



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

## CR GAS TO ACQUIRE 49% EQUITY INTEREST IN NINGBO CITY GAS PROJECT TO ACCELERATE ITS EXPANSION IN AFFLUENT COASTAL REGION

China Resources Gas Group Limited (“CR Gas” or the “Company”, stock code: 1193; together with its subsidiaries, the “Group”) proposed to establish a joint venture (“Joint Venture”) in Ningbo, the People's Republic of China (“PRC”) with Ningbo Urban Construction Planning and Investment Holding Company Limited (“Ningbo Urban Construction”) through the acquisition of a 49 per cent equity interest in Ningbo Xingguang Gas Group Company (“Ningbo Xingguang Gas”).

The eventual investment amount in the Joint Venture is subject to the final determination by the Group and Ningbo Urban Construction and approval of the relevant PRC authorities.

Ningbo Xingguang Gas, currently wholly owned by Ningbo Urban Construction, is principally engaged in the construction and operation of the city piped gas facilities as well as the supply and sale of gas in Ningbo with annual natural gas sales volume of 200 million m<sup>3</sup> and 130,000 tons of LPG. Subject to the corporatisation of Ningbo Xingguang Gas, asset valuation and the finalisation of the purchase consideration of the 49 per cent equity interest therein, Ningbo Xingguang Gas will be converted into a sino-foreign equity joint venture in which the Group and Ningbo Urban Construction will own 49 per cent and 51 per cent respectively. The establishment of the Joint Venture is expected to be completed around June 2012.

“Ningbo is one of the important coastal cities and economic centres in the Yangtze River Delta Economic Zone. We are pleased to join hands with Ningbo Urban Construction, as the cooperation allows the Group to create synergy with our existing city gas projects in Zhejiang Province and presents great opportunities to enhance our presence in one of the fastest growing economic regions in China. We will continue to diligently identify opportunities for our business expansion through organic and external growth to pave the way to becoming the PRC leading city gas distribution company,” said Mr Ma Guoan, Chairman of CR Gas.

The Group currently operates 64 city gas projects in 15 provinces including 6 provincial capitals and 1 direct administrative municipality with annualised gross gas sale volume of some 7 billion m<sup>3</sup>.

### **About CR Gas**

CR Gas is principally engaged in downstream city gas distribution business including piped natural gas distribution and CNG (compressed natural gas) filling stations operation. Its 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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