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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 AGREEMENTS IN RELATION TO THE LNG BUSINESSES IN ORDOS AND HOHHOT

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 10 September 2014 (after trading hours), the Company entered into the Framework Agreement I with Ordos EITC in relation to development of the LNG businesses in Ordos City, Inner Mongolia Autonomous Region in the PRC and the Framework Agreement II with Hong Shun in relation to, among others, provision of LNG passenger vehicles and transformation of passenger vehicles from using fuel to LNG.

The Board wishes to emphasize that no binding agreement in relation to the Cooperation I and Cooperation II have been entered into as at the date of this announcement. As the Cooperation I and Cooperation II may or may not proceed, investors and Shareholders are urged to exercise caution when dealing in the shares of the Company. Further announcements in respect of the Cooperation I and Cooperation II 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, 26 June 2014, 28 July 2014, 29 July 2014 and 4 August 2014 in relation to development of the liquefied natural gas (“**LNG**”) businesses in the People’s Republic of China (the “**PRC**”).

FRAMEWORK AGREEMENT I

The board (the “**Board**”) of directors (the “**Director**”) of the Company announces that on 10 September 2014 (after trading hours), the Company entered into a strategic cooperation framework agreement (the “**Framework Agreement I**”) with the Ordos Economic and Information Technology Commission (鄂爾多斯市經濟和信息化委員會) (“**Ordos EITC**”) in relation to investment in development of LNG businesses in Ordos City, Inner Mongolia Autonomous Region, in the PRC (the “**Cooperation I**”).

To the best of the knowledge, information and belief having made all reasonable enquiries by the directors of the Company, Ordos EITC 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 I, the Cooperation I are as follows:

- (1) the Company agreed to (i) construct LNG refueling stations, storages and LNG distributed energy stations in Ordos; (ii) transform the passenger vehicles from using fuel to LNG and (iii) help the local transport and passenger transport companies to replace the passenger vehicles and heavy trucks from using fuel to LNG;
- (2) the Company agreed to invest in the production of LNG from natural gas with a mega stated owned enterprise;
- (3) both parties will strengthen the cooperation in the energy sector, the Company agreed to develop coalbed methane, shale gas, coal gas and other coal chemical and natural gas related industries in Ordos with a mega stated owned enterprise;
- (4) on the basis of the above cooperation, both parties agreed to cooperate to invest in the capital markets in future; and
- (5) the Company agreed to assist the local enterprises of Ordos to enter into the capital market in Hong Kong.

Detailed terms and conditions for the Cooperation I will be subject to further negotiation between each others and definitive agreements shall have to be signed by the parties in respect of the Cooperation I entered into under the Framework Agreement I.

Information about Ordos EITC

Ordos City is located in the southwest of Inner Mongolia Autonomous Region and situated in the hinterland of the Ordos plateau. The total land area of Ordos is about 87,890 square kilometers.

Ordos EITC is governed by the People’s Government of Ordos. Ordos EITC is primarily responsible for (i) developing and implementing development strategies, policies and planning of city’s industrial and information technology about the new industrialization, promotion of industrialization and information technology integration; (ii) monitoring and analysis of the city’s industrial economic situation and

statistics and publish relevant information, forecasting and early warning; (iii) provision of investment and funding scale, direction and arrangement of investment in fixed assets of industrial and information technology; (iv) provision of industrial restructuring plan based on the city's overall plan for national economic and social development; (v) formulating and implementing the city's industrial economy, energy conservation and comprehensive utilization of resources, promotion of clean production policy and planning; and (vi) coordination of the development of city's telecommunications infrastructure.

FRAMEWORK AGREEMENT II

The Board announces that on 10 September 2014 (after trading hours), the Company entered into a strategic cooperation framework agreement (the “**Framework Agreement II**”) with the Inner Mongolia Hong Shun Travel Limited* (內蒙古紅順旅遊客運有限公司) (“**Hong Shun**”) in relation to, among others, provision of LNG passenger vehicles or replacement of their existing passenger vehicles with LNG passenger vehicles (the “**Cooperation II**”).

To the best of the knowledge, information and belief having made all reasonable enquiries by the directors of the Company, Hong Shun 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 II, the Cooperation II are as follows:

- (1) In order to achieve conservation of energy, optimizing energy structure, reduction of transportation costs and protection of the environment, Hong Shun and the Company agreed to develop and promote the application of LNG vehicles in Hohhot;
- (2) the Company agreed to (i) invest in the Cooperation II and responsible for the technical support together with a mega stated owned enterprise; (ii) provide LNG passenger vehicles or replace the existing passenger vehicles from using fuel to LNG 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 passenger vehicles or replacement of the existing passenger vehicles of Hong Shun.
- (3) the Company agreed to construct sufficient LNG refueling stations throughout the routes of Hong Shun's vehicles with a mega stated owned enterprises to ensure the sufficiency of supply of LNG;
- (4) Hong Shun agreed to assist the Company in communication with passenger and public transport companies in Hohhot to promote the application of LNG vehicles;

Detailed terms and conditions for the Cooperation II will be subject to further negotiation between the parties and definitive agreements shall have to be signed by the parties in respect of the Cooperation II entered into under the Framework Agreement II.

Information about Hong Shun

Hong Shun was established in 2005 and is principally engaged in tour bus services including airport bus, passenger travel and VIP customer shuttle services and car rental service. With effect from 1 January 2012, Hong Shun has formed a strategic partnership with the Hohhot Baita International Airport. Their strategic cooperation mainly included operation of (i) a exclusive bus route between Hohhot Baita International Airport and Hohhot city; (ii) passenger flight delays shuttle for Air China and other airlines; and (iii) commuter bus for the employees of Hohhot Baita International Airport.

REASON FOR ENTERING INTO THE FRAMEWORK AGREEMENT I AND FRAMEWORK AGREEMENT II

The Company is principally engaged in property investment, trading of securities and development of LNG businesses. 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 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 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. On 4 August 2014, the Company entered into a strategic cooperation framework agreement with Xuzhou Transportation Bureau 徐州市交通運輸局 in relation to investment in the projects of application of LNG in Xuzhou City, Jiangsu Province in the PRC. Accordingly, the Company has decided to enter into the Framework Agreement I with Ordos EITC in relation to development of the LNG businesses in Ordos City, Inner Mongolia Autonomous Region in the PRC and the Framework Agreement II with Hong Shun in relation to, among others, provision of LNG passenger vehicles and transformation of passenger vehicles from using fuel to LNG.

The Board wishes to emphasize that no binding agreement in relation to the Cooperation I and Cooperation II have been entered into as at the date of this announcement. As the Cooperation I and Cooperation II 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 possible Cooperation I and Cooperation II 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, 10 September 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*