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中裕燃气控股有限公司

ZHONGYU GAS HOLDINGS LIMITED

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 8070)

**DESPATCH OF RESPONSE DOCUMENT FOR
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**

The Response Document issued by Zhongyu was despatched to the Zhongyu Shareholders, Zhongyu Bondholders, and Zhongyu Optionholders on 31 May 2010.

Zhongyu Shareholders, Zhongyu Bondholders, and Zhongyu Optionholders are strongly advised to read carefully the advice, opinion, financial information of the Zhongyu Group and other information contained in the Response Document, including the recommendation from the Independent Board Committee and the advice from the Independent Financial Adviser, before deciding whether to accept or reject the Offers.

The Offers commenced on 17 May 2010 and the latest time and date for the acceptance of the Offers will be at 4:00 p.m. on 14 June 2010, unless the Offeror extends the Offers until such date as it may determine in accordance with the Takeovers Code (or as permitted by the Executive in accordance with the Takeovers Code).

Reference is made to (i) the announcement dated 26 January 2010 jointly issued by the Offeror, China Gas and Zhongyu in relation to the proposed Offers (the “Joint Announcement”), (ii) the announcement dated 1 March 2010 jointly issued by the Offeror, China Gas and Zhongyu in relation to the delay in despatch of the Composite Document, (iii) the announcement dated 21 April 2010 issued by the Offeror and China Gas in relation to the status of the Offers, (iv) the announcement dated 7 May 2010 issued by the Offeror and China Gas in relation to the further delay in the despatch of the Offer Document, and (v) the offer document dated 17 May 2010 issued by the Offeror. Unless otherwise stated, capitalised terms used in this announcement shall have the same meanings as those defined in the Joint Announcement.

DESPATCH OF RESPONSE DOCUMENT

The response document issued by Zhongyu in relation to the Offers (the “Response Document”), setting out, inter alia, the terms of the Offers, information on the Zhongyu Group, the letter from the independent board committee of Zhongyu (the “Independent Board Committee”) containing its recommendation to the Zhongyu Shareholders, Zhongyu Bondholders, and Zhongyu Optionholders and the letter from the independent financial adviser of Zhongyu (the “Independent Financial Adviser”) containing its advice to the Independent Board Committee in respect of the Offers was despatched to the Zhongyu Shareholders, Zhongyu Bondholders, and Zhongyu Optionholders on 31 May 2010 in accordance with the Takeovers Code.

Zhongyu Shareholders, Zhongyu Bondholders, and Zhongyu Optionholders are strongly advised to read carefully the advice, opinion, financial information of the Zhongyu Group and other information contained in the Response Document, including the recommendation from the Independent Board Committee and the advice from the Independent Financial Adviser, before deciding whether to accept or reject the Offers.

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By order of the board of
Zhongyu Gas Holdings Limited
Wang Wenliang
Chairman

31 May 2010

The Zhongyu Directors 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 Zhongyu comprises eight directors, of whom Mr. Wang Wenliang (Chairman), Mr. Hao Yu (Chief Executive Officer), Mr. Lu Zhaoheng and Mr. Lui 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.

This announcement, for which the Zhongyu Directors 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 Zhongyu Directors, 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>.