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**蘇創燃氣**  
**SUCHUANG GAS**

**SUCHUANG GAS CORPORATION LIMITED**

**蘇創燃氣股份有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1430)**

**DISCLOSEABLE TRANSACTION  
IN RELATION TO  
THE ACQUISITION OF EQUITY INTEREST  
IN KUNSHAN ANDA NATURAL GAS DEVELOPMENT CO., LTD.\*  
昆山安達天然氣發展有限公司**

**THE ACQUISITION**

Reference is made to the announcement of the Company dated 30 August 2016 in relation to the First Acquisition Agreement.

The Board announces that on 28 September 2016, the Purchaser entered into the Second Acquisition Agreements with the Second Vendors in relation to the Second Acquisition, pursuant to which the Purchaser agreed to further purchase 20% of the Equity Interest from the Second Vendors at an total consideration of RMB25.20 million (equivalent to approximately HK\$29.3 million).

The transactions contemplated under the Acquisition Agreements are aggregated on the basis that both the First Acquisition Agreement and the Second Acquisition Agreements are in relation to the acquisition of equity interest in the Target Company pursuant to Rule 14.22 of the Listing Rules.

**LISTING RULES IMPLICATIONS**

As the applicable percentage ratio(s) (as defined under the Listing Rules) in respect of the Aggregated Acquisitions are more than 5% but less than 25%, the Aggregated Acquisitions constitute a discloseable transaction on the part of the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements but exempted from shareholders' approval requirement under Chapter 14 of the Listing Rules.

## INTRODUCTION

Reference is made to the announcement of the Company dated 30 August 2016 in relation to the First Acquisition.

The Board announces that on 28 September 2016, the Purchaser entered into the Second Acquisition Agreements with the Second Vendors in relation to the Second Acquisition, pursuant to which the Purchaser agreed to further purchase 20% of the Equity Interest from the Second Vendors at an total consideration of RMB25.20 million (equivalent to approximately HK\$29.3 million). The transactions contemplated under the Acquisition Agreements are aggregated pursuant to Rule 14.22 of the Listing Rules.

## THE FIRST ACQUISITION AGREEMENT

The principal terms of the First Acquisition Agreement are as follows:

<b>Date of the agreement</b>	30 August 2016
<b>Parties</b>	(1) The Purchaser; (2) The First Vendors; and (3) Shanghai Quintaiyuan  To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, the First Vendors and their respective ultimate beneficial owners are Independent Third Parties.
<b>Nature of the transaction and assets to be acquired</b>	60% of the Equity Interest.
<b>Consideration</b>	The total consideration of the First Acquisition was RMB79.20 million payable by the Purchaser to the First Vendors in cash.  The consideration of the First Acquisition was settled by the net proceeds raised from the IPO and the Placing.
<b>Basis of consideration</b>	The consideration of the First Acquisition Agreement was determined based on the arm's length negotiations between the parties to the First Acquisition Agreement after taking into account of the estimated price earning ratio of the Target Company for 2017.
<b>Completion</b>	Completion of the First Acquisition took place on 9 October 2016.  Upon completion of the First Acquisition, the Purchaser owned 60% Equity Interest. The Target Company became an indirect non-wholly owned subsidiary of the Company and the financial results of the Target Company were consolidated by the Group.

## THE SECOND ACQUISITION AGREEMENTS

The principal terms of the Second Acquisition Agreements are as follows:

<b>Date of the agreements</b>	28 September 2016
<b>Parties</b>	(1) The Purchaser; and  (2) The Second Vendors.  To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, the Second Vendors and their respective ultimate beneficial owners (if applicable) are Independent Third Parties.
<b>Nature of the transaction and assets to be acquired</b>	Pursuant to the Second Acquisition Agreements, the Purchaser agreed to purchase 10% of the Equity Interest from each of the Second Vendors.
<b>Consideration</b>	<p>The consideration of the Second Acquisition was RMB12.60 million payable by the Purchaser to each of the Second Vendors in cash (i.e. total RMB25.20 million).</p> <p>The consideration of the Second Acquisition was settled by the net proceeds raised from the IPO and the Placing.</p>
<b>Basis of consideration</b>	The consideration of the Second Acquisition Agreements was determined based on the arm's length negotiations between the parties to the Second Acquisition Agreements after taking into account of the estimated price earning ratio of the Target Company for 2017.
<b>Completion</b>	<p>Completion of the Second Acquisition took place on 8 December 2016.</p> <p>Upon completion of the Second Acquisition, the Purchaser owns 80% Equity Interest. The Target Company continues to be an indirect non-wholly owned subsidiary of the Company and the financial results of the Target Company were consolidated by the Group.</p>

## INFORMATION OF THE TARGET COMPANY

The Target Company is a company established in the PRC on 2 December 2003 with limited liability. It is principally engaged in sale and distribution of piped natural gas in Qiandeng Town, Kunshan City, Jiangsu Province, the PRC.

Set out below is a summary of the financial information extracted from the audited financial statements of the Target Company for the two financial year 31 December 2016:

	<b>For the year ended</b>	
	<b>31 December</b>	
	<b>2015</b>	<b>2016</b>
	<b>(audited)</b>	<b>(unaudited)</b>
	<b>RMB' 000</b>	<b>RMB' 000</b>
Net profit before taxation	5,295	15,620
Net profit after taxation	3,898	11,685
	<b><u>          </u></b>	<b><u>          </u></b>
	<b>As at 31 December</b>	
	<b>2015</b>	<b>2016</b>
	<b>(audited)</b>	<b>(unaudited)</b>
	<b>RMB' 000</b>	<b>RMB' 000</b>
Total assets	35,183	22,837
Net assets	21,016	15,701
	<b><u>          </u></b>	<b><u>          </u></b>

## INFORMATION OF THE GROUP

The Group's principal business is sale and distribution of piped natural gas in Taicang City, Suzhou, Jiangsu Province, the PRC.

## INFORMATION OF THE FIRST VENDORS AND THE SECOND VENDORS

### First Vendors

昆山巴黎春天百貨有限公司 (Kunshan Paris Spring Department Store Co., Ltd.\*) is a company established in the PRC with limited liability and is principally engaged in the retail and wholesale of daily necessities, household appliances, photographic equipment and office supplies.

上海永泰田投資集團有限公司 (Shanghai Yongtaitian Investment Group Co., Ltd.\*) is a company established in the PRC with limited liability and is principally engaged in investment and asset management, and business management consulting services.

江蘇永泰田房地產開發有限公司 (Jiangsu Yongtaitian Real Estate Development Co., Ltd.\*) is a company established in the PRC with limited liability with the scope of business for development and sale of real estate and real estate leasing.

### Second Vendors

Shanghai Quintaiyuan is a company established in the PRC with limited liability with the scope of business for investment management, industrial investment and business information consulting.

Mr. Jia Zhiguo is a PRC citizen.

## **REASONS FOR AND BENEFITS OF THE AGGREGATED ACQUISITIONS**

The Group expanded its piped natural gas business coverage to an area outside Taicang City through the Aggregated Acquisitions. The Company is of the view that the Aggregated Acquisitions enables the Group to further develop its piped natural gas business outside Taicang City and will further strengthen the Group's natural gas business in Jiangsu Province, the PRC.

In light of the above, the Directors (including the independent non-executive Directors) are of the view that the terms of the First Acquisition Agreement and the Second Acquisition Agreements are fair, reasonable and the entering into the Acquisition Agreements is in the interests of the Company and its shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

As the applicable percentage ratio(s) (as defined under the Listing Rules) in respect of the Aggregated Acquisitions are more than 5% but less than 25%, the Aggregated Acquisitions constitute a discloseable transaction on the part of the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements but exempted from shareholders' approval requirement under Chapter 14 of the Listing Rules.

## **DEFINITIONS**

In this announcement, the following expressions have the following meanings unless the context otherwise requires:

“Acquisition Agreements”	together, the First Acquisition Agreement and the Second Acquisition Agreements
“Aggregated Acquisitions”	together, the First Acquisition and the Second Acquisition
“Board”	the board of directors of the Company
“Company”	Suchuang Gas Corporation Limited, a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the main board of the Stock Exchange (Stock Code: 1430)
“Director(s)”	director(s) of the Company
“Equity Interest”	the equity interest in the Target Company
“First Acquisition”	the acquisition of 60% Equity Interest by the Purchaser pursuant to the First Acquisition Agreement
“First Acquisition Agreement”	the agreement dated 30 August 2016 entered into among the First Vendors, the Purchaser and Shanghai Quintaiyuan relating to the First Acquisition

“First Vendors”	昆山巴黎春天百貨有限公司 (Kunshan Paris Spring Department Store Co., Ltd.*), 上海永泰田投資集團有限公司 (Shanghai Yongtaitian Investment Group Co., Ltd.*), and 江蘇永泰田房地產開發有限公司 (Jiangsu Yongtaitian Real Estate Development Co., Ltd.*), companies established in the PRC
“Group”	the Company and its subsidiaries
“Independent Third Parties”	Third parties who are independent of and not connected with the Company or its connected persons (as defined under the Listing Rules)
“IPO”	the initial public offering of the Company
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Placing”	the placing of new shares of the Company under general mandate, details of which are set out in the announcement of the Company dated 2 June 2016
“PRC”	The People’s Republic of China which, for the purpose of this announcement, excludes the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan
“Purchaser”	蘇創燃氣(上海)有限公司 (Suchuang Gas (Shanghai) Co., Ltd.*), a company established in the PRC with limited liability and a wholly-owned subsidiary of the Company
“RMB”	Renminbi, the lawful currency of the PRC
“Second Acquisition”	the acquisition of 20% Equity Interest by the Purchaser pursuant to the Second Acquisition Agreements
“Second Acquisition Agreements”	the agreements both dated 28 September 2016 entered into between (i) the Purchaser and Mr. Jia Zhiguo (賈治國) and (ii) the Purchaser and Shanghai Quintaiyuan relating to the Second Acquisition
“Second Vendors”	Mr. Jia Zhiguo (賈治國) and Shanghai Quintaiyuan
“Shanghai Quintaiyuan”	上海沁泰園投資有限公司 (Shanghai Quintaiyuan Investment Co., Ltd.*), a company established in the PRC with limited liability

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	昆山安達天然氣發展有限公司 (Kunshan Anda Natural Gas Development Co., Ltd.*), a company established in the PRC with limited liability
“%”	per cent

By Order of the Board  
**Suchuang Gas Corporation Limited**  
**SU Aping**  
*Chairman*

Taicang City, Suzhou, Jiangsu Province, PRC, 27 April 2017

*As at the date of this announcement, the executive Directors are Mr. Su Aping, Ms. Zhu Yaying, Ms. Su Yi and Mr. Du Shaozhou; the non-executive Directors are Mr. Xu Lei and Mr. Zhuang Jianhao; and the independent non-executive Directors are Mr. Zhou Qingzu, Mr. He Junjie and Mr. Luk Wai Keung.*

\* *The English translation of Chinese names is included for information purposes only and should not be regarded as their official English translation.*