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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)

津燃華潤燃氣有限公司
JINRAN CHINA RESOURCES GAS CO., LTD*
*(a company established in the People's Republic of
China with limited liability)*

MONTHLY UPDATE JOINT ANNOUNCEMENT PURSUANT TO RULE 3.7 OF THE TAKEOVERS CODE

This joint announcement is made by the respective board of directors of Tianjin Jinran Public Utilities Company Limited (the “**Company**”) and 津燃華潤燃氣有限公司 (Jinran China Resources Gas Co., Ltd*) (“**Jinran China Resources**”) pursuant to Rule 3.7 of the Code on Takeovers and Mergers (the “**Takeovers Code**”). Unless otherwise specified, capitalised terms used herein shall have the same meanings as defined in the joint announcement dated 8 June 2018 issued by the Company and Jinran China Resources.

References are made to the joint announcements dated 8 June 2018, 8 July 2018, 7 August 2018, 7 September 2018, 8 October 2018, 8 November 2018, 7 December 2018, 9 January 2019, 8 February 2019, 8 March 2019, 8 April 2019, 8 May 2019, 10 June 2019, 10 July 2019, 12 August 2019 and 11 September 2019 issued by the Company and Jinran China Resources in respect of the following entered into between 天津市燃氣集團有限公司 (Tianjin Gas Group Company Limited*) (“**Tianjin Gas**”) and China Resources Gas (Hong Kong) Investment Limited (1) the joint venture agreement and the supplemental agreement dated 2 November 2011, in which sets out that Tianjin Gas will gradually transfer all of natural gas related business to Jinran China Resources (the “**Overall Transaction**”); and (2) the memorandum of understanding dated 7 June 2018, pursuant to which Tianjin Gas shall transfer all of the domestic shares of the Company currently held by Tianjin Gas to Jinran China Resources (the “**Possible Transfer**”) as a part of the Overall Transaction. After a formal agreement being entered into between Tianjin Gas and Jinran China Resources in relation to the Possible Transfer and the satisfaction or waiver (as the case may be) of the condition precedents thereof, Jinran China Resources (or its wholly-owned subsidiary) and the parties acting in concert with it will hold approximately 70.54% of the issued share capital of the Company.

UPDATE ON THE POSSIBLE TRANSFER

As informed by Jinran China Resources and Tianjin Gas (the “**Parties**”), the Board hereby informs the latest information to the shareholders of the Company and potential investors that, from 11 September 2019 to the date of this announcement, the Parties has been exploring a plan (the “**Plan**”) to complete the remaining part of the valuation works (the “**Construction Valuation Works**”) of various assets and construction projects involved in the Overall Transaction, which have commenced since 1984. However, as certain works of construction projects involved and the existing audit evidence are complicated, additional time is required for collecting and compiling relevant materials of the construction works over the years, and the time required to complete the Construction Valuation Works are beyond expectation. Therefore, the Parties have yet to reach an appropriate Plan with each stakeholder based on the existing documentary records. The Parties will decide whether to adopt 31 March 2019 as the target base date for assessing the value of the Possible Transfer after coming up with the Plan or within this year. In light of the abovementioned development, Jinran China Resources and Tianjin Gas expect that the current milestone targets for the Overall Transaction and Possible Transfer, in the following order, are:

1. completion of the final Construction Valuation Works;
2. completion of the audit and valuation works for the Overall Transaction (the “**Audit and Valuation Works**”), which is expected to be completed within five to six months after the commencement of the Audit and Valuation Works;
3. completion of the discussion and negotiation on the specific terms of the Overall Transaction, which is expected to be completed in one to two months after the completion of the Audit and Valuation Works; and
4. the obtaining and completion of all necessary approvals, consents and filings and/or registration with the relevant governmental and regulatory authorities in Mainland China and Hong Kong, which is expected to be completed in two months after the completion of the Audit and Valuation Works.

Since the above milestone targets have to be completed in order, the Parties can only begin to prepare for the Audit and Valuation Works and estimate the possible execution date of the Overall Transaction and Possible Transfer after completing the Construction Valuation Works or confirming the Plan, and determining whether to change the target base date. **The possible execution date mentioned in earlier joint announcements is no longer applicable and the possible execution date cannot be estimated at this stage.** Although the possible execution date cannot be estimated at this stage because of the abovementioned difficulties and potential change in target base date, The Parties remain fully intended to proceed with the Overall Transactions and Possible Transfer according to the above milestones targets. The Parties shall announce a new possible execution date as soon as practicable. **The Possible Transfer may or may not proceed. Shareholders of the Company and potential investors are advised to exercise caution when dealing in the Shares and/or securities of the Company.**

MONTHLY ANNOUNCEMENT(S)

In compliance with Rule 3.7 of the Takeovers Code, monthly announcement(s) will be issued by the Company and Jinran China Resources setting out the abovementioned progress until the announcement of a firm intention to make an offer under Rule 3.5 of the Takeovers Code or of a decision not to proceed with an offer is made. Further Announcement(s) will be made by the Company and Jinran China Resources as and when appropriate and in accordance with the Listing Rules and Takeovers Code (as the case may be).

Shareholders of the Company and/or potential investors should be aware that the mandatory unconditional cash offer for all the issued Shares referred to in this joint announcement may or may not be made. There is no assurance that any discussions and/or agreement would develop, materialize or eventually be consummated in relation to the transactions contemplated under the MOU and/or the Joint Venture Restructuring Agreement. Shareholders of the Company and potential investors are advised to exercise caution when dealing in the Shares and/or securities of the Company. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisors.

By order of the Board
Tianjin Jinran Public Utilities Company Limited
Hou Shuang Jiang
Director

By order of the board of directors
津燃華潤燃氣有限公司
Jinran China Resources Gas Co., Ltd*
Li Jinlu
Director

* for identification purpose only

Tianjin, PRC, 14 October 2019

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

As at the date of this joint announcement, the board of directors of Jinran China Resources comprises seven directors, namely Mr. Zhang Shunqiang (Chairman), Mr. Li Jinlu (Vice Chairman and General Manager), Ms. Yu Lizhen, Mr. Zhao Heng Hai, Mr. Ma Jilin, Mr. Han Wenchen and Mr. Tian Xin.

The Directors of the Company jointly and severally accept full responsibility for accuracy of the information contained in this joint announcement (other than information relating to Jinran China Resources) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by Jinran China Resources) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.

The directors of Jinran China Resources jointly and severally accept full responsibility for accuracy of the information contained in this joint announcement (other than information relating to the Company) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the Company) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.