
China New Energy acquires Beijing Century Dadi Gas Co

Saturday, 20 Mar, 2010

China New Energy Group Company announced that the Company has recently entered into an Equity Transfer Agreement to acquire a 70% equity interest in Beijing Century Dadi Gas Co Ltd and its affiliated companies. Dadi Gas is primarily engaged in the business of the supply of natural gas and construction and development of a gas pipeline network in Northern China.

The total purchase price has not yet been determined, but will be based on a multiple of Dadi Gas's net profits for the fiscal year ended December 31st 2009 and has been capped at CNY 392.15 million. The transaction's closing is contingent upon certain conditions being met, including the successful transfer of all Dadi Gas permits and other rights to operate its urban gas pipelines.

Mr Yangkan Chong CEO of China New Energy Group said "Upon completion, our acquisition of a majority stake in Dadi Gas will expand China New Energy's business into Northern China, including the Beijing Metropolitan area, one of the most important markets in the country. The Northern China region is densely populated, prosperous and has a rich supply of natural gas. We are executing our strategy to grow our customer base, diversify our revenue, and build shareholder value through key acquisitions, and this is an important step in our transformation into a truly national gas company."

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