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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 REDEMPTION OF CONVERTIBLE BONDS

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 of Hong Kong Limited.

Reference is made to the recent voluntary general offer (“General Offer”) by Macquarie Capital Securities Limited on behalf of Rich Legend International Limited, a wholly-owned subsidiary of China Gas Holdings Limited to acquire all of the outstanding convertible bonds, share options and issued shares in the share capital of the Company which became unconditional, further details of which are set out in the announcements dated 23 July 2010 issued by China Gas Holdings Limited and the announcement dated 6 August 2010 jointly issued by the Company and China Gas Holdings Limited. As stated in the Company’s response document to the General Offer dated 31 May 2010, in the event of a change of control (whereby, amongst other things, any person or persons acting together, other than Hezhong Investment Holding Company Limited, acquires more than 50% voting rights in the issued share capital of the Company), the holders of the convertible bonds (“Convertible Bonds”) due 2012 issued by the Company on 25 June 2007 (to which the terms of which were amended pursuant to an amendment agreement dated 25 March 2009) will have the right to require the Company to redeem in whole or in part such outstanding Convertible Bonds pursuant to the terms of thereof.

Pursuant to the terms of the Convertible Bonds, the Company had issued a notice of the change of control in the Company to the holders of the Convertible Bonds and the holders of the Convertible Bonds had exercised their right to require the Company to redeem the Convertible Bonds. Accordingly, on 13 September 2010, the Company completed the redemption (“Redemption”) of an aggregate principle amount of US\$18,507,044.40 (equivalent to approximately HK\$143,799,734.99), being the early redemption amount payable on the outstanding principal amount of all the Convertible Bonds together with all accrued and unpaid interest (“Redemption Amount”), in accordance with the terms and conditions of the Convertible Bonds.

Upon the Redemption, all of the outstanding Convertible Bonds will be forthwith cancelled and the holders of the Convertible Bonds shall cease to hold any Convertible Bonds issued by the Company.

For the purpose of this announcement and for illustrative purposes only, unless otherwise specified, the conversion of US\$ into HK\$ is based on the exchange rate of US\$1.00 = HK\$7.77.

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

Hong Kong, 13 September 2010

As at the date of this announcement, the executive directors of the Company are Mr. Wang Wenliang, Mr. Lu Zhaocheng and Mr. Lui Siu Keung, the non-executive director is Mr. Xu Yongxuan and the independent non-executive directors are Mr. Wang Shunlong, Dr. Luo Yongtai and Mr. Hung, Randy King Kuen.

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>.