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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)

PROPOSED ISSUE OF NEW SHARES UNDER SPECIFIC MANDATE

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On 11 February 2015 (after trading hours), IFC and IFC Fund entered into the Subscription Agreement with the Company. On the terms and subject to the conditions of the Subscription Agreement, IFC agrees to conditionally subscribe and pay for 90,871,200 fully paid Subscription Shares and IFC Fund agrees to subscribe and pay for 90,871,200 fully paid Subscription Shares, in each case at the Subscription Price of HK\$6.40 per Subscription Share.

The aggregate of 181,742,400 Subscription Shares to be issued pursuant to the Subscription Agreement represent:

- (i) approximately 21.95% of the total issued Shares as at the date of this announcement; and
- (ii) approximately 18.00% of the total issued Shares as enlarged by the allotment and issue of the Subscription Shares.

Lock-up undertaking

Pursuant to the Subscription Agreement, at all times during the period commencing on the Subscription Date and ending on the first anniversary thereof, each Investor shall not, without the prior written consent of the Company, transfer, sell, lease or pledge to any person any of the Subscription Shares for which it has subscribed on the Subscription Date.

The gross proceeds from the issue of the Subscription Shares pursuant to the Subscription Agreement will be approximately HK\$1,163,151,360 and the net proceeds from the issue of the Subscription Shares pursuant to the Subscription Agreement, after deduction of all relevant costs and expenses, is estimated to be approximately HK\$1,159,651,360. The proceeds from the issue of the Subscription Shares shall be applied for the purpose of (i) the expansion and acquisition of city gas concessions; (ii) construction of CNG and LNG refueling stations; and (iii) construction of LNG plants in the PRC or for such business or businesses related to the PRC. The net Subscription Price, after deduction of all relevant costs and expenses, is estimated to be approximately HK\$6.38 per Subscription Share.

SPECIFIC MANDATE

The Company will seek the Specific Mandate from the Shareholders at the EGM to allot and issue the Subscription Shares. Application will also be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

THE EGM

The EGM will be convened for the Shareholders to consider and, if thought fit, to approve among other things, the Subscription Agreement, the Policy Agreement and the transactions contemplated thereunder including the Specific Mandate.

To the best of the Director's knowledge, information and belief having made all reasonable enquiries, no Shareholders will be required to abstain from voting at the EGM in respect of the Subscription Agreement, the Policy Agreement and the transactions contemplated thereunder, including the Specific Mandate.

A circular containing, amongst other things, (i) further information on the Subscription Agreement and the Policy Agreement and (ii) the Specific Mandate, together with a notice of the EGM and a form of proxy will be dispatched to the Shareholders as soon as practicable.

The Shareholders and potential investors should be aware that the Subscription Agreement and the transactions contemplated thereunder are subject to the fulfilment or waiver of the Conditions, and consequently the proposed issue of the Subscription Shares may or may not proceed. Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

PROPOSED ISSUE OF NEW SHARES UNDER SPECIFIC MANDATE

On 11 February 2015 (after trading hours), the Investors entered into the Subscription Agreement with the Company. On the terms and subject to the conditions of the Subscription Agreement, IFC agrees to conditionally subscribe and pay for 90,871,200 fully paid Subscription Shares and IFC Fund agrees to subscribe and pay for 90,871,200 fully paid Subscription Shares, in each case at the Subscription Price of HK\$6.40 per Subscription Share.

The principal terms of the Subscription Agreement are set out as follows:

Date

11 February 2015 (after trading hours)

Parties

- (i) The Company, as the issuer of the Subscription Shares;
- (ii) The Investors, as the subscribers of the Subscription Shares.

To the best of Directors' knowledge, information and belief, having made all reasonable enquiries, the Investors and their respective ultimate beneficial owners are third parties independent of and not connected with the Company and the connected persons (as defined under the Listing Rules) of the Company.

As confirmed by the Investors, as at the date of this announcement, the Investors and their respective subsidiaries are not interested in any Shares.

Subscription Shares

The aggregate of 181,742,400 Subscription Shares to be allotted and issued to the Investors pursuant to the Subscription Agreement represent:

- (i) approximately 21.95% of the total issued Shares as at the date of this announcement; and
- (ii) approximately 18.00% of the total issued Shares as enlarged by the allotment and issue of the Subscription Shares.

The aggregate nominal value of the Subscription Shares is HK\$1,817,424.

Immediately after the Completion (assuming that there is no other change in the shareholding structure of the Company before the Completion), each of the Investors will become a substantial Shareholder (as defined in the Listing Rules).

Ranking of Subscription Shares

The Subscription Shares will rank *pari passu* in all respects and carry all rights similar to the Shares in issue as at the Subscription Date.

Subscription Price

The Subscription Price of HK\$6.40 per Subscription Share represents:

- (i) a discount of approximately 19.60% to the closing price of HK\$7.96 per Share as quoted on the Stock Exchange on 11 February 2015, being the date of the Subscription Agreement; and
- (ii) a discount of approximately 20.60% to the average closing price of approximately HK\$8.06 per Share for the last five consecutive trading days up to and including 10 February 2015, being the last trading day before the date of the Subscription Agreement.

The Subscription Price was determined after arm's length negotiations between the Company and the Investors with reference to, among others, the recent share price performance and liquidity of the Shares. The Directors (including all the independent non-executive Directors) consider that the Subscription Price and the terms of the Subscription Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

Specific Mandate to allot and issue the Subscription Shares

The Company will seek the Specific Mandate from the Shareholders at the EGM to allot and issue the Subscription Shares.

Conditions of Subscription

The obligation of each Investor to make the Subscription is subject to the fulfillment, to each Investor's satisfaction (acting reasonably) or waiver prior to or concurrently with the making of the Subscription, of the following conditions:

- (1) The representations and warranties made by the Company under the Subscription Agreement, remain true, accurate and not misleading immediately prior to the Subscription, save as modified or supplemented by the Subscription Notice;
- (2) All of the agreements and covenants of the Company and the Sponsors to be performed prior to the Subscription pursuant to each of the Subscription Agreement and its ancillary documents (including the Policy Agreement) have been duly performed in all material respects, and no breach (or any event which, with notice, lapse of time, the making of a determination or any combination, would become a breach) under any of the Subscription Agreement and its ancillary documents (including the Policy Agreement) has occurred and is continuing;
- (3) The Company has obtained and provided to the Investors copies of all consent, registration, filing, agreement, notarization, certificate, license, approval, permit, authority or exemption from, by or with any relevant authority and all of the aforesaid are in full force and effect, and that the Company has performed and complied with all requirements imposed by the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares (including paying any listing fees when due);
- (4) Nothing has occurred which has or may reasonably be expected to have a Material Adverse Effect since 31 December 2013;
- (5) Each Investor has received payment for, or reimbursement of all fees and expenses of that Investor, and the invoiced fees and expenses of its counsel, as provided in the Subscription Agreement, or confirmation from its counsel that those fees and expenses have been paid directly to such counsel;
- (6) The Company:
 - i. has confirmed in writing to each Investor that it is in agreement with the S&EA;
 - ii. has agreed in writing with each Investor on the form of the S&E Performance Report;
 - iii. remains in compliance with the S&E Management System and the S&E Management System has not been amended, waived or otherwise restricted in scope or effect since 1 December 2014, except in accordance with the Action Plan; and
 - iv. has complied with all matters set forth in the Action Plan required to be completed prior to the Subscription, as set forth in the Action Plan;

- (7) Each Investor has received certifications by the Company, substantially in the form set forth in Subscription Notice, with respect to the conditions specified therein and expressed to be effective as of the date of the Subscription;
- (8) Each Investor has received a legal opinion or opinions, in form and substance satisfactory to that Investor, from its counsel in the Cayman Islands, and, if either Investor requests, from counsel for the Company, covering such matters relating to the transactions contemplated by the Subscription Agreement, its ancillary documents (including the Policy Agreement) and the Articles as that Investor may reasonably request;
- (9) Each Investor has received a certificate of incumbency and authority from the Company;
- (10) Each Investor has received copies of all insurance policies evidencing compliance with the requirements of the minimum insurance requirements and a certification from the Company's and its subsidiaries' insurers or insurance agents confirming that such policies are in full force and effect and all premiums then due and payable under those policies have been paid;
- (11) Each Investor has received a counterpart of each of the Subscription Agreement and its ancillary documents (including the Policy Agreement), duly executed and delivered by all other parties thereto, all of which are or will be, on delivery by each Investor of its counterpart, fully effective and unconditional, and each is in form and substance satisfactory to each Investor; and
- (12) Trading in the Shares on the Stock Exchange has not been halted or suspended (other than such trading halt requested by the Company pending announcement of material corporate actions of the Company or any of the subsidiaries) or suspended in connection with for a consecutive period of 5 trading days or more and there has been no delisting of trading or withdrawal of the admission to trading in the Shares on the Stock Exchange and no such trading halt, suspension of trading, withdrawal of admission to trading or delisting is pending or threatened by the Stock Exchange or any other regulatory or government authorities.

Save for the Policy Agreement all the terms and conditions of the ancillary documents to the Subscription Agreement are still under negotiations between the parties thereto, however, it is currently envisaged that a sponsor's agreement will be entered into among the Investors, Mr. Zhang, Ms. Sun and Mr. Zhang Daoyuan. Shall there be any material updates on the ancillary documents to the Subscription Agreement, further announcement(s) will be made by the Company as and when appropriate in accordance with the Listing Rules.

Lock-up undertaking

Pursuant to the Subscription Agreement, at all times during the period commencing on the Subscription Date and ending on the first anniversary thereof, each Investor shall not, without the prior written consent of the Company, transfer, sell, lease or pledge to any person any of the Subscription Shares for which it has subscribed on the Subscription Date.

Pre-Closing Obligations

- (1) Until the Subscription Shares have been validly subscribed and allotted and issued or the right of the Company to request the Subscription has been canceled, whichever occurs first, the Company shall:
 - i. at all times maintain a sufficient number of authorized and unissued shares to permit the allotment and subscription by the Investors of all the Subscription Shares;

- ii. promptly after the date of the Subscription Agreement, do all acts or things necessary or desirable to obtain all necessary consents, permits, approvals and authorisations required to be obtained on the part of the Company in respect of the Subscription Agreement and the transactions contemplated thereunder, including preparing and delivering (A) a circular to the Shareholders and convening the EGM; and (B) listing application in compliance with the Listing Rules and all applicable laws and regulation for the Subscription Shares to be listed and admitted for trading on the Stock Exchange; and
 - iii. conduct its business in the ordinary course and shall use, and shall cause each of its subsidiaries to use, its best efforts to preserve intact its business organizations and relationships with third parties and to keep available the services of its present officers and employees.
- (2) In addition, until the Subscription Shares have been validly subscribed and allotted and issued or the right of the Company to request the Subscription has been canceled, whichever occurs first, the Company shall not, and shall ensure that each of its subsidiaries shall not (other than with respect to sub-paragraph (viii) below), other than in connection with the Subscription:
- (i) increase, allot, issue, acquire, repay, reduce or redeem any share capital or Shares of any class other than such allotment and issue of Shares employee upon exercise of the subscription rights attaching to the outstanding Share options granted by the Company on or before the date of Subscription Agreement that have been issued pursuant to the share option scheme of the Company;
 - (ii) change the par value of, or the rights attached to, any of its Shares of any class;
 - (iii) take any action by amendment of the Articles or through reorganization, consolidation, sale of share capital, merger or sale of assets, or otherwise, which might result in a dilution or increase of the percentage interest in the Company to be held by the Investors when any Shares are allotted and issued to the Investors pursuant to the Subscription;
 - (iv) sell, lease, transfer or assign any of its assets, except in the ordinary course of business and consistent with past practice;
 - (v) assume or incur indebtedness, liabilities, obligations or expenses exceeding an aggregate of US\$1,000,000 (or the equivalent in any other currency) except in the ordinary course of business;
 - (vi) make any capital expenditure exceeding US\$1,000,000 (or the equivalent in any other currency) except in the ordinary course of business;
 - (vii) create any Liens over any assets except in the ordinary course of business;
 - (viii) declare, pay or make a dividend or distribution
 - (ix) take any action that would make any representation or warranty untrue, inaccurate or misleading in any respect on or at any time prior to the Subscription Date;
 - (x) take any action that could reasonably be expected to prevent, impair or materially delay the ability of the Company to consummate the transactions contemplated by Subscription Agreement; or
 - (xi) agree or commit to take any of the actions described above,

provided that, for the avoidance of doubt, none of the abovesaid obligations shall restrict any acquisition by the Company or any of its subsidiaries in the ordinary course of business.

Completion

Subject to the terms of the Subscription Agreement and the satisfaction (or waiver by the Investors) of the Conditions, either (i) the Company may request the Investors to subscribe for the Subscription Shares by delivering a Subscription Notice to the Investors; or the Investors may notify the Company that they shall subscribe for the Subscription Shares by delivering a Subscription Notice to the Company, in each case at least 12 Business Days (or such shorter period of time as required by the Stock Exchange under the listing approval) prior to Subscription Date.

On the Subscription Date, each Investor shall pay an amount equal to the Subscription Price multiplied by the number of Subscription Shares for which it is subscribing, in each case in HK Dollars to the Company.

Cancellation of the Subscription Agreement

The Investors may, by written notice to the Company, cancel the right of the Company to request the Investors to subscribe for the Subscription Shares:

- (1) if at any time, in the reasonable opinion of the Investors, anything has occurred which has or may reasonably be expected to have a Material Adverse Effect or there exists any situation which indicates that performance by any Relevant Parties of its, his or her obligations under any of the Subscription Agreement and its ancillary documents (including the Policy Agreement) or the Articles cannot be fulfilled or expected or there exists any breach or non-compliance by any Relevant Parties of its, his or her obligations under any of the Subscription Agreement and its ancillary documents (including the Policy Agreement); and
- (2) in any case, at any time on or after 30 April 2015

and upon any such cancellation, each party's further rights and obligations shall terminate immediately (save for the surviving terms), provided that such termination shall not affect a party's accrued rights and obligations at the date of termination and shall be without prejudice to any and all rights or legal or equitable remedies of any kind which may accrue to either Investor against any Relevant Party.

POLICY AGREEMENT

As a condition of the Investors' obligations of subscription under the Subscription Agreement, on 11 February 2015 (after trading hours), the Investors and the Company had also entered into the Policy Agreement.

Investors' right to nominate Director

Pursuant to the Policy Agreement for so long as both Investors, jointly, hold more than 5% of the issued Shares on a fully-diluted basis, the Investors, as a group, shall have the right to nominate one Investors' Nominee Director, provided that the appointment of the Investors' Nominee Director shall be subject to the retirement, re-election and such other applicable provisions in the Articles and the Listing Rules.

The Investors, as a group, may require the removal of the Investors' Nominee Director at any time and shall be entitled to nominate another person as the Investors' Nominee Director in place of any Investors' Nominee Director so removed. In the event of the resignation, retirement or vacation of office of the Investors' Nominee Director, the Investors, as a group, shall be entitled to nominate another person as the Investors' Nominee Director in place of such Investors' Nominee Director and the such nominee shall, to the extent permitted under all applicable laws and regulations, be promptly appointed as a Director.

Corporate Governance Improvement Plan

The Company shall comply with all matters set forth in the corporate governance improvement plan required to be completed prior to the date(s) as set forth below:

- (1) The Company should have a full-time company secretary certified by the Hong Kong Institute of Chartered Secretaries within 12 months after the Subscription Date;
- (2) The Company should replace at least half of its independent non-executive Directors other than the Investors' Nominee Director as of the Subscription Date with competent and experienced independent non-executive Directors within 18 months after the Subscription Date;
- (3) The Company shall strengthen the Board's oversight over the internal audit function by assigning requisite responsibility to the Company's audit committee including: (a) review and approve a formal annual audit plan of the IAC; (b) review and approve the budget and staffing of the IAC annually; and (c) IAC should report to the Company's audit committee regarding audit findings on a regular basis at least quarterly; and
- (4) The Company should implement a corporate level management information system which links data from all of the Subsidiaries to its headquarters within 24 months after the Subscription Date.

Pursuant to the Policy Agreement, the Company has given certain covenants and undertakings to the Investors in respect of, among others, environmental action plan, insurance coverage and restrictions against Sanctionable Practices and Shell Banks. The Company will also have certain reporting and disclosure obligations in relation to the compliance by the Company of the Investors' policy reporting covenants including, among others, litigation, investigations or proceedings which, if determined against the Company and any of its subsidiaries, would or reasonably be expected to result in an obligation or liability in the aggregate amount of US\$10 million or more, or any criminal investigations or proceedings against the Company or any of the Directors.

The Company further covenants that it shall and shall ensure that each of its subsidiaries shall (i) implement the Action Plan and their existing and future operations shall be in compliance with the Performance Standards and all applicable laws and regulations; (ii) at all times comply with the cash management policy to be adopted by the Company's board of directors from time to time and shall not, at any time prior to the end of 12 months from the Subscription Date, amend or vary the terms of the aforesaid cash management policy; and (iii) not, and ensure that none of its subsidiaries shall, undertake any business, activities and investments other than the Permitted Business.

The Policy Agreement shall become effective as of the date on which the Investors first subscribe for the Subscription Shares and shall continue in force until such time as both Investors no longer hold any Subscription Shares (save as surviving terms).

REASON FOR AND BENEFITS OF THE SUBSCRIPTION AND USE OF PROCEEDS

International Finance Corporation (IFC), a member of the World Bank Group, is a global investment and advisory institution. As an outstanding investment platform under the World Bank Group, IFC enjoys a good reputation in the world and has first-class talents and first-hand experience in environment, social and corporate governance aspects. The Company will take this opportunity to further enhance the Company's capability in areas such as corporate governance by learning from IFC's international experience and combining it with the Company's own situations. The entering into of the equity investment and cooperation represents a great positive factor which will benefit the Company's overall brand and reputation in international finance market.

The gross proceeds from the issue of the Subscription Shares pursuant to the Subscription Agreement will be approximately HK\$1,163,151,360 and the net proceeds from the issue of the Subscription Shares pursuant to the Subscription Agreement, after deduction of all relevant costs and expenses, is estimated to be approximately HK\$1,159,651,360. The net Subscription Price, after deduction of all relevant costs and expenses, is estimated to be approximately HK\$6.38 per Subscription Share.

The proceeds of the proposed financing will be used to help finance the Company's 2015-2017 capital expenditure programs which include (i) the expansion and acquisition of city gas concessions; (ii) construction of CNG and LNG refueling stations; and (ii) construction of LNG plants.

EFFECTS ON SHAREHOLDING STRUCTURE

For illustration purpose only, to the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, the existing shareholding structure in respect of the Shares and the effects on the shareholding structure in respect of the Shares (i) as at the date of this announcement and (ii) immediately after the Completion (assuming that there is no other change in the shareholding structure of the Company after the date of this announcement), are set out as below:

	As at the date of this announcement		Immediately after the Completion	
	<i>No. of Shares</i>	<i>Approximate shareholding (%)</i>	<i>No. of Shares</i>	<i>Approximate shareholding (%)</i>
Tian Lun Group Limited (<i>Note 1</i>)	463,297,800	55.96	463,297,800	45.89
Ms. Sun Yanxi (<i>Note 2</i>)	5,722,500	0.69	5,722,500	0.57
Chequers Development Limited (<i>Note 2</i>)	63,728,000	7.70	63,728,000	6.31
Pleasant New Limited (<i>Note 3</i>)	12,829,450	1.55	12,829,450	1.27
IFC	0	0%	90,871,200	9.00
IFC Fund	0	0%	90,871,200	9.00
Public shareholders	282,347,250	34.10	282,347,250	27.96
Total	<u>827,925,000</u>	<u>100.00</u>	<u>1,009,667,400</u>	<u>100.00</u>

Note:

- (1) The entire issued share capital of Tian Lun Group Limited is held by Gold Shine Development Limited, which is in turn owned by Mr. Zhang as to 60.00%. Tian Lun Group Limited owns 463,297,800 Shares. Therefore, Mr. Zhang and Gold Shine Development Limited are deemed or taken to be interested in all the Shares held by Tian Lun Group Limited for the purpose of the SFO.
- (2) The entire issued share capital of Tian Lun Group Limited is held by Gold Shine Development Limited, which is owned by Mr. Zhang as to 60.00%. Tian Lun Group Limited owns 463,297,800 Shares. Therefore, Mr. Zhang is deemed or taken to be interested in all the Shares held by Tian Lun Group Limited for the purpose of the SFO. Mr. Zhang beneficially owns all the shares in issue of Chequers Development Limited, which 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 purpose of the SFO. Ms. Sun holds 5,722,500 Shares through her individual security account. Ms. Sun is the spouse of Mr. Zhang, and therefore Ms. Sun is deemed or taken to be interested in all the Shares in which Mr. Zhang is interested for the purpose of the SFO.

- (3) Mr. Xian Zhenyuan, an executive Director and the sole director of Pleasant New Limited, beneficially owns 90.00% of the issued share capital of Pleasant New Limited, which in turn owns 12,829,450 Shares. Therefore, Mr. Xian is deemed or taken to be interested in all the Shares held by Pleasant New Limited for the purpose of the SFO.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company did not conduct any fund raising activities during the past twelve months immediately preceding the date of this announcement.

INFORMATION ABOUT THE COMPANY

The Company is an investment holding company and the principal activities of the Group consist of investment, operation and management of gas pipeline connections, transportation, distribution and sales of gas, construction and operation of gas filling stations, and production and sales of LNG.

INFORMATION ABOUT THE INVESTORS

IFC, a member of the World Bank Group, is the largest global development institution focused exclusively on the private sector in developing countries. Established in 1956, IFC is owned by 184 member countries, a group that collectively determines their policies. IFC's work in more than a 100 developing countries allows companies and financial institutions in emerging markets to create jobs, generate tax revenues, improve corporate governance and environmental performance, and contribute to their local communities.

IFC Fund invests alongside IFC in equity and equity-related investments in infrastructure projects and companies in developing countries.

APPLICATION FOR LISTING

An application will be made to the listing committee for the listing of, and permission to deal in, the Subscription Shares on the Stock Exchange.

THE EGM

The EGM will be convened for the Shareholders to consider and, if thought fit, to approve among other things the Subscription Agreement, the Policy Agreement and the transactions contemplated thereunder (including the Specific Mandate).

To the best of the Director's knowledge, information and belief having made all reasonable enquiries, no Shareholders will be required to abstain from voting at the EGM in respect of the Subscription Agreement, the Policy Agreement and the transactions contemplated thereunder, including the Specific Mandate.

A circular containing, amongst other things, (i) further information on the Subscription Agreement and the Policy Agreement and (ii) the Specific Mandate, together with a notice of the EGM and a form of proxy will be dispatched to the Shareholders as soon as practicable.

The Shareholders and potential investors should be aware that the Subscription Agreement, and the transactions contemplated thereunder are subject to the fulfilment or waiver of the Conditions, and consequently the proposed issue of the Subscription Shares may or may not proceed. Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

DEFINITIONS

In this announcement, the following expressions shall, unless the context requires otherwise, have the following meanings:

“Action Plan”	the plan or plans developed by the Company setting out the specific social and environmental measures to be undertaken by the Company, to enable the company’s operations to be constructed, equipped and operated in compliance with the Performance Standards
“Articles”	with respect to a corporate Person, the memorandum of association, articles of association, certificate of incorporation, business license or any of their equivalent of any such Person
“Board”	the board of Directors
“Business Days”	a day when banks are open for business in New York, New York and Hong Kong
“Company”	China Tian Lun Gas Holdings Limited (中國天倫燃氣控股有限公司), a company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on the Stock Exchange
“Completion”	completion of the Subscription in accordance with the terms of the Subscription Agreement
“Conditions”	the conditions of Subscription
“Director(s)”	the director(s) of the Company
“EGM”	an extraordinary general meeting of the Company to be convened to consider and, if thought fit, to approve the Subscription Agreement and the transactions contemplated thereunder, and the Specific Mandate
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“IAC”	the Company’s Internal Audit Center
“IFC Fund”	IFC Global Infrastructure Fund, LP, a limited partnership organized under the laws of England and Wales
“IFC Fund Subscription Shares”	90,871,200 fully paid Subscription Shares to be subscribed and paid for by IFC Fund
“IFC”	International Finance Corporation, an international organization established by Articles of Agreement among its member countries including the Cayman Islands and the PRC

“IFC Subscription Shares”	90,871,200 fully paid Subscription Shares to be subscribed and paid for by IFC
“Investors”	IFC and, together, with IFC Fund, the Investors
“Lien”	any mortgage, pledge, charge, assignment, hypothecation, security interest, title retention, preferential right, option (including call commitment), trust arrangement, right of set-off, counterclaim or banker’s lien, privilege or priority of any kind having the effect of security, any designation of loss payees or beneficiaries or any similar arrangement under or with respect to any insurance policy or any preference of one creditor over another arising by operation of law or any agreement to create any of the foregoing
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“LNG”	liquified natural gas
“Material Adverse Effect”	a material adverse effect on: <ul style="list-style-type: none"> (a) the Company’s or any of its subsidiaries’ assets or properties; (b) the Company’s or any of its subsidiaries’ business prospects or financial condition; (c) the carrying on of the Company’s or any of its subsidiaries’ business or operations; (d) the ability of the Company to comply, and ensure that each of its subsidiaries complies, with its obligations under the Subscription Agreement, any other ancillary documents (including the Policy Agreement) to which it is a party or the Company’s and in the case of each of its subsidiaries, such subsidiary’s constitutional documents; or (e) the ability of any Sponsor or any other Person to comply with its, his or her obligations under the Subscription Agreement or any other ancillary documents (including the Policy Agreement) to which it, he or she is a party
“Mr. Zhang”	Mr. Zhang Yingcen, an executive Director, the chairman of the Board and a controlling Shareholder (as defined under the Listing Rules) and interested in approximately 64.35% of the total issued Shares
“Ms. Sun”	spouse of Mr. Zhang
“Shares”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Performance Standards”	the Investors’ Performance Standards on Social & Environmental Sustainability, dated 1 January, 2012, copies of which have been delivered to and receipt of which has been acknowledged by the Company pursuant to the letter, dated 1 December 2014

“Permitted Business”	any of the following businesses: (a) gas pipeline connections; (b) transportation, distribution and sale of gas; (c) construction and operation of gas refilling stations; (d) production and sale of LNG; (e) design institute relating to gas distribution business; (f) logistics transportations relating to gas distribution business and (g) or any other business which is approved by the Board
“Policy Agreement”	the Policy Agreement, dated 11 February, 2015 between the Company and the Investors
“PRC”	the People’s Republic of China, for the purpose of this announcement, excludes Hong Kong, Taiwan and the Macau Special Administrative Region of the People’s Republic of China
“S&E Management System”	the Company’s social and environmental management system, as implemented or in effect from time to time, enabling it to identify, assess and manage the social and environmental risks in respect of the Company Operations on an ongoing basis
“S&E Performance Report”	the S&E Performance Report, in form and substance satisfactory to the Investors, setting out the specific social, environmental and developmental impact information to be provided by the Company in respect of the Company Operations
“S&EA”	the social and environmental assessment, dated 1 December, 2014, prepared by the Company in accordance with the Performance Standards
“Sanctionable Practices”	any corrupt practice, fraudulent practice, coercive practice, collusive practice, or obstructive practice, as those terms are defined herein and interpreted in accordance with the anti-corruption guidelines provided by the Investors
“SFO”	The Securities and Futures Ordinance (Cap. 571 of the laws of Hong Kong)
“Shareholders”	holder(s) of the Share(s)
“Shell Banks”	a bank incorporated in a jurisdiction in which it has no physical presence and which is not an Affiliate of a regulated bank or a regulated financial group
“Specific Mandate”	a specific mandate to be sought from the Shareholders at the EGM to authorise the Directors to allot and issue the Subscription Shares pursuant to the Subscription Agreement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Agreement”	the agreement dated 11 February 2015 entered into between the Company and the Investors after the trading hours in relation to the Subscription
“Subscription Date”	date of the Subscription specified in such Subscription Notice

“Subscription Notice”	the notice to be issued by the Company or IFC (as the case may be) in the form set out in the Subscription Agreement subscribe the Subscription Shares
“Subscription Price”	the subscription price of HK\$6.40 per Subscription Share
“Subscription Shares”	together, the IFC Subscription Shares and the IFC Fund Subscription Shares
“Subscription”	the subscription of the Subscription Shares pursuant to the terms of the Subscription Agreement
“%”	per cent.

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

Zhengzhou, the PRC, 11 February, 2015

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