

# Press Release

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

## **CR GAS'S 2014 TURNOVER INCREASED BY 29% TO HK\$28,717 MILLION, WITH NET PROFIT UP BY 15% TO HK\$2,482 MILLION**

### **Results Highlights:**

- **Turnover for 2014 rose by 29% to HK\$28,717 million**
- **Profit attributable to the Company's equity holders increased by 15% to HK\$2,482 million**
- **Tianjin Project turned around during 2H2014**
- **Proposed total dividend for 2014 increased by 14% to 25 HK cents per share**

China Resources Gas Group Limited ("CR Gas" or the "Group", stock code: 1193) achieved a turnover of HK\$28,717 million for the year ended 31 December 2014, representing a rise of 29 per cent year-on-year. Profit attributable to equity holders of the Company for the year under review increased by 15 per cent to HK\$2,482 million when compared with that of 2013. Basic earnings amounted to HK\$1.14 per share (2013: HK\$1.00 per share).

CR Gas's board of directors resolved to recommend the payment of a final dividend of 20 HK cents per share for the year ended 31 December 2014 (2013: 20 HK cents per share). Together with an interim dividend of 5 HK cents per share (2013 interim: 2 HK cents per share), the total dividends for the year 2014 will be 25 HK cents per share, an increase of 14% over the 22 HK cents per share for 2013.

During the year under review, the Group continue to grow organically and acquired 29 city gas projects. Driven by both organic and acquisition growth, the Group saw an increase of 31 per cent in consolidated gas sales revenue from HK\$17,164 million to HK\$22,481 million, while its gas connection income rose by 22 per cent from HK\$5,124 million to HK\$6,236 million.

Tianjin Project has started to turn around financially during the second half of 2014, this together with the appointment of CR Gas's nominee as the new General Manager of Tianjin Project, will ensure a sustainable improvement in financial performance of Tianjin Project in 2015 and beyond.

The National Development and Reform Commission has announced an increase of city gate gas price of RMB 0.04/m<sup>3</sup> on existing gas volume and a reduction of RMB 0.44/m<sup>3</sup> on incremental gas volume leading to an overall reduction in city gate gas price with effect from 1 April 2015. This will start to restore the cost competitiveness of gas versus other alternative sources of energy and is extremely positive for downstream city gas industry going forward.

During the year under review, the Group invested or committed to invest RMB 1,554 million in 29 city gas projects, more than double the investment of RMB 643 million in 2013. As at 31st December 2014, the Board has also approved investment of HK\$675 million in another 24 projects. Subsequent to the year end, the Group also signed a joint venture agreement to invest RMB 613 million in Qingdao Project and entered into a framework agreement to invest in Qinhuangdao Project.

“The increased pace of acquisition during 2014 and recently will see bigger M&A growth during 2015. The recent downward review of natural gas price will further stimulate gas demand. These factors, couple with the improving performance of Tianjin project, will ensure a better financial performance of CR Gas in 2015,” said Mr. Wang Chuandong, Chairman of CR Gas.

The Group continued its “benchmarking” campaign relentlessly in 2014 to improve operation efficiency and enhance the Group’s core competency to sustain the organic growth of the Group further into the future.

The Group improved its ranking from 232 to 218 in the Global Top 250 Energy Company Ranking by internationally reknown Platts Research and was awarded the third fastest growing energy enterprise in Asia for the second successive year. The Group’s high investment grade ratings of Baa1 and BBB+ was also affirmed by Moody’s and Fitch in 2014.

“The improvement in ranking in Global Top 250 Energy Company and the successive growth award not only affirm our strategies and performances, but also serve to strengthen investors’ confidence in the Group. Looking ahead, we will continue to sharpen our competitive edge, diligently identify opportunities for business expansion through organic and external growth to consolidate our leading market presence in the downstream city gas distribution business. The heightened environmental consciousness and efforts to improve air quality in China have continued to increase the demand for cleaner energy in the country. Supported by national policies, the natural gas industry will see continual strong growth in the foreseeable future. CR Gas will continue to enhance its core competency and position itself to tap into the opportunity and to grow with the market.” added Mr Wang.

The Group currently operates 205 city gas projects in 22 provinces including 13 provincial capitals and 3 direct administrative municipalities and 70 prefecture-level cities in the PRC with annual gross gas sales volume of 13.3 billion m<sup>3</sup>.

### **About CR Gas**

CR Gas is principally engaged in downstream city gas distribution business including piped natural gas distribution and natural gas filling stations operation. Its operations are strategically located in areas of China which are economically more developed and densely populated and areas with rich reserves of natural gas. 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 audited consolidated statement of profit or loss for the year ended 31 December 2014)

**CHINA RESOURCES GAS GROUP LIMITED**  
**(Stock code: 1193)**  
**Audited Consolidated Statement of Profit or Loss**  
**For the Year Ended 31 December 2014**

For the Year ended 31 December

	2014 HK\$'000	2013 HK\$'000	% increase
Turnover	<b>28,717,025</b>	22,288,027	29%
Cost of sales	<b>(20,001,128)</b>	(14,665,908)	36%
Gross profit	<b>8,715,897</b>	7,622,119	14%
Other income	<b>915,164</b>	518,445	77%
Selling and distribution expenses	<b>(2,739,397)</b>	(2,373,282)	15%
Administrative expenses	<b>(2,455,735)</b>	(2,231,190)	10%
	<b>4,435,929</b>	3,536,092	25%
Finance costs	<b>(536,954)</b>	(523,558)	3%
Share of results of joint ventures	<b>755,508</b>	698,426	8%
Share of results of associates	<b>105,213</b>	99,901	5%
Profit before taxation	<b>4,759,696</b>	3,810,861	25%
Taxation	<b>(1,408,837)</b>	(987,107)	43%
Profit for the year	<b>3,350,859</b>	2,823,754	19%
Attributable to			
Owners of the Company	<b>2,481,628</b>	2,160,945	15%
Non-controlling interests	<b>869,231</b>	662,809	31%
	<b>3,350,859</b>	2,823,754	19%
Dividend per share	<b>HK cents</b>	HK cents	
Interim (paid)	<b>5</b>	2	150%
Final (proposed)	<b>20</b>	20	0%
	<b>25</b>	22	14%
Earnings per share	<b>HK\$</b>	HK\$	
Basic	<b>1.14</b>	1.00	14%
Diluted	<b>N/A</b>	1.00	N/A