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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)

(1) INSIDE INFORMATION

STRATEGIC COOPERATION FRAMEWORK AGREEMENT WITH XUZHOU CONSTRUCTION IN RELATION TO THE LNG BUSINESSES

AND

(2) POSITIVE PROFIT ALERT

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

INSIDE INFORMATION

The Company is pleased to announce that, on 29 July 2014 (after trading hours), the Company entered into the Framework Agreement with Xuzhou Construction 徐州工程 in relation to purchase of LNG engineering machinery vehicles and cooperation to invest in the capital markets.

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.

POSITIVE PROFIT ALERT

The Board wishes to inform the Shareholders and potential investors of the Company that the Group is expected to record a very significant amount of net profit for the six months ended 30 June 2014 as compared to a net loss for the six months ended 30 June 2013.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

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 (the “**SFO**”, 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.

INSIDE INFORMATION

Reference are made to the announcements of the Company dated 27 March 2014, 31 March 2014, 22 April 2014, 25 June 2014, 26 June 2014 and 28 July 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 29 July 2014 (after trading hours), the Company entered into a strategic cooperation framework agreement (the “**Framework Agreement**”) with Xuzhou Construction Machinery Group Limited 徐州工程機械集團有限公司 (“**Xuzhou Construction**”) in relation to purchase of LNG engineering machinery vehicles and cooperation to invest in the capital markets (the “**Cooperation**”).

To the best of the knowledge, information and belief having made all reasonable enquiries by the directors of the Company and Xuzhou Construction 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) the Company agreed to invest and provide technical support in development of the LNG businesses with a mega stated owned enterprise, with priority and periodically purchase LNG engineering machinery vehicles from Xuzhou Construction, for supplying to large-scale logistics enterprises and relevant construction units in the PRC, to expand the market share of the products of Xuzhou Construction; the Company’s strategic partner, a mega stated owned enterprise agreed to provide long-lasting support in the LNG supply to Xuzhou Construction;
- (2) the Company agreed to provide applicable information in relation to the LNG vehicles market, and provide assistance to Xuzhou Construction in the research and development of special LNG vehicles; and
- (3) on the basis of the above cooperation, both parties agreed to cooperate to invest in the capital markets in future.

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 Xuzhou Construction and reason for entering into the Framework Agreement

Xuzhou Construction located in Xuzhou City, Jiangsu Province was incorporated in 1989 and is a stated-owned enterprise. The shares of one of Xuzhou Construction's subsidiary, XCMG Construction Machinery Co., Ltd. (Stock code: 000425) have been listed on the Shenzhen Stock Exchange since 1996. Xuzhou Construction is the largest construction machinery and component products manufacturer in the PRC, including engineering lifting machinery, earth moving machinery, excavation machinery, road construction and maintenance machinery, road compaction machinery, concrete machinery, piling and non-excavation machinery, railway construction equipment, aerial fire-fighting equipment, heavy trucks and special vehicles, special chassis, engine and hydraulic parts, with annual sales in excess of Rmb100 billion.

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 Securities Limited 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. On 28 July 2014, the Company entered into a strategic cooperation 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 in relation to, among others, provision of LNG heavy trucks or replacement of LNG heavy trucks. Accordingly, the Company has decided to enter into the Framework Agreement with Xuzhou Construction in relation to purchase of LNG engineering machinery vehicles and cooperation to invest in the capital markets.

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.

POSITIVE PROFIT ALERT

After preliminary review of the consolidated management accounts of the Group for the six months ended 30 June 2014, the Board wishes to inform the Shareholders and potential investors of the Company that the Group is expected to record a very significant amount of net profit for the six months ended 30 June 2014 as compared to a net loss for the six months ended 30 June 2013. The turnaround was mainly attributable to a net realized and unrealized gain on held for trading investment as opposed to a net loss in the same period of last year.

The Company is still in the process of finalizing the interim results for the six months ended 30 June 2014. As such, the information contained in this announcement is only a preliminary assessment by the Board based on the consolidated management accounts of the Group for the six months ended 30 June 2014. The interim results of the Group for the six months ended 30 June 2014 is expected to be announced on 27 August 2014.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 29 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*