



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

CR GAS RAISES STAKE IN ZHONGSHAN PUBLIC GAS TO 55% CONTINUING ITS STAKE INCREASING STRATEGY 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 Zhongshan Public Gas Co., Limited (“Zhongshan Public Gas”), a joint venture company with Zhongshan Xinzhong Group Company Limited (“Zhongshan Xinzhong”), from 40 per cent to 55 per cent through increase in share capital. The move will turn Zhongshan Public Gas into a subsidiary of the Company and further enhance the overall business performance of the Group through increased revenue and profit contributions from Zhongshan Public Gas in the future.

Pursuant to a recent agreement entered into by CR Gas and Zhongshan Xinzhong and approval by the Board of CR Gas on 23 November 2012, the registered capital of Zhongshan Public Gas will be increased from RMB123.33 million to RMB164.44 million. CR Gas will contribute a total of RMB 88.86 million, representing increase capital of RMB 41.11 million and share premium of RMB 47.75 million. The contribution represents about 14 times of Zhongshan Public Gas’s 2012 earnings, much lower than CR Gas’s market consensus of about 21 times PE, which is immediately value accretive to all shareholders.

The Group will finance the capital increase to Zhongshan Public Gas of RMB88.86 million by its internal resources.

Zhongshan Public Gas is engaged in investment, construction and operation of the city piped gas facilities as well as the supply and sale of gas in Zhongshan City, Guangdong Province of the PRC.

“The increase in stake provides an opportunity for the Group to gain better control of Zhongshan Public Gas so as to increase the return from our city gas portfolio. This 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, Shandong Zibo project in July 2011 and Nanjing Jiangning in November 2011. With more than 90 per cent of its gas volume supplying industrial and commercial customers, Zhongshan is one of the most economically developed cities in Guangdong and has a strong foundation for further development. We believe that the increase in our interests will further enhance the overall business performance of the Group,” said Mr Wang Chuandong, 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 which are economically more developed and densely populated as well as areas with rich reserves of natural gas. CR Gas aspires to become a respected market leader in downstream city gas distribution business in China.

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Issued by: China Resources Gas Group Limited
Through: CorporateLink Limited

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