

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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 SHAANXI AUTOMOBILE

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 19 December 2014 (after trading hours), the Company entered into the Framework Agreement with Shaanxi Automobile in relation to cooperation in promoting the application of LNG 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 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, 27 November 2014 and 5 December 2014 in relation to development of the liquefied natural gas (“LNG”) businesses in the People’s Republic of China (the “PRC”).

FRAMEWORK AGREEMENT WITH SHAANXI AUTOMOBILE

The board (the “**Board**”) of directors (the “**Director**”) of the Company announces that on 19 December 2014 (after trading hours), the Company entered into a cooperation framework agreement (the “**Framework Agreement**”) with Shaanxi Automobile Holding Group Company Limited 陝西汽車控股集團有限公司 (“**Shaanxi Automobile**”) in relation to cooperation in promoting the application of LNG 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 Shaanxi Automobile 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) both parties agree to promote the application of LNG vehicles in order to reduce atmospheric pollution by diesel vehicles and alleviate urban haze;
- (2) both parties agree to develop logistics industry customers, focus on the customers’ needs and their operation process to provide comprehensive integrated solutions on the application of LNG vehicles;
- (3) the Company agrees to give priority to purchase the LNG vehicle from Shaanxi Automobile and Shaanxi Automobile will provide preferential benefit to the Company;
- (4) the Company agrees to give priority to recommend Shaanxi Automobile’s products to its customers and Shaanxi Automobile agrees to fully cooperate with the customers recommended by the Company and guarantee to provide sufficient after-sales service to these customers;
- (5) Shaanxi Automobile ensures the sufficient supply of products ordered by the Company and agrees to provide support and technology to customers of the Company for transforming fuel vehicles into LNG vehicles;
- (6) both parties agree to concentrate on logistic sector, strengthening the cooperation in after-sales market of LNG heavy vehicles through the internet service platform of Shaanxi Automobile;
- (7) both parties will investigate into the possibilities of the related cooperation in the sector of finance leasing and finalise the related cooperation by an agreement within one month;

- (8) both parties agree to cooperate in developing the market of transformation of fuel vehicles into LNG vehicles; and
- (9) both parties agree to hold meeting regularly to exchange the market information and experience in relation to the application of the LNG vehicle and explore idea in expending LNG vehicle market.

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 SHAANXI AUTOMOBILE

Shaanxi Automobile is incorporated in Xi'an, Shaanxi Province that employs 35,000 staff, with total assets of RMB29.2 billion, ranking 23 in the top 500 machinery enterprises in the PRC. Shaanxi Automobile is the largest manufacturing enterprises in the northwest of the PRC and is the sole enterprise there that produces new energy commercial vehicles. The principal activities of Shaanxi Automobile is engaged in developing, manufacturing and trading of heavy military off-road vehicles, heavy trucks, medium and light trucks, large and medium-sized passenger cars, mini-cars, micro heavy axles, Cummins engines and its spare parts and provision of automobile finance lease services. As the advocate and main urger of new energy automobile, Shaanxi Automobile has successfully designed and produced compressed natural gas ("CNG"), LNG, methanol, dimethyl ether, electrical and other new energy vehicle and related products and has many patent technology.

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 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 300,000 LNG heavy trucks 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. On 5 December 2014, the Company entered into a cooperation framework agreement with Beijing Sanxing Automobile., Limited (北京三興汽車有限公司) in relation to cooperation in purchase and production together with sale and finance leasing of LNG special vehicles in the PRC. Accordingly, the Company has decided to enter into the Framework Agreement with Shaanxi Automobile in relation to cooperation in promoting the application of LNG vehicles in the PRC.

BUSINESS UPDATE OF THE COMPANY

The company is completing the formation of its mainland head office and leasing company in Shanghai with the hiring of eight senior managers heading up its twenty six departments. The Company expects to commence its LNG businesses in January or February of 2015, of which an initial investment of around 1,000 Original Equipment Manufacturer (“OEM”) purchase of heavy trucks to be leased to a few logistics companies. These first few batches of LNG vehicles are expected to be in operation in April 2015, after the setting up of LNG refilling facilities in the designated existing oil refilling stations of Sinopec in and around Shanghai. The Company is planning to invest around 10,000 LNG vehicles with a total value of around RMB4 billion in 2015, through internal funding and financial support from its major shareholder and from external lending from commercial banks or issuance of long term debts. The company expects its 2015 revenue will be significantly increased from that of its previous year.

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, 19 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*