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**天倫燃气**  
**TIANLUN GAS**

**Tian Lun Gas Holdings Limited**

**天倫燃氣控股有限公司**

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

**(Stock code: 1600)**

**TOP-UP PLACING OF EXISTING SHARES  
AND  
SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE**

**Placing Agent**



## **Top-up Placing**

On 21 February 2022 (after trading hours), the Company, the Vendor and the Placing Agent entered into the Placing Agreement, pursuant to which the Placing Agent conditionally agreed, as agent of the Vendor, to procure on a best efforts basis the Placees to purchase an aggregate of up to 50,000,000 Shares at the price of HK\$8.40 per Share, on the terms and subject to the conditions set out in the Placing Agreement.

On the same date, the Company and the Vendor entered into the Subscription Agreement, pursuant to which the Vendor conditionally agreed to subscribe for the Subscription Shares (the number of which is equal to the number of Placing Shares) at the Subscription Price (which is the same as the Placing Price), on the terms and subject to the conditions set out in the Subscription Agreement.

The maximum number of Placing Shares represents (i) approximately 5.21% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 4.95% of the issued share capital of the Company as enlarged by the allotment and issue of the maximum number of Subscription Shares upon completion of the Subscription (assuming there will be no change to the total number of Shares in issue from the date of this announcement to the completion of the Subscription other than the allotment and issue by the Company of the Subscription Shares).

The net proceeds to be received by the Company from the Subscription, after deducting related fees and expenses, are estimated to be approximately HK\$414 million.

On 21 February 2022 (after trading hours), the Company entered into the Placing Agreement with the Vendor and the Placing Agent. The principal terms of the Agreement are set out below.

## **THE PLACING AGREEMENT**

### **Date**

21 February 2022 (entered into after trading hours)

### **Parties**

- (1) the Company;
- (2) the Vendor; and
- (3) the Placing Agent.

As at the date of this announcement, the Vendor holds 471,171,300 Shares, representing approximately 49.08% of the existing issued share capital of the Company. The Vendor is wholly-owned by Gold Shine Development Limited, which is in turn owned as to 60% by Mr. Zhang Yingcen, an executive Director and the Chairman of the Board, 20% by Ms. Sun Yanxi, the spouse of Mr. Zhang Yingcen, and 20% by Mr. Zhang Daoyuan, the son of Mr. Zhang Yingcen. To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, the Placing Agent is independent of, and not connected with, the Company and the connected persons of the Company.

## **PLACING**

### **Number of Placing Shares**

The Placing Agent conditionally agreed to act as agent for the Vendor (to the exclusion of all others) to procure on a best efforts basis the Placees to purchase an aggregate of up to 50,000,000 Shares, representing approximately 5.21% of the issued share capital of the Company as at the date of this announcement and approximately 4.95% of the issued share capital as enlarged by the by the allotment and issue of the maximum number of Subscription Shares (assuming there will be no change in the issued share capital of the Company from the date of this announcement to completion of the Subscription save for the issue of the Subscription Shares), on the terms and subject to the conditions set out in the Placing Agreement.

At any time before Completion, the Placing Agent may elect that some or all of the Placing Shares are purchased by it as principal from the Vendor at the Placing Price. There is however no obligation on the part of the Placing Agent to purchase any Placing Shares as principal.

### **Placing Price**

The Placing Price is HK\$8.40 per Share and represents:

- (i) a discount of approximately 12.8% to the closing price of HK\$9.63 per Share as quoted on the Stock Exchange on 21 February 2022, the Last Trading Day; and
- (ii) a discount of approximately 12.7% to the average closing price of HK\$9.62 per Share as quoted on the Stock Exchange for the last 5 trading days up to and including the Last Trading Day.

The Placing Price was determined after arm's length negotiations among the Company, the Vendor and the Placing Agent with reference to the prevailing market price of the Shares and market demand for the Placing Shares. The Directors consider that the Placing Price is fair and reasonable under the current market conditions and is in the best interests of the Company and the Shareholders as a whole.

### **The Placees**

It is expected that the Placing Shares will be placed to not less than six professional, institutional and/or individual investors and to the best of the Directors' knowledge, information and belief having made all reasonable enquiry, each of such Placees (and, if applicable, their respective ultimate beneficial owners) will be independent of the Company and its connected persons and are independent of, and not acting in concert with the Vendor. It is not expected that any such investor will become a substantial shareholder of the Company immediately after the Completion.

### **Conditions of the Placing**

The obligation of the Placing Agent to proceed to Completion is conditional upon:

- (a) the Subscription Agreement having been entered into by the parties thereto and not subsequently having been revoked, terminated or modified;

- (b) the delivery by Mr. Zhang to the Placing Agent of a duly executed lock-up undertaking (the content of which is set out below under the paragraph headed “Lock-up undertaking by Mr. Zhang”);
- (c) there not having occurred at any time prior to Completion (i) any breach of, or any event rendering untrue, incorrect or breached in any respect, any of the representations, warranties or undertakings contained or referred to in this Agreement or (ii) any breach of, or failure to perform, any of the other obligations of the Company or the Vendor which are required to be performed at or before Completion;
- (d) there not having occurred:
  - (i) any event, or series of events beyond the reasonable control of the Placing Agent (including, without limitation, any calamity, act of government, strike, labour dispute, lock-out, fire, explosion, flooding, earthquake, civil commotion, economic sanctions, epidemic, pandemic, outbreak of infectious disease or its escalation, mutation or aggravation (including without limitation, contagious coronavirus (COVID-19), SARS, swine or avian flu, H5N1, H1N1, H7N9, Ebola virus, Middle East respiratory syndrome (MERS) and such related or mutated forms), terrorism, outbreak or escalation of hostilities (whether local, national or international), act of war and act of God);
  - (ii) any change, or development (whether or not permanent) involving a prospective change, in or affecting the business, general affairs, management, prospects, assets and liabilities, shareholders’ equity, results of operations or position, financial or otherwise, of the Company or the Group as a whole, whether or not arising in the ordinary course of business;
  - (iii) any change (whether or not permanent) or any development (whether or not permanent) involving a prospective change or any crisis in local, national or international financial, political, economic, legal, military, industrial, fiscal, regulatory, currency or market conditions (including, without limitation, conditions in the stock and bond markets, money and foreign exchange markets, interbank markets and credit markets and conditions with respect to interest rates in Hong Kong or otherwise) or foreign exchange controls in or affecting Hong Kong or elsewhere or any occurrence of a combination of any such changes or developments or crises or any deterioration of any such conditions;

- (iv) the commencement by any state, governmental, judicial, regulatory or political body or organisation of any action against any director of the Company or an announcement by any state, governmental, judicial, regulatory or political body or organisation that it intends to take any such action; or
- (v) the introduction of any new law or regulation or any change (whether or not permanent) or development (whether or not permanent) involving a prospective change in existing laws or regulations or the interpretation or application thereof by any court or other competent authority,

which individually or together, in the sole opinion of the Placing Agent, prejudices or is likely to prejudice materially the success of the Placing or dealings in the Placing Shares in the secondary market or makes it or is likely to make it impracticable or inadvisable or inexpedient to proceed with the offer, sale, distribution or delivery of the Placing Shares on the terms and in the manner contemplated herein; and

- (e) there not having occurred at any time prior to Completion (i) the imposition of any moratorium, suspension or material restriction on trading in shares or securities generally on the Stock Exchange, the Shanghai Stock Exchange, the Shenzhen Stock Exchange, the New York Stock Exchange, NASDAQ or the London Stock Exchange, or in any securities of the Company on any stock exchange or over the counter market or (ii) any material disruption in securities settlement, payment or clearance services in Hong Kong or the People's Republic of China, the United Kingdom or the United States or (iii) the imposition of any moratorium on commercial banking activities by the authorities in Hong Kong or the People's Republic of China or the United Kingdom or the United States Federal or New York State authorities.

If any of the above conditions shall not have been fulfilled or (alternatively) waived by the Placing Agent (upon such terms as the Placing Agent may deem necessary) by Completion, the Placing Agreement and the obligations of the Placing Agent thereunder shall cease and terminate at that time (or at such earlier time as the relevant condition shall have become incapable of fulfilment and the Placing Agent shall have determined not to waive fulfilment and notified the same to the Vendor and the Company).

### **Completion**

The parties expect that the Placing will be completed on the Closing Date.

### **Rights of the Placing Shares**

The Placing Shares will be sold by the Vendor free and clear of any liens and charges and other encumbrances at the date of Completion.

## **Lock-up undertakings by the Vendor and the Company**

Pursuant to the Placing Agreement:

- (a) the Vendor undertakes to the Placing Agent that (except for the sale of the Placing Shares pursuant to this Agreement) from the date hereof and on or prior to the date being 90 days after the date of this Agreement it will not and will procure that none of its nominees, companies controlled by it or trusts associated with it (whether individually or together and whether directly or indirectly) will (without the prior written consent of the Placing Agent) (i) offer, lend, pledge, issue, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of (either conditionally or unconditionally, or directly or indirectly, or otherwise) any Shares (including the new Shares to be issued under the Subscription Agreement but excluding the Placing Shares; but for the avoidance of doubt, giving direction to the Company to deposit the new Shares into CCASS by the Vendor is not a sale or disposal prohibited by this clause) or any interests therein or any securities convertible into or exercisable or exchangeable for or substantially similar to any such Shares or interests or (ii) enter into any swap or similar agreement that transfers, in whole or in part, the economic risk of ownership of such Shares, whether any such transaction described in (i) or (ii) above is to be settled by delivery of Shares or such other securities, in cash or otherwise or (iii) announce any intention to enter into or effect any such transaction described in (i) or (ii) above; and
  
- (b) the Company undertakes to the Placing Agent that (except for the new Shares to be allotted and issued to the subscriber(s) named in the Subscription Agreement, or any new Shares which may be issued pursuant to options issued or to be issued under the Company's share option scheme(s) or Shares to be issued under the Company's share award scheme) from the date hereof and on and prior to the date being 90 days after the date of this Agreement it will not (without the prior written consent of the Placing Agent) (i) allot or issue or offer to allot or issue or grant any option, right or warrant to subscribe (either conditionally or unconditionally, or directly or indirectly, or otherwise) any Shares or any interests in Shares or any securities convertible into or exercisable or exchangeable for or substantially similar to any Shares or interest in Shares or (ii) agree (conditionally or unconditionally) to enter into or effect any such transaction with the same economic effect as any of the transaction described in (i) above or (iii) announce any intention to enter into or effect any such transaction described in (i) or (ii) above.

## **Lock-up undertaking by Mr. Zhang**

Pursuant to the Placing Agreement, Mr. Zhang is required to give a further undertaking to the Placing Agent that he will not, and will procure that (except for the sale of the Placing Shares under the Placing Agreement) none of his nominees, companies controlled by him or trust(s) associated with him (whether individually or together and whether directly or indirectly) will, between the date of the Placing Agreement and the date which is 90 days after the date of the Placing Agreement, (i) sell, transfer, dispose, lend, pledge, or offer to sell, transfer, dispose, lend, pledge, grant any option, right or warrant to purchase (either conditionally or unconditionally, or directly or indirectly, or otherwise) any Shares (including the new Shares to be issued under the Subscription Agreement but excluding the Placing Shares; for the avoidance of doubt, giving directions to the Company to deposit the new Shares into CCASS by the Vendor do not constitute a sale or disposal prohibited by the undertaking set out herein) or any interests in Shares or any securities convertible into or exercisable or exchangeable for or substantially similar to any Shares or interest in Shares or (ii) agree (conditionally or unconditionally) to enter into or effect any such transaction with the same economic effect as any of the transactions described in (i) above or (iii) announce any intention to enter into or effect any such transaction described in (i) or (ii) above, without first having obtained the written consent of the Placing Agent.

## **THE SUBSCRIPTION AGREEMENT**

### **Date**

21 February 2022 (entered into after trading hours)

### **Parties**

- (1) the Company; and
- (2) the Vendor.



## **Subscription**

### ***Number of Subscription Shares***

The Company will allot and issue and the Vendor will subscribe for up to 50,000,000 Subscription Shares (the number of which is equal to the number of Placing Shares) on the terms and subject to the constitutional documents of the Company and the conditions set out in the Subscription Agreement. The Subscription Shares, when fully paid, will rank pari passu in all respects with the Shares in issue on the completion date of the Subscription including the right to any dividends or distributions after the date of completion of the Subscription. The maximum number of Subscription Shares represents (a) approximately 5.21% of the existing issued share capital of the Company as at the date of this announcement; and (b) approximately 4.95% of the issued share capital as enlarged by the allotment and issue of the Subscription Shares upon completion of the Subscription (assuming there will be no change to the total number of Shares in issue from the date of this announcement to the date of completion of the Subscription other than the allotment and issue by the Company of the Subscription Shares).

The maximum number of Subscription Shares have a market value of HK\$481.5 million based on the closing price of HK\$9.63 per Share as quoted on the Stock Exchange on the Last Trading Date.

### **Subscription Price**

HK\$8.40 per Subscription Share, which is the equivalent to the Placing Price.

### **Conditions of the Subscription**

Completion of the Subscription is conditional upon:

- (a) Completion of the Placing;
- (b) the Listing Committee of the Stock Exchange granting listing of and permission to deal in the Subscription Shares and such listing and permission not subsequently revoked prior to the delivery of the definitive share certificate(s) representing the Subscription Shares; and
- (c) where required, the executive director of the Corporate Finance Division of the Securities and Futures Commission of Hong Kong or any delegate of such executive director granting a waiver from the obligations on the part of the Vendor and parties acting in concert with it to make a mandatory general offer under Rule 26 of the Code on Takeovers and Mergers for all securities of the Company other than those already owned or agreed to be acquired by the Vendor and parties acting in concert with it as a result of the allotment and issue of the Subscription Shares.

None of the conditions stated above can be waived.

In the event that the conditions stated above are not fulfilled within 14 days after the date of the Subscription Agreement (or such later date, subject to the approval of the Stock Exchange, as may be agreed among the parties), the obligations and liabilities of the Vendor and the Company under the Subscription shall cease and terminate and neither the Company nor the Vendor shall have any claim against the other for costs, damages, compensation or otherwise.

### **Completion of the Subscription**

Completion of the Subscription will take place at a time to be fixed between the Company and the Vendor, provided that such completion will not be later than a date falling 14 days after the date of the Subscription Agreement (i.e. 7 March 2022) (or such later date, subject to the approval of the Stock Exchange, as may be agreed between the Company and the Vendor).

As the Vendor (a controlling Shareholder) is a connected person of the Company and the Subscription constitutes a connected transaction of the Company exempt under Rule 14A.92(4) of the Listing Rules, if the Subscription is not completed within 14 days after the date of the Agreement, the relevant provisions of the Listing Rules in relation to connected transactions will apply (including the independent Shareholders' approval requirement) to the Subscription, unless otherwise waived by the Stock Exchange. Further announcement will be made if this occurs.

### **Lock-up undertakings by the Vendor**

Pursuant to the Subscription Agreement, the Vendor undertakes to accept the Subscription Shares subject to the constitutional documents of the Company. In addition, the Vendor undertakes that it will not sell or otherwise dispose of any of the Subscription Shares on or before the date which is 90 days after the date of the Subscription Agreement or (in any circumstances which may be deemed to constitute the issuance of a prospectus by the Company) before the date which is six months after the date of completion of the Subscription. For the avoidance of doubt, giving direction to the Company to deposit the new Shares into CCASS by the Vendor is not a sale or disposal prohibited by the undertakings set out therein.

### **GENERAL MANDATE TO ALLOT AND ISSUE THE SUBSCRIPTION SHARES**

The Subscription Shares will be allotted and issued under the General Mandate granted to the Directors at the 2021 AGM.

Under the General Mandate, a maximum of 200,723,021 new Shares may be allotted and issued by the Company. As at the date of this announcement, the General Mandate has not been utilised.

Under the Extended General Mandate, the Company may issue such number of Shares that have been repurchased pursuant to the Repurchase Mandate. As at the date of this announcement, the Company has repurchased an aggregate of 43,588,000 Shares under the Repurchase Mandate. Accordingly, the Company may allot and issue a further 43,588,000 Shares under the Extended General Mandate. As the maximum number of Subscription Shares is less than the maximum number of Shares that may be allotted and issued by the Company under the General Mandate, all Subscription Shares will be allotted and issued under the General Mandate.

As such, no further approval from the Shareholders is required for the allotment and issue of the Subscription Shares.

## EFFECT ON THE SHAREHOLDING STRUCTURE

Assuming there is no change to the issued share capital of the Company from the date of this announcement to the date of completion of the Placing and the Subscription, the shareholding structure of the Company (1) as at the date of this announcement; (2) immediately after completion of the Placing but before the Subscription; and (3) immediately after completion of the Placing and the Subscription is summarised as follows:

	As at the date of this announcement		Immediately after completion of the Placing but before the Subscription		Immediately after completion of the Placing and the Subscription	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
The Vendor (Note 1)	471,171,300	49.08	421,170,300	43.87	471,171,300	46.65
Chequers (Note 2)	63,728,000	6.64	63,728,000	6.64	63,728,000	6.31
Kind Edge (Note 3)	21,000,000	2.19	21,000,000	2.19	21,000,000	2.08
Ms. Sun (Note 4)	5,722,500	0.60	5,722,500	0.60	5,722,500	0.57
<b>Sub-total for Vendor and parties acting in concert with it</b>	<b>561,621,800</b>	<b>58.50</b>	<b>511,621,800</b>	<b>53.29</b>	<b>561,621,800</b>	<b>55.60</b>
Zhuhai Port (HK) (Note 5)	120,000,000	12.50	120,000,000	12.50	120,000,000	11.88
Share Award Scheme (Note 6)	12,817,500	1.34	12,817,500	1.34	12,817,500	1.27
Mr. Xian (Note 7)	21,829,500	2.27	21,829,500	2.27	21,829,500	2.16
Ms. Li (Note 8)	3,000,000	0.31	3,000,000	0.31	3,000,000	0.30
Placees	—	—	50,000,000	5.21	50,000,000	4.95
Other Public Shareholders	240,758,308	25.08	240,758,308	25.08	240,758,308	23.84
<b>Total</b>	<b>960,027,108</b>	<b>100</b>	<b>960,027,108</b>	<b>100</b>	<b>1,010,027,108</b>	<b>100</b>

## *Notes*

1. As at the date of this announcement, the Vendor is the beneficial owner of 471,171,300 Shares (including the Placing Shares). The Vendor is a wholly-owned subsidiary of Gold Shine Development Limited, which is in turn owned as to 60% by Mr. Zhang Yingcen, 20% by Ms. Sun Yanxi, and 20% by Mr. Zhang Daoyuan.
2. Chequers Development Limited is wholly-owned by Mr. Zhang Yingcen.
3. Kind Edge Limited is wholly-owned by Mr. Zhang Yingcen.
4. Ms. Sun Yanxi is the spouse of Mr. Zhang Yingcen.
5. Zhuhai Port (Hong Kong) Development Co., Limited (珠海港香港發展有限公司) is a wholly-owned subsidiary of Zhuhai Port Co., Ltd.
6. The Share Award Scheme refers to the share award scheme of the Company adopted by the Board on 26 August 2021. As at the date of this announcement, the trustee holds 12,817,500 Shares. For details of the Share Award Scheme, please refer to the announcement of the Company dated 26 August 2021.
7. Mr. Xian Zhenyuan is the Chief Executive and an executive Director of the Company.
8. Ms. Li Tao is an executive Director of the Company.
9. The percentage figures included in the shareholding structure have been subject to rounding adjustment.

## **DISPENSATION FROM RULE 26 OF THE TAKEOVERS CODE**

Pursuant to Note 6 on dispensations from Rule 26 of the Takeovers Code, a waiver under Rule 26 of the Takeovers Code is not required where a shareholder, together with persons acting in concert with it, has continuously held more than 50% of the voting rights of a company for at least 12 months immediately preceding the relevant placing and top-up transaction. As the Vendor, together with parties acting in concert with it has continuously held more than 50% of the voting rights of the Company for at least 12 months immediately preceding the Agreement, a waiver under Rule 26 of the Takeovers Code is not required for the Placing and Subscription.

## **EQUITY FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST TWELVEMONTH PERIOD**

The Company has not conducted any equity fund raising activities in the past twelve-month period immediately preceding the date of this announcement.

## **REASONS FOR THE PLACING AND THE SUBSCRIPTION**

The Group is a public utility company principally engaged in the operation of urban pipeline gas. It focuses on the urban gas business, adheres to green and high-quality development, and continues to provide users with safe and economical natural gas products and services. In order to comply with market trends and contribute to China's carbon peak and carbon neutrality goals, the Group adheres to the mission of "developing clean energy and improving the living environment", aiming to become a first-class green and low-carbon energy supplier and service provider in China.

### **Groundbreaking Progress in Energy Business**

Entering the "14th Five-Year Plan" period, the state and society have put forward higher requirements for the development of the energy industry. Against the backdrop of carbon peaking and carbon neutrality, we will adhere to safe, green and low-carbon development. In response to the call of the times, the Group effectively implements the 2022-2024 new development strategy outline of Tian Lun Gas that has been disclosed publicly. While continuing the high-quality development of the main business of urban gas, we will further expand and innovate the low-carbon energy business to promote the high-quality development of the Group.

As of 30 June 2021, the Group had deployed 69 urban gas projects in 16 provinces across the country, serving over 4.58 million piped gas users, including 2,880,000 urban residents and 34,000 industrial and commercial users. At the same time, since 2018, the Group has cooperated with Henan Zhongyuan Yuzi to fully promote the "rural gasification" project, serving 1,670,000 rural gas users. Based on a large number of user resources, while growing in the natural gas market, the Group will efficiently provide value-added and innovative services to various customers, and respond to the increasing demand for low-carbon energy services and safe and healthy living services.

According to the three-year strategic outline disclosed by the Group earlier, our strategic path includes:(i) high-quality organic growth of gas business;(ii) high-quality mergers and acquisitions of gas business; (iii) vigorously promoting the development of innovative business; (iv) increasing revenue and profit scale in a high-quality way; (v) improving safety management standards and enhancing ESG. Among them, regarding the development direction of innovative business, the Group targets to make the revenue from innovative business to reach 10% of the overall revenue of the Group by 2024. Within the innovative business, (i) the low-carbon energy services will be tailored to different energy needs of urban and rural users and resource endowments and the Group will flexibly promote the smart comprehensive application of different clean energy sources; (ii) as for safety and health services, we take different consumption needs and habits of urban and rural users into account, cultivate independent brands and cooperate with different industry alliances to provide users with gas safety value-added services, intelligent manufacturing of safety and health products, and safety and health life services, etc.

Since the announcement of the new strategic outline, the Group has actively explored business cooperation opportunities and has successively signed strategic development agreements with three energy companies, including that:

- (1) On 29 November 2021, the Group and the SPIC Henan Electric Power Co., Ltd. (“SPIC Henan”) reached a strategic cooperation on a number of green and low-carbon energy fields involving industry, urban and rural construction, transportation, and the circular development of industrial parks, and determined relevant cooperation issues. SPIC Henan is the most promising comprehensive energy supplier in Henan Province, with installed capacity reaching 9,735.7MW and clean energy accounting for 30% of the total installed capacity. Combing the “14th Five-Year Plan” and the county-wide photovoltaic promotion policy, the Group and SPIC Henan will select suitable areas (including but not limited to Henan, Gansu, Shaanxi, Yunnan) to carry out various development projects, such as county-wide rooftop distributed photovoltaic, industrial and commercial distributed photovoltaic, household photovoltaic, agricultural photovoltaic, wind power, energy storage and biomass gas, demonstrating the comprehensive application of multiple energy sources with innovation, and creating a new energy system based on clean energy.

- (2) On 29 December 2021, the Group and CECEP Building Energy Conservation Co., Ltd. (“CECEP”) jointly developed a new energy supply system and comprehensive energy services based on clean energy, so as to achieve complementary advantages and mutual benefits. CECEP is a second-tier wholly owned subsidiary of China Energy Conservation And Environmental Protection Group and a platform company of China Energy Conservation in the field of construction for energy conservation projects. Its major businesses involve two aspects: regional energy supply and building energy conservation technology services. In the field of regional energy business, CECEP has devoted its efforts on the leadership and development of urban low-carbon energy supply business, the application of advanced technology such as renewable energy, industrial residual heat and distributed energy according to local circumstances, as well as the maximum realization of low-carbon energy supply in urban buildings.
- (3) On 21 January 2022, the Group and POWERCHINA Henan Electric Power Survey & Design Institute Co., Ltd (中國電建集團河南省電力勘測設計院有限公司) (“POWERCHINA Henan”) decided to leverage their complementary advantages for cooperation and established cooperation. POWERCHINA Henan is an affiliate of Power Construction Corporation of China Ltd. (中國電力建設集團有限公司) which is one of the world’s top 500 enterprises. It is an A grade enterprise of the Group and a large-scale national integrated design enterprise with Engineering Design Integrated Qualification Class-A. With technology and management as its core competitiveness, the four principle businesses of POWERCHINA Henan are planning and consulting, survey and design, general project contracting, and investment and operation. The Group plans to cooperate with POWERCHINA Henan in the following four aspects: new energy, low-carbon industry, regional integrated energy and charging and battery swap stations.

During the period from 2 December 2021 to 21 January 2022, the Company has conducted an on-market buybacks of an aggregate of 43,588,000 Shares under the Repurchase Mandate at an average price of approximately HK\$8.36 per Share. The Company paid an aggregate of approximately HK\$365 million (exclusive of expenses such as commissions, trading fee and levies) for the said buybacks. The Directors were of view that, in light of the Company’s rapid development, the buyback led to an enhancement of the net asset value of the Company and its earnings per Share when the Company’s stock price was generally undervalued, which was conducive to the Company and the Shareholders as a whole.

Since the beginning of 2022, the Group has deployed its own resources and relevant experience with strategic partners to sort out existing and potential market opportunities in a swift manner, with intention to have a quick investment and expansion in two aspects. In terms of the rooftop photovoltaic business for rural residents and industrial and commercial users, the Group plans to accumulate project construction experience through partnerships and self-construction models in the early stage, and obtain necessary engineering installation qualifications, so as to promote a future replicable asset-light rapid development, with a goal to become one of the most competitive enterprises in the field of distributed photovoltaics in Henan Province. In terms of the clean energy heating services, the Group will tailor the strategy to develop the first batch of clean energy heating services business in Shangjie, Xuchang and Xiping Districts, Henan Province during the year to provide low-carbon and convenient heating services for residents and communities as well as industrial and commercial clients.

The Company noticed, in or around late January 2022, that business opportunities in relation to photovoltaic technology and clean energy arose. In order to ensure that the Group seized new and essential business opportunities and had quick launch in innovative business development, the Company considered now an appropriate time for the Placing and Subscription.

The Directors consider that the Placing and the Subscription represent an opportunity to raise capital for the Company's new projects while broadening its shareholder and capital base, which is conducive to the development of the Company. The Directors consider that the terms of each of the Placing Agreement and the Subscription Agreement (including the Placing Price and the Subscription Price) are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

## **USE OF PROCEEDS**

The gross proceeds under the Subscription are estimated to be approximately HK\$420 million and the net proceeds, after deducting related professional fees and all related expenses which will be borne by the Company, under the Subscription are estimated to be approximately HK\$414 million.

The Company intends to use the relevant net proceeds from the Subscription as follows:

- (i) Approximately HK\$289.8 million or 70% will be used for development of rooftop photovoltaics projects for rural residential users and commercial/industrial users;
- (ii) Approximately HK\$82.8 million or 20% will be used for the development of clean energy heating services;



- (iii) Approximately HK\$41.4 million or 10% will be used for working capital and general corporate purposes.

### **Application for listing**

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

### **INFORMATION OF THE VENDOR**

As at the date of this announcement, the Vendor is the beneficial owner of 471,171,300 Shares (including the Placing Shares). The Vendor is a wholly-owned subsidiary of Gold Shine Development Limited, which is in turn owned as to 60% by Mr. Zhang, 20% by Ms. Sun Yanxi, the spouse of Mr. Zhang, and 20% by Mr. Zhang Daoyuan, the son of Mr. Zhang. The Vendor is principally an investment holding company.

In addition, each of Chequers Development Limited and Kind Edge Limited are wholly-owned by Mr. Zhang.

**Completion of the transactions contemplated under the Placing Agreement and Subscription Agreement are subject to the satisfaction of respective conditions thereunder and such agreements not being terminated in accordance with the terms thereof. Therefore, the Placing and/or the Subscription may or may not proceed to completion. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

### **DEFINITIONS**

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

“2021 AGM”	the annual general meeting of the Company held on 26 May 2021
“Board”	the board of Directors
“CCASS”	the Central Clearing and Settlement System established and operated by Hong Kong Securities Clearing Company Limited

“Closing Date”	7 March 2022 or such other time or date as the Vendor and the Placing Agent shall agree on which completion of the Placing shall take place
“Company”	Tian Lun Gas Holdings Limited (天倫燃氣控股有限公司), an exempted company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1600)
“Completion”	completion of the Placing
“connected person(s)”	has the meaning as ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“Extended General Mandate”	the extension of the General Mandate by the addition thereto of an amount representing the aggregate nominal amount of share capital of the Company repurchased by the Company under the Repurchase Mandate pursuant to an ordinary resolution passed at the 2021 AGM
“General Mandate”	the general authority granted to the Directors to issue up to 200,723,021 Shares, representing 20% of the total number of Shares in issue as at date of the 2021 AGM pursuant to an ordinary resolution passed at the 2021 AGM
“Group”	the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Last Trading Day”	21 February 2022, being the last full trading day prior to the date of the Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“Mr. Zhang”	Mr. Zhang Yingcen, an executive Director, Chairman of the Board and a controlling Shareholder (as defined in the Listing Rules)
“Placees”	purchasers who are procured to purchase the Placing Shares under the Placing Agreement and who are independent of the Company and its connected persons and are independent of, and not acting in concert with the Vendor
“Placing”	the placing of the Placing Shares by the Placing Agent to the Placees at the Placing Price pursuant to the Placing Agreement
“Placing Agent”	UBS AG Hong Kong Branch, being the Hong Kong branch of UBS AG, a company incorporated in Switzerland with limited liability and a registered institution under the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) to conduct Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance), Type 7 (providing automated trading services) and Type 9 (asset management) regulated activities, each as defined under the Securities and Futures Ordinance
“Placing Agreement”	a placing agreement dated 21 February 2022 and entered into among the Company, the Vendor and the Placing Agent in relation to the Placing
“Placing Price”	HK\$8.40 per Placing Share
“Placing Shares”	a maximum of up to 50,000,000 Shares beneficially owned by the Vendor to be placed pursuant to the Placing Agreement
“Repurchase Mandate”	the general authority granted to the Directors to repurchase up to 100,361,510 Shares, representing 10% of the total number of Shares in issue as at date of the 2021 AGM pursuant to an ordinary resolution passed at the 2021 AGM
“Securities Act”	the Securities Act of 1933 of the United States, as amended
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company

“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription of the Subscription Shares by the Vendor pursuant to the Subscription Agreement
“Subscription Agreement”	a subscription agreement dated 21 February 2022 and entered into between the Company and the Vendor in relation to the Subscription
“Subscription Price”	HK\$8.40 per Subscription Share, being a price equal to the Placing Price
“Subscription Shares”	a maximum of up to 50,000,000 new Shares to be subscribed by the Vendor pursuant to the Subscription Agreement, the number of which is equal to the number of Placing Shares
“United States”	the United States of America
“Vendor”	Tian Lun Group Limited, a company incorporated in the British Virgin Islands with limited liability, the controlling shareholder of the Company
%	per cent

*\* English or Chinese translation, as the case may be, is for identification only*

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

Zhengzhou, the PRC, 21 February 2022

*As at the date of this announcement, the executive Directors are Mr. Zhang Yingcen (Chairman), Mr. Xian Zhenyuan (Chief Executive), Ms. Qin Ling, Mr. Liu Min and Ms. Li Tao; the non-executive Director is Ms. Chen Hong; and the independent non-executive Directors are Mr. Liu Jin, Mr. Li Liuqing, Ms. Zhao Jun and Ms. Ou Yaqun.*