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

(Incorporated in Bermuda with limited liability)
(Stock Code: 1193)

FINAL RESULTS FOR THE YEAR ENDED 31ST DECEMBER, 2012

Driven by organic and acquisition growths, CR Gas recorded an increase of 45% in turnover to HK$19,591 million and registered a 38% increase in net profit attributable to equity shareholders to HK$1,651 million.

Gross gas sales volume increased 28% to 9.3 billion m^3 and total connected residential customers increased 34% to 14.03 million.

	2012 *'000*	**2011*** *'000*	**Increase** *(%)*
Turnover	**HK$19,590,613**	HK$13,506,632	45%
Profit attributable to owners of the Company	**HK$1,650,964**	HK$1,200,473	38%
Gross gas sales volume (m^3)	**9,267,592**	7,215,432	28%
Accumulated total connected residential customers	**14,026**	10,498	34%

* *Before Restatement*

The board of directors (the "Board") of China Resources Gas Group Limited (the "Company" or "CR Gas") are pleased to announce the final results of the Company and its subsidiaries (the "Group") for the year ended 31st December, 2012.

RESULTS

The PRC city gas distribution business continues to provide the Group with handsome profit and cash flow contributions. The Group achieved an increase in turnover of 45% to HK$19,591 million and recorded profit attributable to the Company's equity holders of HK$1,651 million for the year ended 31st December, 2012, an increase of 38% over corresponding year. The operating profit from city gas distribution business surged by 43% to HK$3,011 million and its net operating cash inflow increased 139% to HK$5,043 million. Gross gas sales volume increased 28% to 9,268 million m^3 and total connected residential customers increased 34% to 14.03 million.

The revenue of city gas distribution operation are derived from recurring gas sales and one-time gas connection fee which respectively accounts for 79% and 21% of the 2012 revenue (2011: 80% and 20% respectively).

The turnover of the city gas distribution operation for the year ended 31st December, 2012 amounted to HK$19,591 million, an increase of 45% over that of 2011. The significant increase was mainly due to the increase in gas sales volume by 28% from 7,215 million m^3 to 9,268 million m^3 and the increase in connection fee income by 48% from HK$2,741 million to HK$4,050 million. The increase in gas sales and connection fee income were in turn driven by the following factors:

(1) 34% increase in the daily installed capacity for commercial & industrial ("C&I") customers from 21.57 million m^3 to 28.85 million m^3.

(2) 34% increase in the number of connected households from 10.50 million to 14.03 million.

The city gas distribution operation registered an overall gross profit margin of 30.7% for 2012, which was 1.3% higher than the 29.4% for 2011. This is because the gross margin of gas sales grew from 21.4% to 22.5% and gross margin of connection fee from 60.9% to 62.4%.

The gross profit margin for connection fee income increased from 60.9% for 2011 to 62.4% for 2012 mainly because of connection fee income from cities with relative higher connection fees. The higher overall gas sales margin was mainly contributed from increase in sales to industrial customers and the increase in residential price in Zhengzhou.

The increase in absolute amounts of selling and distribution and general and administration expenses in 2012 were the result of the 78 projects acquired in 2012. As a percentage of revenue, selling and distribution expenses was 7.8% for 2012 and comparable to the 8.0% for 2011. The general and administration expenses increased from 9.1% in 2011 to 10.5% in 2012 due to the newly acquired projects during the year which will need time to attain higher operating efficiency. The increase of gross margin of 1.3%, the decrease in other revenue of 0.4%, the increase of 1.2% on total selling and distribution and general and administration expenses as well as the decrease in contribution from an associate of 0.3% mainly accounts for decrease in Earning Before Interest and Tax (EBIT) of 0.5% from 16.5% in 2011 to 16.0% in 2012. There was an increase in interest cost of 1% which was offset by the reduction of minority interest of 1%. Thus net income after tax and minority interest of 8.4% was also 0.5% less than the 8.9% in 2011.

BUSINESS REVIEW AND PROSPECTS

During 2008, the Group acquired from China Resources (Holdings) Company Limited ("CRH"), the Company's substantial and controlling shareholder, the entire issued share capital of China Resources Gas Limited ("CR Gas"). CR Gas, through its subsidiaries in the PRC, operates 7 city gas distribution businesses including natural gas pipelines and CNG filling stations. The Company was subsequently renamed as "China Resources Gas Group Limited" to reflect the focus on its sole city gas distribution business and its role as the city gas distribution flagship of CRH. Since then, the Group has consistently acquired a batch of city gas projects from CRH every year, and up to 31st December 2012, the Group has acquired a total of 5 batches of 46 projects from CRH.

The Group also acquires city gas projects directly from independent third parties and up to 31st December 2012, the Group has added 105 city gas projects in this manner, including projects in Direct Administrative Cities and Provincial Capitals.

Leverage on the excellent industry fundamentals and the Group's execution competency, the Company continues to expand rapidly via organic and acquisition growths. As at 31st December, 2012, the Company operates 151 city gas projects (including 11 provincial capitals and 2 direct administrative municipality) in 20 provinces in China with annual gross gas sales volume of 9.3 billion m^3 and 14.03 million residential customers.

The continued economic growth and urbanisation in China has spiked the demand for energy in China. In order to diversify energy base and reduce reliance on more polluting energy sources such as coal and crude oil, the PRC government has, in recent years, taken concrete measures to promote the development and utilisation of less polluting energy sources. Natural gas is considered a cleaner substitute for conventional energy sources such as coal and crude oil. The PRC government has therefore been very supportive of the development of the natural gas industry.

To increase natural gas supply, the "West to East Gas Transmission" pipelines were constructed with the support of the PRC government to bring natural gas from the Xinjiang Autonomous Region to the coastal regions of the PRC. Construction of the second phase of the "West to East Gas Transmission" pipelines from Central Asia and the "Sichuan to East" pipelines from the gas-rich Sichuan Province to coastal regions have been completed. Construction of the "West to East Gas Transmission" Phase 3, "Myanmar to Yunnan" gas pipeline as well as Liquefied Natural Gas terminals in coastal cities of the PRC are actively in progress. Natural gas price reform to close the price gap between imported and local gas prices are also gradually being implemented in phases. Once realised, these measures is expected to more than double the supply of natural gas in China in the next few years. Moreover, CR Gas is assured of adequate gas supply by leveraging on the strategic gas supply arrangements with the three national oil and gas giants namely China National Petroleum Corporation, China Petroleum & Chemical Corporation and CNOOC Gas & Power Group.

The PRC government places significant emphasis on the rapid development of natural gas industry under the 12th Five Year Plan to diversify its energy sources and reduce carbon emission. 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 rationalize the usage of natural gas. Construction of upstream gas pipelines and LNG receiving terminals are actively in progress. All these measures will greatly boost the availability of natural gas in China and will continue to offer significant opportunity for future growth in the downstream gas industry in China.

The Group has embarked on various operational enhancement measures to boost the quality of its organic growth. The Group will ride on the favourable industry fundamentals and its experienced management team with strong execution record to scale new heights via quality organic growth and acquisitions. We are confident of attaining the stated goal of achieving 20 billion cubic meters of gross gas sales volume and 20 million connected residential customers by 2015.

SIGNIFICANT INVESTMENTS AND ACQUISITIONS

Privatisation and withdrawal of listing of the H shares of Zhengzhou China Resources Gas Co., Ltd. ("Zhengzhou Gas") and a voluntary conditional offer made for all the issued shares of Zhengzhou Gas

On 10th October, 2011, the board of directors of the Company notified Zhengzhou Gas that it was considering to place before the shareholders of Zhengzhou Gas a proposal which, if implemented, would result in the delisting of H shares of Zhengzhou Gas from the Stock Exchange and a voluntary conditional offer made for all the issued shares of Zhengzhou Gas, other than those owned by the Company and members of its group.

The Company subsequently made the offer on 23rd November, 2011 in compliance with the Hong Kong Code on Takeovers and Mergers ("Takeovers Code") on the following basis:

For the H share offer – 1.5 new shares of the Company for each H share held as share consideration rounded down to the nearest whole share or cash of HK$14.73 for every H share held; and

For the Domestic share offer – cash of RMB12.02 for every Domestic share held, being RMB equivalent of HK$14.73 based on the exchange rate.

On 9th January, 2012, the Company and Zhengzhou Gas jointly announced that the special resolutions to approve the withdrawal of listing of the H shares were duly passed by way of poll at the H shares class meeting and the extraordinary general meeting. The valid acceptances have been received in respect of 22,647,000 H shares and 25,380,333 Domestic shares, representing 94.41% and 95.00% of the total number of the votes respectively. In addition, Zhengzhou Gas also announced that the special resolution to approve amendments to the articles of association was duly passed by way of poll at the EGM. The valid acceptances have been received in respect of 96,159,333 Domestic shares, representing 98.63% of the total number of the votes.

On 6th February, 2012, the Company and Zhengzhou Gas jointly announced that valid acceptances under the offers had been received in respect of 100,000 Domestic shares (representing approximately 0.14% of the total issued Domestic shares) and 47,969,222 H shares (representing approximately 87.11% of the total issued H shares), among which, cash consideration is applicable to 100,000 Domestic shares and 1,083,786 H shares and share consideration is applicable to 46,885,436 H shares initially. The closing date of the offers was originally set on 6th February, 2012, in order to provide more time for independent Zhengzhou Gas shareholders who have not accepted the offers to tender valid acceptance forms, the Company decided to extend the closing date of the offers to 20th February, 2012.

On 13th February, 2012, the boards of the Company and Zhengzhou Gas jointly announced that listing of the H shares would be withdrawn from the Stock Exchange with effect from 9:00 a.m. on 14th February, 2012.

On 20th February, 2012, the Company and Zhengzhou Gas jointly announced that the offers had closed. The valid acceptances under the offers had been received in respect of 100,000 Domestic shares (representing 0.14% of the total issued Domestic shares) and 48,978,667 H shares (representing approximately 88.95% of the total issued H shares). Cash consideration is applicable to 100,000 Domestic shares and 1,151,231 H shares and share consideration is applicable to 47,827,436 H shares.

Acquisition of AEI China Gas Limited

On 15th May, 2012, Thousand Victory Investments Limited, a wholly-owned subsidiary of the Company, entered into a sale and purchase agreement with AEI Asia Ltd., to acquire the entire issued share capital of AEI China Gas Limited for a consideration of US$237.72 million, which will be paid upon fulfilment of certain conditions.

AEI China Gas Limited and its group members are principally engaged in the operation of 28 city gas distribution businesses, 8 gas stations and 4 mid-stream gas transmission pipelines in 11 provinces in the PRC. Its gas sales volume for 2011 was 350 million cubic meters. Some 85% of the gas sales volume of these projects are made to industrial and commercial customers of higher margins and will make significant contribution to the Group upon completion.

The acquisition was completed after the fulfillment of certain condition precedents and payment of the purchase consideration on 3rd July, 2012.

Acquisition of Shanghai Baoshan China Resources Gas Co., Ltd.

In June 2012, the Group acquired 100% equity interest in 上海寶山華潤燃氣有限公司 (translated as Shanghai Baoshan China Resources Gas Co., Ltd), which is engaged in sales of liquefied gas and connection of gas pipelines, from an independent third party for a cash consideration of approximately RMB111,167,000 (equivalent to HK$136,735,000).

Acquisition of Fifth & Final Batch of City Gas Projects from CRH

On 23rd August, 2012, for a consideration of HK$2,415 million, the Company announced the acquisition of a batch of 16 projects (comprising 15 city gas projects and one mid-stream gas transmission pipeline project) from Powerfaith Enterprises Limited ("Powerfaith"), a wholly-owned subsidiary of its controlling shareholder, CRH. This was the fifth and final batch of city gas projects acquired from CRH since the last four batches in 2008, 2009, 2010 and 2011. The portfolio includes city gas distribution projects in provincial capitals in Fujian Province and Jiangxi Province, namely Fuzhou City and Nanchang City.

Fuzhou City, the capital of Fujian Province, is an important economic center of the Minjiang River Delta in the south eastern coastal region of China with modern sea, air and rail linkages. Covering an area of 12,177 square km, it comprises of 5 Central Districts, 6 Counties, 2 County-level Cities and 1 Economic Development Zone. Fuzhou City has a population of 7.2 million in 2011. Its GDP for 2011 was RMB373.5 billion with growth rate of 13%. Its per capita GDP of RMB52,100 is more than 50% higher than the national average of RMB34,300.

The GDP of Fuzhou City is mainly driven by industry and coal is used as the primary source of energy to fuel these industrial activities. The estimated amount of coal consumed per annum is 9 million tons which is equivalent to 4 billion cubic meters of natural gas. This offers a tremendous amount of room for natural gas to replace coal once more natural gas are available. LNG supply from CNOOC's LNG terminal in Putian, Fujian Province, just started to supply Fuzhou City in 2010. The initial capacity of this LNG terminal is 2.6 million metric ton per annum or equivalent to about 3.6 billion cubic meter of natural gas. There is a plan by CNOOC to double this LNG capacity in the near future. China National Petroleum Corporation ("CNPC") has also started constructing the 3 billion cubic meter capacity West-East Phase 3 pipeline, bringing natural gas from Central Asia to southern and eastern coastal regions of China. This pipeline is expected to reach Fujian Province by 2015.

The gas penetration rate of less than 5% in Fujian Province ranks among the lowest in China as natural gas only arrived here recently, which offers a tremendous amount of room for growth. The current annual gas sales volume of Fuzhou project is 200 million cubic meters of which 82% are sold to industrial, commercial and CNG users. This gas sales volume is expected to increase very substantially by 2015 in tandem with the increase in upstream natural gas supply. The initial rapid increase is fueled by the replacement of coal by natural gas and the increase will subsequently be sustained by the double digit economic growth and continuing urbanization of Fuzhou City. This will enable the Fuzhou project to rank among the Company's top 10 city gas projects by 2015 and contribute significantly to the Company's revenue and profit.

The acquisition adds to the Company's existing footprint in Fujian Province and create further cluster synergy with Xiamen city gas project in terms of LNG procurement, pipeline design & construction and management efficiency.

Nanchang City, the capital of Jiangxi Province, is an important logistics hub situated in the center of the Yangtze River Delta, Pearl River Delta and the south eastern Min/Fujian economic region. It has extensive rail, road and air infrastructures linking it with the entire China. Beijing-Kowloon Railway and Shanghai-Kunming Railway run through the city and it is also connected by the High-speed Railway to Shanghai, Hangzhou and Changsha. Beijing-Zhuhai, Shanghai-Kunming and Fuzhou-Lanzhou national trunk roads also connect Nanchang City to most of China.

Covering an area of 7,402 square km, it comprises of 5 Central Districts, 4 Counties, 2 County-level Cities and 2 National Level Economic Development Zones. Nanchang City has a population of 5.05 million in 2011 and its GDP for 2011 was RMB268.9 billion with growth rate of 13%. Its per capita GDP of RMB53,200 is more than 50% higher than the national average of RMB34,300.

Like Fuzhou, the GDP of Nanchang City is also mainly driven by industry and coal is used as the primary source of energy to fuel these industrial activities. The estimated amount of coal consumed per annum is 4.2 million tons which is equivalent to 1.9 billion cubic meter of natural gas. Natural gas supply from Sinopec's Sichuan-East pipeline just started to supply Nanchang City in 2010. The city has also begun to receive gas supply in 2012 from CNPC's West-East Phase 2 pipeline, which brings natural gas from Central Asia to eastern coastal regions of China.

The gas penetration rate of 5% in Jiangxi Province ranks among the lowest in China as natural gas only arrived recently, which offers a lot of scope for growth. The current annual gas sales volume of Nanchang project is 130 million cubic meters of which industrial and commercial users accounts for 61%. This gas sales volume is expected to increase significantly by 2015 in tandem with the increase in natural gas supply. The initial rapid increase is fueled by the replacement of coal by natural gas and the increase will subsequently be sustained by the continuing double digit economic growth of Nanchang City. As a provincial city gas project, it will contribute significantly to the Company's revenue and profit by 2015.

The acquisition adds to the Company's existing footprint in Jiangxi Province and create further cluster synergy with city gas projects in Jingdezhen and Yingtan in terms of centralized procurement, pipeline design & construction and management efficiency.

Also included in the projects acquired are 6 projects located in prefecture-level cities with sizeable GDP and double digit growth rates. All the above gas projects acquired are relatively new to pipe natural gas thus offers a tremendous room to growth at a very high rate in the near future. Their aggregate gas sales volume is expected to grow in tandem with the overall growth in gas supply in China which is projected to more than double to 260 billion cubic meter by 2015. In addition, cluster synergy with the Company's existing city gas projects will be further enhanced to fuel further operational scale and resulting economic efficiency.

Independent shareholders' approval and the fulfillment of all necessary conditions were obtained on 16th October, 2012. The consideration was funded fully by a shareholder's loan repayable within 6 months of completion of acquisition with interest at normal commercial rate agreed between the Company and CRH.

Establishment of a joint venture company in Tianjin

On 2nd November, 2011, the Company, through China Resources Gas (Hong Kong) Investment Limited ("China Resources Gas"), a wholly-owned subsidiary of the Company, entered into the Joint Venture Contract, the Supplemental Agreement and the Articles of Association with 天津市燃氣集團有限公司 (translated as Tianjin Gas group company Limited) in relation to the proposed establishment of the joint venture company. The joint venture company will principally engage in, among other things, the investment, construction and operation of city gas pipelines, the sale and distribution of gas, the provision of gas related equipment, apparatus and ancillary services, as well as gas facilities repair and maintenance in Tianjin Municipality of the PRC.

On 6th November, 2012, the Ministry of Commerce of the PRC has approved the establishment of the joint venture company. The total investment and registered capital are, respectively, RMB6 billion and RMB5 billion.

On 12th December, 2012, the joint venture company was incorporated and an amount of RMB2.45 billion was paid by China Resources Gas to the joint venture company on 14th January, 2013 for its share of 49% interest in the joint venture.

Establishment of a joint venture company in Panzhihua

In February 2012, the Company, through 華潤燃氣投資(中國)有限公司 (translated as China Resources Gas Investment (China) Limited), an indirect wholly-owned subsidiary of the Company, entered into a joint venture contract with 攀鋼集團有限公司 (translated as Pangang Group Company Limited) in relation to the establishment of a joint venture company, which is engaged in sales of liquefied gas and connection of gas pipelines. The registered capital is RMB100 million, of which 80% (equivalent to RMB80 million) would be contributed in cash by China Resources Gas Investment (China) Limited.

Establishment of a joint venture company in Changzhi

In May 2012, the Company, through 華潤燃氣投資(中國)有限公司 (translated as China Resources Gas Investment (China) Limited), entered into a joint venture contract with 長治市國有工業資產經營有限公司 (translated as Changzhi City State-Owned Assets Management Company Limited) in relation to the establishment of a joint venture company, which is engaged in sales of liquefied gas and connection of gas pipelines. The registered capital is RMB300.19 million, of which 55% (approximately RMB165 million) would be contributed in cash by China Resources Gas Investment (China) Limited.

Establishment of a joint venture company in Puyang

In June 2012, the Company, through 華潤燃氣投資(中國)有限公司 (translated as China Resources Gas Investment (China) Limited), entered into a joint venture contract with 濮陽市天然氣公司 (translated as Puyang City Gas Company) in relation to the establishment of a joint venture company, which is engaged in sales of liquefied gas and connection of gas pipelines. The registered capital is RMB185 million, of which 80% (equivalent to RMB148 million) would be contributed in cash by China Resources Gas Investment (China) Limited.

Establishment of a joint venture company in Panjin

In July 2012, the Company, through 華潤燃氣投資(中國)有限公司 (translated as China Resources Gas Investment (China) Limited), entered into a joint venture contract with 盤錦市天然氣總公司 (translated as Panjin City Gas Corporation) in relation to the establishment of a joint venture company, which is engaged in sales of liquefied gas and connection of gas pipelines. The registered capital is RMB150 million, of which 95% (equivalent to RMB142.50 million) would be contributed in cash by China Resources Gas Investment (China) Limited.

Establishment of a joint venture company in Handan

In August 2012, the Company, through 華潤燃氣投資(中國)有限公司 (translated as China Resources Gas Investment (China) Limited), entered into a joint venture contract with 邯鄲市煤氣公司 (translated as Handan City Gas Company) in relation to the establishment of a joint venture company, which is engaged in sales of liquefied gas and connection of gas pipelines. The registered capital is RMB360 million, of which 71% (equivalent to RMB255.60 million) would be contributed in cash by China Resources Gas Investment (China) Limited.

Establishment of a wholly-owned subsidiary in Pingtan

In September 2012, the Company, through 華潤燃氣投資(中國)有限公司 (translated as China Resources Gas Investment (China) Limited) established a wholly-owned subsidiary in Pingtan namely 平潭華潤燃氣有限公司 (translated as Pingtan China Resources Gas Co., Ltd.), which is engaged in sales of liquefied gas and connection of gas pipelines. The registered capital is RMB100 million.

Establishment of a joint venture company in Wugang

In October 2012, the Company, through 華潤燃氣投資(中國)有限公司 (translated as China Resources Gas Investment (China) Limited), entered into a joint venture contract with 武鋼後勤集團房產公司 (translated as Wugang Logistics Group Real Estate Company) (a subsidiary of 武漢鋼鐵(集團)公司 (translated as Wuhan Iron and Steel (Group) Corp.) in relation to the establishment of a joint venture company, which is engaged in sales of liquefied gas and connection of gas pipelines. The registered capital is RMB300 million, of which 50% (equivalent to RMB150 million) would be contributed in cash by China Resources Gas Investment (China) Limited.

Establishment of a joint venture company in Zaozhuang

In November 2012, the Company, through 華潤燃氣投資(中國)有限公司 (translated as China Resources Gas Investment (China) Limited), entered into a joint venture contract with 棗莊市燃氣總公司 (translated as Zaozhuang City Gas Corporation) in relation to the establishment of a joint venture company, which is engaged in sales of liquefied gas and connection of gas pipelines. The registered capital is RMB150 million, of which 70% (equivalent to RMB105 million) would be contributed in cash by China Resources Gas Investment (China) Limited.

SHARE CAPITAL AND SHARE OPTIONS

In January and February 2012, 71,741,153 new shares were issued to H share shareholders of Zhengzhou Gas in relation to a voluntary conditional offer made for all the issued shares of Zhengzhou Gas. 160,000,000 new shares were issued in November 2012 as a source of fund for acquisition of more downstream city gas distribution business. Details of the movements in share capital and share options of the Company during the year are set out in the consolidated financial statements. No share option was granted or exercised during the year.

FINAL DIVIDEND

The Directors have resolved to recommend the payment of a final dividend of 14 HK cents per share. Together with the interim dividend of 2 HK cents per share paid in October 2012, total distribution for 2012 would thus be 16 HK cents per share (2011: 12 HK cents per share).

Subject to the approval of shareholders at the forthcoming annual general meeting, the final dividend will be payable on 14th June, 2013 to shareholders on the register of members of the Company on 6th June, 2013.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 27th May, 2013 to 31st May, 2013, both days inclusive. In order to determine the identity of members who are entitled to attend and vote at the annual general meeting to be held on 31st May, 2013, completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch registrar and transfer office in Hong Kong, Tricor Secretaries Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on 24th May, 2013.

Subject to the approval of shareholders at the annual general meeting, the proposed final dividend will be payable to shareholders whose names appear on the register of members of the Company after the close of business at 4:30 p.m. on Thursday, 6th June, 2013 and the register of members of the Company will be closed on Thursday, 6th June, 2013, during which no transfer of shares of the Company will be registered. In order to qualify for the proposed final dividend, completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Secretaries Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Wednesday, 5th June, 2013.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's shares during the year ended 31st December, 2012.

COMPLIANCE WITH CODE ON CORPORATE GOVERNANCE PRACTICES AND CORPORATE GOVERNANCE CODE

The Company has adopted the mandatory provisions of the Code on Corporate Governance Practices (the "Former CG Code") set out in Appendix 14 to the Listing Rules which came into effect on 1st January, 2005 which was revised and renamed as Corporate Governance Code (the "New CG Code") with effect from 1st April, 2012, as its own code of corporate governance practices. In line with the mandatory provisions of the Former CG Code and New CG Code, the Company has adopted a Corporate Governance Handbook (the "Handbook") on 23rd December, 2005 and subsequently updated in 2008, 2009, 2010 and 2012 respectively. The contents of the Handbook include, among others, directors' duties, model code for directors' transactions in securities, model code for securities transaction by relevant employees, the functions and terms of reference of the Audit, Remuneration, Nomination, Investment and Corporate Governance Committees, disclosure of information, communication with shareholders and procedures for shareholders to propose a person for election as a director. All the mandatory provisions under the New CG Code have been adopted and reflected in the Handbook. The Company has throughout the year complied with code provisions set out in the Former CG Code (effective until 31st March, 2012) and the New CG Code (effective from 1st April, 2012) contained in Appendix 14 of the Listing Rules except for the deviations from code provisions A.6.7, D.1.4 and E.1.2 which are explained as follows:

Under the code provision A.6.7, Mr. Du Wenmin and Mr. Wei Bin, the Non-executive Directors, were unable to attend the annual general meeting (the "AGM") and the special general meeting (the "SGM") of the Company held on 31st May, 2012 and 16th October, 2012 respectively due to conflicting business schedules. Mr. Huang Daoguo, the Non-executive Director, was unable to attend the SGM of the Company due to conflicting business schedule.

Under the code provision D.1.4, the Company should have formal letters of appointment for directors setting out the key terms and conditions of their appointment. The Company did not have formal letters of appointment for Directors. However, the Directors are subject to retirement by rotation at least once every three years in accordance with the Bye-Laws. In addition, the Directors are required to refer to the guidelines set out in "A Guide on Directors' Duties" issued by the Companies Registry and "Guidelines for Directors" and "Guide for Independent Non-executive Directors" (if applicable) published by the Hong Kong Institute of Directors in performing their duties and responsibilities as directors of the Company. Besides, the Directors are required to comply with the requirements under statute and common law, the Listing Rules, legal and other regulatory requirements and the Company's business and governance policies.

Under the code provision E.1.2 which provides that the Chairman of the Board should attend the AGM of the Company which was held on 31st May, 2012. The Chairman of the Board did not attend the AGM as he had conflicting business schedule. The chairmen or members of the Audit, Remuneration, Nomination, Investment and Corporate Governance Committees and the Chief Financial Officer attended the AGM. The Company considers that their presence is sufficient for (i) answering questions from and (ii) effective communication with shareholders present at the AGM.

Save as those mentioned above and in the opinion of the Directors, the Company has met the code provisions set out in the Former CG Code and New CG Code throughout the year.

AUDITED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31ST DECEMBER, 2012

	NOTES	**2012**	2011
		HK$'000	*HK$'000*
			(Restated)
Turnover	*3*	**19,590,613**	14,208,046
Cost of sales		**(13,571,704)**	(10,042,522)
Gross profit		**6,018,909**	4,165,524
Other income		**572,784**	458,589
Selling and distribution expenses		**(1,522,478)**	(1,164,704)
Administrative expenses		**(2,058,257)**	(1,355,514)
		3,010,958	2,103,895
Finance costs		**(333,798)**	(87,687)
Share of results of associates		**125,369**	119,217
Profit before taxation		**2,802,529**	2,135,425
Taxation	*4*	**(767,824)**	(563,024)
Profit for the year	*5*	**2,034,705**	1,572,401
Other comprehensive income for the year			
Exchange differences arising on translation		**4,657**	575,576
Share of other comprehensive income of associates		**332**	55,028
		4,989	630,604
Total comprehensive income for the year		**2,039,694**	2,203,005
Profit for the year attributable to:			
Owners of the Company		**1,650,964**	1,176,268
Non-controlling interests		**383,741**	396,133
		2,034,705	1,572,401
Total comprehensive income for the year attributable to:			
Owners of the Company		**1,654,060**	1,743,448
Non-controlling interests		**385,634**	459,557
		2,039,694	2,203,005
		HK$	*HK$*
			(Restated)
Earnings per share			
Basic	*7*	**0.82**	0.61
Diluted		**0.82**	0.61

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31ST DECEMBER, 2012

	NOTES	**31.12.2012**	31.12.2011	1.1.2011
		HK$'000	*HK$'000*	*HK$'000*
			(Restated)	(Restated)
Non-current assets				
Property, plant and equipment		**17,712,079**	12,394,681	9,864,496
Prepaid lease payments		**1,143,767**	936,078	902,682
Investment properties		**53,681**	54,519	11,647
Interests in associates		**1,861,428**	1,695,774	136,711
Available-for-sale investments		**26,353**	36,942	49,974
Goodwill		**1,676,018**	1,216,719	969,197
Operating rights		**855,615**	751,287	734,008
Deferred tax assets		**191,682**	124,329	133,623
Deposits for operating rights		**70,728**	70,741	–
Deposits for prepaid lease payments		**73,022**	49,591	30,418
Deposits for property, plant and equipment		**119,342**	13,144	–
Deposits for investments		**208,805**	–	792,987
		23,992,520	17,343,805	13,625,743
Current assets				
Inventories		**747,339**	464,279	319,819
Trade and other receivables	*8*	**4,366,327**	3,095,084	2,065,513
Amounts due from customers for contract work		**838,189**	696,810	446,985
Prepaid lease payments		**39,540**	37,518	34,807
Amounts due from fellow subsidiaries		**33,913**	23,001	69,607
Pledged bank deposits		**95,480**	54,002	14,875
Bank balances and cash		**12,285,555**	7,123,634	7,008,840
		18,406,343	11,494,328	9,960,446
Current liabilities				
Trade and other payables	*9*	**6,239,457**	4,472,581	4,154,798
Amounts due to customers for contract work		**5,510,223**	3,438,710	1,780,942
Amount due to an intermediate holding company		**45,016**	994,313	1,723,590
Amounts due to fellow subsidiaries		**2,564,673**	254,303	–
Government grants		**9,545**	3,599	8,505
Bank and other borrowings		**239,314**	1,677,164	613,789
Taxation payable		**319,516**	209,053	162,655
		14,927,744	11,049,723	8,444,279
Net current assets		**3,478,599**	444,605	1,516,167
		27,471,119	17,788,410	15,141,910

	NOTE	31.12.2012	31.12.2011	1.1.2011
		HK$'000	*HK$'000*	*HK$'000*
			(Restated)	(Restated)
Capital and reserves				
Share capital	*10*	**222,401**	199,227	183,109
Reserves		**11,481,872**	9,119,432	6,865,087
Equity attributable to owners of the Company		**11,704,273**	9,318,659	7,048,196
Non-controlling interests		**3,099,753**	2,547,404	2,190,843
		14,804,026	11,866,063	9,239,039
Non-current liabilities				
Government grants		**125,826**	87,702	74,501
Bank and other borrowings		**5,952,547**	5,014,425	5,163,325
Senior notes		**5,669,130**	–	–
Other long-term liabilities		**195,347**	195,917	125,626
Deferred tax liabilities		**724,243**	624,303	539,419
		12,667,093	5,922,347	5,902,871
		27,471,119	17,788,410	15,141,910

NOTES:

1. BASIS OF PREPARATION

This announcement has been presented in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules"). The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

During the year ended 31st December, 2012, the Company acquired from a fellow subsidiary 100% equity interests in China Resources Petrochem Gas Group Limited ("CR Petrochem") on 16th October, 2012 for a cash consideration of HK$2,415,000,000. The Group and CR Petrochem and its subsidiaries ("CR Petrochem Group") are engaged in sales of liquefied gas and connection of gas pipelines in the PRC.

The Group and CR Petrochem Group are both under the control of CRNC before and after the date of acquisition, and that control is not transitory. The Group and CR Petrochem Group are regarded as continuing entities as at the date of business combinations and hence the acquisition has been accounted for as combination of entities under common control by applying the principles of merger accounting in accordance with Accounting Guideline 5 "Merger Accounting for Common Control Combinations" ("AG 5") issued by the Hong Kong Institute of Certified Public Accountants. Accordingly, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the two years ended 31st December, 2011 and 2012 include the results of operations, changes in equity and cash flows of CR Petrochem Group as if the current group structure upon the completion of the group reorganisation had been in existence throughout the two years ended 31st December, 2011 and 2012, or since their respective dates of incorporation or establishment where this is a shorter period, except for the jointly controlled entity acquired by CR Petrochem Group during the year ended 31st December, 2011, which is included in the consolidated financial statements since it was acquired by CR Petrochem Group. The consolidated statements of financial position of the Group as at 1st January, 2011 and 31st December, 2011 have been restated to include the assets and liabilities of the companies comprising CR Petrochem Group as if current group structure had been in existence as at the respective date, except for the jointly controlled entity acquired by CR Petrochem Group during the year ended 31st December, 2011, which is included in the consolidated statement of financial position as at 31st December, 2011.

Apart from the aforesaid business combination of entities under common control, the Group has retrospectively adjusted the provisional fair values of the assets and liabilities of the subsidiaries acquired during the year ended 31st December, 2011 to reflect the fair value adjustments made upon completion of the acquisition accounting during the current year. Adjustments have been made retrospectively to property, plant and equipment, goodwill and deferred tax liabilities.

During the year ended 31st December, 2011, the Company acquired from a fellow subsidiary 100% equity interests in Wang Gao Limited ("Wang Gao") on 5th September, 2011, for a consideration of HK$1,930,874,000 (details are set out in the Company's circular dated 12th August, 2011). The Group and Wang Gao and its subsidiaries ("Wang Gao Group") are engaged in sales of liquefied gas and connection of gas pipelines in the PRC.

The Group and Wang Gao Group are both under the control of CRNC before and after the date of acquisition, and that control is not transitory. The Group and Wang Gao Group are regarded as continuing entities as at the date of business combinations and hence the acquisition has been accounted for as combinations of entities under common control by applying the principles of merger accounting in accordance with AG 5 issued by the HKICPA. The effect of those restatements arising from the business combination of Wang Gao Group has been adjusted in the consolidated financial statements of the Group for the year ended 31st December, 2011.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

In the current year, the Group has applied the following new and revised HKFRSs issued by the HKICPA.

Amendments to HKAS 12	Deferred tax: Recovery of underlying assets
Amendments to HKFRS 7	Financial instruments: Disclosures – Transfers of financial assets

The application of the amendments to HKFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

The Group has not early applied the following new and revised HKFRSs that have been issued but are not yet effective.

Amendments to HKFRSs	Annual improvements to HKFRSs 2009-2011 cycle[1]
Amendments to HKFRS 7	Disclosures – Offsetting financial assets and financial liabilities[1]
Amendments to HKFRS 9 and HKFRS 7	Mandatory effective date of HKFRS 9 and transition disclosures[3]
Amendments to HKFRS 10, HKFRS 11 and HKFRS 12	Consolidated financial statements, joint arrangements and disclosure of interests in other entities: Transition guidance[1]
Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment entities[2]
HKFRS 9	Financial instruments[3]
HKFRS 10	Consolidated financial statements[1]
HKFRS 11	Joint arrangements[1]
HKFRS 12	Disclosure of interests in other entities[1]
HKFRS 13	Fair value measurement[1]
HKAS 19 (as revised in 2011)	Employee benefits[1]
HKAS 27 (as revised in 2011)	Separate financial statements[1]
HKAS 28 (as revised in 2011)	Investments in associates and joint ventures[1]
Amendments to HKAS 1	Presentation of items of other comprehensive income[4]
Amendments to HKAS 32	Offsetting financial assets and financial liabilities[2]
HK(IFRIC) – INT 20	Stripping costs in the production phase of a surface mine[1]

1 Effective for annual periods beginning on or after 1st January, 2013.
2 Effective for annual periods beginning on or after 1st January, 2014.
3 Effective for annual periods beginning on or after 1st January, 2015.
4 Effective for annual periods beginning on or after 1st July, 2012.

3. TURNOVER AND SEGMENT INFORMATION

Information reported to the executive directors of the Company, being the chief operating decision maker, for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided.

The Group's operating segments under HKFRS 8 are as follows:

Sale and distribution of gas fuel and related products – sale of liquefied petroleum gas and natural gas for residential, commercial and industrial use

Gas connection – connection fee income and construction contracts for gas connection to the Group's pipelines

Segments results represent the profit before taxation earned by each segment, excluding sundry income, interest income, finance costs, central administration costs, release from prepaid lease payments and directors' salaries. This is the measure reported to the executive directors for the purpose of resource allocation and assessment of segment performance.

The information of segment revenue, segment results, segment assets and segment liabilities are as follows:

3. TURNOVER AND SEGMENT INFORMATION – continued

For the year ended 31st December, 2012

Segment revenue and results

	Sale and distribution of gas fuel and related products *HK$'000*	Gas connection *HK$'000*	Total *HK$'000*
Turnover			
External sales	**15,540,751**	**4,049,862**	**19,590,613**
Results			
Segment results	**1,580,057**	**1,733,152**	**3,313,209**
Share of results of associates			**125,369**
Finance costs			**(333,798)**
Unallocated income			**458,227**
Unallocated expenses			**(760,478)**
Profit before taxation			**2,802,529**

Segment assets and liabilities

	Sale and distribution of gas fuel and related products *HK$'000*	Gas connection *HK$'000*	Consolidated *HK$'000*
ASSETS			
Segment assets	**17,139,595**	**5,147,545**	**22,287,140**
Interests in associates			**1,861,428**
Deferred tax assets			**191,682**
Unallocated corporate assets *(Note a)*			**18,058,613**
			42,398,863
LIABILITIES			
Segment liabilities	**3,500,369**	**7,636,132**	**11,136,501**
Taxation payable			**319,516**
Deferred tax liabilities			**724,243**
Unallocated corporate liabilities *(Note b)*			**15,414,577**
			27,594,837

3. TURNOVER AND SEGMENT INFORMATION – continued

For the year ended 31st December, 2012 – continued

Other information

	Sale and distribution of gas fuel and related products *HK$'000*	**Gas connection** *HK$'000*	**Unallocated** *HK$'000*	**Total** *HK$'000*
Additions to non-current assets	**3,642,911**	**–**	**233,896**	**3,876,807**
Depreciation and amortisation	**633,017**	**–**	**127,559**	**760,576**
Release of prepaid lease payments	**–**	**–**	**27,568**	**27,568**
Impairment loss on trade receivables	**5,890**	**–**	**–**	**5,890**
Gain on disposal of property, plant and equipment	**19,093**	**–**	**–**	**19,093**

For the year ended 31st December, 2011

Segment revenue and results (restated)

	Sale and distribution of gas fuel and related products *HK$'000*	Gas connection *HK$'000*	Total *HK$'000*
Turnover			
External sales	11,253,594	2,954,452	14,208,046
Results			
Segment results	1,073,963	1,236,569	2,310,532
Share of results of associates			119,217
Finance costs			(87,687)
Unallocated income			374,777
Unallocated expenses			(581,414)
Profit before taxation			2,135,425

3. TURNOVER AND SEGMENT INFORMATION – continued

For the year ended 31st December, 2011 – continued

Segment assets and liabilities (restated)

	Sale and distribution of gas fuel and related products *HK$'000*	Gas connection *HK$'000*	Consolidated *HK$'000*
ASSETS			
Segment assets	11,786,400	3,646,834	15,433,234
Interests in associates			1,695,774
Deferred tax assets			124,329
Unallocated corporate assets *(Note a)*			11,584,796
			28,838,133
LIABILITIES			
Segment liabilities	2,315,833	4,878,075	7,193,908
Taxation payable			209,053
Deferred tax liabilities			624,303
Unallocated corporate liabilities *(Note b)*			8,944,806
			16,972,070

Other information (restated)

	Sale and distribution of gas fuel and related products *HK$'000*	Gas connection *HK$'000*	Unallocated *HK$'000*	Total *HK$'000*
Additions to non-current assets	1,850,628	–	179,458	2,030,086
Depreciation and amortisation	489,681	–	73,910	563,591
Release of prepaid lease payments	–	–	23,055	23,055
Impairment loss on trade receivables	2,894	–	–	2,894
Gain on disposal of property, plant and equipment	15,403	–	–	15,403

3. **TURNOVER AND SEGMENT INFORMATION – continued**

At 1st January, 2011

Segment assets and liabilities (restated)

	Sale and distribution of gas fuel and related products *HK$'000*	Gas connection *HK$'000*	Consolidated *HK$'000*
ASSETS			
Segment assets	9,406,170	2,581,297	11,987,467
Deferred tax assets			133,623
Interests in associates			136,711
Unallocated corporate assets *(Note a)*			11,328,388
			23,586,189
LIABILITIES			
Segment liabilities	1,684,854	3,699,284	5,384,138
Taxation payable			162,655
Deferred tax liabilities			539,419
Unallocated corporate liabilities *(Note b)*			8,260,938
			14,347,150

Geographical information

The Group's turnover and non-current assets (excluded financial instruments and deferred tax assets) are arisen in and located in the PRC during both years.

Information about major customers

No single external customer contributed revenue from transactions amounting to 10% or more of the revenue of the Group during both years.

Notes:

(a) Unallocated corporate assets represent goodwill arising on acquisition of subsidiaries and jointly controlled entities which are engaged in sale and distribution of gas fuel and related products and gas connection, investment properties, prepaid lease payments, deposits for prepaid lease payments, deposits for property, plant and equipment, deposits for investments, available-for-sale investments, other receivables, amounts due from fellow subsidiaries, pledged bank deposits and bank balances and cash.

(b) Unallocated corporate liabilities represent other payables, accrued expenses, consideration payable for acquisition of subsidiaries, amounts due to an intermediate holding company and fellow subsidiaries, bank and other borrowings, senior notes and other long-term liabilities (excluding payable for acquisition of operating rights). The amounts due to an intermediate holding company and fellow subsidiaries, bank and other borrowings and senior notes are classified as unallocated corporate liabilities because they are managed centrally by the treasury function of the Group.

4. TAXATION

	2012	2011
	HK$'000	*HK$'000*
		(Restated)
The tax charge (credit) comprises:		
Current taxation		
PRC Enterprise Income Tax	**695,715**	545,551
Underprovision in prior years	**6,074**	–
Withholding tax paid for distributed profits of investments in the PRC	**54,277**	31,224
	756,066	576,775
Deferred taxation		
Credit for the year	**11,758**	(13,751)
	767,824	563,024

Hong Kong Profits Tax is calculated at 16.5% (2011: 16.5%) on the estimated assessable profits for the year. The Company and its subsidiaries operating in Hong Kong do not have assessable profits, accordingly, no provision for Hong Kong Profits Tax has been made in the consolidated financial statements.

Profits tax arising in the PRC is calculated based on the applicable tax rates on assessable profits.

Certain subsidiaries operating in the PRC are exempted from income tax applicable in the PRC for two years starting from the first profit making year after utilisation of the tax losses brought forward and were granted a 50% relief from applicable tax rate of 25% for the following three years.

Certain jointly controlled entities which are operating in the Western China have been granted tax concessions by the local tax bureau and are entitled to PRC Enterprise Income Tax at concessionary rate of 15% for 3 to 5 years.

According to a joint circular of the Ministry of Finance and State Administration of Taxation, Cai Shui 2010 No. 1, only the profits earned by foreign-investment enterprise prior to 1st January, 2008, when distributed to foreign investors, can be grandfathered and exempted from withholding tax. Whereas, dividend distributed out of the profits generated thereafter, shall be subject to the Enterprise Income Tax at 5% or 10% and withheld by the PRC entities, pursuant to Articles 3 and 27 of the New Law and Article 91 of its Detailed Implementation Rules.

5. PROFIT FOR THE YEAR

	2012	2011
	HK$'000	*HK$'000*
		(Restated)
Profit for the year has been arrived at after charging (crediting):		
Staff costs		
Directors' emoluments	**47,410**	31,225
Other staff		
– Salaries and other benefits	**1,541,882**	1,010,766
– Performance related incentive payments under the Incentive Award Scheme	**75,246**	67,609
– Retirement benefits schemes contributions	**244,173**	153,241
Total staff costs	**1,908,711**	1,262,841
Auditor's remuneration	**5,500**	4,100
Depreciation of property, plant and equipment	**717,717**	527,552
Depreciation of investment properties	**2,407**	1,988
Amortisation of operating rights (included in administrative expenses)	**40,452**	34,051
Release of prepaid lease payments	**27,568**	23,055
Impairment loss on trade receivables	**5,890**	2,894
Impairment loss on inventories	**-**	954
Operating lease rentals in respect of rented premises	**79,356**	49,135
Gain on disposal of property, plant and equipment	**(19,093)**	(15,403)
Loss (gain) on disposal of available-for-sale investments	**1,680**	(665)
Government grants	**(60,605)**	(47,073)
Interest on bank deposits	**(266,969)**	(103,376)
Rental income from investment properties (net of negligible outgoings)	**(6,064)**	(4,856)

6. DIVIDENDS

	2012	2011
	HK$'000	*HK$'000*
Dividends recognised as distribution during the year:		
Interim dividend paid of 2 HK cents per share for 2012 (2011: paid of 2 HK cents per share for 2011)	**40,073**	33,199
Final dividend paid of 10 HK cents per share for 2011 (2011: paid of 8 HK cents per share for 2010)	**200,357**	141,050
	240,430	174,249

The directors recommend the payment of a final dividend of 14 HK cents per share for the year ended 31st December, 2012 (2011: 10 HK cents per share).

7. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share is based on the following data:

	2012	2011
	HK$'000	*HK$'000*
		(Restated)
Earnings:		
Earnings for the purpose of basic and diluted earnings per share (profit for the year attributable to owners of the Company)	**1,650,964**	1,176,268

	2012	2011
		(Restated)
Number of shares:		
Weighted average number of shares in issue less shares held for incentive award scheme for the purpose of basic earnings per share	**2,015,851,847**	1,921,478,763
Effect of dilutive potential shares		
Share options	**748**	52,320
Weighted average number of shares in issue less shares held for incentive award scheme for the purpose of diluted earnings per share	**2,015,852,595**	1,921,531,083

8. TRADE AND OTHER RECEIVABLES

The Group generally allows credit periods ranging from 30 to 90 days to its customers. The aged analysis of trade receivables, net of allowance for doubtful debts, is presented based on the invoice date at the end of the reporting period as follows:

	31.12.2012	31.12.2011	1.1.2011
	HK$'000	*HK$'000*	*HK$'000*
		(Restated)	(Restated)
0 – 90 days	**1,803,666**	903,446	505,146
91 – 180 days	**118,899**	73,296	63,395
Over 180 days	**140,625**	78,694	53,618
	2,063,190	1,055,436	622,159

9. TRADE AND OTHER PAYABLES

The aged analysis of trade payables is presented based on invoice date at the end of the reporting period as follows:

	31.12.2012	31.12.2011	1.1.2011
	HK$'000	*HK$'000*	*HK$'000*
		(Restated)	(Restated)
0 – 90 days	**2,303,746**	1,338,210	678,033
91 – 180 days	**125,474**	68,086	119,268
Over 180 days	**291,884**	250,758	318,376
	2,721,104	1,657,054	1,115,677

The average credit period on purchases of goods ranges from 7 to 180 days.

10. SHARE CAPITAL

	Number of shares	Nominal value of shares *HK$'000*
Shares of HK$0.10 each		
Authorised:		
At 1st January, 2011, 31st December, 2011 and 31st December, 2012	**10,000,000,000**	1,000,000
Issued and fully paid:		
At 1st January, 2011	**1,831,094,933**	183,109
Issue of shares upon combination of entities under common control *(Note a)*	**161,174,785**	16,118
At 31st December, 2011	**1,992,269,718**	199,227
Issue of share upon acquisition of additional interest in a subsidiary *(Note b)*	**71,741,153**	7,174
Placing of shares *(Note c)*	**160,000,000**	16,000
At 31st December, 2012	**2,224,010,871**	222,401

The new shares issued during the year rank pari passu in all respects with the existing shares in issue.

Notes:

(a) Pursuant to the sale and purchase agreement entered into on 22nd July, 2011, the Group acquired 100% equity interest in Wang Gao for a consideration of HK$1,930,874,000. The consideration was satisfied in full by the allotment and issue of 161,174,785 consideration shares in the Company. The consideration shares were issued on 5th September, 2011, at which time the share price was HK$11.98 per share.

(b) In January and February 2012, the Group acquired additional interest in a subsidiary, 鄭州華潤燃氣股份有限公司("Zhengzhou Gas"), for a consideration of HK$805,288,000 for the purpose of the privatisation and withdrawal of the listing of H shares of Zhengzhou Gas. The consideration was satisfied by cash of HK$16,957,000 and the allotment and issue of 71,741,153 consideration shares in the Company of HK$788,331,000. The consideration shares were issued at an average share price of HK$10.99 per share.

(c) On 20th November, 2012, CRH (Gas) Limited ("CRH (Gas)"), the Company's immediate holding company, and the Company entered into a placing and subscription agreement with the placing agent pursuant to which the placing agent placed 160,000,000 existing shares at a price of HK$16.95 per share owned by CRH (Gas) to certain independent places. Pursuant to the placing and subscription agreement, CRH (Gas) subscribed for 160,000,000 new shares equivalent to the number of the placing shares. The proceeds from the placing of shares, net of professional fees and out-of-pocket expenses, will be used principally for acquisition of more downstream city gas distribution businesses in the PRC.

REVIEW AND AUDIT OF ACCOUNTS

The consolidated financial statements of the Group for the year ended 31st December, 2012 have been reviewed by the Audit Committee of the Company, which comprises two Independent Non-executive Directors and one Non-executive Director, and have been audited by the Company's auditor, Deloitte Touche Tohmatsu. The Independent Auditor's Report will be included in the Annual Report to the shareholders.

PUBLICATION OF ANNUAL RESULTS ON THE WEBSITE OF THE STOCK EXCHANGE

The Annual Report of the Company will be dispatched to shareholders and published on the Stock Exchange's website (www.hkexnews.hk) and the Company's website (www.crgas.com.hk) in due course.

APPRECIATION

On behalf of the Board, I would like to take this opportunity to express our most sincere appreciation to our business partners, customers and shareholders for their unfailing support as well as all the Group's employees for their hard work and dedication in carrying out their duties and in achieving the Group's business goal.

On behalf of the Board
CHINA RESOURCES GAS GROUP LIMITED
WANG Chuandong
Chairman

Hong Kong, 13th March, 2013

As at the date of this announcement, the directors of the Company are Mr. Wang Chuandong, Mr. Shi Shanbo and Mr. Ong Thiam Kin, being Executive Directors; Mr. Du Wenmin, Mr. Wei Bin, Mr. Huang Daoguo and Mr. Chen Ying, being Non-executive Directors; and Mr. Wong Tak Shing, Ms. Yu Jian, Mr. Yu Hon To, David and Mr. Qin Chaokui, being Independent Non-executive Directors.