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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

COOPERATION FRAMEWORK AGREEMENTS IN RELATION TO THE LNG BUSINESSES WITH SINOPEC FUEL OIL SALES

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 25 November 2014 (after trading hours), the Company entered into the Framework Agreement with Sinopec Fuel Oil Sales Corporation Limited (Shanghai Branch) in relation to cooperation in the development of LNG refueling station and application of LNG heavy trucks businesses 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 announcements 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 14 October 2014 in relation to development of the liquefied natural gas (“LNG”) businesses in the People’s Republic of China (the “PRC”).

FRAMEWORK AGREEMENT WITH SINOPEC FUEL OIL SALES

The board (the “**Board**”) of directors (the “**Director**”) of the Company announces that on 25 November 2014 (after trading hours), the Company entered into a cooperation framework agreement (the “**Framework Agreement**”) with SINOPEC Fuel Oil Sales Corporation Limited (Shanghai Branch) (中國石化銷售有限公司上海石油分公司) (“**SINOPEC Fuel Oil Sales**”) in relation to cooperation in the development of LNG refueling station and application of LNG heavy trucks businesses in the PRC. Both parties intended to select two highways, Huhangyong highway (滬杭甬高速公路) (G60), which is an important highway in connection between Shanghai Shen Zhuang Zhen (上海莘莊鎮) and Hangzhou Peng bu Zhen (杭州彭埠鎮) with a length of 151 km and Hang Pu highway (杭浦高速公路) (G15), which is a highway in connection between Shanghai Pudong (上海浦東) and Hangzhou Dajing (杭州大井) with a length of 112 km, as a pilot scheme for adding LNG refueling facilities in existing gas stations along these two highways. Afterwards, SINOPEC Fuel Oil Sales will increase the number of LNG refueling stations based on the demand and development of the LNG businesses of the Company (the “**Cooperation**”).

To the best of the knowledge, information and belief having made all reasonable enquiries by the directors of the Company and SINOPEC Fuel Oil Sales 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 is as follows:

- (1) SINOPEC Fuel Oil Sales responses to communicate with relevant government departments for handling application procedures in relation to adding LNG refueling facilities in existing gas stations (the “**LNG Refueling Facilities**”);
- (2) SINOPEC Fuel Oil Sales is responsible for the project design, construction, installation of equipments, testing and acceptance check;
- (3) SINOPEC Fuel Oil Sales promises the LNG Refueling Facilities can be operated within 6 months after obtaining approval from relevant government departments;
- (4) SINOPEC Fuel Oil Sales ensures the adequate supply of LNG and the quality of their LNG is qualified and stable. SINOPEC Fuel Oil Sales agree to provide preferential price to the Company when the consumption of LNG by the Company reaches certain level;
- (5) SINOPEC Fuel Oil Sales agrees to actively report to its head office in Beijing in order to assist the Company to expend and develop its LNG businesses to the companies located at the surrounding area of Shanghai and provide services to the expended businesses of the Company;

- (6) the Company is responsible for aggressive expansion of the LNG vehicles market, provision of funding to its customers to translate their heavy trucks from using fuel to LNG and provision of finance leasing services to its customers for purchasing new LNG heavy truck from the Company. The Company promises to invest not less than 100,000 LNG heavy trucks directly and not less than 200,000 LNG heavy trucks indirectly at the end of year 2020 in order to provide a long-term support of aerated businesses of SINOPEC Fuel Oil Sales;
- (7) for those LNG Refueling Facilities required by the Company, the Company has guaranteed certain minimum retail sale of LNG in each of these gas station. Specific guarantee conditions will be governed by further agreement 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 SINOPEC FUEL OIL SALES

SINOPEC Fuel Oil Sales Corporation Limited is a wholly owned subsidiary of China Petroleum and Chemical Corporation (“**Sinopec Corp.**”). Headquartered in Beijing, it has a registered capital of RMB 2.2 billion and has 7 branch companies in Tianjin, Shandong, Shanghai, Jiangsu, Zhejiang, Fujian and Guangdong as well as 1 full subsidiary in Zhoushan, Zhejiang. SINOPEC Fuel Oil Sales consolidates 32 fuel oil producers, 7 provincial and municipal fuel oil distributors under Sinopec Corp. It is specialized in the comprehensive operation and professional management of fuel oil business of Sinopec Corp..

Sinopec Corp (HKEx Stock code:386) is a listed company on domestic and international stock exchanges with integrated upstream, midstream and downstream operations, strong oil & petrochemical core businesses and a complete marketing network. Sinopec Corp. is one of the largest integrated energy and chemical company in China. The scope of its business mainly covers oil and gas exploration and production, extraction, pipeline transmission and marketing; oil refining; production, marketing, storage and transportation of petrochemicals, chemical fibers, chemical fertilizers and other chemical products; import, export and import/export agency business of crude oil, natural gas, refined oil products, petrochemicals, chemicals, and other commodities and technologies; research, development and application of technology and information. Sinopec Corp. is China’s largest producer and supplier of refined oil products (including gasoline, diesel and jet fuel, etc.) and major petrochemical products (including synthetic resin, synthetic fiber monomers and polymers, synthetic fiber, synthetic rubber, chemical fertilizer and petrochemical intermediates). It is also China’s second largest crude oil producer.

REASON FOR ENTERING INTO THE FRAMEWORK AGREEMENT

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 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. 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. On 14 October 2014, the Company entered into a strategic cooperation framework agreement (the 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. Accordingly, as the value of investment in 300,000 LNG heavy trucks could amount to over RMB100 billion, the Company has decided to enter into the Framework Agreement with SINOPEC Fuel Oil Sales in relation to cooperation in the development of LNG refueling station and application of LNG heavy trucks businesses 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 possible 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, 25 November 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. Simon Murray, Dr. Lam, Lee G., Mr. Li Siu Yui, Mr. Ip Woon Lai and Mr. Lee Kong Leong.

* *for identification purpose only*