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CHINA LNG GROUP LIMITED

中國天然氣集團有限公司*

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 931)

INSIDE INFORMATION

STRATEGIC COOPERATION FRAMEWORK AGREEMENT IN RELATION TO THE LNG BUSINESSES IN NANTONG BINHAI PARK

This announcement is made by the Company pursuant to Rule 13.09(2) of the Listing Rules and the Inside Information Provisions.

The Company is pleased to announce that, on 25 June 2014 (after trading hours), the Company entered into the Framework Agreement with Nantong Binhai Park Committee in relation to the Cooperation in developing the LNG businesses in the Binhai Park, Nantong, Jiangsu Province in the PRC.

The Board wishes to emphasize that no binding agreement in relation to the Cooperation has been entered into as at the date of this announcement. As the Cooperation may or may not proceed, investors and Shareholders are urged to exercise caution when dealing in the shares of the Company. Further announcement in respect of the Cooperation will be made by the Company as and when appropriate in accordance with the Listing Rules.

This announcement is made by China LNG Group Limited (the “Company” and its subsidiaries, collectively referred to as the “Group”) pursuant to Rule 13.09(2) of the Rules (the “Listing Rules”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). The purpose of this announcement is to enable the shareholders of the Company (the “Shareholders”) and the public to appraise the position of the Group.

Reference are made to the announcements of the Company dated 27 March 2014, 31 March 2014 and 22 April 2014 in relation to development of the liquefied natural gas (“LNG”) businesses in the People’s Republic of China (the “PRC”).

STRATEGIC COOPERATION FRAMEWORK AGREEMENT

The board (the “Board”) of directors (the “Director”) of the Company announces that on 25 June 2014, the Company entered into a strategic cooperation framework agreement (the “Framework Agreement”) with Jiangsu Nantong Binhai Park Management Committee 江蘇南通濱海園區管理委員會 (“Nantong Binhai Park Committee”) in relation to construction of liquefied natural gas (“LNG”) refueling stations and docks and promotion of the application of LNG in Jiangsu Nantong Binhai Park 江蘇南通濱海園區 (“Nantong Binhai Park”), Nantong City, Jiangsu Province in the PRC (the “Cooperation”).

To the best of the knowledge, information and belief having made all reasonable enquiries by the directors of the Company and Nantong Binhai Park Committee and their ultimate beneficial owners are third parties independent of the Company and connected persons (as defined in the Listing Rules) of the Company.

Pursuant to the Framework Agreement, the Cooperation are as follows:

- (1) Nantong Binhai Park Committee agreed to provide (i) suitable locations for construction of LNG refueling stations and docks, LNG storages, LNG distributed energy station in Nantong Binhai Park, (ii) vehicles and vessels transforming into using LNG and (iii) industrial users in Nantong Binhai Park to use LNG. The total initial investment in Nantong Binhai Park is expected to be approximately US\$500 million (approximately HK\$3,875.7 million);
- (2) the Company agreed to (i) invest in the Cooperation and responsible for the technical support together with a mega stated owned enterprise and (ii) provide financial support, insurance services and operating leases services through Ping An Securities Limited (“Ping An”), a strategic partner of the Company, in relation to transforming fuel vehicles and vessels into LNG vehicles and vessels;
- (3) both parties agreed to cooperate to develop the transformation of fuel vehicles and vessels into LNG vehicles and vessels and supplying LNG to industrial user in Nantong Binhai Park. The Company will also invest in the projects of application of new energy in Nantong Binhai Park such as investment in manufacturing of LNG vessels;
- (4) after signing of the Framework Agreement, the Company will communicate with Nantong Binhai Park Committee, a mega stated owned enterprise and Ping An to further discuss the procedures and planning in relation to the Cooperation; and
- (5) Nantong Binhai Park Committee will assist to communicate with the government to accelerate the approval process in the land, planning and project approval and provide tax incentives in relation to the Cooperation. At the same time, Nantong Binhai Park Committee will be responsible for encouraging the government to transform the public transportation such as bus, coach, logistic truck and vessels from using fuel to LNG.

The Framework Agreement sets out the principal provisions for the Cooperation, the implementation of which will be governed by further agreements in greater details, if applicable.

Nantong Binhai Park Committee and the Company agreed that the strategic cooperation period is tentatively scheduled for ten years. When the Framework Agreement expires, the parties give priority to renew cooperation with each other.

INFORMATION ABOUT NANTONG BINHAI PARK COMMITTEE AND REASON FOR ENTERING INTO THE FRAMEWORK AGREEMENT

Nantong Binhai Park Committee was set up in 2012 and is governed by the Nantong Municipal Government. Nantong Binhai Park Committee is responsible for preparation and construction of Nantong Binhai Park. Nantong Binhai Park situated at the triangle core area, Tongzhou Bay, Nantong, Jiangsu Province in the PRC. The planning control area of the Nantong Binhai Park is 820 square kilometers, central business district planning area of 585 square kilometers. Nantong Binhai Park is targeted to construct a modern international coastal city with integration of ports, industries and metro. The industrial orientation of Nantong Binhai Park are creation of large industrial base at east coast port of China, integrated logistics base and heavy equipment manufacturing cluster at the north wing of the Yangtze River Delta, an important energy base in Jiangsu coastal and national Eco-tourism resort in Jiangsu coastal.

The Company is principally engaged in property investment and trading of securities. The Group is actively exploring for business opportunities in other sectors to diversify its business into industries that provide better returns for the shareholders of the Company and broaden the sources of income of the Group. Since year 2013, the Company is engaging great effort in negotiations with governments in various provinces in the PRC in relation to the development of the LNG businesses in the PRC. On 27 March 2014, the Company entered into the strategic cooperation agreement with Ping An in relation to provision of integrated financial services for developing the LNG businesses in the PRC. On 31 March 2014, the Company entered into the letter of intent with CNOOC Yunnan Energy Corporation Limited and Yongping Business Bureau commissioned by the People's Government of Yongping County in relation to the possible cooperation in developing the LNG businesses in Yongping County, Yunnan Province in the PRC. On 22 April 2014, the Company entered into a strategic cooperation framework agreement with Administrative Committee of Suzhou Zhong Lu International Logistics Technology Park 蘇州中鱸國際物流科技園管委會 in relation to transformation of vessels, heavy vehicles and public vehicles from using fuel to LNG and construction of LNG refueling stations and docks in Pingwang, Suzhou, Jiangsu Province in the PRC. Accordingly, the Company has decided to enter into the Framework Agreement with Nantong Binhai Park Committee to expend the investment in LNG clean energy businesses in the PRC.

GENERAL

The Board wishes to emphasize that no binding agreement in relation to the Cooperation has been entered into as at the date of this announcement. As the Cooperation may or may not proceed, investors and Shareholders are urged to exercise caution when dealing in the shares of the Company. Further announcement in respect of the Cooperation will be made by the Company as and when appropriate in accordance with the Listing Rules.

The figures in US\$ are converted into HK\$ at the rate of US\$1: HK\$7.7514 throughout this announcement for indicative purpose only.

By order of the Board of Directors
China LNG Group Limited
Kan Che Kin, Billy Albert
Chairman

Hong Kong, 25 June 2014

As at the date of this announcement, the executive Directors are Mr. Kan Che Kin, Billy Albert, Ms. Li Shu Han, Eleanor Stella and Mr. Li Kai Yien, Arthur Albert; and the independent non-executive Directors are Mr. Li Siu Yui, Mr. Ip Woon Lai and Mr. Lee Kong Leong.

* *for identification purpose only*