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## IMPORTANT

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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 licensed security dealer, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your securities in ZHENGZHOU GAS COMPANY LIMITED, you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the bank, licensed security dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

This circular is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities of Zhengzhou Gas Company Limited.

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this circular, 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 circular.

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## ZHENGZHOU GAS COMPANY LIMITED\*

鄭州燃氣股份有限公司

*(A joint stock limited company incorporated in the People's Republic of China)*

(Stock Code: 8099)

**PROPOSED RESOLUTION FOR SHAREHOLDERS  
TO APPROVE, FOR THE PURPOSE OF MAKING AN APPLICATION TO  
THE CHINA SECURITIES REGULATORY COMMISSION,  
(i) A PROPOSED MIGRATION OF THE LISTING OF THE H SHARES  
FROM THE GROWTH ENTERPRISE MARKET  
TO THE MAIN BOARD OF THE STOCK EXCHANGE OF HONG KONG LIMITED,  
(ii) A PROPOSED VOLUNTARY WITHDRAWAL OF LISTING OF THE H SHARES  
ON THE GROWTH ENTERPRISE MARKET OF  
THE STOCK EXCHANGE OF HONG KONG LIMITED,  
(iii) A PROPOSED ISSUE OF ADDITIONAL NEW H SHARES  
AFTER COMPLETION OF THE MIGRATION OF THE LISTING OF  
THE H SHARES FROM THE GROWTH ENTERPRISE MARKET  
TO THE MAIN BOARD OF THE STOCK EXCHANGE OF HONG KONG LIMITED,  
(iv) THE PROPOSED USE OF PROCEEDS RESULTING FROM THE NEW ISSUE AND  
(v) THE ADOPTION OF THE AMENDED ARTICLES  
OF ASSOCIATION OF THE COMPANY**

Financial adviser

  
**SBI Crosby Limited**

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Notices convening an extraordinary general meeting and respective class meetings of holders of the Domestic Shares and the H Shares to be held on Monday, 21 November 2005 at Samost Hotel, Zhengzhou, Henan Province, the PRC are set out on pages 16 to 24 of this circular. If you intend to attend the extraordinary general meeting and/or the relevant class meetings, please complete and return the reply slips enclosed with the notice of extraordinary general meeting and/or relevant notice of class meetings in accordance with the instructions printed thereon as soon as possible and in any event by no later than 1 November 2005. Whether or not you are able to attend the extraordinary general meeting and/or the relevant class meetings, you are requested to complete and return the enclosed forms of proxy for the extraordinary general meeting and class meetings in accordance with the instructions printed thereon as soon as possible to the Company (in the case of the proxy form of holders of the Domestic Shares) or to the registrar of the H Shares in Hong Kong, Computershare Hong Kong Investor Services Limited, at 46th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong (in the case of the proxy form of holders of the H Shares) and in any event no later than 24 hours before the time appointed for the holding of the meeting or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the meeting or any adjournment thereof should you so wish.

*This circular will remain on the GEM website at [www.hkgem.com](http://www.hkgem.com) on the "Latest Company Announcements" page for at least 7 days from the date of its publication.*

\* For identification purposes only

21 September 2005

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## **CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET OF THE STOCK EXCHANGE OF HONG KONG LIMITED**

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The 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 the 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 the 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 the GEM mean that it is a market more suited to professional and other sophisticated investors.

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

The principal means of information dissemination on the GEM is publication on the Internet website operated by the Stock Exchange. The GEM-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 at [www.hkgem.com](http://www.hkgem.com) in order to obtain up-to-date information on the GEM-listed companies.

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## DEFINITIONS

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*In this circular, unless the context otherwise requires, the following expressions have the following meanings:*

“Amended Articles”	the new articles of association of the Company proposed to be adopted at the EGM and the Class Meetings
“Articles of Association”	the articles of association of the Company
“Class Meeting(s)”	the respective class meetings of the holders of the Domestic Shares and the H Shares to be held at Samost Hotel, Zhengzhou City, Henan Province, the PRC, on Monday, 21 November 2005 at 10:00 a.m. and 11:00 a.m. respectively or consecutively immediately after the conclusion or adjournment of the EGM, or any adjournment thereof
“Company”	鄭州燃氣股份有限公司 (Zhengzhou Gas Company Limited*), a joint stock limited company incorporated in the PRC, the H shares of which are listed on the GEM
“CSRC”	China Securities Regulatory Commission
“Directors”	the directors of the Company
“Domestic Share(s)”	the Share(s) which are not the H Shares
“EGM”	the extraordinary general meeting of the Company to be held at Samost Hotel, Zhengzhou, Henan Province, the PRC on Monday, 21 November 2005 at 9:00 a.m. or any adjournment thereof
“GEM”	Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM, as amended from time to time
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“H Share(s)”	the overseas listed foreign share(s) of the Company which are listed on the GEM with a nominal value of RMB0.10 each
“Latest Practicable Date”	14 September 2005, being the latest practicable date for ascertaining certain information for inclusion in this circular

\* For identification purposes only

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## DEFINITIONS

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“Listing Committee”	the listing sub-committee of the directors of the Stock Exchange responsible for Main Board listing matters
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
“Main Board”	the stock market operated by the Stock Exchange prior to the establishment of the GEM (excluding the options market) and which stock market continues to be operated by the Stock Exchange in parallel with the GEM
“Main Board Migration”	the proposed migration of listing status of the H Shares from the GEM to the Main Board pursuant to the Listing Rules
“New Issue”	the issue of additional new H Shares after completion of the Main Board Migration
“PRC”	the People’s Republic of China, which for the purposes of this circular, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shares”	shares of the Company with a nominal value of RMB0.10 each, including the Domestic Shares and the H Shares, unless specified otherwise
“Shareholders”	holders of the Shares, including holders of the Domestic Shares and the H Shares, unless specified otherwise
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Voluntary Withdrawal”	the proposed voluntary withdrawal of the listing status of the H Shares from the GEM
“Zhengzhou Gas Group”	鄭州燃氣集團有限公司 (Zhengzhou Gas Group Company Limited*), a company established in the PRC with limited liability and the controlling shareholder of the Company, which is principally engaged in investment holding, sale of liquefied petroleum gas and properties development
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC

*All amounts in RMB have been translated into HK\$ at a rate of HK\$1.00 = RMB1.04 in this circular for illustration purposes only.*

\* For identification purposes only

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## LETTER FROM THE BOARD

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### ZHENGZHOU GAS COMPANY LIMITED\*

鄭州燃氣股份有限公司

(A joint stock limited company incorporated in the People's Republic of China)

(Stock Code: 8099)

*Executive Directors:*

Mr. Yan Guoqi (*Chairman*)

Mr. Song Jinhui

Ms. Niu Minghua

*Registered office:*

352 Longhai Road West

Zhengzhou City

Henan Province

PRC 450006

*Non-executive Directors:*

Mr. Chang Zongxian

Mr. Wang Yuheng

Mr. Zhang Wushan

Mr. Li Keqing

Mr. Zhang Chaoyi

Mr. Li Zhenguo

*Principal place of business*

*in Hong Kong:*

Suite 1101, 11th Floor

9 Queen's Road Central

Hong Kong

*Independent non-executive Directors:*

Mr. Zhang Yichun

Mr. Liu Jianwen

Ms. Yu Shulian

21 September 2005

*To the Shareholders*

Dear Madam/Sir,

**PROPOSED RESOLUTION FOR SHAREHOLDERS  
TO APPROVE, FOR THE PURPOSE OF MAKING AN APPLICATION TO  
THE CHINA SECURITIES REGULATORY COMMISSION,  
(i) A PROPOSED MIGRATION OF THE LISTING OF THE H SHARES  
FROM THE GROWTH ENTERPRISE MARKET  
TO THE MAIN BOARD OF THE STOCK EXCHANGE OF HONG KONG LIMITED,  
(ii) A PROPOSED VOLUNTARY WITHDRAWAL OF LISTING OF THE H SHARES  
ON THE GROWTH ENTERPRISE MARKET OF  
THE STOCK EXCHANGE OF HONG KONG LIMITED,  
(iii) A PROPOSED ISSUE OF ADDITIONAL NEW H SHARES  
AFTER COMPLETION OF THE MIGRATION OF THE LISTING OF  
THE H SHARES FROM THE GROWTH ENTERPRISE MARKET  
TO THE MAIN BOARD OF THE STOCK EXCHANGE OF HONG KONG LIMITED,  
(iv) THE PROPOSED USE OF PROCEEDS RESULTING FROM THE NEW ISSUE AND  
(v) THE ADOPTION OF THE AMENDED ARTICLES  
OF ASSOCIATION OF THE COMPANY**

### INTRODUCTION

The Directors intend to convene the EGM and the Class Meetings on Monday, 21 November 2005 and propose a special resolution at the EGM and the Class Meetings for the

\* For identification purposes only

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## LETTER FROM THE BOARD

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Shareholders to consider and approve, among other things, (i) the Main Board Migration; (ii) the Voluntary Withdrawal; (iii) the New Issue; (iv) the proposed use of the proceeds (net of all related expenses) from the New Issue; and (v) the adoption of the Amended Articles and to authorise the Directors to take such steps as they consider necessary, desirable and expedient to carry out the above.

### **REASONS FOR THE MAIN BOARD MIGRATION, THE VOLUNTARY WITHDRAWAL AND THE NEW ISSUE**

The Group is principally engaged in the sale of piped natural gas to residential, commercial, industrial and vehicular customers and the provision of gas pipeline construction services and sale of gas appliances. Since the listing of the H Shares on the GEM on 29 October 2002, the Group has grown rapidly in terms of the scope and network of its business. Its net profit has increased significantly from approximately RMB52.94 million (equivalent to approximately HK\$50.90 million) for the year ended 31 December 2003 to approximately RMB65.21 million for the year ended 31 December 2004 (equivalent to approximately HK\$62.70 million). The net profit for the six months ended 30 June 2005 amounted to approximately RMB52.46 million (equivalent to approximately HK\$50.44 million), representing an increase of approximately 41.49% from the net profit for the six months ended 30 June 2004 of approximately RMB37.08 million (equivalent to approximately HK\$35.65 million).

On reviewing the financial performance of the Group and taking into consideration the potential impact of the Main Board Migration, the Directors have come to a view that a listing of the H Shares on the Main Board will help enhance the profile of the Group, resulting in access to further coverage and recognition from industry analysts and a wider shareholders' base, including institutional investors, and facilitate an increase in the liquidity of the H Shares. Through raising additional funds from the New Issue, the Directors consider that the financial resources of the Group will be enhanced, enabling the Group, among others, to expand its customer base and natural gas storage capacity through the expansion of the Group's natural gas pipeline network and the construction of additional natural gas refuelling stations and natural gas storage facilities, thereby accelerating the Group's business development. The Directors believe that the above will be beneficial to the Group's future growth in the natural gas industry.

The exact number of the new H Shares to be issued by the Company pursuant to the New Issue has not yet been determined but it is anticipated that not more than 375,450,000 new H Shares (including the H Shares to be issued pursuant to the exercise of the over-allotment option, if any) will be issued.

### **PROPOSED USE OF PROCEEDS FROM THE NEW ISSUE**

The Company intends to raise funds by way of the New Issue by issuing not more than 375,450,000 new H Shares (including the H Shares to be issued pursuant to the exercise of the over-allotment option, if any) after completion of the Main Board Migration. It is intended that the net proceeds, after deduction of related expenses, will be used for the following areas:

- (a) the reconstruction and expansion of urban pipeline networks in Zhengzhou City, Henan Province;

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## LETTER FROM THE BOARD

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- (b) the development of the vehicular gas business including construction of vehicular gas refuelling stations and ancillary facilities; and
- (c) general working capital.

### REQUIREMENTS UNDER PRC REGULATIONS

Under the relevant PRC rules and regulations, a company incorporated in the PRC which intends to have its shares listed on an overseas stock exchange is required to comply with 《關於企業申請境外上市有關問題的通知》 (the Notice Regarding Issues Relating to Applications by Enterprises for the Listing of Their Shares Overseas) (the “Notice”) issued by the CSRC. The Notice is applicable to the Main Board Migration. Under the Notice, Shareholders’ approval in relation to, among others, the Main Board Migration, the Voluntary Withdrawal and the New Issue must be obtained and a resolution in respect of the said matters must be passed prior to the submission of the relevant application to the CSRC for approval. A proposed special resolution is contained in each of the notice of the EGM and the notices of the Class Meetings which are set out on pages 16 to 24 of this circular respectively for this purpose. Upon obtaining the Notice of Acceptance of Application from the CSRC, the Company will make a formal application to the Stock Exchange in relation to the Main Board Migration, the Voluntary Withdrawal and the New Issue, and a further general meeting and respective class meetings of the holders of the Domestic Shares and the H Shares will be convened to approve, among others, the Main Board Migration, the Voluntary Withdrawal and the New Issue after obtaining the approval of the CSRC and the hearing held by the Listing Committee.

### ADOPTION OF THE AMENDED ARTICLES

In view of the proposed Main Board Migration, Voluntary Withdrawal and New Issue and for the purposes of complying with the Listing Rules and the relevant rules and regulations in the PRC and Hong Kong, the special resolution to be proposed at the EGM will include a proposed adoption of the Amended Articles in substitution of the existing Articles of Association. Subject to the passing of the special resolution as set out in the notice of the EGM and notices of the Class Meetings as set out on pages 16 and 24 respectively of this circular, the Amended Articles will become effective (subject to further amendments being made to the same by the Directors as authorised by the Shareholders) on the date of listing of the H Shares on the Main Board. The Amended Articles will not become effective if the Company fails to complete the Main Board Migration and the Voluntary Withdrawal and the existing Articles of Association will continue to be effective. Set out below are details of the principal significant amendments to be effected pursuant to the adoption of the Amended Articles:

- (a) the Amended Articles will become effective on the date of listing of the H Shares on the Main Board;



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## LETTER FROM THE BOARD

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- (b) the main business scope of the Company will be updated to reflect the same as stated in its latest business license dated 24 August 2005, namely, the production, transmission, storage and sale of urban gas; the installation of related dual fuel facilities (only limited to operation by licensed branch organizations); the provision of ancillary services relating to gas alarms and other gas appliances (including gas, coal gas and liquefied petroleum gas); the design, implementation and maintenance of safety and precautional construction techniques; the assembly, sale, installation and maintenance of gas cookers; the installation and maintenance of gas appliances; the development and application of new gas technologies (the operation of any business within the above business scope shall be specifically approved or licensed as required by relevant Chinese national laws and regulations);
- (c) the new structure of the share capital of the Company upon completion of the New Issue will be stated as and when this information is available;
- (d) the registered capital of the Company will be amended to take into account the New Issue as and when this information is available;
- (e) the requirement that the form of the transfer of Shares has to be in a form approved by the Stock Exchange and be executed by the transferor and the transferee under hand or mechanically printed signatures will be deleted as similar requirements are already provided for in other parts of the existing Articles of Association;
- (f) a new provision will be added in order to comply with the provisions of Appendix 3 to the Listing Rules, namely, where the Company has the power to purchase for redemption a redeemable share, purchases not made through the market or by tender are to be limited to a maximum price; and if purchases are by tender, tenders are to be available to all Shareholders alike;
- (g) changes will be made to reflect the repeal of the Securities and Futures (Clearing House) Ordinance (Cap. 420, the Laws of Hong Kong) by stating that recognised clearing house and its nominees are to be defined in accordance with relevant Hong Kong laws and regulations to be enacted from time to time;
- (h) in order to comply with Rule 3.10(1) of the Listing Rules, the number of independent non-executive directors of the Company will be changed from two to three;
- (i) in order to comply with chapters 1 and 2 of 《境外上市公司董事會秘書工作指引》(Working Guidelines for Secretary to Board of Directors of Overseas Listed Company), new provisions relating to the obligations and scope of powers of the secretary to the board of directors of the Company will be added;
- (j) changes will be made in order to be consistent with the requirements of the Listing Rules relating to the Company's annual and semi-annual financial reporting requirements;

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## LETTER FROM THE BOARD

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- (k) a new provision will be added to specify that the Articles of Association shall be interpreted by the Directors at the board meeting; and
- (l) various changes will be made to correct minor mistakes and language styles and generally to clarify the contents of the existing Articles of Association.

### THE EGM AND THE CLASS MEETINGS

With the aim of making the relevant application by the Company to the CSRC in connection with the Main Board Migration, the Voluntary Withdrawal and the New Issue and satisfying the CSRC's relevant requirements, the Directors intend to convene the EGM and the Class Meetings for the Shareholders to consider and approve, among other things (i) the Main Board Migration; (ii) the Voluntary Withdrawal; (iii) the New Issue ; (iv) the proposed use of proceeds; and (v) the adoption of the Amended Articles and to authorise the Directors to take such steps as they consider necessary, desirable or expedient to carry out the above.

Shareholders should note that the Shareholders' approval in connection with the Main Broad Migration, the New Issue and the Voluntary Withdrawal as obtained from the EGM and the Class Meetings is for the sole purpose of enabling the Company to make the relevant applications to the CSRC. The Main Board Migration, the Voluntary Withdrawal and the New Issue, however, will be conditional on, among other things, the following:

- (i) the granting of the relevant approval by the CSRC and other PRC authorities in connection with the Main Board Migration, the Voluntary Withdrawal and the New Issue;
- (ii) the issue of a supplemental circular and listing document containing, among other things, further information in connection with the Main Board Migration, the Voluntary Withdrawal and the New Issue after the hearing held by the Listing Committee;
- (iii) the passing of a special resolution by the Shareholders at an extraordinary general meeting to approve, among other things, the Main Board Migration, the Voluntary Withdrawal and the New Issue after the hearing held by the Listing Committee;
- (iv) the passing of a special resolution by the holders of the Domestic Shares and the H Shares at respective class meetings to approve, among other things, the Main Board Migration, the Voluntary Withdrawal and the New Issue after the hearing held by the Listing Committee;
- (v) the publication of a notice of the Voluntary Withdrawal as required by the GEM Listing Rules after the approval from the Shareholders and the holders of the Domestic Shares and the H Shares have been obtained at an extraordinary general meeting and class meetings, respectively;
- (vi) the Listing Committee granting approval for the listing of and permission to deal in the existing H Shares on the Main Board and approving the Voluntary Withdrawal; and

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## LETTER FROM THE BOARD

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(vii) the Listing Committee granting approval for the listing of and permission to deal in the additional new H Shares on the Main Board as a result of the New Issue.

The Company will make further announcements, as and when deemed necessary or appropriate, to keep the Shareholders informed on the latest progress of the proposed Main Board Migration, the Voluntary Withdrawal and the New Issue.

### **Warning:**

**Preparations relating to the Main Board Migration, the Voluntary Withdrawal and the New Issue are at a preliminary stage and no applications relating thereto have been made to the Stock Exchange and the CSRC. Shareholders should note that the special resolution to be proposed at the EGM and the Class Meetings to be held on Monday, 21 November 2005 is for the sole purpose of obtaining approval from the Shareholders to enable the Company to make application to the CSRC in connection with the Main Board Migration, the Voluntary Withdrawal and the New Issue. Subject to the issuance of the Notice of Acceptance of Application by the CSRC, the Company will make a formal application to the Stock Exchange in relation to the Main Board Migration, the Voluntary Withdrawal and the New Issue and a further Shareholders' meeting and respective class meetings for the holders of the Domestic Shares and the H Shares will be convened to approve, among other things, the Main Board Migration, the Voluntary Withdrawal and the New Issue after obtaining the approval of the CSRC and the hearing held by the Listing Committee. A supplemental circular and listing document containing, among other things, further information of the Main Board Migration, the Voluntary Withdrawal and the New Issue, as well as the expected timetable and notices convening the extraordinary general meeting and the class meetings will be despatched to the Shareholders as soon as practicable after the said hearing.**

**Shareholders and potential investors should be aware that the implementation of the proposed Main Board Migration, the Voluntary Withdrawal, the New Issue, the proposed use of proceeds from the New Issue and the adoption of the Amended Articles are subject to, among other things, the prevailing market sentiment, the granting of relevant approvals by the CSRC and the Stock Exchange, together with other conditions and regulatory requirements to be fulfilled by the Company and thus may or may not become effective. In addition, the Company has not determined the final size of the New Issue and the issue price. Consequently, the Main Board Migration, the Voluntary Withdrawal and the New Issue may or may not proceed. Shareholders and potential investors should therefore exercise caution when dealing in the H Shares.**

Set out on pages 16 to 24 of this circular are notices convening the respective EGM and the Class Meetings to be held on Monday, 21 November 2005 at Samost Hotel, Zhengzhou City, Henan Province, the PRC. The EGM and the Class Meetings will be convened at which a special resolution will be proposed to approve, amongst other things, the Main Board Migration, the Voluntary Withdrawal, the New Issue, the proposed use of proceeds and the adoption of the Amended Articles.

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## LETTER FROM THE BOARD

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If you intend to attend the EGM and/or the relevant Class Meetings, please complete and return the reply slip enclosed with the notice of the EGM and/or notice of the relevant Class Meetings in accordance with the instructions printed thereon as soon as possible and in any event on or before 1 November 2005. The forms of proxy for use at the respective EGM and Class Meetings are enclosed with this circular. Whether or not you are able to attend the EGM and/or the relevant Class Meetings, you are requested to complete and return the enclosed form of proxy to the Company (in the case of proxy form of holders of the Domestic Shares) or the registrar of the H Shares in Hong Kong, Computershare Hong Kong Investor Services Limited, at 46th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong (in the case of proxy form of holders of the H Shares) in accordance with the instructions printed thereon not less than 24 hours before the time appointed for the holding of the EGM and the relevant Class Meetings or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM and/or the relevant Class Meetings or any adjournment thereof should you so wish.

Shareholders whose name appear on the register of members of the Company on 21 November 2005 are entitled to attend and vote at the EGM and/or the Class Meetings. The register of members of the Company will be closed from 22 October 2005 to 21 November 2005, both days inclusive, during such period no share transfer will be registered.

### PROCEDURES FOR DEMANDING A POLL

Pursuant to Article 77 of the Articles of Association, a poll may be demanded by the following persons:

- (1) chairman of the meeting;
- (2) at least two shareholders entitled to vote in person or by proxy; or
- (3) one or more shareholders representing in aggregate 10% or more of all Shares carrying the right to vote at the meeting present in person or by proxy.

### RECOMMENDATIONS

The Directors considers that the Main Board Migration, the Voluntary Withdrawal, the New Issue, the proposed use of proceeds and the adoption of the Amended Articles from the New Issue are in the interest of the Company. Accordingly, the Directors recommend the Shareholders to vote in favour of the special resolution to be proposed at the EGM and the Class Meetings.

Yours faithfully,  
For and on behalf of  
**Zhengzhou Gas Company Limited\***  
**Yan Guoqi**  
*Chairman*

\* For identification purposes only

**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 purposes of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief:

- (a) the information contained in this circular is accurate and complete in all material respects and not misleading;
- (b) there are no other matters the omission of which would make any statement in this circular misleading; and
- (c) 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.

**DISCLOSURE OF INTERESTS****(a) Directors', chief executives' and supervisors' interests in shares**

As at the Latest Practicable Date, the interests and short positions of the Directors, chief executives and supervisors 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 are required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO); or (b) pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) pursuant to the required standard of dealings by the directors as referred to in Rules 5.46 to 5.67 of the GEM Listing Rules to be notified to the Company and the Stock Exchange, were as follows:

Director/ Supervisor	Capacity/Nature of interests	Number of the Domestic Shares held	Approximate % of beneficial interest in the Domestic Shares	Approximate % of beneficial interest in the total registered share capital of the Company
Gao Mingshun	Corporate (Note 1)	15,400,000(L) (Note 3)	2.20%	1.23%
Li Keqing	Corporate (Note 2)	115,500,000(L) (Note 3)	16.48%	9.23%

*Notes:*

- (1) At the Latest Practicable Date, Gao Mingshun had an interest in 15,400,000 Domestic Shares as a result of his having an interest in 95.71% of the registered capital of Zhengzhou Sifang Construction and Decoration Co., Ltd. which held approximately 1.23% of the total registered share capital of the Company, and 2.20% of the Domestic Shares of the registered share capital of the Company.
- (2) At the Latest Practicable Date, Li Keqing had an interest in 115,500,000 Domestic Shares as a result of an aggregate interest in 40% of the registered capital of Zhengzhou Qiyuan Investment Consultancy Co., Ltd. held by him and his spouse, Guo Wenjun, who together held approximately 9.23% of the total registered share capital of the Company, and 16.48% of the Domestic Shares of the registered share capital of the Company.
- (3) “L” denotes a long position in such shares.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors, chief executives or supervisors of the Company or their respective associates had interests and short positions in any securities of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which are required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO); (b) pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) pursuant to the required standard of dealings by the directors as referred to in Rules 5.46 to 5.67 of the GEM Listing Rules to be notified to the Company and the Stock Exchange.

**(b) Disclosure under the SFO and substantial Shareholders**

So far as was known to any Director, chief executive or supervisor of the Company, as at the Latest Practicable Date, the persons or companies (not being a Director, chief executive or supervisor of the Company) who had equity interests or short positions in the Shares or underlying Shares which would fall to be disclosed under Divisions 2 and 3 of Part XV of the

SFO, or who were directly or indirectly deemed to be 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 (other than the Company) were as follows:

Name	Capacity/ Nature of interests	Number of the H Shares held	Approximate % of beneficial interest in the H Shares	Number of the Domestic Shares held	Approximate % of beneficial interest in the Domestic Shares	Approximate
						% of beneficial interest in the total registered share capital of the Company
Zhengzhou Gas Group	Beneficial owner	–	–	540,415,098(L) (Note 3)	77.11%	43.18%
Zhengzhou Qiyuan Investment Consultancy Co., Ltd. (Note 1)	Beneficial owner	–	–	115,500,000(L) (Note 3)	16.48%	9.23%
Guo Wenjun (Note 2)	Family	–	–	115,500,000(L) (Note 3)	16.48%	9.23%
Daiwa SB Investments (HK) Limited	Beneficial owner	50,300,000(L) (Note 3)	9.13%	–	–	4.02%

**Name of subsidiary  
of the Company in which  
any shareholder, excluding  
the Company, holds 10%  
or above of any class of  
share capital**

Name of shareholder	Amount of registered capital of the subsidiary	Approximate % of shareholding of the subsidiary
Zhengzhou Gas Engineering and Construction Co., Ltd. (鄭州燃氣工程建設 有限公司)	Zhengzhou Gas Group Labour Union Committee (鄭州燃氣集團工會 委員會)	RMB6,600,000(L) (Note 3) 16.50%
Deng Feng Zhengran Gas Co., Ltd. (登封鄭燃燃氣 有限公司)	Zhengzhou Gas Engineering and Construction Co., Ltd. (鄭州燃氣工程建設 有限公司)	RMB3,500,000(L) (Note 3) 35.00%

*Notes:*

- (1) At the Latest Practicable Date, Zhengzhou Qiyuan Investment Consultancy Co., Ltd. (“Zhengzhou Qiyuan”) held 115,500,000 Domestic Shares of the Company, representing approximately 16.48% of the beneficial interests in the Domestic Shares of the Company. However, pursuant to the GEM Listing Rules, Zhengzhou Qiyuan was not deemed a substantial shareholder of the Company because the Domestic Shares held by Zhengzhou Qiyuan represented only 9.23% of the total registered share capital of the Company.
- (2) At the Latest Practicable Date, Guo Wenjun had an interest in 115,500,000 Domestic Shares of the Company as Guo Wenjun and her spouse, Li Keqing, were in aggregate having an interest in 40% of the registered and paid-up capital of Zhengzhou Qiyuan, which had an interest in 115,500,000 Domestic Shares or approximately 16.48% of the beneficial interests in the Domestic Shares of the Company. However, pursuant to the GEM Listing Rules, Guo Wenjun was not deemed a substantial shareholder of the Company because the Domestic Shares held by Guo Wenjun represented only 9.23% of the total registered share capital of the Company.
- (3) “L” denotes a long position in such shares or equity interest.

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

**MATERIAL CHANGES**

As at the Latest Practicable Date, so far as the Directors are aware, the Directors are not aware of any material adverse change in the financial or trading position of the Group since 31 December 2004, being the date to which the Company’s latest published audited accounts were made up.

**MATERIAL LITIGATION**

So far as the Directors are aware, neither the Company nor any of its subsidiaries is engaged in any litigation, arbitration or claims of material importance and no litigation, arbitration or claims of material importance is known to the Directors to be pending or threatened by or against any member of the Group.

**DIRECTORS’ INTERESTS IN CONTRACTS**

- (a) None of the Directors have a service contract with any member of the Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)).
- (b) Save as disclosed herein, as at the Latest Practicable Date, none of the Directors have any direct or indirect interest in any assets which have been, since the date to which the latest published audited accounts of the Company were made up, acquired or disposed of by or leased by any member of the Group, or are proposed to be acquired or disposed of by or leased by any member of the Group.



- (c) Save as disclosed herein, as at the Latest Practicable Date, none of the Directors is materially interested in any contract or arrangement subsisting at the date of this circular and which is significant in relation to the business of the Group.

### **COMPETING INTERESTS**

Zhengzhou Gas Group, being the controlling shareholder and initial management shareholder (as defined under the GEM Listing Rules) of the Company, is engaged in the wholesale distribution of bottled liquefied petroleum gas in Zhengzhou. As the business of Zhengzhou Gas Group of selling bottled liquefied petroleum gas in Zhengzhou and the Company's business of selling pipeline natural gas both involve the provision of fuel to customers, such businesses therefore constitute competing interests.

Save as disclosed above, none of the Directors, the initial management shareholders (as defined under the GEM Listing Rules) of the Company or their respective associates (as defined in the GEM Listing Rules) had any interest in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group as at the Latest Practicable Date.

### **MISCELLANEOUS**

- (a) The company secretary and qualified accountant of the Company is Mr. Wong Cheuk Lam who is an associate of the Hong Kong Institute of Certified Public Accountants.
- (b) The compliance officer of the Company is Mr. Yan Guoqi who is the executive Director.
- (c) The registered address of the Company is at 352 Longhai Road West, Zhengzhou City, Henan Province, PRC 450006.
- (d) The branch share registrar of the Company in Hong Kong is Computershare Hong Kong Investor Services Limited at 46th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong.
- (e) The English text of this circular and of the proxy form shall prevail over the Chinese text.
- (f) The Company established an audit committee on 31 March 2002 with terms of reference in compliance with Rules 5.28 and 5.33 of the GEM Listing Rules. The primary functions of the audit committee are to review the financial reporting process and the internal control systems of the Group. The audit committee comprises three members, namely Ms. Yu Shulian and Mr. Zhang Yichun, both being independent non-executive Directors, and Mr. Zhang Chaoyi, a non-executive Director. Ms. Yu Shulian is the chairperson of the audit committee.

Ms. Yu Shulian (余恕蓮), aged 51, an independent non-executive Director, is presently a professor of accounting and a supervisor of doctoral candidates of the External Economics and Trade University and a PRC certified accountant (non-practising). She was appointed independent non-executive Director in April 2002. Apart from the Company, Ms. Yu is also presently an independent director of Create Technology and Science Company Limited (Stock code: 000551; listed in the Stock Exchange of Shenzhen, the PRC) and Shenyang Siasun Robot and Automation Company Limited.

Mr. Zhang Yichun (張亦春), aged 71, an independent non-executive Director, is presently the head of the Finance Research Institute of Xiamen University. Since 1960, Mr. Zhang has various progressive positions at Xiamen University including a tutor, a lecturer and the party general secretary of the economics department, an associate professor and the deputy head of the finance and fiscal department of the economics faculty, a professor and a supervisor of doctoral candidates and the department head of the finance and fiscal department, a professor and a supervisor of doctoral candidates and the head of the economics faculty, and a professor and a supervisor of doctoral candidates and the head of the fiscal research institute. In 1993, Mr. Zhang founded Xiamen Hongda Securities Company and became its managing director. He was appointed independent non-executive Director in May 2001. Apart from this Company, Mr. Zhang is currently an independent non-executive director of EB Pramerica Fund Management Company, Fujian Zhonghe Company Limited and Fortune Securities Brokerage Company Limited, as well as an external supervisor of Industrial Bank Company Limited.

Mr. Zhang Chaoyi (張超義), aged 41, a non-executive Director, is a certified public accountant and a certified auctioneer of the PRC. He has been the general manager of Henan Auctioneer (a shareholder of the Company) since 1993. Currently, he is also an honorary professor of Henan University, the vice president of China Auctioneers Association and the secretary general of Henan Auctioneers Association. Mr. Zhang was appointed non-executive Director in December 2000.

## **DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents will be available for inspection during normal business hours on any weekday (except Saturdays and public holidays) at Suite 1101, 11th Floor, 9 Queen's Road Central, Hong Kong from the date of this circular up to and including 5 October 2005:

- (a) the Articles of Association;
- (b) the Amended Articles;
- (c) the annual report of the Company for the year ended 31 December 2004; and
- (d) the interim report of the Company for the six months ended 30 June 2005.

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## NOTICE OF THE EGM

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### ZHENGZHOU GAS COMPANY LIMITED\*

鄭州燃氣股份有限公司

*(A joint stock limited company incorporated in the People's Republic of China)*

**(Stock Code: 8099)**

**NOTICE IS HEREBY GIVEN** that an extraordinary general meeting of ZHENGZHOU GAS COMPANY LIMITED\* (the “Company”) will be held at Samost Hotel, Zhengzhou, Henan Province, the People’s Republic of China (the “PRC”) on Monday, 21 November 2005 at 9:00 a.m. for the purposes of considering and, if thought fit, passing the following resolution as a special resolution of the Company:

#### **SPECIAL RESOLUTION**

“**THAT**

- (i) the proposed listing of the H shares (the “H Shares”) of the Company on the Main Board (the “Main Board”) of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) (the “Main Board Migration”) and subject to the completion of the Main Board Migration, the proposed voluntary withdrawal of the listing of the H Shares from the Growth Enterprise Market of the Stock Exchange (the “Voluntary Withdrawal”) be hereby approved, and the directors of the Company (the “Directors”) be authorised to do all acts or things which in their opinion may be necessary, desirable or expedient in connection with the Main Board Migration and the Voluntary Withdrawal;
- (ii) the proposed issue of not more than 375,450,000 additional new H Shares (including the H Shares to be issued pursuant to the exercise of the over-allotment option, if any) after the completion of the Main Board Migration (the “New Issue”) be hereby approved and the Directors be authorised to do all acts or things which in their opinion may be necessary, desirable or expedient in connection with the New Issue;
- (iii) the proposed use of the proceeds from the New Issue, namely, the reconstruction and expansion of urban pipeline networks in Zhengzhou, the development of the vehicular gas business including construction of vehicular gas refuelling stations and ancillary facilities and general working capital, be hereby approved, and the Directors be authorised to make such adjustments to the proposed use of proceeds within the scope as permitted under the applicable laws and regulations as they may consider appropriate; and

\* *For identification purposes only*

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## NOTICE OF THE EGM

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- (iv) the amended articles of association of the Company (a copy of which is produced to this meeting marked “A” and initialled by the chairman of this meeting for the purposes of identification) be hereby adopted as the articles of association of the Company in substitution for and to the exclusion of the existing articles of association of the Company immediately after the completion of the Main Board Migration, and the Directors be authorised to make further amendments to the same in accordance with the relevant laws and regulations of the People’s Republic of China, the Rules Governing the Listing of Securities on the Stock Exchange and other requirements of the relevant regulatory authorities.

By Order of the Board  
**Zhengzhou Gas Company Limited\***  
**Yan Guoqi**  
*Chairman*

Zhengzhou, the PRC

21 September 2005

*Registered address in the PRC:*  
352 Longhai Road West  
Zhengzhou City  
Henan Province  
PRC

*Principal place of business in Hong Kong:*  
Suite 1101, 11th Floor  
9 Queen’s Road Central  
Hong Kong

*Notes:*

- (i) Any shareholder who is entitled to attend and vote at the meeting may appoint one or more proxies to attend and vote at the meeting on his or her behalf. A proxy needs not be a member of the Company. A form of proxy for use at the meeting is hereby enclosed. In the case of joint holders of a share, any one of such joint holders may sign the form of proxy. If more than one of such joint holders attend the meeting either in person or by proxy, the vote of the joint holder whose name appears first in the register of members of the Company shall be accepted to the exclusion of the other joint holder(s).
- (ii) In order to be valid, the proxy form and, if such proxy form is signed by a person under a power of attorney or other authority on behalf of the appointer, a notarially certified copy of that power of attorney or authority shall be deposited at the registrar of the H Shares in Hong Kong, Computershare Hong Kong Investor Services Limited at 46th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong (in respect of holders of the H Shares) and the Company’s registered address at 352 Longhai Road West, Zhengzhou City, Henan Province, the PRC (in respect of the Domestic Shares), not less than 24 hours before the time for holding the meeting or 24 hours before the time appointed for taking the poll.
- (iii) The register of members of the Company will be closed from 22 October 2005 to 21 November 2005 (both days inclusive). All properly completed H Shares transfer forms accompanied by the relevant share certificates must be lodged with the registrar of the H Shares in Hong Kong, Computershare Hong Kong Investor Services Limited at 46th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, no later than 4:00 p.m. on 21 October 2005, for registration.
- (iv) Holders of the Domestic Shares and the H Shares whose names appear in the register of members on 21 November 2005 are entitled to attend and vote at the meeting.
- (v) Holders of the Domestic Shares and the H Shares who intend to attend the meeting shall complete and deposit or post or fax (fax no: (86) 371-6889 0488) the enclosed reply slip to the Company’s registered address at 352 Longhai Road West, Zhengzhou City, Henan Province, the PRC on or before 1 November 2005.

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## NOTICE OF THE EGM

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- (vi) Holders of the H Shares or their proxies shall produce their identity documents when attending the meeting.
- (vii) Pursuant to Article 77 of the Articles of Association, a poll may be demanded by the following persons:
  - (1) chairman of the meeting;
  - (2) at least two shareholders entitled to vote in person or by proxy; or
  - (3) one or more shareholders representing in aggregate 10% or more of all Shares carrying the right to vote at the meeting present in person or by proxy.



**ZHENGZHOU GAS COMPANY LIMITED\***

**鄭州燃氣股份有限公司**

*(A joint stock limited company incorporated in the People's Republic of China)*

**(Stock Code: 8099)**

**NOTICE IS HEREBY GIVEN** that a class meeting of holders of the Domestic Shares of ZHENGZHOU GAS COMPANY LIMITED\* (the “Company”) will be held at Samost Hotel, Zhengzhou, Henan Province, the People’s Republic of China (the “PRC”) on Monday, 21 November 2005 at 10:00 a.m. or immediately after the conclusion or adjournment of the extraordinary general meeting for the purpose of considering and, if thought fit, passing the following resolution as a special resolution of the Company:

**SPECIAL RESOLUTION**

“**THAT**

- (i) the proposed listing of the H shares (the “H Shares”) of the Company on the Main Board (the “Main Board”) of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) (the “Main Board Migration”) and subject to the completion of the Main Board Migration, the proposed voluntary withdrawal of the listing of the H Shares from the Growth Enterprise Market of the Stock Exchange (the “Voluntary Withdrawal”) be hereby approved, and the directors of the Company (the “Directors”) be authorised to do all acts or things which in their opinion may be necessary, desirable or expedient in connection with the Main Board Migration and the Voluntary Withdrawal;
- (ii) the proposed issue of not more than 375,450,000 additional new H Shares (including the H Shares to be issued pursuant to the exercise of the over-allotment option, if any) after the completion of the Main Board Migration (the “New Issue”) be hereby approved and the Directors be authorised to do all acts or things which in their opinion may be necessary, desirable or expedient in connection with the New Issue;
- (iii) the proposed use of the proceeds from the New Issue, namely, for the reconstruction and expansion of urban pipeline networks in Zhengzhou, the development of the vehicular gas business including construction of vehicular gas refuelling stations and ancillary facilities and general working capital, be hereby approved, and the Directors be authorised to make such adjustments to the proposed use of proceeds within the scope as permitted under the applicable laws and regulations as they may consider appropriate; and

\* *For identification purposes only*

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## NOTICE OF CLASS MEETING OF THE HOLDERS OF THE DOMESTIC SHARES

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- (iv) the amended articles of association of the Company (a copy of which is produced to this meeting marked “A” and initialled by the chairman of this meeting for the purposes of identification) be hereby adopted as the articles of association of the Company in substitution for and to the exclusion of the existing articles of association of the Company immediately after the completion of the Main Board Migration, and the Directors be authorised to make further amendments to the same in accordance with the relevant laws and regulations of the People’s Republic of China, the Rules Governing the Listing of Securities on the Stock Exchange and other requirements of the relevant regulatory authorities.

By Order of the Board  
**Zhengzhou Gas Company Limited\***  
**Yan Guoqi**  
*Chairman*

Zhengzhou, the PRC

21 September 2005

*Registered address in the PRC:*  
352 Longhai Road West  
Zhengzhou City  
Henan Province  
PRC

*Principal place of business in Hong Kong:*  
Suite 1101, 11th Floor  
9 Queen’s Road Central  
Hong Kong

*Notes:*

- (i) Any shareholder who is entitled to attend and vote at the meeting may appoint one or more proxies to attend and vote at the meeting on his or her behalf. A proxy needs not be a member of the Company. A form of proxy for use at the meeting is hereby enclosed. In the case of joint holders of a share, any one of such joint holders may sign the form of proxy. If more than one of such joint holders attend the meeting either in person or by proxy, the vote of the joint holder whose name appears first in the register of members of the Company shall be accepted to the exclusion of the other joint holder(s).
- (ii) In order to be valid, the proxy form and, if such proxy form is signed by a person under a power of attorney or other authority on behalf of the appointer, a notarially certified copy of that power of attorney or authority shall be deposited at the Company’s registered address at 352 Longhai Road West, Zhengzhou City, Henan Province, the PRC, not less than 24 hours before the time for holding the meeting or 24 hours before the time appointed for taking the poll.
- (iii) The register of holders of the Domestic Shares will be closed from 22 October 2005 to 21 November 2005 (both days inclusive).
- (iv) Holders of the Domestic Shares whose names appear in the register of holders of the Domestic Shares on 21 November 2005 are entitled to attend and vote at the meeting.
- (v) Holders of the Domestic Shares who intend to attend the meeting shall complete and deposit or post or fax (fax no: (86) 371-6889 0488) the enclosed reply slip to the Company’s registered address at 352 Longhai Road West, Zhengzhou City, Henan Province, the PRC on or before 1 November 2005.

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## NOTICE OF CLASS MEETING OF THE HOLDERS OF THE DOMESTIC SHARES

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- (vi) Pursuant to Article 77 of the Company's Articles of Association, a poll may be demanded by the following persons:
- (1) chairman of the meeting;
  - (2) at least two shareholders entitled to vote in person or by proxy; or
  - (3) one or more shareholders representing in aggregate 10% or more of all Shares carrying the right to vote at the meeting present in person or by proxy.





**ZHENGZHOU GAS COMPANY LIMITED\***

**鄭州燃氣股份有限公司**

*(A joint stock limited company incorporated in the People's Republic of China)*

**(Stock Code: 8099)**

**NOTICE IS HEREBY GIVEN** that a class meeting of holders of the H Shares of ZHENGZHOU GAS COMPANY LIMITED\* (the “Company”) will be held at Samost Hotel, Zhengzhou, Henan Province, the People’s Republic of China (the “PRC”) on Monday, 21 November 2005 at 11:00 a.m. or immediately after the conclusion or adjournment of the extraordinary general meeting and the class meeting of holders of the Domestic Shares of the Company for the purpose of considering and, if thought fit, passing the following resolution as a special resolution of the Company:

**SPECIAL RESOLUTION**

**“THAT**

- (i) the proposed listing of the H shares (the “H Shares”) of the Company on the Main Board (the “Main Board”) of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) (the “Main Board Migration”) and subject to the completion of the Main Board Migration, the proposed voluntary withdrawal of the listing of the H Shares from the Growth Enterprise Market of the Stock Exchange (the “Voluntary Withdrawal”) be hereby approved, and the directors of the Company (the “Directors”) be authorised to do all acts or things which in their opinion may be necessary, desirable or expedient in connection with the Main Board Migration and the Voluntary Withdrawal;
- (ii) the proposed issue of not more than 375,450,000 additional new H Shares (including the H Shares to be issued pursuant to the exercise of the over-allotment option, if any) after the completion of the Main Board Migration (the “New Issue”) be hereby approved and the Directors be authorised to do all acts or things which in their opinion may be necessary, desirable or expedient in connection with the New Issue;
- (iii) the proposed use of the proceeds from the New Issue, namely, for the reconstruction and expansion of urban pipeline networks in Zhengzhou, the development of the vehicular gas business including construction of vehicular gas refuelling stations and ancillary facilities and general working capital, be hereby approved, and the Directors be authorised to make such adjustments to the proposed use of proceeds within the scope as permitted under the applicable laws and regulations as they may consider appropriate; and

\* *For identification purposes only*

## **NOTICE OF CLASS MEETING OF THE HOLDERS OF THE H SHARES**

- (iv) the amended articles of association of the Company (a copy of which is produced to this meeting marked “A” and initialled by the chairman of this meeting for the purposes of identification) be hereby adopted as the articles of association of the Company in substitution for and to the exclusion of the existing articles of association of the Company immediately after the completion of the Main Board Migration, and the Directors be authorised to make further amendments to the same in accordance with the relevant laws and regulations of the People’s Republic of China, the Rules Governing the Listing of Securities on the Stock Exchange and other requirements of the relevant regulatory authorities.

By Order of the Board  
**Zhengzhou Gas Company Limited\***  
**Yan Guoqi**  
*Chairman*

Zhengzhou, the PRC

21 September 2005

*Registered address in the PRC:*  
352 Longhai Road West  
Zhengzhou City  
Henan Province  
PRC

*Principal place of business in Hong Kong:*  
Suite 1101, 11th Floor  
9 Queen’s Road Central  
Hong Kong

*Notes:*

- (i) Any shareholder who is entitled to attend and vote at the meeting may appoint one or more proxies to attend and vote at the meeting on his or her behalf. A proxy needs not be a member of the Company. A form of proxy for use at the meeting is hereby enclosed. In the case of joint holders of a share, any one of such joint holders may sign the form of proxy. If more than one of such joint holders attend the meeting either in person or by proxy, the vote of the joint holder whose name appears first in the register of members of the Company shall be accepted to the exclusion of the other joint holder(s).
- (ii) In order to be valid, the proxy form and, if such proxy form is signed by a person under a power of attorney or other authority on behalf of the appointer, a notarially certified copy of that power of attorney or authority shall be deposited at the registrar of the H Shares in Hong Kong, Computershare Hong Kong Investor Services Limited at 46th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, not less than 24 hours before the time for holding the meeting or 24 hours before the time appointed for taking the poll.
- (iii) The register of holders of the H Shares in Hong Kong will be closed from 22 October 2005 to 21 November 2005 (both days inclusive), during which no transfer of shares will be registered. All properly completed transfer forms accompanied by the relevant share certificates must be lodged with the registrar of the H Shares in Hong Kong, Computershare Hong Kong Investor Services Limited at 46th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, no later than 4:00 p.m. on 21 October 2005, for registration.
- (iv) Holders of the H Shares whose names appear in the register of holders of the H Shares on 21 November 2005 are entitled to attend and vote at the meeting.

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## **NOTICE OF CLASS MEETING OF THE HOLDERS OF THE H SHARES**

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- (v) Holders of the H Shares who intend to attend the meeting shall complete and deposit or post or fax (fax no.: (86) 371-6889 0488) the enclosed reply slip to the Company's registered address at 352 Longhai Road West, Zhengzhou City, Henan Province, the PRC on or before 1 November 2005.
- (vi) Holders of the H shares of the Company or their proxies shall produce their identity documents when attending the meeting.
- (vii) Pursuant to Article 77 of the Company's Articles of Association, a poll may be demanded by the following persons:
  - (1) chairman of the meeting;
  - (2) at least two shareholders entitled to vote in person or by proxy; or
  - (3) one or more shareholders representing in aggregate 10% or more of all Shares carrying the right to vote at the meeting present in person or by proxy.