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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)

CLARIFICATION ANNOUNCEMENT

The Directors wish to clarify that in the Announcement, the Transaction was mistakenly categorised as a discloseable transaction. As Xusheng is a connected person of the Company and the relevant percentage ratios under the GEM Listing Rules do not exceed 5%, the Transaction only constitutes a connected transaction of the Company which is subject to reporting and announcement requirements but is exempt from independent shareholders' approval requirements set out in the GEM Listing Rules.

Reference is made to the announcement of the Company dated 22 June 2011 in relation to the Equity Transfer Agreement entered into between Xusheng and Linyi China Gas (the "Announcement"). Definitions and terms used in this announcement, unless the context requires otherwise, shall bear the same meanings as defined in the Announcement. Set out below is information in addition to that already stated in the Announcement.

The Directors wish to clarify that Xusheng, by virtue of its ownership of 33% equity interest in Linyi Shanlin, is a connected person of the Company under Chapter 20 of the GEM Listing Rules by virtue of it being a substantial shareholder of Linyi Shanlin, one of the Company's subsidiaries. Xusheng is a representative of the 7 individual founders of Linyi Shanlin whose original investment on 6 January 2008 for their 33% equity interest in Linyi Shanlin was RMB5,000,000 (equivalent to approximately HK\$5,900,000).

In addition, none of the applicable percentage ratios of the Transaction exceed 5%.

Therefore, the Transaction does not constitute a discloseable transaction but is a connected transaction of the Company under the GEM Listing Rules. The Transaction is subject to the reporting and announcement requirements but is exempt from independent shareholders' approval requirements set out in the GEM Listing Rules.

None of the Directors has any interest in the Transaction.

For the purpose of this announcement, unless otherwise indicated, the exchange rate of RMB1 = HK\$1.18 has been used for currency translation, where applicable. Such exchange rate is for the purpose of illustration only and does not constitute a representation that any amount in HK\$ or RMB have been, could have been or may be converted at such or any other rates or at all.

By Order of the Board of
ZHONGYU GAS HOLDINGS LIMITED
Wang Wen Liang
Chairman and Executive Director

Hong Kong, 23 June 2011.

As at the date of this announcement, the executive Directors are Mr. Wang Wenliang, Mr. Lu Zhaoheng and Mr. Lui Siu Keung, the non-executive Director is Mr. Xu Yongxuan and the independent non-executive Directors are Mr. Li Chunyan, 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 or deceptive; (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>.