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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 WITH SHANGHAI FARGO IN RELATION TO THE LNG BUSINESSES**

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 28 July 2014 (after trading hours), the Company entered into the Framework Agreement with Shanghai Fargo in relation to the Cooperation in relation to expand the investment in LNG refueling stations and in providing new LNG trucks for the commercial logistic transportation industry 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, 22 April 2014, 25 June 2014 and 26 June 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 28 July 2014, the Company entered into a strategic cooperation framework agreement (the “Framework Agreement”) with Shanghai Fargo Supply Chain Management (Group) Limited 上海遠行供應鏈管理(集團)有限公司 (“Shanghai Fargo”) in relation to, among others, provision of liquefied natural gas (“LNG”) heavy trucks or replacement of LNG heavy trucks of Shanghai Fargo (the “Cooperation”).

To the best of the knowledge, information and belief having made all reasonable enquiries by the directors of the Company and Shanghai Fargo 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) Shanghai Fargo agreed to assist the Company to (i) communicate with Shanghai government to accelerate the approval process in the land, planning and project approval and provide tax incentives in relation to the Cooperation and (ii) look for suitable locations for construction of LNG refueling stations and LNG storages; and
- (2) the Company agreed to (i) invest in the Cooperation and responsible for the technical support together with a mega stated owned enterprise; (ii) provide LNG heavy trucks or replace the LNG heavy trucks of Shanghai Fargo and (iii) 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 provision of LNG heavy trucks or replacement of LNG heavy trucks of Shanghai Fargo.

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.

## **INFORMATION ABOUT SHANGHAI FARGO AND REASON FOR ENTERING INTO THE FRAMEWORK AGREEMENT**

Shanghai Fargo is incorporated in Shanghai Yangshan Port Bonded Area in June 2012 and is a subsidiary of Shaanxi Automobile Holding Group Company Limited 陝西汽車控股集團有限公司 (“Shaanxi Automobile”). The principal activities of Shanghai Fargo are provision of logistic services network that covers the whole of the PRC with efficient advanced technology integrating the internet, mobile internet, car networking and logistic network to achieve the business flow, logistics, information flow and monetary flow which integrate these four flows into a leading logistics services enterprise; such as provision of transportation routes and logistic trading platform for solving the communication problem between the owners and shippers, provision of finance lease and operating lease services to truck drivers for purchasing or using the heavy trucks.

Shaanxi Automobile is incorporated in Xi’an, Shaanxi Province that employs 35,000 staff, with total assets of Rmb29.2 billion, ranking 23 in the top 500 machinery enterprises in the PRC. Shaanxi Automobile is the largest manufacturing enterprises in the northwest of the PRC and is the sole enterprise there that produces new energy commercial vehicles. The principal activities of Shaanxi Automobile is engaged in developing, manufacturing and trading of heavy military off-road vehicles,

heavy trucks, medium and light trucks, large and medium-sized passenger cars, mini-cars, micro heavy axles, Cummins engines and its spare parts and provision of automobile finance lease services.

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. On 25 June 2014 and 26 June 2014, the Company entered into strategic cooperation framework agreements with Jiangsu Nantong Binhai Park Management Committee 江蘇南通濱海園區管理委員會 and Nantong Economic & Technological Development Area Management Committee 南通市經濟技術開發區管理委員會 in relation to investment in the projects of application of LNG in Jiangsu Nantong Binhai Park 江蘇南通濱海園區 and Nantong Economic & Technological Development Area 南通市經濟技術開發區 respectively in Nantong City, Jiangsu Province in the PRC. Accordingly, the Company has decided to enter into the Framework Agreement with Shanghai Fargo to expend the investment in LNG refueling stations and in providing new LNG trucks for the commercial logistic transportation industry 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.**

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

Hong Kong, 28 July 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*