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天津津燃公用事業股份有限公司

TIANJIN JINRAN PUBLIC UTILITIES COMPANY LIMITED

(a joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 01265)

SUPPLEMENTAL AGREEMENT TO THE 2021 GAS SUPPLY CONTRACT

Reference is made to the announcement of the Company dated 9 February 2021 and the circular of the Company dated 15 March 2021 concerning the continuing connected transaction of the Company in relation to the Gas Supply contemplated under the 2021 Gas Supply Contract entered into between Jinran China Resources and the Company.

On 31 August 2021, the Company and Jinran China Resources entered into the Supplemental Agreement, pursuant to which the 2021 Gas Sourcing Price in relation to the natural gas supplied to Xintiangan from 1 April 2021 to 31 December 2021 will be decreased.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Jinran China Resources is held as to 51% by Tianjin Gas, which is the controlling shareholder of the Company, holding approximately 70.55% of the issued shares of the Company. Jinran China Resources is hence a connected person of the Company, and the entering into of the 2021 Gas Supply Contract between Jinran China Resources and the Company constitutes a continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio (as defined under Rule 14.07 of the Listing Rules) for the annual cap for the 2021 Gas Supply Contract exceeds 5%, the 2021 Gas Supply Contract is subject to, inter alia, the Independent Shareholders' approval, reporting, annual review and announcement requirements under Chapter 14A of the Listing Rules. Pursuant to Rule 14A.54 of the Listing Rules, the Company must re-comply with the announcement and shareholders' approval requirements before it proposes to effect a material change to its terms, accordingly, the Supplemental Agreement, which serve to amend the 2021 Gas Sourcing Price, is subject to the Independent Shareholders' approval and announcement requirements under Chapter 14A of the Listing Rules.

The Company will appoint an independent financial adviser to advise the Independent Board Committee and the Independent Shareholders on the Supplemental Agreement.

A circular containing, inter alia, (i) further details of the Supplemental Agreement, (ii) the advice from the Independent Board Committee to the Independent Shareholders; (iii) the advice from the independent financial adviser of the Company to the Independent Board Committee and Independent Shareholders in relation to the Supplemental Agreement; and (iv) the notice convening the EGM, is expected to be despatched to the Shareholders within 15 business days from the date of this announcement. Tianjin Gas and its associates will abstain from voting in connection with the Supplemental Agreement at the aforesaid EGM.

Reference is made to the announcement of the Company dated 9 February 2021 and the circular of the Company dated 15 March 2021 concerning the continuing connected transaction of the Company in relation to the Gas Supply contemplated under the 2021 Gas Supply Contract entered into between Jinran China Resources and the Company.

On 31 August 2021, the Company and Jinran China Resources entered into the Supplemental Agreement, pursuant to which the 2021 Gas Sourcing Price in relation to the natural gas supplied to Xintiangang from 1 April 2021 to 31 December 2021 will be decreased.

The Supplemental Agreement shall take effect upon Independent Shareholders' approval.

SUPPLEMENTAL AGREEMENT

Date of entering into the Supplemental Agreement

31 August 2021

Contracting parties

Supplier : Jinran China Resources

Purchaser : The Company

As at the date of this announcement, Jinran China Resources is owned as to 51% by Tianjin Gas, which is the controlling shareholder of the Company, holding approximately 70.55% of the issued shares of the Company.

Major terms of the Supplemental Agreement

In relation to the natural gas sold and to be sold by the Company to Xintiangang (the "Gas Amount")

When Gas Amount reaches 1 million cubic metre in any month between 1 April 2021 to 31 December 2021, the Gas Sourcing Price under 2021 Gas Supply Contract applicable to Gas Amount in that month shall be reduced by RMB0.15 per cubic metre.

The abovementioned adjustments and the Gas Sourcing Price are subject to, if any, national or Tianjin-city-level policies.

Condition Precedents

The Supplemental Agreement shall be effective upon Independent Shareholders' approval.

REASONS FOR AND BENEFITS OF ENTERING THE SUPPLEMENTAL AGREEMENT

From 1 January 2021 to 31 December 2021, the Company sourced natural gas from Jinran China Resources pursuant to the 2021 Gas Supply Contract and sold part of such natural gas to Xintiangang. The Company is not the only supplier of natural gas available to Xintiangang. In the mutual interest of the Company and Jinran China Resources to maintain their respective market shares, the Company had entered into arm's length commercial negotiation with Jinran China Resources on a potential discount on the 2021 Gas Sourcing Price (the calculation of which is governed by the 2021 Gas Supply Contract) for the natural gas sourced from Jinran China Resources and provided to Xintiangang by the Company. To encourage Xintiangang to choose the Company for natural gas over other suppliers, the Company and Jinran China Resources conclude that the discounts to the Gas Sourcing Price under the Supplemental Agreement give the Company more room to adjust the selling price of natural gas to Xintiangang, thereby can encourage Xintiangang to maintain or even increase its natural gas demand from the Company, and indirectly from Jinran China Resources as the Company sources its natural gas from Jinran China Resources.

The Directors (excluding the independent non-executive Directors who will form their view after considering the advice of the independent financial adviser) consider that the Supplemental Agreement is entered into in the usual and ordinary course of business of the Group after arm's length negotiations between the Company and Jinran China Resources and the terms of the Supplemental Agreement are normal commercial terms or better which are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Xintiangang is party independent of the Company and Jinran China Resources.

INFORMATION ABOUT THE GROUP

The Group's principal activities are the operation and management of gas pipeline infrastructure and the sale and distribution of piped gas in the PRC.

INFORMATION ABOUT JINRAN CHINA RESOURCES

Jinran China Resources is held by Tianjin Gas (a controlling shareholder of the Company) and China Resources Gas Group Limited (a company listed on the main board of the Stock Exchange, Stock Code: 1193) as to 51% and 49%, respectively, and is the sole wholesale supplier of natural gas in the Tianjin City and part of the rural areas of Tianjin. The principal business of Jinran China Resources comprises operation of gas pipeline infrastructure, supply of natural gas to other gas supply operators in the Tianjin area, the sales and distribution of piped gas to end users and the sale of gas appliances and equipment in connection with gas supply in certain areas in Tianjin.

The ultimate beneficial owner of Tianjin Gas is the State-owned Assets Supervision and Administration Commission of the Tianjin Municipal People's Government, a special commission directly under the Tianjin Municipal People's Government.

LISTING RULES IMPLICATION

As at the date of this announcement, Jinran China Resources is held as to 51% by Tianjin Gas, which is the controlling shareholder of the Company, holding approximately 70.55% of the issued shares of the Company. Jinran China Resources is hence a connected person of the Company, and the entering into of the 2021 Gas Supply Contract between Jinran China Resources and the Company constitutes a continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio (as defined under Rule 14.07 of the Listing Rules) for the annual cap for the 2021 Gas Supply Contract exceeds 5%, the 2021 Gas Supply Contract is subject to, inter alia, the Independent Shareholders' approval, reporting, annual review and announcement requirements under Chapter 14A of the Listing Rules. Pursuant to Rule 14A.54 of the Listing Rules, the Company must re-comply with the announcement and shareholders' approval requirements before it proposes to effect a material change to its terms, accordingly, the Supplemental Agreement, which serve to amend the 2021 Gas Sourcing Price, is subject to the Independent Shareholders' approval and announcement requirements under Chapter 14A of the Listing Rules.

The Company will appoint an independent financial adviser to advise the Independent Board Committee and the Independent Shareholders on the Supplemental Agreement.

A circular containing, inter alia, (i) further details of the Supplemental Agreement, (ii) the advice from the Independent Board Committee to the Independent Shareholders; (iii) the advice from the independent financial adviser of the Company to the Independent Board Committee and Independent Shareholders in relation to the Supplemental Agreement; and (iv) the notice convening the EGM, is expected to be despatched to the Shareholders within 15 business days from the date of this announcement. Tianjin Gas and its associates will abstain from voting in connection with the Supplemental Agreement at the aforesaid EGM.

As: (i) Mr. Hou Shuang Jiang, a non-executive Director, is a director of 天津能源集團財務有限公司 (Tianjin Energy Group Finance Co., Limited*), an indirect non wholly-owned subsidiary of 天津能源投資集團有限公司 (Tianjin Energy Investment Company Limited*), which owns the entire equity interest in Tianjin Gas and is a connected person of the Company; and (ii) Mr. Zhao Heng Hai, a non-executive Director, is a director of Jinran China Resources, both of them have abstained from voting on the resolutions in relation to the approval of the Supplemental Agreement proposed to the Board. Save as disclosed above, none of the Directors attending the Board meeting has a material interest in the Supplemental Agreement.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms have the following meanings:

“2021 Gas Sourcing Price”	the monthly price per cubic metre at which the Company sources its natural gas from Jinran China Resources for the year ending 31 December 2021
“2021 Gas Supply Contract”	the conditional gas supply contract dated 9 February 2021 and entered into between the Company and Jinran China Resources in respect of the supply of natural gas by Jinran China Resources to the Company for the year ending 31 December 2021
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Company”	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 PRC, whose H shares are listed on the Stock Exchange

“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting to be convened for the purpose of considering, and if thought fit, passing ordinary resolutions regarding, among others, the Supplemental Agreement
“Gas Sourcing Price”	the monthly price per cubic metre at which the Company sources its natural gas from Jinran China Resources
“Gas Supply”	the supply of natural gas by Jinran China Resources to the Company
“Group”	the Company and its subsidiaries
“Independent Board Committee”	the independent board committee of the Company comprising of Mr. Zhang Ying Hua, Mr. Yu Jian Jun and Mr. Guo Jia Li, each an independent non-executive Director
“Independent Shareholders”	Shareholders other than those who are required by the Listing Rules to abstain from voting on the resolution(s) approving the Supplemental Agreement
“Independent Third Party(ies)”	third party(ies) who are independent of and are not connected with the Company and its connected persons
“Jinran China Resources”	津燃華潤燃氣有限公司 (Jinran China Resources Gas Co., Ltd*), a company established in the PRC with limited liability
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“normal commercial terms or better”	has the meaning ascribed to it under the Listing Rules
“PRC”	The People’s Republic of China and for the purpose of this announcement, does not include the Hong Kong Special Administrative Region of the People’s Republic of China, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholders”	shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Supplemental Agreement”	the conditional supplemental Agreement dated 31 August 2021 and entered into between the Company and Jinran China Resources in respect of the reduction of the portion of Gas Sourcing Price in relation to the natural gas supplied to Xintiangang from 1 April 2021 to 31 December 2021
“Tianjin Gas”	天津市燃氣集團有限公司 (Tianjin Gas Group Company Limited*), a state-owned enterprise established in the PRC with limited liability
“Xintiangang”	天津市新天鋼冷軋薄板有限公司 (Tianjin City Xintiangang Cold Rolled Steel Sheet Limited*), a company established in the PRC with limited liability, ultimately controlled by 丁立國 (Mr. Ding Ligu*), an Independent Third Party

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

Tianjin, the PRC, 31 August 2021

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 Ms. Hou Yuling, and three independent non-executive Directors, namely Mr. Zhang Ying Hua, Mr. Yu Jian Jun and Mr. Guo Jia Li.

* *For identification purpose only*