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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 IN RELATION TO THE LNG BUSINESSES IN XUZHOU

AND

(2) FURTHER INFORMATION IN RELATION TO 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.

FRAMEWORK AGREEMENT

The Company is pleased to announce that, on 4 August 2014 (after trading hours), the Company entered into the Framework Agreement with Xuzhou Transportation 徐州市交通運輸局 in relation to the Cooperation in developing the LNG businesses in Xuzhou, 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.

FURTHER INFORMATION IN RELATION TO POSITIVE PROFIT ALERT

After preliminary review of the consolidated management accounts of the Group for the six months ended 30 June 2014, the Board expected the net profit after tax of the Group is approximately HK\$280 million for the six months ended 30 June 2014.

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.

FRAMEWORK AGREEMENT

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, 28 July 2014 and 29 July 2014 in relation to development of the liquefied natural gas (“**LNG**”) businesses in the People’s Republic of China (the “**PRC**”).

The board (the “**Board**”) of directors (the “**Director**”) of the Company announces that on 4 August 2014 (after trading hours), the Company entered into a strategic cooperation framework agreement (the “**Framework Agreement**”) with Xuzhou Transportation Bureau 徐州市交通運輸局 (“**Xuzhou Transportation**”) in relation to investment in the projects of application of LNG in Xuzhou 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 Xuzhou Transportation 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) Xuzhou Transportation agreed to support the Company to develop the LNG businesses in Xuzhou City with a mega stated owned enterprise;
- (2) the Company intends to set up a subsidiary with registered capital of Rmb200 million (approximately HK\$251,580,000) to engage in LNG application-oriented businesses;
- (3) Xuzhou Transportation agreed to assist, support and give appropriate guidance to the Company and assist the Company to coordinate with relevant departments of the People’s Government of Xuzhou City to develop the LNG businesses in transportation sectors in Xuzhou City; and
- (4) after signing of the Framework Agreement, the Company need to provide the investment proposal in relation to the Cooperation to Xuzhou Transportation within 6 months.

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 Transportation and Reason for Entering into the Framework Agreement

Xuzhou Transportation is governed by the People's Government of Xuzhou City. Xuzhou Transportation is an administrative department of highways, waterways, local railways and urban passenger transport in Xuzhou City (including Tongshan District and Jia Wang District). Xuzhou Transportation is primarily responsible for (i) formulating and monitoring the implementation of planning in relation to the city's highways, waterways (locks), ports, local railways, civil aviation and transportation logistics industry; (ii) organizing and implementing transportation construction projects; (iii) management of transportation related industries (including road transport, navigation, urban passenger transport (including taxis), traffic engineering construction); (iv) development and supervision of the implementation of investment and financing policies in relation to transportation industries; (v) raising fund and monitoring the usage of the fund for traffic construction; (vi) enforcement of the policies in relation to road, navigation, aviation and transportation; (vii) guiding the development of the local civil aviation industry and (viii) formulating and implementing industry technology planning, technical specifications, scientific and technological projects.

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 平安證券有限責任公司 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 中海油雲南能源有限公司 and Yongping Business Bureau 永平商務局 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, a subsidiary of Shaanxi Automobile Holding Group Company Limited 陝西汽車控股集團有限公司, in relation to, among others,

provision of LNG heavy trucks or replacement of LNG heavy trucks. On 29 July 2014, the Company entered into a strategic cooperation framework agreement with Xuzhou Construction Machinery Group Limited 徐州工程機械集團有限公司 in relation to purchase of LNG engineering machinery vehicles and cooperation to invest in the capital markets. Accordingly, the Company has decided to enter into the Framework Agreement with Xuzhou Transportation 徐州市交通運輸局 to invest in the projects of application of LNG in Xuzhou City, 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.

The figures in Rmb are converted into HK\$ at the rate of Rmb1: HK\$1.2579 throughout this announcement for indicative purpose only.

FURTHER INFORMATION IN RELATION TO THE POSITIVE PROFIT ALERT

References are made to the announcements (the “**Announcements**”) of the Company dated 22 June 2014, 27 June 2014 and 29 July 2014 in relation to, among others, the disposal of the Convertible Bonds and a positive profit alert for the results of the Group for the six months ended 30 June 2014. Capitalised terms used herein shall have the same meanings as those defined in the Announcements unless otherwise stated.

After preliminary review of the consolidated management accounts of the Group for the six months ended 30 June 2014, the Board expected the net profit after tax of the Group is approximately HK\$280 million for the six months ended 30 June 2014, mainly generated from the realised and unrealised gain on trading of listed securities and disposal of the Convertible Bonds.

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

Hong Kong, 4 August 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*