

Press Release

Date: 16 August 2016
Total: 4 pages



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

CR GAS'S NET PROFIT INCREASED BY 26.0% TO HK\$1,957 MILLION, WITH GROSS GAS VOLUME UP BY 15% TO 8,273 MILLION CUBIC METERS IN 1H2016

Results Highlights:

- **Profit attributable to the Company's equity holders increased by 26.0% to HK\$1,957 million**
- **Gross Gas Sales Volume rose by 15% to 8,273 million cubic meters**
- **Proposed interim dividend for 1H2016 increased 50% from 10 HK cents to 15 HK cents per share**

China Resources Gas Group Limited ("CR Gas" or the "Group", stock code: 1193) achieved a profit attributable to equity holders of the Company for the period under review of HK\$1,957 million, an increase of 26.0 per cent when compared with that of 2015. Basic earnings amounted to HK\$0.90 per share (1H2015: HK\$0.72 per share).

CR Gas's board of directors resolved to recommend the payment of an interim dividend of 15 HK cents per share for the period ended 30 June 2016 (1H2015: 10 HK cents per share).

During the period under review, the Group continued to grow organically and acquired 8 city gas projects. Driven by both organic and acquisition growth, the Group saw an increase of 15.3 per cent in gross gas sales volume, while total connected customers rose by 14 per cent to 24.98 million.

The National Development and Reform Commission has reduced the city gate gas price by RMB 0.70/m³ with effect from November 2015. This has restored the cost competitiveness of gas versus other alternative sources of energy. This has resulted in the rebound of gas sales volume in China and is extremely positive for downstream city gas industry going forward.

Due to the Group's presence in big cities in China, the gas sales volume of the Group's residential and commercial customers continued to increase and accounts for 28.8% and 24.0% of total gas volume. This positions the Group at a tremendous advantage to tap into the opportunity provided

by the restructuring of the Chinese economy into consumption-led model and the rise of heating using gas driven by “coal to gas” conversion.

During the year under review, the Group invested HK\$171 million in 8 city gas projects. Up to 16 August 2016, the Company has approved investments of HK\$384 million in another 14 projects.

The Group continued its “benchmarking” campaign relentlessly in 2016 to improve operation efficiency and enhance the Group’s core competency to sustain the organic growth of the Group further into the future.

The Group’s high investment grade ratings of Baa1/BBB+/BBB+ was also affirmed by Moody’s, Standard & Poor’s and Fitch in 2016.

“The improvement in the Group’s result and credit ratings not only affirm our strategies and performances, but also serve to strengthen investors’ confidence in the Group. Looking ahead, we will continue to sharpen our competitive edge, diligently identify opportunities for business expansion through organic and external growth to consolidate our leading market presence in the downstream city gas distribution business. The heightened environmental consciousness and efforts to improve air quality in China have continued to increase the demand for cleaner energy in the country. Supported by national policies, the natural gas industry will see continual strong growth in the foreseeable future. CR Gas will continue to enhance its core competency and position itself to tap into the opportunity and to grow with the market.” said Mr Wang Chuandong, Chairman of CR Gas.

The Group currently serves 24.98 million customers in 224 city gas projects in 22 provinces including 14 provincial capitals and 3 direct administrative municipalities and 72 prefecture-level cities in the PRC with 2015 annual gross gas sales volume of 14.9 billion m³.

About CR Gas

CR Gas is principally engaged in downstream city gas distribution business including piped natural gas distribution and natural gas filling stations operation. Its operations are strategically located in areas of China which are economically more developed and densely populated and areas with rich reserves of natural gas. CR Gas aspires to become a respected market leader in downstream city gas distribution business in China.

- End -

Issued by: China Resources Gas Group Limited

Investor Enquiries: China Resources Gas Group Limited

KF Chang Tel: 2593 8213 E-mail: investor-relations@crgas.com.hk

Bai Yuxing Tel: 2593 8212 E-mail: investor-relations@crgas.com.hk

(Attached please find CR Gas's unaudited condensed and consolidated statement of profit or loss for the six months ended 30 June 2016)

CHINA RESOURCES GAS GROUP LIMITED
(Stock code: 1193)
Unaudited Condensed and Consolidated Statement of Profit or Loss
For the Six Months Ended 30 June 2016

	For the six months ended 30 June		
	2016 HK\$'000	2015 HK\$'000	%
	(unaudited)	(unaudited and restated)	increase
Turnover	15,412,818	15,597,549	(1%)
Cost of sales	(9,941,776)	(10,947,377)	(9%)
Gross profit	5,471,042	4,650,172	18%
Other income (loss)	266,596	217,416	23%
Selling and distribution expenses	(8,036)	14,190	(157%)
Administrative expenses	(1,576,811)	(1,456,560)	8%
Turnover	(1,000,714)	(990,307)	1%
	3,152,077	2,434,911	29%
Finance costs	(237,513)	(275,880)	(14%)
Share of results of joint ventures	388,548	417,130	(7%)
Share of results of associates	56,307	56,884	(1%)
Profit before taxation	3,359,419	2,633,045	28%
Taxation	(754,193)	(630,266)	20%
Profit for the Period	2,605,226	2,002,779	30%
Attributable to			
Owners of the Company	1,956,984	1,557,004	26%
Non-controlling interests	648,242	445,775	45%
	2,605,226	2,002,779	30%
Proposed / Paid interim dividend per share	HK cents 15	HK cents 10	50%
Earnings per share Basic	HK cents 90	HK cents 72	25%