approve, among other matters, the proposed Grant of Options and the proposed Refreshment of Scheme Mandate Limit by way of poll. An announcement will be made by the Company after the SGM on the results of the SGM.

A form of proxy for use at the SGM is enclosed with this circular. To be valid, the form of proxy must be completed in accordance with the instructions printed thereon and deposited, together with the power of attorney or other authority at the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the SGM or any adjourned meeting. Completion and delivery of the form of proxy will not preclude your from attending and voting at the SGM or the adjourned meeting if you so wish.

RECOMMENDATION

Having considered the terms of the proposed Grant of Options and the proposed Refreshment of Scheme Mandate Limit, all the independent non-executive Directors considered they are fair and reasonable so far as the Shareholders are concerned. Accordingly, the Directors (including the independent non-executive Directors), recommend the Shareholders to vote in favour of the ordinary resolutions approving the Grant of Options and Refreshment of Scheme Mandate Limit as set out in the notice of the SGM.

RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

Yours faithfully,
For and on behalf of the Board of
China Gas Holdings Limited
Liu Ming Hui
Managing Director

NOTICE OF SGM



CHINA GAS HOLDINGS LIMITED 中國燃氣控股有限公司*

(incorporated in Bermuda with limited liability)

(Stock Code: 384)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a special general meeting of China Gas Holdings Limited (the “**Company**”) will be held at Level 5, Taishan Room, Island Shangri-La Hong Kong, Two Pacific Place, Supreme Court Road, Central, Hong Kong on Friday, 28 August 2009 at 11:15 a.m. for the purpose of considering and, if thought fit, passing with or without amendments, the following resolutions as ordinary resolutions of the Company by way of poll:

ORDINARY RESOLUTIONS

1. “**THAT**

- (a) the directors (the “**Directors**”) of the Company be and are hereby authorised to grant to Mr. Li Xiao Yun share options (the “**Options**”) to subscribe 5,000,000 ordinary shares (each a “**Share**”) of HK\$0.01 each in the capital of the Company at the subscription price of HK\$2.10 per Share subject to such conditions (if any) on the exercise of the Options as stipulated in the offer letter issued pursuant to the share option scheme (the “**Share Option Scheme**”) adopted by the Company on 6 February 2003;
- (b) the Directors be and are hereby authorised to grant to Mr. Zhu Wei Wei Options to subscribe 4,000,000 Shares at the subscription price of HK\$2.10 per Share subject to such conditions (if any) on the exercise of the Options as stipulated in the offer letter issued pursuant to the Share Option Scheme;
- (c) the Directors be and are hereby authorised to grant to Mr. Ma Jin Long Options to subscribe 4,000,000 Shares at the subscription price of HK\$2.10 per Share subject to such conditions (if any) on the exercise of the Options as stipulated in the offer letter issued pursuant to the Share Option Scheme;
- (d) the Directors be and are hereby authorised to grant to Mr. Feng Zhou Zhi Options to subscribe 3,000,000 Shares at the subscription price of HK\$2.10 per Share subject to such conditions (if any) on the exercise of the Options as stipulated in the offer letter issued pursuant to the Share Option Scheme;
- (e) the Directors be and are hereby authorised to grant to Mr. Joe Yamagata Options to subscribe 3,000,000 Shares at the subscription price of HK\$2.10 per Share subject to such conditions (if any) on the exercise of the Options as stipulated in the offer letter issued pursuant to the Share Option Scheme;

* for identification purpose only

NOTICE OF SGM

- (f) the Directors be and are hereby authorised to grant to Mr. R.K. Goel Options to subscribe 3,000,000 Shares at the subscription price of HK\$2.10 per Share subject to such conditions (if any) on the exercise of the Options as stipulated in the offer letter issued pursuant to the Share Option Scheme;
- (g) the Directors be and are hereby authorised to grant to Mr. Kim Joong Ho Options to subscribe 3,000,000 Shares at the subscription price of HK\$2.10 per Share subject to such conditions (if any) on the exercise of the Options as stipulated in the offer letter issued pursuant to the Share Option Scheme;
- (h) the Directors be and are hereby authorised to grant to Mr. William Rackets Options to subscribe 3,000,000 Shares at the subscription price of HK\$2.10 per Share subject to such conditions (if any) on the exercise of the Options as stipulated in the offer letter issued pursuant to the Share Option Scheme;
- (i) the Directors be and are hereby authorised to grant to Mr. Zhao Yu Hua Options to subscribe 3,000,000 Shares at the subscription price of HK\$2.10 per Share subject to such conditions (if any) on the exercise of the Options as stipulated in the offer letter issued pursuant to the Share Option Scheme;
- (j) the Directors be and are hereby authorised to grant to Dr. Mao Er Wan Options to subscribe 3,000,000 Shares at the subscription price of HK\$2.10 per Share subject to such conditions (if any) on the exercise of the Options as stipulated in the offer letter issued pursuant to the Share Option Scheme;
- (k) the Directors be and are hereby authorised to grant to Ms. Wong Sin Yue, Cynthia Options to subscribe 3,000,000 Shares at the subscription price of HK\$2.10 per Share subject to such conditions (if any) on the exercise of the Options as stipulated in the offer letter issued pursuant to the Share Option Scheme;
- (l) the Directors be and are hereby authorised to grant to Mr. Xu Ying Options to subscribe 100,000,000 Shares at the subscription price of HK\$2.10 per Share subject to such conditions (if any) on the exercise of the Options as stipulated in the offer letter issued pursuant to the Share Option Scheme;
- (m) the Directors be and are hereby authorised to grant to Mr. Liu Ming Hui Options to subscribe 100,000,000 Shares at the subscription price of HK\$2.10 per Share subject to such conditions (if any) on the exercise of the Options as stipulated in the offer letter issued pursuant to the Share Option Scheme;
- (n) the Directors be and are hereby authorised to grant to Mr. Huang Yong Options to subscribe 100,000,000 Shares at the subscription price of HK\$2.10 per Share subject to such conditions (if any) on the exercise of the Options as stipulated in the offer letter issued pursuant to the Share Option Scheme; and

NOTICE OF SGM

- (o) the Directors or a duly authorised committee thereof be and are hereby authorised to do any act or things to sign, seal, execute and/or deliver any documents for and on behalf of the Company as may be necessary, desirable or expedient in connection with the grant of the Options.”

2. **“THAT**

- (a) the refreshment (the **“Proposed Refreshment”**) of the total number of Shares which may be issued upon the exercise of Option to be granted under the Share Option Scheme to up to 1.41 per cent. of the Shares in issue as at the date of passing of this resolution be and is hereby approved; and
- (b) any one or more of the Directors be and is/are hereby authorised to take all such acts and things and execute all such documents, including under seal where applicable, as he/she/they consider(s) necessary or expedient in his/her/their opinion to implement and/or give effect to the Proposed Refreshment.”

Yours faithfully,
For and on behalf of the board of directors of
China Gas Holdings Limited
Yang Yan Tung Doris
Company Secretary

Hong Kong, 11 August 2009

Registered office:
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

*Head office and principal place of
business in Hong Kong:*
Room 1601
16th Floor
AXA Centre
151 Gloucester Road
Wanchai
Hong Kong

NOTICE OF SGM

Notes:

1. A member entitled to attend and vote at the SGM is entitled to appoint one or more proxy to attend and, subject to the bye-laws of the Company, to vote on his behalf. A proxy need not be a member of the Company but must be present in person at the SGM to represent the member. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.
2. A form of proxy for use at the SGM is enclosed. In order to be valid, the form of proxy must be duly completed and signed in accordance with the instructions printed thereon and deposited together with a power of attorney or other authority, if any, under which it is signed, or a certified copy of such power or authority, at the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for holding the SGM or any adjournment thereof. Completion and return of a form of proxy will not preclude a member from attending in person and voting at the SGM or any adjournment thereof, should he so wish.
3. In the case of joint holders of shares, any one of such holders may vote at the SGM, either personally or by proxy, in respect of such share as if he was solely entitled thereto, but if more than one of such joint holders are present at the SGM, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.