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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: 1600)

INTENTION TO EXERCISE OPTION REGARDING PUYANG TIAN LUN

Reference is made to the Prospectus where it was disclosed in the paragraphs headed “Deed of Non-competition” under the section headed “Relationship with Our Controlling Shareholders and Their Associates” that pursuant to the Deed of Non-competition, the Grantors had granted to the Company an option to acquire the entire equity interests in Puyang Tian Lun (the “Option”), and the exercise of the Option by the Company is subject to, among other things, Puyang Tian Lun obtaining the necessary permit and certificate to commence its operation.

The Board wishes to inform the Shareholders and potential investors that on 21 March 2011, the Company was notified by the Grantors that Puyang Tian Lun had obtained the necessary permit and certificate to commence its operation. On 25 March 2011, all the independent non-executive Directors and the Board has resolved to issue the notice of intent of exercise of the Option pursuant to the terms of the Deed of Non-competition.

Under the Deed of Non-competition, after receipt of the said notice of intent by the Grantors, an independent valuer will be appointed to conduct a valuation of the fair market value of Puyang Tian Lun. Under the Option, the Company has the right to acquire the entire equity interests in Puyang Tian Lun from the Grantors, at or not more than the fair market value of Puyang Tian Lun to be determined by the valuer.

Puyang Tian Lun was established in the PRC on 9 November 2009 for the purpose of acquiring the gas-related assets previously operated and owned by the Water, Electricity, Gas and Communication Company of Puyang Hi-tech Industry Development Zone in Puyang, Henan (河南省濮陽高新技術產業開發區水電氣訊公司). As at the date of this announcement, the equity interests in Puyang Tian Lun were owned by Henan Tian Lun Engineering Investment and Mr. Zhang as to 90% and 10%, respectively. Mr. Zhang is the Chairman of the Company, an executive Director, a controlling Shareholder (as defined under the Listing Rules) and the ultimate controlling shareholder of Henan Tian Lun Engineering Investment. Therefore, the exercise of the Option (if proceed) will constitute a connected transaction for the Company under the Listing Rules. The

exercise of the Option will be conditional on, among other matters, (i) entering into a formal sale and purchase agreement between the Grantors and the Group; (ii) completion of the independent valuation of Puyang Tian Lun; (iii) the satisfaction of all the independent non-executive Directors of the legal and financial due diligence to be performed by the Company on Puyang Tian Lun and all the independent non-executive Directors are of the view that the exercise of the Option is in the best interests of the Company; and (iv) approval of the independent Shareholders (if applicable under the Listing Rules).

The Group is principally engaged in the gas pipeline connections and the transportation and sales of pipelined gas in Henan Province, the PRC.

The Company will make further announcement to keep the Shareholders and potential investors informed of the latest development in connection with the exercise of the Option as and when appropriate under the Listing Rules.

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, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the Stock Exchange
“Deed of Non-competition”	the deed of non-competition dated 20 October 2010 entered into, among others, by the Grantors in favor of the Company,
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“Grantors”	the grantors under the Deed of Non-competition including, among others, Mr. Zhang and Henan Tian Lun Engineering Investment
“Henan Tian Lun Engineering Investment”	Henan Tian Lun Gas Engineering Investment Limited (河南省天倫燃氣工程投資有限公司), a company established in the PRC with limited liability on 10 May 2002
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Mr. Zhang”	Mr. Zhang Yingcen (張瀛岑)
“PRC”	the People’s Republic of China, which for the purpose of this announcement excludes Hong Kong, Macau Special Administrative Region of the PRC and Taiwan

“Prospectus”	the prospectus of the Company dated 27 October 2011
“Puyang Tian Lun”	Puyang Tian Lun Gas Limited (濮陽市天倫燃氣有限公司) (formerly known as Puyang Tian Lun Gas and Thermal Limited (濮陽市天倫燃氣熱力有限公司)), a company established in the PRC with limited liability on 9 November 2009
“Shareholders”	holder(s) of the issued ordinary share(s) of HK\$0.01 each in the share capital of the Company
“%”	per cent

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

Hong Kong, 25 March 2011

As at the date of this announcement, the executive Directors are Mr. Zhang Yingcen (Chairman), Mr. Xian Zhenyuan, Mr. Feng Yi and Mr. Sun Heng; the non-executive Director is Mr. Zhang Daoyuan and the independent non-executive Directors are Mr. Chang Zongxian, Mr. Li Liuqing, Mr. Zhang Jiaming and Ms. Zhao Jun.