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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)**

### **POSSIBLE SALE OF PARTIAL INTEREST IN A SUBSIDIARY**

This announcement is made pursuant to Rule 17.10 of the GEM Listing Rules.

The Company is pleased to announce that it is in negotiation with LandOcean for a sale of approximately 42.42% of the equity interest in Henan Zhongyu JV. LandOcean is a company established in the PRC whose issued shares are listed on the Shenzhen Stock Exchange and it is an Independent Third Party.

Zhongyu Henan holds a 90.91% equity interest in Henan Zhongyu JV which, in turn, holds a 95% equity interest in Jiaozuo JV. The remaining 9.09% equity interest in Henan Zhongyu JV and 5% equity interest in Jiaozuo JV is held by Henan Gas and Jiaozuo Investment respectively. Zhongyu Henan is currently a wholly owned subsidiary of the Company. The principal activities for both Henan Zhongyu JV and Jiaozuo JV are exploration and development of coalbed methane.

As at the date of this announcement, no agreement, whether binding or non binding, has been entered into between the Group and LandOcean in relation to the Intended Sale. The Intended Sale is subject to formal agreement to be entered into by the Group with LandOcean. Further announcement will be made by the Company in accordance with the GEM Listing Rules should the Intended Sale proceed.

Notice has been given to Henan Gas in respect of the Intended Sale as Henan Gas has pre-emptive rights over the Sale Interest. Since Henan Gas is a State-owned enterprise, the Intended Sale is subject to the approval of the local State-owned Assets Supervision and Administration Commission and the consent from Henan Gas.

The Company noted that LandOcean has made a simultaneous announcement in respect of the Intended Sale on the Shenzhen Stock Exchange. The Company does not endorse the content of such announcement and makes no comment on it.

The Intended Sale may or may not proceed. Shareholders and investors should exercise caution when dealing in the Shares.

## DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise.

“Company”	Zhongyu Gas Holdings Limited, a company incorporated in the Cayman Islands with limited liability whose issued Shares are listed on GEM
“connected person”	has the meaning ascribed to it under the GEM Listing Rules
“Directors”	the directors of the Company
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“Henan Gas”	河南省煤層氣開發利用有限公司(Henan Province Coalbed Gas Development and Utilisation Company Limited)#, a limited liability company established in Henan Province, the PRC
“Henan Zhongyu JV”	河南中裕煤層氣開發利用有限公司(Henan Province Coalbed Gas Development and Utilisation Company Limited)#, a limited liability company established in Henan Province, the PRC
“Independent Third Party”	third party independent of the Company and its connected persons and are not connected persons of the Company
“Intended Sale”	the intended sale of the Sale Interest by the Company
“Jiaozuo Investment”	焦作市投資公司(Jiaozuo City Investment Company), a limited liability company established in Henan Province, the PRC
“Jiaozuo JV”	中裕(焦作)煤層氣開發利用有限公司(Zhongyu Jiaozuo Coalbed Gas Development and Utilisation Company Limited)#, a limited liability company established in the PRC
“LandOcean”	恒泰艾普石油天然氣技術服務股份有限公司(LandOcean Energy Services Co., Ltd.), a company, is a company established in the PRC whose issued shares are listed on the Shenzhen Stock Exchange.

“PRC”	The People’s Republic of China, excluding for the purpose of this announcement, the Special Administrative Regions of Hong Kong and Macau of the PRC and Taiwan
“Sale Interest”	approximately 42.42% of the equity interest in Henan Zhongyu JV
“Share(s)”	ordinary share(s) of HK\$0.01 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Zhongyu Henan”	中裕 (河南) 能源控股有限公司(Zhongyu Henan Energy Holdings Limited)#, a limited liability company established in the PRC
“%”	per cent.

# *the English translations of the Chinese names or words in this announcement, where indicated, are included for information purpose only, and should not be regarded as the official English translation of such Chinese names or words.*

By Order of the Board of  
**ZHONGYU GAS HOLDINGS LIMITED**  
**Wang Wenliang**  
*Chairman and Executive Director*

Hong Kong, 21 July 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>.*