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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)

PROPOSED CHANGE OF COMPANY NAME, PROPOSED CHANGE OF SCOPE OF BUSINESS, PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION AND PROPOSED APPOINTMENT OF DIRECTOR

The Board proposes to change the Chinese name of the Company from “鄭州燃氣股份有限公司” to “鄭州華潤燃氣股份有限公司” and the English name of the Company from “Zhengzhou Gas Company Limited” to “Zhengzhou China Resources Gas Company Limited” for identification purpose only. The Proposed Change of Company Name is subject to the conditions as set out below.

To meet the needs of business development, the Board proposes to broaden the scope of business of the Company to include activities such as the construction, operation and risk elimination of piped gas facilities; the exploitation and utilization of energy, etc. The proposed change of business scope is subject to the conditions as set out below.

The Board proposes to amend certain articles in the Articles of Association to cater for the Proposed Change of Company Name and the proposed change of business scope of the Company. The proposed amendments to the Articles of Association consequential to the change of name and the scope of business of the Company are subject to, among other things, approval by the Shareholders at the EGM.

The Board further proposes the appointment of Mr. Li Yantong (李燕同先生) as a non-executive Director in order to fill the vacancy arising from the resignation of Mr. Song Jinhui (宋金會先生).

A circular containing, among other things, (i) further details regarding the Proposed Change of Company Name, the proposed change of scope of business, the proposed amendments to the Articles of Association and the proposed appointment of Director; and (ii) a notice of the EGM and the related proxy form will be despatched to the Shareholders as soon as practicable.

PROPOSED CHANGE OF COMPANY NAME

The Board proposes to change the Chinese name of the Company from “鄭州燃氣股份有限公司” to “鄭州華潤燃氣股份有限公司” and the English name of the Company from “Zhengzhou Gas Company Limited” to “Zhengzhou China Resources Gas Company Limited” for identification purpose only.

Conditions for the Proposed Change of Company Name

The Proposed Change of Company Name is subject to the following conditions:

- (i) the passing of a special resolution by the Shareholders at the EGM approving the Proposed Change of Company Name; and
- (ii) the relevant authority in the PRC approving the Proposed Change of Company Name

and shall take effect from the date of the issue of a new business licence by the relevant authority of the PRC.

Subject to the Proposed Change of Company Name becoming effective, the Company will carry out the necessary filing procedures with the Companies Registry in Hong Kong.

Besides, subject to the confirmation of the Stock Exchange, the English and Chinese stock short names for trading in the H Shares on the Stock Exchange will also be changed after the Proposed Change of Company Name becoming effective.

Further announcement will be made by the Company relating to the effective date of the Proposed Change of Company Name and the Company’s stock short names.

Reason for the Proposed Change of Company Name

The Board considers that as ZCR Gas became the controlling Shareholder upon the completion of the acquisition of approximately 43.18% of the total registered share capital of the Company on 27 August 2010, the Proposed Change of Company Name is to reflect the fact that the Company is a member of the China Resources Gas Group Limited which controls ZCG Gas indirectly, and enable the Company to take full advantage of the brand name effect of “China Resources”. As such, the Board, including the independent non-executive Directors, considers that the Proposed Change of Company Name is in the interests of the Company and the Shareholders as a whole.

Effect of the Proposed Change of Company Name

The Proposed Change of Company Name will not affect any of the rights of the Shareholders. All existing share certificates of the Company in issue bearing the existing English and Chinese names of the Company will, after the Proposed Change of Company Name becoming effective, continue to be effective and as documents of title to the Shares and will continue to be valid for trading, settlement, registration and delivery purposes. Accordingly, there will not be any arrangement for free exchange of the existing share certificates for new share certificates bearing the new names of the Company. Upon the Proposed Change of Company Name becoming effective, new share certificates of the Company will be issued under the new names of the Company.

PROPOSED CHANGE OF SCOPE OF BUSINESS

To meet the needs of business development, the Board proposes to broaden the scope of business of the Company to include activities such as the construction, operation and risk elimination of piped gas facilities; exploitation and utilization of energy, etc.

Conditions for the Proposed Change of Scope of Business

The proposed change of scope of business is subject to the following conditions:

- (i) the passing of a special resolution by the Shareholders at the EGM approving the Proposed Change of Scope of Business; and
- (ii) the relevant authority in the PRC approving the proposed change of scope of business

and shall take effect from the date of the issue of a new business licence by the relevant authority of the PRC.

The proposed change of business scope of the Company is for the purpose to broaden the scope of the business to include the construction of natural gas facilities, exploitation and utilization of energy, etc., so that the Company can capture more opportunities for development in the future. The proposed change does not imply any change of principal business of the Company. The principal business activity of the Company remains the sales of natural gas to residential, commercial, industrial and vehicular users in Zhengzhou after the completion of the proposed change.

As such, the Board, including the independent non-executive Directors, considers that the proposed change of business scope of the Company is in the interests of the Company and the Shareholders as a whole.

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

In order to cater for the Proposed Change of Company Name, which is, among other things, subject to the approval of the Shareholders at the EGM, the Board further proposes to amend the relevant article in the Articles of Association as follows:

The original article:

“Article 2:

The registered name of the Company (Chinese) : 鄭州燃氣股份有限公司。

(English): Zhengzhou Gas Company Limited. (for identification purpose only)”

Proposed to be amended as follows:

“Article 2:

The registered name of the Company (Chinese) : 鄭州華潤燃氣股份有限公司。

(English): Zhengzhou China Resources Gas Company Limited. (for identification purpose only)”

In addition, the Board proposes to amend the second clause of the Article 12 of the Articles of Association in order to cater for the proposed change of the business scope of the Company ,which is, among other things, subject to the approval of the Shareholders at the EGM. Details of the proposed amendment are as follows:

The original article:

“the second clause to Article 12:

The main business scope of the Company includes: the production, transmission and distribution, storage and transportation and sale of natural gas in cities; the installation of related dual-fuel appliances (which shall be conducted only by its subsidiaries with relevant licenses); the provision of supportive services in relation to gas alarmers and gas equipments (including natural gas, coal gas and liquefied petroleum gas); the design, construction and maintenance of safety technology and risk prevention projects; the assembly, sales, installation, repair and maintenance of gas stoves; the installation and maintenance of gas appliances; and the development and application of new gas technologies (relevant special approval or permission must be obtained for the above scope of operations that are so required under the PRC national regulations).”

Proposed to be amended as follows:

“the second clause to Article 12:

The main business scope of the Company includes: the production, transmission and distribution, storage and transportation and sale of natural gas in cities; the installation of related dual-fuel appliances (which shall be conducted only by its subsidiaries with relevant licenses); the construction, operation and risk elimination of piped gas facilities; the design, construction and maintenance of safety technology and risk prevention projects; the sales, installation and maintenance of gas appliances; the sales and installation of gas alarmers; the testing and inspection, repair and sales of gas appliances and metering devices; the exploitation and utilization of energy; and the development, consultation, servicing and application of new gas technologies (relevant special approval or permission must be obtained for the above scope of operations that are so required under the PRC national regulations).”

Reasons and Effects of the Proposed Amendments to the Articles of Association

The proposed amendment to the Article 2 of the Articles of Association allows the Company to cater for the Proposed Change of Company Name with the benefit of fully utilizing the brand name effect of “China Resources”.

The proposed amendment to the second clause of the Article 12 of the Articles of Association allows the Company to cater for the change of business scope of the Company which broaden the scope of the business to include the construction of natural gas facilities, exploitation and utilization of energy, etc., so that the Company can capture more opportunities for development in the future. The proposed amendment does not imply any change of principal business of the Company. The principal business activity of the Company remains the sales of natural gas to residential, commercial, industrial and vehicular users in Zhengzhou after the completion of the proposed amendment.

As such, the Board, including the independent non-executive Directors, considers that the proposed amendments to the Articles of Association are in the interests of the Company and the Shareholders as a whole.

The proposed amendments to the Articles of Association are subject to the approval of the Shareholders by way of special resolutions at the EGM and the approval of the relevant PRC government authorities (if necessary) and will become effective after registration with the relevant authorities in the PRC. Upon the proposed amendments to the Articles of Association become effective, the Company will carry out necessary filing procedures with the Company Registry in Hong Kong.

PROPOSED APPOINTMENT OF DIRECTOR

As Mr. Song Jinhui (宋金會先生) has tendered resignation to the Board as non-executive Director because of reaching the age of retirement (taking effect upon the election of a new Director at the EGM), the Board proposes to appoint Mr. Li Yantong (李燕同先生) as the new Director to fill the vacancy arising from the resignation of Mr. Song Jinhui. After the appointment of Mr. Li, the number of Directors on the Board shall remain unchanged. Biographical details of Mr. Li are set out in the Appendix to this announcement.

An ordinary resolution will be proposed at the EGM to appoint Mr. Li as non-executive Director.

GENERAL

An EGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Proposed Change of Company Name, the proposed change of scope of business of the Company, the proposed amendments to the Articles of Association and the proposed appointment of Director. A circular containing, among other things, (i) information regarding the Proposed Change of Company Name, the proposed change of scope of business of the Company, the proposed amendments to the Articles of Association and the proposed appointment of Director; and (ii) a notice of the EGM and the related proxy form will be despatched to the Shareholders as soon as practicable.

Definitions

In this announcement, the following expressions have the following meanings unless the context requires otherwise:

“Articles of Association”	the articles of association of the Company
“Board”	the board of Directors
“Company”	鄭州燃氣股份有限公司(Zhengzhou Gas Company Limited*), a joint stock limited company incorporated in the PRC, the H shares of which are listed on the main board of the Stock Exchange
“Proposed Change of Company Name”	the proposed change of the Chinese name of the Company from “鄭州燃氣股份有限公司” to “鄭州華潤燃氣股份有限公司” and the English name of the Company from “Zhengzhou Gas Company Limited” to “Zhengzhou China Resources Gas Company Limited” for identification purpose only
“Director(s)”	the director(s) of the Company
“Domestic Share(s)”	ordinary unlisted shares in the share capital of the Company, with a nominal value of RMB1.00 each, which are subscribed for in RMB
“EGM”	a forthcoming extraordinary general meeting to be held for the Shareholders to consider and, if thought fit, to approve the Proposed Change of Company Name, the proposed change of business scope of the Company, the proposed amendments to the Articles of Association and the proposed appointment of Director as set out in this announcement
“Group”	the Company and its subsidiaries

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“H Share(s)”	the overseas listed foreign share(s) of the Company which are listed on the main board of the Stock Exchange with a nominal value of RMB1.00 each
“Mr. Li”	李燕同先生, Mr. Li Yantong, a proposed non-executive Director
“Listing Rules”	the Rules Governing the Listing of Securities on the Main Board of the Stock Exchange, as amended from time to time
“PRC”	People’s Republic of China, which for the purposes of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“SFO”	The Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Shares”	shares of the Company with a nominal value of RMB1.00 each, including the Domestic Shares and the H Shares, unless specified otherwise
“Shareholders”	holders of the Shares, including holders of the Domestic Shares and the H Shares, unless specified otherwise
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“ZCR Gas”	鄭州華潤燃氣有限公司(Zhengzhou China Resources Gas Company Limited*), a joint venture incorporated in the PRC with limited liability, which is the controlling Shareholder holding approximately 43.18% of the entire issued share capital of the Company
“Zhengzhou Gas Group”	鄭州燃氣集團有限公司(Zhengzhou Gas Group Company Limited*), a state-owned company incorporated in the PRC with limited liability and a previous controlling Shareholder

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

Zhengzhou, the PRC
23 December 2010

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

* For identification purposes only

Mr. Li Yantong (李燕同), aged 53, currently a director of ZCR Gas, the chairman and general manager of Nanyang Zhengran Company Limited (南陽鄭燃有限公司) and a senior engineer. He was the head of storage & distribution station of Zhengzhou Municipal Gas Corporation, deputy chief engineer and chief engineer of Zhengzhou Municipal Gas Company Limited from 1989 to 2000, chief engineer of Zhengzhou Gas Group from 2000 to 2002, a director of Zhengzhou Gas Group from 2002 to January 2007 and the chairman of Zhengran Gas Design Development Company Limited (鄭州鄭燃燃氣設計開發有限公司) from December 2004 to January 2007. Mr. Li was appointed as a deputy general manager of the Company in 2000 and as an executive Director from October 2005 to January 2007. Since 2007, he became the chairman and general manager of Nanyang Zhengran Company Limited, a subsidiary of ZCR Gas, and has been appointed as a director of ZCR Gas since 2009.

As far as the Board aware, Mr. Li did not hold any directorships in any other public listed companies in the last three years.

Length of service

Mr. Li will enter into a service agreement with the Company with effect from the date of election for a term of three years. His appointment will be subject to rotational retirement and re-election requirements pursuant to the Articles of Association.

Director's emoluments

Mr. Li will not receive any annual Director's fee pursuant to the practice of the Group that any staff member of controlling Shareholder acting as a Director will not receive any emoluments.

Relationships

Other than his various roles in Zhengzhou Gas Group, the previous controlling Shareholder, and ZGR Gas, the controlling Shareholder, as disclosed above, Mr. Li has no relationship with any Director, senior management of the Company, or with any management Shareholder, or substantial Shareholder or controlling Shareholder.

Interests in Shares

As at the date of this announcement, so far as the Directors are aware, Mr. Li does not have, or deemed to have, any interest in the Shares or underlying shares of the Company (within the meaning of Part XV of the SFO).

Matters that need to be brought to the attention of the Shareholders

There is no other information relating to the appointment of Mr. Li is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules. Save as disclosed herein, there are no other matters concerning Mr. Li that need to be brought to the attention of the Shareholders.