



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

with a Stable Outlook

Hong Kong - **China Resources Gas Group Limited**

outlook for both the
Issuer Ratings and Senior Unsecured ratings.

g
success in maintaining market leadership, the improved asset quality, and the strong operating performance. These ratings also reflect the CR Gas's healthy financial position and strong funding profile. We will continue to maintain sound levels of profitability, generate significant cash flows, and deliver our commitments to stake
Ken Ong, CFO of CR Gas.

Ratings are in
piped-gas distribution industry; 2) Strong operating support from its parent, CRH, a conglomerate owned by the State Council of China; 3) Well geographically diversified city-gas projects and end-user
) Improved
financial profile.

with upstream natural gas suppliers, end users and city governments. Moreover ,
the wide geographic diversification enables CR Gas to enjoy better growth potential than competitors, because the company's projects are primarily located in provincial capital cities or regional economic and industrial centres. The report of Moody's affirms that CR Gas has demonstrated its ability to pass on higher costs from the recent national-wide tariff hike in H2 2013 for commercial and industrial customers. Moody s also expects that a material decline in connection fees is unlikely in the near term, because local governments still need to provide incentives for city-gas distributors to build the "last mile" of the connection, amid a low average gas penetration ratio.

shows with funds from operation (FFO)/debt increasing to 22.3% at year end of 2013, from 16.6% a
underlines that CR Gas has a sound liquidity profile, having HKD9.6 billion of cash-on-hand against
total debt of HKD13.9 billion.

years, given the Chinese government's support for greater consumption of natural gas.

At the
including 11 provincial capitals and 3 direct administrative municipalities with an annual gross gas
sales volume of some 12.1 billion cubic meters and 18.6 million customers.

About CR Gas

CR Gas, 63.95% owned by China Resources (Holding) Co. Ltd, one of the largest state-owned