



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

## DRIVEN BY STRATEGIC EXPANSION CR GAS'S REVENUE AND PROFIT UPSURGE 75% AND 62% TO HK\$3,747 MILLION AND HK\$422 MILLION RESPECTIVELY

### Results Highlights:

- City gas distribution business turnover for 2009 increased by 75% to HK\$3,747 million
- City gas distribution business profit attributable to equity holders for 2009 increased by 62% to HK\$422 million
- Acquisition of 20 new city gas projects in 2009

China Resources Gas Group Limited ("CR Gas" or the "Group", stock code: 1193) reported outstanding performance from its city gas distribution business with a profit attributable to equity holders of HK\$422 million for the year ended 31 December 2009. Basic earnings per share amounted to 30 HK cents per share (2008 proforma comparable: 18 HK cents per share).

CR Gas's Board of Directors resolved to recommend the payment of a final dividend of 4.5 HK cents per share for the year ended 31 December 2009 (2008: 4.0 HK cents per share). Together with an interim dividend of 2.0 HK cents per share (2008 interim: nil), the total dividends for the year 2009 will be 6.5 HK cents per share (2008: 4.0 HK cents per share).

The turnover of the Group's city gas distribution business for the year under review amounted to HK\$3,747 million, representing 75 per cent increase from HK\$2,145 million in 2008.

The increase was mainly attributable to a 61 per cent growth in gas sales volume from 1,371 million m<sup>3</sup> in 2008 to 2,214 million m<sup>3</sup> and an upsurge of 95 per cent in connection fee income from HK\$475 million in 2008 to HK\$924 million.

The city gas distribution business registered an overall gross profit margin of 31.0 per cent for 2009 as compared with 29.1 per cent in 2008. The increase was mainly due to a bigger increase in connection fee income, which has a higher gross margin, than gas sales.

For 2009, the gross profit margin for connection fee income was 50.6 per cent, while that for gas sales was 24.5 per cent. Compared to 2008, the gross profit margin of connection fee income rose by 4.2 percentage points mainly because of a higher proportion of connection fee income from cities with relative higher connection fee such as Wuxi, Suzhou, Wuhan, Kunming and Huaibei. The gross profit margin of gas sales remained fairly stable when compared with 24.2 per cent for 2008.

In 2009, CR Gas acquired 20 new city gas projects. Excluding the on-going acquisitions of Zhengzhou and Chongqing city gas projects, the Group operates a total of 27 city gas projects, including 5 provincial capitals, in 10 provinces in China. The Group's holding company, China Resources (Holdings) Limited still possesses 34 other city gas projects at different stages of incubation and development.

"The continued economic growth and rapid industrialisation and urbanisation of the PRC have spiked demand for energy in the country. The PRC government has been very supportive of the development of the natural gas industry and has promulgated various policies and guidelines to encourage and rationalise the usage of natural gas. The 'West to East Gas Transmission' pipelines were constructed to bring natural gas from the inland area such as Xinjiang Autonomous Region to the coastal regions of the PRC. Construction of the second phase of the 'West to East Gas Transmission' pipelines and the 'Sichuan to East' pipelines as well as construction of LNG terminals in coastal cities are actively in progress. All these will greatly boost the supply of natural gas in the PRC and offer significant opportunity for future growth in the PRC's natural gas industry. The Company will ride on these favourable industry fundamentals and its strong and experienced management team to scale new heights via organic and acquisition growth," said Mr Ma Guoan, Chairman of CR Gas.

"With the rapid acquisition expansion, the Group is on course to become the leading downstream city gas distributor in the PRC," said Mr Ma.

### **About CR Gas**

CR Gas is principally engaged in downstream city gas distribution business including piped natural or petroleum gas distribution, and operating CNG (compressed natural gas) filling stations. 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 downstream city gas distribution business in China.

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**China Resources Gas Group Limited**  
**(Stock code: 1193)**  
**Audited Consolidated Income Statement**  
**for the Year Ended 31 December 2009**

	For the Year ended 31 December		
	2009 HK\$'000	2008 HK\$'000 (Restated)	2008 HK\$'000
Turnover			
Continuing Operations	<b>3,746,779</b>	2,525,582	2,144,567
Discontinued operations	-	841,531	841,531
	<b>3,746,779</b>	3,367,113	2,986,098
Cost of sales	<b>(2,586,070)</b>	(2,359,386)	(2,111,671)
Gross profit	<b>1,160,709</b>	1,007,727	874,427
Other income	<b>140,694</b>	102,225	76,984
Selling and distribution expenses	<b>(231,969)</b>	(219,056)	(190,041)
Administrative expenses	<b>(409,501)</b>	(397,669)	(341,072)
Other expenses	-	(56,067)	(74,890)
	<b>659,933</b>	437,160	345,408
Finance costs	<b>(39,878)</b>	(31,211)	(27,565)
Share of results of associates	<b>7,187</b>	3,387	3,387
Profit before taxation			
Continuing operations	<b>605,268</b>	424,078	335,972
Discontinued operations	<b>21,974</b>	(14,742)	(14,742)
	<b>627,242</b>	409,336	321,230
Taxation			
Continuing operations	<b>(86,896)</b>	(50,443)	(33,668)
Discontinued operations	-	(14,893)	(14,893)
	<b>(86,896)</b>	(65,336)	(48,561)
Profit for the year			
Continuing operations	<b>518,372</b>	373,635	302,304
Discontinued operations	<b>21,974</b>	(29,635)	(29,635)
	<b>540,346</b>	344,000	272,669
Attributable to			
Equity holders of the Company			
Continuing operations	<b>421,599</b>	320,529	260,338
Discontinued operations	<b>21,974</b>	(23,561)	(23,561)
	<b>443,573</b>	296,968	236,777
Minority interests	<b>96,773</b>	47,032	35,892
	<b>540,346</b>	344,000	272,669

	HK cents	HK cents (Restated)	HK cents
Dividends per share <sup>(1)</sup>			
Interim dividends paid	<b>2.0</b>	Nil	Nil
Final dividends proposed	<b>4.5</b>	4.0	4.0
Earnings per share <sup>(2)</sup>	HK\$	HK\$	HK\$ (Proforma)
From continuing operations			
Basic	<b>0.30</b>	0.67	0.18
Diluted	<b>0.30</b>	0.67	0.18
From continuing and discontinued operations			
Basic	<b>0.31</b>	0.62	0.17
Diluted	<b>0.31</b>	0.62	0.17

Note: (1) Excludes dividends paid due to restructuring exercises.

(2) Proforma numbers are based on the total number of shares of 1,414,416,710 at 31/12/2008. For the 2008 restated numbers, the weighted average number of ordinary shares for the purpose of basic earnings per share has been adjusted retrospectively for the capital reduction and share consolidation. No retrospective adjustment has been made for rights issue since the rights issue price is higher than the market price on the date of rights issue.