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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
IN RELATION TO THE INVESTMENT IN A TRUST SCHEME**

THE INVESTMENT AGREEMENT

On 7 April 2017 (after trading hour), Henan Tian Lun (an indirect wholly-owned subsidiary of the Company) entered into the Investment Agreement with Zhongyuan Trust, pursuant to which Henan Tian Lun agreed to invest the Trust Principal in an amount of not exceeding RMB500 million in aggregate in the Trust Scheme, and Zhongyuan Trust agreed to apply the Trust Principal for investment on behalf of Henan Tian Lun in the Products for the benefit of Henan Tian Lun during the Trust Period.

LISTING RULES IMPLICATIONS

As the applicable percentage ratios under the Listing Rules in respect of the transactions as contemplated under the Investment Agreement exceed(s) 5% but are less than 25%, the entering into the Investment Agreement constitutes a discloseable transaction on the part of the Company and is therefore subject to the reporting and announcement requirements but exempt from the shareholders' approval requirement under Chapter 14 of the Listing Rules.

The Board is pleased to announce that on 7 April 2017 (after trading hour), Henan Tian Lun (an indirect wholly-owned subsidiary of the Company) entered into the Investment Agreement with Zhongyuan Trust, pursuant to which Henan Tian Lun agreed to invest the Trust Principal in an amount of not exceeding RMB500 million in aggregate in the Trust Scheme, and Zhongyuan Trust agreed to apply the Trust Principals for investment on behalf of Henan Tian Lun in the Products (as defined below) for the benefit of Henan Tian Lun during the Trust Period.

THE INVESTMENT AGREEMENT

The principal terms of the Investment Agreement are set out below:

Date

7 April 2017 (after trading hours)

Parties

- (1) Henan Tian Lun (an indirect wholly-owned subsidiary of the Company); and
- (2) Zhongyuan Trust

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

Trust Principal

The Trust Principal to be invested by Henan Tian Lun is in an amount of not exceeding RMB500 million in aggregate. Henan Tian Lun shall pay the first tranche of the Trust Principal of RMB300 million (the “**First Tranche**”) to Zhongyuan Trust through deposit to the Trust Account. The amount, number of tranches and payment time of the remaining amount of the Trust Principal will be determined by the parties from time to time during the Trust Period.

The Trust Principal will be financed by internal resources of the Group.

Trust Period

The Trust Period shall be 24 months, commencing on the payment date of the First Tranche. The Trust Period can be early terminated or extended as agreed by the parties with supplemental agreement.

Trust Products

During the Trust Period, Zhongyuan Trust will invest the Trust Principal in one or more of the following products (the “**Products**”):

- bank deposits and money market funds;
- bond funds, stock exchange and interbank market bonds and bank financial products;
- reverse repurchase of the bonds with a term shorter than one year;
- targeted/collective asset management plans;
- direct/indirect investment in the trust products or relevant financial products developed by Zhongyuan Trust; and
- direct investment in enterprises equity or provide trust loans to enterprises.

Trust Income

The expected annual rate of return of the Trust Scheme is 8% of the aggregate amount of the Trust Principal, among which the expected annual rate of return of the First Tranche is 8%.

Other income obtained from the management of the Trust Principal will be saved in banks to generate interests calculated at the deposit interest rate provided by the People’s Bank of China at the same period.

Trust Liability

The Trust Liability arising from the management and operation of the Trust Asset shall be borne by the Trust Asset.

The Trust Liability shall include, among others, (i) relevant fees and expenses; (ii) remuneration of Zhongyuan Trust in relation to the Trust Scheme; (iii) expenses occurred upon the termination of the Trust Scheme; and (iv) stamp duty, value added tax and other taxes payable.

Distribution

The Net Trust Proceeds shall be distributed on every 30 June and 30 September. If there is no Investment Income available for distribution on the relevant distribution day, the Investment Income shall be distributed on the day on which the Investment Income is obtained.

The actual amount received with regard to each tranche of the Trust Principal shall be returned to the Trust Account within 10 Working Days from the settlement and termination of the investment in the corresponding Products.

The Group intends to use the Net Trust Proceeds received for the Group's general working capital.

Remuneration of Zhongyuan Trust

Henan Tian Lun (or its nominated third party) shall be responsible for the remuneration of Zhongyuan Trust in relation to the Trust Scheme.

REASONS FOR AND BENEFIT OF ENTERING INTO THE INVESTMENT AGREEMENT

Henan Tian Lun had made investments in similar trust scheme with Zhongyuan Trust for the period from 21 March 2016 to 21 March 2017 (the “**Previous Period**”). During the Previous Period, the Group had invested RMB318,000,000 in aggregate in such trust scheme. During the Previous Period, such trust scheme had been operating smoothly and the Group has received stable income.

Zhongyuan Trust will regularly report the progress of the Trust Scheme to the Group from time to time. The Group's investment management department will also constantly monitor the ongoing progress of the Trust Scheme. In order to understand and keep track of the progress of the Trust Scheme, and to allow the Group to make decisions on whether to terminate the Trust Scheme, the Group's investment management department will also report on the progress of the Trust Scheme to the Board regularly and from time to time.

The Directors consider that the Trust Scheme will bring a stable income to the Group, facilitate an appreciation of the idle funds and enable the Group to withdraw the invested capital from the Trust Scheme within a short period of time without affecting the fund requirement for the Group's daily operations and expansion.

In view of the above, the Directors believe that the terms of the Investment Agreement and the transactions contemplated thereunder are fair and reasonable and are in the interest of the Company and the Shareholders as a whole.

INFORMATION OF THE GROUP AND ZHONGYUAN TRUST

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. Henan Tian Lun is a company established in the PRC with limited liability and is an indirect wholly-owned subsidiary of the Company. It is principally engaged in, among others, the business of wholesale and retail of natural gas and liquefied petroleum gas, development and application of new gas technology, and investment in gas business.

Information of Zhongyuan Trust

Zhongyuan Trust is a non-banking financial institution established in the PRC specializing in trust business. To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, each of Zhongyuan Trust, the fund recipients and their respective ultimate beneficial owner(s) is Independent Third Parties.

LISTING RULES IMPLICATIONS

As the applicable percentage ratios under the Listing Rules in respect of the transactions as contemplated under the Investment Agreement exceed(s) 5% but are less than 25%, the entering into the Investment Agreement constitutes a discloseable transaction on the part of the Company and is therefore subject to the reporting and announcement requirements but exempt from the shareholders' approval requirement under Chapter 14 of the Listing Rules.

DEFINITIONS

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

“Board”	the board of Directors from time to time
“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 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 established in the PRC with limited liability on 1 November 2002 and an indirect wholly-owned subsidiary of the Company
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Parties”	third party(ies) independent of the Company and are not connected persons (as defined under the Listing Rules) of the Company
“Investment Agreement”	a trust investment agreement dated 7 April 2017 and entered into between Henan Tian Lun and Zhongyuan Trust in relation to the investment in the Trust Scheme
“Investment Income”	the income generated from the investment with respect to the Products under the Trust Scheme
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited

“Net Trust Proceeds”	the net proceeds (inclusive of Trust Income but net of the Trust Liability) in relation to the relevant tranche of the Trust Principal
“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
“Shareholders”	holder(s) of the issued ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Trust Account”	the bank account opened by Zhongyuan Trust specifically for Henan Tian Lun under the Trust Scheme
“Trust Income”	the total income generated from the investment in the Trust Scheme, including the Investment Income, the bank interests income and other income
“Trust Liability”	any expenses, fees, costs, taxes and other liabilities that shall be borne by Henan Tian Lun under the Investment Agreement
“Trust Period”	a term of 24 months, commencing on the payment date of the First Tranche
“Trust Principal”	the trust principal to be made by Henan Tian Lun under the Investment Agreement, being an amount of not exceeding RMB500 million
“Trust Asset”	the total amount of the asset under the Trust Scheme, including Trust Principal, Trust Income and other property which can be calculated as asset under the Trust Scheme according to relevant laws and regulations (inclusive of liabilities or rights encumbrances)
“Trust Scheme”	a portfolio of trust financial products managed and maintained by Zhongyuan Trust under the Investment Agreement

“Working Days”	a day on which financial institutions in the PRC are open for public business as regulated by the State Council of the PRC
“Zhongyuan Trust”	Zhongyuan Trust Co., Ltd.* (中原信託有限公司), a company established in the PRC and a non-banking financial institution
“%”	per cent

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

Zhengzhou, the PRC, 7 April 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.

**for identification purpose only*