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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 FOR INVESTMENT IN TIANJIN, THE PRC

AND

RESUMPTION OF TRADING

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

The Board is pleased to announce that, China Resources Gas, a wholly-owned subsidiary of the Company, entered into a co-operation agreement with Tianjin Gas on 28 June 2010 for the proposed establishment of a sino-foreign equity joint venture enterprise principally for the supply and provision of natural gas through gas pipelines in Tianjin, the PRC, subject to the finalization of the terms of the proposed joint venture and the approvals of the relevant PRC authorities.

China Resources Gas is expected to hold a 49% interest in the proposed joint venture.

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.

At the request of the Company, trading in the shares of the Company on the Stock Exchange has been suspended with effect from 9:30 a.m. on 28 June 2010 pending the issue of this announcement. Application has been made to the Stock Exchange for resumption of trading in the shares of the Company on the Stock Exchange with effect from 9:30 a.m. on 29 June 2010.

THE CO-OPERATION AGREEMENT IS NON-LEGALLY BINDING. THE PROPOSED JOINT VENTURE WITH TIANJIN GAS MAY OR MAY NOT PROCEED. SHAREHOLDERS AND INVESTORS SHOULD EXERCISE CAUTION IN DEALING IN THE SHARES AND OTHER SECURITIES OF THE COMPANY.

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THE CO-OPERATION AGREEMENT DATED 28 JUNE 2010

The Parties

- (a) China Resources Gas, a wholly-owned subsidiary of the Company; and
- (b) Tianjin Gas.

Principal terms of the proposed joint venture with Tianjin Gas

Under the said co-operation agreement, China Resources Gas and Tianjin Gas agreed on, among other things, the following principal terms (subject to approvals of the relevant governmental authorities) which will form the basis for finalization of the terms and conditions of the proposed joint venture between the parties:

Registered capital : Expected to be in the range between RMB4 billion and RMB5 billion, subject to internal approval of each of the Company and Tianjin Gas.

Capital contribution of the parties : (1) China Resources Gas is expected to contribute to 49% of the registered capital of the proposed joint venture by way of cash contribution; and

(2) Tianjin Gas is expected to contribute to 51% of the registered capital of the proposed joint venture by way of the contribution of its operating assets and equity interests in companies engaged in the gas supply or related business, the respective values of which are subject to professional appraisals.

To the extent any operating assets of Tianjin Gas are not contributed as capital to the proposed joint venture, the joint venture may, upon or after its establishment, acquire such assets from Tianjin Gas at prices agreed between the parties (such prices are subject to confirmation by the relevant governmental authority in the PRC).

Business scope : The business scope of the proposed joint venture is principally the supply and provision of natural gas through gas pipelines in Tianjin, the PRC.

Both China Resources Gas and Tianjin Gas will work together to apply for the grant of a concession to the joint venture for gas supply in Tianjin, the PRC.

Term of operation : Expected to be 30 years.

Tianjin Gas' commitment to the joint venture : Tianjin Gas agrees that all its gas businesses are to be conducted by the proposed joint venture upon its establishment.

To the understanding of China Resources Gas and based on public information available, Tianjin Gas has entered into an asset transfer agreement with Tianjin Tianlian in consideration for the allotment of issue of new shares by Tianjin Tianlian to Tianjin Gas. Subject to approvals from the relevant governmental and regulatory authorities in the PRC and Hong Kong and the independent shareholders of Tianjin Tianlian, Tianjin Gas will be holding more than 50% interest in Tianjin Tianlian upon completion of the said asset transfer agreement. Tianjin Gas has indicated to China Resources Gas its intention to use Tianjin Tianlian as a public listing vehicle for consolidation of its gas and gas related businesses.

Non-competition : Each of China Resources Gas and Tianjin Gas agrees that it will not, and will procure its controlled affiliates not to, compete with the other party by not undertaking competing business in the territories in which the other party operates.

The above and final terms of the proposed joint venture are subject to the final terms of the joint venture contract and other transaction documentation to be agreed and executed by China Resources Gas and Tianjin Gas.

EXPECTED TIMETABLE AND EXCLUSIVITY

China Resources Gas and Tianjin Gas intend to complete all the necessary procedures for the establishment of the joint venture, including (without limitation) asset appraisal, approvals from the relevant governmental or regulatory authorities, in or before November 2010.

Each of the parties agreed that the other enjoy exclusivity for the proposed establishment of the joint venture pending finalization and execution of the joint venture contract.

INFORMATION ON TIANJIN GAS

Tianjin Gas is a state-owned enterprise in the PRC. To the knowledge of the Company, Tianjin Gas is a conglomerate engaged in various different businesses including the sale and distribution of natural gas in the Tianjin Municipality, the PRC.

IMPLICATIONS OF THE LISTING RULES

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RESUMPTION OF TRADING

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DEFINITIONS

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

“Board”	means the board of Directors;
“China Resources Gas”	means China Resources Gas (Hong Kong) Investment Limited (華潤燃氣(香港)投資有限公司), a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company;
“Company”	means China Resources Gas Group Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange;
“Directors”	means the directors of the Company;
“Hong Kong”	means the Hong Kong Special Administrative Region of the PRC;
“Listing Rules”	means the Rules Governing the Listing of Securities on the Stock Exchange;
“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;
“Stock Exchange”	means The Stock Exchange of Hong Kong Limited;
“Tianjin Gas”	means 天津市燃氣集團有限公司 (Tianjin Gas Group Company Limited*), a state-owned enterprise of the PRC; and
“Tianjin Tianlian”	means 天津天聯公用事業股份有限公司 (Tianjin Tianlian Public Utilities Company Limited*), a company established in the PRC whose H shares are listed on the Growth Enterprise Market of the Stock Exchange.

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

Hong Kong, 28 June, 2010

** for identification purpose only*

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. Li Fuzuo, 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.