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 2013

HIGHLIGHTS

- Revenue of approximately RMB1,494,634,000 for the year ended 31 December 2013.
- Profit for the year and total comprehensive income for the year attributable to owners of the company of approximately RMB84,425,000 for the year ended 31 December 2013.

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 2013 together with the audited comparative figures for the year ended 31 December 2012 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2013

	NOTES	**Year ended 31 December 2013** ***RMB'000***	Year ended 31 December 2012 *RMB'000*
Revenue	*3*	**1,494,634**	1,538,939
Cost of sales		**(1,391,754)**	(1,381,494)
Gross profit		**102,880**	157,445
Other income		**16,694**	12,520
Other gains and losses		**5,267**	7,491
Selling expenses		**(42)**	(54)
Administrative expenses		**(25,253)**	(22,422)
Share of results of associates		**8,195**	3,681
Profit before tax		**107,741**	158,661
Income tax expense	*5*	**(26,962)**	(39,473)
Profit and total comprehensive income for the year	*6*	**80,779**	119,188
Profit (loss) for the year and total comprehensive income (expense) for the year attributable to:			
Owners of the Company		**84,425**	119,577
Non-controlling interests		**(3,646)**	(389)
		80,779	119,188
Earnings per share			
– basic (RMB cents)	*8*	**4.6**	6.5

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2013

		The Group		The Company	
		31 December 2013	31 December 2012	**31 December 2013**	31 December 2012
	NOTES	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*
Non-current Assets					
Property, plant and equipment		**301,095**	317,291	**295,410**	310,867
Prepaid lease payments		**12,393**	7,822	**12,393**	7,822
Intangible assets		**660,098**	716,512	**653,083**	701,124
Investments in subsidiaries		**–**	–	**20,000**	20,000
Interests in an associate		**30,962**	22,767	**8,778**	8,778
Prepayment		**58**	84	**58**	84
Deferred tax assets		**816**	164	**816**	164
		1,005,422	1,064,640	**990,538**	1,048,839
Current Assets					
Inventories		**5,955**	1,184	**5,321**	684
Trade receivables	*9*	**277,181**	289,237	**277,181**	289,096
Prepayment and other receivables		**21,592**	29,446	**21,217**	26,209
Held for trading investments		**–**	2,193	**–**	–
Other financial assets		**253,073**	–	**250,473**	–
Amounts due from related parties		**37,136**	18,244	**37,136**	18,244
Amount due from a shareholder		**13,933**	–	**13,933**	–
Bank balances and cash		**287,136**	372,411	**285,034**	371,624
		896,006	712,715	**890,295**	705,857
Current Liabilities					
Trade and other payables	*10*	**214,941**	148,641	**211,461**	142,187
Dividend payable		**30,546**	9,118	**30,546**	9,118
Income tax payable		**4,835**	12,472	**4,130**	12,472
Amount due to a shareholder		**–**	85,396	**–**	85,396
Amounts due to related parties		**76,162**	2,297	**76,162**	2,297
		326,484	257,924	**322,299**	251,470
Net Current Assets		**569,522**	454,791	**567,996**	454,387
Total Assets less Current Liabilities		**1,574,944**	1,519,431	**1,558,534**	1,503,226
Non-current liability					
Deferred income		**4,163**	–	**4,163**	–
		1,570,781	1,519,431	**1,554,371**	1,503,226
Capital and Reserves					
Share capital		**183,931**	183,931	**183,931**	183,931
Share premium and reserves		**1,386,820**	1,331,824	**1,370,440**	1,319,295
Equity attributable to owners of the Company		**1,570,751**	1,515,755	**1,554,371**	1,503,226
Non-controlling interests		**30**	3,676	**–**	–
Total Equity		**1,570,781**	1,519,431	**1,554,371**	1,503,226

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2013

	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 2012	183,931	788,703	37,333	13,249	372,962	1,396,178	–	1,396,178
Profit (loss) and total comprehensive income 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
Profit (loss) and total comprehensive income (expense) for the year	–	–	–	–	84,425	84,425	(3,646)	80,779
Dividends recognised as distribution *(note 7)*	–	–	–	–	(29,429)	(29,429)	–	(29,429)
Appropriation	–	–	12,093	6,046	(18,139)	–	–	–
At 31 December 2013	183,931	788,703	58,471	23,817	515,829	1,570,751	30	1,570,781

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.

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")

Application of new and revised HKFRSs

The Group has applied the following new and revised HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") for the first year in the current year.

Amendments to HKFRSs	Annual Improvements to HKFRSs 2009-2011 Cycle
Amendments HKFRS 7	Disclosures – Offsetting Financial Assets and Financial Liabilities
Amendments to HKFRS 10, HKFRS 11 and HKFRS 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance
HKFRS 10	Consolidated Financial Statements
HKFRS 11	Joint Arrangement
HKFRS 12	Disclosure of Interests in Other Entities
HKFRS 13	Fair Value Measurement
HKAS 19 (as revised in 2011)	Employee Benefits
HKAS 27 (as revised in 2011)	Separate Financial Statement
HKAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures
Amendments to HKAS 1	Presentation of Items of Other Comprehensive Income

Except as described below, the application of the new and revised 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.

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

In the current year, the Group has applied for the first time the package of five standards on consolidation, joint arrangements, associates and disclosures comprising HKFRS 10 Consolidated Financial Statements, HKFRS 11 Joint Arrangements, HKFRS 12 Disclosure of Interests in Other Entities, HKAS 27 (as revised in 2011) Separate Financial Statements and HKAS 28 (as revised in 2011) Investments in Associates and Joint Ventures, together with the amendments to HKFRS 10, HKFRS 11 and HKFRS 12 regarding transitional guidance.

HKAS 27 (as revised in 2011) is not applicable to the Group as it deals only with separate financial statements.

The impact of the application of these standards is set out below.

Impact of the application of HKFRS 10

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. HKFRS 10 changes the definition of control such that an investor has control over an investee when a) it has power over the investee, b) it is exposed, or has rights, to variable returns from its involvement with the investee and c) has the ability to use its power to affect its returns. All three of these criteria must be met for an investor to have control over an investee. Previously, control was defined as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Additional guidance has been included in HKFRS 10 to explain when an investor has control over an investee.

The directors made an assessment as at the date of initial application of HKFRS 10 (i.e. 1 January 2013) as to whether or not the Group has control over its investments in investees in accordance with the requirements of HKFRS 10. The directors concluded the application of HKFRS 10 in the current year has had no material effect on the amounts reported in these consolidated financial statements.

Impact of the application of HKFRS 12

HKFRS 12 is a new disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the application of HKFRS 12 has resulted in more extensive disclosures in the consolidated financial statements.

HKFRS 13 Fair Value Measurement

The Group has applied HKFRS 13 for the first time in the current year. HKFRS 13 establishes a single source of guidance for, and disclosures about, fair value measurements. The scope of HKFRS 13 is broad: the fair value measurement requirements of HKFRS 13 apply 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 for share-based payment transactions that are within the scope of HKFRS 2 Share-based Payment, leasing transactions that are within the scope of HKAS 17 Leases, and measurements that have some similarities to fair value but are not fair value (e.g. net realisable value for the purposes of measuring inventories or value in use for impairment assessment purposes).

HKFRS 13 defines the fair value of an asset as the price that would be received to sell an asset (or paid to transfer a liability, in the case of determining the fair value of a liability) in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions. Fair value under HKFRS 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique. Also, HKFRS 13 includes extensive disclosure requirements.

HKFRS 13 requires prospective application. In accordance with the transitional provisions of HKFRS 13, the Group has not made any new disclosures required by HKFRS 13 for the 2012 comparative period (for the 2013 disclosures). Other than the additional disclosures, the application of HKFRS 13 has not had any material impact on the amounts recognised in the consolidated financial statements.

Amendments to HKAS 1 Presentation of Items of Other Comprehensive Income

The Group has applied the amendments to HKAS 1 Presentation of Items of Other Comprehensive Income. Upon the adoption of the amendments to HKAS 1, the Group's 'statement of comprehensive income' is renamed as the 'statement of profit or loss and other comprehensive income'. Furthermore, the amendments to HKAS 1 require additional disclosures to be made in the other comprehensive income section such that items of other comprehensive income are grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis – the amendments do not change the option to present items of other comprehensive income either before tax or net of tax. The amendments have been applied retrospectively, and hence the presentation of items of other comprehensive income has been modified to reflect the changes. Other than the above mentioned presentation changes, the application of the amendments to HKAS 1 does not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

New and revised HKFRSs issued but not yet effective

The Group 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 2010-2012 Cycle[4]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2011-2013 Cycle[2]
Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment Entities[1]
Amendments to HKAS 19	Defined Benefit Plans: Employee Contributions[2]
Amendments to HKFRS 9 and HKFRS 7	Mandatory Effective Date of HKFRS 9 and Transition Disclosures[3]
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities[1]
Amendments to HKAS 36	Recoverable Amount Disclosures for Non-Financial Assets[1]
Amendments to HKAS 39	Novation of Derivatives and Continuation of Hedge Accounting[1]
HKFRS 9	Financial Instruments[3]
HKFRS 14	Regulatory Deferral Accounts[5]
HK(IFRIC)-Int 21	Levies[1]

1 *Effective for annual periods beginning on or after 1 January 2014.*

2 *Effective for annual periods beginning on or after 1 July 2014.*

3 *Available for application – the mandatory effective date will be determined when the outstanding phases of HKFRS 9 are finalised.*

4 *Effective for annual periods beginning on or after 1 July 2014, with limited exceptions.*

5 *Effective for annual periods beginning on or after 1 January 2016.*

Annual Improvements to HKFRSs 2010-2012 Cycle

The Annual Improvements to HKFRSs 2010-2012 Cycle include a number of amendments to various HKFRSs, which are summarised below.

The amendments to HKFRS 8 (i) require an entity to disclose the judgements made by management in applying the aggregation criteria to operating segments, including a description of the operating segments aggregated and the economic indicators assessed in determining whether the operating segments have 'similar economic characteristics'; and (ii) clarify that a reconciliation of the total of the reportable segments' assets to the entity's assets should only be provided if the segment assets are regularly provided to the chief operating decision-maker.

The amendments to the basis for conclusions of HKFRS 13 clarify that the issue of HKFRS 13 and consequential amendments to HKAS 39 and HKFRS 9 did not remove the ability to measure short– term receivables and payables with no stated interest rate at their invoice amounts without discounting, if the effect of discounting is immaterial.

The amendments to HKAS 16 and HKAS 38 remove perceived inconsistencies in the accounting for accumulated depreciation/amortisation when an item of property, plant and equipment or an intangible asset is revalued. The amended standards clarify that the gross carrying amount is adjusted in a manner consistent with the revaluation of the carrying amount of the asset and that accumulated depreciation/amortisation is the difference between the gross carrying amount and the carrying amount after taking into account accumulated impairment losses.

The amendments to HAKS 24 clarify that a management entity providing key management personnel services to a reporting entity is a related party of the reporting entity. Consequently, the reporting entity should disclose as related party transactions the amounts incurred for the service paid or payable to the management entity for the provision of key management personnel services. However, disclosure of the components of such compensation is not required.

The directors do not anticipate that the application of the amendments included in the Annual Improvements to HKFRSs 2010-2012 Cycle will have a material effect on the Group's consolidated financial statements.

Annual Improvements to HKFRSs 2011-2013 Cycle

The Annual Improvements to HKFRSs 2011-2013 Cycle include a number of amendments to various HKFRSs, which are summarised below.

The amendments to HKFRS 3 clarify that the standard does not apply to the accounting for the formation of all types of joint arrangement in the financial statements of the joint arrangement itself.

The amendments to HKFRS 13 clarify that the scope of the portfolio exception for measuring the fair value of a group of financial assets and financial liabilities on a net basis includes all contracts that are within the scope of, and accounted for in accordance with, HKAS 39 or HKFRS 9, even if those contracts do not meet the definitions of financial assets or financial liabilities within HKAS 32.

The directors do not anticipate that the application of the amendments included in the Annual Improvements to HKFRSs 2011-2013 Cycle will have a material effect 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, and further amended in 2013 to include the new requirements for hedge accounting.

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.

- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, HKFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other 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.

The new general hedge accounting requirements retain the three types of hedge accounting. However, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an 'economic relationship'. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

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 effect until a detailed review has been completed.

Amendments to HKAS 36 Recoverable Amount Disclosures for Non-Financial Assets

The amendments to HKAS 36 remove the requirement to disclose the recoverable amount of a cash-generating unit (CGU) to which goodwill or other intangible assets with indefinite useful lives had been allocated when there has been no impairment or reversal of impairment of the related CGU. Furthermore, the amendments introduce additional disclosure requirements regarding the fair value hierarchy, key assumptions and valuation techniques used when the recoverable amount of an asset or CGU was determined based on its fair value less costs of disposal.

The directors do not anticipate that the application of these amendments to HKAS 36 will have a significant impact on the Group's 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 from prior year.

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

	2013	2012
	RMB'000	*RMB'000*
Sales of piped gas	**1,345,471**	1,337,106
Gas connection income	**126,418**	166,079
Gas transportation income	**9,710**	11,942
Sales of gas appliances	**5,679**	7,646
Sales of lead and zinc	**549**	587
Revenue from construction of gas pipeline infrastructure	**6,807**	15,579
	1,494,634	1,538,939

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 2013

	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	1,345,471	126,418	9,710	5,679	549	1,487,827
Segment profit (loss)	24,329	78,346	2,289	951	(3,654)	102,261

Reconciliation of segment revenue

	RMB'000
Total segment revenue	1,487,827
Revenue from construction of gas pipeline infrastructure	6,807
Revenue	1,494,634

Reconciliation of segment profit

	RMB'000
Total segment profit	102,261
Profit from construction of gas pipeline infrastructure	619
Share of profit of an associate	8,195
Other income	16,694
Other gains and losses	5,267
Corporate expenses	(25,295)
Profit before tax	107,741

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

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 and corporate expenses. 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	
	2013	2012	**2013**	2012	**2013**	2012	**2013**	2012	**2013**	2012	**2013**	2012	**2013**	2012
	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	**4,937**	3,740	**–**	–	**7,295**	6,816	**768**	132	**13,000**	10,688	**2,619**	2,454	**15,619**	13,142
Amortisation of intangible assets	**54,435**	53,037	**–**	–	**–**	–	**2,756**	1,378	**57,191**	54,415	**–**	–	**57,191**	54,415
Amortisation of prepaid lease payments	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**292**	202	**292**	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 RMB7,111,000 (2012: RMB57,600,000) 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:

	2013	2012
	RMB'000	*RMB'000*
Customer A[1]	**226,224**	287,010
Customer B[1]	**153,031**	N/A[2]

[1] Revenue from sales of piped gas.

[2] The corresponding revenue did not contribute over 10% of the total sales of the Group in 2012.

5. INCOME TAX EXPENSE

	2013 *RMB'000*	2012 *RMB'000*
The charge comprises:		
PRC Enterprise Income Tax	**27,614**	37,248
Deferred tax	**(652)**	2,225
	26,962	39,473

The Company and its subsidiaries are subject to PRC Enterprise Income Tax rate of 25% for the year (2012: 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:

	2013 *RMB'000*	2012 *RMB'000*
Profit before tax	**107,741**	158,661
Tax at the domestic income tax rate of 25%	**26,935**	39,665
Tax effect of share of results of associates	**(2,049)**	(920)
Tax effect of expenses that are not deductible in determining taxable profit	**1,092**	544
Tax effect of deductible temporary difference not recognised	**1,404**	–
Tax effect of tax losses not recognised	**1,183**	264
Utilisation of tax losses previously not recognised	**(1,603)**	(80)
Income tax expenses for the year	**26,962**	39,473

6. PROFIT FOR THE YEAR

	2013	2012
	RMB'000	*RMB'000*
Profit for the year has been arrived at after charging (crediting):		
Depreciation of property, plant and equipment	**15,619**	13,142
Amortisation of intangible assets (included in cost of sales)	**57,191**	54,415
Total depreciation and amortisation	**72,810**	67,557
Auditor's remuneration	**1,210**	1,100
Foreign exchange gain	**67**	–
Staff costs including directors' and supervisors' remuneration	**92,537**	80,880
Loss on disposal of property, plant and equipment	**121**	9
Loss on written off of intangible assets	**413**	–
Amortisation of prepaid lease payments (included in administrative expenses)	**292**	202
Operating lease rentals in respect of rented premises	**1,202**	1,296
Cost of gas purchased	**1,158,257**	1,144,849
Cost of inventory of zinc and lead	**1,178**	173

7. DIVIDEND

During the current year, a final dividend of RMB0.016 per share in respect of the year ended 31 December 2012 was declared to the owners of the Group. The aggregate amount of the final dividend declared during the current year amounted to RMB29,429,000.

	2013	2012
	RMB'000	*RMB'000*
Final dividends of RMB0.016 per share for the year ended 31 December 2012 recognised as distribution during the ended 31 December 2013	**–**	29,429

The directors of the Company do not recommend the payment of dividend for the year ended 31 December 2013.

8. EARNINGS PER SHARE

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

	2013	2012
	RMB'000	*RMB'000*
Earnings		
Earnings for the purpose of basic earnings per share		
Profit for the year attributable to owners of the Company	**84,425**	119,577
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share ('000)	**1,839,308**	1,839,308

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

9. TRADE RECEIVABLES/PREPAYMENT AND OTHER RECEIVABLES

	The Group	
	31 December	31 December
	2013	2012
	RMB'000	*RMB'000*
Trade receivables	**121,782**	166,994
Note receivables	**161,228**	129,441
Less: impairment loss recognised	**(5,829)**	(7,198)
Net trade receivables	**277,181**	289,237
Other receivables	**19,057**	30,279
Less: impairment loss recognised	**(2,285)**	(2,285)
Total other receivables	**16,772**	27,994
Prepayment	**4,820**	1,452
	21,592	29,446

	The Company	
	31 December 2013	31 December 2012
	RMB'000	*RMB'000*
Trade receivables	**121,782**	166,853
Note receivables	**161,228**	129,441
Less: impairment loss recognised	**(5,829)**	(7,198)
Net trade receivables	**277,181**	289,096
Other receivables	**18,747**	27,042
Less: impairment loss recognised	**(2,285)**	(2,285)
Total other receivables	**16,462**	24,757
Prepayment	**4,755**	1,452
	21,217	26,209

Movement in impairment loss recognised:

	The Group and the Company	
	2013	2012
	RMB'000	*RMB'000*
Trade receivables:		
Balance at beginning of the year	**7,198**	14,512
Impairment losses recognised on receivables	**1,166**	1,412
Amounts recovered during the year *(note)*	**(2,535)**	(8,726)
Balance at end of the year	**5,829**	7,198
Other receivables:		
Balance at beginning of the year	**2,285**	2,655
Amounts written off as uncollectible	**–**	(370)
Balance at end of the year	**2,285**	2,285

Note: In 2012, 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 was approximately to RMB6,569,000.

Included in the Group and the Company's carrying amount of trade and other receivables as at 31 December 2013 was accumulated impairment loss of RMB5,829,000 (31 December 2012: RMB7,198,000) and RMB2,285,000 (31 December 2012: RMB2,285,000) 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 presented based on the date of delivery of goods or the billing date which approximate to revenue recognition date are as follows:

	The Group	
	31 December 2013	31 December 2012
	RMB'000	*RMB'000*
0 – 90 days	**173,501**	163,134
91 – 180 days	**66,426**	87,520
181 – 270 days	**16,296**	19,970
271 – 365 days	**1,700**	–
Over 365 days	**19,258**	18,613
	277,181	289,237

	The Company	
	31 December 2013	31 December 2012
	RMB'000	*RMB'000*
0 – 90 days	**173,501**	162,993
91 – 180 days	**66,426**	87,520
181 – 270 days	**16,296**	19,970
271 – 365 days	**1,700**	–
Over 365 days	**19,258**	18,613
	277,181	289,096

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 RMB37 million (2012: RMB39 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 2013	31 December 2012
	RMB'000	*RMB'000*
181 – 270 days	**16,296**	19,970
271 – 365 days	**1,700**	–
Over 365 days	**19,258**	18,613
	37,254	38,583

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 2013	31 December 2012
	RMB'000	*RMB'000*
0 – 90 days	**16,447**	18,532
91 – 180 days	**–**	–
181 – 270 days	**10,207**	303
271 – 365 days	**220**	220
Over 365 days	**1,797**	912
	28,671	19,967
Advance from customers	**144,182**	86,534
Value-added tax payable and other tax payables	**25,138**	24,038
Accrued staff costs and pension	**13,396**	11,043
Accrued expense	**2,694**	3,386
Others	**860**	3,673
	186,270	128,674
	214,941	148,641

	The Company	
	31 December 2013	31 December 2012
	RMB'000	*RMB'000*
0 – 90 days	**16,447**	17,971
91 – 180 days	**–**	–
181 – 270 days	**10,207**	303
271 – 365 days	**220**	220
Over 365 days	**1,405**	912
	28,279	19,406
Advance from customers	**141,682**	84,534
Value-added tax payable and other tax payables	**25,129**	24,038
Accrued staff costs and pension	**13,015**	10,661
Accrued expense	**2,694**	3,265
Others	**662**	283
	183,182	122,781
	211,461	142,187

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

In the year of 2013, in order to maintain the sustainable development of the Group, the Board and the management have started with the enhancement of the internal control and took the initiative to optimize its management in business development, daily operations and compliance matters.

FINANCIAL REVIEW

For the year ended 31 December 2013 (the "Year"), the Group reported a revenue of approximately RMB1,494,634,000, representing a decrease of approximately 2.88% as compared with the previous year. The gross profit margin decreased from approximately 10% for the year ended 31 December 2012 to approximately 7% for the year ended 31 December 2013. The profit for the year and total comprehensive income for the year attributable to owners of the Company for the year ended 31 December 2013 amounted to approximately RMB84,425,000 (2012: approximately RMB119,577,000) representing a decrease of approximately 29.40%.

The decline in financial performance of the Group is mainly attributable to the following factors:

1. the decrease in gas connection income from approximately RMB166,079,000 in 2012 to approximately RMB126,418,000 in 2013, representing a decrease of approximately 23.88% due to the relatively sluggish property market in Tianjin, resulting in a decrease in demand of piped gas connection services from the Group;

2. the decrease in demand for piped gas from a major customer of the Group due to the increase of unit price of natural gas supplied by the Company as directed by the Tianjin municipal price bureau in the second half of 2013; and

3. during the year ended 31 December 2013, there was an impairment loss recognised amounting to approximately RMB5,617,000 (2012: Nil) in respect of the mining right of the lead-zinc mine located in Taijiang County, Guizhou Province owned by 貴州省台江縣國新鉛鋅選礦有限責任公司 (Guizhou Province Taijiang County New Lead and Zinc Mineral Extraction Company Limited), a company held as to 70% by 貴州津維礦業投資有限公司 (Guizhou Jinwei Mining Investment Company Limited), which is in turn held as to 88% by the Group as the actual future cash flows arising from the said mine were less than expected for the year ended 31 December 2013 due to the Board's decision to temporarily postpone the exploration of the said mine and focus on the Group's principal business of natural gas in the second half of 2013.

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, gas transportation, sales of gas appliances, sales of lead and zinc and the construction of gas pipeline infrastructure.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 31 December 2013, 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 2013 was approximately 0.17 (as at 31 December 2012: approximately 0.15).

As at 31 December 2013, approximately 100% of the total amount of cash and cash equivalents of the Group was in Renminbi (as at 31 December 2012: 100%).

CONTINGENT LIABILITIES

As at 31 December 2013, the Group had no material contingent liabilities or guarantees.

STAFF AND EMOLUMENT POLICY

As at 31 December 2013, the Group had a workforce of 993 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.

BREACHES OF CHAPTER 14A OF THE LISTING RULES

Continuing connected transaction with Taihua Gas

The Group has been supplying natural gas to 天津泰華燃氣有限公司 (Tianjin Taihua Gas Co., Ltd.*) ("Taihua Gas") since May 2011. Taihua Gas is owned as to 70% by Tianjin Gas (the controlling shareholder of the Company) and thus a connected person of the Company. Hence, the sale of natural gas by the Company to Taihua Gas constitutes a continuing connected transaction of the Company. The remaining 30% of Taihua Gas is owned by Taida Investment (which owns the entire issued share capital of Beacon Coatings, which in turn held 118,105,313 domestic shares of the Company, representing approximately 6.42% of the total issued shares of the Company). The total sales by the Group to Taihua Gas (excluding tax) amounted to approximately RMB61,532,812, RMB124,405,456 and RMB153,031,186 for the three years ended 31 December 2013 respectively. Under Chapter 14A of the Listing Rules, such sale of natural gas constituted non-exempt continuing connected transactions which should be subject to the reporting, announcement, annual review and independent shareholders' approval requirements. Due to an inadvertent mistake, the Company has omitted to comply with the said requirements under Chapter 14A of the Rules Governing the Listing of Securities (the "Listing Rule") on the Stock Exchange of Hong Kong Limited (the "Stock Exchange") for such sale. For details of the breach, please refer to the announcement of the Company dated 25 February 2014.

* *For identification purposes only*

Continuing connected transaction with Zhongyou Gas

The Group had been supplying natural gas to 天津中油燃氣車用燃料技術有限公司 (Tianjin Zhongyou Gas Vehicle Fuel Technology Co., Ltd.*) ("Zhongyou Gas") since May 2011 until July 2013. Zhongyou Gas was owned as to 40% by Tianjin Gas, the controlling shareholder of the Company, and thus a connected person of the Company. Hence, the sale of natural gas by the Company to Zhongyou Gas constituted a continuing connected transaction of the Company. The total sales by the Group to Zhongyou Gas (excluding tax) amounted to RMB20,490,357.08, RMB34,469,565.00 and RMB17,565,725.93 for the two years ended 31 December 2012 and the period from 1 January 2013 to July 2013, respectively. Under Chapter 14A of the Listing Rules, such sale of natural gas constituted non-exempt continuing connected transactions which should be subject to the reporting, announcement, annual review and independent shareholders' approval requirements for the year ended 31 December 2011 and subject to the reporting and announcement requirements but were exempted from independent shareholders' approval requirements for the year ended 31 December 2012 and the period from 1 January 2013 to July 2013. Due to an inadvertent mistake, the Company had omitted to comply with the said requirements under Chapter 14A of the Listing Rules for such sale. However, such sale has ceased in July 2013. For details of the breach, please refer to the announcement of the Company dated 12 March 2014.

In order to prevent recurrence of the similar incidents, the Company has implemented certain measures to enhance its internal control system.

CONTINUING CONNECTED TRANSACTION IN RELATION TO PIPELINE CONSTRUCTION SERVICES

On 12 July 2013, the Company and 天津市燃氣集團有限公司 (Tianjin Gas Group Company Limited*) ("Tianjin Gas"), the controlling shareholder of the Company, entered into the pipeline construction framework agreement in respect of which Tianjin Gas and/or its associated companies may bid for gas pipeline construction contracts put out to tender from time to time by the Group in accordance with the tendering procedures set by the Group from time to time for the period from 12 July 2013 to 31 December 2015 (the "Pipeline Construction Framework Agreement"). Pursuant to the Pipeline Construction Framework Agreement, the annual caps (in terms of contract sum committed under the construction services contracts if awarded as a result of successful bid are RMB20,000,000 for each of the year ended 31 December 2013, and years ending 31 December 2014 and 31 December 2015.

As each of the applicable percentage ratios for the caps of the transaction contemplated under the Pipeline Construction Framework Agreement for the period commencing from 12 July 2013 to 31 December 2013, and each of the twelve months ending 31 December 2014 and 31 December 2015 is, on an annual basis, more than 0.1% but less than 5%, the Pipeline Construction Framework Agreement is exempt from the independent shareholders' approval requirement and is only subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules.

For details of the transaction, please refer to the announcement of the Company dated 12 July 2013 and 29 August 2013.

* *For identification purpose only*

CONNECTED TRANSACTIONS IN RELATION TO PURCHASE OF GAS METRES

On 30 December 2013, the Company entered into two purchase and sales agreements with 天津市裕民燃氣表具有限公司 (Tianjin Yumin Gas Meter Co., Ltd*) ("Tianjin Yumin"), a subsidiary of Tianjin Gas, pursuant to which Tianjin Yumin agreed to sell and the Company agreed to purchase 9811 gas metres and 17,052 gas metres at an aggregate purchase price of RMB3,433,850 and RMB5,968,200 respectively (collectively referred to as the "Purchase and Sales Agreements").

As the applicable percentage ratios for the Purchase and Sales Agreements calculated on an aggregate basis, are more than 0.1% but below 5%, the Purchase and Sales Agreements and the transactions contemplated thereunder are subject to, among other things, the reporting and announcement requirements but are exempt from independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

For details of the transaction, please refer to the announcement of the Company dated 30 December 2013.

PROSPECTS

Development of the PRC Gas Sector

In January 2013, the PRC government promulgated the "Twelfth Five-Year Plan on Energy Development", which proposed that 1,000 natural gas distributed energy projects are to be established and gas-generated electricity stations of 30 million KW are to be built by 2015. This implies that electricity generation by natural gas and natural gas distributed form of energy has become the key to energy strategy of China. It is anticipated that the natural gas consumption in China in 2015 will exceed 230 billion cubic meters, and the proportion of natural gas in China's primary energy consumption structure will increase from less than 5% in 2012 to over 7.5% in 2015, indicating that the growth of the energy industry in China remains strong.

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.

* *For identification purpose only*

- 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.

DIVIDENDS

No dividend was proposed during 2013, nor has any dividend been proposed since the end of the year ended 31 December 2013 (2012: RMB0.016 per share).

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

During the year ended 31 December 2013, 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 Directors consider that the Company has complied with all the code provisions as set out in the Corporate Governance Code contained in Appendix 14 to the Listing Rules during the year ended 31 December 2013.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules. Upon making specific enquiries of all Directors, the Directors confirmed that they had complied with the required standards as set out in the Model Code throughout the year ended 31 December 2013.

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 2013 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.

CORPORATE CHANGES

1. Appointment of Independent Supervisor

Following the passing away of Professor Qi Yin Feng, the former independent supervisor, in 2012, the proposed appointment of Mr. Dou Run Liang to be an independent supervisor has been approved by the Shareholders at the general meeting held on 14 June 2013 to fill the vacancy.

2. Change of General Manager

Mr. Zheng Tai Qi, the former general manager of the Company, retired from office as general manager on 26 July 2013 as he has reached the age of retirement. Mr. Zhang Guo Jian was appointed as the general manager of the Company with effect from the same day.

3. Change of Executive Director, Chairman, Member of Remuneration Committee and Chairman of Nomination Committee and Resignation of Compliance Officer

Mr. Jin Jian Ping has resigned as the chairman of the Board, executive Director, member of the remuneration committee of the Company, chairman of the nomination committee of the Company and compliance officer of the Company with effect from 1 September 2013 owing to work reallocation. Mr. Zhang Tian Hua, an executive Director, was appointed as the chairman of the Board, member of the remuneration committee of the Company and the chairman of the nomination committee of the Company with effect from the same day.

Following the resignation of Mr. Jin Jian Ping as an executive Director in September 2013, the proposed appointment of Mr. Zhang Guo Jian to be an executive Director has been approved by the Shareholders at the general meeting held on 1 November 2013 to fill the vacancy.

EVENTS AFTER THE REPORTING PERIOD

Change of Executive Director

On 30 December 2013, the Board announced that Mr. Dong Hui Qiang had proposed to resign from his position as the executive Director as he has reached the retirement age. Following the proposed resignation of Mr. Dong, the appointment of Mr. Hou Shuang Jiang to be an executive Director has been approved by the Shareholders at the general meeting held on 3 March 2014 to fill the vacancy and the resignation of Mr. Dong became effective on the same day.

Change of Authorised Representative

Following the resignation of Mr. Dong Hui Qiang (a then authorised representative) became effective on 2 March 2014, Mr. Zhang Guo Jian was appointed as a authorised representative of the Company with effect from the same day to fill the vacancy.

Continuing Connected Transaction in relation to Gas Supply by the Group

On 25 February 2014, the Company and Taihua Gas entered into the gas supply agreement in respect of the supply of natural gas by the Company to Taihua Gas for the year ending 31 December 2014 (the "Gas Supply Agreement"). Pursuant to the Gas Supply Agreement, the Group has agreed to supply to Taihua Gas and Taihua Gas has agreed to purchase from the Group up to 34,928,690 cubic metres of natural gas, and conditional on the approval of the independent shareholders of the Company, up to 79,408,105 cubic metres of natural gas (the "2014 Cap"), for the year ending 31 December 2014 at a price of approximately RMB2.566 per cubic metre (tax excluded, and the price is subject to adjustment in accordance with the direction of the Tianjin municipal price bureau from time to time).

On 12 March 2014, the Company entered into a supplemental agreement to the Gas Supply Agreement with Taihua Gas to revise one of the maximum amounts of gas supply under the Gas Supply Agreement (the "Supplemental Agreement"). Pursuant to the Supplemental Agreement, the maximum amount of natural gas the Group has agreed to supply to Taihua Gas and Taihua Gas has agreed to purchase from the Group before the obtaining of the approval of the independent Shareholders was amended from 34,928,690 cubic metres to 29,982,777 cubic metres. Accordingly, the cap for the supply of gas by the Group to Taihua Gas for the year ending 31 December 2014 before the obtaining of the approval of the independent Shareholders under the Gas Supply Agreement was amended from approximately RMB89,627,000 to approximately RMB76,936,000.

As one or more of the applicable percentage ratios as defined under Rule 14.07 of the Listing Rules for the 2014 Cap exceeds 5%, the 2014 Cap under the Gas Supply Agreement will be subject to, inter alia, the independent shareholders' approval, reporting, annual review and announcement requirements under Chapter 14A of the Listing Rules.

For details of the transaction, please refer to the announcements of the Company dated 25 February 2014 and 12 March 2014.

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
Zhang Tian Hua
Chairman

Tianjin, PRC, 27 March 2014

As at the date of this announcement, the Board comprises 5 executive Directors, namely Mr. Zhang Tian Hua (Chairman), Ms. Tang Jie, Mr. Bai Shao Liang, Mr. Zhang Guo Jian and Mr. Hou Shuang Jiang, 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.