



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

CR GAS RAISES STAKE IN NANJING JIANGNING TO 70% TO ENHANCE OVERALL BUSINESS PERFORMANCE

China Resources Gas Group Limited (“CR Gas” or the “Company”, stock code: 1193; together with its subsidiaries, the “Group”) will increase its interest in Nanjing Jiangning China Resources Gas Co., Limited (“Nanjing Jiangning”), a joint venture company with Nanjing City Jiangning District Gas (Group) Company Limited (“Jiangning Gas”), from 49 per cent to 70 per cent through a corporate reorganisation. The move will turn Nanjing Jiangning into a subsidiary of the Company and further enhance the overall business performance of the Group through increased contribution from Nanjing Jiangning in the future.

Pursuant to the written shareholders resolutions passed by CR Gas and Jiangning Gas, the registered capital of Nanjing Jiangning will be reduced from RMB951 million to RMB665.7 million. Jiangning Gas and CR Gas agreed that the carrying value attributable to the registered capital to be reduced as at 30 September 2011 would not be less than RMB300 million (“Agreed Value”). Based on the valuation performed by an independent auditor, the carrying value attributable to the registered capital to be reduced as at 30 September 2011 was approximately RMB294 million (“Appraised Value”). Nanjing Jiangning will return Jiangning Gas an amount equivalent to the Appraised Value, and CR Gas will pay Jiangning Gas the difference between the Agreed Value and Appraised Value of approximately RMB6.42 million.

The Group will finance the payment to Jiangning Gas of RMB6.42 million by its internal resources.

On 9 April 2010, the Group entered into a 49/51 joint venture agreement with Jiangning Gas to set up Nanjing Jiangning, which is engaged in investment, construction and operation of the city piped gas facilities as well as the supply and sale of gas in Jiangning District, Nanjing City, Jiangsu Province of the PRC.

“The reorganisation provides an opportunity for the Group to gain better control of Nanjing Jiangning so as to increase the return from our city gas portfolio which is in line with the Group’s ongoing strategy of increasing its stakes in all our city gas joint ventures in China such as Jiangsu Zhenjiang project in December 2010 and Shandong Zibo project in July 2011. Jiangning is economically the most developed among all districts in Nanjing and has a strong foundation for further industrial development. We believe that the increase in our interests will further enhance the overall business performance of the Group,” said Mr Ma Guoan, Chairman of CR Gas.

