

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

2024 INTERIM RESULTS ANNOUNCEMENT

The board (the “**Board**”) of directors (the “**Directors**”) of Tianjin Jinran Public Utilities Company Limited (the “**Company**”) presents the unaudited consolidated results of the Company and its subsidiaries (collectively, the “**Group**”) for the six months ended 30 June 2024 (the “**Reporting Period**” or “**first half of 2024**”), together with the unaudited comparative figures for the six months ended 30 June 2023 (“**2023-1H**” or “**first half of 2023**”) as follows:

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2024

(Expressed in Renminbi Yuan)

	<i>Note VIII</i>	30 June 2024 (Unaudited)	31 December 2023 (Audited)
ASSETS			
CURRENT ASSETS			
Cash and bank balances	<i>1</i>	347,517,006.08	789,606,526.80
Trade receivables	<i>2</i>	255,858,546.24	192,300,181.77
Receivables under financing	<i>3</i>	89,464,158.84	93,811,058.30
Prepayments	<i>4</i>	99,037,871.29	1,235,236.74
Other receivables	<i>5</i>	2,080,704.98	1,914,926.56
Inventories	<i>6</i>	1,301,098.93	2,035,300.70
Other current assets	<i>7</i>	25,906,039.37	896,986.69
Total current assets		821,165,425.73	1,081,800,217.56
NON-CURRENT ASSETS			
Long-term equity investments	<i>8</i>	53,678,808.12	53,896,495.69
Fixed assets	<i>9</i>	763,080,204.22	790,024,131.72
Construction in progress	<i>10</i>	24,295,563.55	18,783,002.67
Right-of-use assets	<i>11</i>	2,115,104.41	1,115,054.30
Intangible assets	<i>12</i>	10,432,285.06	10,674,909.70
Deferred tax assets	<i>13</i>	75,985,797.54	69,048,094.71
Other non-current assets	<i>14</i>	150,116,522.28	152,056,630.68
Total non-current assets		1,079,704,285.18	1,095,598,319.47
TOTAL ASSETS		1,900,869,710.91	2,177,398,537.03

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

30 June 2024

(Expressed in Renminbi Yuan)

	<i>Note VIII</i>	30 June 2024 (Unaudited)	31 December 2023 (Audited)
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES			
Trade payables	15	119,615,972.84	296,882,410.08
Contract liabilities	16	223,303,575.61	277,406,667.12
Employee benefits payable	17	5,406,908.45	18,654,491.01
Taxes payable	18	712,538.39	8,548,069.90
Other payables	19	26,891,266.09	23,146,201.41
Non-current liabilities due within one year	20	1,101,177.43	557,280.42
Other current liabilities	21	20,097,322.00	24,950,086.32
Total current liabilities		397,128,760.81	650,145,206.26
NON-CURRENT LIABILITIES			
Lease liabilities	22	1,423,784.88	577,964.91
Deferred income	23	94,236,549.42	96,941,785.44
Total non-current liabilities		95,660,334.30	97,519,750.35
Total liabilities		492,789,095.11	747,664,956.61
SHAREHOLDERS' EQUITY			
Share capital	24	183,930,780.00	183,930,780.00
Capital reserve	25	790,332,352.18	790,332,352.18
Specialised reserve	26	492,198.60	361.02
Surplus reserve	27	128,277,523.13	128,277,523.13
Retained earnings	28	306,000,282.86	328,132,030.25
Total equity attributable to shareholders of the Parent		1,409,033,136.77	1,430,673,046.58
Non-controlling interests		(952,520.97)	(939,466.16)
Total shareholders' equity		1,408,080,615.80	1,429,733,580.42
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		1,900,869,710.91	2,177,398,537.03

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2024

(Expressed in Renminbi Yuan)

		For the six months ended 30 June 2024 (Unaudited)	For the six months ended 30 June 2023 (Unaudited)
	<i>Note VIII</i>		
Revenue	29	873,429,018.15	913,834,027.90
Less: Cost of sales	29	898,716,423.05	953,214,971.97
Taxes and surcharges		1,067,007.30	740,286.68
Administrative expenses	30	13,604,721.76	12,304,647.17
Finance costs	31	(8,926,806.99)	(12,640,538.76)
including: interest income		9,101,440.24	12,726,937.67
Add: Other income	32	2,731,538.59	2,496,788.29
Investment income	33	(709,525.15)	2,089,038.96
including: share of profit of an associate		(709,525.15)	2,089,038.96
Credit impairment losses	34	(72,211.74)	177,438.41
Operating (loss)/profit		(29,082,525.27)	(35,022,073.50)
Add: Non-operating income	35	22.53	16.71
Less: Non-operating expenses	36	—	42,612.71
Total (loss)/profit		(29,082,502.74)	(35,064,669.50)
Less: Income tax expense	37	(6,937,700.54)	(9,187,006.73)
Net (loss)/profit		<u>(22,144,802.20)</u>	<u>(25,877,662.77)</u>
Classified by continuity of operations			
Net (loss)/profit from continuing operations		(22,144,802.20)	(25,877,662.77)
Classified by ownership			
Net (loss)/profit attributable to shareholders of the parent		(22,131,747.39)	(25,864,290.20)
Profit or loss attributable to non-controlling interests		(13,054.81)	(13,372.57)
Other comprehensive income, net of tax		—	—
Total comprehensive income		<u>(22,144,802.20)</u>	<u>(25,877,662.77)</u>
Including:			
Total comprehensive income attributable to shareholders of the parent		(22,131,747.39)	(25,864,290.20)
Total comprehensive income attributable to non-controlling interests		(13,054.81)	(13,372.57)
(Loss)/earnings per share (RMB/share)			
Basic	38	<u>(0.012)</u>	<u>(0.014)</u>
Diluted		<u>(0.012)</u>	<u>(0.014)</u>

NOTES TO FINANCIAL STATEMENTS

For the six months ended 30 June 2024

(Expressed in Renminbi Yuan)

I. BASIC CORPORATE INFORMATION

Tianjin Jinran Public Utilities Company Limited (the “**Company**”) 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 “**The Stock Exchange of Hong Kong Ltd**”). The Company’s registered capital is RMB183,930,780, the legal representative is Wang Cong, and the registered place is located at Weishan Road, Chang Qing Science, Industry and Trade Park, Jinnan District, Tianjin.

The business scope of the Company includes:

Permitted items: operation of gas; installation and repair of gas-fired appliance; construction design; inspection and testing of special equipment; installation, upgrading and repair of special equipment; design of special equipment; interior decoration of residential properties; gas vehicles refueling business; road transport of dangerous goods; concurrent-business insurance agent services; project construction (except for construction and operation of nuclear power plants and construction of civil airports). (For items that are subject to approval in accordance with the laws, business activities can only be conducted after obtaining approval(s) from the relevant departments, and the actual business projects as approved under the approval documents or license documents granted by the relevant departments shall prevail).

General items: fire-fighting technical services; food sales (sales of prepackaged food only); production of gas appliances; sales of instruments and meters; repair of instruments and meters; engineering management services; lease of special equipment; sales of special equipment; repair of general equipment; repair of special equipment; maintenance of electronic and mechanical equipment (excluding special equipment); sales of non-electric household appliances; sales of gas, liquid separation and purification equipment; sales of household appliances; installation service of household appliances; sales of spare parts for household appliances; sales of fire-fighting equipment; retail of kitchenware and sanitary ware and daily grocery; retail of hardware products; sales of metal products; sales of valves and cocks; sales of pipeline transportation equipment; sales of vending machines; internet sales (except for sales of licensed goods); advertising release; advertising design and agency; heat production and supply; research and development of emerging energy technologies; contractual energy management; cooling services; operational efficiency evaluation services; research and development of waste heat, pressure and gas utilization technology; energy-saving management services; centralized fast-charging stations; lease of batteries; sales of charging motor vehicles; sales of charging piles; operation of electric vehicle charging infrastructure; sales of hydrogen refueling and hydrogen storage facilities; sales of photovoltaic equipment and components; lease of photovoltaic power generation equipment; sales of solar thermal utilization products; sales of solar thermal utilization equipment; solar power generation technical services; sales of solar thermal power generation products; sales of solar thermal power generation equipment; retail of computer hardware and software and ancillary equipment; sales of network equipment; sales of internet equipment; sales of information security equipment; sales of intelligent unmanned aerial vehicles; sales of intelligent robots; research and development of IoT technology; technical services of cloud computing equipment; IoT application services; information technology consulting services; technical services, technology development, technology consulting, technology exchange, technology transfer, technology promotion; lease of non-residential real estate; housing lease; pipeline transportation over land. (Except for items subject to approval according to law, independently carry out business activities according to law with business license).

The financial statements were approved and authorised for issue by the board of directors of the Company on 28 August 2024.

II. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements of the Company have been prepared on a going concern basis in respect of actual transactions and matters, in accordance with the “Accounting Standards for Business Enterprises – General Principles” and specific accounting standards (together referred to as the “**Accounting Standards for Business Enterprises**”) promulgated by the Ministry of Finance, and based on the following significant accounting policies and estimates.

III. TAXES

(I) Major categories of taxes and respective tax rates

Categories of taxes	Tax basis	Tax rates
Value-added tax (VAT)	sales revenue	9%, 13%
City maintenance and construction tax	turnover taxes paid	7%
Education supplementary tax	turnover taxes paid	3%
Local education supplementary tax	turnover taxes paid	2%
Corporate income tax	taxable profit	25%

IV. NOTES TO MAJOR ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(I) Trade receivables

1. Disclosure of trade receivables by ageing

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:

	Balance as at 30 June 2024 (Unaudited)		Balance as at 31 December 2023 (Audited)	
	Gross carrying amount	Provision for bad debts	Gross carrying amount	Provision for bad debts
Ageing				
0 to 6 months	254,047,939.87	–	192,052,454.96	–
6 months to 1 year	1,874,333.54	83,381.38	253,141.58	12,657.07
1 to 2 years	20,971.34	2,097.13	8,047.00	804.70
2 to 3 years	975.00	195.00	48,383.89	48,383.89
Over 3 years	11,741,877.29	11,741,877.29	11,693,493.40	11,693,493.40
Total	<u>267,686,097.04</u>	<u>11,827,550.80</u>	<u>204,055,520.83</u>	<u>11,755,339.06</u>

IV. NOTES TO MAJOR ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(I) Trade receivables (Continued)

2. Trade receivables disclosed by classification of provision method for bad debts

Type	Balance as at 30 June 2024 (Unaudited)				
	Gross carrying amount		Provision for bad debts		
	Amount	Percentage (%)	Amount	Expected credit loss rate/accruing percentage (%)	Carrying amount
Trade receivables for which provision for bad debts is made on an individual basis	11,741,877.29	4.39	11,741,877.29	100.00	0
Trade receivables for which provision for bad debts is made by credit risk characteristic group	255,944,219.75	95.61	85,673.51	0.05	255,858,546.24
Including: Aging group	176,555,952.56	65.95	85,673.51	0.05	176,470,842.25
Other groups	79,388,267.19	29.66	–	–	79,387,703.99
Total	<u>267,686,097.04</u>	<u>–</u>	<u>11,827,550.80</u>	<u>–</u>	<u>255,858,546.24</u>

(Continued)

Type	Balance as at 31 December 2023 (Audited)				
	Gross carrying amount		Provision for bad debts		
	Amount	Percentage (%)	Amount	Expected credit loss rate/accruing percentage (%)	Carrying amount
Trade receivables for which provision for bad debts is made on an individual basis	11,741,877.29	5.75	11,741,877.29	100.00	0
Trade receivables for which provision for bad debts is made by credit risk characteristic group	192,313,643.54	94.25	13,461.77	0.01	192,300,181.77
Including: Aging group	192,313,643.54	94.25	13,461.77	0.01	192,300,181.77
Other groups	–	–	–	–	–
Total	<u>204,055,520.83</u>	<u>–</u>	<u>11,755,339.06</u>	<u>–</u>	<u>192,300,181.77</u>

IV. NOTES TO MAJOR ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(I) Trade receivables (Continued)

2. Trade receivables disclosed by classification of provision method for bad debts (Continued)

Trade receivables for which provision for bad debts is made on an individual basis at the end of the period

Name of debtor	Gross carrying amount (Unaudited)	Provision for bad debts (Unaudited)	Expected credit loss rate (%)	Reason for provision
Old House Renovation Investment Center of the Administration of State Land, Resources and Housing* (國土房管舊房改造投資中心)	4,651,500.00	4,651,500.00	100.00	Uncollectable
Tianjin Jingjin Boke Co. Ltd.* (天津市京津玻殼股份有限公司)	3,394,681.40	3,394,681.40	100.00	Uncollectable
Yili Baiwang Garden (Jinwei Construction Group Co. Ltd.)* (億利百旺家苑(金威建設集團有限公司))	1,600,000.00	1,600,000.00	100.00	Uncollectable
Ulanqab Jining District Jiayuan Real Estate Development Co. Ltd.* (烏蘭察布市集寧區嘉苑房地產開發有限公司)	1,000,224.00	1,000,224.00	100.00	Uncollectable
Ulanqab Yongliang Real Estate—Yongliang Hot Spring Apartment* (烏蘭察布市永亮房地產——永亮溫泉公寓)	307,200.00	307,200.00	100.00	Uncollectable
Ulanqab Zhiming Real Estate—Xi Lin Wan* (烏蘭察布市志明房地產-溪林灣)	304,272.00	304,272.00	100.00	Uncollectable
Zhongtian Xingye Real Estate Company* (中天興業房地產公司)	300,000.00	300,000.00	100.00	Uncollectable
Ulanqab Wanji Real Estate Company (Yi Jing Ming Yuan)* (烏蘭察布市萬基房地產公司(怡景茗苑))	127,499.89	127,499.89	100.00	Uncollectable
Gongshang Apartment* (工商公寓)	56,500.00	56,500.00	100.00	Uncollectable
Total	<u>11,741,877.29</u>	<u>11,741,877.29</u>	<u>—</u>	—

IV. NOTES TO MAJOR ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(I) Trade receivables (Continued)

2. Trade receivables disclosed by classification of provision method for bad debts (Continued)

Trade receivables for which provision for bad debts is made by credit risk characteristic group

(1) Aging group

Aging	Balance as at 30 June 2024 (Unaudited)			Balance as at 31 December 2023 (Audited)		
	Gross carrying amount		Provision for bad debts	Gross carrying amount		Provision for bad debts
	Amount	Percentage (%)		Amount	Percentage (%)	
1 to 6 months	174,866,378.67	99.04	–	192,052,454.96	99.86	–
6 months to 1 year	1,667,627.55	0.94	83,381.38	253,141.58	0.13	12,657.07
1 to 2 years	20,971.34	0.01	2,097.13	8,047.00	<0.01	804.70
2 to 3 years	975.00	<0.01	195.00	–	–	–
Over 3 years	–	–	–	–	–	–
Total	<u>176,555,952.56</u>	<u>–</u>	<u>85,673.51</u>	<u>192,313,643.54</u>	<u>–</u>	<u>13,461.77</u>

(2) Other groups

Name	Closing amount (Unaudited)			Opening amount (Audited)		
	Gross	Accruing	Provision for bad debts	Gross	Accruing	Provision for bad debts
	carrying amount	percentage (%)		carrying amount	percentage (%)	
Related parties outside the scope of consolidation	<u>79,388,267.19</u>	<u>–</u>	<u>79,388,267.19</u>	<u>–</u>	<u>–</u>	<u>–</u>
Total	<u>79,388,267.19</u>	<u>–</u>	<u>79,388,267.19</u>	<u>–</u>	<u>–</u>	<u>–</u>

IV. NOTES TO MAJOR ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(I) Trade receivables (Continued)

3. The top five outstanding trade receivables by debtors as at 30 June 2024

Debtors	Gross carrying amount (Unaudited)	Percentage of total trade receivables (%)	Provision for bad debts
Tianjin Steel Pipe Co., Ltd.* (天津鋼管有限責任公司)	99,083,180.34	37.01	—
Tianjin Binran Pipe Network Construction Co., Ltd.* (天津濱燃管網建設有限公司)	79,129,111.56	29.56	—
Taigang stainless steel Products Co., Ltd.* (太鋼不銹鋼製品有限公司)	6,205,330.69	2.32	—
Cabot Chemical (Tianjin) Co., Ltd.* (卡博特化工(天津)有限公司)	17,009,003.60	6.35	—
Tianjin Deli Gas Co., Ltd.* (天津德立燃氣有限公司)	8,494,475.69	3.17	—
Total	<u>209,921,101.88</u>	<u>78.42</u>	<u>—</u>

(II) Receivables under financing

Item	Balance as at 30 June 2024 (Unaudited)	Balance as at 31 December 2023 (Audited)
Notes receivable	13,701,674.80	56,511,058.30
trade receivables	<u>75,762,484.04</u>	<u>37,300,000.00</u>
Total	<u>89,464,158.84</u>	<u>93,811,058.30</u>

IV. NOTES TO MAJOR ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(III) Inventories

Item	Balance as at 30 June 2024 (Unaudited)			Balance as at 31 December 2023 (Audited)		
	Gross carrying amount	Inventory falling price reserves	Carrying amount	Gross carrying amount	Inventory falling price reserves	Carrying amount
Natural gas						
Gas appliances and others	1,301,098.93	–	1,301,098.93	2,035,300.70	–	2,035,300.70
Total	<u>1,301,098.93</u>	<u>–</u>	<u>1,301,098.93</u>	<u>2,035,300.70</u>	<u>–</u>	<u>2,035,300.70</u>

(IV) Fixed assets

Item	Closing carrying amount (Unaudited)	Opening carrying amount (Audited)
Fixed assets	763,080,204.22	790,024,131.72
Disposal of fixed assets		
Total	<u>763,080,204.22</u>	<u>790,024,131.72</u>

IV. NOTES TO MAJOR ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(IV) Fixed assets (Continued)

1. Details of fixed assets

Item	Balance as at 31 December 2023 (Audited)	Increase	Decrease	Balance as at 30 June 2024 (Unaudited)
I. Total original carrying amount	1,681,645,513.20	7,902,559.57	–	1,689,548,072.77
Among which: Buildings	48,990,991.60	–	–	48,990,991.60
Pipelines	1,314,033,562.55	–	–	1,314,033,562.55
Machinery	296,849,118.08	7,880,911.05	–	304,730,029.13
Vehicles	6,052,602.50	21,648.52	–	6,074,251.02
Electronics, furniture and fixtures	11,160,756.23	–	–	11,160,756.23
Mining structures	4,558,482.24	–	–	4,558,482.24
II. Total accumulated depreciation	796,828,597.92	34,846,487.07	–	831,675,084.99
Among which: Buildings	19,039,760.91	531,007.80	–	19,570,768.71
Pipelines	678,247,316.34	24,824,108.38	–	703,071,424.72
Machinery	83,761,068.53	9,064,260.91	–	92,825,329.44
Vehicles	4,969,360.92	54,814.93	–	5,024,175.85
Electronics, furniture and fixtures	8,064,027.99	372,295.05	–	8,436,323.04
Mining structures	2,747,063.23	–	–	2,747,063.23
III. Total net carrying amount of fixed assets	884,816,915.28	–	–	857,872,987.78
Among which: Buildings	29,951,230.69	–	–	29,420,222.89
Pipelines	635,786,246.21	–	–	610,962,137.83
Machinery	213,088,049.55	–	–	211,904,699.69
Vehicles	1,083,241.58	–	–	1,050,075.17
Electronics, furniture and fixtures	3,096,728.24	–	–	2,724,433.19
Mining structures	1,811,419.01	–	–	1,811,419.01
IV. Total impairment provisions	94,792,783.56	–	–	94,792,783.56
Among which: Buildings	606,570.17	–	–	606,570.17
Pipelines	85,301,480.10	–	–	85,301,480.10
Machinery	7,000,933.11	–	–	7,000,933.11
Vehicles	59,716.88	–	–	59,716.88
Electronics, furniture and fixtures	12,664.29	–	–	12,664.29
Mining structures	1,811,419.01	–	–	1,811,419.01
V. Total carrying amount of fixed assets	790,024,131.72	–	–	763,080,204.22
Among which: Buildings	29,344,660.52	–	–	28,813,652.72
Pipelines	550,484,766.11	–	–	525,660,657.73
Machinery	206,087,116.44	–	–	204,903,766.58
Vehicles	1,023,524.70	–	–	990,358.29
Electronics, furniture and fixtures	3,084,063.95	–	–	2,711,768.90
Mining structures	–	–	–	–

IV. NOTES TO MAJOR ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(IV) Fixed assets (Continued)

1. Details of fixed assets (Continued)

As of 30 June 2024, the Company had no fixed assets pending certificates of property ownership.

(V) Construction in progress

1. Construction in progress

Item	Balance as at 30 June 2024 (Unaudited)			Balance as at 31 December 2023 (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	2,209,340.38	–	2,209,340.38
Gas stations and others	9,948,276.23	1,035,000.00	8,913,276.23	4,833,294.78	1,035,000.00	3,798,294.78
Pipeline Reconstruction	11,938,176.05	–	11,938,176.05	12,775,367.51	–	12,775,367.51
Mines	408,920.27	408,920.27	–	408,920.27	408,920.27	–
Others	1,306,071.27	–	1,306,071.27	–	–	–
Total	<u>25,739,483.82</u>	<u>1,443,920.27</u>	<u>24,295,563.55</u>	<u>20,226,922.94</u>	<u>1,443,920.27</u>	<u>18,783,002.67</u>

(VI) 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:

Aging	Balance as at 30 June 2024 (Unaudited)	Balance as at 31 December 2023 (Audited)
Within 1 year (inclusive)	17,874,565.51	225,401,299.34
Over 1 year	<u>101,741,407.33</u>	<u>71,481,110.74</u>
Total	<u>119,615,972.84</u>	<u>296,882,410.08</u>

IV. NOTES TO MAJOR ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(VI) Trade payables (Continued)

Significant trade payables aged over 1 year:

Name of creditors	Balance as at 30 June 2024 (Unaudited)	Reason for outstanding
Payables	13,537,738.98	Not yet settled
天津市裕民燃氣表具有限公司	11,086,365.74	Not yet settled
天津市液化氣工程有限公司	8,370,023.80	Not yet settled
天津市罡世燃氣科工貿發展有限公司	4,726,252.74	Not yet settled
Total	37,720,381.26	—

(VII) Taxes payable

Tax category	Balance as at 30 June 2024 (Unaudited)	Balance as at 31 December 2023 (Audited)
Value-added tax	303,232.86	8,013,254.31
Others	409,305.53	534,815.59
Total	712,538.39	8,548,069.90

IV. NOTES TO MAJOR ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(VIII) Revenue and cost of sales

Item	Amount incurred for the six months ended 30 June 2024 (Unaudited)		Amount incurred for the six months ended 30 June 2023 (Unaudited)	
	Revenue	Cost of sales	Revenue	Cost of sales
Revenue from principal operations	<u>873,429,018.15</u>	<u>898,716,423.05</u>	<u>913,834,027.90</u>	<u>953,214,971.97</u>
Total	<u><u>873,429,018.15</u></u>	<u><u>898,716,423.05</u></u>	<u><u>913,834,027.90</u></u>	<u><u>953,214,971.97</u></u>

1. Revenue is stated as follows:

Item	Amount incurred for the six months ended 30 June 2024 (Unaudited)	Amount incurred for the six months ended 30 June 2023 (Unaudited)
Revenue from contracts with customers	873,418,017.23	913,834,027.90
Rentals	<u>11,000.92</u>	<u>—</u>
Total	<u><u>873,429,018.15</u></u>	<u><u>913,834,027.90</u></u>

2. Disaggregation of revenue from contracts with customers is as follows:

Item	Amount incurred for the six months ended 30 June 2024 (Unaudited)		Amount incurred for the six months ended 30 June 2023 (Unaudited)	
	Revenue	Cost of sales	Revenue	Cost of sales
Revenue recognised at a point in time	863,619,623.67	890,057,109.04	901,386,517.01	945,398,839.17
Sales of piped gas	863,598,266.50	890,056,749.04	900,244,924.09	944,635,348.02
Sales of gas appliances and others	21,357.17	360.00	1,141,592.92	763,491.15
Revenue recognised over time	9,798,393.56	8,659,314.01	12,447,510.89	7,816,132.80
Gas connection income	9,798,393.56	8,659,314.01	12,423,654.48	6,845,611.20
Gas transportation	<u>—</u>	<u>—</u>	<u>23,856.41</u>	<u>970,521.60</u>
Total	<u><u>873,418,017.23</u></u>	<u><u>898,716,423.05</u></u>	<u><u>913,834,027.90</u></u>	<u><u>898,972,185.79</u></u>

IV. NOTES TO MAJOR ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(VIII) Revenue and cost of sales (Continued)

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

Item	Amount incurred for the six months ended 30 June 2024 (Unaudited)	Amount incurred for the six months ended 30 June 2023 (Unaudited)
Sales of piped gas	77,458,846.65	161,641,722.06
Gas connection	2,647,085.28	10,629,602.43
Sales of gas appliances and others	—	1,123,110.78
Total	80,105,931.93	173,394,435.27

Notes:

- 1) 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.
- 2) Sales of gas appliances and others: The performance obligation is satisfied upon delivery of the products and payment in advance is normally required before delivering the products.
- 3) Gas connection: The performance obligation is satisfied over time as services are rendered and payment in advance is normally required before rendering the construction services.
- 4) 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.
- 5) As at 30 June 2024, the transaction price allocated to the remaining performance obligation was RMB223,303,575.61 (31 December 2023: RMB277,406,667.12) and the Group will recognize this amount as revenue in future upon delivery of the products or based on the progress of completion of gas connection.

IV. NOTES TO MAJOR ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(IX) Finance costs

Items	Amount incurred for the six months ended 30 June 2024 (Unaudited)	Amount incurred for the six months ended 30 June 2023 (Unaudited)
Interest expenses	20,876.41	—
Less: Interest income	9,101,440.24	12,726,937.67
Exchange losses	—	—
Less: Exchange gains	—	—
Handling fee	127,509.86	86,398.91
Other expenses	26,246.98	—
Total	<u>(8,926,806.99)</u>	<u>(12,640,538.76)</u>

(X) Other income

Items	Type	Amount incurred for the six months ended 30 June 2024 (Unaudited)	Amount incurred for the six months ended 30 June 2023 (Unaudited)
Deferred income	Relating to assets	2,705,236.02	2,468,820.30
Tax refund subsidy	Relating to revenue	26,302.57	18,225.38
Others	Relating to revenue	—	9,742.61
Total		<u>2,731,538.59</u>	<u>2,496,788.29</u>

IV. NOTES TO MAJOR ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(XI) Investment income

1. Breakdown of investment income

Source of investment income	Amount incurred for the six months ended 30 June 2024 (Unaudited)	Amount incurred for the six months ended 30 June 2023 (Unaudited)
Profit from long-term equity investments under the equity method	(709,525.15)	2,089,038.96
Total	<u>(709,525.15)</u>	<u>2,089,038.96</u>

(XII) Income tax expense

1. Income tax expense

Items	Amount incurred for the six months ended 30 June 2024 (Unaudited)	Amount incurred for the six months ended 30 June 2023 (Unaudited)
Current income tax expense	2.29	—
Adjustment to deferred income tax	(6,937,702.83)	(9,187,006.73)
Others		
Total	<u>(6,937,700.54)</u>	<u>(9,187,006.73)</u>

2. Reconciliation between accounting profit and income tax expenses

Items	Amount for the current period (Unaudited)
Total profit	(29,082,502.74)
Income tax expenses at statutory/applicable tax rates	(7,270,625.68)
Effect of income not subject to tax	177,381.29
Effect of non-deductible costs, expenses and losses	128,353.95
Effect of deductible temporary differences or deductible losses for which deferred income tax assets are not recognized in the current period	<u>27,189.90</u>
Income tax expenses	<u>(6,937,700.54)</u>

IV. NOTES TO MAJOR ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(XIII) Dividend

The Directors of the Company do not recommend an interim dividend for the six months ended 30 June 2024.

(XIV) (Loss)/earnings per share

	For the six months ended 30 June 2024 (Unaudited) RMB/Share	For the six months ended 30 June 2023 (Unaudited) RMB/Share
Basic (loss)/earnings per share		
Continuing operations	<u>(0.012)</u>	<u>(0.014)</u>
Diluted (loss)/earnings per share		
Continuing operations	<u>(0.012)</u>	<u>(0.014)</u>

The calculation of basic (loss)/earnings per share is based on the net profit/(loss) 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).

The calculation of the basic (loss)/earnings per share and diluted (loss)/earnings per share is as follows:

	For the six months ended 30 June 2024 (Unaudited) RMB/Share	For the six months ended 30 June 2023 (Unaudited) RMB/Share
(Loss)/earnings		
Net profit/(loss) for the period attributable to ordinary shareholders of the Company	<u>(22,131,747.39)</u>	<u>(25,864,290.20)</u>
Shares		
Weighted average number of ordinary shares in issue of the Company	<u>183,930,780.00</u>	<u>183,930,780.00</u>

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Company endeavours in promoting the Group's sustainable development by enhancing the Group's revenue-earning potential through promotion of value-added services to existing customers and looking for new markets, and by enhancing the Group's expenses management through optimizing the cost efficiency and streamlining daily operations of the Group in the Reporting Period.

FINANCIAL REVIEW

For the Reporting Period, the Group recorded revenue of approximately RMB873.4 million (2023-1H: RMB913.8 million), representing a decrease of approximately 4.42% from 2023-1H. The loss before tax for the Reporting Period was approximately RMB29.1 million (2023-1H: loss before tax from continuing operation of approximately RMB35.1 million), and loss attributable to shareholders of the parent was approximately RMB22.1 million (2023-1H: RMB25.9 million). For the first half of 2024, the gas sourcing price dropped due to the fall in global natural gas price while other costs and expenses rose; the Group's performance maintained at similar level when compared to the corresponding period in 2023 as a result.

Segmental Information

During the Reporting 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 District, Wulanchabu City, Inner Mongolia Autonomous Region. Sales of piped gas is the major source of income for the Group for the first half of 2024, followed by gas connection and others.

Liquidity, Financial Resources and Capital Structure

As of 30 June 2024, total equity attributable to shareholders of the Company amounted to approximately RMB1,409.0 million (31 December 2023: RMB1,430.7 million). The Company's registered capital was RMB183,930,780 as of 30 June 2024 (with 1,839,307,800 ordinary shares with a nominal value of RMB0.1 each in issue, comprising 1,339,247,800 domestic shares and 500,060,000 H shares).

The Group is generally funded by equity financing and fund flow from operating activities.

As of 30 June 2024, the Group did not have any bank borrowings (31 December 2023: Nil). As of 30 June 2024, the Company's consolidated net current assets was approximately RMB424.0 million (31 December 2023: RMB431.7 million), including cash and cash equivalent of approximately RMB347.4 million (31 December 2023: RMB789.5 million) which was principally denominated in Renminbi.

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

Significant Investments

Under the investment policy adopted by the Board, the Company may use its idle funds to purchase bank deposit products, on the basis that the Company is capable of its normal operation and the total purchase amount does not exceed RMB1 billion. The Board has authorised the general manager of the Company to confirm with the banks the types, amounts, periods and other relevant details of the bank deposit products to be subscribed and to sign relevant documents with the banks on behalf of the Company, provided that these actions should be in compliance with the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the Company’s articles of association and other laws and regulations.

The Group did not hold any significant investments for the Reporting Period (2023-1H: Nil).

Material Acquisition and Disposal, and Future Plans for Material Investments or Capital Assets

During the Reporting Period, the Group did not make any material acquisition or disposal of subsidiaries, associates and joint ventures. As of 30 June 2024 and the date of this announcement, the Group had no specific plan for material investments or capital assets that have been approved by the Board.

Charges on the Group’s Assets

As of 30 June 2024, none of the Group’s assets were pledged as security for liability.

Contingent Liabilities

As of 30 June 2024, the Group had no material contingent liabilities or guarantees (31 December 2023: 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 of 30 June 2024, the Group had 596 full-time employees (30 June 2023: 661). Total staff costs for the Reporting Period was approximately RMB51.3 million (2023-1H: RMB54.7 million)

Emoluments of employees are determined pursuant to the common practice of the industry as well as individual performance. In addition to regular salaries, the Group pays discretionary bonus to eligible employees subject to the Group’s operating results and individual performance of the employees. The Group makes contributions to medical welfare and retirement funds and provides other benefits to its employees.

The Group provides pre-job and on-the-job training and development opportunities to its staff, which cover areas such as managerial skills, sales and procurement, customer services, safety inspections, workplace ethics and training of other areas relevant to the gas industry.

DIVIDEND

No dividends were declared or proposed during the Reporting Period. The Board does not recommend a distribution of dividend for the Reporting Period (2023-1H: Nil).

PROSPECTS

The China's Long-Range Objectives Through the Year 2035 (2035年遠景目標) envisages that China's carbon emission will be stabilized and decreased, implying a trend of using cleaner energy source. Also, China's 14th Five-Year Plan proposes to enhance the reserves and productivity (增儲上產) of oil and natural gas in the forthcoming five years, while also speeding up the construction of natural gas pipeline, perfecting the grid network for oil and natural gas. The Group expects that the PRC natural gas sector and natural gas consumption will benefit from the above and experience persistent growth. The Group may be particularly benefited from such growth as the 14th Five-Year Development Plan also emphasizes that Beijing, Tianjin and Hebei shall jointly prevent and control (京津冀協同防控) air pollution and use of clean energy for heating will be promoted in northern China. Together with policies 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》), the Group remains optimistic about the PRC gas sector as a whole and that natural gas will remain as a preferred energy source in the PRC.

Natural gas is expected to become a main fuel of urban residents. 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. 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 prioritization, to achieve continuing growth of net cash flows;
- continue to improve the financial management system, with a view to reduce 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 production management and internal management;

- continue to improve the operations 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.

The Company will continue to (i) focus on tackling the issue of gas source by taking multiple measures to explore new sources; (ii) prioritize market expansion and develop new customers, further explore potential large users by identifying users' needs in the current market share, defending the established markets; (iii) improve internal management and reduce administrative expenses; (iv) promote value-added services and strive to create new momentum for corporate growth; and (v) consider the resumption of the purchase of bank deposit products or explore new financial products, when appropriate, to enhance its capital yield.

REVIEW OF RESULTS BY AUDIT COMMITTEE

The audit committee of the Company comprises three independent non-executive Directors (namely Mr. Bai Mo, Mr. Yu Jian Jun and Ms. Ji Xuefeng). The audit committee's primary duties include reviewing and providing supervision on the Group's financial reporting system, and its risk management and internal control systems.

The audit committee has reviewed the Company's consolidated financial results for the Reporting Period and this announcement.

OTHER INFORMATION

Significant Events During the Reporting Period

Change of auditors

KPMG Huazhen LLP ("**KPMG**") was appointed with respect to the financial year ended 31 December 2023, with a term of appointment of one year. Upon expiration of its term of appointment, KPMG retired as the Company's independent auditor with effect from the conclusion of annual general meeting held on 27 June 2024 ("**2023 AGM**") in accordance with the requirement of the Company's articles of association.

The Company conducted a selection process of auditors with respect to the financial year ending 31 December 2024. Through such selection process, and with the recommendation of the audit committee of the Company and the approval of the shareholders of the Company at the 2023 AGM, Wuyige Certified Public Accountants LLP has been appointed as the new independent auditor of the Company.

More information is set out in the Company's circular dated 5 June 2024.

Change of composition of the Board of Directors and Supervisory Committee

The following changes of Directors and supervisors of the Company (the “**Supervisor(s)**”) took place during the Reporting Period:

- (1) With effect from 19 February 2024, Mr. Wang Cong has become the Chairman of the Board, an executive Director, and the Chairman of the Nomination Committee of the Company, in place of Mr. Chen Tao (whose resignation became effective on the same date).
- (2) On 27 June 2024, with new sessions of the Board of Directors and the supervisory committee of the Company having been elected, the following changes of Directors and Supervisors became effective:
 - (i) Ms. Sha Caiping and Mr. Yang Zufeng became non-executive Directors; Ms. Ji Xuefeng and Mr. Bai Mo became independent non-executive Directors; and Mr. Bian Hong became an independent Supervisor; and
 - (ii) Ms. Wu Fang and Ms. Guan Na retired as non-executive Directors; Mr. Zhang Ying Hua and Mr. Guo Jia Li retired as independent non-executive Directors; and Ms. Xu Hui retired as an independent Supervisor.

The aforementioned Directors appointed during the Reporting Period have obtained the legal advice from a firm of solicitors under Rule 3.09D of the Listing Rules. Mr. Wang Cong has confirmed that he understood his obligations as a Director on 19 February 2024, and Ms. Sha Caiping, Mr. Yang Zufeng, Ms. Ji Xuefeng and Mr. Bai Mo have confirmed that he/she understood his/her obligations as a Director on 27 June 2024.

Mr. Bai Mo has undertaken to waive his remuneration for his position in, and services to, the Group (including his fee as a director).

More information is set out in the Company’s circulars dated 30 January 2024 and 5 June 2024, respectively.

Connected transactions

Renewal of gas supply contract with Jinran China Resources

The gas supply contract dated 15 November 2022 entered into between the Company and Jinran China Resources Gas Co., Ltd (“**Jinran China Resources**”) in respect of the supply of natural gas by Jinran China Resources to the Company expired on 31 March 2024. The Company and Jinran China Resources entered into a new city gas supply and usage contract on 7 February 2024 for the period from 1 April 2024 to 31 March 2027 (“**Gas Supply Contract**”). The annual caps under the Gas Supply Contract are RMB1,326 million for the period from 1 April to 31 December 2024, RMB2,282 million for year 2025, RMB2,473 million for year 2026, and RMB992 million for the period from 1 January to 31 March 2027, respectively. The Gas Supply Contract was subject to (among other things) the reporting, announcement, independent shareholders’ approval and annual review requirements under Chapter 14A of the Listing Rules. It has been approved by the independent shareholders of the Company at an extraordinary general meeting held on 28 March 2024. More information is set out in the Company’s circular dated 5 March 2024.

Procurement of engineer goods and materials from Tianjin Yunfu

The Company and Tianjin Yunfu Gas Technology and Trading Co., Ltd. (“**Tianjin Yunfu**”) entered into the engineer materials procurement framework agreement dated 27 June 2024, setting out the arrangements under which the Company may procure engineer goods and materials from Tianjin Yunfu. The aggregate maximum purchase price for goods and materials under such agreement is RMB9 million (tax inclusive). Tianjin Yunfu is a subsidiary of Jinran China Resources. Such agreement was subject to (among other things) the reporting, announcement and annual review requirements, but was exempt from the circular and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules. More information is set out in the Company’s announcement dated 27 June 2024.

Potential disposal of assets of Jining Branch Company

References are made to the Company’s announcements dated 4 September 2020, 24 September 2020 and 20 August 2021 in relation to the potential disposal of assets of Jining Branch. As no successful bidders were identified in the listing conducted at the Tianjin Property Rights Exchange, the Company is exploring different options regarding the assets of the Jining Branch. Further announcement will be made as and when required under the Listing Rules (where applicable).

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

The Company and its subsidiaries did not purchase, sell or redeem any of the Company’s listed securities (including sale of treasury shares (as defined under the Listing Rules)) during the Reporting Period. As of 30 June 2024, the Company did not hold any treasury shares.

Compliance with the Corporate Governance 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 principles set out in the Corporate Governance Code contain in Appendix C1 to the Listing Rules. The Company complied with all applicable code provisions set out in Part 2 of the Corporate Governance Code during the Reporting Period.

Securities Transactions by Directors and Supervisors

The Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules has been adopted as a code of securities transactions for Directors and Supervisors of the Company (the “**Securities Code**”). On specific enquiries made, all Directors and Supervisors have confirmed that they have complied with the required standards set out in the Securities Code.

By order of the Board
Tianjin Jinran Public Utilities Company Limited
Wang Cong
Chairman of the Board

Tianjin, the PRC, 28 August 2024

As of the date of this announcement, the Board comprises three executive Directors, namely Mr. Wang Cong (Chairman of the Board), Ms. Tang Jie and Mr. Sun Liangchuan, three non-executive Directors, namely Mr. Zhang Jinghan, Ms. Sha Caiping and Mr. Yang Zufeng and three independent non-executive Directors, namely Mr. Yu Jian Jun, Ms. Ji Xuefeng and Mr. Bai Mo.

In this announcement, the English names of certain PRC entities and persons are translations of their Chinese names and included herein for identification purpose only. If there is any inconsistency, the Chinese names shall prevail.

Certain figures in this announcement have been subject to rounding adjustments.

This announcement contains forward-looking statements that reflect the Company's beliefs, plans or expectations about the future. These statements are based on a number of assumptions, current estimates and projections, and are therefore subject to inherent risks, uncertainties and other factors which may or may not be beyond the Company's control. The actual outcomes may differ materially and/or adversely. Nothing contained in these statements is, or shall be, relied upon as any assurance or representation as to the future or as a representation or warranty otherwise. Neither the Company nor its directors, supervisors, officers, employees, agents, affiliates, advisers or representatives assume any responsibility to update, supplement or correct these statements or to adapt them to future events or developments.

** For identification purpose only*