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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)

DISCLOSEABLE AND CONNECTED TRANSACTION INVOLVING ISSUE OF CONSIDERATION SHARES

Joint financial advisors



The Board refers to its announcements dated 13 September 2010 and 14 September 2010.

The Board is pleased to announce that the Company and Powerfaith have agreed today that 186,654,223 Consideration Shares, having a total cash value of HK\$2,000 million, will be issued at HK\$10.715 per Consideration Share to Powerfaith or its nominee upon Completion, for the satisfaction of the Consideration in full for the Acquisition.

The Board refers to its announcements dated 13 September 2010 (“**Assets Injection Announcement**”) and 14 September 2010. Unless otherwise defined in this announcement, all capitalized terms used herein shall have the same meanings as defined in the Assets Injection Announcement.

The Board is pleased to announce that the Company and Powerfaith have agreed today that 186,654,223 Consideration Shares, having a total cash value of HK\$2,000 million, will be issued at HK\$10.715 per Consideration Share to Powerfaith or its nominee upon Completion, for the satisfaction of the Consideration in full for the Acquisition.

Consideration Shares

The Consideration Shares will be issued at HK\$10.715 per Share, which represents:

- (a) a discount of approximately 5.51% from HK\$11.34, being the closing price of the Shares on 13 September 2010, the last day on which the Shares are traded on the Stock Exchange (“**Trading Day**”) prior to the publication of this announcement; and
- (b) a discount of approximately 4.53% from HK\$11.224, being the average closing price of the Shares for the last 5 Trading Days prior to and including the date of the Sale and Purchase Agreement.

The following table sets out the simplified shareholding of the Company as at the date of this announcement, immediately upon completion of the Top Up Placing and immediately upon Completion:

Shareholders	No. of Shares as at the date of this announcement (Note 1)	Shareholding percentage as at the date of this announcement	No. of Shares immediately upon completion of the Top Up Placing	Shareholding percentage immediately upon completion of the Top Up Placing	No. of Shares immediately upon Completion	Shareholding percentage immediately upon Completion (Note 2)
China Resources Holdings (Note 3)	1,060,001,983	74.94%	1,060,001,983 (Note 4)	64.46%	1,246,656,206 (Note 5)	68.09%
Directors (Note 6)	244,000	0.02%	244,000	0.01%	244,000	0.01%
Public (Note 7)	<u>354,194,727</u>	<u>25.04%</u>	<u>584,194,727</u>	<u>35.53%</u>	<u>584,194,727</u>	<u>31.90%</u>
Total	<u>1,414,440,710</u>	<u>100.00%</u>	<u>1,644,440,710</u>	<u>100.00%</u>	<u>1,831,094,933</u>	<u>100.00%</u>

Notes:

- (1) Assuming there is no acquisition and/or disposal of Shares and assuming there is no exercise of share options from the date of this announcement up to the date of Completion.

- (2) As of the date of this announcement, a total of 188,000 share options are outstanding. Assuming full exercise of such options on or before the date of Completion, China Resources Holdings, the Directors and the public will hold approximately 68.08%, 0.01% and 31.91% of the then enlarged issued share capital of the Company. Other than the said options, there are no outstanding securities issued by the Company as of the date of this announcement which are convertible into Shares.
- (3) The interest of China Resources Holdings in the Company represents its indirect interest held through Splendid Time and Commotra Company Limited. China Resources Holdings is a wholly-owned subsidiary of CRC Bluesky Limited. CRC Bluesky Limited is a wholly-owned subsidiary of China Resources Co., Limited which in turn is 99.98% owned by China Resources National Corp.
- (4) This is on the basis that a total of 230,000,000 Subscription Shares have been allotted and issued to Splendid Time. The Subscription Shares will be issued to Splendid Time pursuant to the general mandate granted at the annual general meeting of the Company held on 31 May 2010 to the Directors to allot, issue and deal with Shares up to a limit of 20% of the issued share capital of the Company at the date of passing such resolution;
- (5) The Vendor is a wholly owned subsidiary of China Resources Holdings. Specific approval of the Independent Shareholders will be sought for the allotment and issue of the Consideration Shares to the Vendor.
- (6) The Directors comprise Mr. Wang Chuandong, Mr. Ong Thiam Kin, Mr. Du Wenmin and Mr. Wong Tak Shing. Such Directors who are also Shareholders will be entitled to vote at the SGM on the basis that neither any of them nor any of their respective Associates is a party to the Sale and Purchase Agreement or any other transactions subject to approval of the Independent Shareholders at the SGM.
- (7) Assuming the placing agent successfully places out all the placing shares to independent third party placees pursuant to the Top Up Placing Agreement.

The Directors (excluding the independent non-executive Directors whose opinion will be subject to the advice of the independent financial advisers) consider that the terms of the Acquisition and the allotment and issue of the Consideration Shares as contemplated under the Sale and Purchase Agreement are fair and reasonable and in the interests of the Company and the Independent Shareholders as a whole.

By Order of the Board
China Resources Gas Group Limited
Mr. Ma Guoan
Chairman

Hong Kong, 14 September, 2010

As at the date of this announcement, the directors of the Company are Mr. Ma Guoan, Mr. Wang Chuandong and Mr. Ong Thiam Kin being Executive Directors; Mr. Du Wenmin and Mr. Wei Bin, being Non-executive Directors; and Mr. Wong Tak Shing, Mr. Luk Chi Cheong and Ms. Yu Jian, being Independent Non-executive Directors.