



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

CR GAS'S NET PROFIT INCREASED BY 16.0% TO HK\$3,289 MILLION

Results Highlights:

- **Profit attributable to the Company's equity holders increased by 16.0% to HK\$3,289 million**
- **Net operating cash flow increased by 29.4% to HK\$7,365 million (2015: HK\$5,690 million)**
- **Gross Gas Sales Volume rose by 15.2% to 16,272 million cubic meters**
- **Total connected customers increased by 11.4% to 26.49 million**
- **Proposed total dividend for 2016 increased 36% from 33 HK cents to 45 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 year under review of HK\$3,289 million, an increase of 16.0 per cent when compared with that of 2015. Basic earnings amounted to HK\$1.51 per share (2015: HK\$1.30 per share). Net operating cash flow increased by 29.4% to HK\$7,365 million.

CR Gas's board of directors resolved to recommend the payment of a final dividend of 30 HK cents per share for the year ended 31 December 2016 (2015: 23 HK cents per share). Total dividend proposed for the year 2016 will be 45 HK cents per share, an increase of 36% over the 33 HK cents per share for 2015, dividend payout ratio increased to 30%.

During the year under review, driven by both organic and acquisition growth, the Group saw an increase of 15.2 per cent in gross gas sales volume to 16,272 million cubic meters, while total connected customers rose by 11.4 per cent to 26.49 million.

The Natural Gas Development "13th Five-Year" Plan recently published by NDRC has stated that natural gas will account for 10% of the energy sources in China by 2020, up from the current 5.9% level. The Group believes that natural gas is a high quality, efficient and cleaner low-carbon energy. To accelerate the development of natural gas industries and increase the proportion of

natural gas consumption in the primary energy source is a requisite move for China to speed up the development of a clean, low-carbon, safe and efficient modern energy system. Furthermore, it is an efficient path to relieve environment constraints, improve air quality and realize green and low-carbon development. It is also important for promoting energy conservation and emission reduction, benefiting the masses and promoting stable economic development.

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 half 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 or approved to invest HK\$1,574 million, with HK\$391 million invested in 15 city gas projects and HK\$1,183 million approved to invest in another 17 projects.

The Group will continue its "benchmarking" campaign relentlessly in 2017 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 again affirmed by Moody's, Standard & Poor's and Fitch in 2016, the highest rating obtained in the industry.

"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 26.49 million customers in 227 city gas projects in 22 provinces including 14 provincial capitals and 3 direct administrative municipalities and 72 prefecture-level cities in the PRC with 2016 annual gross gas sales volume of 16.27 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.

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(Attached please find CR Gas's financial highlights for the year ended 31 December 2016)

CHINA RESOURCES GAS GROUP LIMITED
(Stock code: 1193)
Financial Highlights
For the year ended 31 December 2016

	2016	2015	
	HK\$'000	Restated	Increase/ (Decrease)
		HK\$'000	
Turnover	32,916,149	32,834,035	0.3%
Gross profit	11,184,128	9,998,862	11.9%
Profit from operations (before finance cost and share of JV & associates results)	5,955,007	4,891,555	21.7%
Profit for the period	4,437,808	3,803,107	16.7%
Profit attributable to the Company's equity holders	3,289,399	2,837,910	15.9%
Net cash from operating activities (after tax payments)	7,364,946	5,690,055	29.4%
Basic EPS ⁽¹⁾ (HK\$)	1.51	1.30	16.2%
Interim dividend paid per share (HK cents)	15	10	50.0%
Final dividend proposed per share (HK cents)	30	23	30.4%
Total dividend per share for the year (HK cents)	45	33	36.4%

Note: (1) Basic earnings per share is calculated based on weighted average number of issued shares, excluding shares held for incentive award scheme.