



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

CR GAS TO ACQUIRE THE FOURTH BATCH OF 7 CITY GAS DISTRIBUTION BUSINESSES FROM CRH GROUP TO FURTHER INCREASE MARKET SHARE IN 5 CHINESE PROVINCES

China Resources Gas Group Limited (“CR Gas” or the “Company”, stock code: 1193, together with its subsidiaries, the “Group”) has entered into a sale and purchase agreement (“Agreement”) to acquire the entire issued share capital of Wang Gao Limited (“Wang Gao”) from an indirect wholly-owned subsidiary of China Resources (Holdings) Company Limited (“CRH”, together with its subsidiaries, the “CRH Group”), the controlling shareholder of the Company, for a consideration of HK\$1,710,000,000, to further capture market opportunities in the downstream gas industry in provinces including Guangdong, Jiangxi, Hunan, Henan, and Liaoning.

Pursuant to the Agreement, the consideration will be satisfied by the allotment and issue of consideration shares to CRH Group at the issue price of HK\$10.6096 per share, which represents a discount of 6.1% from HK\$11.30, being the closing price of the Company’s shares on 21 July 2011, the last day on which the Company’s shares are traded on the Stock Exchange immediately preceding the date of the Agreement. Upon completion of the acquisition (“Acquisition”) of Wang Gao, CRH Group’s shareholding in the Company will be increased to 70.84 per cent of the enlarged issued capital of the Company. The Acquisition and the allotment and issue of consideration shares are subject to approval of independent shareholders.

Wang Gao currently operates a portfolio of city gas distribution businesses including piped natural gas distribution, CNG (compressed natural gas) filling stations operation, repair and maintenance of natural gas pipelines and natural gas facilities, with an unaudited net asset value of approximately HK\$785 million as at 30 June 2011. Its natural gas distribution operations are located in the cities of Yueyang, Zhongshan, Jingdezhen, Anyang, Huizhou Dayawan, Dandong and Dalian Huayuankou. Its unaudited combined profit after taxation and minority interests for the year ended 31 December 2010 and for the six months ended 30 June 2011 amounted to HK\$66.7 million and HK\$40.2 million respectively.

“It is the Company’s strategy to ride on the favourable industry fundamentals to scale new heights via organic and acquisition growths. CRH Group has injected 3 batches of city gas assets into CR Gas over the last 3 years. The acquisition of Wang Gao from CRH Group is another step forward in the furtherance of this asset injection strategy. This will enhance CR Gas’s capability in further expanding its market share in the downstream gas industry and strengthening its customer and earning base across different regions in China,” said Ma Guoan, Chairman of CR Gas.

About CR Gas

CR Gas is principally engaged in downstream city gas distribution business including piped natural gas distribution and CNG (compressed natural gas) filling stations operation. Its operations are strategically located in areas of China with rich reserves of natural gas and areas which are economically more developed and densely populated. CR Gas aspires to become a respected market leader in downstream city gas distribution business in China.

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