



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

CR GAS ACQUIRES 7 CITY GAS DISTRIBUTION BUSINESSES FROM PARENT COMPANY FOR HK\$1,600 MILLION STRENGTHENING ITS POSITION AS A LEADING PAN-CHINA GAS DISTRIBUTOR

China Resources Gas Group Limited (“CR Gas” or the “Company”, together with its subsidiaries, the “Group”, stock code: 1193) proposed to acquire the entire equity interest (“Acquisition”) in Top Steed Limited (“Top Steed”), a downstream gas distribution operator, from China Resources (Holdings) Company Limited (“China Resources Holdings”), the controlling shareholder of the Company, to further expand its market share in the downstream gas industry in China. The Company has previously purchased 7 gas distribution projects from China Resources Holdings in October 2008 for HK\$3,814.8 million.

“The proposed Acquisition will not only provide instant and stable cash flow income to the Group, but also form an important part of the Group’s strategic planning for developing as the market leader in city gas distribution in China. Leveraging the Company’s current market position in the gas industry in China and China Resources Holdings’ strong presence and brand name in China, the Group believes that the proposed Acquisition is a significant step forward in further expanding its market share in the downstream gas industry and strengthening its customer and earning base into different regions in China,” said Mr Ma Guoan, Chairman of CR Gas.

Top Steed Group (Top Steed together with its subsidiaries and jointly-controlled entities or associated companies) currently operates a portfolio city gas distribution businesses including natural or petroleum gas pipelines and CNG filling stations and bottled LPG distribution. Its natural gas distribution operations are strategically located in the cities of Zibo, Yangquan, Xiangfan, Zhenjiang, Yicheng, Qianjiang and Datong. It had a combined profit after taxation and minority interests of HK\$57 million for the six months ended 30 June 2009 and gas sales turnover of HK\$516 million.

On 8 September 2009, the Company entered into a share purchase agreement (“Agreement”) with a wholly-owned subsidiary (the “Vendor”) of China Resources Holdings, to acquire the entire issued share capital of Top Steed, an indirect wholly-owned subsidiary of China Resources Holdings, for a cash consideration of HK\$1,600 million payable within 12 months of completion to be financed by the Company’s internal resources and bank borrowings. The Company has obtained in September 2009 another very low cost HK\$800 million 5 year bank loan in addition to

the HK\$800 million 2 year bank loan obtained in March 2009. The Company currently has HK\$1.05 billion of unused bank facilities at its disposal.

Pursuant to the Agreement, the Vendor has guaranteed the Company that the combined profit after taxation attributable to Top Steed for the financial year ending 31 December 2009 will not be less than HK\$124 million. If the said profit is less than the guaranteed level, the Vendor will compensate the Company an amount equal to the difference multiplied by 13 but not more than the difference between the consideration of the Acquisition and the attributable combined net asset value of Top Steed as at 30 June 2009.

On 28 August 2009, CR Gas, via a wholly-owned subsidiary, entered into an equity transfer agreement to acquire a 6 per cent equity interest in Zhenjiang China Resources Gas Co. Ltd. ("Zhenjiang CR Gas"), which is currently owned by China Resources Holdings via Top Steed as to 45 per cent. Upon completion of the proposed acquisitions of Top Steed and the 6 per cent interest in Zhenjiang CR Gas, Zhenjiang CR Gas will become a subsidiary of the Company.

"Upon completion of the Acquisition, we believe that the Company, will further reinforce its position as one of the leading pan-China gas distributors, will be strategically positioned to exploit new opportunities and to capture the tremendous growth opportunity in the gas industry in China," added Mr Ma.

About CR Gas

CR Gas is principally engaged in 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 city gas distribution business in China.

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Issued by: China Resources Gas Group Limited
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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
Jacqueline Lee Tel: 2801 6095 / 9743 8585 E-mail: jacqueline@corporatelink.com.hk
Bryan Bian Tel: 2801 6090 / 9630 7030 E-mail: bryan@corporatelink.com.hk