

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

**ADJUSTMENT TO CONVERSION PRICE OF
US\$40 MILLION 1% CONVERTIBLE BONDS DUE 2012**

The Directors wishes to announce that, based on the prescribed formula as provided in the Bond Subscription Agreement, the Conversion Price has been adjusted to HK\$0.968 per Conversion Share with effect from 25 June 2008, being the first anniversary of the date of issue of the Convertible Bonds.

Reference is made to the announcements (the “**Announcements**”) and the circular (the “**Circular**”) of the Company dated 28 May 2007, 4 June 2007 and 26 June 2007 respectively relating to, among other matters, the issue of the Convertible Bonds. Unless otherwise stated, capitalised terms used in this announcement shall bear the same meanings as those defined in the Announcements and the Circular.

As disclosed in the Circular, provided that (i) the Conversion Price shall not be adjusted to less than 50% of the initial Conversion Price and (ii) that it may only be adjusted downwards, the initial Conversion Price will be adjusted downwards using a prescribed formula if the arithmetic average of the daily Volume Weighted Average Price per Share for each of the 20 consecutive trading days immediately preceding the first anniversary of the date of issue of the Convertible Bonds is less than the Conversion Price in effect. Completion of the issue of the Convertible Bonds took place on 25 June 2007 and the Convertible Bonds have been duly issued to the Subscribers in accordance with the Bond Subscription Agreement.

Based on the prescribed formula as provided in the Bond Subscription Agreement, the Conversion Price has been adjusted to HK\$0.968 per Conversion Share with effect from 25 June 2008, being the first anniversary of the date of issue of the Convertible Bonds.

The above adjustment in relation to the Conversion Price has been computed by the company in accordance with the terms and conditions of the Bond Subscription Agreement. Save as disclosed above, all other terms and conditions of the Bond Subscription Agreement and the Convertible Bonds remain unchanged.

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

Hong Kong, 30 June 2008

As at the date of this announcement, the Board comprises Mr. Wang Wenliang, Mr. Hao Yu, Mr. Lu Zhaoheng and Mr. Lui Siu Keung, being the executive Directors, Mr. Xu Yongxuan, being the non-executive Director and Mr. Wang Shunlong, Dr. Luo Yongtai and Mr. Hung, Randy King Kuen, being the independent non-executive Directors.

This announcement, 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 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 at least 7 days from the date of its publication and on the Company's website at <http://www.zygas.com.cn>