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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)

INSIDE INFORMATION

DISPOSAL OF SHAREHOLDING BY A CONTROLLING SHAREHOLDER AND UPDATE ON THE INCREASE IN SHAREHOLDING BY A CONTROLLING SHAREHOLDER

This announcement is made by China Tian Lun Gas Holdings Limited (the “**Company**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the requirements of the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

DISPOSAL OF SHAREHOLDING BY A CONTROLLING SHAREHOLDER

The board (the “**Board**”) of directors (the “**Directors**”) of the Company has been informed by Mr. Zhang Yingcen (“**Mr. Zhang**”), a controlling shareholder of the Company (as defined in the Listing Rules)(the “**Controlling Shareholder**”) that on 7 June 2021, he has entered into a conditional sale and purchase agreement (the “**Disposal SPA**”) with an independent third party, Zhuhai Port Co., Ltd.* (珠海港股份有限公司) (“**Zhuhai Port**”), pursuant to which he will procure Tian Lun Group Limited (“**Tian Lun Group**”), and/or Kind Edge Limited (“**Kind Edge**”) (both are companies controlled by Mr. Zhang) (collectively the “**Disposal Transferor**”) to sell an aggregate of 120,000,000 ordinary shares of the Company (the “**Share(s)**”), representing approximately 11.96% of the Shares in issue as at the date of this announcement, at a price of HK\$7.68 per Share (the “**Disposal**”).

Pursuant to the Disposal SPA, completion of the Disposal will take place on 30 June 2021 (the “**Disposal Completion**”). If the Disposal Completion cannot be made on 30 June 2021, the Disposal Completion shall be extended to a date no later than 31 July 2021 or such later date as agreed by Mr. Zhang provided that Zhuhai Port shall pay an interest to Mr. Zhang at a rate of 6.5% per annum for postponing the Disposal Completion. Upon completion of the relevant approval procedures by Zhuhai Port and assurance of all the funds required for this transaction are in place by proof of Hong Kong bank account statement (or other official means), both parties agree that Zhuhai Port can be exempted from paying the aforementioned interests.

The Disposal contemplated under the Disposal SPA is subject to the fulfilment (or waiver by a party) of the following conditions precedent on or before the Disposal Completion, including:

- (1) Zhuhai Port has completed the approval process of the relevant authorities in the People’s Republic of China (the “**PRC**”) in respect of the transaction contemplated under the Disposal SPA and obtained relevant approval documents;
- (2) the Disposal Transferor has obtained all approvals, permits and/or exemptions (if any) from all competent regulatory agencies (including but not limited to the Stock Exchange); and
- (3) the listing status of the Company has not been cancelled and the Shares continue to be listed on the Stock Exchange before completion;

Should the following events occur, the Disposal SPA entered into by both parties would be deemed to have failed to fulfil the conditions precedent in the Disposal SPA or the Disposal will be terminated after friendly negotiation between both parties:–

- (1) both parties are deemed to be acting in concert by the Hong Kong Securities and Futures Commission (“**SFC**”).
- (2) either party has been identified by the SFC as requiring a general offer to all shareholders of the Company due to this transaction.

Zhuhai Port has issued a letter of commitment, undertaking that after the completion of the Disposal; 1) it will not form any concerted relationship with other shareholders of the Company in any way; 2) without the approval from the Board of the Company, Zhuhai Port will not (by itself or in conjunction with other institutions) initiate the acquisition of the controlling rights of the Company in the capital market; 3) it should inform Mr. Zhang that, under the same market conditions, Mr. Zhang and its recommending institutions have the right of first refusal when Zhuhai Port transfers the shares it held in the Company in the future. The undertaking will automatically lapse when Mr. Zhang ceases to be the de facto controller of the Company.

As at the date of this announcement and insofar the Directors are aware of, the Controlling Shareholders of the Company are (i) Tian Lun Group which owns 471,171,300 Shares (representing approximately 46.95% of the issued share capital of the Company); (ii) Mr. Zhang, who owns 60% of the issued share capital of Gold Shine Development Limited (“**Gold Shine**”) which in turn holds the entire issued share capital of Tian Lun Group; and (iii) Gold Shine, which holds the entire issued share capital of Tian Lun Group. Therefore, Mr. Zhang and Gold Shine are deemed or taken to be interested in all the Shares held by Tian Lun Group for the purposes of the Securities and Futures Ordinance (“**SFO**”). Mr. Zhang beneficially owns all shares in issue of Chequers Development Limited, which in turn owns 63,728,000 Shares. Therefore, Mr. Zhang is also deemed or taken to be interested in all the Shares held by Chequers Development Limited for the purposes of the SFO. Ms. Sun Yanxi (“**Ms. Sun**”), spouse of Mr. Zhang, holds 5,722,500 Shares through her individual security account, and therefore Mr. Zhang is deemed or taken to be interested in all the Shares in which Ms. Sun is interested for the purpose of the SFO.

As the Disposal Completion under the Disposal SPA is subject to satisfaction of the aforesaid conditions precedent, the Disposal under the Disposal SPA therefore may or may not proceed.

UPDATE ON THE INCREASE IN SHAREHOLDING BY A CONTROLLING SHAREHOLDER

Reference is also made to the announcement of the Company dated 15 May 2021 in relation to the increase in shareholding by Mr. Zhang (the “**15 May 2021 Announcement**”). Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as defined in the 15 May 2021 Announcement.

Mr. Zhang advised that the Acquisition of Shares under the share purchase agreement (the “**Share Purchase Agreement**”) with the Vendors on 15 May 2021 has not been completed as at the date of this announcement and he intended to complete the Acquisition of Shares by Kind Edge from the Vendors prior to the Disposal Completion. Assuming the Acquisition of Shares is completed according to the Share Purchase Agreement, Kind Edge will become a Substantial Shareholder holding 141,000,000 Shares, representing approximately 14.05% of the total issued share capital of the Company as at the date of this announcement.

EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY

Immediately following the completion of the Share Purchase Agreement and the Disposal SPA and assuming there is no change in the issued share capital of the Company from the date of this announcement until the date of completion, Zhuhai Port will hold 120,000,000 Shares, representing approximately 11.96% of the total issued share capital of the Company, and become a substantial shareholder of the Company. Mr. Zhang will be interested in an aggregate of 561,621,800 Shares, approximately 55.96% of the total issued share capital of the Company, as compared with approximately 53.87% immediately prior to the completion of the Share Purchase Agreement. Tian Lun Group, Gold Shine, Chequers Development Limited, Kind Edge Limited, Mr. Zhang and Ms. Sun will remain as a group of Controlling Shareholders of the Company.

Based on the information available to the Company and to the best knowledge of the Board, the Company has maintained sufficient public float of the issued Shares as at the date of this announcement as well as following the completion of the Share Purchase Agreement and the completion of the Disposal SPA.

The Board does not expect the Disposal to have significant impact on the Group's business operations and the composition of the management of the Group.

INFORMATION OF ZHUHAI PORT

Zhuhai Port is a company established under the laws of the PRC and a company whose shares are listed on Shenzhen Stock Exchange (stock code: 000507). The principal businesses of Zhuhai Port include port shipping logistics, new energy and advanced manufacturing. Relying on the concession rights for piped gas business in the western region of Zhuhai granted by the Zhuhai Municipal Government, it engages in the pipeline gas construction, operation and maintenance in the Hengqin New District of Zhuhai and the western urban areas of Zhuhai City. The Board is of the view that the Disposal (when it is materialized) will be beneficial to the Company in diversifying its shareholding structure and strengthening its business network.

Shareholders and potential investors of the Company are advised to pay attention to investment risks and exercise caution when they deal or contemplate dealing in the securities of the Company.

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

Zhengzhou, the PRC, 7 June 2021

As at the date of this announcement, the executive Directors are Mr. Zhang Yingcen (Chairman), Mr. Xian Zhenyuan (Chief Executive), Mr. Liu Min and Ms. Li Tao; and the independent non-executive Directors are Mr. Liu Jin, Mr. Li Liuqing, Mr. Yeung Yui Yuen Michael and Ms. Zhao Jun.

** For identification purpose only*