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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)**

**MAJOR TRANSACTION  
AMENDMENTS TO PARTNERSHIP AGREEMENT  
IN RELATION TO THE ESTABLISHMENT OF A COAL-TO-GAS CONVERSION  
INVESTMENT FUND**

Reference is made to the announcements of the Company dated 27 June 2018 and 17 July 2018 (the “**27 June Announcement**” and “**17 July Announcement**” respectively, and collectively the “**Announcements**”) in relation to the establishment of the Fund. Capitalised terms used herein have the same meanings as those defined in the Announcements, unless otherwise defined in this announcement.

**AMENDMENTS TO PARTNERSHIP AGREEMENT**

The Red Asset Management Center (LP) Henan\* (河南睿達資產管理中心(有限合夥), “**Ruida Asset**”), as the Fund’s manager, has submitted registration documents for the Fund to Asset Management Association of China\* (中國證券投資基金業協會, the “**Fund Association**”) on 2 August 2018. The Company expects that the Fund Association shall complete registration process for the Fund within twenty business days after the registration documents meet its requirements.

As unanimously agreed by all Partners, the Partnership Agreement submitted to the Fund Association contains the following key amendments compared to that disclosed in the 27 June Announcement:

- (i) the payment deadline for the total committed capital contribution to the Fund has been amended from 31 December 2033 to 15 August 2029;
- (ii) Henan Zhongyu's first phase capital contribution to the Fund shall be RMB 1 million instead of nil;
- (iii) Yuzi Development's first phase capital contribution to the Fund shall be RMB 599 million instead of RMB 600 million; and
- (iv) a meeting attended by all Partners shall entrust a private fund manager with management qualifications as the external third party manager of the Fund.

Save as disclosed in this announcement, all the material terms and conditions of the Agreement shall remain unchanged and in full force and effect. As of the date of this announcement, all Partners have paid its respective first phase capital contribution with a total amount of RMB 1 billion to the Fund.

## **REASONS FOR AMENDMENTS TO THE PARTNERSHIP AGREEMENT**

The amendments by the Partners to the Partnership Agreement were mainly due to: (i) the deadline to pay all the committed capital contribution to the Fund was brought forward to 15 August 2029, so that there will be sufficient time for investment and exit following the contribution; (ii) the amendment to the respective first phase capital contribution to the Fund by Henan Zhongyu and Yuzi Development was a commercial decision of all Partners, which changes the allocation of first phase capital contribution among the Partners only, with the total first phase capital contribution to the Fund by all Partners and the first phase and total capital contribution to the Fund by Henan Tian Lun remaining unchanged; (iii) the appointment of a third party private equity fund manager with proper management qualification was to meet the requirements of the Fund Association on funds and to improve the Fund's standards for investment management and compliance management.

The Board (including independent non-executive Directors) is of the view that the terms of the amended Partnership Agreement and the relevant documentation are fair and reasonable and on normal commercial terms and that the transaction contemplated under the Partnership Agreement and the relevant documentation is in the interests of the Company and its shareholders as a whole.

## **About Ruida Asset**

As unanimously agreed by all Partners of the Fund, Ruida Asset has been appointed as fund manager of the Fund. Ruida Asset is a limited partnership enterprise incorporated in Zhengzhou of Henan Province on 6 December 2012 under the Partnership Enterprise Law of the PRC, and has obtained private investment fund manager registration certificate granted by the Fund Association on 6 August 2015 with a registration number of P1019992.

Ruida Asset is considered a suitable fund manager for the Fund for the following reasons: (i) It has obtained a proper registration certificate as private investment fund manager granted by the Fund Association, which usually evaluates a fund manager's paid-in capital, management team's experiences and track record, risk control system and business plan prior to giving consent for the registration and requires continuous information disclosure after registration; (ii) It has an experienced management team with over eight years of experiences in investment on average, and over twenty companies invested in total; (iii) It has a good track record in managing funds and investment in township area projects. Ruida Asset has been managing "Ruida Fortune I"\* Private Investment Fund ("睿達創富1號" 私募證券投資基金) since 1 August 2016 and invested in a number of companies related to the township area in Henan Province, including but not limited to Henan Jiajiayou Agriculture Technology Company Limited\* (河南甲加由農業科技股份有限公司), Luohe Shali Spring Modern Agriculture Technology Development Company Limited\* (漯河沙澧春天現代農業科技發展有限公司) and Henan Agricultural and Livestock Quality Goods E-Commerce Company Limited\* (河南農牧優品電子商務有限公司). The Directors believe that Ruida Asset's qualifications and experiences in fund management and township area projects are beneficial supplementals to the Group's operation experiences in township coal-to-gas conversion and Yuzi Holding's experiences in township infrastructure investment.

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, Ruida Asset and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

## **IMPLICATIONS UNDER THE LISTING RULES**

The amendments to the Partnership Agreement will not affect any of the applicable percentage ratios. Accordingly, as disclosed in the 27 June Announcement, the establishment of the Fund under the Partnership Agreement constitutes a major transaction of the Company and is subject to the reporting, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules. The Company has obtained the written approvals of Tian Lun Group Limited and Chequers Development Limited (which hold 471,171,300 shares and 63,728,000 shares of the Company, representing 47.61% and 6.44% of the issued share capital of the Company respectively, as at the date of this announcement and are under the control of Mr. Zhang Yingcen, the ultimate controlling shareholder of the Company) for the Transaction contemplated under the Partnership Agreement (including the amended terms). In accordance with Rule 14.44 of the Listing Rules, as (i) a closely allied group of shareholders who together hold more than 50% of the voting rights of the Company have issued written approvals for the Transaction; and (ii) no shareholders are required to abstain from voting at the general meeting approving the Transaction, no extraordinary general meeting of the Company is required nor will it be held to approve the Transaction.

As disclosed in the 17 July Announcement, the Company expects to issue a circular containing, among others, further information on the Transaction to its shareholders on or before 10 August 2018.

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

Hong Kong, 3 August 2018

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