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 2014

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2014

	NOTES	**Year ended 31 December 2014** *RMB'000*	Year ended 31 December 2013 *RMB'000* (restated)
Continuing operations			
Revenue	*4*	**1,448,785**	1,487,278
Cost of sales		**(1,377,926)**	(1,381,204)
Gross profit		**70,859**	106,074
Other income		**11,809**	16,694
Other gains and losses		**26,272**	10,884
Selling expenses		**(66)**	(42)
Administrative expenses		**(24,683)**	(24,288)
Share of results of associates		**7,573**	8,195
Profit before tax		**91,764**	117,517
Income tax expense	*6*	**(21,157)**	(26,847)
Profit for the year from continuing operations, all attributable to owners of the Company		**70,607**	90,670
Discontinued operation			
Loss for the period from discontinued operation		**(4,479)**	(10,236)
Profit and total comprehensive income for the year		**66,128**	80,434
Profit and total comprehensive income for the year attributable to:	*8*		
Owners of the Company		**67,504**	84,084
Non-controlling interests		**(1,376)**	(3,646)
		66,128	80,434

	NOTES	Year ended 31 December 2014 RMB'000	Year ended 31 December 2013 RMB'000 (restated)
Earnings per share			
From continuing and discontinued operations			
– basic (RMB cents)	*8*	**3.7**	4.6
From continuing operations			
– basic (RMB cents)	*8*	**3.8**	4.9

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2014

		The Group			The Company		
		31 December 2014	31 December 2013	1 January 2013	**31 December 2014**	31 December 2013	1 January 2013
	NOTES	***RMB'000***	*RMB'000*	*RMB'000*	***RMB'000***	*RMB'000*	*RMB'000*
			(restated)	(restated)		(restated)	(restated)
Non-current Assets							
Property, plant and equipment		**894,324**	950,235	1,014,932	**894,142**	944,550	1,008,508
Prepaid lease payments		**12,091**	12,393	7,822	**12,091**	12,393	7,822
Intangible assets		**103**	7,015	15,388	**103**	–	–
Investments in subsidiaries		**–**	–	–	**20,000**	20,000	20,000
Interests in an associate		**36,989**	30,962	22,767	**8,778**	8,778	8,778
Other prepayments		**–**	58	84	**–**	58	84
Deferred tax assets		**7,691**	1,774	1,007	**7,691**	1,774	1,007
Prepayment to a related party for pipeline reconstruction		**13,249**	–	–	**13,249**	–	–
		964,447	1,002,437	1,062,000	**956,054**	987,553	1,046,199
Current Assets							
Inventories		**1,909**	5,955	1,184	**1,909**	5,321	684
Trade and note receivables	*9*	**216,244**	277,181	289,237	**216,244**	277,181	289,096
Prepayment and other receivables	*9*	**30,427**	21,592	29,446	**30,427**	21,217	26,209
Held for trading investments		**–**	–	2,193	**–**	–	–
Other financial assets		**793,436**	253,073	–	**793,436**	250,473	–
Amounts due from related parties		**28,350**	37,136	–	**28,350**	37,136	–
Amount due from a shareholder		**–**	13,933	18,244	**–**	13,933	18,244
Cash and bank balances		**92,776**	287,136	372,411	**90,158**	285,034	371,624
		1,163,142	896,006	712,715	**1,160,524**	890,295	705,857
Assets classified as held for sale		**9,888**	–	–	**–**	–	–
		1,173,030	896,006	712,715	**1,160,524**	890,295	705,857
Current Liabilities							
Trade and other payables	*10*	**297,795**	214,941	148,641	**297,707**	211,461	142,187
Dividend payable		**10,975**	30,546	9,118	**10,975**	30,546	9,118
Income tax payable		**14,192**	4,835	12,472	**14,192**	4,130	12,472
Amount due to a shareholder		**–**	–	85,396	**–**	–	85,396
Amounts due to related parties		**152,940**	76,162	2,297	**152,940**	76,162	2,297
		475,902	326,484	257,924	**475,814**	322,299	251,470
Liabilities directly associated with assets classified as held for sale		**2,957**	–	–	**–**	–	–
		478,859	326,484	257,924	**475,814**	322,299	251,470
Net current assets		**694,171**	569,522	454,791	**684,710**	567,996	454,387
Total assets less current liabilities		**1,658,618**	1,571,959	1,516,791	**1,640,764**	1,555,549	1,500,586
Non-current liability							
Deferred revenue		**24,694**	4,163	–	**24,694**	4,163	–
		1,633,924	1,567,796	1,516,791	**1,616,070**	1,551,386	1,500,586

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
AT 31 DECEMBER 2014

		The Group			The Company		
		31 December 2014	31 December 2013	1 January 2013	**31 December 2014**	31 December 2013	1 January 2013
	NOTES	***RMB'000***	*RMB'000* (restated)	*RMB'000* (restated)	***RMB'000***	*RMB'000* (restated)	*RMB'000* (restated)
Capital and Reserves							
Share capital		**183,931**	183,931	183,931	**183,931**	183,931	183,931
Share premium and reserves		**1,451,339**	1,383,835	1,329,184	**1,432,139**	1,367,455	1,316,655
Equity attributable to owners of the Company		**1,635,270**	1,567,766	1,513,115	**1,616,070**	**1,551,386**	1,500,586
Non-controlling interests		**(1,346)**	30	3,676	**–**	–	–
Total Equity		**1,633,924**	1,567,796	1,516,791	**1,616,070**	1,551,386	1,500,586

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2014

	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 2013 (as originally stated)	183,931	788,703	46,378	17,771	478,972	1,515,755	3,676	1,519,431
Prior year adjustment *(note 2)*	–	–	–	–	(2,640)	(2,640)	–	(2,640)
At 1 January 2013 (restated)	183,931	788,703	46,378	17,771	476,332	1,513,115	3,676	1,516,791
Profit (loss) and total comprehensive income (expense) for the year	–	–	–	–	84,080	84,080	(3,646)	80,434
Dividends recognised as distribution *(note 7)*	–	–	–	–	(29,429)	(29,429)	–	(29,429)
Appropriation	–	–	12,093	6,046	(18,139)	–	–	–
At 31 December 2013 (restated)	183,931	788,703	58,471	23,817	512,844	1,567,766	30	1,567,796
Profit (loss) and total comprehensive income (expense) for the year	–	–	–	–	67,504	67,504	(1,376)	66,128
Appropriation	–	–	8,187	4,094	(12,281)	–	–	–
At 31 December 2014	183,931	788,703	66,658	27,911	568,067	1,635,270	(1,346)	1,633,924

Notes:

(i) Appropriation of reserves

As a foreign invested joint stock company, 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. The statutory surplus reserve shall only be used for making up losses, capitalisation into share capital and expansion of the production and operation.

As stipulated by the relevant laws and regulations for foreign investment enterprises in the PRC, the PRC subsidiaries are required to maintain a non-distributable enterprise expansion fund. Appropriations to such reserve 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 in 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"), of which all equity interests are held by Tianjin Municipal Government. 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 Company's registered address is in Weishan Road, Chang Qing Science, Industry and Trade Park, Jinnan District, Tianjin. 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. CHANGE IN ACCOUNTING POLICY

Pursuant to a comprehensive self-review conducted by the Company over its accounting books and records in accordance with HKFRSs following the internal audit decision of the Ministry of Finance of the People's Republic of China Tianjin Office received by the Company in 2014, the directors consider that in the light of the latest developments and change in circumstances in Tianjin natural gas supply industry, the public services business of the Group related to gas pipeline construction and gas distribution no longer meet the scope criteria set out in HK(IFRIC)-Int 12 *Service Concession Arrangements* ("HK(IFRIC)-Int 12"). Therefore, the directors of the Company have determined to change the accounting policy of the Group and Company such that the infrastructure used in the public service concession arrangements will be accounted for as property, plant and equipment. Accordingly, the consolidated and the Company's financial statements for prior years have been restated and reclassified, as appropriate, to account for infrastructure under HKAS 16 *Property, Plant and Equipment*, instead of accounting for them as intangible assets required under HK(IFRIC)-Int 12.

The nature and effect of those restatements and reclassification for the prior periods presented are as follows:

Impact on the consolidated profit and earnings per share for the year:

	2014	2013
	RMB'000	*RMB'000*
Decrease in revenue	**(13,100)**	(6,807)
Decrease in cost of sales	**12,092**	6,347
Decrease in income tax expenses	**252**	115
Decrease in profit for the year, all attribute to owners of the Company	**(756)**	(345)
Decrease in basic earnings per share (RMB cents)	**(0.04)**	(0.02)

Impact on consolidated and the Company's assets, liabilities and equity as at 1 January 2013 of the prior year adjustment:

	As at 1 January 2013 as previously reported	**Prior year adjustment**	**As at 1 January 2013 as restated**
	RMB'000	*RMB'000*	*RMB'000*
Property, plant and equipment	317,291	697,641	1,014,932
Intangible assets	716,512	(701,124)	15,388
Deferred tax assets	164	843	1,007
Total effect on net assets	1,033,967	(2,640)	1,031,327
Retained earnings and total effect on equity	1,331,824	(2,640)	1,329,184

Impact on consolidated and the Company's assets, liabilities and Equity as at 31 December 2013 of the prior year adjustment:

	As at 31 December 2013 as previously reported *RMB'000*	**Prior year adjustment** *RMB'000*	**As at 31 December 2013 as restated** *RMB'000*
Property, plant and equipment	301,095	649,140	950,235
Intangible assets	660,098	(653,083)	7,015
Deferred tax assets	816	958	1,774
Total effect on net assets	962,009	(2,985)	959,024
Retained earnings and total effect on equity	1,386,820	(2,985)	1,383,835

Impact on consolidated cash flows for the year:

	2014 *RMB'000*	2013 *RMB'000*
Net cash flow for the operating activities	**(1,191)**	(619)
Net cash flow for the investing activities	**1,191**	619
Net cash flow	**–**	–

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

3.1 Amendments to HKFRSs and the new Interpretation that are mandatorily effective for the current year

In the current year, the Group has applied, for the first time, a new interpretation and certain amendments to HKFRSs that are mandatorily effective for the current year.

Amendments to HKFRS 10, HKFRS 12 and HKAS 2	Investment Entities
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities
Amendments to HKAS 36	Recoverable Amount Disclosures for Non-Financial Assets
Amendments to HKAS 3	Novation of Derivatives and Continuation of Hedge Accounting
IFRIC 21	Levies

The application of interpretation and amendments to HKFRSs in the current year has had no material effect on the amounts reported in these consolidated financial statements and/or disclosures set out in these consolidated financial statements.

3.2 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:

HKFRS 9	Financial Instruments[1]
HKFRS 15	Revenue from Contracts with Customers[2]
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations[4]
Amendments to HKAS 1	Disclosure Initiative[4]
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation[4]
Amendments to HKAS 19	Defined Benefit Plans: Employee Contributions[3]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2010-2012 Cycle[5]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2011-2013 Cycle[3]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2012-2014 Cycle[4]
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants[4]
Amendments to HKAS 27	Equity Method in Separate Financial Statements[4]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[4]
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment Entities: Applying the Consolidation Exception[4]

[1] *Effective for annual periods beginning on or after 1 January 2018*
[2] *Effective for annual periods beginning on or after 1 January 2017*
[3] *Effective for annual periods beginning on or after 1 July 2014*
[4] *Effective for annual periods beginning on or after 1 January 2016*
[5] *Effective for annual periods beginning on or after 1 July 2014, with limited exceptions*

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.

HKFRS 15 Revenue from Contracts with Customers

In 2014, HKFRS15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers; HKFRS 15 will supersede the current revenue recognition guidance including HKAS 18 *Revenue*, HKAS 11 *Construction Contracts and the related Interpretations* when it becomes effective.

The core principle of HKFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specially, the Standard introduces a 5-step approach to revenue recognition.

- Step 1: Identify the contract(s) with a customer

- Step 2: Identify the performance obligations in the contract

- Step 3: Determine the transaction price

- Step 4: Allocate the transaction price to the performance obligations in the contract

- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under HKFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e, when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in HKFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by HKFRS 15.

The directors of the Company anticipate that the application of HKFRS 15 in the future may have an impact on the amounts reported and disclosures made in the Group's consolidated financial statements. However, it is not practicable to provide a reasonable estimate of the effect of HKFRS 15 until a detailed review is completed.

Except for HKFRS 9 *Financial Instruments* ("HKFRS 9") and HKFRS 15 *Revenue from Contracts with Customers* ("HKFRS 15"), the directors of the Company do not anticipate that the application of the new and revised HKFRSs above will have a material effect on the Group's consolidated financial statements.

4. REVENUE

Revenue of continuing operations represents revenue from sales of piped gas, revenue from gas connection, gas transportation revenue and revenue from sales of gas appliances, net of discount and sales related tax, during the year.

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

	Year ended 31 December 2014	Year ended 31 December 2013
	RMB'000	*RMB'000*
		(restated)
Sales of piped gas	**1,245,381**	1,345,471
Gas connection income	**176,148**	126,418
Gas transportation income	**9,067**	9,710
Sales of gas appliances	**18,189**	5,679
	1,448,785	1,487,278

5. SEGMENT INFORMATION

Information reported to the board of directors, being the chief operating decision maker, for the purpose of resources allocation and assessment of segment performance focuses on types of services delivered and goods sold. Mineral exploration segment was discontinued in the current year and hence the segment information reported below does not include any amounts for this discontinued operation. Therefore, the Group is divided into reportable operating segments as follows:

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 津燃華潤燃氣有限公司 (Jinran China Reseurces Gas Co., Ltd.) ("Jinran Gas") for the year ended 2014, which is a joint venture of Tianjin Gas (transportation of gas to Tianjin Gas from 1 January 2013 to 31 March 2013 and transportation of gas to Jinran Gas from 1 April 2013 to 31 December 2013)
4. Sales of gas appliances

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment performance is evaluated based on segment result and is measured consistently with profit before tax in the consolidated financial statements, except for items managed on a group basis and not allocated to operating segments, as reconciled below. There were no inter-segment sales in the periods reported.

Year ended 31 December 2014

Continuing operations:	Sales of piped gas *RMB'000*	Gas connection *RMB'000*	Gas transportation *RMB'000*	Sales of gas appliances *RMB'000*	Segment total *RMB'000*
Segment revenue from external customers	1,245,381	176,148	9,067	18,189	1,448,785
Segment profit	(28,537)	93,778	2,464	3,154	70,859

Reconciliation of segment profit to consolidated profit before tax

	RMB'000
Total segment profit	70,859
Share of profit of an associate	7,573
Other income	11,809
Other gains and losses	26,272
Corporate expenses	(24,749)
Profit before tax from continuing operations	91,764

Year ended 31 December 2013

Continuing operations:

	Sales of piped gas *RMB'000* (restated)	Gas connection *RMB'000*	Gas transportation *RMB'000*	Sales of gas appliances *RMB'000*	Segment total *RMB'000* (restated)
Segment revenue from external customers	1,345,471	126,418	9,710	5,679	1,487,278
Segment profit	24,488	78,346	2,289	951	106,074

Reconciliation of segment profit to consolidated profit before tax

	RMB'000 (restated)
Total segment profit	106,074
Share of profit of an associate	8,195
Other income	16,694
Other gains and losses	10,884
Corporate expenses	(24,330)
Profit before tax from continuing operations	117,517

Other segment information - continuing operations and discontinued operation

	Sales of piped gas		Gas connection		Gas transportation		Total for all segments		Corporate expenses		Discontinued segment		Total	
	2014	2013	**2014**	2013	**2014**	2013	**2014**	2013	**2014**	2013	**2014**	2013	**2014**	2013
	RMB'000	*RMB'000* (restated)	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000* (restated)	***RMB'000***	*RMB'000* (restated)	***RMB'000***	*RMB'000* (restated)	***RMB'000***	*RMB'000* (restated)
Amounts included in the measure of segment profit:														
Depreciation of property, plant and equipment	**58,113**	59,213	**–**	–	**6,485**	7,295	**64,598**	66,508	**2,182**	2,417	**970**	970	**67,750**	69,895
Amortisation of intangible assets	**–**	–	**–**	–	**–**	–	**–**	–	**8**	–	**765**	2,756	**773**	2,756
Amortisation of prepaid lease payments	**–**	–	**–**	–	**–**	–	**–**	–	**302**	292	**–**	–	**302**	292

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 and non-current assets 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

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

	Year ended 31 December 2014	Year ended 31 December 2013
	RMB'000	*RMB'000*
Company A[1]	**190,857**	153,031
Company B[1]	**N/A[2]**	226,224

[1] *Revenue from sales of piped gas.*

[2] *The corresponding revenue did not contribute over 10% of the total sales of the Group in 2014.*

6. INCOME TAX EXPENSE

	Year ended 31 December 2014 *RMB'000*	Year ended 31 December 2013 *RMB'000* (restated)
Continuing operations		
The charge comprises:		
PRC Enterprise Income Tax	**27,074**	27,614
Deferred tax	**(5,917)**	(767)
	21,157	26,847

The Company and its subsidiaries are subject to PRC Enterprise Income Tax rate of 25% for the year (2013: 25%).

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

	Year ended 31 December 2014 *RMB'000*	Year ended 31 December 2013 *RMB'000* (restated)
Profit (loss) before tax		
– from continuing operations	**91,764**	117,517
– from discontinued operation	**(4,479)**	(10,236)
Profit before tax	**87,285**	107,281
Tax at the domestic income tax rate of 25%	**21,821**	26,820
Tax effect of share of results of associates	**(1,893)**	(2,049)
Tax effect of expenses that are not deductible in determining taxable profit	**131**	1,092
Tax effect of deductible temporary difference not recognised	**498**	1,404
Tax effect of tax losses not recognised	**600**	1,183
Utilisation of tax losses previously not recognised	**–**	(1,603)
Income tax expenses for the year	**21,157**	26,847

7. DIVIDEND

No dividend was declared or proposed during the year ended 31 December 2014, nor any dividend been proposed since the end of reporting period.

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 in 2013. The aggregate amount of the final dividend declared during the year ended 31 December 2013 amounted to RMB29,429,000.

8. EARNINGS PER SHARE

From continuing and discontinued operations

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

	Year ended 31 December 2014 ***RMB'000***	Year ended 31 December 2013 *RMB'000* (restated)
Earnings		
Earnings for the purpose of basic earnings per share		
Profit for the year attributable to owners of the Company	**67,504**	84,080
Number of shares		
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 there were no potential ordinary shares outstanding during both years.

From continuing operations

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

	Year ended 31 December 2014 *RMB'000*	Year ended 31 December 2013 *RMB'000* (restated)
For the calculation of basic earnings per share:		
Earnings		
Profit for the year attributable to owners of the Company	**67,504**	84,080
Add: Loss for the year from discontinued operation attributable to owners of the Company	**3,103**	6,590
Profit for the year attributable to owners of the Company from continuing operations	**70,607**	90,670
Number of shares		
Number of ordinary shares *('000)*	**1,839,308**	1,839,308

Basic earnings per share related to the discontinued operation is RMB0.17 cents loss per share (2013: RMB0.36 cents loss per share) based on the loss for the year from discontinued operation attributable to owners of the Company of RMB3,103,000 (2013: RMB6,590,000), and the number of ordinary shares as per the table above.

9. TRADE RECEIVABLES/PREPAYMENT AND OTHER RECEIVABLES

The Group

	31 December 2014 *RMB'000*	31 December 2013 *RMB'000*
Trade receivables	**91,405**	121,782
Note receivables	**131,980**	161,228
Less: impairment loss recognised	**(7,141)**	(5,829)
Net trade and note receivables	**216,244**	277,181
Other receivables	**26,157**	19,057
Less: impairment loss recognised	**(2,285)**	(2,285)
Net other receivables	**23,872**	16,772
Prepayment	**6,555**	4,820
	30,427	21,592

The Company

	31 December 2014 *RMB'000*	31 December 2013 *RMB'000*
Trade receivables	**91,405**	121,782
Note receivables	**131,980**	161,228
Less: impairment loss recognised	**(7,141)**	(5,829)
Net trade and note receivables	**216,244**	277,181
Other receivables	**26,157**	18,747
Less: impairment loss recognised	**(2,285)**	(2,285)
Net other receivables	**23,872**	16,462
Prepayment	**6,555**	4,755
	30,427	21,217

Movement in impairment loss recognised:

	The Group and the Company	
	2014	2013
	RMB'000	*RMB'000*
Trade receivables:		
At beginning of the year	**5,829**	7,198
Impairment losses recognised	**4,713**	1,166
Amounts recovered during the year	**(3,401)**	(2,535)
At end of the year	**7,141**	5,829
Other receivables:		
Balance at 31 December 2014 and 31 December 2013	**2,285**	2,285

Most of the trade receivables and other receivables impaired were 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, and up to 180 days for certain customers with long-established relationship and good repayment history. For certain customers, in particular in the business of gas connection, the Group required a certain level of deposits to be paid. Trade receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Note receivable were issued by banks with maturity days within 90 days.

The aged analysis of trade and note receivables net of allowance presented based on the date of the billing date which approximate to revenue recognition date are as follows:

	The Group and the Company	
	31 December 2014	31 December 2013
	RMB'000	*RMB'000*
0 – 90 days	**146,446**	173,501
91 – 180 days	**39,655**	66,426
181 – 270 days	**6,500**	16,296
271 – 365 days	**3,300**	1,700
Over 365 days	**20,343**	19,258
	216,244	277,181

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 and note 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 RMB30 million (2013: RMB37 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 and note receivables which are past due but not impaired:

	The Group and the Company	
	31 December 2014	31 December 2013
	RMB'000	*RMB'000*
181 – 270 days	**6,500**	16,296
271 – 365 days	**3,300**	1,700
Over 365 days	**20,343**	19,258
	30,143	37,254

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 2014	31 December 2013
	RMB'000	*RMB'000*
0 – 90 days	**37,519**	16,447
91 – 180 days	**2,208**	–
181 – 270 days	**9,028**	10,207
271 – 365 days	**–**	220
Over 365 days	**12,850**	1,797
Trade payables	**61,605**	28,671
Advance from customers	**184,340**	144,182
Value-added tax payable and other tax payables	**32,800**	25,138
Accrued staff costs and pension	**16,202**	13,396
Accrued expense	**2,119**	2,694
Others	**729**	860
	236,190	186,270
	297,795	214,941

The Company

	31 December 2014 *RMB'000*	31 December 2013 *RMB'000*
0 – 90 days	**37,519**	16,447
91 – 180 days	**2,208**	–
181 – 270 days	**9,028**	10,207
271 – 365 days	**–**	220
Over 365 days	**12,850**	1,405
Trade payables	**61,605**	28,279
Advance from customers	**184,340**	141,682
Value-added tax payable and other tax payables	**32,778**	25,129
Accrued staff costs and pension	**16,202**	13,015
Accrued expense	**2,053**	2,694
Others	**729**	662
	236,102	183,182
	297,707	211,461

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

In the year of 2014, 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 2014 (the "Year"), the Group reported a revenue of approximately RMB1,448,785,000, representing a decrease of approximately 2.59% as compared with the previous year. The gross profit margin decreased from approximately 7% for the year ended 31 December 2013 to approximately 5% for the year ended 31 December 2014. The profit for the year and total comprehensive income for the year attributable to owners of the Company for continuing operations for the year ended 31 December 2014 amounted to approximately RMB91,764,000 (2013: approximately RMB117,517,000) representing a decrease of approximately 22%.

The decline in financial performance of the Group was mainly attributable to the decrease in consumption of gas by certain major industrial customers of the Group as a result of their adoption of measures to reduce the same in response to the two upward price adjustments of natural gas in 2013 and 2014 as directed by the Tianjin Municipal Price Bureau despite the income and revenue generated from the Group's gas connection business has increased as compared to the previous year.

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, sales of gas appliances and gas transportation.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 31 December 2014, 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 2014 was approximately 0.24 as at 31 December 2013: approximately 0.17).

As at 31 December 2014, approximately 100% of the total amount of cash and cash equivalents of the Group was in Renminbi (as at 31 December 2013: 100%).

CONTINGENT LIABILITIES

As at 31 December 2014, the Group had no material contingent liabilities or guarantees.

STAFF AND EMOLUMENT POLICY

As at 31 December 2014, the Group had a workforce of 963 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

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.

- 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.

CONTINUING CONNECTED TRANSACTION IN RELATION TO GAS SUPPLY

On 31 October 2014, the Company and Ltd Jinran Gas entered into new gas supply contracts in respect of renewal of the supply of natural gas by Jinran Gas to the Group for the period from 1 January 2015 to 31 December 2017 (the "New Gas Supply Contracts"). Pursuant to the New Gas Supply Contracts, Jinran Gas agreed to supply to the Company and the Company agreed to purchase from Jinran Gas up to 612.29 million, 673.52 million and 740.87 million cubic metres of natural gas for the years ending 31 December 2015, 31 December 2016 and 31 December 2017 at a price of approximately RMB2.655 per cubic metre (tax excluded, and the price subject to adjustment in accordance with the direction of the Tianjin municipal price bureau from time to time) with an annual cap of RMB1,626 million, RMB1,788 million and RMB1,967 million respectively.

As one or more of the applicable percentage ratios as defined under Rule 14.07 of the Listing Rules for the annual caps for the New Gas Supply Contracts for the year ending 31 December 2015, 31 December 2016 and 31 December 2017 exceed 5%, the New Gas Supply Contracts 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 transactions, please refer to the announcements of the Company dated 31 October 2014 and 30 December 2014 and the circular of the Company dated 12 December 2014.

CONTINUING CONNECTED TRANSACTION IN RELATION TO GAS TRANSPORTATION

On 31 October 2014, Jinran Gas and the Company entered into a gas transportation contract in respect of the renewal of provision of gas transportation services through the gas pipelines owned and managed by the Company for natural gas transmission by Jinran Gas for the period from 1 January 2015 to 31 December 2017 (the"New Gas Transportation Contracts"). In return, Jinran Gas will pay to the Company the Gas Transportation Fees. The Gas Transportation Fees are calculated based on the actual volume of natural gas and actual distance transmitted at RMB0.8 per 1,000 cubic metres per kilometre. The annual caps for the Gas Transportation Fees for the years ending 31 December 2015, 31 December 2016 and 31 December 2017 are RMB13,290,000, RMB15,280,000 and RMB17,570,000 respectively.

As each of the applicable percentage ratios for the caps of the transaction contemplated under the New Gas Supply Contracts is on an annual basis, more than 0.1% but less than 5%, the Gas Supply Contracts are 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 transactions, please refer to the announcement of the Company dated 31 October 2014.

* *For identification purposes only*

CONTINUING CONNECTED TRANSACTION IN RELATION TO GAS PROVISION

On 31 October 2014, Taihua Gas and the Company entered into new gas provision contracts in respect of the supply of natural gas by the Company to Taihua Gas for the period from 1 January 2015 to 31 December 2017 (the"New Gas Provision Contracts"). Pursuant to the New Gas Provision Contracts, the Group has agreed to supply to Taihua Gas and Taihua Gas has agreed to purchase from the Group up to 88.55 million, 97.41 million and 107.15 million cubic metres of natural gas for the year ending 31 December 2015, 31 December 2016 and 31 December 2017 at a price of approximately RMB2.92 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) with an annual cap of RMB259 million, RMB284 million and RMB313 million respectively.

As one or more of the applicable percentage ratios as defined under Rule 14.07 of the Listing Rules for the annual caps for the New Gas Provision Contracts for the year ending 31 December 2015, 31 December 2016 and 31 December 2017 exceed 5%, the New Gas Provision Contracts 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 transactions, please refer to the announcements of the Company dated 31 October 2014 and 30 December 2014 and the circular of the Company dated 12 December 2014.

CONNECTED TRANSACTION IN RELATION TO PURCHASE OF GAS METRES

On 27 November 2014, the Company entered into a 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 20,000 gas metres at an aggregate purchase price of RMB7,000,000 ("Purchase and Sales Agreement").

As one or more of the applicable percentage ratios for the Purchase and Sales Agreement are more than 0.1% but below 5%, the Purchase and Sales Agreement 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 27 November 2014.

DIVIDENDS

No dividend was proposed during 2014, nor has any dividend been proposed since the end of the year ended 31 December 2014 (2013: Nil).

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

During the year ended 31 December 2014, neither the Company nor its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

* *For identification purposes only*

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 Corporate Governance Code (the "Code") contained in Appendix 14 to the Listing Rules during the year ended 31 December 2014.

CORPORATE CHANGES

1. Change of Executive Director and Non-executive Director

Mr. Bai Shao Liang has resigned as the executive Director with effect from 3 November 2014 owing to work reallocation. The appointment of Ms. Wang Wen Xia as an executive Director has been approved by the Shareholders at the extraordinary general meeting held on 3 November 2014 to fill the vacancy.

Mr. Wang Zhi Yong has resigned as the non-executive Director with effect from 3 November 2014 owing to work reallocation. The appointment of Mr. Li Da Chuan as a non-executive Director has been approved by the Shareholders at the extraordinary general meeting held on 3 November 2014 to fill the vacancy.

IMPORTANT EVENT(S) AFTER REPORTING PERIOD

On 13 March 2015, the Company entered into an installation service agreement (the "Installation Service Agreement") with 天津市益銷燃氣工程發展有限公司 (Tianjin Yixiao Construction Development Limited*) ("Tianjin Yixiao"), which is owned as to 75% by 天津市眾元天然氣工程有限公司 (Tianjin Zhongyuan Natural Gas Engineering Limited*, which is in turn owned as to 85.99% by Tianjin Gas) and 25% by 天津市允孚燃氣科貿有限公司 (Tianjin Yunfu Natural Gas Trade Limited*, which is in turn owned as to 87.5% by Tianjin Gas), pursuant to which Tianjin Yixiao agreed to provide installation services of indoor gas meters in Tianjin at a consideration of RMB12,800,000.

As one or more of the applicable percentage ratios (other than the profit ratio) for the Installation Services Agreement are more than 0.1% but below 5%, the Installation Services Agreement 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 13 March 2015.

* *For identification purposes only*

AUDIT COMMITTEE

The Company has established an audit committee (the "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, namely, Professor Zhang Yu Li, Mr. Luo Wei Kun and Mr. Tam Tak Kei, Raymond. The Audit Committee has reviewed this announcement and the results for the Year.

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 2014 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.

On behalf of the Board
Tianjin Jinran Public Utilities Company Limited
Zhang Tian Hua
Chairman

Tianjin, PRC, 31 March 2015

As at the date of this announcement, the Board comprises 5 executive Directors, namely Mr. Zhang Tian Hua (Chairman), Ms. Tang Jie, Ms. Wang Wen Xia, Mr. Zhang Guo Jian and Mr. Hou Shuang Jiang, 1 non-executive Director, namely Mr. Li Da Chuan, and 3 independent non-executive Directors, namely Professor Zhang Yu Li, Mr. Luo Wei Kun and Mr. Tam Tak Kei, Raymond.