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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)

RULE 13.09 ANNOUNCEMENT

**PROPOSED ESTABLISHMENT OF A JOINT VENTURE IN NINGBO,
THE PRC**

The announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules.

The Board is pleased to announce that, CR Gas Investment, an indirect wholly-owned subsidiary of the Company, entered into the Co-operation Agreement with Ningbo Urban Construction and Ningbo Xingguang Gas on 26 December 2011. Pursuant to the Co-operation Agreement, subject to the independent asset appraisal of Ningbo Xingguang Gas, finalization of the purchase consideration of the 49% equity interest in Ningbo Xingguang Gas to be acquired by CR Gas Investment, receipt of approvals from the relevant PRC governmental authorities and the finalization of the terms of the proposed joint venture, Ningbo Xingguang Gas will be converted into a sino-foreign equity joint venture and will be owned by Ningbo Urban Construction and CR Gas Investment as to 51% and 49% respectively.

Ningbo Xingguang Gas is principally engaged in, among other things, the construction and operation of the city piped gas facilities as well as the supply and sale of gas in Ningbo City, the PRC.

The proposed joint venture may constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules. The Company will comply with the applicable requirements under Chapter 14 of the Listing Rules as and when required.

The proposed formation of the Joint Venture Company is subject to, among other things, the approvals and consents from the relevant PRC governmental authorities, which may or may not be forthcoming. The transactions contemplated by the Co-operation Agreement therefore may or may not proceed. Investors or prospective investors are advised to exercise caution in investing or dealing in the shares of the Company.

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THE CO-OPERATION AGREEMENT DATED 26 DECEMBER 2011

Principal terms of the proposed Joint Venture Company

The Parties

- (a) CR Gas Investment, an indirect wholly-owned subsidiary of the Company;
- (b) Ningbo Urban Construction; and
- (c) Ningbo Xingguang Gas.

Ningbo Urban Construction is a state-owned enterprise in the PRC. To the best of the Directors' knowledge, Ningbo Urban Construction is a conglomerate engaged in various different businesses including urban infrastructure in Ningbo City, the PRC.

Ningbo Xingguang Gas, wholly-owned by Ningbo Urban Construction, is principally engaged in, among other things, the construction and operation of the city piped gas facilities as well as the supply and sale of gas in Ningbo City, the PRC. The total registered capital of Ningbo Xingguang Gas as at the date of this announcement is RMB380 million.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, Ningbo Urban Construction, Ningbo Xingguang Gas, and their ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.

Proposed Business Scope of the Joint Venture Company

The proposed business scope of the Joint Venture Company includes, among other things, the construction and operation of the city piped gas facilities as well as the supply and sale of gas in Ningbo City, the PRC, subject to the approval of the relevant PRC authorities.

Proposed total investment and contribution

Subject to final determination by both parties and the approval of relevant PRC authorities, the proposed total investment of the Joint Venture Company is expected to be up to approximately RMB4 billion. The Joint Venture Company will be owned by CR Gas Investment and Ningbo Urban Construction as to 49% and 51% respectively.

Board representation of the Joint Venture Company

The board of directors of the Joint Venture Company shall comprise seven directors. CR Gas Investment is entitled to nominate three directors; Ningbo Urban Construction is entitled to nominate four directors. The chairman of the board will be appointed by Ningbo Urban Construction and the vice chairman will be appointed by CR Gas Investment.

Conditions of the establishment of the Joint Venture Company

Establishment of the Joint Venture Company is subject to, among others, an independent asset appraisal of Ningbo Xingguang Gas and confirmation of such appraisal by the relevant PRC governmental authorities, finalization of the joint venture contract and other transaction documentation to be agreed and executed by CR Gas Investment and Ningbo Urban Construction, including the purchase price for the acquisition of 49% interest in Ningbo Xingguang Gas by CR Gas Investment.

EXPECTED TIMETABLE

CR Gas Investment and Ningbo Urban Construction intend to complete all the necessary procedures for the establishment of the joint venture, including (without limitation) asset appraisal and approvals from the relevant PRC governmental or regulatory authorities, in or around June 2012.

IMPLICATIONS OF THE LISTING RULES

The proposed joint venture may constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules. The Company will comply with the applicable requirements under Chapter 14 of the Listing Rules as and when required.

The proposed formation of the Joint Venture Company is subject to, among other things, the approvals and consents from the relevant PRC governmental authorities, which may or may not be forthcoming. The transactions contemplated by the Co-operation Agreement therefore may or may not proceed. Investors or prospective investors are advised to exercise caution in investing or dealing in the shares of the Company.

DEFINITIONS

In this announcement, the following expressions have the following meanings unless the context requires otherwise.

“Board”	means the board of Directors;
“Co-operation Agreement”	means the co-operation agreement dated 26 December 2011 entered into between CR Gas Investment, Ningbo Urban Construction and Ningbo Xingguang Gas in relation to the proposed investment by CR Gas Investment in Ningbo Xingguang Gas and the proposed conversion of Ningbo Xingguang Gas into a sino-foreign equity joint venture enterprise;
“Company”	means China Resources Gas Group Limited, a company incorporated in Bermuda, the shares of which are listed on the Main Board of the Stock Exchange;
“CR Gas Investment”	means 華潤燃氣投資(中國)有限公司 (China Resources Gas Investment (China) Limited), a limited liability company incorporated in the PRC and an indirect wholly-owned subsidiary of the Company;
“Directors”	means the directors of the Company;
“Hong Kong”	means the Hong Kong Special Administrative Region of the PRC;

“Joint Venture Company”	means the sino-foreign equity joint venture to be converted from Ningbo Xingguang Gas pursuant to the Co-operation Agreement, and will be owned as to 51% by Ningbo Urban Construction and 49% by CR Gas Investment;
“Listing Rules”	means the Rules Governing the Listing of Securities on the Stock Exchange;
“Ningbo Urban Construction”	means 寧波城建投資控股有限公司 (Ningbo Urban Construction Planning and Investment Holding Company Limited*), a state-owned enterprise incorporated in Ningbo, the PRC;
“Ningbo Xingguang Gas”	means 寧波興光燃氣集團公司 (Ningbo Xingguang Gas Group Company*), a wholly-owned subsidiary of Ningbo Urban Construction and is proposed to be converted into a sino-foreign equity joint venture pursuant to the Co-operation Agreement;
“PRC”	means the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, Taiwan and the Macau Special Administrative Region of the PRC;
“RMB”	means Renminbi, the lawful currency of the PRC; and
“Stock Exchange”	means The Stock Exchange of Hong Kong Limited.

By Order of the Board
China Resources Gas Group Limited
Ong Thiam Kin
Executive Director & Company Secretary

Hong Kong, 27 December 2011.

As at the date of this announcement, the Board of the Company comprises three executive Directors, namely Mr. Ma Guoan, Mr. Wang Chuandong and Mr. Ong Thiam Kin; two non-executive Directors, namely Mr. Du Wenmin and Mr. Wei Bin; and three independent non-executive Directors, namely Mr. Wong Tak Shing, Mr. Luk Chi Cheong and Ms. Yu Jian.

** The English name of the relevant PRC-incorporated company is only an English translation of the corresponding official Chinese name and is provided for identification purposes only.*