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

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Part B

RMB5 billion (equivalent to approximately HK\$6.16 billion) of which:

- (a) 49% (being RMB2.45 billion, equivalent to approximately HK\$3.0184 billion) will be contributed in cash by China Resource Gas; and
- (b) 51% (being RMB2.55 billion, equivalent to approximately HK\$3.1416 billion) will be contributed by Tianjin Gas as a contribution to the Joint Venture Company in accordance with the Contribution Agreement approved and entered into by the Board of Directors of the Company on 31 December 2010 (subject to adjustment on the basis of the conditions) by the agreement between the Parties and the relevant provisions of the PRC government laws.

China Resource Gas, in contributing cash to the Joint Venture Company in favour of a 49% stake in the Joint Venture Company, shall, in accordance with the provisions of the Joint Venture Company, have made a cash contribution of RMB2.45 billion, equivalent to approximately HK\$3.0184 billion, to the Joint Venture Company.

The cash capital contribution of China Resource Gas will be funded by internal resources of the Company and bank borrowing of the Company.

Tianjin Gas, in contributing the Contribution Agreement to the Joint Venture Company, shall, in accordance with the provisions of the Joint Venture Company, have completed the completion of all procedures required for the contribution to the Joint Venture Company.

Part C

Subject to the provisions of the agreement () hereinafter referred to as the agreement, the Parties agree that the assets of Tianjin Gas relating to piped natural gas operations in Tianjin, including but not limited to piped gas equipment and distribution facilities and employees of companies engaged in the gas business, shall be transferred to the Joint Venture Company as a condition to be agreed between the Parties in accordance with the provisions of the agreement approved by the Parties in accordance with the provisions of the PRC government laws.

In accordance with the Joint Venture Company will enter into a lease agreement with Tianjin Gas for the lease of certain assets of Tianjin Gas pending the transfer of the Joint Venture Company and the terms of the joint venture.

It is also the intention of the Parties for the Joint Venture Company, subject to (i) all applicable law in the PRC and Hong Kong, the Listing Rules and the Takeover Code and (ii) receipt of all necessary approvals contained from the relevant

The proposed members of the Joint Venture Company are subject to the approval of the board of Directors. The Company will make a further announcement regarding the issue of the Board and the other Board appointments of the proposed members of the Joint Venture Company, and the other Directors consider the members of the Joint Venture Company, the Supplemental Agreements and the Articles of Association are fair and reasonable and in the interest of the Company and its shareholders as a whole.

E E A

The Company is a limited liability company incorporated in Bermuda and it has been listed on the Stock Exchange since 7 November 1994. The Group is principally engaged in the sale and distribution of gas fuel and related products and gas connection services in the PRC. It operated natural gas operations are strategically located in areas of the PRC which are one of natural gas and areas which are economically more developed and densely populated. Its main operations cover provincial capital and major cities such as Chengde, Nanjing, Wuxi, Kunming, Jinan, Chongqing, Wuhan and Shanghai.

China Resource Gas is a limited liability company incorporated in Hong Kong and it is principally engaged in investment holding. As a result of this announcement, China Resource Gas is a wholly-owned subsidiary of the Company.

E T A T AD

The equity of the Company, trading in the name of the Company on the Stock Exchange has been suspended with effect from 9:00 a.m. on 2 November 2011 pending the issue of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the name of the Company on the Stock Exchange with effect from 9:00 a.m. on 3 November 2011.

The Company is a limited liability company incorporated in Bermuda and it has been listed on the Stock Exchange since 7 November 1994. The Group is principally engaged in the sale and distribution of gas fuel and related products and gas connection services in the PRC. It operated natural gas operations are strategically located in areas of the PRC which are one of natural gas and areas which are economically more developed and densely populated. Its main operations cover provincial capital and major cities such as Chengde, Nanjing, Wuxi, Kunming, Jinan, Chongqing, Wuhan and Shanghai.

DEFINITIONS

In this announcement, the following definitions shall apply unless the context requires otherwise.

Articles of Association	articles of association dated 2 November 2011 entered into between China Resources Gas and Tianjin Gas in relation to the establishment and operation of the Joint Venture Company;
Board	means the board of Directors;
China Resources Gas	means China Resources Gas (Hong Kong) Investment Limited (華潤燃氣(香港)投資有限公司), a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company;
Co-operation Agreement	means the co-operation agreement dated 28 June 2010 entered into between China Resources Gas and Tianjin Gas in relation to the proposed establishment of a sino-foreign equity joint venture in Tianjin;
Company	means China Resources Gas Group Limited, a company incorporated in Bermuda, the headquarters of which are located on the Main Board of the Stock Exchange;
Contribution Assets	means certain operating assets including but not limited to the gas pipeline in Tianjin and all related facilities and equipment owned by Tianjin Gas in the PRC;
Director	means the director of the Company;
Group	means the Company and its subsidiary (as defined in the Companies Ordinance, Chapter 32 of the Laws of Hong Kong);
HK\$	means Hong Kong dollar (\$), the lawful currency of Hong Kong;
Hong Kong	means the Hong Kong Special Administrative Region of the PRC;

Independent Third Party	mean a party who, together with its immediate beneficial owners (), is not a connected person of the Company and is also independent of the Company and its connected persons;
Joint Venture Company	mean the joint venture company to be incorporated in the PRC and proposed to be named as 天津燃華潤燃氣有限公司 (Jin an China Resource Gas Co., Ltd), which equity capital will be owned as to 51% by Tianjin Gas and 49% by China Resource Gas;
Joint Venture Contract	mean a joint venture contract dated 2 November 2011 entered into between China Resource Gas and Tianjin Gas in relation to the proposed establishment of the Joint Venture Company;
Listing Rules	mean the Rules Governing the Listing of Securities on the Stock Exchange;
Parties	mean China Resource Gas and Tianjin Gas, the parties to the Joint Venture Contract, the Supplemental Agreements and the Article of Association, and the said Parties shall be construed accordingly;
PRC	mean the People's Republic of China which, for the purpose of this announcement, include Hong Kong, Taiwan and the Macao Special Administrative Region of the PRC;
RMB	mean Renminbi, the lawful currency of the PRC;
Supplemental Agreements	mean the supplemental agreements dated 2 November 2011 entered into between China Resource Gas and Tianjin Gas in relation to the proposed establishment of the Joint Venture Company which form part of the Joint Venture Contract;
Stock Exchange	mean The Stock Exchange of Hong Kong Limited;
Takeover Code	mean the Code on Takeover and Mergers;
Tianjin Gas	mean 天津市燃氣集團有限公司 (Tianjin Gas Group Company Limited*), a state-owned enterprise of the PRC; and

Tianjin Tianlian

mean 天津天聯公用事業股份有限公司 (Tianjin Tianlian Public Utility Company Limited), a joint stock limited company incorporated in the PRC, whose shares are listed on the Main Board of the Stock Exchange (stock code: 1265).

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Executive Director & Company Secretary

Hong Kong, 2 November 2011.

As at the date of this announcement, the Board comprises three executive Directors, namely Mr. Ma Guoan, Mr. Wang Chuandong and Mr. Ong Thiam Kin; two non-executive Directors, namely Mr. Du Wenmin and Mr. Wei Bin; and three independent non-executive Directors, namely Mr. Wong Tak Shing, Mr. Luk Chi Cheong and Ms. Yu Jian.

For the purposes of this announcement, unless otherwise specified, conversions of RMB into Hong Kong dollars are based on the approximate exchange rate of RMB1.00 to HK\$1.232, for the purposes of illustration only. No representation is made that any amount in Hong Kong dollars or RMB could have been or could be converted at the above rate or at any other rates.

** The English name of this PRC-incorporated company is only an English translation of the corresponding official Chinese name and is provided for identification purposes only.*