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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 TUMED RIGHT BANNER**

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 14 October 2014 (after trading hours), the Company entered into the Framework Agreement with Tumed Right Banner Business Bureau in relation to development of LNG businesses in Tumed Right Banner, Baotou City, Inner Mongolia 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, 26 June 2014, 28 July 2014, 29 July 2014, 4 August 2014, 10 September 2014 and 6 October 2014 in relation to development of the liquefied natural gas (“**LNG**”) businesses in the People’s Republic of China (the “**PRC**”).

## FRAMEWORK AGREEMENT

The Board announces that on 14 October 2014 (after trading hours), the Company entered into a strategic cooperation framework agreement (the “**Framework Agreement**”) with Tumed Right Banner Business Bureau (土默特右旗商務局), a governmental authority of Tumed Right Banner, in relation to investment in development of LNG businesses in Tumed Right Banner, Baotou City, Inner Mongolia Autonomous Region, 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, Tumed Right Banner Business Bureau 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) under the premise of national industrial policy and land planning of Tumed Right Banner, Tumed Right Banner Business Bureau agreed to fully support the Company to (i) construct LNG refueling stations, LNG storages and LNG distributed energy stations in Tumed Right Banner and (ii) transform the vehicles from using fuel to LNG together with energy related enterprises;
- (2) Tumed Right Banner Business Bureau agreed to support the Company to invest in the development of production and processing of LNG from natural gas with energy related enterprises; and
- (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 Tumed Right Banner with energy related enterprise.

Detailed terms and conditions for the Cooperation 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 entered into under the Framework Agreement.

## INFORMATION ABOUT TUMED RIGHT BANNER BUSINESS BUREAU AND REASON FOR ENTERING INTO THE FRAMEWORK AGREEMENT

Tumed Right Banner is located in the south-central of Inner Mongolia Autonomous Region, the north shore of the Yellow River, between Hohhot and Baotou City. The total land area of Tumed Right Banner is about 2,368 square kilometers. Agriculture dominates the economy of Tumed Right Banner. Tumed Right Banner is abundant in mineral resources of coal as well as iron, brass, silver, aluminum and other metal mines. Tumed Right Banner Business Bureau is a division of the People's Government of Tumed Right Banner ("**Tumed Right Banner Government**") responsible for the management of the commercial investment and business matters in Tumed Right Banner. Tumed Right Banner Government is under the jurisdiction of the People's Government of Baotou and is resident in Salaqi.

The Company is principally engaged in property investment and 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 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 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. On 10 September 2014, the Company entered into a strategic cooperation framework agreement with the Ordos Economic and Information Technology Commission 鄂爾多斯市經濟和信息化委員會 in relation to investment in development of LNG businesses in Ordos City, Inner Mongolia Autonomous Region, in the PRC and a strategic cooperation framework agreement with Inner Mongolia Hong Shun Travel

Limited\* 內蒙古紅順旅遊客運有限公司 in relation to, among others, provision of LNG passenger vehicles or replacement of their existing passenger vehicles with LNG passenger vehicles. On 6 October 2014, the Company entered into a strategic cooperation framework agreement with Baotou Rare Earth High-Tech Industrial Development Zone Committee\* (包頭國家稀土高新技術產業開發區管委會) in relation to investment in the projects of application of LNG in Baotou Rare Earth High-Tech Industrial Development Zone\* (包頭國家稀土高新技術產業開發區), Baotou City, Inner Mongolia in the PRC. Accordingly, the Company has decided to enter into the Framework Agreement with Tumed Right Banner Business Bureau in relation to development of LNG businesses in Tumed Right Banner, Baotou City, Inner Mongolia 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.**

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

Hong Kong, 14 October 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*