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)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2020

HIGHLIGHTS

- Revenue of approximately RMB676,489,000 was recorded for the six months ended 30 June 2020.
- Gross loss of approximately RMB65,000 was recorded for the six months ended 30 June 2020.
- Net profit of approximately RMB1,684,000 was recorded for the six months ended 30 June 2020.
- The Board does not propose an interim dividend for the six months ended 30 June 2020.

RESULTS

The board (the "Board") of directors (the "Directors") of Tianjin Jinran Public Utilities Company Limited (the "Company") is pleased to present the unaudited results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2020 (the "Period") together with the unaudited comparative figures for the six months ended 30 June 2019 as follows:

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2020

Renminbi Yuan

	Note IV	**30 June 2020 (Unaudited)**	31 December 2019 (Audited)
ASSETS			
CURRENT ASSETS			
Cash and bank balances		**936,307,594.04**	801,489,613.57
Held-for-trading financial assets	*1*	**–**	402,665,901.82
Trade receivables	*2*	**267,359,115.69**	257,408,694.41
Receivables financing	*3*	**57,833,855.80**	74,681,820.20
Prepayments		**1,474,691.25**	1,858,248.24
Other receivables		**1,136,099.07**	2,301,073.75
Inventories	*4*	**4,988,427.53**	5,045,314.04
Other current assets		**17,978,903.02**	31,688,149.81
Total current assets		**1,287,078,686.40**	1,577,138,815.84
NON-CURRENT ASSETS			
Long-term equity investments		**48,509,872.21**	49,157,852.84
Fixed assets	*5*	**840,440,091.02**	865,647,024.18
Construction in progress	*6*	**2,913,728.81**	2,913,728.81
Intangible assets		**11,191,875.34**	11,368,940.78
Deferred tax assets		**31,365,677.77**	31,958,589.99
Total non-current assets		**934,421,245.15**	961,046,136.60
TOTAL ASSETS		**2,221,499,931.55**	2,538,184,952.44

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
30 June 2020
Renminbi Yuan

	Note IV	**30 June 2020 (Unaudited)**	31 December 2019 (Audited)
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES			
Trade payables	*7*	**97,988,333.89**	395,694,120.33
Contract liabilities		**201,595,904.70**	194,167,667.39
Employee benefits payable		**4,233,968.40**	16,943,843.27
Taxes payable	*8*	**19,974,872.30**	41,767,220.60
Other payables		**23,630,670.53**	24,483,281.26
Total current liabilities		**347,423,749.82**	673,056,132.85
NON-CURRENT LIABILITIES			
Deferred income		**104,634,463.48**	107,083,734.91
Total non-current liabilities		**104,634,463.48**	107,083,734.91
Total liabilities		**452,058,213.30**	780,139,867.76
SHAREHOLDERS' EQUITY			
Share capital		**183,930,780.00**	183,930,780.00
Capital reserve		**790,332,352.18**	790,332,352.18
Specialised reserve		**9,995,507.72**	282,870.77
Surplus reserve		**128,078,287.68**	127,472,293.73
Retained earnings		**661,844,704.99**	660,737,707.61
Total equity attributable to shareholders of the Parent		**1,774,181,632.57**	1,762,756,004.29
Non-controlling interests		**(4,739,914.32)**	(4,710,919.61)
Total shareholders' equity		**1,769,441,718.25**	1,758,045,084.68
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**2,221,499,931.55**	2,538,184,952.44

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2020
Renminbi Yuan

	Note IV	For the six months ended 30 June 2020 (Unaudited)	For the six months ended 30 June 2019 (Unaudited)
Revenue	9	**676,488,965.42**	778,935,036.73
Less: Cost of sales	9	**675,076,234.74**	788,412,984.58
Taxes and surcharges		**1,477,654.97**	2,208,163.41
Administrative expenses		**11,902,616.85**	14,319,277.76
Finance costs	10	**(7,631,964.45)**	(10,047,216.62)
including: interest income		**7,828,623.34**	10,275,884.26
Add: Other income	11	**7,070,694.65**	6,521,897.13
Investment income	12	**3,509,790.82**	12,958,082.10
including: share of profit/(loss) of an associate		**(901,567.63)**	3,372,876.62
Credit impairment losses		**(77,622.55)**	198,250.41
Operating profit		**6,167,286.23**	3,720,057.24
Add: Non-operating income		**633.81**	11,046.34
Less: Non-operating expenses		**295,700.14**	181,548.35
Total profit		**5,872,219.90**	3,549,555.23
Less: Income tax expense	13	**4,188,223.28**	1,777,873.96
Net profit		**1,683,996.62**	1,771,681.27
Classified by continuity of operations			
Profit from continuing operations		**1,683,996.62**	1,771,681.27
Classified by ownership			
Profit attributable to shareholders of the Parent		**1,712,991.33**	1,996,055.72
Profit attributable to non-controlling interests		**(28,994.71)**	(224,374.45)
Other comprehensive income, net of tax		**–**	–
Total comprehensive income		**1,683,996.62**	1,771,681.27
Including:			
Total comprehensive income attributable to shareholders of the Parent		**1,712,991.33**	1,996,055.72
Total comprehensive income attributable to non-controlling interests		**(28,994.71)**	(224,374.45)
Earnings per share (RMB/Share)	15		
Basic		**0.001**	0.001
Diluted		**0.001**	0.001

I. Basic Information

Tianjin Jinran Public Utilities Company Limited (the "Company"), formerly named Tianjin Tianlian Public Utilities Company Limited (天津天聯公用事業股份有限公司), is a joint stock limited company registered in Tianjin, the People's Republic of China (the "PRC") on 16 December 1998. The Company's overseas listed foreign shares ("H Shares") were listed on the Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The Company's office address and headquarters is located at No.18 Zhengzhou Road, Heping District, Tianjin.

The Company's original registered capital was RMB2 million. Pursuant to a resolution of the shareholders' meeting passed on 26 November 2001, the registered capital of the Company was increased from RMB2,000,000.00 to RMB2,849,618.00 with a premium of RMB19,150,382.00 by contribution from existing shareholders and new investors.

Pursuant to a resolution passed on 12 December 2001, the registered capital of the Company was increased from RMB2,849,618.00 to RMB69,500,000.00, divided into 69,500,000 Domestic Shares of RMB1 each, by capitalisation of reserves of the Company as at 30 November 2001. Such transformation of the Company was approved by 津股批[2001]22號《關於同意天津市天聯天然氣有限公司整體變更為天津天聯公用事業股份有限公司的批復》issued by Tianjin Municipal Government on 26 December 2001.

Pursuant to a resolution of the shareholders' meeting passed on 28 August 2002, each of Domestic Shares of RMB1 was sub-divided into 10 Domestic Shares of RMB0.1 each. The registered capital of the Company after the sub-division of shares was 695 million Domestic Shares of RMB0.1 each.

The Company issued 300,000,000 H Shares and converted 30,000,000 Domestic Shares into H Shares by way of placing for listing of H Shares on the Growth Enterprise Market (the "GEM") of the Stock Exchange on 9 January 2004. The Company received net proceeds, after deducting all relevant share issue expenses, of RMB64,667,255.43 from the new issue of shares by way of public offer and placing (including share capital of RMB33,000,000.00 and share premium of RMB31,667,255.43).

On 18 April 2005, Tianjin Leason Investment Group Company Limited (天津聯盛投資集團有限公司) ("Leason") and Tianjin Gas Group Company Limited (天津市燃氣集團有限公司) ("Tianjin Gas") entered into a share transfer agreement in relation to the sale of 174,125,000 Domestic Shares (representing 17.5% of the total issued share capital of the Company) by Leason to Tianjin Gas at a price of RMB0.23 per share amounting to a total consideration of RMB40,048,750.00.

On 28 December 2005, Leason and Tianjin Wanshun Real Estate Company Limited (天津市萬順置業有限公司) ("Tianjin Wanshun") entered into a share transfer agreement in relation to the sale of 220,025,000 Domestic Shares (representing 22.31% of the total issued share capital of the Company) by Leason to Tianjin Wanshun at a price of RMB0.29 per share amounting to a total consideration of RMB63,807,250.00. On the same day, Ms. Liang Jingqi and Tianjin Wanshun entered into a share transfer agreement in relation to the sale of 13,900,000 Domestic Shares (representing 1.40% of the total issued share capital of the Company) by Ms. Liang to Tianjin Wanshun at a price of RMB0.29 per share amounting to a total consideration of RMB4,031,000.00.

On 29 May 2007, as approved by the Ministry of Commerce of the People's Republic of China, the Company changed to a foreign investment limited liability company. The Company obtained the certificate of approval and the business licence on 4 June 2007 and 2 August 2007, respectively.

I. Basic Information (Continued)

On 13 March 2008, the Company issued 154,600,000 H Shares at a price of HKD1.90 per share (par value of RMB0.10 each) and converted 15,460,000 Domestic Shares into H Shares by way of placing of new shares on the GEM. The Company received net proceeds, after deducting all relevant share issue expenses, of RMB253,009,696.34 (including share capital of RMB17,006,000.00 and the premium of RMB236,003,696.34).

Pursuant to the announcement of the Company dated on 5 October 2009, the Company entered into an Assets Acquisition Agreement with Tianjin Gas, pursuant to which the Company conditionally agreed to acquire assets from Tianjin Gas. To satisfy the consideration, the Company issued 689,707,800 Domestic Shares (par value of RMB0.10 each) to Tianjin Gas on 7 April 2011 and the transaction was completed on 11 April 2011. The Domestic Shares enjoy equal interests as that of the H Shares. Upon the completion of the transaction, the total issued share capital of the Company increased to RMB183.93 million.

The Company's listing has been transferred from the GEM to the Main Board of the Stock Exchange since 18 October 2011.

Pursuant to a resolution passed 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 licence 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.

On 1 September 2014, Tianjin Gas and Tianjin Wanshun entered into a share transfer agreement for the transfer of 235,925,000 Domestic Shares (representing 12.82% of the total issued share capital of the Company) by Tianjin Wanshun to Tianjin Gas at a price of RMB0.50 per share amounting to a total consideration of RMB117,962,500.00. The share transfer was completed on 11 February 2015. Since then, Tianjin Gas held 64.12% of the total issued share capital of the Company, and Tianjin Wanshun was no longer the shareholder of the Company.

On 16 October 2014, Tianjin Gas and Tianjin Beacon Coatings Company Limited（天津燈塔塗料有限公司）("Beacon Coatings") entered into a share transfer agreement for the transfer of 118,105,313 Domestic Shares (representing 6.42% of the total issued share capital of the Company) by Beacon Coatings to Tianjin Gas at nil consideration, subject to the obtaining of the approvals from the relevant government authorities. The share transfer was completed on 20 June 2016, upon the completion of the registration procedures of the share transfer, Tianjin Gas held 70.54% of the total issued share capital of the Company, and Beacon Coatings was no longer the shareholder of the Company.

Pursuant to the announcement of the Company dated on 13 January 2015, the registration of the transfer of all equity interests in Tianjin Gas held by the State-owned Assets Supervision Commission of Tianjin Municipal Government to Tianjin Energy Investment Company Limited（天津能源投資集團有限公司）("Tianjin Energy") has been completed. Immediately following the completion of the aforesaid equity transfer, the Company's holding company became Tianjin Gas, the Company's ultimate holding company became Tianjin Energy, and all shares were held by the State-owned Assets Supervision Commission of Tianjin Municipal Government.

I. Basic Information (Continued)

Pursuant to the announcement of the Company dated on 1 April 2020, the registration of the transfer of all equity interests in Tianjin Energy held by the State-owned Assets Supervision Commission of Tianjin Municipal Government to Tianjin State-owned Capital Investment Management Co., Ltd.（天津國有資本投資運營有限公司）(“Tianjin Investment Capital”) has been completed. Immediately following the completion of the aforesaid equity transfer, the Company’s holding company became Tianjin Gas, the Company’s ultimate holding company became Tianjin Investment Capital, and all shares were held by the State-owned Assets Supervision Commission of Tianjin Municipal Government.

The principal activities of the Company and its subsidiaries (collectively referred to as the “Group”) are the sale and distribution of piped gas, the lease of pipelines, the operation and management of gas pipeline infrastructure, the sale and installation of gas appliances, investment, operation of urban gas (subject to obtaining a valid qualification certificate), import and export according to the state regulations for enterprises, pipeline project, investment consultation, mining investment, the lease of self-owned buildings and the lease of facilities of gas stations.

These financial statements were approved and authorised for issue by the board of directors of the Company on 28 August 2020.

II. Basis of Preparation of the Financial Statements

The interim financial statements have been prepared in accordance with “Accounting Standards for Business Enterprises No. 32 – Interim Financial Reporting” issued by the Ministry of Finance, thus they do not include all the information and disclosures in the audited financial statements for the year ended 2019. The accounting policies adopted in these financial statements are consistent with the accounting policies adopted by the Group in preparing the 2019 annual financial statements. The interim financial statements should be read together with the financial statements of the Group for the year ended 2019 prepared pursuant to the accounting standards for business enterprises.

The financial statements have been prepared on a going concern basis.

The financial statements are prepared under the historical cost convention, except for certain financial instruments. If the assets are impaired, corresponding provisions for impairment shall be made according to relevant rules.

III. Taxes

1. Major categories of taxes and respective tax rates

Value-added tax (VAT)	–	The Group's revenue from sales of piped gas, gas connection and gas transportation and rent is taxable to output VAT at a tax rate of 9% and other revenues are taxable to output VAT at a tax rate of 13% which was levied after deducting deductible input VAT for the current period.
City maintenance and construction tax	–	It is levied at 7% on the turnover taxes paid.
Education supplementary tax	–	It is levied at 3% on the turnover taxes paid.
Local education supplementary tax	–	It is levied at 2% on the turnover taxes paid.
Corporate income tax	–	Corporate income tax is levied at 25% on the taxable profit.

IV. Notes to Key Items of the Consolidated Financial Statements

1. Held-for-trading financial assets

	30 June 2020 (Unaudited)	31 December 2019 (Audited)
Financial assets measured at fair value through profit or loss		
Structured deposits	–	402,665,901.82
	–	402,665,901.82

At 30 June 2020, the Group had no structured deposits with guaranteed principals, variable returns and not redeemable before the maturity date (31 December 2019: the Group purchased structured deposits amounting to RMB402,665,901.82 issued by 平安銀行 and 民生銀行, respectively, with guaranteed principals, variable returns and not redeemable before the maturity date by the Group. As the expected annual return rates of these structured deposits are linked to variable which was 3-month USD LIBOR interest rate announced by Reuters and maturity periods are within 120 days, these structured deposits are classified as financial assets measured at fair value through profit or loss and presented as held-for-trading financial assets).

IV. Notes to Key Items of the Consolidated Financial Statements (Continued)

2. Trade receivables

The credit period of trade receivables is usually 90 to 180 days. The trade receivables bear no interest.

The ageing of trade receivables based on the invoice date is analysed below:

	30 June 2020 (Unaudited)	31 December 2019 (Audited)
Within 1 year	**267,994,031.49**	255,400,003.03
1 to 2 years	**316,345.21**	2,136,345.85
2 to 3 years	**1,704,256.90**	2,431,160.96
Over 3 years	**8,926,747.12**	8,945,827.05
	278,941,380.72	268,913,336.89
Less: Provision for bad debts of trade receivables	**11,582,265.03**	11,504,642.48
	267,359,115.69	257,408,694.41

The category of trade receivables is analysed below:

	30 June 2020 (Unaudited)					31 December 2019 (Audited)				
	Gross carrying amount		**Provision for bad debts**		**Net carrying amount**	Gross carrying amount		Provision for bad debts		Net carrying amount
	Amount	**Percentage (%)**	**Amount**	**Accruing percentage (%)**		Amount	Percentage (%)	Amount	Accruing percentage (%)	
Provision for bad debts on individual basis	**10,998,905.12**	**3.9**	**10,998,905.12**	**100.0**	**–**	10,933,947.12	4.1	10,933,947.12	100.0	–
Provision for bad debts by credit risk characteristic group	**267,942,475.60**	**96.1**	**583,359.91**	**0.2**	**267,359,115.69**	257,979,389.77	95.9	570,695.36	0.2	257,408,694.41
	278,941,380.72	**100.0**	**11,582,265.03**	**4.2**	**267,359,115.69**	268,913,336.89	100.0	11,504,642.48	4.3	257,408,694.41

The provision for bad debts of trade receivables by credit risk characteristic group are as follows:

	30 June 2020 (Unaudited)			31 December 2019 (Audited)		
	Estimated carrying amount arising from default	**Expected credit loss rate (%)**	**Lifetime expected credit losses**	Estimated carrying amount arising from default	Expected credit loss rate (%)	Lifetime expected credit loss
1 to 6 months	**256,387,193.28**	**–**	**–**	250,721,670.74	–	–
6 months to 1 year	**11,511,880.21**	**5.0%**	**575,594.01**	4,678,332.29	5.0%	233,916.61
1 to 2 years	**9,145.21**	**10.0%**	**914.52**	1,829,145.85	10.0%	182,914.59
2 to 3 years	**34,256.90**	**20.0%**	**6,851.38**	731,160.96	20.0%	146,232.19
Over 3 years	**–**	**40.0%**	**–**	19,079.93	40.0%	7,631.97
	267,942,475.60	**0.2%**	**583,359.91**	257,979,389.77	0.2%	570,695.36

IV. Notes to Key Items of the Consolidated Financial Statements (Continued)

2. Trade receivables (Continued)

The movements in the provision for bad debts of trade receivables are as follows:

	Opening balance	Provision for the period/year	Reversal during the period/year	Closing balance
30 June 2020 (Unaudited)	**11,504,642.48**	**107,622.55**	**(30,000.00)**	**11,582,265.03**
31 December 2019 (Audited)	15,756,852.43	715,800.55	(4,968,010.50)	11,504,642.48

For the six months ended 30 June 2020, the Group provided bad debts of RMB107,622.55 (2019: RMB715,800.55), and reversed bad debts of RMB30,000.00 (2019: RMB4,968,010.50).

3. Receivables financing

	30 June 2020 (Unaudited)	31 December 2019 (Audited)
Bank acceptance bills receivable	**57,833,855.80**	74,681,820.20
	57,833,855.80	74,681,820.20

4. Inventories

	30 June 2020 (Unaudited)	31 December 2019 (Audited)
Gas	**185,394.62**	185,446.10
Gas appliances	**4,803,032.91**	4,859,867.94
	4,988,427.53	5,045,314.04

As at 30 June 2020, the management of the Group considered that, there was no provision for impairment of inventories (31 December 2019: Nil).

IV. Notes to Key Items of the Consolidated Financial Statements (Continued)

5. Fixed assets

The Group had no fixed assets pending for disposal.

For the six months ended 30 June 2020 (Unaudited)

	Buildings	Pipelines	Machinery	Vehicles	Electronics, furniture and fixtures	Mining structures	Total
Cost							
Opening balance	48,957,958.58	1,220,969,204.02	146,401,358.32	6,373,151.43	8,917,314.76	4,558,482.24	1,436,177,469.35
Purchase	33,033.02	1,244,550.70	744,453.87	–	1,230,705.40	–	3,252,742.99
Transferred from construction in progress	–	–	–	–	–	–	–
Disposal or scrap	–	–	–	171,110.00	–	–	171,110.00
Closing balance	48,990,991.60	1,222,213,754.72	147,145,812.19	6,202,041.43	10,148,020.16	4,558,482.24	1,439,259,102.34
Accumulated depreciation							
Opening balance	14,514,788.64	491,438,746.08	43,498,897.76	5,088,188.40	5,364,452.63	2,747,063.24	562,652,136.75
Provision	567,525.31	23,974,101.27	3,369,922.34	168,093.43	362,922.80	–	28,442,565.15
Disposal or scrap	–	–	–	153,999.00	–	–	153,999.00
Closing balance	15,082,313.95	515,412,847.35	46,868,820.10	5,102,282.83	5,727,375.43	2,747,063.24	590,940,702.90
Impairment provision							
Opening balance	–	–	5,994,508.25	59,716.88	12,664.29	1,811,419.00	7,878,308.42
Provision	–	–	–	–	–	–	–
Disposal or scrap	–	–	–	–	–	–	–
Closing balance	–	–	5,994,508.25	59,716.88	12,664.29	1,811,419.00	7,878,308.42
Net carrying amount							
At end of the period	33,908,677.65	706,800,907.37	94,282,483.84	1,040,041.72	4,407,980.44	–	840,440,091.02
At beginning of the period	34,443,169.94	729,530,457.94	96,907,952.31	1,225,246.15	3,540,197.84	–	865,647,024.18

IV. Notes to Key Items of the Consolidated Financial Statements (Continued)

5. Fixed assets (Continued)

2019 (Audited)

	Buildings	Pipelines	Machinery	Vehicles	Electronics, furniture and fixtures	Mining structures	Total
Cost							
Opening balance	47,625,639.54	1,182,893,579.77	110,631,678.86	6,663,677.49	8,614,081.18	4,558,482.24	1,360,987,139.08
Purchase	–	1,710,844.26	36,298,420.10	20,041.94	1,238,889.71	–	39,268,196.01
Transferred from construction in progress	1,332,319.04	43,140,669.22	107,398.19	–	12,800.00	–	44,593,186.45
Disposal or scrap	–	6,775,889.23	636,138.83	310,568.00	948,456.13	–	8,671,052.19
Closing balance	48,957,958.58	1,220,969,204.02	146,401,358.32	6,373,151.43	8,917,314.76	4,558,482.24	1,436,177,469.35
Accumulated depreciation							
Opening balance	13,408,016.99	446,657,592.33	39,905,475.64	4,989,458.62	5,724,815.37	2,747,063.24	513,432,422.19
Provision	1,106,771.65	45,797,276.07	4,090,415.01	378,240.98	493,467.73	–	51,866,171.44
Disposal or scrap	–	1,016,122.32	496,992.89	279,511.20	853,830.47	–	2,646,456.88
Closing balance	14,514,788.64	491,438,746.08	43,498,897.76	5,088,188.40	5,364,452.63	2,747,063.24	562,652,136.75
Impairment provision							
Opening balance	–	–	5,994,508.25	59,716.88	12,664.29	1,811,419.00	7,878,308.42
Provision	–	–	–	–	–	–	–
Disposal or scrap	–	–	–	–	–	–	–
Closing balance	–	–	5,994,508.25	59,716.88	12,664.29	1,811,419.00	7,878,308.42
Net carrying amount							
At end of the year	34,443,169.94	729,530,457.94	96,907,952.31	1,225,246.15	3,540,197.84	–	865,647,024.18
At beginning of the year	34,217,622.55	736,235,987.44	64,731,694.97	1,614,501.99	2,876,601.52	–	839,676,408.47

As at 30 June 2020, the Group had no fixed assets pending certificates of property ownership (31 December 2019: Nil).

IV. Notes to Key Items of the Consolidated Financial Statements (Continued)

5. Fixed assets (Continued)

Fixed assets leased out under an operating lease are as follows:

For the six months ended 30 June 2020 (Unaudited)

	Pipelines	**Total**
Cost		
Opening balance	**153,025,579.72**	**153,025,579.72**
Purchase	**–**	**–**
Transferred from construction in progress	**–**	**–**
Disposal or scrap	**–**	**–**
Closing balance	**153,025,579.72**	**153,025,579.72**
Accumulated depreciation		
Opening balance	**43,915,206.38**	**43,915,206.38**
Provision	**2,271,221.76**	**2,271,221.76**
Disposal or scrap	**–**	**–**
Closing balance	**46,186,428.14**	**46,186,428.14**
Impairment provision		
Opening balance	**–**	**–**
Provision	**–**	**–**
Disposal or scrap	**–**	**–**
Closing balance	**–**	**–**
Net carrying amount		
At end of the period	**106,839,151.58**	**106,839,151.58**
At beginning of the period	**109,110,373.34**	**109,110,373.34**

IV. Notes to Key Items of the Consolidated Financial Statements (Continued)

5. Fixed assets (Continued)

Fixed assets leased out under an operating lease are as follows: (Continued)

2019 (Audited)

	Pipelines	Total
Cost		
Opening balance	153,025,579.72	153,025,579.72
Purchase	–	–
Transferred from construction in progress	–	–
Disposal or scrap	–	–
Closing balance	153,025,579.72	153,025,579.72
Accumulated depreciation		
Opening balance	39,372,762.86	39,372,762.86
Provision	4,542,443.52	4,542,443.52
Disposal or scrap	–	–
Closing balance	43,915,206.38	43,915,206.38
Impairment provision		
Opening balance	–	–
Provision	–	–
Disposal or scrap	–	–
Closing balance	–	–
Net carrying amount		
At end of the year	109,110,373.34	109,110,373.34
At beginning of the year	113,652,816.86	113,652,816.86

IV. Notes to Key Items of the Consolidated Financial Statements (Continued)

6. Construction in progress

The Group had no construction materials.

Construction in progress

	30 June 2020 (Unaudited)			31 December 2019 (Audited)		
	Gross carrying amount	**Provision for impairment**	**Carrying amount**	Gross carrying amount	Provision for impairment	Carrying amount
Buildings	**2,138,040.00**	**–**	**2,138,040.00**	2,138,040.00	–	2,138,040.00
Gas stations and others	**1,810,688.81**	**(1,035,000.00)**	**775,688.81**	1,810,688.81	(1,035,000.00)	775,688.81
Mines	**408,920.27**	**(408,920.27)**	**–**	408,920.27	(408,920.27)	–
	4,357,649.08	**(1,443,920.27)**	**2,913,728.81**	4,357,649.08	(1,443,920.27)	2,913,728.81

The movements of construction in progress for the six months ended 30 June 2020 (Unaudited) are as follows:

	Opening balance	**Addition**	**Transferred to fixed assets**	**Other transfer out**	**Closing balance**
Buildings	**2,138,040.00**	**–**	**–**	**–**	**2,138,040.00**
Gas station and others	**1,810,688.81**	**–**	**–**	**–**	**1,810,688.81**
Mines	**408,920.27**	**–**	**–**	**–**	**408,920.27**
	4,357,649.08	**–**	**–**	**–**	**4,357,649.08**

The movements of construction in progress in 2019 (Audited) are as follows:

	Opening balance	Addition	Transferred to fixed assets	Other transfer out	Closing balance
Buildings	2,138,040.00	–	–	–	2,138,040.00
Pipeline reconstruction	–	38,947,087.76	34,379,599.06	4,567,488.70	–
Gas stations and others	1,788,025.93	10,236,250.27	10,213,587.39	–	1,810,688.81
Connecting pipe renovation	–	811,548.17	–	811,548.17	–
Mines	408,920.27	–	–	–	408,920.27
	4,334,986.20	49,994,886.20	44,593,186.45	5,379,036.87	4,357,649.08

IV. Notes to Key Items of the Consolidated Financial Statements (Continued)

7. Trade payables

The trade payables are non-interest-bearing and generally have an average payment term of 60 days.

The ageing of trade payables based on the invoice date is analysed below:

	30 June 2020 (Unaudited)	31 December 2019 (Audited)
Within 1 year	**59,741,707.28**	333,394,586.93
1 to 2 years	**29,579,321.51**	47,576,765.50
Over 2 years	**8,667,305.10**	14,722,767.90
	97,988,333.89	395,694,120.33

8. Taxes payable

	30 June 2020 (Unaudited)	31 December 2019 (Audited)
Value-added tax	**19,105,408.50**	40,532,792.44
Others	**869,463.80**	1,234,428.16
	19,974,872.30	41,767,220.60

9. Revenue and cost of sales

	For the six months ended 30 June 2020 (Unaudited)		For the six months ended 30 June 2019 (Unaudited)	
	Revenue	**Cost of sales**	Revenue	Cost of sales
Principal operations	**676,488,965.42**	**675,076,234.74**	778,935,036.73	788,412,984.58
	676,488,965.42	**675,076,234.74**	778,935,036.73	788,412,984.58

9. Revenue and cost of sales (Continued)

Revenue is stated as follows:

	For the six months ended 30 June 2020 (Unaudited)	For the six months ended 30 June 2019 (Unaudited)
Revenue from contracts with customers	**673,736,671.84**	776,207,764.01
Rentals	**2,752,293.58**	2,727,272.72
	676,488,965.42	778,935,036.73

Disaggregation of revenue from contracts with customers is as follows:

	For the six months ended 30 June 2020 (Unaudited)
Revenue recognition	
Revenue recognised at a point in time	
Sales of piped gas	**660,675,464.69**
Sales of gas appliances and others	**307,199.97**
Revenue recognised over time	
Gas connection income	**11,464,042.82**
Gas transportation	**1,289,964.36**
	673,736,671.84

	For the six months ended 30 June 2019 (Unaudited)
Revenue recognition	
Revenue recognised at a point in time	
Sales of piped gas	755,833,014.07
Sales of gas appliances and others	3,261,153.19
Revenue recognised over time	
Gas connection income	15,587,249.23
Gas transportation	1,526,347.52
	776,207,764.01

IV. Notes to Key Items of the Consolidated Financial Statements (Continued)

9. Revenue and cost of sales (Continued)

Revenue recognised that was included in contract liabilities at the beginning of the period:

	For the six months ended 30 June 2020 (Unaudited)	For the six months ended 30 June 2019 (Unaudited)
Sales of piped gas	**96,645,915.38**	108,894,122.72
Gas connection income	**9,360,150.58**	12,666,408.02
Sales of gas appliances and others	**172,194.69**	3,188,619.47
	106,178,260.65	124,749,150.21

Information about the Group's performance obligations is summarised below:

Sales of piped gas

The performance obligation is satisfied upon delivery of the products and payment is generally due within 90 to 180 days from delivery with respect to large scale industrial and commercial customers. For other customers, payment in advance is normally required.

Sales of gas appliances and others

The performance obligation is satisfied upon delivery of the products and short-term advances are normally required before delivering the products.

Gas connection

The performance obligation is satisfied over time as services are rendered and short-term advances are normally required before rendering the services.

Gas transportation

The performance obligation is satisfied over time as services are rendered and the payment is generally due within 90 to 180 days from the date of rendering the services.

As at 30 June 2020, the transaction price allocated to the remaining performance obligation was RMB200,861,712.15 and the Group will recognise this revenue in future upon delivery of the products or when gas connection being completed.

IV. Notes to Key Items of the Consolidated Financial Statements (Continued)

10. Finance costs

	For the six months ended 30 June 2020 (Unaudited)	For the six months ended 30 June 2019 (Unaudited)
Interest income	**(7,828,623.34)**	(10,275,884.26)
Others	**196,658.89**	228,667.64
	(7,631,964.45)	(10,047,216.62)

All the interest income of the Group is generated from current deposits, time deposits and seven-day notice deposits.

11. Other income

	For the six months ended 30 June 2020 (Unaudited)	For the six months ended 30 June 2019 (Unaudited)
Government grants related to daily operation	**7,070,694.65**	6,521,897.13
	7,070,694.65	6,521,897.13

Government grants related to daily operation:

	For the six months ended 30 June 2020 (Unaudited)	For the six months ended 30 June 2019 (Unaudited)	**Relevant to asset/income**
Tax refund *(Note 1)*	**4,203,766.24**	1,630,040.62	Income
Deferred income *(Note 2)*	**2,449,271.43**	2,402,600.51	Asset/income
Others *(Note 3)*	**417,656.98**	2,489,256.00	Income
	7,070,694.65	6,521,897.13	

IV. Notes to Key Items of the Consolidated Financial Statements (Continued)

11. Other income (Continued)

Government grants related to daily operation: (Continued)

Note 1: According to <南政發(1998)54號> issued by the General Office of Changqing Science, Industry & Trade Zone in Jinnan District, Tianjin, the Group is eligible for tax preferential treatment. The Group recognised the refund of CIT, IIT and VAT actually received according to the government preferential policy of RMB4,203,766.24 (for the six months ended 30 June 2019: RMB1,630,040.62).

Note 2: The deferred income represented government grants related to the Group's daily operation and pipelines reconstruction projects.

Note 3: The Group received a subsidy from Human Resources and Social Security Bureau of Heping District, Tianjin for job stabilization of RMB417,656.98 (for the six months ended 30 June 2019: the Group received a subsidy from Chadian Street agency of People's Government of Tianjin Binhai New Area for the project of the shift from coal to gas of Tianjin Chadian Street of RMB2,489,256.00).

12. Investment income

	For the six months ended 30 June 2020 (Unaudited)	For the six months ended 30 June 2019 (Unaudited)
Income/(loss) from long-term equity investments under the equity method	**(901,567.63)**	3,372,876.62
Income from held-for-trading financial assets held	**4,411,358.45**	9,585,205.48
	3,509,790.82	12,958,082.10

13. Income tax expense

	For the six months ended 30 June 2020 (Unaudited)	For the six months ended 30 June 2019 (Unaudited)
Current income tax expense	**3,595,311.06**	724,481.22
Deferred tax expense	**592,912.22**	1,053,392.74
	4,188,223.28	1,777,873.96

IV. Notes to Key Items of the Consolidated Financial Statements (Continued)

13. Income tax expense (Continued)

The reconciliation from total profit to income tax expense is as follows:

	For the six months ended 30 June 2020 (Unaudited)	For the six months ended 30 June 2019 (Unaudited)
Total profit	**5,872,219.90**	3,549,555.23
Income tax expense at statutory or applicable tax rate *(note 1)*	**1,468,054.97**	887,388.81
Income not subject to tax	**–**	(843,219.16)
Investment loss not deductible for tax	**225,391.91**	–
Expenses not deductible for tax	**2,435,462.78**	1,512,565.52
Adjustments in respect of current tax of previous periods	**(1,620.53)**	(1,620.53)
Deductible temporary differences and tax losses not recognised	**60,934.15**	222,759.32
Tax expense at the Group's effective tax rate	**4,188,223.28**	1,777,873.96

Note 1: The income tax of the Group is calculated based on the estimated taxable income gained in China and the applicable tax rate.

14. Dividend

The Directors of the Company do not recommend an interim dividend for the six months ended 30 June 2020.

15. Earnings per share

	For the six months ended 30 June 2020 (Unaudited) RMB/Share	For the six months ended 30 June 2019 (Unaudited) RMB/Share
Basic earnings per share		
Continuing operations	**0.001**	0.001
Diluted earnings per share		
Continuing operations	**0.001**	0.001

The calculation of basic earnings per share is based on the net profit for the period attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares in issue. The number of newly issued ordinary shares is determined according to the specific terms of the issue contract and calculated from the date of consideration receivable (normally the stock issue date).

IV. Notes to Key Items of the Consolidated Financial Statements (Continued)

15. Earnings per share (Continued)

The calculation of the basic earnings per share and diluted earnings per share is as follows:

	For the six months ended 30 June 2020 (Unaudited)	For the six months ended 30 June 2019 (Unaudited)
Earnings		
Net profit for the period attributable to ordinary shareholders of the Company	**1,712,991.33**	1,996,055.72
Shares		
Weighted average number of ordinary shares in issue of the Company	**1,839,307,800.00**	1,839,307,800.00

The Company did not have potentially dilutive ordinary shares as at the date of approval of the financial statements.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The outbreak of the Novel Coronavirus Disease ("COVID-19") has certainly created a challenging environment for the Group's business in the first half of 2020. For the six months ended 30 June 2020, in order to maintain the sustainable development of the Group, the Board and the management have committed to, on one hand, developing new markets, and as the consumption of original users decreases, explore new users and, on the other hand, enhancing internal control and cost management, as well as taking the initiative to optimise its management in business development, daily operations and compliance matters.

FINANCIAL REVIEW

For the Period, the Group reported a revenue of approximately RMB676,489,000 (for the six months ended 30 June 2019: approximately RMB778,935,000), representing a decrease of approximately 13% as compared with the corresponding period of last year. The gross profit margin increased from approximately 1.50% loss for the six months ended 30 June 2019 to approximately 0.01% loss for the Period. Profit before tax from continuing operations of the Group amounted to approximately RMB5,872,000 (for the six months ended 30 June 2019: approximately RMB3,550,000), representing an increase of approximately 65%.

The financial performance of the Group during the period was mixed. The main reasons for the decrease in the Group's revenue in the first half of 2020 compared with the same period last year are: (1) the government authorities have adjusted the terminal gas prices in the first half of 2020, which is lower than that of same period last year; and (2) the decline in gas consumption by some industrial and commercial users due to the pandemic. However, at the same time, the gas purchase price in the first half of the year has decreased and the extent of purchase price reduction was higher than that of the adjustment in the terminal gas price. As a result, the Group's profit before tax has increased by about 65% compared with the same period last year.

Segmental Information Analysis

During the Period, 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, followed by gas connection, gas transportation and sales of gas appliances.

Liquidity, Financial Resources and Capital Structure

As at 30 June 2020, total equity attributable to shareholders of the Company amounted to approximately RMB1,774,182,000 (31 December 2019: approximately RMB1,762,756,000). As at 30 June 2020, the Company had a registered capital of RMB183,930,780 comprising 1,839,307,800 ordinary shares with a nominal value of RMB0.1 each (the "Share(s)"), which consisted of 1,339,247,800 domestic shares ("Domestic Share(s)") and 500,060,000 H shares ("H Share(s)"). The Group is generally funded by equity financing. As at 30 June 2020, the Group did not have any bank borrowing (31 December 2019: Nil).

As at 30 June 2020, the Group had net current assets of approximately RMB939,655,000 (31 December 2019: approximately RMB904,083,000), including cash and cash equivalent of approximately RMB935,343,000 (31 December 2019: approximately RMB457,658,000) which was principally denominated in Renminbi.

The Group mostly uses Renminbi in its ordinary business operation and it had not used any financial instrument for currency hedging purposes, as it considers that its exposure to fluctuations in exchange rates in its ordinary business operation is only minimal. During the Period, the Group did not employ in any major financial instruments for hedging purposes

Significant Investments

The Board has adopted a policy for investment that on the premises that the Company can carry on its operations normally, for the purpose of increasing the utilisation of capital, the Company intends to purchase principal-guaranteed wealth management products and structured deposit products with its idle funds and the total purchase amount of which shall not exceed RMB1 billion. The general manager of the Company has been authorised by the Board to confirm with the banks/financial institutions the types, amounts, periods and other relevant details of the wealth management products and structured deposit products to be subscribed and to sign on behalf of the Company relevant legal documents with the banks/financial institutions in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), the articles of association of the Company and other laws and regulations.

Save as disclosed in this announcement, the Group did not have significant investments for the six months ended 30 June 2020. Details of the income derived from wealth management products and structured deposit products, and the wealth management products and structured deposit products subscribed by the Company during the Period are set out in note IV.1 and note IV.12 to key items of the consolidated financial statements.

Material Acquisition and Disposal

During the Period, there had been no material acquisition or disposal of subsidiaries, associates and joint ventures by the Group.

Future Plans for Material Investments or Capital Assets

The Group had no specific plan for material investments or capital assets.

Charges on the Group's Assets

As at 30 June 2020, none of the Group's assets was pledged as security for liability.

Gearing Ratio

The Group's gearing ratio (total liabilities to total asset ratio) as at 30 June 2020 was approximately 0.20 (31 December 2019: approximately 0.31).

Contingent Liabilities

As at 30 June 2020, the Group had no material contingent liabilities or guarantees (31 December 2019: Nil).

Treasury Policy

To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its funding requirements from time to time.

Staff and Emolument Policy

As at 30 June 2020, the Group had a workforce of 771 full-time employees (30 June 2019: 788). Total staff costs amounted to approximately RMB45,792,690 for the six months ended 30 June 2020 (30 June 2019: RMB54,850,000).

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 of the employees. The Group also made contributions to medical welfare and retirement funds as well as other benefits to all employees.

DIVIDEND

No dividends were declared or proposed during the Period. The Directors do not recommend an interim dividend for the six months ended 30 June 2020 (for the six months ended 30 June 2019: Nil).

PROSPECTS

Development of the PRC Gas Sector

The outbreak of COVID-19 has adversely impacted many industries and have impeded the economic development in the PRC. Despite the gradual easing of the pandemic in the PRC since the second half of 2020, the Board expects the slowdown of economic growth in the PRC will continue to exert negative impact on the Group's overall performance at least in the short to medium term. In light of the uncertainty brought about by the COVID-19 outbreak in the PRC, the Group will continue to pay close attention to the development of the pandemic situation and implement any appropriate measures in time to mitigate possible business risks and minimise losses if necessary.

During the "13th Five-Year Plan", optimising energy structure and managing environmental pollution at the national level will be the most significant driving force for natural gas consumption in China. Since 2013, China has successively released such framework documents such as the Plan of Action for the Prevention of Air Pollution* (《大氣污染防治行動計劃》), the Detailed Rules for Implementation of the Action Plans for the Prevention and Control of Air Pollution in the Beijing-Tianjin-Hebei Region* and the Surrounding Regions (《京津冀及周邊地區落實大氣污染防治行動計劃實施細則》), and the Plan for Strengthening the Prevention and Control of Atmospheric Pollution in Energy Industry* (《能源行業加強大氣污染防治工作方案》). In November 2014, China and the USA issued a joint statement in respect of dealing with climate change in Beijing, formally proposing for the first time that China's carbon emissions will reach its peak in 2030 and China will put effort for early achievement. In accordance with the Action Plan for Energy Development Strategy (2014-2020)* (《能源發展戰略行動計劃(2014-2020年)》) released by the State Council, the proportion of natural gas among primary energy consumption will increase to 10% or more by 2020.

The new Natural Gas Utilization Policy* (《天然氣利用政策》) issued in 2013 further indicates the future development direction for China's natural gas utilization. In urban gas field, China's new urbanization is being promoted constantly. The annual average population of gasification is around 30 million people and national urban gasification rate will reach more than 60% by 2020. As a result, natural gas will become the main fuel of urban residents. In respect of the transportation area, natural gas will become the main fuel for most taxis in middle or small-scale cities. Buses in large and medium-scale cities will also gradually become clean gas-fueled. Liquefied natural gas (LNG) vehicles will further expand to intercity coaches and heavy trucks, and the application of LNG to ships and trains will begin. Natural gas will become a competitive fuel in public transportation. In respect of the industrial field, the progress of substituting natural gas as industrial fuel will be fully accelerated, especially in Bohai Bay Rim area, where coal-burning boilers will be substituted, and traditional industries, such as iron, steel and ceramics etc., will be upgraded so as to manage air pollution, and central and western regions where the industrial structure of traditional industries will be transferred to. As such, the natural gas consumption in industrial field will be promoted. In respect of natural gas power generation, natural gas peak power stations will be orderly developed and natural gas distributed energy development will be the priority in air pollution control districts such as Beijing, Tianjin, Hebei and Shandong, Yangtze River delta and the Pearl River delta. It is expected that by 2020, urban and industrial consumption will account for over 60% of the total gas consumption. Domestic and overseas consulting agencies forecast that natural gas consumption will reach 300 billion to 360 billion cubic meters by 2020.

However, 2020 is the final year for the "13th Five-Year Plan", as well as the year for achieving the first centenary goal, when China will usher in a moderately well-off society, and thus it is crucial to maintain stable economic growth. Meanwhile, the structural reform of China's one-off energy consumption has been continuously promoted. With the implementation of policies and measures including "coal-to-gas", limitations on the use of coal and increasingly strict environmental protection and ecological construction, a long-term, continuous and steady growth in the natural gas consumption in the future is expected, thus providing a good growth driver for the development of the natural gas industry in China.

Looking ahead, based on the analysis in respect of external environment and inner abilities as well as resources, the Company is positioned as a clean energy integrated solution provider, aiming to maximise returns for its shareholders. The Company plans to expand in the following areas:

- on the premise of ensuring the strategic direction and business needs, lay emphasis on five principles, which are strategic orientation, economical efficiency, financing matching, risk prevention and order of priority, to achieve continuing growth of net cash flows;

- continue to improve the financial management system, with a view to reducing operating costs, and maximise the benefits from project operations;

- continue to strengthen the support of scientific and technological innovation to the businesses of the Company, enhance the introduction and development of advanced technologies, as well as apply such advanced technologies to the production management and the internal management;

- continue to improve the operation management system and mechanism, with emphasis on operation security, optimise management methods and means and promote the pre-control safety management, so as to ensure safe operation; and

- continue to strengthen the talent team construction, drive management change with strategic change, expand existing businesses with incremental business and inspire employees with entrepreneurial teams, so as to contribute a chain reaction to the corporation.

Purchase, Sale or Redemption of the Company's Listed Securities

During the Period, neither the Company nor its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

Directors' Interests in Contracts

Save as disclosed in this announcement, no contract of significance to which the Company or its subsidiaries was a party and in which a Director or supervisor of the Company (the "Supervisors") had a material interest, whether directly or indirectly, subsisted at the end of the Period or at any time during the Period.

Corporate Governance

For the Period, the Company complied with all the applicable code provisions of the Corporate Governance Code as set out in Appendix 14 to the Listing Rules.

Arrangements to Purchase Shares or Debentures

At no time during the Period was the Company or its subsidiaries a party to any arrangements to enable the Directors and Supervisors to acquire benefits by means of the acquisition of Shares in, or debentures of, the Company or any other body corporate.

Code of Conduct Regarding Securities Transactions by Directors and Supervisors

The Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules has been adopted as a code of securities transactions for Directors and Supervisors of the Company (the "Code"). The Company, having made specific enquiries with the Directors and Supervisors, confirms that, during the Period, all the Directors and Supervisors have complied with the required standards set out in the Code for securities transaction by the Directors and Supervisors.

AUDIT COMMITTEE

The Board established an audit committee (the "Audit Committee") on 3 December 2003 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 system and risk management and internal control systems of the Group. During the Period, the Audit Committee comprised three independent non-executive Directors, namely Mr. Guo Jia Li, Mr. Zhang Ying Hua and Mr. Yu Jian Jun. The Audit Committee has reviewed the unaudited interim results for the Period.

SIGNIFICANT EVENTS

Completion of the Internal Reorganisation of the Controlling Shareholder

Reference is made to the announcement of the Company dated 27 December 2019 in relation to the internal reorganisation of a controlling shareholder of the Company. Pursuant to the reorganisation exercise, the equity interest of Tianjin Energy Investment Group Co., Ltd.（天津能源投資集團有限公司）("Tianjin Energy"), the indirect controlling shareholder of the Company, would be transferred to Tianjin State-owned Capital Investment Management Co., Ltd.*（天津國有資本投資運營有限公司）("Tianjin Investment Capital"), a company directly wholly-owned by the State-owned Assets Supervision and Administration Commission of the Tianjin Municipal Government (the "Internal Transfer").

The Company has been informed by Tianjin Energy that the registration of the Internal Transfer with the Tianjin Administration for Industry and Commerce (天津市工商行政管理局) has been completed on 31 March 2020. Immediately following the completion of the Internal Transfer, Tianjin Investment Capital has become the intermediary holding company of Tianjin Energy. For details, please refer to the announcements of the Company dated 27 December 2019 and 1 April 2020.

Change of Directors, General Manager and Authorised Representative

On 7 April 2020, Mr. Wang Jing (王勁) has tendered his resignation as a non-executive Director with effect from the conclusion of the 2019 annual general meeting of the Company held on 29 June 2020 (the "2019 AGM"), as he will join another company in the PRC as an executive director. At the 2019 AGM, Mr. Zhang Jinlin (張金麟) has been appointed as a non-executive Director in place of Mr. Wang Jing. For details, please refer to the announcements of the Company dated 7 April 2020 and 29 June 2020, and the circular of the Company dated 27 April 2020.

On 22 May 2020, Mr. Wang Quan Hong (王全鴻) ("Mr. Wang") has tendered his resignation as a general manager of the Company with effect from 22 May 2020, and as an executive Director and an authorised representative of the Company under the Listing Rules (the "Authorised Representative") with effect from the conclusion of the 2019 AGM, as he will join another company in the PRC as a general manager. On the same date, Mr. Sun Liangchuan (孫良傳) ("Mr. Sun") has been appointed as the new general manager of the Company in place of Mr. Wang. At the 2019 AGM, Mr. Sun has been appointed as an executive Director of the Company, and as the new Authorised Representative in place of Mr. Wang. For details, please refer to the announcements of the Company dated 22 May 2020 and 29 June 2020, and the supplemental circular of the Company dated 10 June 2020.

IMPORTANT EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in this announcement, there is no important event affecting the Group which has occurred after the end of the Period and up to the date of this announcement.

By Order of the Board
Tianjin Jinran Public Utilities Company Limited
Zhao Wei
Chairman

Tianjin, the People's Republic of China, 28 August 2020

* *for identification purposes only*

As at the date of this announcement, the Board comprises three executive Directors, namely Mr. Zhao Wei (Chairman), Ms. Tang Jie and Mr. Sun Liangchuan, three non-executive Directors, namely Mr. Hou Shuang Jiang, Mr. Zhao Heng Hai and Mr. Zhang Jinlin, and three independent non-executive Directors, namely Mr. Zhang Ying Hua, Mr. Yu Jian Jun and Mr. Guo Jia Li.