



CHINAGAS
中國燃氣

CHINA GAS HOLDINGS LIMITED

中國燃氣控股有限公司*

(incorporated in Bermuda with limited liability)

(Stock Code: 384)

ANNOUNCEMENT

The Board of Directors of the Company has noted today's increase in the trading volume in the shares of the Company and wish to state that, save as disclosed herein, it is not aware of any reasons of such increase.

This announcement is made at the request of The Stock Exchange of Hong Kong Limited.

The Board of Directors (the "Board") of China Gas Holdings Limited (the "Company") has noted today's increase in trading volume in the shares of the Company and wish to state that, save for the information disclosed herein, it is not aware of any reasons for such increase.

The Board was informed by Mr. Liu Ming Hui ("Mr. Liu"), the managing director and a substantial shareholder of the Company that the acquisition of 56,000,000 shares of the Company from China Credit Holdings Limited ("China Credit"), a shareholder of the Company, was completed though the open-market today (the "Transaction"). The shares were acquired in pursuant to a sale and purchase agreement entered into between Mr. Liu and China Credit dated 16 January 2004 (the "S&P Agreement") and disclosed in the Company's announcement dated 21 January 2004. Pursuant to the S&P Agreement, China Credit agreed to sell and Mr. Liu agreed to acquire an aggregate of 250,000,000 shares of the Company in cash at an aggregate consideration of HK\$180,000,000. As at the date of this announcement, the sale and purchase of 194,000,000 shares has been completed and the remaining of 56,000,000 shares is scheduled to be completed in March 2005.

The change in percentage of shareholding of Mr Liu and China Credit before the Transaction and as at the date of this announcement is as follows:

Name of Shareholder	Before the Transaction		As at the date of this announcement	
	No. of Shares	Approximate percentage	No. of Shares	Approximate percentage
Mr. Liu	385,000,000 (Note 1)	17.38	385,000,000 (Note 2)	17.38
China Credit (Note 3)	112,010,000	5.07	56,010,000	2.53

Note 1

These 385,000,000 shares represent 273,000,000 shares beneficially owned by and the 112,000,000 shares agreed to be acquired by, Mr. Liu. Mr. Liu is also interested in 135,000,000 options granted by the Company.

Note 2

These 385,000,000 shares represent 329,000,000 shares beneficially owned by and the 56,000,000 shares agreed to be acquired by, Mr. Liu. Mr. Liu is also interested in 135,000,000 options granted by the Company.

Note 3

According to the disclosure of interest notice dated 28 January 2005, China Credit was interested in 112,010,000 shares.

Save as disclosed in the Company's announcements dated 21 February 2005, 28 January 2005 and 24 January 2005, we confirm that there are no negotiations or agreements relating to intended acquisitions or realizations which are disclosable under rule 13.23, neither is the Board aware of any matter disclosable under the general obligation imposed by rule 13.09, which is or may be of a price-sensitive nature.

Made by the order of the Board of the Company, the directors of which individually and jointly accept responsibility for the accuracy of this statement.

By Order of the Board
Liu Ming Hui
Managing Director

Hong Kong, 24 February 2005

* for identification purpose

As of the date of this announcement, Mr. Li Xiaoyun, Mr. Xu Ying, Mr. Liu Ming Hui, Mr. Ma Jin Long and Mr. Zhu Wei Wei are the executive Directors, Mr. Wu Bangjie is the non-executive Director and Mr. Zhao Yu Hua, Dr. Mao Er Wan and Ms. Wong Sin Yue, Cynthia are the independent non-executive Directors.