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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)

**SUPPLEMENTAL ANNOUNCEMENT
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 and 7 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.

THE FIRST TRS TRANSACTION

Trade Date: 13 May 2022

Effective Date: 25 July 2022

Equity Notional Amount: HK\$99,993,770

Equity Amount Payer: The TRS Counterparty

Fixed Amount Payer: The Company

Averaging Period: The period begins on 1 June 2026 and ends on, and includes 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.

Averaging Period End Date:	The earlier of (i) the Scheduled Termination Date and (ii) the date on which the remaining number of hedge Shares is reduced to zero.
Early Averaging Notification Period:	The period from and including 1 April 2025 to, and including 14 April 2025.
Early Averaging Notice:	Irrevocable notice in writing from one party to the other party, electing to commence the Averaging Period on the Averaging Period Early Commencement Date.
Averaging Period Early Commencement Date:	2 June 2025
Independent Amount Top-up Amount:	HKD40,000,000
Payment to be made by the Company to the TRS Counterparty:	A fixed amount of HK\$3,800,000 is payable on 7 June 2024 and 30 May 2025, 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 30 May 2025.
Payment to be received by the Company from the TRS Counterparty:	<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"> – all dividends in respect of the hedged Shares received during the term of the extended TRS Transaction, subject to adjustment for those received during the Averaging Period; – HKD100,000,000 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. $\text{Equity Notional Amount} \times (\text{Final Price} - \text{Initial Price}) / \text{Initial Price}$.
Settlement:	Payments will be made in Hong Kong Dollars.
Indemnity:	Not exceeding HKD105 million 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: 30 September 2026

THE SECOND TRS TRANSACTION

Trade Date: 11 April 2023

Effective Date: 16 June 2023

Equity Notional Amount: HK\$99,999,110

Equity Amount Payer: The TRS Counterparty

Fixed Amount Payer: The Company

Averaging Period: The period begins on 18 June 2026 and ends on, and includes 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.

Averaging Period End Date: The earlier of (i) the Scheduled Termination Date and (ii) the date on which the remaining number of hedge Shares is reduced to zero.

Early Averaging Notification Period: The period from and including 17 April 2025 to and including 30 April 2025.

Early Averaging Notice: Irrevocable notice in writing from one party to the other party, electing to commence the Averaging Period on the Averaging Period Early Commencement Date.

Averaging Period Early Commencement Date: 18 June 2025

Independent Amount Top-up Amount: HKD40,000,000

Payment to be made by the Company to the TRS Counterparty: A fixed amount of HK\$3,800,000 is payable on 17 July 2024 and 17 June 2025, 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 17 June 2025.

Payment to be received by the Company from the TRS Counterparty: Provided that no early termination occurred at the end of the Averaging Period, the TRS Counterparty will pay the Company:

- all dividends in respect of the hedged Shares received during the term of the extended TRS Transaction, subject to adjustment for those received during the Averaging Period;
- HKD100,000,000 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. $\text{Equity Notional Amount} \times (\text{Final Price} - \text{Initial Price}) / \text{Initial Price}$.

Settlement: Payments will be made in Hong Kong Dollars.

Indemnity: Not exceeding HKD105 million 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: 20 October 2026

THE THIRD TRS TRANSACTION

Trade Date: 30 January 2024

Effective Date: 30 May 2024

Minimum Number of Shares: 13,000,000 Shares

Equity Notional Amount: HKD59,996,265

Equity Amount Payer: The TRS Counterparty

Fixed Amount Payer: The Company

Averaging Period:	The period beginning on the date falling 24 calendar months after 30 May 2024 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.
Averaging Period End Date:	The earlier of (i) the Scheduled Termination Date and (ii) the date on which the remaining number of hedge Shares is reduced to zero.
Early Averaging Notification Period:	The period from and including 30 April 2025 to and including 14 May 2025.
Early Averaging Notice:	Irrevocable notice in writing from one party to the other party, electing to commence the Averaging Period on the Averaging Period Early Commencement Date.
Averaging Period Early Commencement Date:	30 May 2025
Independent Amount:	HKD60,000,000
Payment to be made by the Company to the TRS Counterparty:	A fixed amount of HK\$2,000,000 is payable on 30 May 2024 and 30 May 2025, 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 30 May 2025.
Payment to be received by the Company from the TRS Counterparty:	<p>Provided that no early termination occurred, at the end of the Averaging Period, the TRS Counterparty will pay to the Company:</p> <ul style="list-style-type: none"> • all dividends in respect of the hedged Shares received during the term of the Third TRS Transaction, subject to adjustment for those received during the Averaging Period; • HKD60,000,000 paid by the Company to the TRS Counterparty pursuant to the Third TRS Transaction, plus or minus the amount being the positive or negative difference in the Final Price and Initial Price, i.e. $\text{Equity Notional Amount} \times (\text{Final Price} - \text{Initial Price}) / \text{Initial Price}$.
Settlement:	Payments will be made in Hong Kong Dollars.

Indemnity: Not exceeding HKD105 million 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 30 September 2026
Date:

REASONS FOR AND EFFECT OF EACH OF THE AMENDMENTS

The purpose of the Company's entering into TRS Transactions is to hedge against the risk of increasing costs in acquiring its Shares for its share award scheme ("**Scheme**") or for other matters in the future, aiming to mitigate the impact of potential share price appreciation.

The First TRS Transaction and Second TRS Transaction were amended due to the anticipated delay in implementing the share acquisition plan under the Scheme, now set for 2024. Instead of initiating new TRSs upon the expiration of the existing two, the Company chose to extend them, which will significantly reduce transactions and legal costs.

The amendment will allow the Company to be flexible in its planning for its share acquisition plan under the Scheme and reduce its exposure to interest rate fluctuations by changing from a floating amount to a fixed amount payment.

IMPLICATIONS UNDER THE LISTING RULES

The Directors consider that the entry of the Deed constitutes a material change to the terms of the First TRS Transaction and the Second TRS Transaction and therefore the Company shall re-comply with the requirements under Rule 14.36 of the Listing Rules. Further, since the Deed and the third TRS Transaction were entered into with the same parties within 12 months, the transactions contemplated under the Deed and the Third TRS Transaction shall be aggregated under 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 Deed when aggregated with the Third TRS Transaction which were conducted within 12 months, exceeds 5% but less than 25%, the TRS Transactions constitute a discloseable transaction of the Company and is 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, 17 June 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.