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## **ZHENGZHOU GAS COMPANY LIMITED\***

**鄭州燃氣股份有限公司**

*(a joint stock company incorporated in the People's Republic of China with limited liability)*  
(Stock Code: 8099)

### **Announcement**

This announcement is made pursuant to Rule 17.10 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange.

The board of directors (the "Board") of Zhengzhou Gas Company Limited (the "Company") announces that on 11 May 2007, a subsidiary of the Company, the Zhengzhou Gas Construction and Engineering Company Limited (the "Engineering Company"), received a document from the relevant tax authority, pursuant to which the enterprise income tax of the Engineering Company for the entire year ended 31 December 2007 should be calculated on the basis of its accounting profit multiplying the applicable income tax rate of 33%. For the year ended 31 December 2006, as approved by the relevant tax authority, the enterprise income tax of the Engineering Company was levied on the basis of 12% of its total revenue multiplying the applicable income tax rate of 33%.

An income tax expense provision of RMB 15,856,000 has been made for the three months ended 31 March 2007 in order to reflect the change in the basis of calculating taxable profit of the Engineering Company. However it is difficult to estimate financial impacts of the change in the basis of calculating taxable profit of the Engineering Company to the overall performance of the Company and its subsidiaries for the entire year ending 31 December 2007 as it is difficult to forecast the accounting profit of the Engineering Company for such period.

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

Zhengzhou, the PRC

14 May, 2007

*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 Jinlu (李金陸) and Mr. Li Yantong (李燕同); (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), Ms. Yu Shulian (余恕蓮) and Mr. Wong Ping (王平).*

*This announcement, for which the directors of the Company (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](http://www.hkgem.com) for at least 7 days from the day of its posting.*

*\* For identification purposes only*