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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)

Adjustments of Natural Gas Selling Prices

This announcement is made pursuant to Rule 17.10 of the GEM Listing Rules.

The Company announces that pursuant to the Notice issued by the Zhengzhou City Commodity Pricing Bureau on 9 August 2006, the Company’s selling prices of natural gas to commercial and industrial users will be adjusted upwards for gas consumption volumes metered on or after 15 August 2006.

This announcement is made pursuant to Rule 17.10 of the Rules Governing the Listing of Securities of the Growth Enterprise Market (“GEM”) of The Stock Exchange (the “GEM Listing Rules”).

Zhengzhou Gas Company Limited (the “Company”) announces that pursuant to the Notice on Adjustments of Natural Gas Selling Prices in Zhengzhou (the “Notice”) issued by the Zhengzhou City Commodity Pricing Bureau on 9 August 2006, the Company’s selling prices of natural gas to commercial and industrial users will be adjusted upwards for gas consumption volumes metered on or after 15 August 2006.

The main purposes of adjusting the selling prices of natural gas to the commercial and industrial users of the Company are to streamline the price difference between natural gas and other sources of energy and to ensure the sufficient supply of natural gas. Key aspects of the Notice are as follows:

1. Natural gas selling price to residential users of Zhengzhou City will not be adjusted yet.
2. Natural gas selling price to commercial users of Zhengzhou City will be adjusted from RMB2.00/m³ to RMB2.40/m³ while natural gas selling price to industrial users of Zhengzhou City will be adjusted from RMB1.8/m³ to RMB2.10/m³.
3. The said adjustments shall be applicable to the natural gas consumption volumes of commercial and industrial users metered on or after 15 August 2006.

Although the adjustments have positive impact on the Company, the directors of the Company (the “Director”) hold the view that it is hard to evaluate the financial impacts of the adjustments on the Company as the natural gas consumption volumes of commercial and industrial users are affected by many factors such as temperature and length of winter, sufficient supply of natural gas, etc. Selling price of natural gas is only one of these factors.

GENERAL INFORMATION

The Company and its subsidiaries (the “Group”) is principally engaged in the sale of piped natural gas to residential, commercial, industrial and vehicular customers, the provision of gas pipeline construction services, and the sale of gas appliances and pressure control equipment.

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

Zhengzhou, the PRC

9 August, 2006

As at the date of this announcement, the members of the Board include (i) the executive directors, namely, Mr. Yan Guoqi (閔國起)(Chairman), Mr. Song Jinhui (宋金會), Mr. Li Yantong (李燕同) and Mr. Li Jinliu (李金陸); (ii) the non-executive directors, namely, Mr. Zhang Wushan (張武山), Mr. Yang Degu (楊德固) and Ms. Bao Hongwei (鮑紅偉); and (iii) the independent non-executive directors, namely, Mr. Zhang Yichun (張亦春), Mr. Liu Jianwen (劉劍文), and Ms. Yu Shulian (余恕蓮).

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, the information contained in this announcement is accurate and complete in all material respects and is not misleading; there are no other matters the omission of which would make any statement in this announcement misleading; and 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 www.hkgem.com for at least 7 days from the day of its posting.

* For identification purposes only