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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)

ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 DECEMBER 2012

HIGHLIGHTS

- Revenue of approximately RMB1,538,939,000 for the year ended 31 December 2012.
- Profit for the year and total comprehensive income for the year attributable to owners of the company of approximately RMB119,577,000 for the year ended 31 December 2012.

RESULTS

The board (the "Board") of Directors (the "Directors") of Tianjin Jinran Public Utilities Company Limited (the "Company") is pleased to present the audited results of the Company and its subsidiaries (collectively the "Group") for the year ended 31 December 2012 together with the audited comparative figures for the year ended 31 December 2011 as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2012

	NOTES	**Year ended 31 December 2012** ***RMB'000***	Year ended 31 December 2011 *RMB'000*
Revenue	*3*	**1,538,939**	1,058,017
Cost of sales		**(1,381,494)**	(919,568)
Gross profit		**157,445**	138,449
Other income		**12,520**	10,243
Other gains and losses		**7,491**	(2,944)
Selling expenses		**(54)**	(135)
Administrative expenses		**(22,422)**	(29,315)
Finance costs		**–**	(168)
Share of profit of associates		**3,681**	4,453
Profit before tax		**158,661**	120,583
Income tax expense	*5*	**(39,473)**	(29,676)
Profit for the year and total comprehensive income for the year	*6*	**119,188**	90,907
Profit (loss) for the year and total comprehensive income (expense) for the year attributable to:			
Owners of the Company		**119,577**	90,907
Non-controlling interests		**(389)**	–
		119,188	90,907
Earnings per share			
– basic (RMB cents)	*8*	**6.5**	5.5

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2012

		The Group		The Company	
		31 December 2012	31 December 2011	**31 December 2012**	31 December 2011
	NOTES	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*
Non-current Assets					
Property, plant and equipment		**317,291**	306,194	**310,867**	306,157
Prepaid lease payments		**7,822**	8,024	**7,822**	8,024
Intangible assets		**716,512**	738,582	**701,124**	738,582
Investments in subsidiaries		**–**	–	**20,000**	20,000
Interests in associates		**22,767**	26,167	**8,778**	8,778
Prepayment		**84**	110	**84**	110
Deferred tax assets		**164**	2,389	**164**	2,389
Deposit for acquisition of additional interest in an associate		**–**	5,000	**–**	–
		1,064,640	1,086,466	**1,048,839**	1,084,040
Current Assets					
Inventories		**1,184**	922	**684**	922
Trade receivables	*9*	**307,481**	266,554	**307,340**	266,004
Prepayment and other receivables		**29,446**	20,646	**26,209**	20,646
Amount due from an associate		**–**	1,490	**–**	–
Held for trading investments		**2,193**	2,046	**–**	–
Bank balances and cash		**372,411**	272,031	**371,624**	268,771
		712,715	563,689	**705,857**	556,343
Current Liabilities					
Trade and other payables	*10*	**148,641**	143,216	**142,187**	143,003
Dividend payable		**9,118**	9,118	**9,118**	9,118
Income tax payable		**12,472**	9,238	**12,472**	9,125
Amount due to a shareholder		**85,396**	83,861	**85,396**	83,861
Amount due to a related party		**2,297**	1,116	**2,297**	1,116
		257,924	246,549	**251,470**	246,223
Net Current Assets		**454,791**	317,140	**454,387**	310,120
Total Assets less Current Liabilities		**1,519,431**	1,403,606	**1,503,226**	1,394,160
Capital and Reserves					
Share capital		**183,931**	183,931	**183,931**	183,931
Share premium and reserves		**1,331,824**	1,212,247	**1,319,295**	1,202,801
Equity attributable to owners of the Company		**1,515,755**	1,396,178	**1,503,226**	1,386,732
Non-controlling interests		**3,676**	–	**–**	–
Total Equity		**1,519,431**	1,396,178	**1,503,226**	1,386,732
Non-current Liability					
Amount due to a shareholder		**–**	7,428	**–**	7,428
		1,519,431	1,403,606	**1,503,226**	1,394,160

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2012

	Attributable to owners of the Company							
	Share capital *RMB'000*	Share premium *RMB'000*	Statutory surplus reserve *RMB'000* *(note i)*	Enterprise expansion fund *RMB'000* *(note i)*	Accumulated profits *RMB'000*	Total *RMB'000*	Non-Controlling interests *RMB'000*	Total *RMB'000*
At 1 January 2011	114,960	267,672	29,640	9,402	293,595	715,269	–	715,269
Profit and total comprehensive income for the year	–	–	–	–	90,907	90,907	–	90,907
Issue of Domestic Shares *(note ii)*	68,971	521,031	–	–	–	590,002	–	590,002
Appropriation	–	–	7,693	3,847	(11,540)	–	–	–
At 31 December 2011	183,931	788,703	37,333	13,249	372,962	1,396,178	–	1,396,178
Profit (loss) and total comprehensive income (expense) for the year	–	–	–	–	119,577	119,577	(389)	119,188
Appropriation	–	–	9,045	4,522	(13,567)	–	–	–
Acquisition of a subsidiary	–	–	–	–	–	–	4,065	4,065
At 31 December 2012	183,931	788,703	46,378	17,771	478,972	1,515,755	3,676	1,519,431

Notes:

(i) Basis of appropriations reserves

Prior to August 2007, the Company's and each of its subsidiaries' Articles of Association require the appropriation of 10% its profit after tax determined under the People's Republic of China ("PRC") accounting standards each year to the statutory surplus reserve until the balance reaches 50% of the share capital. The statutory surplus reserve shall only be used for making up losses, capitalisation into share capital and expansion of the production and operation. After transformation to a foreign invested joint stock company in June 2007, the transfers to statutory surplus reserve fund is based on the profit after tax stated in the financial statements prepared under the PRC accounting standards at the discretion of the board of directors.

As stipulated by the relevant laws and regulations for foreign investment enterprises in the PRC, the PRC subsidiaries are required to maintain an enterprise expansion fund. Enterprise expansion fund are non–distributable. Appropriations to such reserves are made out of net profit after tax annually of the PRC subsidiaries at the discretion of its board of directors. The enterprise expansion fund is used for expanding the capital base of the PRC companies by means of capitalisation issue.

(ii) Pursuant to the announcement of the Company dated 5 October 2009 and the circular of the Company dated 31 December 2010 in relation to the very substantial acquisition, the Company entered into the Assets Acquisition Agreement with 天津市燃氣集團有限公司 ("Tianjin Gas"), pursuant to which the Company conditionally agreed to acquire from Tianjin Gas part of the tangible assets gas ancillary facilities (including outdoor pipelines) and the right for distribution of gas (the "Transferred Assets") held by the Hedong District Sales Offices and the Heping District Sales Offices of both the Transmissions Branch and the First Sales Branch of Tianjin Gas (both branches of Tianjin Gas). To satisfy the consideration, the Company issued, in aggregate, 689,707,800 Domestic Shares to Tianjin Gas on 7 April 2011 and the transaction was completed on 11 April 2011.

Notes:

1. GENERAL

The Company was established at Weishan Road, Chang Qing Science, Industry and Trade Park, Jinnan District, Tianjin, the People's Republic of China (the "PRC") as a joint stock limited company. Its ultimate and immediate holding company is 天津市燃氣集團有限公司 ("Tianjin Gas"). The Company's overseas listed foreign shares ("H Shares") were listed on the Growth Enterprises Market (the "GEM") of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 9 January 2004. In June 2007, the Company transformed to a foreign invested joint stock limited company. The Company's listing was transferred from GEM to the main board of the Stock Exchange since 18 October 2011. On 20 June 2012, the Company changed its name from Tianjin Tianlian Public Utilities Company Limited（天津天聯公用事業股份有限公司）to Tianjin Jinran Public Utilities Company Limited（天津津燃公用事業股份有限公司）. A new business license under the new name of the Company was issued by the Tianjin Administration of Industry and Commerce Bureau（天津市工商行政管理局）on 17 August 2012.

The principal activities of the Company are the operation and management of gas pipeline infrastructure and the sale and distribution of piped gas.

The Group's principal operations are conducted in the PRC. The consolidated financial statements are presented in Renminbi ("RMB"), which is the functional currency of the Company.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

In the current year, the Group has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

Amendments to HKAS 12	Deferred Tax – Recovery of Underlying Assets
Amendments HKFRS 7	Financial Instruments: Disclosures – Transfers of Financial Assets

The application of the amendments to HKFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

The Group and the Company has not early applied the following new or revised HKFRSs that have been issued but are not yet effective:

Amendments to HKFRSs	Annual Improvements to HKFRSs 2009-2011 Cycle[1]
Amendments HKFRS 7	Disclosures – Offsetting Financial Assets and Financial Liabilities[1]
Amendments to HKFRS 9 and HKFRS 7	Mandatory Effective Date of HKFRS 9 and Transition Disclosure[2]
Amendments to HKFRS 10, HKFRS 11 and HKFRS 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance[1]
Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment Entities[4]
HKFRS 9	Financial Instruments[2]
HKFRS 10	Consolidated Financial Statements[1]
HKFRS 11	Joint Arrangements[1]
HKFRS 12	Disclosure of Interests in Other Entities[1]
HKFRS 13	Fair Value Measurement[1]
Amendments to HKAS 1	Presentation of Items of Other Comprehensive Income[3]
HKAS 19 (as revised in 2011)	Employee Benefits[1]
HKAS 27 (as revised in 2011)	Separate Financial Statements[1]
HKAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures[1]
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities[4]
HK(IFRIC)-Int 20	Stripping Costs in the Production Phase of a Surface Mine[1]

[1] *Effective for annual periods beginning on or after 1 January 2013*
[2] *Effective for annual periods beginning on or after 1 January 2015*
[3] *Effective for annual periods beginning on or after 1 July 2012*
[4] *Effective for annual periods beginning on or after 1 January 2014*

Annual Improvements to HKFRSs 2009 – 2011 Cycle issued in June 2012

The Annual Improvements to HKFRSs 2009 – 2011 Cycle include a number of amendments to various HKFRSs. The amendments are effective for annual periods beginning on or after 1 January 2013. Amendments to HKFRSs include the amendments to HKAS 16 Property, Plant and Equipment and the amendments to HKAS 32 Financial Instruments: Presentation.

The amendments to HKAS 16 clarify that spare parts, stand-by equipment and servicing equipment should be classified as property, plant and equipment when they meet the definition of property, plant and equipment in HKAS 16 and as inventory otherwise.

The amendments to HKAS 32 clarify that income tax on distributions to holders of an equity instrument and transaction costs of an equity transaction should be accounted for in accordance with HKAS 12 Income Taxes.

The directors do not anticipate that the application of the amendments will have a material impact on the Group's consolidated financial statements.

HKFRS 9 Financial Instruments

HKFRS 9 issued in 2009 introduces new requirements for the classification and measurement of financial assets. HKFRS 9 amended in 2010 includes the requirements for the classification and measurement of financial liabilities and for derecognition.

Key requirements of HKFRS 9 are described as follows:

- All recognised financial assets that are within the scope of HKAS 39 Financial Instruments: Recognition and Measurement are subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent reporting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

- Comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value of financial liabilities attributable to changes in the financial liabilities' credit risk are not subsequently reclassified to profit or loss. Under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss was presented in profit or loss.

HKFRS 9 is effective for annual periods beginning on or after 1 January 2015, with earlier application permitted.

The directors anticipate that the adoption of HKFRS 9 in the future may have impact on the results and the financial position of the Group. Regarding the Group's financial assets, it is not practicable to provide a reasonable estimate of that impact until a detailed review has been completed.

New and revised Standards on consolidation, joint arrangements, associates and disclosures

In June 2011, a package of five standards on consolidation, joint arrangements, associates and disclosures was issued, including HKFRS 10, HKFRS 11, HKFRS 12, HKAS 27 (as revised in 2011) and HKAS 28 (as revised in 2011).

Key requirements of these standards relevant to the Group are described below.

HKFRS 10 replaces the parts of HKAS 27 Consolidated and Separate Financial Statements that deal with consolidated financial statements and HK (SIC)-Int 12 Consolidation Special Purpose Entities will be withdrawn upon the effective date of HKFRS 10. Under HKFRS 10, there is only one basis for consolidation, that is, control. In addition, HKFRS 10 includes a new definition of control that contains three elements: (a) power over an investee, (b) exposure, or rights, to variable returns from its involvement with the investee, and (c) the ability to use its power over the investee to affect the amount of the investor's returns. Extensive guidance has been added in HKFRS 10 to deal with complex scenarios.

HKFRS 12 is a disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the disclosure requirements in HKFRS 12 are more extensive than those in the current standards.

In July 2012, the amendments to HKFRS 10, HKFRS 11 and HKFRS 12 were issued to clarify certain transitional guidance on the application of these five HKFRSs for the first time.

These standards, together with the amendments relating to the transitional guidance, are effective for annual periods beginning on or after 1 January 2013 with earlier application permitted provided that all of these standards are applied at the same time. The directors anticipate that the application of these five standards will not have a material impact on the amounts reported in the consolidated financial statements but will lead to more extensive disclosures.

HKFRS 13 Fair Value Measurement

HKFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The standard defines fair value, establishes a framework for measuring fair value, and requires disclosures about fair value measurements. The scope of HKFRS 13 is broad; it applies to both financial instrument items and non-financial instrument items for which other HKFRSs require or permit fair value measurements and disclosures about fair value measurements, except in specified circumstances. In general, the disclosure requirements in HKFRS 13 are more extensive than those in the current standards. For example, quantitative and qualitative disclosures based on the three-level fair value hierarchy currently required for financial instruments only under HKFRS 7 Financial Instruments: Disclosures will be extended by HKFRS 13 to cover all assets and liabilities within its scope.

HKFRS 13 is effective for annual periods beginning on or after 1 January 2013, with earlier application permitted. The directors anticipate that the application of the new standard may result in more extensive disclosures in the consolidated financial statements.

The directors anticipate that the application of other new and revised HKFRSs will have no material impact on the results and the financial position of the Group.

3. REVENUE

Revenue represents revenue from sales of piped gas, construction contract revenue from gas connection contracts and construction of gas pipeline infrastructure, gas transportation revenue, revenue from sales of gas appliances and lead and zinc, net of discount and sales related tax, during the year.

The Group completed the acquisition of the additional 39% equity interests of 貴州津維礦業投資有限公司 (「貴州津維」) and 「貴州津維」 completed its acquisition of 70% equity interest in 貴州省台江縣國新鉛鋅選礦有限責任公司 (「貴州國新」) on 30 June 2012. 貴州國新 owns a mining right of a lead-zinc mine located in Taijiang County, Guizhou Province and the Group commenced the mining and trading of lead and zinc during the year.

The following is an analysis of the Group's revenue for its major products and services:

	2012	2011
	RMB'000	*RMB'000*
Sales of piped gas	**1,337,106**	890,472
Gas connection income	**166,079**	153,208
Gas transportation income	**11,942**	3,763
Sales of gas appliances	**7,646**	4,545
Sales of lead and zinc	**587**	–
Revenue from construction of gas pipeline infrastructure	**15,579**	6,029
	1,538,939	1,058,017

4. SEGMENT INFORMATION

For management purposes, the Group is divided into five divisions as follow:

1. Sales of piped gas – sales of piped gas to industrial and residential users
2. Gas connection – provision of piped gas connection services
3. Gas transportation – transportation of gas to Tianjin Gas
4. Sales of gas appliances
5. Mineral exploration – mining, processing and trading of lead and zinc

These divisions are the basis on which the Group reported its segment information, based on the financial information prepared on the PRC generally accepted accounting principles (which is consistent with the accounting policies of revenue recognition) reported to board of directors of the Company, the chief operating decision maker for the purposes of resource allocation and performance assessment. The construction of gas pipeline infrastructure operation is not reported to the board of directors of the Company (being the chief operating decision maker).

Information regarding the above five divisions constitute the five operating segments is reported below.

The following is an analysis of the Group's revenue and results by operating segment for the year under review:

Year ended 31 December 2012

	Sales of piped gas *RMB'000*	**Gas connection** *RMB'000*	**Gas transportation** *RMB'000*	**Sales of gas appliances** *RMB'000*	**Mineral exploration** *RMB'000*	**Segment total** *RMB'000*
Segment revenue from external customers	1,337,106	166,079	11,942	7,646	587	1,523,360
Segment profit (loss)	40,744	110,581	4,725	703	(724)	156,029

Reconciliation of segment revenue

	RMB'000
Total segment revenue	1,523,360
Revenue from construction of gas pipeline infrastructure	15,579
Revenue	1,538,939

Reconciliation of segment profit

	RMB'000
Total segment profit	156,029
Profit from construction of gas pipeline infrastructure	1,416
Share of result of associates	3,681
Other income	12,520
Other gains and losses	7,491
Corporate expenses	(22,476)
Profit before tax	158,661

Year ended 31 December 2011

	Sales of piped gas *RMB'000*	Gas connection *RMB'000*	Gas transportation *RMB'000*	Sales of gas appliances *RMB'000*	Mineral exploration *RMB'000*	Segment total *RMB'000*
Segment revenue from external customers	890,472	153,208	3,763	4,545	N/A	1,051,988
Segment profit	31,478	104,337	1,239	836	N/A	137,890

Reconciliation of segment revenue

	RMB'000
Total segment revenue	1,051,988
Revenue from construction of gas pipeline infrastructure	6,029
Revenue	1,058,017

Reconciliation of segment profit

	RMB'000
Total segment profit	137,890
Profit from construction of gas pipeline infrastructure	559
Share of result of associates	4,453
Other income	10,243
Other gains and losses	(2,944)
Corporate expenses	(29,450)
Finance costs	(168)
Profit before tax	120,583

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment profit/loss represents the profit/loss earned by each segment without allocation of other income, other gains and losses, share of result of associates, corporate expenses and finance costs. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and performance assessment.

Other segment information

	Sales of piped gas		Gas connection		Gas transportation		Mineral exploration		Total for all segments		Adjustments		Total	
	2012	2011	**2012**	2011	**2012**	2011	**2012**	2011	**2012**	2011	**2012**	2011	**2012**	2011
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*
Amounts included in the measure of segment profit:														
Depreciation of property, plant and equipment	**3,740**	2,938	**–**	–	**6,816**	2,400	**132**	–	**10,688**	5,338	**2,454**	3,455	**13,142**	8,793
Amortisation of intangible assets	**53,037**	38,383	**–**	–	**–**	–	**1,378**	–	**54,415**	38,383	**–**	–	**54,415**	38,383
Amortisation of prepaid lease payment	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**202**	202	**202**	202

Note 1: Adjustments represent corporate expenses not allocated to the measurement of segment profit.

During the current year, the Group had carried out gas connection contract work with revenue of approximately RMB57,600,000 (2011: RMB6,983,000) in certain areas in Tianjin, in which the gas supply is being separately provided by Tianjin Gas, a substantial shareholder of the Company, to its own customers.

No analysis of the Group's assets and liabilities by operating segment is disclosed as they are not regularly provided to the board of directors of the Company for review.

Geographical information

The Group's operations are all located in the PRC and all its revenue are earned from customers located in the PRC. Accordingly, no geographical information is presented.

Information about major customers

Revenue from customers of the corresponding years contributing over 10% of the total sales of the Group are as follows:

	2012	2011
	RMB'000	*RMB'000*
Customer A[1]	**287,010**	152,477
Customer B[1]	**N/A[2]**	109,985

1 Revenue from sales of piped gas.

2 The corresponding revenue did not contribute over 10% of the total sales of the Group.

5. INCOME TAX EXPENSE

	2012 *RMB'000*	2011 *RMB'000*
The charge comprises:		
PRC Enterprise Income Tax	**37,248**	30,071
Deferred tax	**2,225**	(395)
	39,473	29,676

The Company and its subsidiaries are subject to PRC Enterprise Income Tax rate of 25% for the year (2011: 25%).

No provision for Hong Kong Profits Tax has been made as the Group's income neither arises in, nor is derived from, Hong Kong.

The tax charge for the year can be reconciled to the profit before tax per the consolidated statement of comprehensive income as follows:

	2012 *RMB'000*	2011 *RMB'000*
Profit before tax	**158,661**	120,583
Tax at the domestic income tax rate of 25%	**39,665**	30,146
Tax effect of share of profit of associates	**(920)**	(1,113)
Tax effect of expenses that are not deductible in determining taxable profit	**544**	514
Tax effect of tax losses not recognised	**264**	129
Utilisation of tax losses previously not recognised	**(80)**	–
Income tax expenses for the year	**39,473**	29,676

6. PROFIT FOR THE YEAR

	2012	2011
	RMB'000	*RMB'000*
Profit for the year has been arrived at after charging (crediting):		
Depreciation of property, plant and equipment	**13,142**	8,793
Amortisation of intangible assets (included in cost of sales)	**54,415**	38,383
Total depreciation and amortisation	**67,557**	47,176
Auditor's remuneration	**1,100**	1,100
Staff costs including directors' and supervisors' remuneration	**80,880**	53,209
Loss on disposal of property, plant and equipment	**9**	45
Amortisation of prepaid lease payments (included in administrative expenses)	**202**	202
Operating lease rentals in respect of rented premises	**1,296**	464
Cost of gas purchased	**1,144,849**	756,791
Cost of inventory of zinc and lead	**173**	–

7. DIVIDEND

	2012	2011
	RMB'000	*RMB'000*
Final dividend proposed, RMB0.016 per share (financial year ended 31 December 2011: Nil)	**29,429**	–

A final dividend for the year ended 31 December 2012 of RMB0.016 (2011: Nil) per share has been proposed by the directors and is subject to approval by the shareholders in the forthcoming annual general meeting.

8. EARNINGS PER SHARE

The calculation of basic earnings per share attributable to the owners of the Company is based on the following data:

	2012	2011
	RMB'000	*RMB'000*
Earnings		
Earnings for the purpose of basic earnings per share Profit for the year attributable to owners of the Company	**119,577**	90,907
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share *('000)*	**1,839,308**	1,657,905

No diluted earnings per share have been presented as the Company had no potential ordinary shares outstanding during both year.

9. TRADE RECEIVABLES/PREPAYMENT AND OTHER RECEIVABLES

	The Group	
	31 December 2012	31 December 2011
	RMB'000	*RMB'000*
Trade receivables	**185,238**	130,006
Note receivables	**129,441**	151,060
Less: impairment loss recognised	**(7,198)**	(14,512)
Net trade receivables	**307,481**	266,554
Other receivables	**30,279**	20,477
Less: impairment loss recognised	**(2,285)**	(2,655)
Total other receivables	**27,994**	17,822
Prepayment	**1,452**	2,824
	29,446	20,646

	The Company	
	31 December 2012	31 December 2011
	RMB'000	*RMB'000*
Trade receivables	**185,097**	129,456
Note receivables	**129,441**	151,060
Less: impairment loss recognised	**(7,198)**	(14,512)
Net trade receivables	**307,340**	266,004
Other receivables	**27,042**	20,477
Less: impairment loss recognised	**(2,285)**	(2,655)
Total other receivables	**24,757**	17,822
Prepayment	**1,452**	2,824
	26,209	20,646

Movement in impairment loss recognised:

	The Group and the Company	
	2012	2011
	RMB'000	*RMB'000*
Trade receivables:		
Balance at beginning of the year	**14,512**	12,674
Impairment losses recognised on receivables	**1,412**	4,730
Amounts recovered during the year *(note)*	**(8,726)**	(2,892)
Balance at end of the year	**7,198**	14,512
Other receivables:		
Balance at beginning of the year	**2,655**	2,655
Amounts written off as uncollectible	**(370)**	–
Balance at end of the year	**2,285**	2,655

Note: During the year, the Company received two properties from one of the debtors for settlement of impaired receivables of RMB6,569,000. The fair value of the two properties is approximately to RMB6,569,000.

Included in the Group and the Company's carrying amount of trade and other receivables as at 31 December 2012 was accumulated impairment loss of RMB7,198,000 (31.12.2011: RMB14,512,000) and RMB2,285,000 (31.12.2011: RMB2,655,000) for trade receivables and other receivables respectively, most of which was past due for over one year as at the end of the reporting period and with no subsequent settlement records.

The Group has a policy of allowing an average credit period of 90 days to its customers. For certain customers with long-established relationship and good repayment histories, a longer credit period up to 180 days may be granted. The following is an aged analysis of trade and note receivables presented based on the date of services/construction services are provided/goods are delivered at the end of the reporting period, which approximated the respective revenue recognition dates.

The aged analysis of trade and note receivables net of allowance is as follows:

	The Group	
	31 December 2012	31 December 2011
	RMB'000	*RMB'000*
0 – 90 days	**181,378**	173,138
91 – 180 days	**87,520**	76,909
181 – 270 days	**19,970**	2,341
271 – 365 days	**–**	185
Over 365 days	**18,613**	13,981
	307,481	266,554

	The Company	
	31 December	31 December
	2012	2011
	RMB'000	*RMB'000*
0 – 90 days	**181,237**	172,588
91 – 180 days	**87,520**	76,909
181 – 270 days	**19,970**	2,341
271 – 365 days	**–**	185
Over 365 days	**18,613**	13,981
	307,340	266,004

Before accepting any new customer, the Group will assess credit worthiness by customer in considering the customer's quality and determine the credit terms for that customer. In addition, the Group has reviewed the repayment history of receivables by each customer with reference to the payment terms stated in contracts to determine the recoverability of a trade receivable. In the opinion of the directors, receivables neither past due nor impaired have good settlement records and no default history at the end of the reporting date.

Included in the Group's and the Company's trade receivables balance are debtors with aggregate carrying amount of RMB39 million (2011: RMB17 million) which are past due at the end of the reporting period for which the Group and the Company has not provided for impairment loss because there is no significant change in credit quality of those customers and the amounts are still considered recoverable. The Group and the Company do not hold any collateral or other credit enhancements over these balances nor does it have a legal right of offset against any amounts owed by the Group and the Company to the counterparty.

Aging of trade receivables which are past due but not impaired:

	The Group and the Company	
	31 December	31 December
	2012	2011
	RMB'000	*RMB'000*
181 – 270 days	**19,970**	2,341
271 – 365 days	**–**	185
Over 365 days	**18,613**	13,981
	38,583	16,507

10. TRADE AND OTHER PAYABLES

Included in trade and other payables are trade payables with an aged analysis based on invoice date as follows:

	The Group	
	31 December 2012	31 December 2011
	RMB'000	*RMB'000*
0 – 90 days	**18,532**	21,655
91 – 180 days	**–**	804
181 – 270 days	**303**	101
271 – 365 days	**220**	40
Over 365 days	**912**	475
	19,967	23,075
Advance from customers	**86,534**	89,996
Value-added tax payable and other tax payables	**24,038**	16,657
Accrued staff cost and pension	**11,043**	9,022
Accrued expense	**3,386**	4,090
Others	**3,673**	376
	128,674	120,141
	148,641	143,216

	The Company	
	31 December 2012	31 December 2011
	RMB'000	*RMB'000*
0 – 90 days	**17,971**	21,655
91 – 180 days	**–**	804
181 – 270 days	**303**	101
271 – 365 days	**220**	40
Over 365 days	**912**	475
	19,406	23,075
Advance from customers	**84,534**	89,996
Value-added tax payable and other tax payables	**24,038**	16,657
Accrued staff cost and pension	**10,661**	9,022
Accrued expense	**3,265**	4,090
Others	**283**	163
	122,781	119,928
	142,187	143,003

BUSINESS REVIEW

For the year ended 31 December 2012, the Group reported a revenue of approximately RMB1,538,939,000, representing an increase of approximately 45.46% as compared with the previous year. The gross profit margin decreased from approximately 13% for the year ended 31 December 2011 to approximately 10% for the year ended 31 December 2012 mainly attributable to the decrease in the proportion of revenue generated from gas connection from approximately 14.48% for the year ended 31 December 2011 to approximately 10.79% for the year ended 31 December 2012. The profit for the year and total comprehensive income for the year attributable to owners of the Company for the year ended 31 December 2012 amounted to approximately RMB119,577,000 (2011: approximately RMB90,907,000) representing an increase of approximately 31.54%.

SEGMENTAL INFORMATION ANALYSIS

During the year, the Group has continued to implement its formulated development strategies to provide piped gas connections, to the users in the Group's operational locations in Tianjin City and Jining, Inner Mongolia. Sales of piped gas is the major source of income for the Group, which is followed by gas connection, construction of gas pipeline infrastructure, gas transportation, sales of gas appliances and mineral exploration.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 31 December 2012, the Group had no bank borrowings. The Group mostly uses Renminbi in its operation and it has not used any financial instrument for currency hedging purposes, as it considers that its exposure to fluctuations in exchange rates is only minimal.

The Group's gearing ratio (total liabilities to total asset rate) as at 31 December 2012 was approximately 0.15 (2011: approximately 0.15).

As at 31 December 2012, approximately 100% of the total amount of cash and cash equivalents of the Group was in Renminbi (31 December 2011: 100%).

CONTINGENT LIABILITIES

As at 31 December 2012, the Group had no material contingent liabilities or guarantees.

STAFF AND EMOLUMENT POLICY

As at 31 December 2012, the Group had a workforce of 1,008 full-time employees.

Emoluments of employees were determined pursuant to the common practice of the industry as well as individual performance. In addition to regular salaries, the Group also paid discretionary bonus to eligible employees subject to the Group's operating results and individual performance. The Group also made contributions to medical welfare and retirement funds as well as provided other benefits to all employees.

PROSPECTS

Assets Transfer

The acquisition of gas assets (which consist of part of the tangible assets and gas ancillary facilities held by the Hedong District Sales Offices and the Heping District Sales Offices of both Transmission Branch and First Sales Branch of Tianjin Gas, including outdoor pipelines, related machinery and electronic equipment and vehicles) (the "Transferred Assets") from Tianjin Gas was completed on 11 April 2011. After the completion, the Group has started to provide piped gas to the users connected by the Transferred Assets. It is expected that the Transferred Assets will continue to provide a stable revenue stream to the Group, mainly in form of sale of gas revenue.

Development of the PRC Gas Sector

With the growth of China's economy and the gradual increase of private investments, all the recent factors indicate that the growth of the energy industry in China remains strong. Combined with the special attention of the State on the West-to-East Pipeline Project and environmental protection measures, the gas industry in China is still growing rapidly. In view of environment protection and efficiency, the Chinese government plans to gradually reduce the use of coal and instead encourage the use of green fuels such as various natural gases.

Benefiting from the reformation of gas companies across China and the considerable demands, the Group expects to further increase its market share in its existing operational locations. The directors and management of the Company will try their best to bring satisfactory returns to the shareholders of the Company (the "Shareholders").

The principal objectives of the Group are to expand its supply of natural gas business through expansion of its gas pipelines network and to maximize the returns for Shareholders. To achieve these objectives, the Group will pursue the strategies set out below.

- The Group will continue to supply piped natural gas to its existing operational locations in Tianjin City and will aim at expansion by constructing new pipelines and connecting to more users in its existing operational locations.

- The Group will seek to expand its gas pipelines network by mergers and acquisitions, if suitable assets or suitable targets are identified.

- Apart from its natural gas operation in Tianjin City, the Group will also continue to explore and develop its natural gas operation in Jining City.

- The Company will continue its expansion in Binhai New District.

The Group plans to further explore the following areas in the future:

- Focus on the balanced development of various gas-related businesses and make efforts to develop the piped gas market, including participating in the urban natural gas pipeline network projects in local areas by way of mergers or acquisitions.

- Continue to advance the research, evaluation, negotiation and other work related to existing projects, and ensure the fulfillment of the business objectives.

- Continue to strengthen the financial management of the Group. The Group also aims to continuously lower the operating costs and maximize the revenue from the operating projects.

- Further its efforts in personnel training and recruitment, facilitate the smooth operations and developments of the Group, develop positive corporate culture, and upgrade the management of the Company.

RENEWAL OF CONTINUING CONNECTED TRANSACTION

On 31 December 2012, the Company and Tianjin Gas Heat Planning and Design Institute（天津市燃氣熱力規劃設計院）(the "Design Institute") entered into the pipeline design agreement (the"2013 Pipeline Design Agreement") in respect of the renewal of provision of pipeline design service by Design Institute to the Company for the three years ending 31 December 2015.

As each of the applicable percentage ratios for the caps of the transaction contemplated under the 2013 Pipeline Design Agreement for each of the twelve months ending 31 December 2013, 31 December 2014 and 31 December 2015 is, on an annual basis, more than 0.1% but less than 5%, the 2013 Pipeline Design Agreement is exempt from the independent shareholders' approval requirement and is only subject to the reporting and announcement requirements under Chapter 14A of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

For details, please refer to the Company's announcement dated 31 December 2012.

PROPOSED JOINT VENTURE BETWEEN TIANJIN GAS AND CHINA RESOURCES GAS (HONG KONG) INVESTMENT LIMITED

On 2 November 2011, Tianjin Gas and China Resources Gas Group Limited ("China Resources Gas (HK)") entered into a joint venture agreement (the "Joint Venture Agreement") and a supplemental agreement (the "Supplemental Agreement") relating to, inter alia, the formation of a joint venture company (the "Proposed JV") in the PRC.

Pursuant to the Joint Venture Agreement, Tianjin Gas and China Resources Gas (HK) will set up the Proposed JV in the PRC. Tianjin Gas and China Resources Gas (HK) will own 51% and 49% respectively of the registered capital of the Proposed JV, which will be RMB5 billion. Tianjin Gas will contribute its share of registered capital of RMB2.55 billion by way of injection of its natural gas-related operational assets (which will not include the Domestic Shares held by Tianjin Gas) and China Resources Gas (HK) will contribute its share of registered capital of RMB2.45 billion by way of cash. It was further agreed that Tianjin Gas will inject its remaining natural gas-related assets to the Proposed JV with details to be determined by the parties by separate agreement(s).

Pursuant to the Supplemental Agreement, it is agreed that after establishment of the Proposed JV, all existing natural gas-related business of Tianjin Gas will be taken over by the Proposed JV, which will include, inter alia, the Domestic Shares held by Tianjin Gas.

On 6 November 2012, the Ministry of Commerce of The PRC approved the establishment of the Proposed JV.

It is the intention of Tianjin Gas and China Resources Gas (HK) that, subject to (i) compliance with all applicable laws, rules and regulations in the PRC and Hong Kong as well as the Listing Rules and the Code on Takeovers and merger; and (ii) receipt of all necessary approvals or consents from the relevant governmental and regulatory authorities in the PRC and Hong Kong, including (without limitation) the Securities and Futures Commission, following the Proposed JV's acquisition of Tianjin Gas's interest in the Company, the Proposed JV would combine and consolidate the respective assets and businesses of the Proposed JV and the Company such that the Company would become the listing vehicle for such assets and business. However, no concrete plan has been discussed or agreed between Tianjin Gas, China Resources Gas (HK) and/or the Company as at the date of this announcement. The Company would only acquire the assets or business of the Proposed JV or of Tianjin Gas in the future if the Directors are of the view that (1) the proposed transaction would be entered into on normal commercial terms; (2) the terms would be fair and reasonable and in the interests of the Company and the Shareholders as a whole; (3) the Company has the resources to settle the relevant consideration; and (4) the transaction would comply with all applicable laws, rules and regulations, including but not limited to the Listing Rules.

For details, please refer to the Company's announcement dated 2 November 2011 and 13 November 2012.

Based on these achievements, the Group will further strengthen the operating management of existing businesses and input greater resources into the market development.

DIVIDENDS

The Board recommended the payment of a final dividend of RMB0.016 per share of the Company (2011: nil) to all shareholders of the Company based on the total number of shares of 1,839,307,800 shares of the Company as at 31 December 2012, with the total amount of dividend to be paid be RMB29,428,924.80, subject to approval by the shareholders of the Company at the annual general meeting to be convened and held. The date of annual general meeting, the book closing period, the record date for dividend payment, dividend payment procedures and payment date will be notified separately.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the year ended 31 December 2012, neither the Company nor its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

COMPLIANCE WITH THE CODE

The Company recognises the value and importance of achieving high corporate governance standards to enhance corporate performance, transparency and accountability, earning the confidence of shareholders and the public. The Board strives to adhere to the principles of corporate governance and adopt sound corporate governance practices to meet the legal and commercial standards by focusing on areas such as internal control, fair disclosure and accountability to all shareholders.

The Company's corporate governance practices are based on the code provisions as set out in Appendix 14 to the Listing Rules.

The Company had complied with all the code provisions as set out in the Code on Corporate Governance Practices (the "Code") contained in the former Appendix 14 to the Listing Rules during the period from 1 January 2012 to 31 March 2012, and all the code provisions as set out in the Corporate Governance Code (the "Revised Code") contained in the revised Appendix 14 to the Listing Rules during the period from 1 April 2012 to 31 December 2012.

Scope of work of Messrs. Deloitte Touche Tohmatsu

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2012 as set out this announcement have been agreed by the Group's auditors, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Messrs. Deloitte Touche Tohmatsu on this announcement.

AUDIT COMMITTEE

The Company has established an audit committee with written terms of reference in compliance with the Listing Rules. The primary duties of the audit committee are to review and to provide supervision over the financial reporting process and internal control system of the Group. The audit committee comprises the three independent non-executive directors, Professor Zhang Yu Li, Mr. Luo Wei Kun and Mr. Tam Tak Kei, Raymond. The Audit Committee has reviewed the report and the results for the year.

By Order of the Board
Tianjin Jinran Public Utilities Company Limited
Jin Jian Ping
Chairman

Tianjin, PRC, 28 March 2013

As at the date of this announcement, the Board comprises 5 executive Directors, namely Mr. Jin Jian Ping (Chairman), Mr. Dong Hui Qiang, Ms. Tang Jie, Mr. Bai Shao Liang, Mr. Zhang Tian Hua, 1 non-executive Director, namely Mr. Wang Zhi Yong, and 3 independent non-executive Directors, namely Professor Zhang Yu Li, Mr. Luo Wei Kun and Mr. Tam Tak Kei, Raymond.