



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

FIFTH BATCH OF ASSET INJECTION FOR CR GAS FROM CR HOLDINGS

China Resources Gas Group Limited (“CR Gas” or the “Company”, stock code: 1193; together with its subsidiaries, the “Group”) will become the sole piped gas operating arm of its parent company, China Resources (Holdings) Company Limited (“CR Holdings”), in the People’s Republic of China (“PRC”) upon the completion of acquisition (“Acquisition”) of the remaining 16 piped gas projects held by CR Holdings via China Resources Petrochem Gas Group Limited (“CR Petrochem”). The Acquisition will expand the Group’s piped gas portfolio from 80 as at 30 June 2012 to over 100 projects.

“It is now the prime time to acquire the remaining piped gas projects held by CR Holdings in order to better manage and utilize the financial and operational resources of all the piped gas projects to be held under the Group. With a portfolio of more than 100 piped gas projects held by the Group after this acquisition, the Group will enter into another phase of its expansion plan which it can proceed with the acquisition on its own and will be able to benefit from the synergies of a sizeable piped gas portfolio,” said Mr Wang Chuandong, Chairman of CR Gas.

On 23 August 2012, the Company entered into a sale and purchase agreement (the “Agreement”) to acquire the entire issued share capital of CR Petrochem, an indirectly wholly-owned subsidiary of CR Holdings for a consideration of approximately HK\$2,415 million. The Group will finance the payment using its internal resources and bank borrowings.

CR Petrochem together with its subsidiaries, jointly controlled entities and associated companies (“CR Petrochem Group”) operates 15 city gas projects, one midstream gas transmission pipeline project and 7 gas stations in 9 provinces in the PRC. The portfolio includes city gas distribution projects in provincial capitals in Fujian Province and Jiangxi Province, namely Fuzhou City and Nanchang City.

For the year ended 31 December 2011 and the seven months ended 31 July 2012, the unaudited combined profit after taxation and minority interests of CR Petrochem Group amounted to HK\$27.9 million and HK\$ 29.9 million respectively. Its unaudited combined net asset value as at 31 July 2012 was HK\$1,350.3 million.

“The projects to-be-acquired has an annualised gas sales volume of some 400 million m³ and are located in cities relatively new to piped natural gas. They also include projects in two provincial capitals and 6 prefecture-level cities, thus offering tremendous room for growth for downstream city gas business in the near future. The aggregate gas sales volume of the to-be-acquired

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projects is expected to grow in tandem with the overall growth of gas supply in China which is projected at more than double to 260 billion m³ by 2015. Moreover, cluster synergy with the Company's existing city gas projects will be further enhanced to fuel further operational scale and resulting in economic efficiency," added Mr Wang.

As at 30 June 2012, the Group operated 80 city gas projects in 16 provinces and two direct municipals with annual gross gas sale volume of some 8.3 billion m³ and 11.4 million residential customers.

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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