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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)

VOLUNTARY ANNOUNCEMENT

The Arrival of Russian Gas at Jilin Expected to Be a Growth Driver for Tian Lun Gas

This announcement is made by China Tian Lun Gas Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis.

The construction of the China-Russia east-route natural gas pipeline project was planned and decided by the party central committee and the State Council of the People’s Republic of China (the “**PRC**”), with the China-Russia Purchase and Sale Agreement for East-route Gas Supply signed by the leaders of the PRC and Russia in May 2014. Pursuant to the agreement, Russia agrees to provide China with an annual gas supply of 38 billion cubic meters and a total gas supply of over one trillion cubic meters for a term of 30 years. As one of China’s four strategic routes for the import of oil and gas, the China-Russia east-route natural gas pipeline will mitigate the shortage of natural gas supply in Northeast China, help improve the air quality in the Beijing-Tianjin-Hebei region, enhance the structural adjustment to energy supply in the Yangtze Delta region and help “win the Blue Sky Defence War”. The construction of the Heihe-Changling section of the China-Russia east-route natural gas pipeline was completed on 16 October 2019. Gas injection in the corresponding Russian section was also completed by the end of October 2019. Gas supply for the Heihe-Changling section commenced on 2 December 2019. The annual gas supply is expected to be 5 billion cubic meters during the first phase and is expected to reach 38 billion cubic meters eventually.

The Company's gas operation projects in Northeast China are mostly found in Jilin Province. Benefiting from the Northeast Area Revitalization Plan, Jilin Province is undergoing rapid economic development, which drives the demand for natural gas from residential users, industrial and commercial users, the transportation sector as well as township coal-to-gas conversion, thus projecting a bright future for the natural gas industry. Due to its shortage of gas sources, Jilin Province sees a low penetration rate of natural gas, high prices of compressed natural gas (CNG) and liquefied natural gas (LNG) as well as slow growth of the natural gas market. The arrival of Russian gas will solve the problem of gas source shortage that has been facing Jilin Province and allow the consumer demand for natural gas to develop significantly in the province. As at the date of this announcement, the Company has 10 city gas projects, 19 gas filling stations and one LNG plant project in Jilin Province. Benefiting from the arrival of Russian gas, all of these projects will facilitate the business development of their residential users and industrial and commercial users in the region and are expected to grow rapidly in terms of sales volume, thus becoming a new business growth driver for the Company.

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

Zhengzhou, the PRC, 2 December 2019

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