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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 PURSUANT TO RULE 3.8 OF
THE HONG KONG CODE ON TAKEOVERS AND MERGERS**

UPDATE OF NUMBER OF RELEVANT SECURITIES

This announcement is made pursuant to Rule 3.8 of the Takeovers Code.

Reference is made to the unsolicited pre-conditional voluntary cash offer by ENN Energy Holdings Limited and China Petroleum & Chemical Corporation (the “**Offer**”). Save as expressly defined to the contrary, terms defined in the announcement released by China Gas Holdings Limited (the “**Company**”) in relation to the Offer dated 12 December 2011 have the same meanings in this announcement.

The board of Directors announces that, on 24 September 2012, the Company issued a total of 7,170,000 Shares to certain holders of Share Options pursuant to the exercise of Share Options under the Company’s share option scheme, of which 800,000 Shares were issued for an exercise price of HK\$1.50 per Share and 6,370,000 Shares were issued for an exercise price of HK\$2.10 per Share.

As a result, the total issued share capital of the Company increased from 4,521,485,098 Shares as at 21 September 2012 to 4,528,655,098 Shares as at the date of this announcement, and the number of Shares which may be subscribed for under outstanding Share Options has reduced from 446,434,000 as at 21 September 2012 to 439,264,000 as at the date of this announcement.

Associates (as defined under the Takeovers Code and including persons who own or control 5% or more of any class of relevant securities) of the Company are reminded to disclose their dealings in the relevant securities of the Company under Rule 22 of the Takeovers Code.

In accordance with Rule 3.8 of the Takeovers Code, reproduced below is the full text of Note 11 to Rule 22 of the Takeovers Code:

“Responsibilities of stockbrokers, banks and other intermediaries

Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than HK\$1 million.

This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”

By Order of the Board
CHINA GAS HOLDINGS LIMITED
LI Man Kit
Company Secretary

Hong Kong, 24 September 2012

As at the date of this announcement, Mr. LIU Ming Hui, Mr. LEUNG Wing Cheong, Eric, Mr. PANG Yingxue, Mr. ZHU Weiwei and Mr. MA Jinlong are the executive Directors, Mr. FENG Zhuozhi, Mr. Jo YAMAGATA, Mr. P K JAIN and Mr. MOON Duk Kyu (his alternate is Mr. KIM Yong Joong) are the non-executive Directors and Mr. ZHAO Yuhua, Dr. MAO Erwan and Ms. WONG Sin Yue, Cynthia are the independent non-executive Directors.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement, and confirm, having made all reasonable enquiries, 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 statement in this announcement misleading.

* *For identification purposes only*