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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: 3928)**

## **ESTABLISHMENT OF INDEPENDENT BOARD COMMITTEE AND APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER**

The board of directors (the “**Board**”) of Zhengzhou Gas Company Limited (the “**Company**”) announces that the Independent Board Committee comprising all the independent non-executive directors of the Company, namely Mr. Yu Jingsong, Mr. Zhang Jianqing, Ms. Wang Xiuli, Mr. Wong Ping and Mr. Liu Jianwen, the non-executive director of the Company, has been established to advise and make recommendations to the Independent Shareholders in respect of the Offers. The Board further announces that, pursuant to Rule 2.1 of the Takeovers Code, with the approval of the Independent Board Committee, First Shanghai Capital Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee in respect of the Offer.

Reference is made to the joint announcements dated 25 November 2009 and 11 December 2009 (the “**Announcements**”) issued by China Resources Gas Group Limited (stock code: 1193) (“**CR Gas**”) and the Company regarding the potential cooperation between CR Gas and Zhengzhou SASAC. Capitalised terms used in this announcement have the same meanings as those defined in the Announcements unless expressly defined herein.

The Independent Board Committee of the Company (the “**Independent Board Committee**”), comprising all the independent non-executive directors of the Company, namely Mr. Yu Jingsong, Mr. Zhang Jianqing, Ms. Wang Xiuli and Mr. Wong Ping and Mr. Liu Jianwen, the non-executive director of the Company, who all have no direct or indirect interest in the Offers, has been established to advise and make recommendations to the independent shareholders of the Company (the “**Independent Shareholders**”) in respect of the Offers. Given that Mr. Zhang Wushan is currently a director and standing deputy general manager of Zhengzhou GGCL, and Mr. Ding Ping is currently a director of Zhengzhou GGCL, the Board is of the view that they have direct or indirect interest in the Offers and therefore should not be appointed as members of the Independent Board Committee. In addition, Mr. Song Jinhui was a director and deputy chairman of Zhengzhou GGCL during the period from December 2000 to May 2009. Having consulted the Executive, the Board decided that Mr. Song should not be appointed as a member of the Independent Board Committee.

Pursuant to Rule 2.1 of the Takeovers Code, the Board further announces that First Shanghai Capital Limited has been appointed with the approval of the Independent Board Committee as the independent financial adviser (the “**Independent Financial Adviser**”) to advise the Independent Board Committee in respect of the Offers. The advice of the Independent Financial Adviser will be included in the composite document to be issued jointly by CR Gas and the Company in connection with the Offers which will be dispatched to the Independent Shareholders in due course.

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

Zhengzhou, the PRC  
7 July 2010

\* *for identification purposes only*

*As at the date of this announcement, the Board comprises Mr. Yan Guoqi, Mr. Li Jinlu and Mr. Li Hongwei as executive directors, Mr. Song Jinhui, Mr. Zhang Wushan, Mr. Ding Ping and Mr. Liu Jianwen as non-executive directors and Mr. Yu Jingsong, Mr. Zhang Jianqing, Ms. Wang Xiuli and Mr. Wong Ping as independent non-executive directors.*

*The directors of the Company jointly and severally accept fully responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts, the omission of which would make any statement in this announcement misleading.*