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

(Incorporated in Bermuda with limited liability)

(Stock Code: 384)

UPDATE ON

**(a) THE 51% AGREEMENT IN RESPECT OF
THE ACQUISITION OF REMAINING 51% OF THE ISSUED SHARE
CAPITAL IN PANVA GAS HOLDINGS LIMITED**

AND

**(b) ACQUISITION OF THE ENTIRE ISSUED SHARE CAPITAL IN
FORTUNE GAS INVESTMENT HOLDINGS LIMITED**

**UPDATE ON THE 51% AGREEMENT IN RESPECT OF THE ACQUISITION OF
REMAINING 51% OF THE ISSUED SHARE CAPITAL IN PANVA GAS HOLDINGS LIMITED**

Reference is made to the announcements of the Company dated 10 March 2011 and 6 June 2011 in relation to the 49% Agreement, pursuant to which Energy Link Investments Ltd. (the “**Purchaser**”) acquired from Magic Strength Holdings Ltd., Wealth Elite Holdings Ltd. and Elite First Ltd. (collectively the “**Vendors**”) 49% of the issued shares of Panva Gas Holdings Limited (the “**Target**”) for a total cash consideration of HK\$259,700,000 and the Vendors agreed to grant a call option to the Purchaser to acquire the 51% of the issued shares of the Target (the “**Call Option**”).

Reference is also made to the announcement of the Company dated 27 July 2012, the circular of the Company dated 31 July 2012 (the “**Circular**”), the announcements of the Company dated 27 December 2012 and 16 July 2013 (“**July Announcement**”) in relation to the acquisition of the 51% of the issued share capital of the Target pursuant to the Call Option. Unless otherwise defined, terms used in this announcement shall have the same meanings as defined in the Circular.

* *for identification purpose only*

The Board announces that the Purchaser and Vendors have entered into a second supplemental agreement to the 51% Agreement (“**Second Supplemental Agreement**”) to effect the following amendments:

1. Consideration:

The consideration for the Sale Shares has been reduced from HK\$270,300,000 to HK\$170,300,000, subject to certain adjustments set out in the Second Supplemental Agreement.

2. Completion Date:

The Completion Date shall be 20 August 2013.

3. Undertaking by the Vendors:

Clauses in respect of the Vendors’ undertaking that the actual profit of the Target and its affiliate companies shall not be less than HK\$60,000,000 are deleted.

4. Profits sharing:

All profits of the Target accrued from 1 January 2011 (including undistributed profits and all accumulated realised profits for the year 2013 as at the Completion Date) shall only be distributed to the Purchaser. The Vendors shall not be liable to the Purchaser for any compensation in respect of any Shortfall in the actual profit of the Target and its affiliate companies for the year ended 31 December 2012. The Purchaser agrees to waive any rights to compensation or otherwise claim against the Vendors in respect of the Shortfall.

The remaining 51% of the issued share capital of the Target has been transferred to the Purchaser. The Target has become an indirect wholly-owned subsidiary of the Company.

UPDATE ON ACQUISITION OF THE ENTIRE ISSUED SHARE CAPITAL IN FORTUNE GAS INVESTMENT HOLDINGS LIMITED

Reference is made to the announcements of the Company dated 18 December 2012, 27 June 2013 and 6 August 2013 and the circular of the Company dated 22 January 2013 in relation to the acquisition of the entire issued share capital of Fortune Gas Investment Holdings Limited.

The Company is pleased to announce that the entire issued share capital of Fortune Gas Investment Holdings Limited has been transferred to China Natural Gas Investment Limited which is a wholly-owned subsidiary of the Company. Fortune Gas Investment Holdings Limited has become an indirect wholly-owned subsidiary of the Company.

By the order of the Board of
China Gas Holdings Limited
Wong Sin Yue, Cynthia
Chairperson

Hong Kong, 20 August 2013

As of the date of this announcement, Mr. LIU Ming Hui, Mr. LEUNG Wing Cheong, Eric, Mr. PANG Yingxue, Mr. ZHU Weiwei, Mr. MA Jinlong, Mr. CHEN Xinguo and Mr. HUANG Yong are the Executive Directors; Mr. P. K. JAIN and Mr. YU Jeong Joon (his alternate being Mr. KIM Yong Joong) are the Non-executive Directors; and Mr. ZHAO Yuhua, Dr. MAO Erwan, Ms. WONG Sin Yue, Cynthia, Mr. HO Yeung and Ms. CHEN Yanyan are the Independent Non-executive Directors.