



華潤燃氣控股有限公司
China Resources Gas Group Limited

Fitch Affirms China Resources Gas at BBB+ Ratings with a Stable Outlook

Hong Kong, July 17, 2015 - China Resources Gas Group Limited (“CR Gas” or the “Company”, HKEx Mainboard Stock Code: 1193; together with its subsidiaries, the “Group”), the leading downstream city gas distributor in China, today announced that it has been affirmed an investment grade corporate credit rating of “BBB+” with a stable outlook for both the Long-term Issuer Default Rating and the Senior Unsecured Rating from Fitch Ratings (“Fitch”).

“The affirmation of CR Gas’s credit ratings by Fitch is indicative of our on-going success towards our goal of better operational and financial efficiencies. The Fitch Ratings also validates that our focus on implementing “Lean Management” and “Benchmarking” measures is achieving desired results.” said Mr. Ken Ong, CFO of CR Gas.

Fitch highlighted in its press release that the BBB+ rating reflects CR Gas’s diversified operations, strong credit metrics and liquidity, robust industry fundamentals as well as risks associated with the city gas industry in China.

According to Fitch’s report, CR Gas’s operating performance continues to be strong, supported by increasing gas sales and new connections. The total number of city gas projects of CR Gas increased to 205 at end of 2014 from 176 a year earlier with connected residential users up 12.7% to 20.7m and commercial & industrial (C&I) users up 11.1% to 142,172. Fitch expects CR Gas’s business will continue to be supported by the nation’s increased usage of natural gas. China’s National Development and Reform Commission (NDRC) in the past year announced two price adjustments in September 2014 and April 2015. The price adjustments are broadly in line with NDRC’s announced mechanism to price natural gas sold to city gas operators based on the price of a basket of energy products, mainly crude oil and liquefied petroleum gas (LPG). Fitch expects the stability of crude oil prices at lower levels to reduce the cost pass-through risks and delays for city gas operators, provided the current pricing mechanism remains unchanged. CR Gas’s dollar margin by gas volume sold has been stable through the price

adjustments, despite some delays in certain areas. Fitch expects CR Gas to have positive free cash flows before acquisition spending, supported by strong gas sales and connection revenue growth. Barring any material increase in investments or cash returns to shareholders, CR Gas could further improve its already robust credit metrics.

About CR Gas

CR Gas, 63.95% owned by China Resources (Holding) Co. Ltd, one of the largest state-owned conglomerates in China, is principally engaged in downstream city gas distribution business including piped natural gas distribution and natural gas filling stations operation. Its operations are strategically located in areas of China, which are economically more developed and densely populated and areas with rich reserves of natural gas. CR Gas aspires to become a respected market leader in downstream city gas distribution business in China.

Issued by: **China Resources Gas Group Limited**

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