CHINA GAS HOLDINGS LIMITED
中國燃氣控股有限公司*

(Incorporated in Bermuda with limited liability)
(Stock Code: 384)

INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2008

The Board of Directors (the "Directors") of China Gas Holdings Limited (the "Company") is pleased to announce the approval of the unaudited consolidated financial statements of the Company and its subsidiaries (the "Group") for the six months ended September 30, 2008, together with the figures for the six months ended September 30, 2007 as follows. These condensed consolidated financial statements were not audited but have been reviewed by the Audit Committee of the Company.

CONDENSED CONSOLIDATED INCOME STATEMENT
For the six months ended September 30, 2008

	Notes	Six months ended September 30, 2008 *HK$'000* *(unaudited)*	Six months ended September 30, 2007 *HK$'000* *(unaudited)*
Revenue	3	1,649,787	877,762
Cost of sales		(1,096,687)	(605,960)
Gross profit		553,100	271,802
Other income		87,203	99,135
Distribution costs		(66,385)	(36,056)
Administrative expenses		(157,236)	(119,738)
Change in fair value of derivative financial instruments		(48,955)	(135,956)
Change in fair value of held-for-trading investments		(19,252)	15,492
Change in fair value of investment properties		(2,448)	60,565
Discount on acquisition of subsidiaries		342,858	44,004
Allowance for trade and other receivables		(74,000)	(24,810)
Finance costs		(142,545)	(90,786)
Share of results of associates		6,577	1,843
Profit before taxation	5	478,917	85,495
Taxation	6	(24,073)	(11,019)
Profit for the period		454,844	74,476
Attributed to:			
Equity holders of the Company		416,694	64,711
Minority interest		38,150	9,765
		454,844	74,476
Earnings per share	7		
Basic		HK12.50 cents	HK2.05 cents
Diluted		HK11.54 cents	HK1.68 cents

CONDENSED CONSOLIDATED BALANCE SHEET
As at September 30, 2008

	Notes	September 30,2008 *HK$'000* *(unaudited)*	March 31, 2008 *HK$'000* *(audited)*
Non-current assets			
Investment properties		216,652	219,100
Property, plant and equipment		8,180,378	5,566,276
Prepaid lease payments		920,760	397,301
Interests in associates		273,092	214,291
Available-for-sales investments		24,921	18,376
Goodwill		533,884	418,247
Other intangible assets		880,497	319,658
Deposits for acquisition of property, plant and equipment		407,986	128,492
Prepayment for acquisitions of subsidiaries and an associate		566,872	566,988
Loan receivable		-	15,000
Deferred tax assets		52,703	34,203
		12,057,745	7,897,932
Current assets			
Inventories		756,831	285,530
Amounts due from customers for contract work		204,537	283,426
Trade and other receivables	8	1,960,918	935,715
Derivative financial instruments		1,755	10,976
Amounts due from associates		388,356	158,617
Prepaid lease payments		16,360	6,878
Held-for-trading investments		21,031	42,074
Pledged bank deposits		67,636	164,597
Bank balances and cash		2,952,093	1,510,044
		6,369,517	3,397,857
Current liabilities			
Trade and other payables	9	4,946,801	1,348,652
Derivative financial instruments		43,998	4,264
Amounts due to customers for contract work		78,599	12,247
Taxation		31,303	15,072
Bank and other borrowings – due within one year		1,056,274	157,061
Convertible bonds		14,617	14,334
		6,171,592	1,551,630
Net current assets		197,925	1,846,227
Total assets less current liabilities		12,255,670	9,744,159

	Notes	September 30,2008 HK$'000 (unaudited)	March 31, 2008 HK$'000 (audited)
Equity			
Share capital		33,336	33,314
Reserves		3,550,508	3,085,973
Equity attributable to equity holders of the Company		3,583,844	3,119,287
Minority interests		1,075,317	556,173
Total equity		4,659,161	3,675,460
Non-current liabilities			
Amount due to a minority shareholder of a subsidiary		356,591	339,092
Bank and other borrowings – due after one year		6,924,219	5,624,454
Deferred taxation		315,699	105,153
		7,596,509	6,068,699
		12,255,670	9,744,159

Notes:

1. BASIS OF PREPARATION

The condensed financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

2. PRINCIPAL ACCOUNTING POLICIES

The condensed financial statements have been prepared on the historical cost basis except for certain investment properties and financial instruments which are measured at revalued amounts or fair values, as appropriate.

The accounting policies used in the condensed financial statements are consistent with those followed in the preparation of the Group's annual statements for the year ended March 31, 2008 except as described below.

In the current interim period, the Group has applied, for the first time new interpretations ("New Interpretations") issued by the HKICPA, which are effective for the Group's financial year beginning April 1, 2008. The adoption of these New Interpretations had no material effect on the results or financial position of the Group for the current or prior accounting periods. Accordingly, no prior period adjustment has been required.

3. REVENUE

Revenue represents, the net amounts received and receivable for sales of piped gas, gas connection services, sales of coke and gas appliances, properties leasing and dividend income by the Group.

4. SEGMENT INFORMATION

The Group is currently organized into five operating divisions – sales of piped gas, gas connection, sales of coke and gas appliances, property investment, and financial and securities investment. These principal operating activities are the basis on which the Group reports its primary segment information. Segment information about these businesses is presented below:

Six months ended September 30, 2008

	Sales of piped gas HK$'000	Gas connection HK$'000	Sales of coke and gas appliances HK$'000	Property investment HK$'000	Financial and securities investment HK$'000	Consolidated HK$'000
Revenue	1,039,417	412,950	196,850	480	90	1,649,787
Segment result	131,530	175,708	5,974	(2,558)	(19,223)	291,431
Unallocated corporate revenue						87,203
Unallocated corporate expenses						(57,650)
Change in fair value of derivative financial instruments						(48,955)
Discount on acquisition of subsidiaries						342,858
Finance cost						(142,545)
Share of results of associates						6,577
Profit before taxation						478,919
Taxation						(24,075)
Profit for the period						454,844

Six months ended September 30, 2007

	Sales of piped gas HK$'000	Gas connection HK$'000	Sales of coke and gas appliances HK$'000	Property investment HK$'000	Financial and securities investment HK$'000	Consolidated HK$'000
Revenue	549,941	227,027	100,212	480	102	877,762
Segment result	67,310	116,692	(737)	60,441	27,357	271,063
Unallocated corporate revenue						87,366
Unallocated corporate expenses						(48,035)
Change in fair value of derivative financial instruments						(135,956)
Finance cost						(90,786)
Share of results of associates						1,843
Profit before taxation						85,495
Taxation						(11,019)
Profit for the period						74,476

5. PROFIT BEFORE TAXATION

	Six months ended September 30, 2008 *HK$'000* (unaudited)	Six months ended September 30, 2007 *HK$'000* (unaudited)
Profit before taxation has been arrived at after charging (crediting):		
Depreciation of property, plant and equipment	126,448	72,591
Release of prepaid lease payment	5,197	3,137
Interest income	(41,270)	(49,777)
Loss (gain) on disposal of property, plant and equipment	547	(545)
Share of tax of jointly controlled entities	4,341	-

6. TAXATION

	Six months ended September 30, 2008 HK$'000 (unaudited)	Six months ended September 30, 2007 HK$'000 (unaudited)
PRC Enterprise Income Tax	44,338	11,019
Deferred taxation	(20,265)	-
	24,073	11,019

No provision for Hong Kong Profits Tax has been made in the financial statements as the Group had no assessable profit for either period. Taxation arising in other jurisdiction is calculated at the rates prevailing in the relevant jurisdiction.

On March 16, 2007, the People's Republic of China (the "PRC") promulgated the law of the PRC on Enterprise Income Tax (the "New Law") by Order No. 63 of the President of the PRC. On December 6, 2007, the State Council of the PRC issued Implementation Regulation of the New Law. The New Law and the Implementation Regulation have changed the tax rate from 33% to 25% for the Group's subsidiaries from January 1, 2008.

7. EARNINGS PER SHARE

The calculation of basic and diluted earnings per share attributable to the ordinary equity holders of the Company is based on the following data:

	Six months ended September 30, 2008 HK$'000 (unaudited)	Six months ended September 30, 2007 HK$'000 (unaudited)
Earnings		
Earnings for the purpose of basic earnings per share (profit for the period attributable to equity holders of the Company)	416,694	64,711
Adjustment for the effect of dilutive potential ordinary shares:		
Change in fair value of stock subscription option	-	(5,400)
Change in fair value of embedded derivatives of convertible bonds	(1,991)	-
Interest on convertible bonds	323	-
Earnings for the purpose of diluted earnings per share	415,026	59,311

Number of shares	'000	'000
Weighted average number of ordinary shares for the purposes of basic earnings per share	3,332,887	3,157,551
Effect of dilutive potential ordinary shares:		
Share options	254,177	378,201
Stock subscription option	-	1,114
Convertible bonds	8,954	N/A
Weighted average number of ordinary shares for the purpose of diluted earnings per share	3,596,018	3,536,866

The computation of diluted earnings per share for the period ended September 30, 2007 did not assume the exercise of the Company's outstanding convertible bonds as the exercise price was higher than the average market price for shares.

8. TRADE AND OTHER ACCOUNT RECEIVABLES

Other than certain major customers with good repayment history which the Group allows a longer credit period or settlement by instalment basis, the Group generally allows an average credit period of 30 to 180 days to its trade customers.

The following is an aged analysis of trade receivables net of allowance for doubtful debts at the reporting date:

	September 30, 2008 *HK$'000* *(unaudited)*	March 31, 2008 *HK$'000* *(audited)*
0-180 days	617,041	271,250
181-365 days	130,142	67,857
Over 365 days	248,908	141,809
Total trade receivables before accumulated allowances	996,091	480,916
Less: Accumulated allowances	(153,187)	(79,187)
Trade receivables	842,904	401,729
Deposits paid for construction materials	34,434	77,027
Deposits paid for purchase of natural gas and liquefied petroleum gas	235,154	81,825
Advanced payments to contractors	185,398	72,477
Other receivables, deposits and prepayments	515,387	219,271
Amounts due from minority shareholders of subsidiaries	57,068	40,506
Amount due from shareholder of a jointly controlled entity	50,343	42,880
Amount due from a jointly controlled entity	40,230	-
	1,960,918	935,715

9. TRADE AND OTHER PAYABLE

Trade and other payables comprise amounts outstanding for trade purchases and ongoing costs. The following is an aged analysis of trade and other payables at the reporting date:

	September 30, 2008 *HK$'000* *(unaudited)*	March 31, 2008 *HK$'000* *(audited)*
0-90 days	2,025,331	234,247
90-180 days	1,154,451	31,311
Over 180 days	166,738	94,110
Trade payables	3,346,520	359,668
Other payables and accrued charges	851,137	734,086
Advance received from customers	694,140	230,340
Amounts due to minority shareholders of subsidiaries	55,004	24,558
	4,946,801	1,348,652

INTERIM DIVIDEND

The Directors do not recommend the payment of an interim dividend for the six months ended September 30, 2008 (September 30, 2007: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

The Group is principally engaged in the investment in, and the operation and management of, gas pipeline and the sale and distribution of piped natural gas, compressed natural gas, liquefied natural gas and liquefied petroleum gas in China.

For the six months ended September 30, 2008, turnover of the Group amounted to HK$1,649,787,000 (six months ended September 30, 2007: HK$877,762,000), representing an increase of 88.0% over the same period of last year. Gross profit was HK$553,100,000 (six months ended September 30, 2007: HK$271,802,000), increased by 103.5% over the same period of last year. The profit after taxation and profit attributable to shareholders of the Group for the period are HK$454,844,000 and HK$416,694,000 respectively, representing an increase of 510.7% and 543.9% respectively. Earnings per share grew by 509.8% to HK$12.50 cents.

New Project Expansion

As at November 30, 2008, the Group had secured 70 city piped gas projects (with exclusive concession rights) in 17 provinces, autonomous regions and directly-administered cities, six long distance natural gas pipeline projects, one coalbed methane gas exploration project, one natural gas company with natural gas exploration right and one liquefied petroleum gas corporation with 35 subsidiaries.

The new projects include seven city piped gas exclusive concession projects (with exclusive concession rights) namely Jinhua City in Zhejiang Province, Yunfu City and Shanwei City in Guangdong Province, Jinzhou Economic Development Zone in Dalian, Jiamusi City and Shuangcheng City in Heilongjiang and Zhongwei City in Ningxia Hui Autonomous Region.

The above new city piped gas projects cover a connectable urban population of approximately 3,700,000 (approximately 1,150,000 households). The connectable urban population covered by the Group's gas projects has increased to approximately 44,000,000 (approximately 13,750,000 households) as of November 2008, increased by 8.0% over the same period of last year.

During the period, the Group completed the acquisition of 83% equity interest in Zhongyou Hua Dian. Zhongyou Hua Dian is a liquefied petroleum gas corporation with 35 subsidiaries covering five provinces along the coast in Southeastern China. Such corporation has four liquefied petroleum gas ("LPG") designated terminals with a capacity of five million ton grade and seven LPG designated terminals with a capacity ranging from 1,000 to 5,000-ton grade. Such terminals are equipped with a full range of terminal transportation pipelines and storage facilities that could satisfy the berthing and docking of foreign and domestic vessels with a total berthing capacity of 222,000 tons at the terminals. In addition, Zhongyou Hua Dian possesses corresponding LPG storages with a total capacity of 274,715 m^3.

Construction of Piped Gas Networks

Construction of city gas pipeline networks is one of the Group's principal businesses. The Group builds city backbone networks and branch pipeline networks to make gas connection to residential, industrial and commercial users, and charges them for such connection and gas usage.

For the six months ended September 30, 2008, the Group accomplished natural gas supply in 53 cities and four long distance pipelines, and had built high-pressure pipelines of approximately 952 km, medium to low-pressure pipelines of approximately 7,710 km and branch and customer pipeline network of 8,411 km. Designed gas supply capacity of our processing stations reached 9,794,000m^3/day.

Residential Customers

For the six months ended September 30, 2008, the Group completed connections for 176,972 households, an increase of approximately 138.6% over the same period of last year. The average connection fee of residential users was RMB2,228.

During the period, the Group acquired a total of 68,651 residential users who were primarily from the Jiamusi City and Zhongwei City projects. As at November 30, 2008, the Group had a total of 3,498,667 connected residential users, increased by 74.5% over the same period of last year, representing 25.4% of the Group's total connectable households.

Industrial and Commercial Customers

During the period, the Group completed natural gas connections for 59 industrial customers and 1,366 commercial customers and acquired six industrial customers and 783 commercial customers. Industrial users are primarily in the chemical, ceramics, building materials, metallurgy, and glass making industry.

As at November 30, 2008, the Group had a total of 248 industrial customers and 24,474 commercial customers, increased by 63.2% and 39.8% respectively compared with the last period.

During the period, the Group recorded connection fee revenue of HK$412,950,000, representing approximately 25.0% of the Group's total revenue for the period. The connection fee revenue was approximately 81.9% higher than that of the same period last year.

Sale of Piped Gas

During the period, the Group sold a total of 802,362,000 m^3 piped gas of which 746,847,000 m^3 was natural gas, representing 93.1% of the total piped gas sold, an increase of 138.0% as compared to the same period of last year. Of the total natural gas sold, 105,659,000 m^3 was sold to residential customers, 497,184,000 m^3 to industrial users, 66,512,000 m^3 to commercial customers and 77,492,000 m^3 to CNG vehicle drivers.

During the period, natural gas sold to industrial users represented approximately 66.6% of the total natural gas volume sold, commercial users approximately 8.8%, residential users approximately 14.2% and CNG vehicles approximately 10.4%.

During the period, the Group recorded gas sales income of HK$1,039,417,000, representing approximately 63.0% of the Group's total revenue for the period, an increase of approximately 89.0% over the same period of last year.

As at September 30, 2008, the daily natural gas supply capacity of the Group reached 4,485,000 m^3, increased by approximately 88.9% over the same period of last year, of which the actual domestic usage was approximately 496,451m^3/day, actual industrial usage approximately 3,075,488m^3/day, actual commercial usage approximately 437,008m^3/day, and actual CNG vehicles usage approximately 476,053m^3/day. As at November 30, 2008, total natural gas supply of the Group had exceeded 6,000,000m^3/day.

The average selling price (pre tax) was RMB1.82/m^3 for residential users, RMB1.95/m^3 for industrial users, RMB2.02/m^3 for commercial users, and RMB2.31/m^3 for CNG vehicles.

The Group is principally engaged in the development of the piped natural gas business. However, some of the Group's projects are still selling piped coal gas and liquefied petroleum gas. During the period, the Group sold in total of 55,515,000 m^3 piped coal gas and LPG, of which 44,750,000 m^3 was sold to residential customers, 6,867,000 m^3 to industrial customers and 3,898,000 m^3 to commercial customers.

CNG Refilling Stations for Vehicles

The Group currently owns 50 CNG refilling stations for vehicles, with a daily capacity in excess of 516,000 m^3. During the period, sales income from CNG for vehicles accounted for 10.4% of the Group's total sales income of natural gas, an increase of 83.6%.

Gross Profit Margin and Net Profit Margin

During the period, the Group realized revenue of HK$1,649,787,000 (six months ended September 30, 2007: HK$877,762,000), an increase of approximately 88.0% over the same period of last year; gross profit of HK$553,100,000 (six months ended September 30, 2007: HK$271,802,000), representing 33.5% of the Group's overall gross profit margin (six months ended September 30, 2007: 31.0%); net profit of HK$454,844,000 (six months ended September 30, 2007: HK$74,476,000), representing an overall net profit margin of 27.6% (six months ended September 30, 2007: 8.5%).

Human Resources

As of November 30, 2008, the Group had approximately 13,885 employees. More than 99.9% of the Group's employees are located in China. Remuneration is determined by reference to their qualifications and experience of the staff concerned and according to the prevailing industry practice in the respective regions in which the business operates. Besides the basic salaries and pension fund contribution, some employees may be given discretionary bonuses, merit payments and share options depending on the financial results of the Group and the performances of these individual employees.

Financial Review

Liquidity

As at September 30, 2008, the total assets of the Group was HK$18,427,262,000, increased by approximately 63.1% as compared to March 31, 2008; the net assets of the Group was HK$4,659,161,000, increased by approximately 26.8% as compared to March 31, 2008.

As at September 30, 2008, the Group's cash on hand was HK$3,019,729,000 (March 31, 2008: HK$1,674,641,000), increased by approximately 80.3%. The Group's total bank and other borrowings amounted to HK$7,980,493,000 (March 31, 2008: HK$5,781,515,000) of which approximately 12.2%, 3.9%, 35.0% and 48.9% would be due within one year, from first to second year, from second to fifth year and after the fifth year, respectively. During the period, loans due within one year showed an obvious increase, caused primarily by the fact that the operation of the liquefied petroleum gas import business of Zhongyou Hua Dian mainly depends on letters of credit with tenor ranging from 30-60 days and not by the increase of short-term borrowings of the Group.

Based on the foregoing reasons, the current ratio of the Group fell to 1.03 (March 31, 2008: 2.19), but the net gearing ratio decreased to 1.14 (March 31, 2008: 1.21) as a result of the significant increase in cash on hand of the Group for the period. The calculation of net gearing ratio was based on the net borrowings of HK$5,331,972,000 (total borrowings of HK$8,351,701,000 less bank balances and cash of HK$3,019,729,000) and the net assets of HK$4,659,161,000 as at September 30, 2008.

Capital Structure

The Company issued convertible bonds with 1% per annum coupon due June 29, 2010 with an aggregate principal amount of US$40,000,000 (the "Bonds") in June 2005. The initial conversion price of the Bonds was HK$1.731. Bonds with a principal amount of US$38,000,000 were exercised before this financial year. During the period, no Bonds were exercised.

Financial Resources

In June 2008, the Group obtained a term loan totaling US$45 million granted by a syndicate led by OCBC Bank. Such loan will be used as general working capital of the Group. Its interest rate is based on USD LIBOR.

The Group's cash, borrowings, income and expenses are recorded in Hong Kong dollars, RMB or US dollars and our financing strategy is to fund our investments in projects in China through US dollars and RMB denominated borrowings.

During the period, the Group had long-term US$ denominated bank loans of US$370 million and RMB denominated bank loans of RMB3.82 billion. Interest charged on the bank loans and revolving facility granted to the Group was calculated on a floating basis. The Group has entered into interest rate swap contracts and through these interest rate swap contracts, the Group was able to save approximately 1.2% interest cost on these US$ and RMB denominated loans.

Apart from entering into the above interest rate swap contracts, the Group has not invested in any foreign currency linked structural products or other financial derivatives products.

The Group's operating and capital expenditures are funded by operating cash income, bank loans, the Bonds, revolving facilities and development capital loan facilities. The Group has sufficient sources of funds to meet future capital expenditure and working capital requirements.

Charge on Assets

As at September 30, 2008, the Group pledged certain property, plant and equipment and prepaid lease payments having a net carrying value of approximately HK$6,211,000 (March 31, 2008: HK$6,297,000) and HK$22,087,000 (March 31, 2008: HK$22,181,000), investment properties having a net carrying value of HK$23,600,000 (March 31, 2008: HK$20,100,000), and certain subsidiaries pledged their equity investments in their respective subsidiaries to banks to secure loan facilities granted to them.

Capital Commitments

The Group has a capital commitments of HK$219,603,000 (March 31, 2008: HK$201,256,000) and HK$109,178,000 (March 31, 2008: HK$119,897,000) in respect of the acquisition of property, plant and equipment and construction materials contracted for but not provided in the financial statements as at September 30, 2008. Such commitments would require part of the Group's present cash and external borrowings. The Group has also committed to acquire part of the PRC enterprise shares and to establish sino-foreign joint venture companies in the PRC.

Contingent Liabilities

As at September 30, 2008, the Group did not have any material contingent liabilities (as at March 31, 2008: Nil).

PROSPECTS

Despite the considerable impacts of the global financial meltdown on the economic growth of China, the domestic demand for energy remains strong. Following the completion of the acquisition of Zhongyou Hua Dian project, the Group will achieve vertical integration of its liquefied petroleum gas business through the consolidation of Zhongyou Hua Dian's import, storage and distribution businesses, and at the same time further strengthen the Group's competitiveness in the liquefied petroleum gas distribution market in China. It is expected that revenue from the liquefied petroleum gas distribution business will become one of the major sources of income of the Group in the foreseeable future.

In terms of customer base expansion, under the PRC government's environmental policies to encourage the use of clean energy, the Group expects that more cities gas users will switch to use natural gas. Accordingly, the Group will actively conduct reconstruction projects for such cities gas users, and accelerate gas connection to new users so as to enable them to start using natural gas. It is expected that the connection fee attributable to the total revenue of the Group will not be adversely affected by the slow down of the real estate market in China.

The Group adopts prudent financial management policies. The majority of the Group's cash is in the form of call deposits and time deposits at credible banks. In terms of financing, China Development Bank continues to provide project financing to the Group, and banking credit facilities are provided to the Group by new banks. The Group believes that the banks remain confident in the Group's business. Presently, the Group is not subject to any material loan principal repayment or refinancing.

The economic impacts caused by the global financial meltdown are emerging in various countries. In the year ahead, the economic growth of China will also be affected. Amid such challenging conditions, the Group will continue to adopt cautious and prudent and stable operating and financial management policies to maintain our market share in the industry, while at the same time seek opportunities of suitable energy and gas investment projects so as to align with the Group's future development plans.

CORPORATE GOVERNANCE

In the opinion of the directors, the Company complied with the code provisions set out in the Code on Corporate Governance Practices (the "Code") contained in Appendix 14 of the Listing Rules except for the non-executive directors should be appointed for a specific term and be subject to re-election. All the existing non-executive directors of the Company are not appointed for specific term, but are subject to retirement and re-election at the Company's annual general meeting in accordance to the bye-laws of the Company.

COMPLIANCE OF THE MODEL CODE

The Company has adopted the Model Code as set out in Appendix 10 of the Listing Rules and all of the directors of the Company confirmed that they have complied with the required standards set out in the Model Code throughout the period ended September 30, 2008.

REVIEW OF INTERIM RESULTS

The Audit committee has reviewed the unaudited interim financial statements of the Gorup for the six months ended September 30, 2008 prior to their approval by the Board of the Company.

PURCHASE, SALE AND REDEMPTION OF SHARES

For the six months ended September 30, 2008, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's shares.

PUBLICATION OF INFORMATION ON THE WEBSITES OF THE HONG KONG EXCHANGES AND CLEARING LIMITED AND THE COMPANY

The interim results announcement is required to be published on the websites of The Hong Kong Exchanges and Clearing Limited ("HKEX") at www.hkex.com.hk under "Latest Listed Company Information" and the Company at www.chinagasholdings.com.hk under "Announcements" respectively. The interim report of the Company for the six months ended September 30, 2008 will be dispatched to the shareholders around December 29, 2008 and will publish on the websites of the HKEX's and the Company's websites in due course.

On Behalf of the Board of
China Gas Holdings Limited
Liu Ming Hui
Managing Director

Hong Kong, December 17, 2008

** for identification purpose only*

As at the date of this announcement, Mr. Li Xiao Yun, Mr. Xu Ying, Mr. Liu Ming Hui, Mr. Ma Jin Long and Mr. Zhu Wei Wei are the executive Directors, Mr. Feng Zhuo Zhi, Mr. Mark Gelinas, Mr. Joe Yamagata, Mr. R.K. Goel and Mr. Kim Joong Ho are the non-executive Directors and Mr. Zhao Yu Hua, Dr. Mao Er Wan and Ms. Wong Sin Yue, Cynthia are the independent non-executive Directors.