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**天伦燃气**  
**TIANLUN GAS**

**China Tian Lun Gas Holdings Limited**

**中國天倫燃氣控股有限公司**

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

**(Stock code: 01600)**

**DISCLOSEABLE TRANSACTION  
INCREASE OF REGISTERED CAPITAL OF  
A JOINT VENTURE COMPANY**

**THE CAPITAL INCREASE**

On 15 August 2017, Henan Tianlun participated in the Capital Increase and contributed RMB200,000,000, which is proportional to its shareholding in the Joint Venture Company immediately prior to the Capital Increase. Upon completion of the Capital Increase, the Joint Venture Company will remain owned as to 20%, 29% and 51% by Henan Tianlun, Zhengzhou Yutong and Zhengzhou Bank respectively.

**LISTING RULES IMPLICATIONS**

In order to provide a full and frank disclosure, the Company has aggregated the percentage ratios (as defined in Rule 14.07 of the Listing Rules) in relation to the Previous Contribution and the Contribution. As one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) of the Total Contribution is more than 5% but less than 25%, the Total Contribution constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is subject to notification and announcement requirements under Chapter 14 of the Listing Rules.

## THE CAPITAL INCREASE

Reference is made to the Announcement dated 16 February 2016 in relation to the establishment of the Joint Venture Company. On 15 August 2017, Henan Tianlun participated in the Capital Increase and contributed RMB200,000,000, which is proportional to its shareholding in the Joint Venture Company immediately prior to the Capital Increase.

### The Total Contribution by Henan Tianlun

Pursuant to the Promoters Agreement, Henan Tianlun contributed RMB200,000,000 to the registered capital of the Joint Venture Company, representing 20% of the then registered capital upon incorporation on 23 March 2016.

Upon receipt of the permit of change of registered capital granted by the China Banking Regulatory Commission on 7 July 2017, Henan Tianlun, Zhengzhou Yutong and Zhengzhou Bank, based on arm's length negotiation, agreed to increase the registered capital of the Joint Venture Company from RMB1 billion to RMB2 billion, and, further agreed to participate in the Capital Increase and contributed RMB200,000,000, RMB290,000,000 and RMB510,000,000, respectively.

### Completion of the Capital Increase

Set out below is the shareholding structure of the Joint Venture Company before and after the completion of the Capital Increase:—

Shareholder of the Joint Venture Company	Contribution to the registered capital of the Joint Venture Company prior to the completion of the Capital Increase	Equity interest in the Joint Venture Company prior to the completion of the Capital Increase	Total contribution to the registered capital of the Joint Venture Company immediately after the completion of the Capital Increase	Equity interest in the Joint Venture Company immediately after the completion of the Capital Increase
Henan Tianlun	RMB200,000,000	20%	RMB400,000,000	20%
Zhengzhou Yutong	RMB290,000,000	29%	RMB580,000,000	29%
Zhengzhou Bank	RMB510,000,000	51%	RMB1,020,000,000	51%
<b>Total</b>	<b>RMB1,000,000,000</b>	<b>100%</b>	<b>RMB2,000,000,000</b>	<b>100%</b>

Upon completion of the Capital Increase, the Joint Venture Company will remain owned as to 20%, 29% and 51% by Henan Tianlun, Zhengzhou Yutong and Zhengzhou Bank respectively. The financial results of the Joint Venture Company will not be consolidated into the financial statements of the Group.

#### **INFORMATION ABOUT THE JOINT VENTURE COMPANY**

The Joint Venture Company is jointly established by Henan Tianlun, Zhengzhou Bank and Zhengzhou Yutong in the PRC pursuant to the Promoters Agreement. It is principally engaged in the business of financial leasing, transfers of subject assets of financial leases, investment businesses in securities with fixed revenues, acceptance of lease deposit from lessee, sales and disposals of leased objects and economic consulting.

#### **INFORMATION ABOUT HENAN TIANLUN AND THE GROUP**

Henan Tianlun is a company incorporated in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company. It is principally engaged in Sales of pipelined natural gas, construction and connection of gas pipelines in the PRC. The Group is principally engaged in the operation of gas pipeline connection, gas sales, gas refilling stations investment and operation, and LNG plant investment and operation in the PRC.

#### **INFORMATION ABOUT ZHENGZHOU BANK AND ZHENGZHOU YUTONG**

Zhengzhou Bank is a company established in the PRC with limited liability and is principally engaged in corporate banking, retail banking and treasury businesses.

Zhengzhou Yutong is a company established in the PRC with limited liability and is principally engaged in production and sale of vehicles as well as provision of vehicle repair services and inter-city fixed-route passenger transport services.

To the best knowledge, information and belief of the Board and after making all reasonable enquiries, Zhengzhou Bank, Zhengzhou Yutong and their respective its ultimate beneficial owner(s) are Independent Third Parties.

## **REASONS FOR AND BENEFIT OF THE CONTRIBUTION**

The Joint Venture Company can benefit from favourable policies of the PRC government on the finance lease business and introduce finance lease services to the “coal-to-gas” of the Group. This will help resolve the funding problems for “coal-to-gas” conversion of the potential clients of the Group and lower the funding threshold for usage of natural gas, which is beneficial to the expansion of the gas business of the Group in the future. In addition, since its establishment, the Joint Venture Company has been operating steadily and achieved strong performance. In 2016, it recorded revenue of RMB250 million and net profit of RMB94.81 million. As such, the Directors consider that the Capital Increase of the Joint Venture Company will further expand its business scale and bring stable returns to the Group. It will also facilitate the growth of the sale of gas for industrial and commercial use and enhance the profitability of the Group in the long run. Accordingly, the Directors are of the view that the Capital Increase is in the interests of the Company and its shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

In order to provide a full and frank disclosure, the Company has aggregated the percentage ratios (as defined in Rule 14.07 of the Listing Rules) in relation to the Previous Contribution and the Contribution. As one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) of the Total Contribution is more than 5% but less than 25%, the Total Contribution constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is subject to notification and announcement requirements under Chapter 14 of the Listing Rules.

## **DEFINITIONS**

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

“Board”	the board of Directors
“Capital Increase”	The capital injections by Henan Tianlun, Zhengzhou Bank and Zhengzhou Yutong to the registered capital of the Joint Venture Company proportional to their respective shareholding in the Joint Venture Company immediately prior to the Capital Increase
“Company”	China Tian Lun Gas Holdings Limited (中國天倫燃氣控股有限公司), a company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on the main board of the Stock Exchange (stock code: 1600)

“Contribution”	The capital injection of RMB200,000,000 made by Henan Tianlun forming part of the Capital Increase
“Previous Contribution”	The contribution of RMB200,000,000 made by Henan Tianlun pursuant to the Promoters Agreement
“Total Contribution”	collectively, the Contribution and the Previous Contribution
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“Henan Tianlun”	Henan Tian Lun Gas Group Limited* (河南天倫燃氣集團有限公司), a company incorporated in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Parties”	third party(ies) independent to the Company and are not connected persons (as defined under the Listing Rules) of the Company
“Joint Venture Company”	Henan Jiu Ding Finance Lease Company, a company jointly incorporated by Henan Tianlun, Zhengzhou Bank and Zhengzhou Yutong in the PRC pursuant to the Promoters Agreement on 23 March 2016
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Promoters Agreement”	The agreement entered into among Henan Tianlun, Zhengzhou Bank and Zhengzhou Yutong on 12 February 2017 in relation to the establishment of the Joint Venture Company
“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Zhengzhou Bank”	Bank of Zhengzhou Co., Ltd.* (鄭州銀行股份有限公司), a company incorporated in the PRC with limited liability
“Zhengzhou Yutong”	Zhengzhou Yutong Bus Co., Ltd.* (鄭州宇通客車股份有限公司), a company incorporated in the PRC with limited liability
“%”	per cent.

By Order of the Board  
**China Tian Lun Gas Holdings Limited**  
**Zhang Yingcen**  
*Chairman*

Hong Kong, 16 August 2017

*As at the date of this announcement, the executive Directors are Mr. Zhang Yingcen (Chairman), Mr. Xian Zhenyuan, Mr. Feng Yi, Mr. Sun Heng and Ms. Li Tao; the non-executive Director is Mr. Wang Jiansheng and the independent non-executive Directors are Mr. Li Liuqing, Mr. Yeung Yui Yuen Michael, Mr. Cao Zhibin and Ms. Zhao Jun.*