



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

CR GAS'S INTERIM TURNOVER SURGES 101% TO HK\$5,511 MILLION, WITH NET PROFIT UP BY 82% TO HK\$555 MILLION

Results Highlights:

- Turnover for the first half of 2011 leaped by 101% to HK\$5,511 million
- Profit attributable to the Company's equity holders for the first half of 2011 increased by 82% to HK\$555 million
- Gross gas sales volume increased 45% to 3.36 billion m³
- Connected residential customers increased 45% to 9.3 million

Benefiting from acquisitions and organic growth, China Resources Gas Group Limited (the Company, stock code: 1193; together with its subsidiaries as the Group) continued to sustain strong double-digit growth in profit attributable to equity holders, which amounted to HK\$5,511 million and HK\$555 million for the six months ended 30 June 2011 respectively.

The Company's board of directors has resolved to declare the payment of an interim dividend of 2 HK cents per share for the six months ended 30 June 2011 (2010 interim period: 2 HK cents per share).

During the period under review, the Group acquired a further nine city gas projects, which were mainly located in Shandong Province and Zhejiang Province. As a result of new acquisitions and organic growth, the Group's turnover, which was mainly derived from gas sales and connection fee income, surged by 101 per cent year-on-year. During the first half of 2011, the Group's gas sales volume reached 3,362 million m³, representing a year-on-year increase of 45 per cent or 1,037 million m³.

Apart from acquisitions, the Group has also taken initiatives to ensure adequate gas supply by leveraging on the strategic gas supply arrangements made between its controlling shareholder China Resources (Holdings) Limited (CRH), China National Petroleum Corporation and China Petroleum & Chemical Corporation. Similar measures have also been taken in respect of collaboration with CNOOC Limited.

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In July 2011, the Group announced the proposed acquisition of a batch of seven city gas distribution projects from CRH. This would be the fourth batch of city gas projects acquired from CRH since the last three batches in 2008, 2009 and 2010. These projects are located in various provinces of China including cities such as Yueyang, Zhongshan, Jingdezhen, Anyang, Huizhou Dayawan, Dandong and Dalian Huayuankou with annualized gas sales volume of about 500 million m³ and are expected to make significant contribution to the city gas distribution businesses portfolio of the Group upon completion of the acquisition.

In addition to new acquisitions, the Group has also increased its equity holding in existing projects to a controlling stake to enhance its revenue and earnings. Following the increase in shareholdings of existing projects in Zhenjiang and Hengshui in 2010, on 5 July 2011, the Group announced the acquisition of additional stake in Zibo China Resources Gas Co., Ltd, whereby upon completion, it will become a subsidiary and thereby increase earnings contribution to the Group. The Group will continue to execute this strategy of enhancing results via increasing its stakes in existing gas projects.

As at 30 June 2011, the Group operates 57 city gas projects in 15 provinces including 6 provincial capitals and 1 direct administrative municipality with annualised gas sale volume of some 6.7 billion m³.

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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China Resources Gas Group Limited
(Stock code: 1193)
Unaudited Consolidated Income Statement
for the six months ended 30 June 2011

For the six months ended 30
June

2011 HK\$'000	2010 EH Before restatement	%	2010 EH Restated	%
		increase		increase