

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



華潤燃氣控股有限公司
China Resources Gas Group Limited

(formerly China Resources Logic Limited)

(the “Company”)

(Incorporated in Bermuda with limited liability)

(Stock Code: 1193)

ADOPTION OF RESTRICTED SHARE AWARD SCHEME

The board of directors of China Resources Gas Group Limited resolved on 1 December 2008 to adopt the restricted share award scheme as an incentive to retain and encourage the employees for the continual operation and development of the Group. The Company intends to appoint BOCI-Prudential Trustee Limited as the Trustee, pursuant to which existing Shares will be purchased by the Trustee from the market out of cash contributed by the Group and be held in trust for the relevant Selected Employees until such Shares are vested with the relevant Selected Employees in accordance with the provisions of the Scheme.

The Board will implement the Scheme in accordance with the terms of the Scheme Rules including providing necessary funds to the Trustee for purchase of Shares up to 5% of the issued share capital of the Company from time to time.

ADOPTION OF RESTRICTED SHARE AWARD SCHEME

The board of directors of China Resources Gas Group Limited resolved on 1 December 2008 to adopt the Scheme and the Company intends to appoint BOCI-Prudential Trustee Limited as the Trustee, pursuant to which existing Shares will be purchased by the Trustee from the market out of cash contributed by the Group and be held in trust for the relevant Selected Employees until such Shares are vested with the relevant Selected Employees in accordance with the Scheme Rules.

For the avoidance of doubt, no new Share will be granted under the Scheme.

No Shareholders' approval is required for adoption or implementation of the Scheme.

LISTING RULES IMPLICATION

The Scheme does not constitute a share option scheme or an arrangement analogous to a share option scheme for the purpose of Chapter 17 of the Listing Rules and is a discretionary scheme of the Company.

Pursuant to the Scheme, existing Shares will be purchased by the Trustee and be held in trust for the relevant Selected Employees. Employees cover any employee (inclusive of any Director) of any member of the Group and any Investee Company. Accordingly, if the Board selects a Director as the Selected Employee, the grant of the Restricted Shares to the Director may constitute a connected transaction. However, given the grant of Restricted Shares to a Director will form part of the remuneration of the relevant Director under his service contract, such grant of Restricted Shares are exempted from all the reporting, announcement and independent Shareholders' approval requirements under rule 14A.31(6) of the Listing Rules. However, any grant of Restricted Shares to any director or senior management of the Company must first be approved by the remuneration committee of the Company. In the unlikely event that any grant of Restricted Shares to a connected person (as defined under the Listing Rules) of the Company other than a director of any company within the Group, the Company shall comply with the relevant requirements under the Listing Rules. A summary of the Scheme Rules is set out below at the end of this announcement.

REASONS FOR THE ADOPTION OF THE SCHEME

The directors of the Company strongly believe that the future success of the Company is closely tied to the commitment and efforts of the employees of the Group and the Investee Companies. The Board proposes the Scheme to increase the degree to which the employee's interests are directly tied to the fortunes of the Company and its Shareholders. The awards to be made under the Scheme enable the Selected Employees to see their fortunes more directly linked to that of the Shareholders through the mechanism under the Scheme. The Restricted Shares to be awarded will be calculated and awarded on the basis of specific pre-defined criteria that directly links to the Company's operating performance. The awards under the Scheme, if made, would have the incidental effect of allowing the Trustee to purchase the Shares at the most advantageous pricing within the allowed window.

SUMMARY OF THE SCHEME RULES

Purposes and Objectives

The purpose of the Scheme is to recognise and motivate the contribution of certain Employees and to provide incentives and help the Group and the Investee Companies in retaining its existing Employees and recruiting additional Employees and to provide them with a direct economic interest in attaining the long-term business objectives of the Company.

Administration

The Scheme shall be subject to the administration of the Board in accordance with the Scheme Rules.

Maximum Limit

The Board shall not make any further award of Restricted Shares which will result in the aggregate number of restricted shares awarded by the Board throughout the duration of the Scheme to be in excess of 5% of the issued share capital of the

further Shares for the Scheme (or may be used as payment of the Trustee's fees or expenses at the election of the Company when appropriate).

Vesting and Lapse

Unless otherwise determined by the Board at its discretion, Restricted Shares held by the Trustee upon the Trust and which are referable to a Selected Employee shall not vest in the Selected Employee under the following circumstances:

- ☒ in the event of any failure of the Selected Employee to remain as an employee of a member of the Group or the an Investee Company on the date which the Restricted Shares are supposed to be vested to him;
- ☒ in the event that the Selected Employee fails to achieve the key performance indicator or such other condition(s) as specified in the grant letter issued pursuant to the Scheme;
- ☒ in the event that the Selected Employee(s) fails to return duly executed transfer documents prescribed by the Trustee for the relevant Restricted Shares within the stipulated period; and
- ☒ in the event of the death of Selected Employee.

Unless otherwise determined by the Board at its discretion, an award shall automatically lapse when (i) a Selected Employee fails to satisfy any condition as set out in the letter of grant, or (ii) the company employing the Selected Employee ceases to be a member of the Group or an Investee Company, or (iii) an order for the winding-up of the Company is made or a resolution is passed for the voluntary winding-up of the Company (otherwise than for the purposes of, and followed by, an amalgamation or reconstruction in such circumstances that substantially the whole of the undertaking, assets and liabilities of the Company pass to a successor company). In any event, the relevant Restricted Shares awarded shall not vest on the relevant vesting date but shall become Returned Shares and shall be held as Returned Shares for the purposes of the Scheme.

In the event (i) a Selected Employee is found to be an Excluded Employee or (ii) a Selected Employee fails to return duly executed transfer documents within the stipulated period, the relevant part of an award made to such Selected Employee shall automatically lapse forthwith and the relevant Shares awarded shall not vest on the relevant vesting date but shall become Returned Shares for the purposes of the Scheme.

If there occurs an event of change in control (as specified in The Codes on Takeovers and Mergers and Share Repurchases from time to time) of the Company, whether by way of offer, merger, scheme of arrangement or otherwise, all the awarded Restricted Shares shall immediately vest on the date when such change in control event becomes or is declared unconditional and such date shall be

deemed the vesting date.

Where the awarded Restricted Shares do not vest in accordance with the Scheme Rules, the Trustee shall hold such Restricted Shares for the benefit of one or more employees of the Group or the Investee Companies as it determines in its discretion, after having taken into account the recommendations of the Board.

Voting Rights

The Trustee shall not exercise the voting rights in respect of any Shares held under the Trust (including but not limited to the awarded Restricted Shares, and further Shares acquired out of the income derived therefrom).

Duration and Termination

The Scheme shall be effective from the Adoption Date and shall continue in full force and effect for the entire Trust Period and the early termination by the Board of the Scheme shall not affect any subsisting rights of any Selected Employee hereunder.

Upon termination, all awarded Restricted Shares shall become vested on the Selected Employees so referable on such date of termination, subject to the receipt by the Trustee of the transfer documents duly executed by the Selected Employees within the stipulated period. Net sale proceeds (after making appropriate deductions) of the Returned Shares and such non-cash income together with the residual cash and such other funds remaining in the Trust shall be remitted to the Company forthwith after the sale.

Definition

Unless otherwise defined, the following expressions in this announcement have the following meanings:

“Adoption Date”	1 December 2008 , being the effective date on which the Board adopted the Scheme Rules for the establishment of the Scheme
“Board”	the board of directors of the Company, such committee or sub-committee or person(s) delegated with the power and authority by the board of directors of the Company to administer the Scheme
“Company”	China Resources Gas Group Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code : 1193)

“Employee” any employee (whether full-time or part-time, including without limitation any executive and non-executive director) of any member of the Group or the any Investee Company

“Excluded Employee” any Employee who is resident in a place where the award of the Restricted Shares and/or the award of the Returned Shares and/or the vesting and transfer of Shares pursuant to the terms of the Scheme is not permitted under the laws and regulations of such place or where in the view of the Board or the Trustee (as the case may be) compliance with applicable laws and regulations in such place make it necessary or expedient to exclude such Employee

“Shares”	shares of HK\$0.1 each in the capital of the Company
“Shareholder(s)”	holders of Share(s) of the Company
“Subsidiary(ies)”	Subsidiary(ies) of the Company from time to time within the meaning of the Companies Ordinance (Cap.32 of the Laws of Hong Kong)
“Trust”	the trust constituted by the Trust Deed
“Trust Deed”	the trust deed to be entered into between the Company as settlor and the Trustee as trustee for implementation of the Scheme
“Trust Period”	the period beginning with the Adoption Date and ending upon the first to happen of the following, namely: <ul style="list-style-type: none"> (a) such date, being the 10th anniversary date of the Adoption Date; or (b) the date when an order for the winding-up of the Company is made or a resolution is passed for the voluntary winding-up of the Company (otherwise than for the purposes of, and followed by, an amalgamation or reconstruction in such circumstances that substantially the whole of the undertaking, assets and liabilities of the Company pass to a successor company); or (c) the date as may be informed by the Company by a 3 months prior notice that the Scheme shall be terminated
“Trustee”	BOCI-Prudential Trustee Limited (which is independent and not connected with the Company)

By order of the Board
China Resources Gas Group Limited
Ma Guoan
Chairman

Hong Kong, 3 December, 2008

As at the date of this announcement, the directors of the Company are Mr. Ma Guoan, Mr. Wang Chuandong and Mr. Ong Thiam Kin, being executive directors; Mr. Li Fuzuo, Mr. Du Wenmin and Mr. Wei Bin, being non-executive directors; and Mr. Wong Tak Shing, Mr. Luk Chi Cheong and Dr. Yang Chonghe, Howard, being Independent non-executive directors.