



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

CR GAS ASSUMING CONTROL OF ZIBO CR GAS CHINA THROUGH ACQUIRING UP TO ADDITIONAL 5% INTEREST

China Resources Gas Group Limited (“CR Gas” or the “Company”, stock code: 1193, together with its subsidiaries, the “Group”) today via a wholly owned subsidiary entered into a corporate reorganisation agreement (the “Agreement”) to acquire up to additional 5 per cent registered capital in Zibo China Resources Gas Co., Ltd. (“Zibo CR Gas China”) to become the controlling shareholder of Zibo CR Gas China – a downstream city gas distributor of natural gas related products and services in Zibo, Shandong.

Pursuant to the Agreement, the corporate reorganisation will be carried out by way of share repurchase or, should approval of the local authorities in the PRC not be obtained for share repurchase, by way of share transfers. Under the share transfers plan, the Group shall acquire 5 per cent of the registered capital in Zibo CR Gas China for a consideration of approximately RMB23.02 million in cash, which will be financed by the Group’s internal resources. Upon completion of the corporate reorganisation, the Group will hold up to 51 per cent of the registered capital in Zibo CR Gas China.

Zibo CR Gas China has 30-year exclusive operating right of city gas distribution in Zibo, Shandong, since 2007, servicing 220,000 families and about 440 commercial customers with annual gas sales volume of about 173 million m³. For the year ended 31 December 2010, the profit after taxation and minority interests of Zibo CR Gas China amounted to RMB20.32 million.

“The Group has been actively seeking investment opportunities so as to increase the return from its investment portfolio. By assuming a controlling interest in Zibo CR Gas China, we will be able to consolidate its results into the Group’s accounts and increase our control in the management and operation of the company. Being the controlling shareholder, we will be in a better position to leverage Zibo CR Gas China to capitalise opportunities for gas and gas-related products and services in the fast growing Shandong market,” said Ma Guoan, Chairman of CR Gas.

About CR Gas

CR Gas is principally engaged in downstream city gas distribution business including piped natural or petroleum gas, CNG (compressed natural gas) filling stations and bottled LPG (liquefied petroleum gas) distribution. Its piped natural gas 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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Investor Enquiries: China Resources Gas Group Limited
KF Chang Tel: 2593 7373 E-mail: investor-relations@crgas.com.hk

Media Enquiries: CorporateLink Limited
Phoebe Leung Tel: 2801 6237 / 9339 3206 E-mail: phoebe@corporatelink.com.hk
Christine Chan Tel: 2801 6090 / 6173 9039 E-mail: Christine@corporatelink.com.hk
Leo Yang Tel: 2801 6045 / 6800 6687 E-mail: leo@corporatelink.com.hk