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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)

Delay in publication of preliminary results and despatch of annual report for the year ended 31 March 2006

The board of directors of Chinese People Gas Holdings Company Limited announces that the publication of the preliminary results for the year ended 31 March 2006 and the despatch of its annual report and accounts will be delayed for the reasons set out below.

Based on the present indications from the auditors, the Company's preliminary results for the year ended 31 March 2006 (which were supposed to be announced after the board meeting scheduled to be held on 27 July 2006) are expected to be announced on 31 July and published on 1 August 2006. The annual report and accounts for such year are expected to be despatched to shareholders of the Company shortly thereafter.

The directors of the Company acknowledge that the delay in the publication of the preliminary results and in the despatch of its annual report and accounts shall constitute a breach of Rules 13.46(2)(a) and 13.49(1) of the Listing Rules and that the Stock Exchange reserves its rights to take appropriate actions against the Company and/or its directors in respect of the breach.

Pursuant to Rule 13.50 of the Listing Rules, trading in the shares of the Company on the Stock Exchange will be suspended from 9:30 a.m. on 31 July, 2006 and shall remain suspended until the publication of the preliminary results of the Group for the year ended 31 March 2006.

This announcement is issued pursuant to Rule 13.49 (3) of the Rules Governing the Listing of the Securities of The Stock Exchange of Hong Kong Limited (the "Listing Rules").

The board of directors of Chinese People Gas Holdings Company Limited (the "Company") announces that the publication of the preliminary results for the year ended 31 March 2006 and despatch of its annual report and accounts for such year will be delayed.

Under Rules 13.46(2)(a) and 13.49(1) of the Listing Rules, an issuer is required to publish in the newspapers its preliminary results for each financial year and send its annual report including its annual accounts to its shareholders not later than four months after the date upon which the relevant financial year ended. Accordingly, the preliminary results of the Company and its subsidiaries (the "Group") for the year ended 31 March 2006 are required to be published, and its annual report and accounts for such year are required to be despatched, by not later than 31 July 2006.

The Company's management had been in discussion with its auditors in regard to the application of certain recently introduced accounting standards relating to (i) the recognition of a change in the fair value of the convertible bonds, issued by the Company and outstanding as at the balance sheet date, and (ii) the application of certain rules relating to value added tax in the PRC. Although these issues have since been resolved, the auditors have earlier today (27 July 2006) indicated to the Company that more time would be required for them to finalize the draft accounts of the Group for the year ended 31 March 2006.

Based on the indications from the auditors, the Company's preliminary annual results for the year ended 31 March 2006 (which were supposed to be announced after the board meeting scheduled to be held on 27 July 2006) are expected to be announced on 31 July and published on 1 August 2006. The annual report and accounts for such year are expected to be despatched to shareholders of the Company shortly thereafter.

The directors of the Company acknowledge that the delay in the publication of the preliminary results and in the despatch of its annual report and accounts shall constitute a breach of Rules 13.46(2)(a) and 13.49(1) of the Listing Rules and that the Stock Exchange reserves its rights to take appropriate actions against the Company and/or its directors in respect of the breach.

The directors of the Company confirmed that they have not dealt in any shares of the Company during the period commencing 28 June 2006 (being the date falling one month prior to the originally scheduled board meeting for the approval of the preliminary results for the year ended 31 March 2006) and will not deal in the shares of the Company until the publication of such preliminary results.

Pursuant to Rule 13.50 of the Listing Rules, trading in the shares of the Company on the Stock Exchange will be suspended from 9:30 a.m. on 31 July, 2006 and shall remain suspended until the publication of the preliminary results of the Group for the year ended 31 March 2006.

List of all Directors of the Company as of the date of this announcement:—

Executive Directors:

Mr. Xu Ruixin
Mr. Liu Jing
Mr. Mo Shikang
Mr. Zhu Peifeng
Mr. Zhang Hesheng
Mr. Jin Song
Mr. Yan Wing Cheung

Independent non-executive Directors:

Mr. Liu Junmin
Mr. Tan Qinglian
Mr. Wong Shing Kay, Oliver

On behalf of the board of
Chinese People Gas Holdings Company Limited
Mo Shikang
Managing and Executive Director

Hong Kong, 27 July, 2006

* *For identification purposes only*

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