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**天倫燃气**  
**TIANLUN GAS**

**Tian Lun Gas Holdings Limited**

**天倫燃气控股有限公司**

*(incorporated in the Cayman Islands with limited liability)*

**(Stock code: 1600)**

## **DISCLOSEABLE TRANSACTIONS TOTAL RETURN SWAP**

References are made to the announcements of the Company dated 15 May 2022, 13 April 2023, 30 January 2024, 31 January 2024, 7 June 2024 and 17 June 2024 (the “**Announcements**”) in relation to the total return swap transactions. Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcements.

On 27 September 2024, the Company entered the fourth total return swap transaction (the “**Fourth TRS Transaction**”) and the fifth total return swap transaction (the “**Fifth TRS Transaction**”) with the TRS Counterparty.

Since the Fourth TRS Agreement and the Fifth TRS Agreement are entered into within 12 months after (i) the extension of the First TRS Transaction and the Second TRS Transaction; and (ii) execution of the Third TRS Agreement, the Fourth TRS Transaction and the Fifth TRS Transaction shall be aggregated together with the First TRS Transaction, the Second TRS Transaction and the Third TRS Transaction pursuant to Rule 14.22 of the Listing Rules.

As one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Fourth TRS Transaction and the Fifth TRS Transaction when aggregated with the First TRS Transaction, the Second TRS Transaction and the Third TRS Transaction which were conducted within 12 months, exceeds 5% but less than 25%, the Fourth TRS Transaction and the Fifth TRS Transaction (in aggregate with the First TRS Transaction, the Second TRS Transaction and the Third TRS Transaction) constitute discloseable transactions of the Company and are subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

## THE PRINCIPAL TERMS OF THE FOURTH TRS TRANSACTION

A summary of the principal terms of the Fourth TRS Transaction is set out as follows:

<b>Trade Date:</b>	27 September 2024
<b>Initial Hedge Period:</b>	The period from the Trade Date to the date which is up to 4 calendar months after the Trade Date.
<b>Initial Hedge Period End Date:</b>	The earlier of (i) the date falling 4 calendar months after the Trade Date and (ii) the Exchange Business Day specified by notice in writing by TRS Counterparty to the Company, or otherwise (iii) any date agreed in writing by TRS Counterparty and the Company, provided in each case that each of the Conditions Subsequent are satisfied or waived by TRS Counterparty.
<b>Effective Date:</b>	The day immediately following the end of the Initial Hedge Period.
<b>Equity Notional Amount:</b>	The product of the Initial Price and the number of Shares acquired by the TRS Counterparty during the Initial Hedge Period, subject to a maximum of HKD50,000,000.
<b>Equity Amount Payer:</b>	The TRS Counterparty
<b>Fixed Amount Payer:</b>	The Company
<b>Averaging Period:</b>	The period beginning on the date falling 24 calendar months after the Effective Date and ending on, and including, the Averaging Period End Date. Notwithstanding the foregoing, if the Early Averaging Notice is given by one party to the other party on a business day during the Early Averaging Notification Period, the Averaging Period shall begin on, and include, the Averaging Period Early Commencement Date.
<b>Averaging Period End Date:</b>	The earlier of (i) the Scheduled Termination Date and (ii) the date on which the remaining number of Shares is reduced to zero.
<b>Early Averaging Notification Period:</b>	The period from, and including, the date falling 11 calendar months from the Effective Date to, and including, the date falling 14 days after the date falling 11 calendar months from the Effective Date.
<b>Early Averaging Notice:</b>	Irrevocable notice in writing from one party to the other party, electing to commence the Averaging Period on the Averaging Period Early Commencement Date.

<b>Averaging Period Early Commencement Date:</b>	The date falling 12 calendar months after the Effective Date.
<b>Independent Amount:</b>	On each date during the Initial Hedge Period, the sum of all IA Instalment Amounts received by the Counterparty (the “ <b>Aggregate Independent Amount</b> ”). On any date on or after the Effective Date during the term of the transaction, the lower of the Aggregate Independent Amount and the Equity Notional Amount as determined on the Effective Date.
<b>IA Instalment Amounts:</b>	The amount of each installment is HKD12,500,000, and a total of four installments will be paid.
<b>Payment to be made by the Company to the TRS Counterparty:</b>	A fixed amount of HK\$1,900,000 is payable on the Trade Date and the date falling 12 calendar months after the Effective Date, respectively. If the Early Averaging Notice is given by one party to the other party on a business day during the Early Averaging Notification Period, the Company shall not be obliged to pay the fixed amount which would otherwise be payable on the date falling 12 calendar months after the Effective Date.
<b>Payment to be received by the Company from the TRS Counterparty:</b>	<p>Provided that no early termination occurred at the end of the Averaging Period, the TRS Counterparty will pay the Company:</p> <ul style="list-style-type: none"> <li>– all dividends in respect of the hedged Shares received during the term of the Fourth TRS Transaction, subject to adjustment for those received during the Averaging Period;</li> <li>– HKD50,000,000 paid by the Company to the TRS Counterparty pursuant to the TRS Transaction, plus or minus the amount being the positive or negative difference in the Final Price and Initial Price, i.e. <math>\text{Equity Notional Amount} \times (\text{Final Price} - \text{Initial Price}) / \text{Initial Price}</math>.</li> </ul>
<b>Settlement:</b>	Payments will be made in Hong Kong Dollars.
<b>Indemnity:</b>	Not exceeding HKD52,500,000 in aggregate, incurred in connection with the TRS Counterparty or any other hedging party acquiring, establishing, re-establishing, substituting, maintaining, unwinding or disposing of any hedge positions as a result of any conditions precedent or conditions subsequent not being satisfied by the relevant time.

**Scheduled Termination Date:** The date falling 28 calendar months after the Effective Date, except if that date is not a Scheduled Trading Day the Scheduled Termination Date shall be the next following day that is a Scheduled Trading Day.

**Termination Date:** The earlier to occur of (i) the Scheduled Termination Date, (ii) the Averaging Period end date, (iii) the date on which this Fourth TRS Transaction is terminated pursuant to the relevant provision of the transaction document, and (iv) any date agreed in writing by the Parties to be the Termination Date.

## **THE PRINCIPAL TERMS OF THE FIFTH TRS TRANSACTION**

A summary of the principal terms of the Fifth TRS Transaction is set out as follows:

**Trade Date:** 27 September 2024

**Initial Hedge Period:** The period from and including the Initial Hedge Period Commencement Date to and including the Initial Hedge Period End Date

**Initial Hedge Period Commencement Date:** The earlier of (i) the Initial Hedge Period Scheduled Commencement Date and (ii) the Exchange Business Day specified by notice in writing by the Company to the TRS Counterparty, provided that the Exchange Business Day so specified shall be a day not earlier than 5 Business Days after such notice is effective, or otherwise (iii) any date agreed in writing by the Parties.

**Initial Hedge Period Scheduled Commencement Date:** The date falling 5 calendar months after the Trade Date.

**Initial Hedge Period End Date:** The earlier of (i) the day falling 4 calendar months after the Initial Hedge Period Commencement Date and (ii) the Exchange Business Day specified by notice in writing by the TRS Counterparty to the Company, or otherwise (iii) any date agreed in writing by the Parties, provided in each case that each of the relevant Conditions Subsequent are satisfied or waived by the TRS Counterparty.

<b>Effective Date:</b>	The day immediately following the end of the Initial Hedge Period.
<b>Equity Notional Amount:</b>	The product of the Initial Price and the number of Shares acquired by the TRS Counterparty during the Initial Hedge Period, subject to a maximum of HKD50,000,000.
<b>Equity Amount Payer:</b>	The TRS Counterparty
<b>Fixed Amount Payer:</b>	The Company
<b>Averaging Period:</b>	The period beginning on the date falling 24 calendar months after the Effective Date and ending on, and including, the Averaging Period End Date. Notwithstanding the foregoing, if the Early Averaging Notice is given by one party to the other party on a business day during the Early Averaging Notification Period, the Averaging Period shall begin on, and include, the Averaging Period Early Commencement Date.
<b>Averaging Period End Date:</b>	The earlier of (i) the Scheduled Termination Date and (ii) the date on which the remaining number of Shares is reduced to zero.
<b>Early Averaging Notification Period:</b>	The period from, and including, the date falling 11 calendar months from the Effective Date to, and including, the date falling 14 days after the date falling 11 calendar months from the Effective Date.
<b>Early Averaging Notice:</b>	Irrevocable notice in writing from one party to the other party, electing to commence the Averaging Period on the Averaging Period Early Commencement Date.
<b>Averaging Period Early Commencement Date:</b>	The date falling 12 calendar months after the Effective Date.
<b>Independent Amount:</b>	On each date from, and including, the Trade Date to, and including, the end of the Initial Hedge Period, the sum of all IA Instalment Amounts received by the Counterparty (the “ <b>Aggregate Independent Amount</b> ”). On any date on or after the Effective Date during the term of the transaction, the lower of the Aggregate Independent Amount and the Equity Notional Amount as determined on the Effective Date.

<b>IA Instalment Amounts:</b>	The amount of each installment is HKD12,500,000, and a total of four installments will be paid.
<b>Payment to be made by the Company to the TRS Counterparty:</b>	A fixed amount of HK\$1,900,000 is payable on the Trade Date and the date falling 12 calendar months after the Effective Date, respectively. If the Early Averaging Notice is given by one party to the other party on a business day during the Early Averaging Notification Period, the Company shall not be obliged to pay the fixed amount which would otherwise be payable on the date falling 12 calendar months after the Effective Date.
<b>Payment to be received by the Company from the TRS Counterparty:</b>	<p>Provided that no early termination occurred at the end of the Averaging Period, the TRS Counterparty will pay the Company:</p> <ul style="list-style-type: none"> <li>– all dividends in respect of the hedged Shares received during the term of the Fifth TRS Transaction, subject to adjustment for those received during the Averaging Period;</li> <li>– HKD50,000,000 paid by the Company to the TRS Counterparty pursuant to the TRS Transaction, plus or minus the amount being the positive or negative difference in the Final Price and Initial Price, i.e. <math>\text{Equity Notional Amount} \times (\text{Final Price} - \text{Initial Price}) / \text{Initial Price}</math>.</li> </ul>
<b>Settlement:</b>	Payments will be made in Hong Kong Dollars.
<b>Indemnity:</b>	Not exceeding HKD52,500,000 in aggregate, incurred in connection with the TRS Counterparty or any other hedging party acquiring, establishing, re-establishing, substituting, maintaining, unwinding or disposing of any hedge positions as a result of any conditions precedent or conditions subsequent not being satisfied by the relevant time.
<b>Scheduled Termination Date:</b>	The date falling 28 calendar months after the Effective Date, except if that date is not a Scheduled Trading Day the Scheduled Termination Date shall be the next following day that is a Scheduled Trading Day.

**Termination Date:** The earlier to occur of (i) the Scheduled Termination Date, (ii) the Averaging Period End Date, (iii) the date on which this Transaction is terminated under the relevant Obligations Conditional provisions, and (iv) any date agreed in writing by the Parties to be the Termination Date.

### **Reasons for and benefits of the TRS Transactions**

The purpose of the Company entering into the Fourth and the subsequent Fifth TRS Transactions under applicable terms is to hedge against the risk of rising costs of acquiring Shares due to potential future Share price appreciation, aiming to mitigate the impact on the Company's share award scheme and other future matters.

On the basis of the above and having regard to all relevant factors and considerations, the Directors are of the view that the terms of the Fourth TRS Transaction and the Fifth TRS Transaction are fair and reasonable and the entering into of the Fourth TRS Transaction and the Fifth TRS Transaction on such terms is in the interests of the Company, the Group and the Shareholders as a whole.

### **INFORMATION RELATING TO THE TRS COUNTERPARTY**

Hantec Securities Co., Limited, a licensed corporation for carrying on type 1 (dealing in securities) regulated activity under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, based on the information available to the Company, Hantec Securities Co., Limited is ultimately wholly owned by Mr. Or Wai Sheun (柯為湘先生), who is a third-party independent of the Company and is not a connected person to the Company.

### **INFORMATION RELATING TO THE GROUP**

The Group is principally engaged in the engineering construction service by providing residential, commercial and industrial users with gas pipeline and infrastructure laying and installation and transportation, distribution and sales of gases including natural gas and compressed natural gas (CNG) and production and sales of liquefied natural gas (LNG) in bulk and in cylinders in certain cities of the PRC.

## IMPLICATIONS UNDER THE LISTING RULES

Since the Fourth TRS Agreement and the Fifth TRS Agreement are entered into within 12 months after (i) the extension of the First TRS Transaction and the Second TRS Transaction; and (ii) execution of the Third TRS Agreement, the Fourth TRS Transaction and the Fifth TRS Transaction shall be aggregated together with the First TRS Transaction, the Second TRS Transaction and the Third TRS Transaction pursuant to Rule 14.22 of the Listing Rules.

As one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Fourth TRS Transaction and the Fifth TRS Transaction when aggregated with the First TRS Transaction, the Second TRS Transaction and the Third TRS Transaction which were conducted within 12 months, exceeds 5% but less than 25%, the Fourth TRS Transaction and the Fifth TRS Transaction (in aggregate with the First TRS Transaction, the Second TRS Transaction and the Third TRS Transaction) constitute discloseable transactions of the Company and are subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

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

Zhengzhou, the PRC, 27 September 2024

*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; the non-executive Directors are Ms. Chen Hong and Mr. Zhang Daoyuan; and the independent non-executive Directors are Mr. Li Liuqing, Ms. Ou Yaqun, Mr. Lei Chunyong and Ms. Zhou Lin.*