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

(Incorporated in Bermuda with limited liability)

(Stock Code: 1193)

ANNOUNCEMENT
CONTINUING CONNECTED TRANSACTIONS

STRATEGIC COOPERATION FRAMEWORK AGREEMENTS

On 29 November 2024, CR Gas Investment, an indirect wholly-owned subsidiary of the Company, entered into the Strategic Cooperation Framework Agreements with each of CR Ng Fung, CR Beer and Dong-E-E-Jiao respectively, pursuant to which the Group has agreed to purchase, and each of CR Ng Fung, CR Beer and Dong-E-E-Jiao has agreed to supply products and provide auxiliary marketing services according to the terms and conditions agreed therein.

LISTING RULES IMPLICATIONS

As at the date of this announcement, each of CR Ng Fung, CR Beer and Dong-E-E-Jiao is an indirect subsidiary of CRH and is therefore an associate of CRH. CRC is the controlling shareholder of CRH, and CRH holds controlling interests in the Company. As such, each of CRC and CRH is a connected person of the Company. Therefore, the Strategic Cooperation Framework Agreements and the transactions contemplated thereunder constitute continuing connected transactions of the Company pursuant to the Listing Rules.

Pursuant to Rule 14A.81 of the Listing Rules, the transactions contemplated under each of the Strategic Cooperation Framework Agreements shall be aggregated. As one or more applicable percentage ratios (as defined under the Listing Rules) calculated pursuant to Rule 14A.81, Rule 14A.78 and Rule 14.07 of the Listing Rules in respect of the highest annual caps as aggregated under the Strategic Cooperation Framework Agreements exceed 0.1% but all applicable percentage ratios are below 5%, the continuing connected transactions contemplated under the Strategic Cooperation Framework Agreements are only subject to the reporting, announcement and annual review requirements but are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

INTRODUCTION

On 29 November 2024, CR Gas Investment, an indirect wholly-owned subsidiary of the Company, entered into the Strategic Cooperation Framework Agreements with each of CR Ng Fung, CR Beer and Dong-E-E-Jiao respectively, pursuant to which the Group has agreed to purchase, and each of CR Ng Fung, CR Beer and Dong-E-E-Jiao has agreed to supply products and provide auxiliary marketing services according to the terms and conditions agreed therein.

STRATEGIC COOPERATION FRAMEWORK AGREEMENTS

The principal terms of the Strategic Cooperation Framework Agreements are summarised as follows:

- Date: 29 November 2024
- Parties: *Supplier under each of the Strategic Cooperation Framework Agreements (as the case may be)*
- (a) CR Ng Fung;
 - (b) CR Beer; or
 - (c) Dong-E-E-Jiao;
- Purchaser under each of the Strategic Cooperation Framework Agreements*
- (d) CR Gas Investment.
- Term: Effective from 29 November 2024 to 31 December 2026 (both days inclusive)
- Subject: Pursuant to each of the Strategic Cooperation Framework Agreements, the Group has agreed to purchase, and each of CR Ng Fung, CR Beer and Dong-E-E-Jiao has agreed to provide products and auxiliary marketing services to CR Gas Investment during the term of the agreement according to the terms and conditions agreed therein, in which:
- (a) CR Ng Fung (as the supplier) has agreed to supply packaged food, condiments, meat products and other Ng Fung series products and provide auxiliary marketing services to CR Gas Investment (as the purchaser) from time to time;
 - (b) CR Beer (as the supplier) has agreed to supply alcoholic products and provide auxiliary marketing services to CR Gas Investment (as the purchaser) from time to time; and
 - (c) Dong-E-E-Jiao (as the supplier) has agreed to supply EJiao series products and provide auxiliary marketing services to CR Gas Investment (as the purchaser) from time to time.

The Strategic Cooperation Framework Agreements are framework agreements which contain the principles, mechanisms, and terms and conditions upon which the parties thereto are to carry out the transactions contemplated thereunder. The Group may from time to time enter into specific agreement, contract and/or purchase order (“**Individual Specific Contracts**”) in respect of (i) purchasing products from each of CR Ng Fung, CR Beer and Dong-E-E-Jiao; and (ii) engaging each of CR Ng Fung, CR Beer and Dong-E-E-Jiao to provide auxiliary marketing services.

The terms and conditions of the Individual Specific Contracts shall be consistent with those of the Strategic Cooperation Framework Agreements.

Purchase Price and Pricing Policy:

The purchase price paid by the Group for each purchase of products and engagement of auxiliary marketing services (where applicable) from CR Beer and Dong-E-E-Jiao shall not be higher than the price charged by CR Beer and Dong-E-E-Jiao for the supply of products and auxiliary marketing services to other independent third parties under the same cooperation model. The purchase price paid by the Group for each purchase of products and auxiliary marketing services from CR Ng Fung shall be more favorable (from the Group’s perspectives) than the price of the same or similar products and services from other independent third parties in the same type of sales channel.

To ensure that the terms of Individual Specific Contracts are concluded on normal commercial terms or better (in the case of the Group), the actual price of each Individual Specific Contract shall be determined by reference to the price and/or terms that are no less favorable (in the case of the Group) than those paid by the Group for the purchase of equivalent or similar products and services from independent third parties.

Proposed Annual Cap and Basis for Determining the Proposed Annual Cap:

The Directors expect that the maximum aggregate annual consideration (when aggregated) for the products and auxiliary marketing services supplied by CR Ng Fung, CR Beer and Dong-E-E-Jiao to CR Gas Investment under the entire Strategic Cooperation Framework Agreements will not exceed the following:

	Annual Cap <i>(RMB’000)</i>
For the year ending on 31 December 2024	135,000
For the year ending on 31 December 2025	220,000
For the year ending on 31 December 2026	305,000

The annual caps for the transactions contemplated under each of the Strategic Cooperation Framework Agreements are as follows:

	For the year ending on 31 December 2024 (RMB'000)	Annual Cap For the year ending on 31 December 2025 (RMB'000)	For the year ending on 31 December 2026 (RMB'000)
CR Ng Fung	30,000	60,000	90,000
CR Beer	100,000	150,000	200,000
Dong-E-E-Jiao	5,000	10,000	15,000

The above annual caps are determined by the Group after taking into account (among other things) (i) the estimated demand for products and marketing services for the development of the Group's business (with reference to the expected market demand for the relevant products and services); (ii) the estimated cost of the products and marketing services (with reference to the current prices of the products and services provided by the relevant members of CRH for such transactions); and (iii) certain buffers to allow the Group certain flexibility in carrying out transactions contemplated under the Strategic Cooperation Framework Agreements for the three years ending 31 December 2026 to further expand the Group's business.

Historical Transaction Amount

The Group has previously purchased products and marketing services from CR Ng Fung, CR Beer and Dong-E-E-Jiao respectively, and the total historical transaction amount of products and marketing services as of 28 November 2024 was RMB33 million, which was incurred in the small-scale pilot testing program under the cooperation between the parties. As no applicable percentage ratio in respect of the historical transaction amount exceeds 0.1%, such transactions constitute de minimis transactions and are fully exempted from the reporting, annual review, announcement, circular and independent shareholders' approval requirements under the Listing Rules.

REASONS AND BENEFITS OF ENTERING INTO THE STRATEGIC COOPERATION FRAMEWORK AGREEMENTS

The Group intends to enhance its competitiveness in the gas distribution industry by providing products to its customers and/or employees under the Group's loyalty programme. The Directors believe that, by entering into each of the Strategic Cooperation Framework Agreements, the Group will be able to secure a stable supply of products and marketing services from reputable suppliers, and by reason of the suppliers being fellow subsidiaries of CRH thereby allowing the Group to benefit from mutual understanding of the operations of the parties, entering into the transactions contemplated under the Strategic Cooperation Framework Agreements will also help to minimize procurement costs and foster a mutually beneficial relationship between the Group and each supplier. The transactions contemplated under the Strategic Cooperation Framework Agreements are expected to support the operation and growth of the Group's business, increase the stickiness of the Group with customers, expand the Group's market and enhance long-term returns for shareholders.

The Directors (including the independent non-executive Directors) are of the opinion that (i) each Strategic Cooperation Framework Agreement is entered into in the ordinary and usual course of the Group's business; (ii) the terms of each of the Strategic Cooperation Framework Agreements (including the annual caps) are entered into on normal commercial terms and are fair and reasonable; and (iii) entering into the Strategic Cooperation Framework Agreements is in the interests of the Company and its shareholders as a whole.

Each of the Directors has confirmed that he/she does not have any material interest in the transactions contemplated under the Strategic Cooperation Framework Agreements and no Director is required to abstain from voting on the board resolutions in respect of the Strategic Cooperation Framework Agreements (including the annual caps).

INTERNAL CONTROL MEASURES

To ensure that the Company complies with the above Strategic Cooperation Framework Agreements from time to time, the Company will adopt a series of internal control measures in its daily operations. These internal control measures will be carried out and monitored by the financial department, legal department and audit department of the Company and the measures of which include:

1. the Company has adopted and implemented a connected transaction management system in respect of the continuing connected transactions, according to which, the financial department is responsible for collecting information in relation to the continuing connected transactions and monitoring continuing connected transactions that have occurred quarterly, assessing the fairness of transaction terms and pricing terms and ensuring that all transactions under the Strategic Cooperation Framework Agreements comply with the terms of each Strategic Cooperation Framework Agreements. In particular, the financial department will regularly review and compare the prices of products provided to customers by each of CR Ng Fung, CR Beer, and Dong-E-E-Jiao to assess whether the prices of products and services charged under the Strategic Cooperation Framework Agreements are fair, reasonable, and in compliance with its pricing policy;
2. the independent non-executive Directors of the Company will review the continuing connected transactions under the Strategic Cooperation Framework Agreements to ensure that the Individual Specific Contracts are concluded on normal commercial terms, are fair and reasonable, and are performed in accordance with the terms of the Strategic Cooperation Framework Agreements;

3. the Company's auditors will also conduct an annual review of the pricing and annual caps for the continuing connected transactions under the Strategic Cooperation Framework Agreements; and
4. the Company's internal audit department will periodically monitor and evaluate whether the process for continuing connected transaction complies with the Company's internal control requirements.

If the transaction amounts contemplated under the Strategic Cooperation Framework Agreements are expected to reach the annual caps, the relevant departments will follow up and report to the management of the Company, which may instruct the administrative department to cease placing further orders with the parties as deemed appropriate. If an amendment to the annual caps is required, the management of the Company will report to the Board and convene a Board meeting for considering the matters thereabout to ensure compliance with the requirements under the Listing Rules.

INFORMATION ABOUT THE PARTIES

The Group and CR Gas Investment

CR Gas Investment is a company incorporated in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company. It is an investment holding company.

The Company is a company incorporated in Bermuda with limited liability and its shares are listed on the Stock Exchange. As at the date of this announcement, approximately 61.46% of the issued shares of the Company are indirectly held by CRH, which in turn is ultimately owned by CRC, a state-owned enterprise in the PRC under the supervision of the SASAC. The principal businesses of the Company include sale and distribution of gas fuel and related products, gas connection operation, comprehensive services, design and construction services and gas stations operation in the PRC.

CRC is a company established in the PRC with limited liability and a state-owned enterprise in the PRC under the supervision of the SASAC. It is the holding company of CRH and a conglomerate which holds a variety of businesses in the PRC and Hong Kong, including but not limited to consumer goods, integrated energy, urban construction and operation, healthcare, industrial finance, technology and emerging sectors.

CR Ng Fung

CR Ng Fung is a company incorporated in the PRC with limited liability. As at the date of this announcement, CR Ng Fung is wholly-owned by China Resources Ng Fung Limited. China Resources Ng Fung Limited is an indirect subsidiary of CRH. China Resources Ng Fung Limited is an integrated food group containing food research and development, production, processing, wholesale, retail, transportation, and international trade. CR Ng Fung is ultimately beneficially owned by CRC, a state-owned enterprise in the PRC under the supervision of SASAC.

CR Beer

CR Beer is a company incorporated in Hong Kong with limited liability, a company listed on the Stock Exchange and an indirect subsidiary of CRH, focusing on the manufacturing, sales and distribution of beer products. CR Beer is ultimately controlled by CRC, a state-owned enterprise in the PRC under the supervision of SASAC.

Dong-E-E-Jiao

Dong-E-E-Jiao is a company incorporated in the PRC. As at the date of this announcement, Dong-E-E-Jiao is held as to 85.51% by Dong-E-E-Jiao Company, thus a non-wholly owned subsidiary of Dong-E-E-Jiao Company. Dong-E-E-Jiao Company is a company incorporated under the laws of the PRC whose shares are listed on the Shenzhen Stock Exchange and is directly held as to 9.00% by CR Pharmaceutical and approximately 23.50% by China Resources Dong-E-E-Jiao Company Limited (華潤東阿阿膠有限公司), a non-wholly owned subsidiary of CR Pharmaceutical. Dong-E-E-Jiao Company is accounted for as a subsidiary of CR Pharmaceutical. CR Pharmaceutical, an indirect subsidiary of CRH and a company whose shares are listed on the Stock Exchange, is principally engaged in marketing and distribution of pharmaceutical products, and provision of pharmaceutical supply chain solution services. Dong-E-E-Jiao is principally engaged in the retail of prepackaged food and bulk food. Each of CR Pharmaceutical and Dong-E-E-Jiao are ultimately controlled by CRC, a state-owned enterprise in the PRC under the supervision of SASAC.

LISTING RULES IMPLICATIONS

As at the date of this announcement, each of CR Ng Fung, CR Beer and Dong-E-E-Jiao is an indirect subsidiary of CRH and is therefore an associate of CRH. CRC is the controlling shareholder of CRH, and CRH holds controlling interests in the Company. As such, each of CRC and CRH is a connected person of the Company. Therefore, the Strategic Cooperation Framework Agreements and the transactions contemplated thereunder constitute continuing connected transactions of the Company pursuant to the Listing Rules.

Pursuant to Rule 14A.81 of the Listing Rules, the transactions contemplated under each of the Strategic Cooperation Framework Agreements shall be aggregated. As one or more applicable percentage ratios (as defined under the Listing Rules) calculated pursuant to Rule 14A.81, Rule 14A.78 and Rule 14.07 of the Listing Rules in respect of the highest annual caps as aggregated under the Strategic Cooperation Framework Agreements exceed 0.1% but all applicable percentage ratios are below 5%, the continuing connected transactions contemplated under the Strategic Cooperation Framework Agreements are only subject to the reporting, announcement and annual review requirements but are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

DEFINITIONS

In this announcement, the following words have the following meanings, unless the context requires otherwise:

“Board”	the board of Directors;
“Company”	China Resources Gas Group Limited (華潤燃氣控股有限公司), a company incorporated in Bermuda with limited liability, the shares of which are listed on the main board of the Stock Exchange (stock code: 1193);
“connected person”	has the meaning ascribed to it under the Listing Rules;
“connected transactions”	has the meaning ascribed to it under the Listing Rules;
“continuing connected transactions”	has the meaning ascribed to it under the Listing Rules;

“controlling shareholder”	has the meaning ascribed to it under the Listing Rules;
“CRC”	China Resources Company Limited (中國華潤有限公司), a company established in the PRC with limited liability and a state-owned enterprise under the supervision of SASAC, is the ultimate holding company of the Company;
“CR Gas Investment”	China Resources Gas (China) Investment Limited (華潤燃氣投資(中國)有限公司), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company;
“CRH”	China Resources (Holdings) Company Limited, a company incorporated in Hong Kong with limited liability and the intermediate holding company of the Company, CR Ng Fung, CR Beer and CR Pharmaceutical;
“CR Pharmaceutical”	China Resources Pharmaceutical Group Limited, a company incorporated in Hong Kong with limited liability, the issued shares of which are listed on the main board of the Stock Exchange (stock code: 3320);
“CR Beer”	China Resources Beer (Holdings) Company Limited, a company incorporated in Hong Kong with limited liability and the shares of which are listed on the main board of the Stock Exchange (stock codes: 291 (HKD counter) and 80291 (RMB counter));
“CR Ng Fung”	China Resources Ng Fung (China) Investment Co., Ltd. (華潤五豐(中國)投資有限公司), a company incorporated in the PRC with limited liability and an indirect wholly-owned subsidiary of CRH;
“Dong-E-E-Jiao”	Dong-E County Dong-E-E-Jiao Tourism and Health Co., Ltd (東阿縣東阿阿膠旅遊養生有限公司), a company incorporated under the laws of the PRC and a non-wholly-owned subsidiary of Dong-E-E-Jiao Company;
“Dong-E-E-Jiao Company”	Dong-E-E-Jiao Company Limited (東阿阿膠股份有限公司), a company incorporated under the laws of the PRC, the shares of which are listed on the Shenzhen Stock Exchange (stock code: 000423) and a non-wholly-owned subsidiary of the CR Pharmaceutical;
“Directors”	the directors of the Company;

“Strategic Cooperation Framework Agreements”	the three separate strategic cooperation framework agreements all dated 29 November 2024 and entered into by each of CR Ng Fung, CR Beer and Dong-E-E-Jiao as suppliers respectively with CR Gas Investment as the purchaser, which are more particularly described under the section headed “Strategic Cooperation Framework Agreements” in this announcement, and each a “Strategic Cooperation Framework Agreement”;
“Group”	the Company and its subsidiaries and jointly controlled entities;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Independent shareholders”	shareholders of the Company other than CRH and its associates, as defined in the Listing Rules;
“Individual Specific Contracts”	has the meaning ascribed to it under the section headed “Strategic Cooperation Framework Agreements”;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“PRC”	the People’s Republic of China, and for the purpose of this announcement, excluding Hong Kong, Macau Special Administrative Region of the PRC and Taiwan;
“RMB”	Renminbi, the lawful currency of the PRC;
“SASAC”	the State-owned Assets Supervision and Administration Commission of the State Council of the PRC;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“%”	per cent.

By order of the Board
CHINA RESOURCES GAS GROUP LIMITED
YANG Ping
Chairman

Hong Kong, 29 November 2024

As at the date of this announcement, the Directors of the Company are Mr. YANG Ping and Mr. LI Xiaoshuang, being Executive Directors; Mr. WANG Gaoqiang, Mr. LIU Jian, Ms. GE Lu, Mr. LI Weiwei and Mr. ZHANG Junzheng, being Non-executive Directors; and Mr. WONG Tak Shing, Mr. YU Hon To, David, Mr. YANG Yuchuan and Mr. LI Pok Yan, being Independent Non-executive Directors.