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CHINESE PEOPLE GAS HOLDINGS COMPANY LIMITED

中民燃氣控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 681)

CHANGE OF AUDITORS

The Board announces that E & Y have resigned as auditors of the Company and its subsidiaries with effect from 23 March 2005. DTT were appointed to fill the causal vacancy following the resignation of E & Y and to hold office until the conclusion of the next annual general meeting of the Company.

The board of directors (the "Board") of Chinese People Gas Holdings Company Limited (the "Company") announces that Messrs. Ernst & Young ("E & Y") have resigned as auditors of the Company and its subsidiaries with effect from 23 March 2005, as the Company and E & Y could not reach an agreement on the audit fee for the financial year ended 31 March 2005.

In the notice of resignation, E & Y have confirmed that there are no circumstances connected with their resignation which they consider ought to be brought to the attention of the members or creditors of the Company or its subsidiaries. The Board also confirmed that there are no circumstances in respect of the change of auditors which they consider should be brought to the attention of the shareholders of the Company.

The Board further announces that on 23 March 2005, Deloitte Touche Tohmatsu ("DTT") were appointed as auditors of the Company to fill the causal vacancy following the resignation of E & Y and to hold office until the conclusion of the next annual general meeting of the Company.

The Board confirms that the resignation of E & Y is not expected to cause a delay in the publication of the financial results of the Company for the year ending 31 March 2005 and that E & Y has not commenced any audit work in relation to the financial results of the Company for the year ending 31 March 2005.

By Order of the Board
Chinese People Gas Holdings Company Limited
Mo Shikang
Managing and Executive Director

Hong Kong, 23 March 2005

As at the date of this announcement, the executive directors of the Company are Mr. Wang Ke Duan, Mr. Tjia Boen Sien, Mr. Wang Jing Ning, Mr. Keung Kwok Cheung, Mr. Kong Kwok Fai, Mr. Mo Shikang, Mr. Zhu Peifeng, Mr. Zhang Hesheng and Mr. Ong Chi King; and the independent non-executive directors of the Company are Mr. Siu Man Po, Ms. Wong Sin Yee and Mr. Wong Shing Kay, Oliver.

* for identification only

Please also refer to the published version of this announcement in The Standard.