

Press Release

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

CR GAS'S INTERIM TURNOVER SURGES 42% TO HK\$7,851 MILLION, WITH NET PROFIT UP BY 36% TO HK\$752 MILLION

Results Highlights:

- **Turnover for the first half of 2012 increased by 42% to HK\$7,851 million**
- **Profit attributable to the Company's equity holders for the first half of 2012 increased by 36% to HK\$752 million**
- **Gross gas sales volume increased 26% to 4.248 billion m³**
- **Connected residential customers increased 23% to 11.37 million households**

Owing to both organic and acquisition growth, China Resources Gas Group Limited ("CR Gas" or the "Company", stock code: 1193; together with its subsidiaries as the "Group") continued to sustain strong growth in turnover and profit attributable to the Company's equity holders, which amounted to HK\$7,851 million and HK\$752 million for the six months ended 30 June 2012 respectively. Turnover increased by 42% of which 27% is from organic growth of existing projects and 15% from new acquisition.

CR Gas's board of directors has resolved to declare the payment of an interim dividend of 2.0 HK cents per share for the six months ended 30 June 2012 (2011 interim period: 2.0 HK cents per share).

During the period under review, the Group acquired additional 7 city gas projects directly from the market and privatized Zhengzhou China Resources Gas Co., Ltd. The aforementioned acquisition and privatisation enabled the Group to expand market coverage as well as enhance revenue and earnings. The organic growth from existing projects, extended market reach and increased equity stakes in existing projects helped uplift gas sales volume from 3,362 million m³ to 4,248 million m³. The strong growth in gas sales volume, together with a increase in connection fee had contributed to a 42 per cent year-on-year increase in the turnover of the city gas distribution operation for the first half of 2012, which amounted to HK\$7,851 million.

"The PRC government has been actively advocating the development and utilization of cleaner energy in recent years. It has therefore been supportive of the development of the natural gas industry. According to the "Twelfth Five Year Plan", the natural gas utilisation rate in China shall increase from less than 4% in 2009 to 8.3% in 2015. To be in line with the "Twelfth Five Year Plan", the Group will continue to expand its city gas distribution business through organic growth and acquisitions as well as increasing equity holding in existing joint venture projects," said Mr Wang Chuandong, Chairman of CR Gas.

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

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A Hong Kong Listed Member of CR Holdings

Commenting on the outlook for the natural gas industry, Mr Wang added: "With the completion of the "West to East Gas Transmission" pipelines and the construction of liquefied natural gas terminals in coastal cities, gas sales volume and turnover will significantly increase. This coupled with the growth of gas consumption and rising prices as driven by increase in the consumption power in mainland China further strengthen the Group's confidence in its sustainable growth."

As at 30 June 2012, the Group operated 80 city gas projects in 16 provinces including 6 provincial capitals, 2 direct administrative municipality and 24 prefecture-level cities in the PRC with annualised gross gas sales volume of some 8.3 billion m³.

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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(Attached please find CR Gas's Unaudited Consolidated Statement of Comprehensive Income for the six months ended 30 June 2012)

China Resources Gas Group Limited
(Stock code: 1193)
Unaudited Consolidated Statement of Comprehensive Income
for the six months ended 30 June 2012

	2012 HK\$'000	For the six months ended 30 June			
		2011 HK\$'000 Before restatement	% increase	2011 HK\$'000 Restated	% increase
Turnover	7,850,751	5,511,125	42%	6,134,351	28%
Cost of sales	(5,367,689)	(3,778,323)	42%	(4,234,308)	27%
Gross profit	2,483,062	1,732,802	43%	1,900,043	31%
Other income	195,514	125,368	56%	130,328	50%
Selling and distribution expenses	(747,946)	(465,311)	61%	(530,457)	41%
Administrative expenses	(623,434)	(430,174)	45%	(476,412)	31%
Profit from operation	1,307,196	962,685	36%	1,023,502	28%
Finance costs	(109,006)	(37,899)	188%	(40,177)	171%
Share of results of associates	47,073	50,188	(6%)	50,188	(6%)
Profit before taxation	1,245,263	974,974	28%	1,033,513	20%
Taxation	(318,584)	(225,903)	41%	(241,869)	32%
Profit for the Period	926,679	749,071	24%	791,644	17%
Attributable to					
Equity holders of the Company	752,311	554,917	36%	588,975	28%
Minority interests	174,368	194,154	(10%)	202,669	(14%)
	926,679	749,071	24%	791,644	17%
Proposed interim dividends per share	HK cents 2.00	HK cents 2.00	0%	HK cents 2.00	0%
Earnings per share	HK\$	HK\$		HK\$	
Basic	0.38	0.31	23%	0.31	23%
Diluted	0.38	0.31	23%	0.31	23%