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華燊燃氣控股有限公司*

Wah Sang Gas Holdings Limited

(incorporated in Bermuda with limited liability)

1. DECISION NOT TO PROCEED WITH PLACEMENT

2. CLARIFICATION OF A NEWSPAPER ARTICLE

3. APPOINTMENT OF NEW AUDITORS

1. Decision not to proceed with placement

On 12th December, 2003 the Company announced that trading in its shares had been suspended, at its request, pending an announcement regarding a possible placing of shares (the “placement”). The Company announces that it has now decided that it will not proceed with the placement.

2. Clarification of a Newspaper Article

The board of Directors refer to (i) the article appearing in the edition of Sing Tao Daily News dated 12th December, 2003 on a proposed acquisition of 河南中孚實業股份有限公司 (Henan Zhongfu Industry Co., Ltd.) (the “Shanghai Company”) by, among others, the Company through Everwide Industrial Limited and (ii) a circular of 8th December, 2003 issued to shareholders of the Shanghai Company published on the website of the Shanghai stock exchange which stated that the Company is one of the shareholders of Everwide Industrial Limited. The Directors do not know the source of information for such article and circular, and wish to clarify that the Group does not hold any shares or interest in Everwide Industrial Limited.

3. Appointment of New Auditors

The board of Directors accepted the resignation of Messrs. Ernst & Young as its auditors and proposes to appoint Messrs. PricewaterhouseCoopers as its new auditors because it would enhance the efficiency of the audit work of the Group.

Trading in the shares of the Company on the Stock Exchange was suspended from 9:32 a.m. on 12th December, 2003 upon request of the Company. The Company has submitted an application to the Stock Exchange for the resumption of trading of shares at 9:30 a.m. on 22nd December, 2003.

1. DECISION NOT TO PROCEED WITH PLACEMENT

On 12th December, 2003 the Company announced that trading in its shares had been suspended, at its request, pending an announcement regarding the placement. The Company announces that it has now decided that it will not proceed with the placement because of the SFC inquiry mentioned below.

The SFC is now conducting an inquiry under section 179 of the SFO into the Company. The Company does not have any detailed information as to what aspects of the Company's affairs the inquiry relates. Furthermore and in any event, the Company is bound by the secrecy obligations imposed upon it by section 378 of the SFO. As the Company is not at this stage in a position to provide any further information to the public about these issues, the Company has concluded it will not proceed with the proposed placement at this time, and it has been asked by the Stock Exchange and the SFC to make an announcement to this effect.

Shareholders are advised to exercise extreme caution in dealing in shares of the Company.

2. CLARIFICATION OF A NEWSPAPER ARTICLE

The board of Directors refer to (i) the article appearing in the edition of Sing Tao Daily News dated 12th December, 2003 on a proposed acquisition of 河南中孚實業股份有限公司 (Henan Zhongfu Industry Co., Ltd.) by, among others, the Company through Everwide Industrial Limited and (ii) a circular of 8th December, 2003 issued to shareholders of the Shanghai Company published on the website of the Shanghai stock exchange which stated that the Company is one of the shareholders of Everwide Industrial Limited. The Directors do not know the source of information for such article and circular, and wish to clarify that the Group does not hold any shares or interest in Everwide Industrial Limited and at present the Group has not entered into any negotiations or agreement in respect of the acquisition of the Shanghai Company referred to therein. However, the Company will always consider investment opportunities which may be in the interest of the Group, and the Company cannot eliminate the possibility of investing in the future in companies, projects or businesses (including the Shanghai Company) on terms which are beneficial to the Group.

3. APPOINTMENT OF NEW AUDITORS

On 15th December, 2003, the Company announced about the resignation of Messrs. Ernst & Young as its auditors. The board of Directors accepted the resignation of Messrs. Ernst & Young and proposes to appoint Messrs. PricewaterhouseCoopers as its new auditors because it would enhance the efficiency of the audit work of the Group.

Messrs. PricewaterhouseCoopers are the auditors of Tianjin Development Holdings Limited which through Santa Resources Limited is the second largest shareholder of the Company. In addition, Messrs. PricewaterhouseCoopers are the auditors of Tianjin TEDA and familiar with its operations. The Directors consider that the appointment of Messrs. PricewaterhouseCoopers as auditors of the Company would enhance the efficiency of the audit work of the Group.

SUSPENSION AND RESUMPTION OF TRADING

Trading in the shares of the Company on the Stock Exchange was suspended with effect from 9:32 a.m. on 12th December, 2003 upon request of the Company. The Company has submitted an application to the Stock Exchange for the resumption of trading of shares of the Company at 9:30 a.m. on 22nd December, 2003.

TERMS USED IN THIS ANNOUNCEMENT

“Company”	Wah Sang Gas Holdings Limited, a company incorporated in Bermuda whose shares are listed on GEM;
“Directors”	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;
“PRC”	The People’s Republic of China;
“SFC”	The Securities and Futures Commission;
“SFO”	Securities and Futures Ordinance (Cap.571 of the Laws of Hong Kong)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Tianjin TEDA”	天津泰達津聯燃氣有限公司, a Sino-foreign equity joint venture established in the PRC which the company has entered into a conditional agreement on 11th August, 2003 to acquire equity interest therein;

“Everwide Industrial Limited”

an entity referred to in the newspaper article in the edition of Sing Tao Daily News dated 12th December, 2003 as “東英投資” through which the Company and other parties were alleged in the article as proposing to acquire a shareholding interest in the Shanghai Company.

By Order of the Board of
Wah Sang Gas Holdings Limited
Shum Ka Sang
Chairman

Hong Kong, 19th December, 2003

* For identification purpose only

This announcement, for which the directors of the Company 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 of the Company, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief (i) the information contained in this announcement is accurate and complete in all material respects and not misleading; (ii) there are no other matters the omission of which would make any statement in this announcement misleading; and (iii) 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.

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