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鄭州華潤燃氣股份有限公司

Zhengzhou China Resources Gas Co., Ltd.*

(a joint stock limited company incorporated in the People's Republic of China)

(Stock Code: 3928)

Adjustments of Natural Gas Selling Prices

This announcement is made pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Zhengzhou China Resources Gas Company Limited (the “Company”) announces that on 9 December 2011, the Company obtained the Notice on Problems Relating to the Piped Natural Gas Prices in Henan Province (關於河南省管道天然氣價格有關問題的通知) (the “Notice”) issued by Henan Province Development and Reform Commission (the “Henan DRC”), pursuant to which, the Company’s selling prices of natural gas to residential users shall be adjusted upwards for gas consumption volumes metered from 10 December 2011 onwards.

Key aspects or implications of the Notice are as follows:

1. Natural gas selling price to residential users of Zhengzhou City will be adjusted upwards from the current RMB1.9/m³ to RMB2.25/m³ for monthly consumption of 50m³ or less; it will be adjusted upwards from the current RMB2.2/m³ to RMB2.93/m³ for the excessive portion of more than 50m³ in the monthly consumption. The said adjustments shall be applicable to the natural gas consumption volumes metered from 10 December 2011 onwards.
2. A natural gas upstream price and selling price link mechanism for residential users (the “Price Link Mechanism”) is established. The Price Link Mechanism applies to adjust residential natural gas price in Henan Province in the same direction as the adjustments of upstream natural gas price (including adjustments of out-factory price and pipeline transmission fee) by the State, based on a prescribed formula. The same city will have the same residential natural gas price.
3. Under the Price Link Mechanism, any request for adjusting the residential natural gas price shall be made to the Henan DRC for approval before its implementation.
4. The adjusted prices mentioned in paragraph 1 above will be adopted as the base period price for any future adjustments to be made under the Price Link Mechanism.

The revenue attributed to the sales of piped natural gas by the Company and its subsidiaries (the “Group”) for the six months ended 30 June 2011 amounted to approximately RMB735,727,000, representing approximately 74.82% of the total revenue of the Group and constituting the largest source of income of the Group. The directors of the Company (the “Director”) hold the view that the upward adjustments of selling price of natural gas to residential users and the introduction of the Price Link Mechanism have positive impact on the revenue of natural gas sales of the Company because of the increase in the revenue from the sales of natural gas to residential users and the improvement of the timeliness of passing through the increase in upstream cost of natural gas to end users.

GENERAL INFORMATION

The Group is principally engaged in the sale of piped natural gas to residential, commercial, industrial and vehicular customers, the provision of gas pipeline construction services, and the sale of gas appliances and pressure control equipment.

By Order of the Board
Zhengzhou China Resources Gas Company Limited*
Yan Guoqi
Chairman

Zhengzhou, the PRC
12 December 2011

As at the date of this announcement, the Board of Directors of the Company comprises three executive Directors, namely Mr. Yan Guoqi, Mr. Yang Changyi and Mr. Li Hongwei, four non-executive Directors, namely Mr. Zhang Wushan, Mr. Li Yantong, Mr. Ding Ping and Mr. Liu Jianwen and four independent non-executive Directors, namely Mr. Yu Jingsong, Mr. Zhang Jianqing, Ms. Wang Xiuli and Mr. Wong Ping.

* *For identification purposes only*