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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 AGREEMENT IN RELATION TO THE LNG BUSINESSES WITH BEIJING SANXING

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 5 December 2014 (after trading hours), the Company entered into the Framework Agreement with Beijing Sanxing in relation to cooperation in purchase and production together with sale and finance leasing of LNG special vehicles 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, 14 October 2014, 25 November 2014 and 27 November 2014 in relation to development of the liquefied natural gas (“**LNG**”) businesses in the People’s Republic of China (the “**PRC**”).

FRAMEWORK AGREEMENT WITH BEIJING SANXING

The board (the “**Board**”) of directors (the “**Director**”) of the Company announces that on 5 December 2014 (after trading hours), the Company entered into a cooperation framework agreement (the “**Framework Agreement**”) with Beijing Sanxing Automobile., Limited (北京三興汽車有限公司) (“**Beijing Sanxing**”) in relation to cooperation in purchase and production together with sale and finance leasing of LNG special vehicles 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 Beijing Sanxing 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 includes the following:

- (1) Beijing Sanxing agrees to give priority to recommend the Company to its customers who are willing to replace their existing fuel vehicles by LNG vehicles. Beijing Sanxing will be responsible for production of LNG vehicles and the Company will provide finance leasing services to the customers of Beijing Sanxing;
- (2) the Company will give priority to purchase the LNG special vehicles from Beijing Sanxing and Beijing Sanxing will provide preferential benefit to the Company for purchasing their LNG special vehicles. The Company will through the cooperation with Sinopec in the development of LNG refueling station ensure a long-term and stable supply of LNG;
- (3) the Company agrees to provide reports relating to LNG vehicles’ market on a regular basis and assist Beijing Sanxing to carry out research and development and production of LNG special vehicles;
- (4) the Company is willing to provide Hong Kong capital market financing and other financial services to Beijing Sanxing upon request.

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 BEIJING SANXING

Beijing Sanxing (formerly the Chinese People’s Liberation Army No. 3603 Factory) was founded in 1956, originally belonging to the General Logistics Department, now owned by Xinxing Cathay International Group Co., Ltd, which owns two listed companies, namely Jihua Group Corporation Limited (listed in Shanghai, stock code: 601718) and Xinxing Ductile Iron Pipes Co.,Ltd (listed in Shenzhen, stock code:778). It is an enterprise of engineering machinery equipment as Xinxing Heavy Industry, secondary sector of Xinxing Cathay International Group, belongs to.

Products of Beijing Sanxing cover “emergency rescue equipment, national defense logistics special equipment, electrical engineering, petrochemical transportation” and other fields, and are exported to the Americas, Africa, the Middle East, Asia and other countries and regions. Beijing Sanxing is also a special vehicle production and sales enterprises, mainly the production of various kinds of special vehicles, and has the qualification for vehicle export. Apart from the existing production of special vehicles using petrol and diesel fuel, Beijing Sanxing is now vigorously developing LNG special vehicle, including dump trucks, transport and refueling trucks, tractors, hooklifts, refrigerator vehicles, dangerous goods transport vehicle and a series of exclusive cars fueled by LNG. Meanwhile, Beijing Sanxing is selling all kinds of special vehicles on the market. Its customer mainly includes military, petroleum and petrochemical companies such as CNPC, Sinopec, coal companies, the state grid, government departments, airports, mines, ports, transportation companies, sanitation and cleaning companies, highways and other transportation companies.

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. On 25 November 2014, the Company entered into a cooperation 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) in relation to cooperation in the development of LNG refueling station and application of LNG heavy trucks businesses in the PRC. On 27 November 2014, the Company entered into a framework agreement with Shanghai Xin Si Yuan Logistic Company Limited* (上海新思原物流有限公司) and a framework agreement with Jiaxing Dadu New Logistic Company Limited* (嘉興大渡新物流有限公司) respectively in relation to the development of 150 LNG vehicles and 3 vessels leasing business in the PRC. Accordingly, the Company has decided to enter into the Framework Agreement with Beijing Sanxing in relation to cooperation in purchase and production together with sale and finance leasing of LNG special vehicles 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, 5 December 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