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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)

PROPOSED REDUCTION OF SHARE PREMIUM ACCOUNT

The Board proposes to reduce an amount of HK\$7,388,599,744.90 standing to the credit of the Share Premium Account from HK\$8,388,599,744.90 to HK\$1,000,000,000.00 and transfer the credit arising from the Share Premium Reduction to the Contributed Surplus Account.

The Share Premium Reduction is conditional upon the Shareholders passing a special resolution to approve the Share Premium Reduction at the SGM. As none of the Shareholders is interested in the Share Premium Reduction, no Shareholder is required to abstain from voting on the Share Premium Reduction.

A circular containing, inter alia, further details of the Share Premium Reduction and a notice convening the SGM will be issued and despatched to the Shareholders as soon as practicable in accordance with the Listing Rules.

SHARE PREMIUM REDUCTION

The Board proposes to reduce an amount of HK\$7,388,599,744.90 standing to the credit of the Share Premium Account from HK\$8,388,599,744.90 to HK\$1,000,000,000.00. The audited amount standing to the credit of the Share Premium Account as at 31 December 2010 was HK\$8,388,599,744.90. Subject to the conditions set out in the section headed “Conditions”, it is proposed that:

- (a) the amount of HK\$7,388,599,744.90 standing to the credit of the Share Premium Account be reduced pursuant to Section 46 of the Companies Act and Bye-law 66(B) of the Bye-laws of the Company; and
- (b) the credit arising from the Share Premium Reduction be transferred to the Contributed Surplus Account.

REASONS FOR THE SHARE PREMIUM REDUCTION

Under the Companies Act, amounts standing to the credit of the share premium account are not available for distribution to shareholders. Pursuant to the Companies Act, under certain circumstances a Bermuda company may pay dividends or distributions to its members out of contributed surplus. The Share Premium Reduction and the subsequent transfer of the credit arising therefrom to the Contributed Surplus Account will therefore increase the distributable reserves of the Company thereby giving the Company greater flexibility in relation to its dividend policy and distributions in the future. The increased distributable reserve in the Contributed Surplus Account will be used, inter alia, for payment of dividends, including the final dividend of the Company for the year ended 31 December 2010 if it is approved by the Shareholders at the Annual General Meeting and for such other purposes as allowed under the Companies Act. The Board considers that it is in the best interest of the Company and its Shareholders as a whole to implement the Share Premium Reduction.

EFFECTS OF THE SHARE PREMIUM REDUCTION

Save for the expenses to be incurred in relation to the Share Premium Reduction, the Board considers that the implementation of the Share Premium Reduction will not, in itself, have material adverse effect on the underlying assets, business operations, management or financial position of the Company or the proportionate interests of the Shareholders in the underlying assets of the Company. The Board considers that the Share Premium Reduction is in the interests of the Company and the Shareholders as a whole.

CONDITIONS

The Share Premium Reduction is conditional upon:

- (a) the passing by the Shareholders of a special resolution at the SGM to approve the Share Premium Reduction;
 - (b) the due compliance with section 46(2) of the Companies Act, including the publication of a notice in an appointed newspaper in Bermuda in respect of the Share Premium Reduction; and
 - (c) on the Effective Date, there is no reasonable grounds for believing the Company is, or after the Share Premium Reduction would be, unable to pay its liabilities as they become due.
- Subject to the fulfillment of the above conditions, it is expected that the Share Premium

Reduction will become effective on the date of the SGM.

SGM

A circular containing, inter alia, further details of the Share Premium Reduction together with a notice convening the SGM will be despatched to the Shareholders as soon as practicable.

As none of the Shareholders is interested in the Share Premium Reduction, no Shareholder is required to abstain from voting at the SGM.

DEFINITIONS

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

“Annual General Meeting”	the annual general meeting of the Company to be held on 30 May 2011
“Bye-laws”	the bye-laws of the Company
“Board”	the board of Directors
“Companies Act”	the Companies Act 1981 of Bermuda (as amended from time to time)
“Company”	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
“Contributed Surplus Account”	the contributed surplus account of the Company
“Directors”	the directors of the Company
“Effective Date”	the date on which the Share Premium Reduction shall become effective, being the date of the SGM at which a special resolution approving the Share Premium Reduction will be considered and, if appropriate, passed by the Shareholders
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock

Exchange

“SGM” a special general meeting of the Company to be convened for the purpose of considering and, if thought fit, approving the Share Premium Reduction by the Shareholders

“Share Premium Account” the share premium account of the Company

“Share Premium Reduction” the proposed reduction of the amount of HK\$7,388,599,744.90 standing to the credit of the Share Premium Account

“Shareholders” shareholders of the Company

“Stock Exchange” The Stock Exchange of Hong Kong Limited

By Order of the Board

CHINA RESOURCES GAS GROUP LIMITED

ONG Thiam Kin

Executive Director & Company Secretary

Hong Kong, 20 April 2011

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.