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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)

ANNOUNCEMENT ON THE STATUS OF THE ANNUAL AUDIT AND THE QUARTERLY RESULTS

Reference is made to the announcements dated 31 March 2010 (the “**Announcement**”), 23 April 2010 and 14 May 2010 issued by Zhongyu Gas Holdings Limited (the “**Company**”) in relation to its inability to announce its annual results and publish its annual report for the year ended 31 December 2009 and its quarterly results for the three months ended 31 March 2010. Unless otherwise stated, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement.

As set out in the Announcement in relation to its inability to announce its annual results and publish its annual report for the year ended 31 December 2009, the senior management of some of the major subsidiaries of Company have not provided the external auditors with responses to their follow-up questions for the purpose of finalising the audit and as a result, the annual results and annual report of Company for the year ended 31 December 2009 and the quarterly results for the three months ended 31 March 2010 had not been issued by 31 March 2010 and 15 May 2010, respectively, as required by the GEM Listing Rules.

After continuous efforts made by the Directors, on 18 May 2010, the Directors received a notification from the representative of the senior management of the relevant subsidiaries of Company that they will resume cooperation with the Company to complete the audit of the Company’s financial statements for the year ended 31 December 2009. On 24 May 2010, the senior management of the relevant subsidiaries of Company commenced providing the outstanding information to the auditor of the Company. Accordingly, the Company will publish its annual results and the annual report for the year ended 31 December 2009 and its quarterly results for the three months ended 31 March 2010 as soon as possible. Once the Company is in a better position to estimate the time by which the outstanding annual results and annual report for the year ended 31 December 2009 and the quarterly results for the three months ended 31 March 2010 will be published, a further announcement will be made.

At the request of the Company, trading in the shares of the Company was suspended from 9.30 a.m. on 22 March 2010 and will continue to remain suspended until further notice.

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

25 May 2010

The 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 comprises 8 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 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 7 days from the date of its publication and on the Company’s website at <http://www.zygas.com.cn>.