



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

DRIVEN BY STRATEGIC EXPANSION CR GAS'S REVENUE AND PROFIT UPSURGE 75% AND 62% TO HK\$3,747 MILLION AND HK\$422 MILLION RESPECTIVELY

Results Highlights:

- City gas distribution business turnover for 2009 increased by 75% to HK\$3,747 million
- City gas distribution business profit attributable to equity holders for 2009 increased by 62% to HK\$422 million
- Acquisition of 20 new city gas projects in 2009

China Resources Gas Group Limited ("CR Gas" or the "Group", stock code: 1193) reported outstanding performance from its city gas distribution business with a profit attributable to equity holders of HK\$422 million for the year ended 31 December 2009. Basic earnings per share amounted to 30 HK cents per share (2008 proforma comparable: 18 HK cents per share).

CR Gas's Board of Directors resolved to recommend the payment of a final dividend of 4.5 HK cents per share for the year ended 31 December 2009 (2008: 4.0 HK cents per share). Together with an interim dividend of 2.0 HK cents per share (2008 interim: nil), the total dividends for the year 2009 will be 6.5 HK cents per share (2008: 4.0 HK cents per share).

The turnover of the Group's city gas distribution business for the year under review amounted to HK\$3,747 million, representing 75 per cent increase from HK\$2,145 million in 2008.

The increase was mainly attributable to a 61 per cent growth in gas sales volume from 1,371 million m³ in 2008 to 2,214 million m³ and an upsurge of 95 per cent in connection fee income from HK\$475 million in 2008 to HK\$924 million.

The city gas distribution business registered an overall gross profit margin of 31.0 per cent for 2009 as compared with 29.1 per cent in 2008. The increase was mainly due to a bigger increase in connection fee income, which has a higher gross margin, than gas sales.

For 2009, the gross profit margin for connection fee income was 50.6 per cent, while that for gas sales was 24.5 per cent. Compared to 2008, the gross profit margin of connection fee income rose by 4.2 percentage points mainly because of a higher proportion of connection fee income from cities with relative higher connection fee such as Wuxi, Suzhou, Wuhan, Kunming and Huaibei. The gross profit margin of gas sales remained fairly stable when compared with 24.2 per cent for 2008.

In 2009, CR Gas acquired 20 new city gas projects. Excluding the on-going acquisitions of Zhengzhou and Chongqing city gas projects, the Group operates a total of 27 city gas projects, including 5 provincial capitals, in 10 provinces in China. The Group's holding company, China Resources (Holdings) Limited still possesses 34 other city gas projects at different stages of incubation and development.

"The continued economic growth and rapid industrialisation and urbanisation of the PRC have spiked demand for energy in the country. 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 rationalise the usage of natural gas. The 'West to East Gas Transmission' pipelines were constructed to bring natural gas from the inland area such as Xinjiang Autonomous Region to the coastal regions of the PRC. Construction of the second phase of the 'West to East Gas Transmission' pipelines and the 'Sichuan to East' pipelines as well as construction of LNG terminals in coastal cities are actively in progress. All these will greatly boost the supply of natural gas in the PRC and offer significant opportunity for future growth in the PRC's natural gas industry. The Company will ride on these favourable industry fundamentals and its strong and experienced management team to scale new heights via organic and acquisition growth," said Mr Ma Guoan, Chairman of CR Gas.

"With the rapid acquisition expansion, the Group is on course to become the leading downstream city gas distributor in the PRC," said Mr Ma.

About CR Gas

CR Gas is principally engaged in downstream city gas distribution business including piped natural or petroleum gas distribution, and operating CNG (compressed natural gas) filling stations. Its piped natural gas operations are strategically located in areas of China with rich reserves of natural gas and areas which are economically more developed and densely populated. CR Gas aspires to become a respected market leader in downstream city gas distribution business in China.

- End -

Issued by: China Resources Gas Group Limited
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Investor Enquiries: China Resources Gas Group Limited
KF Chang Tel: 2593 7373 E-mail: investor-relations@crgas.com.hk

Media Enquiries: CorporateLink Limited
Phoebe Leung Tel: 2801 6237 / 9339 3206 E-mail: phoebe@corporatelink.com.hk
Bryan Bian Tel: 2801 6090 / 9630 7030 E-mail: bryan@corporatelink.com.hk

China Resources Gas Group Limited
(Stock code: 1193)
Audited Consolidated Income Statement
for the Year Ended 31 December 2009

| | For the Year ended 31 December | | |
|-----------------------------------|--------------------------------|--------------------------------|------------------|
| | 2009 HK\$'000 | 2008 HK\$'000 (Restated) | 2008 HK\$'000 |
| Turnover | | | |
| Continuing Operations | 3,746,779 | 2,525,582 | 2,144,567 |
| Discontinued operations | - | 841,531 | 841,531 |
| | 3,746,779 | 3,367,113 | 2,986,098 |
| Cost of sales | (2,586,070) | (2,359,386) | (2,111,671) |
| Gross profit | 1,160,709 | 1,007,727 | 874,427 |
| Other income | 140,694 | 102,225 | 76,984 |
| Selling and distribution expenses | (231,969) | (219,056) | (190,041) |
| Administrative expenses | (409,501) | (397,669) | (341,072) |
| Other expenses | - | (56,067) | (74,890) |
| | 659,933 | 437,160 | 345,408 |
| Finance costs | (39,878) | (31,211) | (27,565) |
| Share of results of associates | 7,187 | 3,387 | 3,387 |
| Profit before taxation | | | |
| Continuing operations | 605,268 | 424,078 | 335,972 |
| Discontinued operations | 21,974 | (14,742) | (14,742) |
| | 627,242 | 409,336 | 321,230 |
| Taxation | | | |
| Continuing operations | (86,896) | (50,443) | (33,668) |
| Discontinued operations | - | (14,893) | (14,893) |
| | (86,896) | (65,336) | (48,561) |
| Profit for the year | | | |
| Continuing operations | 518,372 | 373,635 | 302,304 |
| Discontinued operations | 21,974 | (29,635) | (29,635) |
| | 540,346 | 344,000 | 272,669 |
| Attributable to | | | |
| Equity holders of the Company | | | |
| Continuing operations | 421,599 | 320,529 | 260,338 |
| Discontinued operations | 21,974 | (23,561) | (23,561) |
| | 443,573 | 296,968 | 236,777 |
| Minority interests | 96,773 | 47,032 | 35,892 |
| | 540,346 | 344,000 | 272,669 |

| | HK cents | HK cents (Restated) | HK cents |
|---|-------------|------------------------|--------------------|
| Dividends per share ⁽¹⁾ | | | |
| Interim dividends paid | 2.0 | Nil | Nil |
| Final dividends proposed | 4.5 | 4.0 | 4.0 |
| Earnings per share ⁽²⁾ | HK\$ | HK\$ | HK\$ (Proforma) |
| From continuing operations | | | |
| Basic | 0.30 | 0.67 | 0.18 |
| Diluted | 0.30 | 0.67 | 0.18 |
| From continuing and discontinued operations | | | |
| Basic | 0.31 | 0.62 | 0.17 |
| Diluted | 0.31 | 0.62 | 0.17 |

Note: (1) Excludes dividends paid due to restructuring exercises.

(2) Proforma numbers are based on the total number of shares of 1,414,416,710 at 31/12/2008. For the 2008 restated numbers, the weighted average number of ordinary shares for the purpose of basic earnings per share has been adjusted retrospectively for the capital reduction and share consolidation. No retrospective adjustment has been made for rights issue since the rights issue price is higher than the market price on the date of rights issue.