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If you have sold or transferred all your shares in **Tianjin Jinran Public Utilities Company Limited**, you should pass this circular and the proxy form at once to the purchaser or transferee or to the bank, licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)

**RENEWAL OF CONTINUING CONNECTED TRANSACTION
IN RELATION TO GAS SUPPLY
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

**Independent Financial Adviser to the Independent Board Committee and
the Independent Shareholders**



Gram Capital Limited
嘉林資本有限公司

The notice convening the EGM is set out in this circular (pages 34 to 35). This circular also contains a letter from the Board (pages 6 to 15), a letter from the Independent Board Committee (page 16), and a letter from the Gram Capital containing its advice to the Independent Board Committee and the Independent Shareholders (pages 17 to 27).

Whether or not you are able to attend the EGM, you are reminded to complete the proxy form in accordance with the instructions on the proxy form, and send it to the office of the Company at Floor 9, Gangao Tower, No. 18 Zhengzhou Road, Heping District, Tianjin, PRC (for holders of Domestic Shares), or to the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for holders of H Shares) not later than 24 hours before the time appointed for holding of the EGM (or where applicable, any adjournment thereof). Completion and return of the proxy form will not preclude you from attending and voting in person at the EGM or adjournment thereof should you so wish, and in such event, the instrument appointing the proxy should be deemed to be revoked.

All times and dates specified herein refer to local times and dates of Hong Kong.

5 March 2024

CONTENTS

	<i>Page</i>
Definitions	1
Letter from the Board	6
Letter from the Independent Board Committee	16
Letter from Gram Capital	17
Appendix – General Information	28
Notice of EGM	34

DEFINITIONS

The following words and phrases used in this circular have the same meanings set out below unless the context requires otherwise:

“2023 Gas Supply Contract”	the gas supply contract dated 15 November 2022 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 period from 1 January 2023 to 31 March 2024
“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
“Contract Term”	from 1 April 2024 to 31 March 2027
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	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 and held on 28 March 2024 at 2:00 p.m. (or any adjournment thereof) for considering, and if thought fit, approving (among other things) the New Gas Supply Contract
“Gas Purchase Price”	the price (per cubic metre) at which Jinran China Resources purchases natural gas from its supplier(s)
“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

DEFINITIONS

“Group”	the Company and its subsidiaries
“H Share(s)”	overseas listed foreign invested share(s) of nominal value of RMB0.10 each in the share capital of the Company, which are listed on the main board of the Stock Exchange
“Heating Gas”	natural gas for heating purpose to be purchased by Jinran China Resources from its suppliers or sourced by the Company from Jinran China Resources, as the case may be
“Heating Gas Allocation Price”	the price (per cubic metre) for Heating Gas at which Jinran China Resources can charge under the directions of TDRC (if any) from time to time, in excess of the Heating Gas Purchase Price in a Settlement Period
“Heating Gas Amount”	the amount (as verified by the Company) of Heating Gas that Jinran China Resources purchases from its supplier(s) and supplies to the Company in a Settlement Period
“Heating Gas Purchase Price”	the Gas Purchase Price (per cubic metre) at which Jinran China Resources purchases Heating Gas from its supplier(s) and supplies to the Company in a Settlement Period
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“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 New Gas Supply Contract and the transactions contemplated thereunder
“Independent Financial Adviser” or “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 New Gas Supply Contract and the transactions contemplated thereunder

DEFINITIONS

“Independent Shareholders”	Shareholders other than those who are required by the Listing Rules to abstain from voting on the resolution approving the New Gas Supply Contract and the transactions contemplated thereunder
“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 controlling shareholder of the Company
“Latest Practicable Date”	29 February 2024, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Model Code”	Model Code for Securities Transactions by Directors of Listed Issuers, set out in Appendix C3 to the Listing Rules
“New Gas Supply Contract”	the city gas supply and usage contract dated 7 February 2024 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 Contract Term
“Non-Residential Gas”	natural gas (not being Heating Gas) designated as for Non-Residential Users to be 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 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 purchases from its supplier(s) and supplies to the Company in a Settlement Period
“Non-Residential Gas Purchase Price”	the Gas Purchase Price (per cubic metre) at which Jinran China Resources purchases Non-Residential Gas from its supplier(s) and supplies to the Company in a Settlement Period

DEFINITIONS

“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 circular, 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 New Gas Supply Contract
“Pricing Mechanism”	the pricing mechanism to calculate the Gas Sourcing Price specified in the New Gas Supply Contract, details of which are set out in the paragraph headed “Gas Supply and pricing policy” in this circular
“Residential Gas”	natural gas (not being Heating Gas) designated as for Residential Users to be 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 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 purchases from its supplier(s) and supplies to the Company in a Settlement Period
“Residential Gas Purchase Price”	the Gas Purchase Price (per cubic metre) at which Jinran China Resources purchases Residential Gas from its supplier(s) and supplies 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

DEFINITIONS

“RMB”	Renminbi, the lawful currency of the PRC
“Settlement Period”	divided into heating season (from April to October every year) and non-heating season (from November to March every year)
“SFO”	Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong)
“Share(s)”	share(s) of the Company, including Domestic Share(s) and H Share(s), unless specified otherwise
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supervisor(s)”	supervisor(s) of the Company
“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
“Total Amount”	the total volume of natural gas sourced by the Company from Jinran China Resources
“%”	per cent.

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. Wang Cong (*Chairman of the Board*)

Ms. Tang Jie

Mr. Sun Liangchuan

Non-executive Directors:

Ms. Wu Fang

Ms. Guan Na

Mr. Zhang Jinghan

Independent non-executive Directors:

Mr. Zhang Ying Hua

Mr. Yu Jian Jun

Mr. Guo Jia Li

Legal address:

Weishan Road

Chang Qing Science Industry and

Trade Park Jinnan District

Tianjin, PRC

Principal place of

business in the PRC:

Floor 9, Gangao Tower

No. 18 Zhengzhou Road

Heping District

Tianjin, PRC

5 March 2024

To Shareholders:

Dear Sir or Madam,

RENEWAL OF CONTINUING CONNECTED TRANSACTION IN RELATION TO GAS SUPPLY

INTRODUCTION

Reference is made to the announcement of the Company dated 7 February 2024 in relation to the New Gas Supply Contract.

On 15 November 2022, the Company and Jinran China Resources entered into the 2023 Gas Supply Contract in relation to the supply of natural gas by Jinran China Resources to the Company for the period from 1 January 2023 to 31 March 2024. As the 2023 Gas Supply Contract will expire on 31 March 2024, the Company and Jinran China Resources entered into the New Gas Supply Contract,

LETTER FROM THE BOARD

The purpose of this circular is to furnish you with information about the New Gas Supply Contract.

NEW GAS SUPPLY CONTRACT

The principal terms of the New Gas Supply Contract are summarised as follows:

Date:

7 February 2024

Parties:

Supplier : Jinran China Resources
Purchaser : the Company

Major terms:

Conditions precedent

The New Gas Supply Contract shall be effective upon the Company having obtained the Independent Shareholders' approval pursuant to the Listing Rules, and the New Gas Supply Contract being approved by the board of directors of Jinran China Resources.

Gas Supply and pricing policy

Pursuant to the New 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 during the Contract Term.

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

$$\begin{array}{rcccl} & & \text{(A)} & & \text{(B)} & & \text{(C)} \\ & & \text{(Residential Gas Purchase} & & \text{(Non-Residential Gas Purchase} & & \text{(Heating Gas Purchase Price} \\ \text{Gas} & & \text{Price + Residential Gas} & & \text{Price + Non-Residential Gas} & & \text{+ Heating Gas Allocation} \\ \text{Sourcing} & = & \text{Allocation Price)} & & \text{Allocation Price)} & & \text{Price)} \\ \text{Price} & & \times & & \times & & \times \\ & & \text{Residential Gas Amount} & & \text{Non-Residential Gas Amount} & & \text{Heating Gas Amount} \\ & & \hline & & & & \text{Total Amount} & & \hline \end{array}$$

The Gas Sourcing Price is in essence a sum of the Gas Purchase Price (the purchase price at which Jinran China Resources purchases the gas from its upstream supplier(s)) and a gas allocation price (which is regulated by the TDRC from time to time), calculated on a volume-weighted average basis with reference to three different types of user (namely, (A) residential, (B) non-residential, and (C) heating), weighted by the Total Amount of Gas Supply.

LETTER FROM THE BOARD

The reason for incorporating the elements of such different users in calculating the Gas Sourcing Price 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 varies based on such categories. It is therefore agreed commercially between the Company and Jinran China Resources that the Pricing Mechanism of Gas Sourcing Price would reflect the same in a weighted-average manner.

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

In the event that the Company would like to provide a discount to 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.

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 meter reading, if any) of 3%. Before the 25th day of the month before the beginning of a Settlement Period, (i) the estimated Gas Sourcing Price for the coming Settlement Period will be determined; and (ii) 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).

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 of the results afterwards.

LETTER FROM THE BOARD

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

$$\text{Prepayment} = \frac{\text{Total transaction amount of the Gas Supply for the year 2023}}{365} \times 30$$

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 (including the independent non-executive Directors after considering the advice of the Independent Financial Adviser) consider that the Prepayment is fair and reasonable, and in the interest of the Company and the independent Shareholders as a whole.

The Prepayment (if not deducted earlier) will be fully applied for the settlement of the Gas Sourcing Price in the final Settlement Period of the Contract Term.

Annual cap

The total transaction amount under the New Gas Supply Contract shall not exceed the following annual caps:

Period	Annual cap (tax inclusive)
From 1 April 2024 to 31 December 2024	RMB1,326 million
From 1 January 2025 to 31 December 2025	RMB2,282 million
From 1 January 2026 to 31 December 2026	RMB2,473 million
From 1 January 2027 to 31 March 2027	RMB992 million

Basis of determining the annual caps and the Pricing Mechanism

In arriving at the aforesaid annual cap of Gas Supply, the Company has considered, among others, the following factors: (i) the historical transaction figures for Gas Supply (including proportion of transaction amount for the first three months to that for the full year); (ii) the estimated increase in gas transaction during the Contract Term; and (iii) an additional buffer in case of unexpected fluctuation.

LETTER FROM THE BOARD

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

The table below shows (i) the historical annual caps; and (ii) the actual transaction amount with respect to the Gas Supply with Jinran China Resources for the periods indicated:

Historical annual caps (tax inclusive)

For the three months ending 31 March 2024 <i>RMB million</i>	For the year ended 31 December		
	2023 <i>RMB million</i>	2022 <i>RMB million</i>	2021 <i>RMB million</i>
840	2,292	2,070	1,915

Actual transaction amount of Gas Supply

	From 1 January 2023 to 30 November 2023 <i>RMB million</i> <i>(approximate)</i>	For the year ended 31 December	
		2022 <i>RMB million</i> <i>(approximate)</i>	2021 <i>RMB million</i> <i>(approximate)</i>
Tax inclusive	1,515*	1,806	1,467
Tax exclusive	1,390*	1,642	1,334

* *Unaudited preliminary figure based on the information currently available, and subject to final audit*

The actual transaction amount (tax inclusive and unaudited) of Gas Supply was approximately RMB638 million, RMB625 million and RMB508 million for the three months ended 31 March 2023, 2022 and 2021, respectively. With reference to the historical transactions, an assumption that the transaction amount for the first three months accounts for 37% to that for the full year has been adopted.

(ii) *Estimated increase in gas transaction*

When considering the annual caps, an estimated increase in gas transaction amount for the Contract Term of 8.4% was taken into account. Such estimated increase was adopted with reference to the compound annual growth rate of the average Gas Sourcing Prices of approximately 8.3% for 2018 to 2022, and approximately 8.5% for 2019 to 2023, and based on the assumption that there will be no material change in the procurement volume of natural gas.

LETTER FROM THE BOARD

(iii) Additional buffer

Taking into account (i) the limited supply of natural gas and regulatory measures affecting demand of natural gas, and (ii) new customers and demands may emerge during the Contract Term, a buffer of approximately 9% has been included in determining the annual caps.

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; (ii) the expected fluctuations of such upstream sourcing prices in the Contract Term 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.

INTERNAL CONTROLS

To facilitate the implementation of the Pricing Mechanism and the gas supply in accordance with the New Gas Supply Contract, the Company applies (among others) the following internal control procedures:

1. The operating department of the Company monitors the prevailing trend of gas price in the same or nearby region, and national laws and regulations from time to time that are applicable to the Gas Sourcing Price (including the gas allocation prices). The operating department also reviews the Gas Sourcing Price on a regular basis (including settlement proof of Jinran China Resources with its upstream source(s) for the purpose of verifying the Gas Sourcing Price as and when appropriate), for the purpose of ensuring that Gas Sourcing Price is charged in accordance with the Pricing Mechanism.
2. The operating department checks the actual amount of gas supplied and transaction amount on a regular basis, for settlement purpose and also for ensuring that the aggregated transaction amount in a year will not exceed the applicable Annual Cap. Should such aggregated transaction amount exceed 75% of the applicable Annual Cap, starting from the month concerned, the operating department will estimate the volume of natural gas to be sourced from Jinran China Resources in the next month and the corresponding expected transaction amount, and will report the same to the management of the Company. The Board shall eventually determine if the Annual Cap(s) should be revised upwards in accordance with the Listing Rules.

LETTER FROM THE BOARD

3. The finance department cross-checks and verifies the transaction amount and data based on the actual amount of gas sourced, invoices from Jinran China Resources and the terms of the New Gas Supply Contract.
4. The Company's external auditors will be engaged to report on the Annual Caps.
5. The independent non-executive Directors will conduct an annual review of the implementation of the transactions contemplated under the New Gas Supply Contract, which will be included in the Company's subsequently published annual report in accordance with the relevant requirements under the Listing Rules.

The Board is of the view that there are adequate internal control procedures in place to govern and monitor the conduct of the transactions with the purpose of ensuring that they are conducted within the framework of the New Gas Supply Contract.

REASONS FOR AND BENEFITS OF ENTERING INTO THE NEW GAS SUPPLY CONTRACT

Sales and distribution of piped gas are part of the Group's principal business, and it is important to secure local natural gas supply to the Group. Jinran China Resources is the only natural gas wholesaler in the districts in Tianjin in which the Company operates.

The Directors (including the independent non-executive Directors after considering the advice of the Independent Financial Adviser) consider that the New 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 New Gas Supply Contract (including the Pricing Mechanism and the proposed annual caps) are of normal commercial terms or better, which are fair and reasonable and in the interests of the Company and the 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.

LETTER FROM THE BOARD

INFORMATION ABOUT JINRAN CHINA RESOURCES

Jinran China Resources is a controlling shareholder of the Company, which holds 1,297,547,800 Domestic Shares, representing approximately 70.54% of the issued Shares, as of the Latest Practicable Date. Jinran China Resources is held as to 51% by Tianjin Gas and as to 49% by China Resources Gas (Hong Kong) Investment Limited (a wholly-owned subsidiary of China Resources Gas Group Limited (the shares of which are listed on the Stock Exchange)). 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. 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.

LISTING RULES IMPLICATIONS

Jinran China Resources is a controlling shareholder, and hence a connected person, of the Company. The entering into of the New Gas Supply Contract and the transactions contemplated thereunder constitute continuing connected transactions 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 New Gas Supply Contract exceeds 5%, the New 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.

GENERAL

The New Gas Supply Contract was considered by the Board at a meeting held on 7 February 2024. Mr. Chen Tao (an executive Director at the relevant time), Ms. Wu Fang, Ms. Guan Na, and Mr. Zhang Jinghan (each a non-executive Director) held concurrent positions in Jinran China Resources. For good corporate governance practice, each of them has abstained from voting on the resolutions in relation to the New Gas Supply Contract proposed to the Board. Save as disclosed above, none of the Directors have a material interest in the New Gas Supply Contract.

The Company has established the Independent Board Committee, which consists of all the independent non-executive Directors, to advise the Independent Shareholders on the New Gas Supply Contract and the transactions contemplated thereunder. The Company has also appointed Gram Capital Limited as the independent financial adviser to advise the Independent Board Committee and Independent Shareholders on the same.

LETTER FROM THE BOARD

Your attention is also drawn to the *Letter from the Independent Board Committee*, and the *Letter from Gram Capital* set out in this circular.

EGM

The Company will convene the EGM to seek the independent Shareholders' approval for the New Gas Supply Contract by way of an ordinary resolution. The notice of the EGM is set out on pages 34 to 35 of this circular.

Pursuant to the Listing Rules, voting at the EGM shall be taken by poll except where the chairman of the EGM, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands.

Jinran China Resources (who held 1,297,547,800 Domestic Shares as of the Latest Practicable Date) and its associates, having a material interest in the transactions concerned, will abstain from voting in connection with the New Gas Supply Contract at the EGM.

Proxy form for use at the EGM is available at the HKEXnews website (www.hkexnews.hk) and the Company's website (www.jinrangongyong.com). Whether or not you are able to attend (if you are so entitled to) the EGM, you are requested to complete the proxy form in accordance with the instructions printed thereon and return it as soon as possible to the Company's office at Floor 9, Gangao Tower, No.18 Zhengzhou Road, Heping District, Tianjin, the PRC (for holders of Domestic Shares), or the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for holders of H Shares) as soon as possible and in any event not later than 24 hours before the time appointed for holding the EGM (or where applicable, any adjournment thereof). Completion and delivery of the proxy form will not preclude you from attending and voting at the EGM or any adjournment thereof if you so wish, and in such event, the instrument appointing a proxy shall be deemed to be revoked.

CLOSURE OF REGISTER OF MEMBERS

Pursuant to the articles of association of the Company, the register of members of the Company will be closed to ascertain the Shareholders who are entitled to attend and vote at the EGM, from 25 March 2024 (Monday) to 28 March 2024 (Thursday), both days inclusive, during which period no change to the register of members will be allowed and no transfer of shares will be registered. Shareholders whose names appear on the register of members of the Company on 28 March 2024 (Thursday) are entitled to attend the EGM and to vote thereat.

To be entitled to attend the EGM and to vote thereat, all transfer of H Shares accompanied by the relevant share certificates and appropriate transfer forms must be lodged with the transfer office of the Company's H share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong by 4:30 p.m. 22 March 2024 (Friday).

LETTER FROM THE BOARD

RECOMMENDATION

The Directors believe that the entering into of the New Gas Supply Contract is in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the resolution as set out in the notice of the EGM.

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

LETTER FROM THE INDEPENDENT BOARD COMMITTEE



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)

5 March 2024

To Independent Shareholders,

Dear Sir or Madam,

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

We refer to the circular (the “**Circular**”) of the Company dated 5 March 2024, of which this letter forms a part. Unless the context requires otherwise, terms and expressions defined in the Circular shall have the same meanings in this letter.

We have been appointed to advise the Independent Shareholders on whether the New Gas Supply Contract and the transactions contemplated thereunder are fair and reasonable. Gram Capital has been appointed as the independent financial adviser to advise us and the Independent Shareholders in this regard.

We wish to draw your attention to the *Letter from the Board* set out on pages 6 to 15 of the Circular and the *Letter from Gram Capital* (the “**IFA Letter**”) set out on pages 17 to 27 of the Circular.

Having considered the principal factors and reasons considered by, and the advice of the Gram Capital set out in the IFA Letter, we are of the opinion that the terms of the New Gas Supply Contract and the transactions contemplated thereunder are on normal commercial terms or better and in the ordinary and usual course of business of the Group, and are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM to approve the New Gas Supply Contract and the transactions contemplated thereunder.

Yours faithfully,

Mr. Zhang Ying Hua
*Independent non-executive
Director*

Mr. Yu Jian Jun
*Independent non-executive
Director*

Mr. Guo Jia Li
*Independent non-executive
Director*

LETTER FROM GRAM CAPITAL

Set out below is the text of a letter received from Gram Capital, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Transactions for the purpose of inclusion in this circular.



Room 1209, 12/F.
Nan Fung Tower
88 Connaught Road Central/
173 Des Voeux Road Central
Hong Kong

5 March 2024

*To: The Independent Board Committee and the Independent Shareholders
of Tianjin Jinran Public Utilities Company Limited*

Dear Sir/Madam,

RENEWAL OF CONTINUING CONNECTED TRANSACTION IN RELATION TO GAS SUPPLY

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the transactions contemplated under the New Gas Supply Contract (the “**Transactions**”), details of which are set out in the letter from the Board (the “**Board Letter**”) contained in the circular dated 5 March 2024 issued by the Company to the Shareholders (the “**Circular**”), of which this letter forms part. Terms used in this letter shall have the same meanings as defined in the Circular unless the context requires otherwise.

As the 2023 Gas Supply Contract will expire on 31 March 2024, the Company and Jinran China Resources entered into the New Gas Supply Contract on 7 February 2024 for the period from 1 April 2024 to 31 March 2027.

With reference to the Board Letter, the Transactions constitute continuing connected transactions of the Company and are subject to reporting, announcement, annual review and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules.

LETTER FROM GRAM CAPITAL

The Independent Board Committee comprising Mr. Zhang Ying Hua, Mr. Yu Jian Jun and Mr. Guo Jia Li (all being independent non-executive Directors) has been established to advise the Independent Shareholders on (i) whether the terms of the Transactions are on normal commercial terms and are fair and reasonable; (ii) whether the Transactions are in the interests of the Company and the Shareholders as a whole and are conducted in the ordinary and usual course of business of the Group; and (iii) how the Independent Shareholders should vote in respect of the resolution to approve the Transactions at the EGM. We, Gram Capital Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this respect.

INDEPENDENCE

During the past two years immediately preceding the Latest Practicable Date, Gram Capital was engaged as the independent financial adviser in relation to (i) continuing connected transactions as set out in the Company's circular dated 8 December 2022; (ii) continuing connected transactions as set out in the Company's circular dated 24 February 2023; and (iii) continuing connected transaction as set out in the Company's circular dated 7 December 2023. Other than the aforesaid engagements, Gram Capital had not provided any services to the Company during the past two years immediately preceding the Latest Practicable Date.

As the aforesaid engagements were independent financial adviser engagements, they do not affect our independence to act as the Independent Financial Adviser.

Notwithstanding the aforesaid engagements, we were not aware of any relationships or interests between Gram Capital and the Company, or any other parties during the past two years immediately preceding the Latest Practicable Date that could be reasonably regarded as hindrance to Gram Capital's independence to act as the Independent Financial Adviser.

LETTER FROM GRAM CAPITAL

BASIS OF OUR OPINION

In formulating our opinion to the Independent Board Committee and the Independent Shareholders, we have relied on the statements, information, opinions and representations contained or referred to in the Circular and the information and representations as provided to us by the Directors. We have assumed that all information and representations that have been provided by the Directors, for which they are solely and wholly responsible, are true and accurate at the time when they were made and continue to be so as at the Latest Practicable Date. We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors in the Circular were reasonably made after due enquiry and careful consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Company, its advisers and/or the Directors, which have been provided to us. Our opinion is based on the Directors' representation and confirmation that there are no undisclosed private agreements/arrangements or implied understanding with anyone concerning the Transactions. We consider that we have taken sufficient and necessary steps on which to form a reasonable basis and an informed view for our opinion in compliance with Rule 13.80 of the Listing Rules.

The Circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in the Circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement therein or the Circular misleading. We, as the Independent Financial Adviser, take no responsibility for the contents of any part of the Circular, save and except for this letter of advice.

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent in-depth investigation into the business and affairs of the Company, Jinran China Resources or their respective subsidiaries or associates, nor have we considered the taxation implication on the Group or the Shareholders as a result of the Transactions. Our opinion is necessarily based on the financial, economic, market and other conditions in effect and the information made available to us as at the Latest Practicable Date. Shareholders should note that subsequent developments (including any material change in market and economic conditions) may affect and/or change our opinion and we have no obligation to update this opinion to take into account events occurring after the Latest Practicable Date or to update, revise or reaffirm our opinion. In addition, nothing contained in this letter should be construed as a recommendation to hold, sell or buy any Shares or any other securities of the Company.

LETTER FROM GRAM CAPITAL

Lastly, where information in this letter has been extracted from published or otherwise publicly available sources, it is the responsibility of Gram Capital to ensure that such information has been correctly extracted from the relevant sources while we are not obligated to conduct any independent in-depth investigation into the accuracy and completeness of those information.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion in respect of the Transactions, we have taken into consideration the following principal factors and reasons:

Information on the Group

With reference to the Board Letter, 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.

With reference to the Company's annual report for the year ended 31 December 2022 (“FY2022”) and interim report for the six months ended 30 June 2023 (“1H2023”), the Group recorded revenue of approximately RMB1,780.4 million and approximately RMB913.8 million for FY2022 and 1H2023 respectively. Revenue from the sales of piped gas segment were approximately RMB1,727.8 million and RMB900.2 million for FY2022 and 1H2023 respectively, contributing approximately 97.05% and approximately 98.51% of the Group's total revenue for the respective year/period concerned.

Information on Jinran China Resources

With reference to the Board Letter, Jinran China Resources is a controlling shareholder of the Company. Jinran China Resources is held as to 51% by Tianjin Gas and as to 49% by China Resources Gas (Hong Kong) Investment Limited (a wholly-owned subsidiary of China Resources Gas Group Limited (the shares of which are listed on the Stock Exchange)). 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.

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.

Reasons for and benefits of the Transactions

With reference to the Board Letter, Jinran China Resources is the only natural gas wholesaler in the districts in Tianjin in which the Company operates.

LETTER FROM GRAM CAPITAL

As aforementioned, revenue from the Group's sales of piped gas segment (i) represented approximately 97.05% of the Group's revenue for FY2022; and (ii) represented approximately 98.51% of the Group's revenue for 1H2023. As advised by the Directors, it is important to secure local natural gas supply to the Group. The Transactions are conducted in the ordinary course of business of the Group on a continuous basis. Accordingly, the Directors are of the view that the Transactions are beneficial to the Company and the Shareholders as a whole.

In light of the above, we consider that the Transactions are conducted in the ordinary and usual course of business of the Group and are in the interests of the Company and the Shareholders as a whole.

Principal terms of the Transactions

Set out below are the principal terms of Transactions as extracted from the Board Letter:

Date

7 February 2024

Parties

Supplier: Jinran China Resources

Purchaser: the Company

Pricing policy

Pursuant to the New 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 during the Contract Term.

LETTER FROM GRAM CAPITAL

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

$$\text{Gas Sourcing Price} = \frac{((\text{Residential Gas Purchase Price} + \text{Residential Gas Allocation Price}) \times \text{Residential Gas Amount} + (\text{Non-Residential Gas Purchase Price} + \text{Non-Residential Gas Allocation Price}) \times \text{Non-Residential Gas Amount} + (\text{Heating Gas Purchase Price} + \text{Heating Gas Allocation Price}) \times \text{Heating Gas Amount})}{\text{Total Amount}}$$

The Gas Sourcing Price is in essence a sum of the Gas Purchase Price (the purchase price at which Jinran China Resources purchases the gas from its upstream supplier(s)) and a gas allocation price (which is regulated by the TDRC from time to time), calculated on a volume-weighted average basis with reference to three different types of users (namely, residential, non-residential and heating), weighted by the Total Amount.

The reason for incorporating the elements of such different users in calculating the Gas Sourcing Price 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 (e.g. PetroChina Company Limited) at Gas Purchase Price that varies based on such categories. It is therefore agreed commercially between the Company and Jinran China Resources that the Pricing Mechanism of Gas Sourcing Price would reflect the same in a weighted-average manner.

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

In the event that the Company would like to provide a discount to 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.

As advised by the Directors, Jinran China Resources would only offer the Gas Sourcing Price to the Group instead of offering different gas sourcing prices for Residential Users, Non-residential Users and heating users respectively. As such, the Gas Sourcing Price to be offered by Jinran China Resources to the Company is a comprehensive selling price taking into account of gas purchase price of Jinran China Resources from its supplier, the allocation price (which can be charged by Jinran China Resources under the directions, if any, of TDRC from time to time), the proportion of Residential Gas Amount/Non-Residential Gas Amount/Heating Gas Amount to the Total Amount.

Having considered the above, we are of the view that the Pricing Mechanism is fair and reasonable.

LETTER FROM GRAM CAPITAL

With reference to the Board Letter, the Group has adopted certain internal control procedures in relation to the Transactions, details of which are set out in the sections headed “INTERNAL CONTROLS” of the Board Letter. Having considered, in particular, that there will be procedures to check if the Gas Sourcing Price is charged in accordance with the Pricing Mechanism and actions to be taken if the actual transaction amounts reach certain threshold of the annual caps, we are of the view that there are sufficient measures to monitor the pricing policy and utilization of the annual caps.

Upon our request, the Company provided us monthly provisional settlement statements from April 2023 (being the first full month after end of the last heat supply period) to November 2023 showing the estimated Gas Sourcing Price for each month and documents showing the calculation of the monthly estimated Gas Sourcing Price. We noted that the estimated Gas Sourcing Price as shown in the monthly provisional settlement statement was the same as those shown in the calculation documents. In addition, we also noted that the historical amounts in respect of the gas supply by Jinran China Resources did not exceed annual caps for relevant period. Therefore, we do not doubt the effectiveness of the Group’s internal control procedures.

Settlement

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 meter reading, if any) of 3% (the “**Discrepancy**”). Before the 25th day of the month before the beginning of a Settlement Period, (i) the estimated Gas Sourcing Price for the coming Settlement Period will be determined; and (ii) 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).

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 of the results afterwards.

In relation to the Discrepancy, the Directors advised us that the Company had made similar arrangement previously due to (i) gas leakage from the pipelines during its normal course of operation and (ii) the discrepancy in the reading of gas meters. We consider the settlement arrangement to be justifiable.

LETTER FROM GRAM CAPITAL

Prepayment

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

$$\text{Prepayment} = \text{Total transaction amount of the Gas Supply for the year ended 31 December 2023 ("FY2023")}/365 \times 30$$

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.

As advised by the Directors, upon expiry of the New Gas Supply Contract, the Prepayment shall be refunded to the Company by Jinran China Resources or used to offset the gas fees for the relevant month(s) during the Settlement Period.

Having considered that the Prepayment shall be refunded to the Company by Jinran China Resources or used to offset the gas fees for the relevant month(s) at the end of the Settlement Period, we consider the Prepayment arrangement to be justifiable.

The annual caps

The total transaction amount under the New Gas Supply Contract shall not exceed the following annual caps (the “**Gas Cap(s)**”):

Period	The Gas Caps <i>(tax inclusive)</i>
From 1 April 2024 to 31 December 2024 (the “ 2024 Period ”)	RMB1,326 million
From 1 January 2025 to 31 December 2025 (“ FY2025 ”)	RMB2,282 million
From 1 January 2026 to 31 December 2026 (“ FY2026 ”)	RMB2,473 million
From 1 January 2027 to 31 March 2027 (the “ 2027 Period ”)	RMB992 million

With reference to the Board Letter, in arriving at the Gas Caps, the Company has considered, among others, the following factors: (i) the historical transaction figures for Gas Supply (including proportion of transaction amount for the first three months to that for the full year); (ii) the estimated increase in gas transaction during the Contract Term; and (iii) an additional buffer in case of unexpected fluctuation.

To assess the fairness and reasonableness of the Gas Caps, we obtained the calculation of the Gas Caps (the “**Gas Caps Calculation**”) from the Company.

LETTER FROM GRAM CAPITAL

Gas Cap for the 2024 Period

According to the Gas Caps Calculation, the Gas Cap for the 2024 Period was calculated based on the following factors:

- (i) The estimated transaction amount for FY2023, based on (a) the actual transaction amount for the 11 months ended 30 November 2023; and (b) estimated transaction amount for December 2023 (which was based on the actual transaction amount for December 2022).
- (ii) An annual estimated increase of 8.4% (the “**Estimated Annual Increase Rate**”).

As advised by the Directors, the Estimated Annual Increase Rate was mainly estimated based on the movement of average annual Gas Sourcing Prices on the assumption that there will be no material change on procurement volume of natural gas. Based on the average Gas Sourcing Prices, the compound annual growth rate of average Gas Sourcing Prices was approximately 8.3% for 2018 to 2022; and was approximately 8.5% for 2019 to 2023.

- (iii) An assumption that the transaction amount for the first three months accounts for 37% to that for the full year (the “**Jan to Mar Proportion Ratio**”) (i.e. 63% for the remaining nine months).

Based on (a) the estimated transaction amount for FY2023 (including the actual transaction amount for the three months ended 31 March 2023); and (b) actual historical amount for FY2022 (including the actual transaction amount for the three months ended 31 March 2022), the proportion ratios of the transaction amounts for the first three months to those for the full year were approximately 35% (FY2022) and 36% (FY2023).

Based on the above, we consider the estimated potential increase of transaction amount to be reasonable.

- (iv) a moderate buffer of 9%.

Having considered that (a) unexpected circumstances may take place during the Contract Term; and (b) we noted from other Hong Kong listed companies’ circulars regarding continuing connected transactions that the incorporation of buffer of 5% to 10% in proposed annual caps are not uncommon among companies listed on the Stock Exchange, we consider the buffer of 9% (which falls within the aforesaid range) to be acceptable.

Based on the above, we are of the view that the Gas Cap for the 2024 Period is fair and reasonable.

LETTER FROM GRAM CAPITAL

Gas Caps for FY2025, FY2026 and the 2027 Period

According to the Gas Caps Calculation, the Gas Cap (i) for FY2025 was approximately 8.4% higher than the estimated amount for FY2024 (on a full-year basis of the Gas Cap for the 2024 Period); (ii) for FY2026 was approximately 8.4% higher than the Gas Cap for FY2025. In addition, the estimated amount for the year ending 31 December 2027 was approximately 8.4% higher than the Gas Cap for FY2026.

As the aforesaid estimated annual increase rates are the same as the Estimated Annual Increase Rate of 8.4%, we consider the aforesaid annual increase rates to be justifiable.

Accordingly, we are of the view that the Gas Caps for FY2025 and FY2026 are fair and reasonable.

In relation to the Gas Cap for the 2027 Period, having considered that (i) the estimated amount for the year ending 31 December 2027 as mentioned above; and (ii) Jan to Mar Proportion Ratio, we are of the view that the Gas Cap for the 2027 Period is fair and reasonable.

Shareholders should note that as the Gas Caps are relating to future events and were estimated based on assumptions which may or may not remain valid for the entire Contract Term, and they do not represent forecasts of cost to be incurred from the Transactions. Consequently, we express no opinion as to how closely the actual cost to be incurred from the Transactions will correspond with the Gas Caps.

Having considered the pricing and payment terms of the Transactions and the Gas Caps as aforementioned, we are of the view that the terms of the Transactions are on normal commercial terms and are fair and reasonable.

LISTING RULES IMPLICATION

The Directors confirmed that the Company shall comply with the requirements of Rules 14A.53 to 14A.59 of the Listing Rules pursuant to which (i) the values of the Transactions must be restricted by their respective annual caps; (ii) the terms of the Transactions must be reviewed by the independent non-executive Directors annually; and (iii) details of independent non-executive Directors' annual review on the terms of the Transactions must be included in the Company's subsequent published annual reports.

Furthermore, it is also required by the Listing Rules that the auditors of the Company must provide a letter to the Board confirming whether anything has come to their attention that causes them to believe that the Transactions (i) have not been approved by the Board; (ii) were not entered into, in all material respects, in accordance with the relevant agreement governing the Transactions; and (iii) have exceeded their respective annual caps.

LETTER FROM GRAM CAPITAL

In the event that the total amounts of the Transactions are anticipated to exceed their respective annual caps, or that there is any proposed material amendment to the terms of the Transactions, as confirmed by the Directors, the Company shall comply with the applicable provisions of the Listing Rules governing continuing connected transactions.

Given the above stipulated requirements for continuing connected transactions pursuant to the Listing Rules, we are of the view that there are adequate measures in place to monitor the Transactions and thus the interest of the Independent Shareholders would be safeguarded.

RECOMMENDATION

Having taken into consideration the factors and reasons as stated above, we are of the opinion that (i) the terms of the Transactions are on normal commercial terms and are fair and reasonable; and (ii) the Transactions are conducted in the ordinary and usual course of business of the Group and are in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the resolution to be proposed at the EGM to approve the Transactions and we recommend the Independent Shareholders to vote in favour of the resolution in this regard.

Yours faithfully,
For and on behalf of
Gram Capital Limited
Graham Lam
Managing Director

Note: Mr. Graham Lam is a licensed person registered with the Securities and Futures Commission and a responsible officer of Gram Capital Limited to carry out Type 6 (advising on corporate finance) regulated activity under the SFO. He has over 25 years of experience in investment banking industry.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. SHAREHOLDING INTERESTS

(a) Directors', Supervisors' and chief executives of the Company

As at the Latest Practicable Date, interests and short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) held by the Directors, Supervisors and chief executives of the Company which have been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO) or have been entered in the register maintained by the Company pursuant to section 352 of the SFO, or otherwise have been notified to the Company and the Stock Exchange pursuant to the Model Code are as follows:

Long position in Domestic Shares

Name of Director/Supervisor	Capacity	Number of Domestic Shares interested	Approximate percentage of interests in the Company/ Domestic Shares
Tang Jie	Beneficial owner	41,700,000	2.27%/3.11%

Save as disclosed above, as at the Latest Practicable Date, none of the Directors, Supervisors or chief executives of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or the Model Code.

(b) Substantial shareholders and other persons

As at the Latest Practicable Date, so far as was known to the Directors and the chief executives of the Company, the interest of the persons, other than Directors, Supervisors or chief executives of the Company, in the Shares and underlying Shares which were notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO and entered in the register maintained by the Company pursuant to Section 336 of the SFO, or otherwise notified to the Company were as follows:

(i) Substantial shareholders*Long position in Domestic Shares*

Name of Shareholder	Capacity	Number of Domestic Shares interested	Approximate percentage of interests in the Company/ Domestic Shares
Jinran China Resources	Beneficial owner	1,297,547,800	70.54%/96.89%
Tianjin Gas	Interest of a controlled corporation	1,297,547,800	70.54%/96.89%
Tianjin Energy Investment Company Limited (“ Tianjin Energy ”) (note 1)	Interest of a controlled corporation	1,297,547,800	70.54%/96.89%
Tianjin State-owned Capital Investment Management Co., Ltd. (“ Tianjin Capital ”) (note 1)	Interest of a controlled corporation	1,297,547,800	70.54%/96.89%
中國建設銀行股份有限公司天津市分行(China Construction Bank Corporation (Tianjin Branch)) (“ CCB Tianjin ”) (note 2)	Other	1,297,547,800	70.54%/96.89%

Notes:

- As of the Latest Practicable Date, Jinran China Resources held 1,297,547,800 Domestic Shares. Jinran China Resources is owned as to 51% and 49% by Tianjin Gas and China Resources Gas (Hong Kong) Investment Limited, respectively. Tianjin Energy is the intermediary holding company of Tianjin Gas. Tianjin Capital is the intermediary holding company of Tianjin Energy. Therefore they are deemed, or taken to be interested in all the Domestic Shares held by Jinran China Resources for the purpose of the SFO.

Mr. Wang Cong (an executive Director), Ms. Wu Fang, Ms. Guan Na, and Mr. Zhang Jinghan (each a non-executive Director) held concurrent positions (non-directorate) in Jinran China Resources as of the Latest Practicable Date.

- On 6 May 2020, Tianjin Capital has charged 100% equity interest in Tianjin Energy to CCB Tianjin. Therefore CCB Tianjin is taken to be interested in all the Domestic Shares Tianjin Gas is interested in for the purpose of the SFO.

(ii) Other persons*Long position in H Shares*

Name of Shareholder	Capacity	Number of H Shares interested	Approximate percentage of interests in the Company/H Shares
Liu Hei Wan	Interests held jointly with another person (<i>note 1</i>)	14,500,000	0.79%/2.90%
	Interest of a controlled corporation (<i>note 2</i>)	30,000,000	1.63%/6.00%
Law Suet Yi	Interests held jointly with another person (<i>note 1</i>)	14,500,000	0.79%/2.90%
	Interest of spouse (<i>note 3</i>)	30,000,000	1.63%/6.00%
The Waterfront Development Group Limited	Beneficial owner (<i>note 2</i>)	30,000,000	1.63%/6.00%

Notes:

Based on the information publicly available to the Company:

- As of the Latest Practicable Date, Mr. Liu Hei Wan and Ms. Law Suet Yi jointly held 14,500,000 H Shares.

2. The Waterfront Development Group Limited is wholly-owned by Mr. Liu Hei Wan. Therefore, Mr. Liu Hei Wan is deemed, or taken to be, interested in the H Shares held by The Waterfront Development Group Limited for the purpose of the SFO.
3. Ms. Law Suet Yi is the spouse of Mr. Liu Hei Wan and therefore, Ms. Law Suet Yi is deemed, or taken to be, interested in all the Shares in which Mr. Liu Hei Wan is interested for the purpose of SFO.

Save as disclosed above, as at the Latest Practicable Date, the Directors have not received notification from any person (not being a Director, Supervisor or chief executive of the Company) of his/her/its interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO and required to be entered in the register maintained by the Company pursuant to section 336 of the SFO.

3. DIRECTORS' AND SUPERVISORS' INTERESTS IN CONTRACTS

As at the Latest Practicable Date, none of the Directors or Supervisors was materially interested in any contract or arrangement entered into by any member of the Group subsisting at the Latest Practicable Date and which was significant in relation to the business of the Group.

4. COMPETING INTERESTS

Each of the Directors has confirmed that he/she and his/her respective close associates (as defined under the Listing Rules) do not have any interest in a business which competes or may compete with the business of the Group. Based on the above, as at the Latest Practicable Date, none of the Directors was considered to have interests in the businesses which compete or are likely to compete, either directly or indirectly, with the businesses of the Group.

5. LITIGATION

As at the Latest Practicable Date, no litigation or claim of material importance was known to the Board or the Company to be pending or threatened by or against any member of the Group.

6. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors nor Supervisors had a service contract with any member of the Group which is not expiring or determinable by the Group within one year without payment of compensation, other than statutory compensation.

7. EXPERT

The following are the qualifications of the expert whose statement is included in this circular:

Name	Qualifications
Gram Capital Limited	a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO

Gram Capital has confirmed that it (i) had no beneficial interest in the share capital of any member of the Group nor any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group as of the Latest Practicable Date; (ii) had no direct or indirect interest in any assets which have been, since 31 December 2022 (being the date to which the latest published audited accounts of the Company were made up) acquired or disposed of by or leased to, or were proposed to be acquired or disposed of by or leased to, any member of the Group as of the Latest Practicable Date. Gram Capital has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and references to its name and/or its opinion or letter included in this circular in the form and context in which they are included.

8. MISCELLANEOUS

- (a) As at the Latest Practicable Date, none of the Directors or Supervisors was interested in any assets which had been acquired or disposed of by or leased to any member of the Group, or in each case were proposed to be acquired or disposed of by or leased to any member of the Group, since 31 December 2022, being the date to which the latest published audited accounts of the Company were made up.
- (b) As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2022.
- (c) Certain Chinese names of institutions, natural persons or other entities have been translated into English and included in this circular as unofficial translations for reference only. In the event of any inconsistency, the Chinese names shall prevail. Save as the above or unless stipulated otherwise, the English text of this circular, the notice of EGM and the proxy form shall prevail over the Chinese text in case of inconsistency.
- (d) Certain figures set out in this circular have been subject to rounding.

- (e) This circular contains forward-looking statements that reflect the Company's plans or expectations for the future. These statements are based on a number of assumptions, current estimates and projections and are therefore subject to risks, uncertainties or other factors that may or may not be beyond the Company's control. The actual results may differ materially and/or adversely. These statements shall not 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, agents, advisers or representatives assume any responsibility to update, modify or correct these statements or to provide supplemental information in relation thereto.
- (f) All times and dates specified in this circular, the notice of the EGM and the proxy form refer to local times and dates of Hong Kong.

9. DOCUMENTS ON DISPLAY

Copy of the New Gas Supply Contract will be available on display on the website of the Stock Exchange (www.hkexnews.hk) and the Company's website (www.jinrangongyong.com) during a period of not less than 14 days from the date of this circular.

NOTICE OF EGM



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)

NOTICE OF THE EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “**EGM**”) of Tianjin Jinran Public Utilities Company Limited (the “**Company**”) will be held at 2:00 p.m. on 28 March 2024 (Thursday) at Floor 9, Gangao Tower, No. 18 Zhengzhou Road, Heping District, Tianjin, the People's Republic of China for the purposes of considering and, if thought fit, passing the following resolution:

ORDINARY RESOLUTION

“THAT:

- (a) the city gas supply and usage contract dated 7 February 2024 (the “**New Gas Supply Contract**”) (a copy of which is produced before the meeting marked “A” and initialed by the chairman of the meeting for the purpose of identification) entered into between 津燃華潤燃氣有限公司 (Jinran China Resources Gas Co., Ltd) (“**Jinran China Resources**”) and the Company, and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified; and
- (b) any one director of the Company (the “**Director**”) be and is hereby authorised to do or execute for and on behalf of the Company all such acts and things and such other documents under hand (and, where required, under the seal of the Company together with such other Director or person authorised by the board of Directors) and to take such steps as he/she or they may consider necessary, appropriate, desirable or expedient to implement or give effect to the New Gas Supply Contract and all other matters incidental thereto or in connection therewith and to agree to and make such variation, amendment and waiver of any of the matters relating thereto or in connection therewith.”

By order of the Board

Tianjin Jinran Public Utilities Company Limited

Wang Cong

Chairman of the Board

Tianjin, People's Republic of China, 5 March 2024

NOTICE OF EGM

Notes:

- (a) Pursuant to articles of association of the Company, the register of members of the Company will be closed to ascertain the shareholders of the Company who are entitled to attend and vote at the EGM, from 25 March 2024 (Monday) to 28 March 2024 (Thursday), both days inclusive, during which period no change to the register of members will be allowed and no transfer of shares will be registered. Shareholders of the Company whose names appear on the register of members of the Company on 28 March 2024 (Thursday) are entitled to attend the EGM and to vote thereat.

To be entitled to attend the EGM and to vote thereat, all transfer of H shares of the Company accompanied by the relevant share certificates and appropriate transfer forms must be lodged with the transfer office of the Company's H share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong by 4:30 p.m. on 22 March 2024 (Friday).

- (b) Voting at the EGM shall be taken by poll.
- (c) Shareholders of the Company entitled to attend and vote at the EGM are entitled to appoint a proxy to attend and vote on their behalf in accordance with the articles of association of the Company. A proxy need not be a shareholder of the Company. A shareholder holding two or more shares may appoint more than one proxy.

Proxy form for use at the EGM is available at the HKEXnews website (www.hkexnews.hk) and the Company's website (www.jinrangongyong.com).

To be valid, the proxy form for the use of shareholders and, if such proxy form is signed by a person on behalf of the appointer pursuant to a power of attorney or other authority, a notarially certified copy of that power of attorney or other authority must be delivered to the office of the Company at Floor 9, Gangao Tower, No. 18 Zhengzhou Road, Heping District, Tianjin, PRC (for holders of domestic shares), or to the office of the Company's H share registrar, Computershare Hong Kong Investor Services Limited at 17M, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for holders of H Shares) as soon as practicable and in any event not later than 24 hours before the time appointed for holding of the EGM (or where applicable, any adjournment thereof).

Submission of the proxy form will not affect the right of the shareholders of the Company to attend and vote at the EGM in person, if the shareholders of the Company so desire and, in such event, the instrument appointing a proxy shall be deemed to be revoked.

- (d) Shareholders of the Company and proxies attending the EGM shall be responsible for their own transportation and accommodation expenses.