

TARGET

Intelligence Report

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SUCHUANG GAS CORPORATION LTD: THE RESULTS OF THE 2020 FINANCIAL YEAR WERE CLOSE TO A COMPLETE DISASTER

More Apple-Polishing Than Anything Else Is Contained In The 2021 Interim Report

The Net Profit Attributable to Shareholders of Suchuang Gas Corporation Ltd (蘇創燃氣股份有限公司) (Code: 1430, Main Board, The Stock Exchange of Hongkong Ltd) with regard to the 2020 Financial Year, ended December 31, fell to its lowest level of the past six Financial Years.

In a dénouement of this situation, among other things, Management appears to have determined to allow the Company to be privatised.

In fact, it appears that Management is hot to trot to make this a reality.

However, it appears, also, that something may be more than a little amiss or, alternatively, awry, since, thus far, it has taken Management the best part of three months to put together that which has been labelled as a '**SCHEME DOCUMENT**.'

On Friday, October 29, 2021, Management of Suchuang Gas Corporation Ltd and China Resources Gas (Hongkong) Investment Ltd (華潤燃氣[香港]投資有限公司) made the following two-page announcement:

'INTRODUCTION

*'Reference is made to (i) the joint announcement dated 25 August 2021 issued jointly by Suchuang Gas Corporation Limited and China Resources Gas (Hong Kong) Investment Limited in relation to, among other things, the proposed take-private of the Company by the Offeror by way of a scheme of arrangement (the "**Rule 3.5 Announcement**"), and (ii) the joint announcement dated 29 September 2021 jointly issued by the Offeror and the Company in relation to delay in despatch of the Scheme Document (the "**Delay in Despatch Announcement**"). Unless otherwise specified, capitalised terms used in this announcement shall have the same meanings as those defined in the Rule 3.5 Announcement.*

'EXTENSION OF TIME FOR DESPATCH OF SCHEME DOCUMENT

'Pursuant to Rule 8.2 of the Takeovers Code, as the Proposal constitutes a securities exchange offer, unless the Executive's consent is obtained, the Scheme Document containing, among others, further details of the Proposal, the Scheme, the Option Offer, the Special Deals, the expected timetable, an explanatory statement, recommendations from the Takeovers Code IBC and the Listing Rules IBC, the letter of advice from the Independent Financial Adviser, a notice of the Court Meeting and a notice of General Meeting, should be despatched to the Scheme Shareholders within 35 days of the Announcement Date, which in this case would be on or before 29 September 2021. As stated in the Delay in Despatch Announcement, the Offeror and the Company had made an application to the Executive for, and the Executive had granted, consent to an extension to the time limit for despatching the Scheme Document from 29 September 2021 to 29 December 2021.

'As stated in the Rule 3.5 Announcement, the implementation of the Proposal and the Scheme is subject to the fulfilment or waiver (as applicable) of certain Conditions, of which the reporting, filing, registration or approval, as applicable and to the extent required, with or by the State-owned Assets Supervision and Administration Commission of the State Council (SASAC) of the PRC or its delegate on the Offeror's acquisition of shares of the Company under the Proposal has been fulfilled. As at the date of this joint announcement, save as disclosed above, none of the other Conditions had been fulfilled or waived (where applicable).

'The Offeror and the Company are in the course of finalising the information to be included in the Scheme Document and ascertaining the financial position of the Group. Further announcement(s) regarding the status and the progress in connection with the Proposal and the despatch of the Scheme Document will be made by the Offeror and the Company in accordance with the Listing Rules and the Takeovers Code (as the case may be) as and when appropriate.

'WARNING: Shareholders and/or potential investors should be aware that the implementation of the Proposal is subject to the Conditions being fulfilled or waived, as applicable, and therefore the Proposal may or may not be implemented. This announcement is made in compliance with the Takeovers Code. Shareholders and/or potential investors should therefore exercise caution when dealing in the securities of the Company. Persons who are in doubt as to the action they should take should consult their stockbroker, licensed securities dealer, registered institution in securities, bank manager, solicitor or other professional advisers.'

The Offeror is China Resources Gas (Hongkong) Investment Ltd, a company, incorporated in the **Hongkong Special Administrative Region (HKSAR)** of the **People's Republic of China (PRC)** with limited liability.

It, in turn, is indirectly wholly owned by China Resources Gas Group Ltd (華潤燃氣控股有限公司), a company, incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of The Stock Exchange of Hongkong Ltd (香港聯合交易所有限公司) (Code: 1193).

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