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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
ESTABLISHMENT OF JOINT VENTURE**

The Board hereby announces that Henan Tian Lun, an indirect wholly-owned subsidiary of the Company, Inner Mongolia Transportation and Investment and Inner Mongolia Minghua Holdings entered into the Promoters Agreement on 28 September 2014, pursuant to which the parties shall establish the JV Company. Henan Tian Lun shall contribute a total of RMB500,000,000 pursuant to the Promoters Agreement.

As the applicable percentage ratios for the Promoters Agreement exceed 5% but are less than 25%, the Promoters Agreement constitutes a discloseable transaction of the Company, and is subject to the reporting and announcement requirements but is exempt from the shareholder's approval requirement under Chapter 14 of the Listing Rules.

THE PROMOTERS AGREEMENT

On 28 September 2014, Henan Tian Lun, an indirect wholly-owned subsidiary of the Company, Inner Mongolia Transportation and Investment and Inner Mongolia Minghua Holdings entered into the Promoters Agreement. To the best knowledge, information and belief of the Directors, having made all reasonable enquires, each of Inner Mongolia Transportation and Investment and Inner Mongolia Minghua Holdings and their respective ultimate beneficial owners are Independent Third Parties.

Principal terms of the Promoters Agreement are set out below:

- Date: 28 September 2014
- Parties:
- (1) Henan Tian Lun;
 - (2) Inner Mongolia Transportation and Investment; and
 - (3) Inner Mongolia Minghua Holdings.

Business scope of the JV Company:	Development, production, storage and transportation (including pipeline transportation), trading and sale of petroleum gas, natural gas, coal bed methane, coal-to-oil, coal-to-gas and other coal chemical and petrochemical products; planning, construction, operation and management of oil and gas pipelines (prior approvals of the competent authorities shall be obtained for projects which require approval in accordance with the law).
Registered capital and equity interest:	The JV Company shall have a registered capital of RMB1,500,000,000, in which RMB600,000,000 to be contributed by Inner Mongolia Transportation and Investment which will hold 40% equity interest in the JV Company, RMB500,000,000 to be contributed by Henan Tian Lun which will hold 33.33% equity interest in the JV Company and RMB400,000,000 to be contributed by Inner Mongolia Minghua Holdings which will hold 26.67% equity interest in the JV Company. Each of the Promoters shall pay in full the initial amount of contribution, being 10% of their respective contributions, within five business days of the date of the Promoters Agreement.
Board of directors:	<p>The board of directors of the JV Company shall consist of seven directors, with two directors to be nominated by Henan Tian Lun, three directors to be nominated by Inner Mongolia Transportation and Investment and two directors to be nominated by Inner Mongolia Minghua Holdings. The directors shall be elected at a general meeting of the JV Company.</p> <p>The candidates for the chairman of the board of directors of the JV Company shall be nominated by Inner Mongolia Transportation and Investment, and the candidates for the vice chairman of the board of directors of the JV Company shall be nominated by Henan Tian Lun and Inner Mongolia Minghua Holdings, each of whom shall have the right to nominate one candidate. The chairman and vice chairman shall be elected at a board meeting. The chairman shall act as the legal representative of the JV Company.</p>
Senior management:	The JV Company shall have one general manager to be proposed by Henan Tian Lun, nominated by the chairman and appointed by the board of directors; one board secretary to be appointed by the board of directors; and several deputy general managers, one person in charge of finance to be nominated by the general manager and appointed by the board of directors.
Equity transfer:	<p>Unless unanimously agreed by all the Promoters, the Promoters shall not transfer all or part of its shares in the JV Company to each other upon establishment of the JV Company.</p> <p>Within three years of the establishment of the JV Company, none of the Promoters shall transfer all or part of its shares in the JV Company to any third party.</p>

After three years of the establishment of the JV Company, any Promoter may transfer all of its shares in the JV Company to any third party other than the other Promoters in a one-off transaction, provided that a prior written unanimous consent of all the Promoters shall be obtained in the case of the transfer by any Promoter of part of its shares in the JV Company to one or more third parties other than the Promoters.

Equity guarantee:

Without a written unanimous consent of all of the other Promoters, none of the Promoters shall provide any guarantee by pledging all or part of its shares in the JV Company or provide any form of guarantee in the name of the JV Company.

The approvals from the competent authorities in the PRC have been obtained for the establishment of the JV Company.

INFORMATION OF THE GROUP

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 OF INNER MONGOLIA TRANSPORTATION AND INVESTMENT

Established in 2013, Inner Mongolia Transportation and Investment has a registered capital of RMB10.9 billion. It is principally engaged in the investment, financing, operation and management of major transportation and infrastructure projects relating to railway, civil aviation and ports on behalf of the government of Inner Mongolia Autonomous Region.

INFORMATION OF INNER MONGOLIA MINGHUA HOLDINGS

Established in 2005, Inner Mongolia Minghua Holdings is a conglomerate engaged in diversified businesses including coal logistics, coal trading, solar photovoltaic power generation, real estates, import and export trading, financial services and agricultural technology.

INFORMATION OF THE JV COMPANY

The JV Company is responsible for the construction of two natural gas (including coal-made gas) transmission pipelines for transportation of gas generated by gas fields and oil fields, coal bed methane, coke oven gas and coal-made gas from Inner Mongolia Autonomous Region to Beijing, Tianjin, Hebei and Shandong for sale. With a designed initial transmission capacity of 50 billion m³/year, the natural gas transmission pipelines have a total length of 2,930 kilometres and the proposed total investment amount is expected to be RMB55 billion.

Certain proposed projects of the JV Company are summarised as follows:

1. Eastern Inner Mongolia Natural Gas Transmission Pipeline (Phase I)

Construction of the Hulun Buir-Tianjin-Hebei natural gas transmission pipeline, with a total length of 1,830 kilometres, of which the length of the pipelines within Inner Mongolia will amount to 1,400 kilometres. With a designed transmission capacity of 20 billion m³/year, the proposed total investment amount is expected to be RMB33 billion.

2. Western Inner Mongolia Natural Gas Transmission Pipeline (Phase II)

Construction of the Ordos-Tianjin-Shandong natural gas transmission pipeline, with a total length of 1,100 kilometres, of which the length of the pipelines within Inner Mongolia Autonomous Region will amount to 340 kilometres. With a designed transmission capacity of 30 billion m³/year, the proposed total investment amount is expected to be RMB20 billion.

The JV Company is also considering constructing three clean oil products (including coal-made oil and methanol gasoline) transmission pipelines for transportation of clean oil products from Inner Mongolia Autonomous Region to Beijing, Tianjin, Hebei and Shandong for sale, with a designed initial transmission capacity of 18 million tonnes/year.

REASONS FOR AND BENEFITS OF THE ESTABLISHMENT OF THE JV COMPANY

As stated in the Outline of the Eleventh Five-Year Plan (十一五規劃綱要) issued by the PRC government, the future development plan for petroleum and natural gas will mostly focus on two areas, being the diversification of investors and the diversification of resources. The Certain Opinions of the State Council on Encouraging and Guiding the Healthy Development of Private Investments (the 36 New Rules) (《國務院關於鼓勵和引導民間投資健康發展的若干意見》(新36條)) promulgated by the PRC government expressly encourage private capital to participate in the development of oil and natural gas business. The government will also support private capital in entering into the area of exploration and development of oil and gas by partnering with state-owned petroleum enterprises to participate in the exploration and development of oil and gas. It will also support private capital in investing in the construction of storage, transportation and pipeline transmission facilities and network for crude oil and petroleum products.

The Group is actively responding to these national policies by capturing the opportunities brought by the policies to expand its business into the upstream of the natural gas industry. In addition, the Directors believe that the formation of the JV Company will strengthen the competitiveness of the Group in its expansion of natural gas terminal business in Beijing, Tianjin, Hebei and Shandong and enable the Group to provide gas resources support for the development of these operations.

The Directors (including the independent non-executive Directors) are of the view that the terms and conditions of the Promoters Agreement are fair and reasonable and the transactions contemplated thereunder are in the interests of the Company and the shareholders of the Company as a whole.

LISTING RULES IMPLICATIONS

As the applicable percentage ratios for the Promoters Agreement exceed 5% but are less than 25%, the Promoters Agreement constitutes a discloseable transaction of the Company, and is subject to the reporting and announcement requirements but is exempt from the shareholder's approval requirement under Chapter 14 of the Listing Rules.

DEFINITIONS

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

“Board”	the board of directors of the Company
“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 Stock Exchange of Hong Kong Limited

“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“Henan Tian Lun”	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
“Independent Third Party”	any individual(s) or any company(ies) who or which is/are independent of and is/are not connected with any director, chief executive or substantial shareholder (within the meaning of the Listing Rules) of the Company, its subsidiaries or any of their respective associates (within the meaning of the Listing Rules)
“Inner Mongolia Minghua Holdings”	Inner Mongolia Minghua Holdings Co., Ltd.* (內蒙古明華控股有限公司)
“Inner Mongolia Transportation and Investment”	Inner Mongolia Transportation and Investment Co., Ltd.* (內蒙古交通投資有限責任公司)
“JV Company”	Inner Mongolia Oil and Gas Investment Co., Ltd.* (內蒙古油氣投資股份有限公司)
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC”	the People’s Republic of China, which for the purpose of this announcement excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Promoters”	Henan Tian Lun, Inner Mongolia Transportation and Investment and Inner Mongolia Minghua Holdings
“Promoters Agreement”	the promoters agreement dated 28 September 2014 entered into among Henan Tian Lun, Inner Mongolia Transportation and Investment and Inner Mongolia Minghua Holdings in relation to the establishment of the JV Company
“RMB”	Renminbi, the lawful currency of the PRC
“%”	per cent

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

Zhengzhou, the PRC, 28 September 2014

As at the date of this announcement, the executive Directors are Mr. Zhang Yingcen (Chairman), Mr. Xian Zhenyuan, Mr. Hu Xiaoming, Mr. Feng Yi, Mr. Sun Heng and Ms. Li Tao; and the independent non-executive Directors are Mr. Cao Zhibin, Mr. Li Liuqing, Mr. Zhang Jiaming and Ms. Zhao Jun.

** For identification purpose only*