

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 AGREEMENT IN RELATION TO THE LNG BUSINESSES IN LINYI

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 23 June 2015, the Company entered into the Cooperation Agreement with Linyi Trade City Administrative Commission* (臨沂商城市管理委員會) in relation to cooperation in promoting the application of LNG businesses in Linyi, Shandong, the PRC.

The Board wishes to emphasise that the terms of the Cooperation Agreement only sets out the preliminary cooperation intentions of the Company and Linyi Trade City Administrative Commission, which do not constitute any substantive right and obligation of Linyi Trade City Administrative Commission to the Cooperation Agreement. The transactions contemplated under the Cooperation Agreement may or may not proceed. Further announcements in respect of the Cooperation Agreement will be made by the Company as and when appropriate in accordance with the Listing Rules.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

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 “**Hong Kong 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.

References are made to the announcements of the Company dated 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, 5 December 2014, 19 December 2014 and 8 April 2015 in relation to development of the liquefied natural gas (“**LNG**”) businesses in the People’s Republic of China (the “**PRC**”).

The board (the “**Board**”) of directors (the “**Director**”) of the Company announces that on 23 June 2015, the Company entered into an investment cooperation agreement (the “**Cooperation Agreement**”) with Linyi Trade City Administrative Commission* (臨沂商城管理委員會) in relation to cooperation in promoting the application of LNG businesses in Linyi, Shandong, the PRC.

To the best of the knowledge, information and belief having made all reasonable enquiries by the directors of the Company and Linyi Trade City Administrative Commission and their ultimate beneficial owners are third parties independent of the Company and connected persons (as defined in the Listing Rules) of the Company.

COOPERATION AGREEMENT WITH LINYI TRADE CITY ADMINISTRATIVE COMMISSION

Pursuant to the Cooperation Agreement entered into between the Company and Linyi Trade City Administrative Commission, the cooperation, among others, includes the following:

- (1) the Company intends to establish an investment company with registered capital of RMB2 billion (approximately HK\$2,531,540,000) in Linyi. The investment of the said investment company, including but not limited to,:-
 - (i) in accordance with the overall planning of the People’s Government of Linyi City (臨沂市人民政府) (“**Linyi Government**”), the Company shall invest in construction of (i) LNG refueling stations, including fixed refueling stations (固定式加氣站), skid-mounted stations (撬裝式加氣站), gas tank skid of temporary stations (儲氣罐撬裝化的臨時加氣站), (ii) portable LNG charging cars (移動式液化天然氣加注車) to provide LNG filling services for boilers and construction machines, (iii) LNG central stations (液化天然氣加注中心站) to provide LNG filling services for industries and civilian users who are unable to access the city LNG pipeline network, (iv) LNG transportation and distribution system and acquisition of gas pipeline and gas filling equipment franchise, and (v) LNG liquefaction plants and 30 units of LNG refueling stations, central stations and distribution system;
 - (ii) set up an industry leading fund together with Linyi Trade City Administrative Commission to support the construction of e-commerce industrial park and other development projects in Linyi Trade City;

- (iii) the Company shall assist the small and medium-sized enterprises with appropriate conditions in Linyi to enter into the Hong Kong capital market or to be listed in the Hong Kong Stock Exchange through merger, acquisition and reorganisation;
- (2) the Company intends to establish a finance leasing company in Linyi to provide finance leasing services for LNG vehicles and equipment with preferential service terms. The Company expects that the investment amount is around RMB8 billion (approximately HK\$10,126,160,000) to RMB50 billion (approximately HK\$63,288,500,000). The finance leasing services will provide for, including but not limited to,:-
- (i) logistics companies in Linyi Trade City;
 - (ii) industrial and civil boilers changing from using coal to LNG;
 - (iii) construction of LNG bus network to improve the public transportation system in Linyi Trade City;
 - (iv) vehicles and equipment for city or building construction and municipal services in Linyi Trade City;
- (3) Linyi Trade City Administration Commission shall promote the application of LNG in Linyi Trade City and strive for related preferential policies and subsidy from Linyi Government and set up a management and working team including the personnel from both parties to speed up the promotion and application of the above clean energy projects.

The Cooperation 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 OF LINYI CITY AND LINYI TRADE CITY ADMINISTRATIVE COMMISSION

Linyi is located in the southeast of Shandong province. It has 9 counties, 3 districts and 3 economic development zones with a total population of 10,810,000 and a total area of 17,200 square kilometers. It is the biggest area in Shandong province and the most populous cities. It has the largest professional market cluster (“**Linyi Trade City**”) in the PRC and is an important logistics base in north China. Linyi Trade City is one of the earliest professional wholesale market clusters in the PRC. The logistics in Linyi has radiated throughout the nation. There are about 21 well-known, modern logistics parks of large scale and 1,800 logistics enterprises in Linyi Trade City.

Linyi Trade City Administrative Commission is governed by the People’s government of Linyi and is responsible for different kinds of market construction projects, trade logistics, e-commerce, planning and construction management services in Linyi.

REASON FOR ENTERING INTO COOPERATION AGREEMENT

The Company is principally engaged in property investment, trading of securities and development of LNG businesses. The LNG business in the PRC is a key focus area of the Group. To cooperate with the green energy strategy encouraged by the PRC government, the Company commenced to operate finance leasing business of the LNG vehicles, vessels and equipment in February 2015.

The Group is committed to promote the application of LNG, through engaging in finance leasing business for LNG vehicles, vessels and equipment and investment in natural gas midstream and downstream projects to relieve the pollution problem in the PRC. Accordingly, the Company has decided to enter into the Cooperation Agreement with Linyi Trade City Administrative Commission in relation to cooperation in promoting the application of LNG businesses in Linyi.

GENERAL

The Board wishes to emphasise that the terms of the Cooperation Agreement only set out the preliminary cooperation intentions of the Company and Linyi Trade City Administrative Commission, which do not constitute any substantive right and obligation of Linyi Trade City Administrative Commission to the Cooperation Agreement. The transactions contemplated under the Cooperation Agreement may or may not proceed. Further announcements in respect of the Cooperation Agreement will be made by the Company as and when appropriate in accordance with the Listing Rules.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

The figures in RMB are converted into HK\$ at the rate of RMB1: HK\$1.26577 throughout this announcement for indicative purpose only.

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

Hong Kong, 23 June 2015

As at the date of this announcement, the executive Directors are Mr. Kan Che Kin, Billy Albert, Mr. Chen Li Bo, Ms. Li Shu Han, Eleanor Stella and Mr. Li Kai Yien, Arthur Albert; the non-executive Directors are Mr. Simon Murray and Dr. Lam, Lee G.; the independent non-executive Directors are Mr. Li Siu Yui, Mr. Ip Woon Lai and Mr. Lam Lum Lee.

** for identification purpose only*