

*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)

## **RENEWAL OF CONTINUING CONNECTED TRANSACTION IN RELATION TO GAS SUPPLY**

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 2021 Gas Supply Contract entered into between Jinran China Resources and the Company.

As the 2021 Gas Supply Contract will expire on 31 December 2021, on 6 December 2021, the Company and Jinran China Resources entered into the 2022 Gas Supply Contract for the period from 1 January 2022 to 31 December 2022.

### **LISTING RULES IMPLICATIONS**

As at the date of this announcement, Jinran China Resources is held as to 51% by Tianjin Gas, which is a controlling shareholder of the Company. Jinran China Resources is hence a connected person of the Company, and the entering into of the 2022 Gas Supply Contract 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 2022 Gas Supply Contract exceeds 5%, the 2022 Gas Supply Contract is subject to, among other things, the Independent Shareholders' approval, reporting, annual review and announcement requirements under Chapter 14A of the Listing Rules.

Gram Capital will be appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders on the 2022 Gas Supply Contract.

A circular containing, among other things, (i) further details of the 2022 Gas Supply Contract, (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 2022 Gas Supply Contract; and (iv) the notice convening the EGM, is expected to be despatched to the Shareholders on or before 28 December 2021. Tianjin Gas and its associates will abstain from voting in connection with the 2022 Gas Supply Contract at the EGM.

## **2022 GAS SUPPLY CONTRACT**

### **Date of entering into the 2022 Gas Supply Contract**

6 December 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. Tianjin Gas is a controlling shareholder of the Company, holding approximately 70.54% of the issued shares of the Company as at the date of this announcement.

### **Major terms**

#### *Condition precedent*

The 2022 Gas Supply Contract shall be effective upon the Company having obtained the Independent Shareholders' approval pursuant to the Listing Rules.

#### *Gas Supply in 2022 and pricing policy*

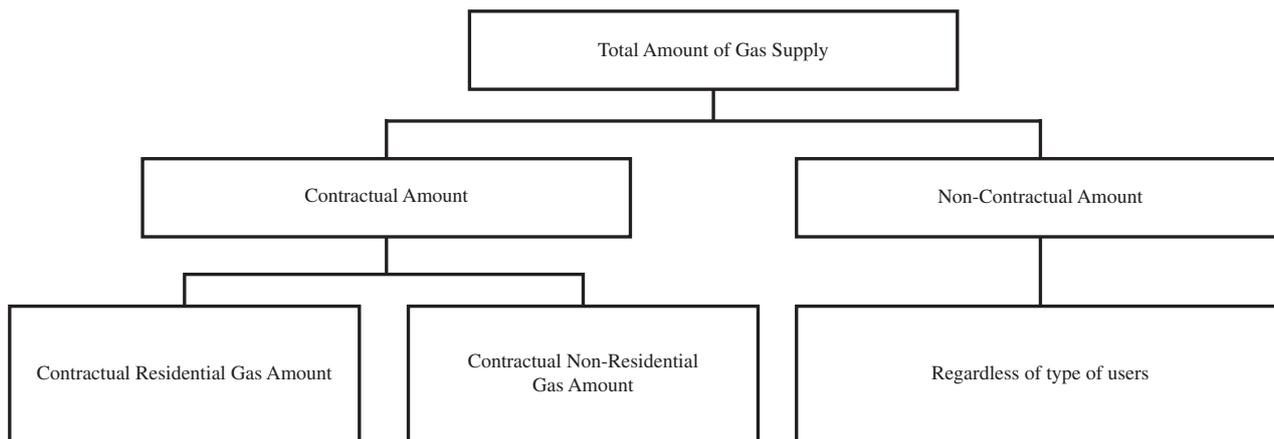
Pursuant to the 2022 Gas Supply Contract, Jinran China Resources has agreed to supply to the Company, and the Company has agreed to source from Jinran China Resources, natural gas at the Gas Sourcing Price.

The Gas Sourcing Price in each Settlement Period shall be determined as follows:

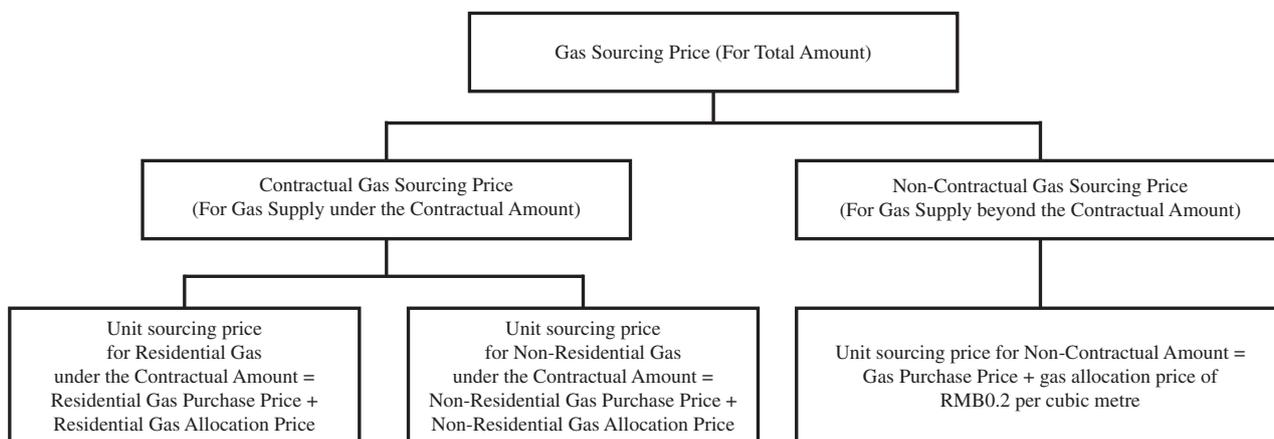
The Gas Sourcing Price applicable to Gas Supply is a volume-weighted average of the sum of two transaction amounts weighed by the Total Amount of Gas Supply. The said two transaction amounts are (a) Contractual Gas Sourcing Price times Contractual Amount of Gas Supply, and (b) Non-Contractual Gas Sourcing Price times Non-Contractual Amount of Gas Supply. The formula for the calculation of Gas Sourcing Price is as follows:

$$\text{Gas Sourcing Price} = \frac{\text{Contractual Gas Sourcing Price} \times \text{Contractual Amount} + \text{Non-Contractual Gas Sourcing Price} \times \text{Non-Contractual Amount}}{\text{Total Amount}}$$

Please refer to the following dendrogram for an illustration of the Gas Supply amount components in the calculation of the Gas Sourcing Price:



Please refer to the following dendrogram for an illustration of the price components in the calculation of the Gas Sourcing Price:



Contractual Gas Sourcing Price, being the Gas Sourcing Price of the Company for Gas Supply occurred under Contractual Amount, is a volume-weighted average price of the sum of two transaction amounts weighted by the Contractual Amount. The said two transaction amounts are (a) the unit sourcing price for Gas Supply of Residential Gas times Contractual Residential Gas Amount, and (b) the unit sourcing price for Gas Supply of Non-Residential Gas times Contractual Non-Residential Gas Amount. The abovementioned sourcing price under (a) is a simple sum of the Gas Purchase Price incurred by Jinran China Resources for Residential Gas (i.e. Residential Gas Purchase Price), and a gas allocation price to be incurred by the Company for the Residential Gas (i.e. Residential Gas Allocation Price). The abovementioned sourcing price under (b) is a simple sum of the Gas Purchase Price incurred by Jinran China Resources for Non-Residential Gas (i.e. Non-Residential Gas Purchase Price), and a gas allocation price to be incurred by the Company for Non-Residential Gas (i.e. Non-Residential Gas Allocation Price).

Non-Contractual Gas Sourcing Price, being the Gas Sourcing Price of the Company for Gas Supply occurred beyond Contractual Amount (i.e. the Non-Contractual Amount), is a simple sum of Gas Purchase Price incurred by Jinran China Resources for Non-Contractual Amount, and a gas allocation price of RMB0.2 per cubic metre to be incurred by the Company for Non-Contractual Amount.

The mathematical illustration of how the Gas Sourcing Price of a Settlement Period is calculated from the abovementioned elements is as follows:

***First component: Contractual Gas Sourcing Price***

*In a Settlement Period:*

$$\text{Contractual Gas Sourcing Price} = \frac{\begin{array}{l} (\text{Residential Gas Purchase Price} + \\ \text{Residential Gas Allocation Price}) \times \\ \text{Contractual Residential Gas Amount} \end{array} + \begin{array}{l} (\text{Non-Residential Gas Purchase Price} + \\ \text{Non-Residential Gas Allocation Price}) \times \\ \text{Contractual Non-Residential Gas Amount} \end{array}}{\text{Contractual Amount}}$$

1. “Contractual Residential Gas Amount” equals to:

$$\frac{\text{Residential Gas Amount in a Settlement Period}}{\text{Total Amount}} \times \text{Contractual Amount of such Settlement Period}$$

2. “Contractual Non-Residential Gas Amount” equals to:

$$\frac{\text{Non-Residential Gas Amount in a Settlement Period}}{\text{Total Amount}} \times \text{Contractual Amount of such Settlement Period}$$

## ***Second component: Non-Contractual Gas Sourcing Price***

*In a Settlement Period:*

$$\text{Non-Contractual Gas Sourcing Price} = \text{Non-Contractual Gas Purchase Price} + \text{RMB0.2 per cubic metre}$$

The Company may require Jinran China Resources to provide proof as to the purchase price of natural gas paid by Jinran China Resources to its upstream suppliers for natural gas.

## ***Combining the first and second components: Gas Sourcing Price applicable to Gas Supply in each month of a Settlement Period***

*In a Settlement Period:*

$$\text{Gas Sourcing Price} = \frac{\begin{array}{c} \text{Contractual Gas Sourcing Price} \\ \times \\ \text{Contractual Amount} \end{array} + \begin{array}{c} \text{Non-Contractual Gas Sourcing Price} \\ \times \\ \text{Non-Contractual Amount} \end{array}}{\text{Total Amount}}$$

Notwithstanding the aforesaid Pricing Mechanism, in the event there is any change in the national policy which affect the Gas Sourcing Price or its pricing mechanism, the national pricing policy shall be followed.

In the event that the Company would like to discount the unit price of natural gas consumed or to be consumed by certain strategic customers who are not connected persons of the Company, Jinran China Resources and the Company may execute a supplemental agreement under which the discounted sum will be borne by both parties at a proportion to be stipulated.

## ***Rationale of incorporating different components in the Gas Sourcing Price***

The reason for having a different Gas Sourcing Price for Gas Supply under the Contractual Amount and Non-Contractual Amount and different Gas Sourcing Price for Residential Users and Non-Residential Users is to reflect the commercial fact that Jinran China Resources sources the natural gas concerned in the Gas Supply from government appointed and regulated ultimate suppliers of natural gas in the Tianjin region like PetroChina Company Limited at Gas Purchase Price that (i) varies with different levels of consumption by Jinran China Resources and (ii) differs for Residential Gas and Non-Residential Gas when the amount of consumption by Jinran China Resources is below a certain level, above which the Gas Purchase Price will no longer be referencing the amounts of Residential Gas and Non-Residential Gas. So in order to accommodate the change in gas purchasing cost incurred by Jinran China Resources resulted from such variation and difference contributed by the Company, while at the same time to secure the interest of the Company by limiting the potential increase in Gas Sourcing Price as a result of the potential increase in Gas Purchase Price, it is therefore agreed commercially between the Company and Jinran China Resources that, corresponding to pricing mechanism of the Gas Purchase Price, the Pricing Mechanism of Gas Sourcing Price should be adjusted in a weighted average manner with regards to (i) Contractual Gas Sourcing Price for Gas Supply under the Contractual Amount for Residential Gas and Non-Residential Gas, and (ii) Non-Contractual Gas Sourcing Price for Gas Supply beyond the Contractual Amount without distinguishing between Residential Gas and Non-Residential Gas.

As the Company expects that the Non-Contractual Gas Sourcing Price will be higher than the Contractual Gas Sourcing Price, the Company believes that it will be in its interest to have a higher “quota” for the Contractual Amount. The actual Gas Volume sourced by the Company from the beginning of 2021 is relatively on the high side when compared to figures in recent year, recovering from the impact caused by suspension of business and operation in 2020 caused by the outbreak of COVID-19. In light of such, the Company applied the actual Gas Volume for the year ending 31 December 2021 as the basis for the Contractual Amount, thereby reducing the likelihood and extent of reliance on Non-Contractual Amount, which is believed to be more expensive when compared to the price under the Contractual Amount.

The Contractual Gas Sourcing Price is in essence a sum of the Gas Purchase Price and a gas allocation price which is regulated by the TDRC from time to time, while the Non-Contractual Gas Sourcing Price is in essence a sum of the Gas Purchase Price and a gas allocation price of RMB0.2 per cubic metre, which was arrived at after arm’s length negotiation between the Company and Jinran China Resources. Having considered the pipeline length for natural gas transmission by Jinran China Resources pursuant to the 2022 Gas Supply Contract, the Board is of the view that the gas allocation fee for Non-Contractual Gas of RMB0.2 per cubic metre represents a unit cost per kilometre of gas transportation for Gas Supply, which is comparable to or lower than the unit cost used to be charged by the Company for similar gas transportation service provided to Jinran China Resources, and therefore is fair and reasonable to the Company.

*Settlement and prepayment of fee*

The Company shall pay Jinran China Resources for the gas supplied monthly, and within two working days upon receipt of the invoice from Jinran China Resources. The amounts payable will be calculated at an estimated Gas Sourcing Price of that Settlement Period with the actual consumption of natural gas by the Company during the month and the discrepancy in the total volume transported (caused by minute leakage during transportation and/or the accuracy of the metre reading, if any) of 3%. Before the 25th day of the month before the beginning of a Settlement Period, (a) the estimated Gas Sourcing Price for the coming Settlement Period will be determined; and (b) the actual Gas Sourcing Price of the prior Settlement Period will be verified in accordance with the Pricing Mechanism. If there is any difference between the verified Gas Sourcing Price and the estimated Gas Sourcing Price (as applied in the monthly payment then already made by the Company), the parties shall settle such difference by way of refund or additional payment (as the case may be).

For gas fee to be incurred in November and December, the Company will prepay 70% of the estimated gas fee for the relevant month in advance. Within two working days upon receipt of the prepayment invoice for such estimated prepayment fees, the Company will examine Jinran China Resources’ settlement proof with its upstream source(s) and verify the Gas Sourcing Price, and inform Jinran China Resources the results afterwards. The Company shall pay the remaining balance of the gas fee (30%) within two working days upon confirmation of the amount payable by both parties.

The Company shall pay a Prepayment to Jinran China Resources within five working days upon the 2022 Gas Supply Contract taking effect. The Prepayment is calculated in the following manner:

$$\text{Prepayment} = \text{Total transaction amount of the Gas Supply for the year 2021/365} \times 30$$

Jinran China Resources shall have the right to apply the Prepayment to offset the outstanding gas fees. If the Company fails to pay the Prepayment or the amount of the Prepayment is insufficient to cover the outstanding amount payable by the Company, Jinran China Resources shall have the right to, after serving notice three working days in advance, reduce or suspend the delivery of natural gas until the outstanding payment has been settled.

Having considered that the Prepayment (i) is a condition required by Jinran China Resources (and Jinran China Resources is the sole natural gas wholesaler in Tianjin City and to the Company) to fulfill their prepayment obligations with the ultimate supplier(s); (ii) may be used to offset outstanding gas fees; and (iii) is expected to be less than the monthly average transaction amount of the Gas Supply, the Directors (excluding the independent non-executive Directors who will form their view after considering the advice of the independent financial adviser) are of the view that the Prepayment is fair and reasonable, and in the interest of the Company and the independent Shareholders as a whole.

#### *Annual cap*

The total transaction amount (tax inclusive) under the 2022 Gas Supply Contract for the year ending 31 December 2022 shall not exceed RMB2,070 million.

#### **Basis of Determining the Annual Cap and the Pricing Mechanism**

In arriving at the aforesaid annual cap of natural gas supply, the Company has considered, among others, the following factors: (i) the historical transaction figures with Jinran China Resources for Gas Supply; (ii) the estimated increase in Gas Volume for the year ending 31 December 2022; (iii) the potential increase of the Gas Sourcing Price; and (iv) a small additional buffer in case of unexpected fluctuation.

#### ***(i) Historical Gas Supply transaction figures with Jinran China Resources***

The table below shows (i) the historical annual caps for Gas Supply for the year ended 31 December 2019 and 2020; and (ii) the actual transaction amount of Gas Supply for the year ended 31 December 2019 and 2020:

	<b>For the year ended 31 December 2020</b>	<b>For the year ended 31 December 2019</b>
	<i>RMB' million</i>	<i>RMB' million</i>
Historical annual cap (tax inclusive)	1,879	1,915.2
Actual transaction amount (tax exclusive) (approximate)	1,141	1,293
Actual transaction amount (tax inclusive) (approximate)	1,256	1,409

The annual cap under the 2021 Gas Supply Contract for the year ending 31 December 2021 is RMB1,915 million. Based on the information currently available (subject to final audit), the unaudited actual transaction amount (tax inclusive) for the nine months ended 30 September 2021 was approximately RMB1,035 million.

**(ii) *Estimated increase in Gas Volume***

The estimated increase in Gas Volume for the year ending 31 December 2022 is approximately 8.4%, taking into account the average rate of increase of approximately 8.4% in actual Gas Volume for the four years ended 31 December 2019 and the estimated consumption of new customers. The Company believes that the Gas Volume figures in 2020 may not be representative to indicate future gas consumption in light of the suspension and closure of production and business in that year brought by the outbreak of COVID-19. With the pandemic getting stabilised and the resumption of business and operations, the Company expects a recovery or even an increase in gas demand in 2022.

**(iii) *Potential increase of Gas Sourcing Price***

The Company estimates that the overall Gas Sourcing Price may potentially increase by approximately 4% for the year 2022 due to the limited supply of natural gas and regulatory measures affecting the demand of natural gas, and the increase in natural gas demand during the winter months in 2022 and for Non-Residential Users during the non-heating season in 2022.

**(iv) *Additional buffer***

Taking into account (a) the potential purchase of Non-Contractual Amount of natural gas that is conceivably more expensive than Contractual Amount, (b) the limited supply of natural gas and regulatory measures affecting demand of natural gas, and (c) new customers and demands may emerge in 2022, the Company is of the view that a buffer of approximately 7% shall be added to the estimated demand of natural gas for the year ending 31 December 2022.

In arriving at the Pricing Mechanism, the Company has considered (i) the sourcing prices at which Jinran China Resources sourced its natural gas from the government appointed and regulated ultimate supplier(s) of natural gas in the Tianjin region like PetroChina Company Limited (中國石油天然氣股份有限公司); (ii) the expected fluctuations of such upstream sourcing prices in 2022 based on the Company and management's expertise in the industry; (iii) the fact that Jinran China Resources is the only licensed natural gas wholesaler capable of fulfilling the Company's demand on natural gas and the Company's reliance on Jinran China Resources as an industry norm in Tianjin as a result of the laws and regulations of the PRC; and (iv) the alternative legal means available to the Company to source the natural gas needed and the unit price of gas being substantially higher than the Gas Sourcing Price pursuant to the Pricing Mechanism.

**REASONS FOR AND BENEFITS OF ENTERING INTO THE 2022 GAS SUPPLY CONTRACT**

Jinran China Resources is the only natural gas wholesaler in the districts in Tianjin in which the Company operates.

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 2022 Gas Supply Contract 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 2022 Gas Supply Contract (including the Pricing Mechanism and the proposed annual cap) are of normal commercial terms or better, which are fair and reasonable and in the interests of the Company and the independent Shareholders as a whole.

## **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 as to 51% by Tianjin Gas (a controlling shareholder of the Company) and as to 49% by China Resources Gas Group Limited (a company whose shares are listed on the main board of the Stock Exchange, Stock code: 1193), respectively. It is the sole wholesale supplier of natural gas in Tianjin City and part of the rural areas of Tianjin. The principal businesses of Jinran China Resources include 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 of 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 IMPLICATIONS**

As at the date of this announcement, Jinran China Resources is held as to 51% by Tianjin Gas, which is a controlling shareholder of the Company holding 1,297,547,800 Domestic Shares (representing approximately 70.54% of the total issued shares of the Company). Jinran China Resources is hence a connected person of the Company, and the entering into of the 2022 Gas Supply Contract 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 2022 Gas Supply Contract exceeds 5%, the 2022 Gas Supply Contract is subject to, among other things, the Independent Shareholders' approval, reporting, annual review and announcement requirements under Chapter 14A of the Listing Rules.

Gram Capital will be appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders on the 2022 Gas Supply Contract.

A circular containing, among other things, (i) further details of the 2022 Gas Supply Contract, (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 2022 Gas Supply Contract; and (iv) the notice convening the EGM, is expected to be despatched to the Shareholders on or before 28 December 2021. Tianjin Gas and its associates will abstain from voting in connection with the 2022 Gas Supply Contract at the EGM.

(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., Ltd.\*), 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 (ii) Mr. Zhao Heng Hai, a non-executive Director, is a director of Jinran China Resources. Accordingly, both of them have abstained from voting on the Board resolutions in relation to the 2022 Gas Supply Contract. Save as disclosed above, none of the Directors has a material interest in the 2022 Gas Supply Contract.

## DEFINITIONS

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

“2021 Gas Supply Contract”	the 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
“2022 Gas Supply Contract”	the conditional gas supply contract dated 6 December 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 2022
“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
“Contractual Amount”	the actual total Gas Volume sourced by the Company from Jinran China Resources in the year ending 31 December 2021
“Contractual Gas Sourcing Price”	the unit Gas Sourcing Price of the Company for Gas Supply occurred under the Contractual Amount, as described under the paragraph headed “First component: Contractual Gas Sourcing Price” in this announcement
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Domestic Share(s)”	ordinary domestic share(s) of nominal value of RMB0.10 each in the registered capital of the Company which are subscribed for in RMB
“EGM”	the extraordinary general meeting of the Company to be convened for the purpose of considering, and if thought fit, approving the 2022 Gas Supply Contract
“Gas Purchase Price”	the price per cubic metre at which Jinran China Resources purchases natural gas from its supplier
“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
“Gas Volume”	volume of natural gas purchased by the Company from Jinran China Resources
“Gram Capital”	Gram Capital Limited, a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, being the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the 2022 Gas Supply Contract
“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, established to advise the Independent Shareholders on the 2022 Gas Supply Contract
“Independent Shareholders”	Shareholders other than those who are required by the Listing Rules to abstain from voting on the resolution(s) approving the 2022 Gas Supply Contract
“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; and a connected person of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Non-Contractual Amount”	Total Amount minus Contractual Amount
“Non-Contractual Gas Sourcing Price”	the unit Gas Sourcing Price of the Company for Gas Supply occurred beyond the Contractual Amount, as described under the paragraph headed “Second component: Non-Contractual Gas Sourcing Price” in this announcement
“Non-Residential Gas”	natural gas (not being Residential Gas) purchased by Jinran China Resources from its suppliers or sourced by the Company from Jinran China Resources, as the case may be
“Non-Residential Gas Allocation Price”	the price per cubic metre for Non-Residential Gas Amount under the Contractual Amount at which Jinran China Resources can charge under the directions of TDRC (if any) from time to time, in excess of the Non-Residential Gas Purchase Price in a Settlement Period
“Non-Residential Gas Amount”	the amount (as verified by the Company) of Non-Residential Gas that Jinran China Resources purchased from its supplier(s) and supplied to the Company in a Settlement Period

“Non-Residential Gas Purchase Price”	the Gas Purchase Price (per cubic metre) at which Jinran China Resources purchased Non-Residential Gas from its supplier(s) and supplied to the Company in a Settlement Period
“Non-Residential Users”	general commercial and industrial users, users for supply of central heating and users other than Residential Users
“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
“Prepayment”	the prepayment payable by the Company to Jinran China Resources pursuant to the 2022 Gas Supply Contract
“Pricing Mechanism”	the pricing mechanism to calculate the Gas Sourcing Price specified in the 2022 Gas Supply Contract, details of which are set out in the paragraph headed “Gas Supply in 2022 and pricing policy” in this announcement
“Residential Gas”	natural gas designated as for Residential Users purchased by Jinran China Resources from its suppliers or sourced by the Company from Jinran China Resources, as the case may be
“Residential Gas Allocation Price”	the price per cubic metre for Residential Gas under the Contractual Amount at which Jinran China Resources can charge under the directions of TDRC (if any) from time to time, in excess of the Residential Gas Purchase Price in a Settlement Period
“Residential Gas Amount”	the amount (as verified by the Company) of Residential Gas that Jinran China Resources purchased from its supplier(s) and supplied to the Company in a Settlement Period
“Residential Gas Purchase Price”	the Gas Purchase Price (per cubic metre) at which Jinran China Resources purchased Residential Gas from its supplier(s) and supplied to the Company in a Settlement Period
“Residential Users”	residential users, educational institutions, student residences, elderly welfare institutions, urban and rural community neighbourhood public service facilities, and religion service providers
“RMB”	Renminbi, the lawful currency of the PRC
“Settlement Period”	one of the following periods in sequence, January to March, April to July, August to October, and November to December

“SFO”	Securities and Futures Ordinance, Chapter 571, Laws of Hong Kong (as amended from time to time)
“Shareholders”	shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“TDRC”	天津市發展和改革委員會 (Tianjin Development and Reform Commission*)
“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; and a connected person of the Company
“Total Amount”	the total volume of natural gas sourced by the Company from Jinran China Resources

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

Tianjin, the PRC, 6 December 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*