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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 LNG BUSINESS WITH XINXING HEAVY INDUSTRY

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 13 August 2015, CLNG Finance Leasing entered into the Cooperation Agreement with Xinxing Heavy Industry in relation to cooperation in finance leasing of LNG related equipment and other LNG related projects.

The Board wishes to emphasize that the terms of the Cooperation Agreement only sets out the preliminary cooperation intentions of CLNG Finance Leasing and Xinxing Heavy Industry, which do not constitute any substantive right and obligation of Xinxing Heavy Industry 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 “**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.

The board (the “**Board**”) of directors (the “**Director**”) of the Company announces that on 13 August 2015, China LNG Finance Leasing Co., Ltd* (港能國際融資租賃有限公司) (“**CLNG Finance Leasing**”), a wholly owned subsidiary of the Company, entered into a framework cooperation agreement (the “**Cooperation Agreement**”) with Xinxing Heavy Industry (Tianjin) Technology Development Co., Limited* (新興重工(天津)科技發展有限公司) (“**Xinxing Heavy Industry**”) in relation to cooperation in finance leasing of LNG related equipment and other LNG related projects.

To the best of the knowledge, information and belief having made all reasonable enquiries by the directors of the Company and Xinxing Heavy Industry 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 XINXING HEAVY INDUSTRY

Pursuant to the Cooperation Agreement entered into between CLNG Finance Leasing and Xinxing Heavy Industry, the cooperation, among others, includes the following:

- (1) both parties agreed to cooperate in the LNG related projects comprising finance leasing of LNG storage equipment, coal-to-gas conversion, conversion of industrial gas supply, construction of refilling stations and equipment at refilling stations, etc;
- (2) CLNG Finance Leasing shall introduce relevant LNG equipment and refilling station construction projects to Xinxing Heavy Industry and give priority in choosing Xinxing Heavy Industry; and
- (3) Xinxing Heavy Industry shall introduce relevant finance leasing projects of LNG equipment and other LNG related construction projects to CLNG Finance Leasing and give priority in choosing CLNG Finance Leasing.

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 XINXING HEAVY INDUSTRY

Xinxing Heavy Industry was established in 2009 with registered capital RMB14.7 million and is a subsidiary of Xinxing Cathay International Group Co., Ltd* (新興際華集團有限公司) (“**Xinxing Cathay International**”), a state-owned enterprise.

Xinxing Heavy Industry is engaged in design and construction of LNG refilling stations, development and sale of equipment and control system of LNG/CNG refilling stations, conversion and sale of dual fuel vehicles, sale of portable refilling stations, cryogenic cylinders and LNG tank vehicles.

In the past few years, Xinxing Heavy Industry has designed and built more than 50 LNG/CNG refilling stations in Hebei, Shandong, Jiangsu, Zhejiang, Shanxi, Guangdong, Inner Mongolia, etc and has undertaken LNG plant design projects in Hebei, Shandong, Inner Mongolia, etc. Xinxing Heavy Industry is a strategic partner of mega enterprises such as CNOOC, China Energy Conservation and

Environmental Protection Group, Shandong Logistics Group and is still expanding the industry chain and its market.

Xinxing Cathay International, the holding company of Xinxing Heavy Industry, is a mega state-owned sole proprietor ranking 365th in Fortune 500 in 2013. Two of its subsidiaries, Jihua Group Corporation Limited* (際華集團股份有限公司) (Stock Code: 601718) and Xinxing Ductile Iron Pipes Co., Ltd* (新興鑄管股份有限公司) (Stock Code: 000778), are listed on Shanghai Stock Exchange and Shenzhen Stock Exchange respectively.

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 Xinxing Heavy Industry in relation to cooperation in finance leasing of LNG related equipment and other LNG related projects.

GENERAL

The Board wishes to emphasize that the terms of the Cooperation Agreement only set out the preliminary cooperation intentions of CLNG Finance Leasing and Xinxing Heavy Industry, which do not constitute any substantive right and obligation of Xinxing Heavy Industry 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.

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

Hong Kong, 13 August 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