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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 stockbroker, or other licensed securities dealer, bank manager, solicitors, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Zhongyu Gas Holdings Limited (the “**Company**”), you should at once hand this circular to the purchaser or transferee, or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)

**DISCLOSEABLE TRANSACTIONS:
INCREASE IN THE REGISTERED CAPITAL OF A JOINT VENTURE COMPANY
AND
FORMATION OF A JOINT VENTURE COMPANY IN THE PRC**

A letter from the board of directors of the Company is set out on pages 3 to 8 of this circular.

This circular will remain on the GEM website at <http://www.hkgem.com> on the “Latest Company Announcements” page for seven days from the date of its publication.

8 November 2007

CHARACTERISTICS OF GEM

GEM has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. Furthermore, there may be risks arising out of the emerging nature of companies listed on GEM and the business sectors or countries in which the companies operate. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

The principal means of information dissemination on GEM is publication on the Internet website operated by the Stock Exchange. Listed companies are not generally required to issue paid announcements in gazetted newspapers. Accordingly, prospective investors should note that they need to have access to the GEM website in order to obtain up-to-date information on GEM-listed issuers.

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DEFINITIONS

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

| | |
|------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “Board” | the board of Directors |
| “Capital Increase Agreement” | the agreement dated 23 October 2007 and entered into between Zhongyu Henan and Henan Gas in respect of the proposed increase of registered capital of Henan Zhongyu JV from RMB60,000,000 to RMB200,000,000 |
| “Company” | Zhongyu Gas Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on GEM |
| “connected person(s)” | has the meaning ascribed to this term under the GEM Listing Rules |
| “Directors” | the directors (including the independent non-executive directors) of the Company from time to time |
| “Henan Gas” | 河南省煤層氣開發利用有限公司 (Henan Province Coalbed Gas Development and Utilization Company Limited)#, a limited liability company established in Henan Province, the PRC |
| “Henan Zhongyu JV” | 河南中裕煤層氣開發利用有限公司 (Henan Zhongyu Coalbed Gas Development and Utilization Company Limited)#, a limited liability joint venture company established in Henan Province, the PRC, which is owned as to 75% by the Group and as to 25% by Henan Gas |
| “GEM” | the Growth Enterprise Market of the Stock Exchange |
| “GEM Listing Rules” | the Rules Governing the Listing of Securities on GEM |
| “Group” | the Company and its subsidiaries |
| “Hong Kong” | the Hong Kong Special Administrative Region of the PRC |
| “Independent Third Parties” | third parties independent of the Company and its connected persons and are not connected persons of the Company |
| “Jiaozuo Investment” | 焦作市投資公司 (Jiaozuo City Investment Company)#, a limited liability company established in the PRC |

DEFINITIONS

| | |
|---------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “Jiaozuo JV” | 中裕(焦作)煤層氣開發利用有限公司 (Zhongyu Jiaozuo Coalbed Gas Development and Utilization Company Limited)#, a limited liability company to be established in Jiaozuo City, Henan Province, the PRC in accordance with the terms of the JV Agreement, which name is subject to the approval of the relevant authorities |
| “JV Agreement” | the joint venture agreement dated 23 October 2007 and entered into between Henan Zhongyu JV and Jiaozuo Investment with respect to the formation of Jiaozuo JV |
| “Latest Practicable Date” | 7 November 2007, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein |
| “PRC” | the People’s Republic of China |
| “SFO” | the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) |
| “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 |
| “Zhongyu Henan” | 中裕(河南)能源控股有限公司 (Zhongyu Henan Energy Holdings Limited)#, a limited liability company established in the PRC and is wholly and beneficially owned by the Company |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong |
| “RMB” | Renminbi, the lawful currency of the PRC |
| “%” | per cent |

[#] *the English translations of Chinese names or words in this circular, where indicated, are included for information purpose only, and should not be regarded as the official English translation of such Chinese names or words.*

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. Wang Wenliang (*Chairman*)
Mr. Hao Yu (*Chief Executive Officer*)
Mr. Lu Zhaocheng
Mr. Lui Siu Keung

Non-executive Directors:

Mr. Xu Yongxuan (*Vice-chairman*)
Mr. Wang Lei
Mr. Nicholas John Ashley Rigg

Independent non-executive Directors:

Mr. Wang Shunlong
Dr. Luo Yongtai
Mr. Hung, Randy King Kuen

Registered office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

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

Units 10-12 & 19
33rd Floor, China Merchants Tower
Shun Tak Centre
168-200 Connaught Road Central
Hong Kong

8 November 2007

To the Shareholders

Dear Sir or Madam,

**DISCLOSEABLE TRANSACTIONS:
INCREASE IN THE REGISTERED CAPITAL OF A JOINT VENTURE COMPANY
AND
FORMATION OF A JOINT VENTURE COMPANY IN THE PRC**

INTRODUCTION

Reference is made to the announcement of the Company dated 23 October 2007 in which the Board announced that (i) on 23 October 2007, the Capital Increase Agreement was entered into between Henan Gas and Zhongyu Henan, a wholly-owned subsidiary of the Company, pursuant to which the registered capital of Henan Zhongyu JV will be increased from RMB60,000,000 to RMB200,000,000; and (ii) on the same day, the JV Agreement was entered into between Henan Zhongyu JV, a non wholly-owned subsidiary of the Company, and Jiaozuo Investment in relation to the formation of Jiaozuo JV in Jiaozuo City, Henan Province, the PRC.

LETTER FROM THE BOARD

The proposed increase in registered capital of Henan Zhongyu JV and the entering into of the JV Agreement constitute discloseable transactions on the part of the Company under Chapter 19 of the GEM Listing Rules.

The purpose of this circular is to provide you with further details regarding the Capital Increase Agreement and the JV Agreement in accordance with the GEM Listing Rules.

BACKGROUND OF THE INCREASE IN THE REGISTERED CAPITAL

Reference is made to the announcements of the Company dated 22 January 2007 and 11 April 2007 respectively and the circular of the Company dated 12 February 2007 in relation to, among other matters, the formation of Henan Zhongyu JV.

As disclosed earlier, the Group and Henan Gas agreed to establish Henan Zhongyu JV in Henan Province, the PRC, which is owned as to 75% by the Group and as to 25% by Henan Gas. The original registered capital of Henan Zhongyu JV is RMB60,000,000, as to RMB45,000,000 contributed by the Group and as to the remaining RMB15,000,000 contributed by Henan Gas. Henan Zhongyu JV was accordingly established on 27 March 2007. For further details of Henan Zhongyu JV, please refer to the announcements of the Company dated 22 January 2007 and 11 April 2007 respectively and the circular of the Company dated 12 February 2007.

On 23 October 2007, the Capital Increase Agreement was entered into between Henan Gas and Zhongyu Henan, a wholly-owned subsidiary of the Company, pursuant to which the registered capital of Henan Zhongyu JV will be increased from RMB60,000,000 to RMB200,000,000.

THE CAPITAL INCREASE AGREEMENT

Date: 23 October 2007

Parties: (i) Zhongyu Henan, a wholly-owned subsidiary of the Company; and
(ii) Henan Gas, save for its interests in Henan Zhongyu JV, an Independent Third Party

Henan Gas is a State-owned enterprise and was set up with the permission of the Henan Province Government. The principal business of Henan Gas is to explore, develop, construct and utilize the coalbed methane resources in Henan Province, the PRC.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, save for its interests in Henan Zhongyu JV, Henan Gas and its ultimate beneficial owners are Independent Third Parties.

LETTER FROM THE BOARD

Increase in the registered capital of Henan Zhongyu JV

As disclosed in the circular of the Company dated 12 February 2007, the original registered capital of Henan Zhongyu JV is RMB60,000,000, as to RMB45,000,000 contributed by the Group and as to the remaining RMB15,000,000 contributed by Henan Gas. Henan Zhongyu JV is engaged principally in the exploration, development and production of coalbed gas in Jiaozuo, Zhengzhou, Pingdingshan (including Yuzhou and Ruzhou), Hebi, Yima and Yongxia in Henan Province, the PRC and the sale of coalbed gas.

Pursuant to the Capital Increase Agreement, the registered capital of Henan Zhongyu JV will be increased by RMB140,000,000 to RMB200,000,000. The increase in the registered capital of Henan Zhongyu JV will be made through the pro rata contribution in cash by Zhongyu Henan and Henan Gas, as to RMB105,000,000 will be contributed by Zhongyu Henan and as to RMB35,000,000 will be contributed by Henan Gas.

Immediately after the increase in the registered capital of Henan Zhongyu JV, Henan Zhongyu JV will remain to be owned as to 75% by the Group and as to 25% by Henan Gas. Henan Zhongyu JV will continue to be an indirect non wholly-owned subsidiary of the Company.

The Group intends to finance the capital contribution from its internal funds.

Apart from the contributions towards the increase in registered capital as set out herein, there are no further capital commitments that are required to be contributed by the relevant parties at this stage. If there is any further material capital commitments to be contributed by the relevant parties to Henan Zhongyu JV, further announcement will be made if and when appropriate to comply with the requirements under the GEM Listing Rules.

Reasons for entering into the Capital Increase Agreement

The Directors have always been active in seeking opportunities for expanding and enhancing the gas and energy business in the PRC. In view of the formation of Jiaozuo JV by Henan Zhongyu JV, the details of which are stated below, the Directors consider that it is necessary for Henan Zhongyu JV to have sufficient funds to finance its investment in Jiaozuo JV.

Pursuant to the terms of the Capital Increase Agreement, the capital contributions will be made pro rata in respect of the existing interests of the Group and Henan Gas in Henan Zhongyu JV. Taking into account of the aforesaid reasons and the pro rata contribution, the Directors consider that the terms of the Capital Increase Agreement is fair and reasonable and the entering into of the Capital Increase Agreement is in the interests of the Shareholders and the Company as a whole.

LETTER FROM THE BOARD

THE JV AGREEMENT

The Board is also pleased to announce that on 23 October 2007, the JV Agreement is entered into between Henan Zhongyu JV and Jiaozuo Investment in relation to the formation of Jiaozuo JV in Jiaozuo City, Henan Province, the PRC.

Date: 23 October 2007

Parties: (i) Henan Zhongyu JV, an indirect non wholly-owned subsidiary of the Company; and

(ii) Jiaozuo Investment, an Independent Third Party

Jiaozuo Investment is a State-owned company established in the PRC. Jiaozuo Investment is principally engaged in investment holdings.

Jiaozuo Investment and its ultimate beneficial owners, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, are Independent Third Parties.

Formation of Jiaozuo JV

The parties to the JV Agreement agreed that Jiaozuo JV will be established in Jiaozuo City, Henan Province, the PRC and will be owned as to 95% by Henan Zhongyu JV and as to 5% by Jiaozuo Investment. Jiaozuo JV will be engaged principally in the exploration, exploitation, development and production of coalbed gas, the research and utilization of coalbed gas and relevant design and engineering works in Jiaozuo City, Henan Province, the PRC.

Registered Capital

The registered capital of Jiaozuo JV will be RMB150,000,000 and will be contributed as to RMB142,500,000 by Henan Zhongyu JV in cash and as to RMB7,500,000 by Jiaozuo Investment in cash. Upon establishment, Jiaozuo JV will become an indirect non wholly-owned subsidiary of the Company.

The Group intends to finance the capital contribution to Jiaozuo JV from its internal funds.

Total investment

The total investment of Jiaozuo JV has not been specified in the JV Agreement. Apart from the capital contribution towards the registered capital as set out herein, there are no further capital commitments that are required to be contributed by the relevant parties to the JV Agreement at this stage. If there are any further material capital commitments to be contributed by the relevant parties to Jiaozuo JV, further announcement will be made if and when appropriate to comply with the requirements under the GEM Listing Rules.

LETTER FROM THE BOARD

Board of directors of Jiaozuo JV

The board of directors of Jiaozuo JV will comprise nine directors, of which eight directors will be nominated by Henan Zhongyu JV and one director will be nominated by Jiaozuo Investment.

Profit sharing in Jiaozuo JV

Upon establishment of Jiaozuo JV, Henan Zhongyu JV and Jiaozuo Investment will be entitled to share the profit of Jiaozuo JV in proportion to their equity interests in Jiaozuo JV.

Reasons for entering into the JV Agreement

The Directors have been active in seeking opportunities for expanding and enhancing the gas projects business in the PRC.

The establishment of Jiaozuo JV will speed up the exploration, exploitation, development and production of coalbed gas resources in Jiaozuo area. In addition, it will also promote the scale of use of coalbed gas in Jiaozuo area and also assist systematic development and application of coalbed gas in the area. The establishment of Jiaozuo JV will also allow the Group to gain support from local government of Jiaozuo City. In addition, the entering into of the JV Agreement will reinforce the strategic cooperation relationship between the Group and Jiaozuo Investment, which, in the view of the Directors, will further enhance its existing business network in the PRC.

The Directors, including the independent non-executive Directors, consider that the JV Agreement is entered into upon normal commercial terms after arm's length negotiations among the parties and the terms of the JV Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

INFORMATION ON HENAN PROVINCE, JIAOZUO CITY AND COALBED GAS

Henan Province, situated in the eastern central of the PRC covers a total area of approximately 167,000 square acres. Henan Province is ranked as the second largest province in terms of the reserve of coalbed methane resources. It is estimated that the total coalbed gas resources in Henan Province amount to approximately 956.5 billion cubic metres.

Jiaozuo City, situated in the northwestern of Henan Province, the PRC covers a total area of approximately 4,071 square acres. It is estimated that the total coalbed gas resources in Jiaozuo City amounts to approximately 173.4 billion cubic metres.

Coalbed gas, also known as coalbed methane, is an inflammable gas found in coal mines. Usually, coalbed gas is extracted during the mining process and burnt off to prevent coal mine accidents. However, with appropriate utilization and development, coalbed gas can be used as an alternative energy source to natural gas.

LETTER FROM THE BOARD

GENERAL

The Group is principally engaged in (i) the exploration, exploitation, development and production of coalbed methane and the sale of coalbed methane in the PRC; and (ii) the development, construction and operation of natural gas projects in the PRC, which include design and construction of natural gas pipeline network and ancillary facilities and sale of natural gas, as well as sale and maintenance of natural gas appliances.

IMPLICATION UNDER THE GEM LISTING RULES

The proposed increase in the registered capital of Henan Zhongyu JV and the entering into of the JV Agreement constitute discloseable transactions on the part of the Company under Chapter 19 of the GEM Listing Rules.

FINANCIAL EFFECT

As the proposed increase in the registered capital of Henan Zhongyu JV will be contributed by the relevant parties on a pro rata basis, it is expected that the proposed increase in the registered capital of Henan Zhongyu JV will not have any material adverse effect on the net assets position of the Group, although both the assets and liabilities of the Group will increase as a result of the increase in the asset value of Henan Zhongyu JV and the corresponding minority interests.

Since Jiaozuo JV, which will become an indirect non wholly-owned subsidiary of the Company after its establishment, has not yet been established and commenced operation as at the Latest Practicable Date, it is not expected to have any immediate financial or operational impact on the Group. Prior to its establishment, the investment in Jiaozuo JV will be accounted as deposit for an investment in the consolidated financial statements of the Company. The formation of Jiaozuo JV will not have any material adverse effect on the net assets position of the Group. It is expected that both the assets and liabilities of the Group will increase as a result of the formation of Jiaozuo JV.

ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendix of this circular.

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

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief:

- (1) the information contained in this circular 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 circular misleading; and
- (3) all opinions expressed in this circular have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

2. DISCLOSURE OF INTERESTS**(a) Directors' and chief executives' interests and short positions in the securities of the Company and its associated corporations**

As at the Latest Practicable Date, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such

provisions of the SFO); or (ii) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) pursuant to Rule 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

Long positions in the Shares and/or underlying Shares

| Name of Directors | Notes | Number of Shares and/or underlying Shares | Type of Interests | Approximate percentage of issued share capital |
|-------------------|-------|-------------------------------------------|------------------------------------------|------------------------------------------------|
| Mr. Wang Wenliang | 1 | 954,987,542 | Beneficial and interested in corporation | 49.09% |
| Mr. Hao Yu | 2 | 1,009,989,542 | Beneficial and interested in corporation | 51.90% |
| Mr. Lu Zhaoheng | 3 | 5,004,000 | Beneficial | 0.26% |
| Mr. Xu Yongxuan | 3 | 5,004,000 | Beneficial | 0.26% |
| Mr. Lui Siu Keung | 3 | 9,000,000 | Beneficial | 0.46% |

Notes:

1. Among these Shares and/or underlying Shares, 944,985,542 Shares are held by Hezhong Investment Holding Company Limited (“**Hezhong**”). Mr. Wang Wenliang is beneficially interested in 60% of the issued share capital of Hezhong. The remaining 10,002,000 underlying Shares are to be allotted and issued upon exercise the rights attaching to the share options granted under the share option scheme adopted by the Company on 24 October 2003.
2. Among these Shares and/or underlying Shares, 944,985,542 Shares are held by Hezhong. Mr. Hao Yu is interested in 40% of the issued share capital of Hezhong. The remaining 65,004,000 underlying Shares are to be allotted and issued upon exercise the rights attaching to the share options granted under the share option scheme adopted by the Company on 24 October 2003.
3. These underlying Shares are to be allotted and issued upon exercise the rights attaching to the share options granted under the share option scheme adopted by the Company on 24 October 2003.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors nor the chief executive of the Company had or was deemed to have any interests and short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) are required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) are required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.

(b) **Persons who have an interest or short position which is discloseable under Divisions 2 and 3 of Part XV of the SFO**

So far as is known to the Directors and the chief executive of the Company, as at the Latest Practicable Date, the following person (not being Directors or chief executive of the Company) or corporation had, or was deemed to have, interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or who were directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group:

Long positions in the Shares

| Name of Shareholders | Type of interests | Number of Shares | Approximate percentage of interests |
|------------------------------------|--------------------------|-------------------------|--------------------------------------------|
| Hezhong | Beneficial | 944,985,542 | 48.56% |
| Perry Capital (Asia) Limited | Deemed/Beneficial | 234,917,475 | 12.07% |
| Perry Capital LLC | Deemed/Beneficial | 234,917,475 | 12.07% |
| Perry Corp. | Deemed/Beneficial | 234,917,475 | 12.07% |
| Perry Richard Cayne | Deemed/Beneficial | 234,917,475 | 12.07% |
| Perry Partners International, Inc. | Deemed/Beneficial | 194,573,314 | 10.00% |

Notes:

1. Hezhong is beneficially interested in 944,985,542 Shares. Mr. Wang Wenliang and Mr. Hao Yu is beneficially interested in 60% and 40% of the issued share capital of Hezhong respectively.
2. According to the disclosure of interests pages as shown in the website of the Stock Exchange, Perry Richard Cayne holds as to 100% equity interests of Perry Corp, Perry Corp. holds as to 40% equity interests of Perry capital LLC. Perry Capital LLC holds as to 100% equity interests of Perry Capital (Asia) Limited. Apart from the information ascertained in the disclosure of interests pages as shown in the website of the Stock Exchange, the Company has no further information.

Save as disclosed above, as at the Latest Practicable Date, the Directors and the chief executive of the Company were not aware of any other person (other than the Directors and the chief executive of the Company) who had, or was deemed to have, interests or short positions in the shares or underlying shares of the Company (including any interests in options in respect of such capital), which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who was directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group.

3. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors has entered into any service contract or management agreement, proposed or otherwise with any member of the Group (excluding contracts expiring or terminable by the employer within one year without payment of compensation other than statutory compensation).

4. COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors or the management Shareholders (as defined in the GEM Listing Rules) or their respective associates has any interest in business which competes with or may compete with the business of the Group.

5. LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or arbitration of material importance and no litigation, arbitration or claim of material importance was known to the Directors to be pending or threatened against any member of the Group.

6. MISCELLANEOUS

- (a) The registered office of the Company is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.
- (b) The head office and principal place of business of the Company in Hong Kong is at Units 10-12 & 19, 33rd Floor, China Merchants Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong.
- (c) The branch share registrar and transfer office in Hong Kong of the Company is Tricor Secretaries Limited located at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong.
- (d) The company secretary and qualified accountant of the Company is Mr. Lui Siu Keung who is an associate member of the Hong Kong Institute of Certified Public Accountants and an executive Director.
- (e) The compliance officer of the Company is Mr. Hao Yu who is also an executive Director.
- (f) The Company has established an audit committee with written terms of reference in compliance with Rules 5.28 to 5.29 of the GEM Listing Rules.

The audit committee reviews the effectiveness of both the external and internal audit and of internal controls and risk evaluation.

The audit committee comprises three independent non-executive Directors, Mr. Wang Shunlong, Dr. Luo Yongtai and Mr. Hung, Randy King Kuen.

Mr. Wang Shunlong, aged 43, is the chairman of the audit committee of the Company. He is the head of strategic department of SIIC Medical Science and Technology (Group) Limited. He graduated from Tsinghua University in the PRC with a doctoral degree in engineering and was employed by the Eindhoven University of Technology in The Netherlands as a research for three years. Mr. Wang has over nine years of experience in corporate management and investment planning. He joined the Group in July 2003.

Dr. Luo Yongtai, aged 61, is a member of the audit committee of the Company. He is a professor in management of Tianjin University of Finance and Economics, the head of the Microeconomic Institute of Tianjin University of Finance and Economics, a member of the committee of the Tianjin City People's Political Consultative Conference, the deputy supervisor of the People's Republic of China System Engineering Committee and also held positions in various professional organizations. Dr. Luo is a beneficiary of the Expert Special Subsidy granted by the State Council of the PRC and has been engaged in various national and provincial projects in recent years. Dr. Luo is also an independent director of two companies listed on the Shanghai Stock Exchange. He joined the Group in July 2003.

Mr. Hung, Randy King Kuen, aged 42, is a member of the audit committee of the Company. He holds a bachelor's degree of accounting and a certificate of programming and data processing from the University of Southern California, a certificate of China Accounting, Finance, Taxation and Law from the Chinese University of Hong Kong, and a Hong Kong Securities Institute Specialist Certificate in corporate finance. Mr. Hung is a fellow certified public accountant in Hong Kong and a certified public accountant in the United States. Currently, Mr. Hung is an independent non-executive director of Zhongyian International Limited (Stock Code: 2379) and ZZNode Holdings Company Limited (Stock Code: 2371). Mr. Hung is a member of the American Institute of Certified Public Accountants, a fellow of the Hong Kong Institute of Certified Public Accountants, deputy chairman of training committee of the Hong Kong Institute of Directors and a member of the Hong Kong Securities Institute. Mr. Hung joined the Group on 30 September 2004.