

Milestones & Awards



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Milestones:

June 2006

- Acquired 38.69% equity interest in Chongqing Ding Fat Industries Co., Ltd for RMB62.16 million. The Company has 40 natural gas wells with total annual capacity of 150 million m³ of natural gas, expandable to 500 million m³.
- To invest RMB750 million for 75% interest in the Dalian city gas network which has a customer base of 650,000 residential and 6,000 industrial and commercial users.
- Invested RMB93.33 million for 70% interest in the Fushun city gas network which has a customer base of 189,000 residential and 3,000 industrial and commercial users.

August 2006

- Invested RMB400 million for 50% interest in the Hohhot city natural gas network, which has a customer base of 170,000 residential and 2,300 industrial and commercial users.
- Asian Development Bank subscribed US\$24 million worth of shares and further provided a US\$125 million long-term financing package to China Gas to finance its city gas projects in China. ①

September 2006

- To invest RMB111 million for 51% interest in the Dezhou city natural gas network which has a customer base of 65,000 residential and 300 industrial and commercial users.

December 2006

- To invest RMB800 million to build its first LNG liquefaction production and distribution plant in Kaixian, Chongqing. This facility, with a capacity of 450 million m³ and a fleet of 150 LNG trucks, will bring in an annual turnover of more than RMB1.2 billion for China Gas.
- Granted the license by the Ministry of Commerce to export, import, wholesale and retail fuel products including LNG and LPG.
- Invested RMB256 million for 51% interest in the Qingdao city natural gas network, which has a customer base of 380,000 residential users and is an industrially and commercially prosperous city in Shandong province.

February 2007

- Invested RMB115 million for 97.62% interest in the Yubei District, Chongqing city natural gas network which has a customer base of 94,000 residential users.

March 2007

- Signed a JV agreement with SK E&S and SK Gas, both the subsidiaries of SK Group, the third largest corporation in Korea. The JV, which has been registered in HK with an authorized capital of US\$20 million, will focus on energy products distribution in China. Each party holds 50% equity interest in the JV. ②

May 2007

- Signed a JV agreement with strategic shareholder, Oman Oil. The JV, with an authorized capital of US\$40 million, will focus on importing energy products from Middle East to China. ③
- To invest RMB1.2 billion to build a 100% owned LNG liquefaction plant, in Xuanhanxian, Sichuan, with a capacity of 700 million m³ per year and a fleet of 200 LNG trucks.

June 2007

- To construct Otag Banner Long Distance Natural Gas Pipeline with an annual capacity 1.2 billion m³. This pipe will be commissioned in June 2008.
- Invested RMB147 million for a high quality city natural gas network in Baotou, the largest industrial city in Inner Mongolia. This project, with 50 years' city gas concession right, has a customer base of 70,000 residential, 134 commercial users and 3 industrial users each consuming over 100,000 m³ per day.

Awards:

- China Gas received the "Outstanding Natural Gas Provider" award in the 2nd Capital China Outstanding Enterprise Awards; it is the second time the Group won this honor. ④
- China Gas won three awards in FinanceAsia's 2007 Asia's Best Company Poll for China category:
 - "Best Managed Company" and "Best Investor Relations" ⑤
 - "Best Mid-cap" ⑥
- China Gas won "2006 Top Ten Most Impressive Enterprises" award, which was organized by "博燃網" (Gasshow.com)-the gas industry portal in China. It is the 3rd time China Gas received this award consecutively.

① ADB facility

② Signed a JV agreement with SK E&S

③ Signed a JV agreement with strategic shareholder, Oman Oil

④ 1st and 2nd "Outstanding Natural Gas Provider Honour" in "Capital China Outstanding Enterprise awards"

⑤ ⑥ FinanceAsia — "Best Managed Company" & "Best Investor Relations" and "Best Mid-cap" awards

⑦ "The Superbrands China" award



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