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**天津津燃公用事業股份有限公司**

**TIANJIN JINRAN PUBLIC UTILITIES COMPANY LIMITED**

*(a joint stock limited company incorporated in the People's Republic of China with limited liability)*

(Stock Code: 01265)

**(1) PROPOSED ALIGNMENT IN THE PREPARATION OF FINANCIAL STATEMENTS IN ACCORDANCE WITH CHINA ACCOUNTING STANDARDS FOR BUSINESS ENTERPRISES**  
**(2) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION;**  
**AND**  
**(3) PROPOSED CHANGE OF AUDITOR**

Since the date on which the H Shares of Tianjin Jinran Public Utilities Company Limited (the “**Company**”) became listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), the Company has been preparing its financial statements under both the CASBE and the Hong Kong Financial Reporting Standards.

According to the “*Consultation Conclusions on Acceptance of Mainland Accounting and Auditing Standards and Mainland Audit Firms for Mainland Incorporated Companies Listed in Hong Kong*” (the “**Consultation Conclusions**”) published by the Stock Exchange in December 2010, (i) mainland China (“**Mainland**”) incorporated issuers listed in Hong Kong are allowed to prepare their financial statements using Mainland accounting standards, known as the China Accounting Standards for Business Enterprises (“**CASBE**”); and (ii) Mainland audit firms approved by the Ministry of Finance (“**MOF**”) of China and the China Securities Regulatory Commission (“**CSRC**”) are allowed to service such issuers using Mainland auditing standards.

In light of the Consultation Conclusion and the commitment to optimize the corporate governance of the Company, the board of directors of the Company (the “**Board**”) resolved on \*23 August 2017 to submit the following resolutions to an extraordinary general meeting (the “**EGM**”) to be held in due course for the approval by the shareholders of the Company (the “**Shareholders**”):

- (1) the Company starting from the financial year ending 31 December 2017 to prepare only one set of financial statements under the CASBE;
- (2) the articles of association of the Company (the “**Articles of Association**”) be amended to the effect that the financial statements of the Company and the interim results or financial information published or disclosed by the Company shall be prepared in accordance with Mainland accounting standard and regulations; and
- (3) the Articles of Association be amended to the effect that the Board shall have the power to appoint and/or remove the general counsel of the Company who is required to attend and give legal opinion, which has to be duly considered by the Board, in all Board meetings resolving on matters concerning legal issues.

(Each of the abovementioned items be referred as the “**Resolution**” and all be referred as the “**Resolutions**”).

Subject to the Shareholders' approval being obtained for the abovementioned Resolutions (1) and (2) at the EGM, (i) the Company shall terminate the appointment of Ernst & Young as the international auditor of the Company; (ii) the Company shall appoint Ernst & Young Hua Ming LLP as the sole auditor of the Company, in light of the acceptance of Mainland accounting and auditing standards and Mainland audit firms by the Stock Exchange; and (iii) the annual results of the Company for the twelve months ending 31 December 2017 will be prepared in accordance with the CASBE.

**(1) PROPOSED ALIGNMENT IN THE PREPARATION OF FINANCIAL STATEMENTS IN ACCORDANCE WITH CHINA ACCOUNTING STANDARDS FOR BUSINESS ENTERPRISES**

Given the Consultation Conclusions and the Listing Rules amended accordingly, for the purpose of improving the efficiency of and streamlining the Company's accounting and audit related works, and lowering the relevant expenses, the Board proposed Resolution (1) for the approval of the Shareholders at the EGM.

The Board is of the view that there will not be any material financial impact on the adoption and preparation of its financial statements under CASBE.

**(2) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

In light of the commitment to optimize the corporate governance of the Company, the Board proposed Resolution (3) for the approval of the Shareholders at the EGM. The proposed amendments to the Articles of Association are as follow:

The original Article 90 be deleted in its entirety and replaced as follow:

*“The board of directors is the executive body of the Company and shall be accountable to the shareholders' general meeting and shall have the following duties and powers:*

- (1) to be responsible for convening shareholders' general meeting and to report its work to the shareholders' general meeting;*
- (2) to implement the resolutions passed at the shareholders' general meeting;*
- (3) to determine the business plans and investment proposals of the Company;*
- (4) to prepare the annual financial budget and final accounts of the Company;*
- (5) to prepare the plans for profit distribution and recovering losses for the Company;*
- (6) to prepare proposals for increasing or reducing the registered capital of the Company and proposals for the issue of debenture of the Company;*
- (7) to draw up proposal for merger, division or dissolution of the Company;*
- (8) to decide on the set-up of the internal management structure of the Company;*
- (9) to appoint or dismiss the manager of the Company and to appoint or dismiss vice managers or the officers in charge of financial matters in accordance with the recommendations of the manager and to determine their remuneration;*

- (10) to appoint or remove the general counsel of the Company;
- (11) to set up the basic management system of the Company;
- (12) to draw up proposal for amending the Articles of Association;
- (13) to determine the establishment of special committees and to appoint or dismiss the relevant responsible officers;
- (14) to draw up proposal of material purchase or sale; and
- (15) to perform other functions as authorised by shareholders' general meeting and the Articles of Association.

*Except the resolutions provided for in paragraphs (6), (7) and (12) which require more than two-thirds approval of the directors, the remaining resolutions on other matters as contained in the preceding paragraph shall be passed by a simple majority of the directors. The board of directors shall perform its duties in accordance with the laws, administrative regulations, the Articles of Association of the Company and the resolutions of the shareholders."*

The original Article 99 be deleted in its entirety and replaced as follow:

*"Sufficient details shall be provided at the time of the issue of notice in relation to any material matters that need to be decided by the board of directors. Directors may request for provision of supplementary materials. If more than one quarter of the total number of directors or more than two external directors consider that such information is insufficient or the reasoning is unclear, they may jointly propose for suspension of convention of the meeting or suspension of the consideration of the matters to be considered and the board of directors shall adopt such proposal.*

*The general counsel of the Company is required to attend and give legal opinion, which has to be duly considered by the Board, in all Board meetings resolving on matters concerning legal issues."*

In light of the adoption of the CASBE as contemplated under Resolution (1), the Board proposed Resolution (2) for the approval of the Shareholders at the EGM. The proposed amendments to the Articles of Association are as follow:

The original Article 155 be deleted in its entirety and replaced as follow:

*"The financial statements of the Company shall be prepared in accordance with Mainland accounting standard and regulations."*

The original Article 156 be deleted in its entirety and replaced as follow:

*"The interim results or financial information published or disclosed by the Company shall be prepared in accordance with Mainland accounting standard and regulation."*

The other provisions of the Articles of Association will remain unchanged except for the abovementioned amendments, which will become effective upon Shareholders approving the Resolutions (2) and (3) at the EGM.

### **(3) PROPOSED CHANGE OF AUDITORS**

Upon the Shareholders approving the Resolutions (1) and (2) at the EGM, (i) the Company shall terminate the appointment of Ernst & Young as the international auditor of the Company; and (ii) the Company shall appoint Ernst & Young Hua Ming LLP as the sole auditor of the Company, in light of the acceptance of Mainland accounting and auditing standards and Mainland audit firms by the Stock Exchange.

Ernst & Young Hua Ming LLP, the proposed auditor to be appointed, is an eligible Mainland audit firm approved by the MOF and the CSRC to provide auditing services in accordance with the CASBE to Mainland incorporated issuers. Once the Resolutions (1) and (2) are approved by the Shareholders at the EGM, Ernst & Young Hua Ming LLP will undertake all such activities as required to be performed by international auditors under the Listing Rules (including but not limited to the preliminary announcement on annual results and annual review of continuing connected transactions).

Ernst & Young has confirmed that there were no circumstances regarding proposed termination of appointment, which is subject to the Shareholders' approval, that it considered should be brought to the attention of the Shareholders. The Board and the audit committee of the Company confirmed that there were no disagreement between the Company and Ernst & Young regarding the proposed termination of appointment. The Board further confirmed that it is not aware of any matters regarding the appointment of Ernst & Young Hua Ming LLP as the sole auditor of the Company that need to be brought to the attention of the Shareholders.

### **GENERAL**

A circular containing, amongst others, further details of Resolutions together with a notice convening the EGM, will be despatched to the Shareholders in due course.

By Order of the Board  
**Tianjin Jinran Public Utilities Company Limited**  
**Zhang Tian Hua**  
*Chairman*

Tianjin, PRC, 23 August 2017

*As at the date of this announcement, the Board comprises 5 executive Directors, namely Mr. Zhang Tian Hua (Chairman), Ms. Tang Jie, Ms. Wang Wen Xia, Mr. Zhang Guo Jian and Mr. Hou Shuang Jiang, 1 non-executive Director, namely Mr. Li Da Chuan, and 3 independent non-executive Directors, namely Mr. Zhang Ying Hua, Mr. Yu Jian Jun and Mr. Guo Jia Li.*