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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)**

**CONTINUING CONNECTED TRANSACTIONS**  
**STRATEGIC COOPERATION AGREEMENTS 2015**

References are made to the announcements of the Company dated 22 November, 2010, 23 April, 2013, 31 December, 2013 and 19 December, 2014 in relation to, among others, the previous continuing connected transactions of the Company with CR Bank and CR Trust under the Strategic Cooperation Agreements 2013, the Supplemental Cooperation Agreement 2013 and the Supplemental Cooperation Agreement 2014. As the Strategic Cooperation Agreements 2013 and the Supplemental Cooperation Agreement 2014 will be expired on 31 December, 2015, the Company enters into Strategic Cooperation Agreements 2015 whereby the annual caps for deposit and non-deposit services to be received from CR Bank and the annual caps for non-deposit services to be received from CR Trust are renewed taking into account of the Group's liquidity, business needs and the expected level of services to be received under the Strategic Cooperation Agreements 2015.

As each of the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of each of the annual caps for deposit services to be received from CR Bank, and the aggregated annual caps for the non-deposit services to be received from CR Bank and CR Trust under the Strategic Cooperation Agreements 2015 exceed 0.1% but are less than 5%, the continuing connected transactions contemplated under the Strategic Cooperation Agreements 2015 are only subject to the reporting, announcement and annual review requirements but are exempted from the independent shareholders' approval under Chapter 14A of the Listing Rules.

**BACKGROUND**

References are made to the announcements of the Company dated 22 November, 2010, 23 April, 2013, 31 December, 2013 and 19 December, 2014 in relation to, among

others, the previous continuing connected transactions of the Company with CR Bank and CR Trust under the Strategic Cooperation Agreements 2013, the Supplemental Cooperation Agreement 2013 and the Supplemental Cooperation Agreement 2014. As the Strategic Cooperation Agreements 2013 and Supplemental Cooperation Agreement 2014 will be expired on 31 December, 2015, the Company enters into the Strategic Cooperation Agreements 2015 whereby the annual caps for deposit and non-deposit services to be received from CR Bank and the annual caps for non-deposit services to be received from CR Trust are renewed taking into account of the Group's liquidity, business needs and the expected level of services to be received under the Strategic Cooperation Agreements 2015.

## **THE STRATEGIC COOPERATION AGREEMENTS 2015**

### **CR Bank Strategic Cooperation Agreement 2015**

Parties:	CR Bank and the Company.
Date of agreement:	30 December, 2015.
Date of commencement of agreement:	1 January, 2016.
Term of the agreement:	Three years ending 31 December, 2018, unless extended for a further period.
Banking services other than deposit services:	Other than deposit services, from time to time, the Group may use the commercial banking services of CR Bank including, but not limited to, letter of credit, letter of guarantee, granting of loans with collaterals, bill acceptance and discount services, account receivable factoring services, RMB and foreign currency settlements, provision of entrustment loans and security, wealth and cash management services, financial consulting service and other financial services as agreed by the parties. These services will be provided on normal commercial terms which apply to other customers of CR Bank.
Deposit service:	CR Bank agreed to provide deposit service including any type of cash management which is regarded as deposit under the Listing Rules to the Company together with its subsidiaries and jointly controlled entities. The interest rate of any deposit will be assessed with reference to the rates published by the People's Bank of China as required or such other preferred rate offered in the market.

## CR Trust Strategic Cooperation Agreement 2015

Parties:	CR Trust and the Company.
Date of agreement:	30 December, 2015.
Date of commencement of agreement:	1 January, 2016.
Term of the agreement:	Three years ending 31 December, 2018, unless extended for a further period.
Trust and fund management services:	From time to time, the Group may use services provided by CR Trust including, but not limited to, cash management, asset management, custodian trust loan services, equity cooperation, shares nominee services, account receivable factoring services, buying and resale services, consulting services, funds including but not limited to securities and money funds, and other trust services. These services will be provided on normal commercial terms and will be charged at a rate no less favourable as would apply to similar services provided to any of CR Trust's other clients.

## Annual caps under the Strategic Cooperation Agreements 2015

Set out below are the approximate historical figures of the maximum daily amount of financial services and products provided by CR Bank and CR Trust to the Group (excluding deposit services and financial services provided by CR Bank and CR Trust where only the fees and commissions paid by the Group are used to calculate the relevant percentage ratios) under the terms of the Strategic Cooperation Agreements 2013 during the year ended 31 December, 2014 and the ten months ended 31 October, 2015:

	<b>For the year ended 31 December, 2014</b>	<b>For the ten months ended 31 October, 2015</b>
	<i>RMB million</i>	<i>RMB million</i>
Maximum daily amount of financial services and products provided by CR Bank during the year/period	700	900
Maximum daily amount of financial services and products provided by CR Trust during the year/period	0	0

The proposed annual caps for financial services under both of the Strategic

Cooperation Agreements 2015 have been determined after taking into account of the Group's liquidity, business needs and the expected level of services to be received from CR Bank and CR Trust under the Strategic Cooperation Agreements 2015.

The proposed maximum daily amount of the financial services and products (other than deposit services) provided by CR Bank together with CR Trust to the Group (excluding deposit services and financial services provided by CR Bank and CR Trust where only the fees and commissions paid by the Group are used to calculate the relevant percentage ratios) is not expected to exceed RMB1,700 million for each of the three years ending 31 December 2016, 2017 and 2018. The corresponding highest of the applicable percentage ratio as defined under Rule 14.07 of the Listing Rules exceeds 0.1% but is less than 5%.

It is expected that the aggregate annual amount of fees and commissions paid by the Group for the financial services provided by CR Bank and CR Trust respectively during the term of the Strategic Cooperation Agreements 2015 will not exceed 0.1% of the percentage ratios, other than the profits ratio, of the Listing Rules, and these arrangements will constitute de minimis transactions under the Listing Rules.

To the extent the aggregate annual amount of fees and commissions paid by the Group for the financial services provided by CR Bank and CR Trust during the term of the Strategic Cooperation Agreements 2015 exceeds 0.1% and is below 5% of such percentage ratios, these arrangements will constitute continuing connected transactions exempted from independent shareholders' approval but will be subject to the annual review by the independent non-executive directors of the Company and the Company's auditors and a further announcement will be made by the Company stating the relevant caps as and when necessary. Under no circumstances will the amounts of fees and commissions paid in any one financial year exceed 5% of the percentage ratios, other than the profits ratio, of the Listing Rules unless the Company has obtained the prior approval of its independent shareholders.

The actual historical maximum aggregate deposit made by the Group with CR Bank at any one time under the terms of the Supplemental Cooperation Agreement 2013 and the Supplemental Cooperation Agreement 2014 during the year ended 31 December, 2014 and the ten months ended 31 October, 2015 were approximately RMB1,492 million and RMB1,353 million respectively.

The proposed daily deposit cap with CR Bank is not expected to exceed RMB1,700 million for each of the three years ending 31 December 2016, 2017 and 2018. The corresponding highest of the applicable percentage ratio as defined under Rule 14.07 of the Listing Rules exceeds 0.1% but is less than 5%.

As the applicable percentage ratios for the deposit cap with CR Bank under the Strategic Cooperation Agreements 2015 are more than 0.1% but less than 5%, this transaction shall only be subject to the reporting, announcement and annual review requirements under Chapter 14A of the Listing Rules and exempted from the requirement of the independent shareholders' approval.

## **LISTING RULES IMPLICATIONS**

By virtue of CRC being the controlling shareholder of CRH, which in turn holds a controlling interest in the Company, CRC and CRH are connected persons to the Company as defined under the Listing Rules. As at the date of this announcement, as CRC, being a controlling shareholder of the Company, holds approximately 75.33% and 51% of the registered capital of CR Bank and CR Trust respectively, CR Bank and CR Trust are connected persons of the Company under the Listing Rules.

As each of the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of each of the annual caps for deposit services to be received from CR Bank, and the aggregated annual caps for the non-deposit services to be received from CR Bank and CR Trust under the Strategic Cooperation Agreements 2015 exceed 0.1% but are less than 5%, the continuing connected transactions contemplated under the Strategic Cooperation Agreements 2015, are only subject to the reporting, announcement and annual review requirements but are exempted from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

As Mr. Wei Bin is a non-executive director of the Company and a director of CR Bank and CR Trust, respectively, he abstained from voting on the relevant board resolutions approving the Strategic Cooperation Agreements 2015 and the transactions contemplated thereunder. Apart from the aforesaid, none of the directors of the Company has any material interest in the Strategic Cooperation Agreements 2015 and the transactions contemplated thereunder.

## **REASONS FOR AND BENEFITS OF THE PROPOSALS**

The Strategic Cooperation Agreements 2015 will enable the Group to use the financial services of CR Trust and CR Bank and to support their development within the China Resources Group on normal commercial terms and on a scale which will not place the Group's resources at risk or affect its relationship with other financial institutions.

All directors of the Company (including independent non-executive directors of the Company) consider the Strategic Cooperation Agreements 2015 were negotiated on an

arm's length basis and are on normal commercial terms, and the relevant terms and annual caps are fair and reasonable and in the interests of the Company and its shareholders as a whole.

## INFORMATION OF CR BANK, CR TRUST AND THE COMPANY

### CR Bank

CR Bank, a licensed bank regulated by the China Banking Regulatory Commission and headquartered in Zhuhai. As at October 2015, CR Bank had 80 branches and sub-branches, comprising one Head Office, one branch (in Hengqin) and 48 sub-branches located in Zhuhai, one branch and 20 sub-branches located in Shenzhen, one branch and two sub-branches located in Zhongshan City, one branch and two sub-branches located in Foshan City, one branch located in Dongguan City, one branch located in Huizhou City, and one rural bank in each of Deqing, Guangdong and Baise, Guangxi.

CR Bank has achieved tremendous growth in its operational scale, geographical coverage and capital base over the past years. The following table illustrates the growth of CR Bank's assets, deposits, loans and total equity over the period of four years from 31 December, 2010 to 31 December, 2014:

	As at 31 December, 2010		As at 31 December, 2014		increase
	<i>RMB billion</i>	<i>HK\$ billion</i>	<i>RMB billion</i>	<i>HK\$ billion</i>	%
Total assets	16.56	20.06	107.53	130.27	549.34
Deposits	13.91	16.85	64.79	78.49	365.78
Loans	3.96	4.80	45.93	55.65	1,059.85
Total equity	1.47	1.78	8.69	10.53	491.16

### CR Trust

As at the date of this announcement, CRC holds a 51% equity interest in CR Trust and the remaining 49% equity interest of CR Trust is held by the State-owned Assets Supervision and Administration Commission of Shenzhen. The registered capital of CR Trust is approximately RMB2.63 billion. With the headquarters located in Shenzhen, China, CR Trust is authorised by the relevant regulatory body to conduct business on a nationwide basis in the PRC.

CR Trust has achieved respectable growth in its operational scale, geographical

coverage and capital base over the past years. The following table illustrates the growth of CR Trust's assets and total equity over a period of four years from 31 December, 2010 to 31 December, 2014:

	As at 31 December, 2010		As at 31 December, 2014		increase
	<i>RMB</i>	<i>HK\$</i>	<i>RMB</i>	<i>HK\$</i>	%
	<i>billion</i>	<i>billion</i>	<i>billion</i>	<i>billion</i>	
Total assets	9.7	11.75	15.22	18.44	56.91
Total equity	8.3	10.06	13.83	16.76	66.63
Trust assets under management	60.1	72.81	471.98	571.80	685.32
Revenue for the year	1.6	1.94	3.99	4.83	149.38

## The Company

The Company is an investment holding company which through its subsidiaries and jointly controlled entities in the PRC, operates city gas distribution projects in China including natural gas pipelines and compressed natural gas filling stations.

The turnover, total assets and cash balance of the Group from 2013 to 2015 are as illustrated in the tables below:

	As at 31	As at 31	As at 30	31	31
	December,	December,	June, 2015	December,	December,
	2013	2014		2013 to 31	2014 to 30
				December,	June, 2015
				2014	
	<i>Audited</i>	<i>Audited</i>	<i>Unaudited</i>	<i>increase/</i>	<i>increase/</i>
	<i>HK\$ billion</i>	<i>HK\$ billion</i>	<i>HK\$ billion</i>	<i>(decrease)</i>	<i>(decrease)</i>
				%	%
Total assets	50.5	57.5	61.1	13.9	6.3
Cash	9.6	9.7	11.1	1.0	14.4
Turnover for the year / period	22.3	28.7	15.1	28.7	N.A.

## DEFINITIONS

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

“China Resources Group”	CRC, CRH and their respective subsidiaries
“Company”	China Resources Gas Group Limited (華潤燃氣控股有限公司), a company incorporated in Bermuda with limited liability, the shares of which are listed on the main board of the Stock Exchange (Stock code: 1193)
“CR Bank”	China Resources Bank of Zhuhai Co., Ltd. (珠海華潤銀行股份有限公司), a municipal bank headquartered in Zhuhai, in which CRC holds approximately a 75.33% equity interest as at the date of this announcement
“CR Bank Strategic Cooperation Agreement 2015”	the strategic cooperation agreement entered into by CR Bank and the Company on 30 December, 2015
“CR Trust”	China Resources SZITIC Trust Co., Ltd. (華潤深國投信托有限公司), in which CRC holds a 51% equity interest as at the date of this announcement
“CR Trust Strategic Cooperation Agreement 2015”	the strategic cooperation agreement entered into by CR Trust and the Company on 30 December, 2015
“CRC”	China Resources Co., Limited, a joint stock limited liability company incorporated in the PRC, which is the holding company of CRH and the banking and trust activities in which the China Resources Group has an interest
“CRH”	China Resources (Holdings) Company Limited, a company incorporated in Hong Kong with limited liability and the intermediate holding company of the China Resources Group in Hong Kong, holding all the China Resources Group’s material interests apart from its banking and trust activities
“Group”	the Company and its subsidiaries and jointly controlled



	entities
“Hong Kong”	the Hong Kong Special Administrative Region, the People’s Republic of China
“independent shareholders”	shareholders of the Company other than CRH and its associates, as defined in the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, and for the purpose of this announcement, excluding Hong Kong, Macau and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Strategic Cooperation Agreements 2013”	the strategic cooperation agreements entered into by the Company and CR Bank and CR Trust, respectively, on 31 December, 2013
“Strategic Cooperation Agreements 2015”	the CR Bank Strategic Cooperation Agreement 2015 and the CR Trust Strategic Cooperation Agreement 2015
“Supplemental Cooperation Agreement 2013”	the supplemental agreement to the Strategic Cooperation Agreement dated 22 November, 2010 entered into by the Company and CR Bank on 23 April, 2013 in relation to the revised/renewed maximum daily deposit amounts placed by the Group with CR Bank and the extension of term to 31 December, 2014
“Supplemental Cooperation Agreement 2014”	the supplemental agreement to the strategic cooperation agreement dated 31 December, 2013 entered into by the Company and CR Bank on 19 December, 2014 in relation to the new maximum daily deposit amount placed by the Group with CR Bank and the extension of term to 31 December, 2015

*For illustrative purpose of this announcement only, conversion of RMB into HK\$ is made at the rate of RMB1.00 = HK\$1.21.*

By the order of the board  
**China Resources Gas Group Limited**  
**ONG Thiam Kin**  
*Executive Director & Company Secretary*

Hong Kong, 30 December, 2015

*As at the date of this announcement, the directors of the Company are Mr. Wang Chuandong, Mr. Shi Shanbo, Mr. Ge Bin and Mr. Ong Thiam Kin, being Executive Directors; Mr. Du Wenmin, Mr. Wei Bin, Mr. Chen Ying and Mr. Wang Yan, being Non-executive Directors; and Mr. Wong Tak Shing, Ms. Yu Jian, Mr. Yu Hon To, David and Mr. Qin Chaokui, being Independent Non-executive Directors.*