天津天聯公用事業股份有限公司

TIANJIN TIANLIAN PUBLIC UTILITIES COMPANY LIMITED

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

Stock Code: 8290

Third Quarterly Report 2011

HIGHLIGHTS

- Revenue of approximately RMB656,888,000 for the nine months ended 30 September 2011.
- Gross profit of approximately RMB84,731,000 for the nine months ended 30 September 2011.
- Net profit attributable to equity holders of approximately RMB56,745,000 for the nine months ended 30 September 2011.

RESULTS

The board (the "Board") of directors (the "Directors") of Tianjin Tianlian Public Utilities Company Limited (the "Company", together with its subsidiaries, the "Group") is pleased to present the unaudited results of the Company for the three months and nine months ended 30 September 2011 together with the unaudited comparative figures for the three months and nine months ended 30 September 2010 as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the nine months ended 30 September 2011

		Three months ended		Nine months ended	
	NOTES	**30 September 2011 RMB'000 (unaudited)**	30 September 2010 RMB'000 (unaudited)	**30 September 2011 RMB'000 (unaudited)**	30 September 2010 RMB'000 (unaudited)
Revenue	3 & 4	**319,063**	105,235	**656,888**	270,968
Cost of sales		**(282,811)**	(74,119)	**(572,157)**	(199,480)
Gross profit		**36,252**	31,116	**84,731**	71,488
Other income	5	**2,909**	1,223	**6,778**	4,502
Other gains and losses		**(312)**	503	**(709)**	208
Selling expenses		**(27)**	(7)	**(40)**	(20)
Administrative expenses		**(8,386)**	(4,124)	**(18,518)**	(11,404)
Share of profit of associates		**1,014**	479	**3,391**	1,313
Finance costs	6	**—**	(545)	**(168)**	(1,607)
Profit before tax	7	**31,450**	28,645	**75,465**	64,480
Income tax expense	8	**(7,819)**	(7,728)	**(18,720)**	(16,840)
Profit for the period and total comprehensive income for the period		**23,631**	20,917	**56,745**	47,640
Profit and total comprehensive income for the period attributable to owners of the Company		**23,631**	20,917	**56,745**	47,640
Earnings per share — basic (RMB cent)	10	**1.28**	1.82	**3.56**	4.14

NOTES TO THE CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the nine months ended 30 September 2011

1. GENERAL

The Company was established at Weishan Road, Chang Qing Science, Industry and Trade Park, Jinnan District, Tianjin, the People's Republic of China (the "PRC") as a joint stock limited company. The Company's overseas listed foreign shares ("H Shares") were listed on the Growth Enterprise Market (the "GEM") of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 9 January 2004 and listing was transferred from GEM to the main board of the Stock Exchange since 18 October 2011.

The principal activities of the Company are the operation and management of gas pipeline infrastructure and the sale and distribution of piped gas. One of the subsidiaries of the Company is dormant and has commenced the procedure of deregistration. Up to the date of this report, the deregistration has not been finished. The principal activities of another subsidiary of the Company are investment in associate and listed securities.

The Company together with its subsidiaries are hereinafter collectively referred to as the Group.

2. BASIS OF PREPARATION

The condensed consolidated financial information has been prepared in accordance with the applicable disclosure requirements of Chapter 18 of the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the GEM Rules).

The amounts included in this interim financial information have been computed in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") applicable to interim periods. However, it does not contain sufficient information to constitute an interim financial report as defined in Hong Kong Accounting Standard 34 "Interim Financial Reporting".

3. SIGNIFICANT ACCOUNTING POLICIES

The condensed consolidated financial information has been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values, as appropriate.

The accounting policies used in the condensed consolidated financial information for the nine months ended 30 September 2011 are consistent with those followed in the preparation of the Group's annual financial information for the year ended 31 December 2010.

In the current interim period, the Group has applied, for the first time, a number of new or revised standards, and interpretations ("new or revised HKFRSs") issued by the HKICPA.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

The application of the above new or revised HKFRSs in the current interim period has had no material effect on the amounts reported in these condensed consolidated financial information and/or disclosures set out in these condensed consolidated financial information.

The Group has not early applied new or revised standards and interpretations that have been issued but are not yet effective. The following new or revised standards and interpretations have been issued after the date the consolidated financial statements for the year ended 31 December 2010 were authorised for issuance and are not yet effective:

HKFRS 1 (Amendments)	Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters[1]
HKFRS 7 (Amendments)	Disclosures — Transfers of Financial Assets[1]
HKFRS 9	Financial Instruments[2]
HKFRS 10	Consolidated Financial Statements[2]
HKFRS 11	Joint Arrangements[2]
HKFRS 12	Disclosure of Interests in Other Entities[2]
HKFRS 13	Fair Value Measurement[2]
HKAS 1 (Amendments)	Presentation of Items of Other Comprehensive Income[4]
HKAS 12 (Amendments)	Deferred Tax: Recovery of Underlying Assets[3]
HKAS 19 (Revised 2011)	Employee Benefits[2]
HKAS 27 (Revised 2011)	Separate Financial Statements[2]
HKAS 28 (Revised 2011)	Investments in Associates and Joint Ventures[2]
HK(IFRIC)-Int 20	Stripping Costs in the Production Phase of a Surface Mine[2]

[1] Effective for annual periods beginning on or after 1 July 2011.
[2] Effective for annual periods beginning on or after 1 January 2013.
[3] Effective for annual periods beginning on or after 1 January 2012.
[4] Effective for annual periods beginning on or after 1 July 2012

The Company is currently evaluating the impact of the adoption of these new or revised standards on its financial statements.

4. REVENUE

Revenue represents construction contract revenue from gas connection contracts, revenue from sales of piped gas and gas appliances, construction contract revenue from construction of gas pipeline infrastructure and gas transportation revenue, net of discount, during the period.

5. OTHER INCOME

Included in other income, for the three months ended 30 September 2011 and nine months ended 30 September 2011, were value added tax refund of RMB1,181,000 and RMB4,649,000 respectively, (three months ended 30 September 2010 and nine months ended 30 September 2010: RMB1,028,000 and RMB4,039,000).

6. FINANCE COSTS

	Three months ended 30 September		Nine months ended 30 September	
	2011	2010	**2011**	2010
	RMB'000	RMB'000	**RMB'000**	RMB'000
Interest on bank borrowings wholly repayable within five years	**—**	545	**168**	1,607

7. PROFIT BEFORE TAX

Profit before tax for the period has been arrived at after charging (crediting):

	Three months ended 30 September		Nine months ended 30 September	
	2011	2010	**2011**	2010
	RMB'000	RMB'000	**RMB'000**	RMB'000
Depreciation of property, plant and equipment	**2,042**	1,357	**5,332**	4,048
Amortisation of intangible assets included in cost of sales	**13,200**	2,442	**25,354**	7,323
Amortisation of prepaid lease payments included in administrative expenses	**51**	27	**152**	100
Operating lease rentals in respect of rented premises	**201**	130	**364**	392
Allowances for bad and doubtful debts in respect of trade receivables	**—**	—	**756**	—
Fair value changes of held for trading investment (included in other gains and losses)	**312**	(503)	**709**	(208)

8. INCOME TAX EXPENSE

	Three months ended 30 September		Nine months ended 30 September	
	2011	2010	**2011**	2010
	RMB'000	RMB'000	**RMB'000**	RMB'000
The charge comprises:				
Current PRC enterprise income tax	**7,771**	7,680	**18,803**	16,741
Deferred taxation	**48**	48	**(83)**	99
	7,819	7,728	**18,720**	16,840

8. INCOME TAX EXPENSE *(continued)*

The Company and a subsidiary are subject to the PRC Enterprise Income Tax rate of 25% for both period of three and nine months ended 30 September 2011 (three and nine months ended 30 September 2010: 25%).

One of the subsidiaries did not have taxable profit for nine months ended 30 September 2011 and 2010.

No provision for Hong Kong Profits Tax has been made as the Group's income neither arises in, nor is derived from, Hong Kong.

9. DIVIDEND

No dividends were declared or proposed during the reporting periods. The directors do not recommend the payment of an interim dividend. The Company had paid dividend of RMB 625,500 declared in June 2009 in current period.

10. EARNINGS PER SHARE

The calculation of basic earnings per share attributable to the owners of the Company is based on the following data:

	Three months ended 30 September		Nine months ended 30 September	
	2011	2010	**2011**	2010
	RMB'000	RMB'000	**RMB'000**	RMB'000
Earnings				
Earnings for the purpose of basic earnings per share				
Profit for the period attributable to owners of the Company	**23,631**	20,917	**56,745**	47,640
Number of shares				
Weighted average number of ordinary shares for the purpose of basic earnings per share	**1,839,308**	1,149,600	**1,594,247**	1,149,600

No diluted earnings per share have been presented as the Company had no dilutive potential ordinary shares during the periods or at the end of the reporting period.

The weighted average number of ordinary shares for the purpose of basic earnings per share has been adjusted for share issue that took place on 7 April 2011.

11. SHARE CAPITAL, SHARE PREMIUM AND RESERVES

	Share capital RMB'000	Share premium RMB'000	Statutory surplus reserve RMB'000 (note)	Enterprise expansion fund RMB'000 (note)	Accumulated profits RMB'000	Total equity RMB'000
At 1 January 2010 (audited)	114,960	267,672	23,012	6,087	226,831	638,562
Profit and total comprehensive income for the period	—	—	—	—	47,641	47,641
Appropriation	—	—	6,628	3,315	(9,943)	—
At 30 September 2010 (unaudited)	114,960	267,672	29,640	9,402	264,529	686,203
Profit and total comprehensive income for the period	—	—	—	—	29,066	29,066
Appropriation	—	—	—	—	—	—
At 31 December 2010 (audited)	114,960	267,672	29,640	9,402	293,595	715,269
Profit for the period and total comprehensive income for the period	—	—	—	—	56,745	56,745
Issue of Domestic Shares (note ii)	68,971	521,031	—	—	—	590,002
Appropriation	—	—	7,693	3,847	(11,540)	—
At 30 September 2011 (unaudited)	183,931	788,703	37,333	13,249	338,800	1,362,016

Notes:

(i) Basis of appropriation of reserves

Prior to August 2007, the Company's and each of its subsidiaries' Articles of Association require the appropriation of 10% of its profit after taxation determined under the People's Republic of China ("PRC") accounting standards each year to the statutory surplus reserve until the balance reaches 50% of the share capital. The statutory surplus reserve shall only be used for making up losses, capitalisation into share capital and expansion of the production and operation. After transformation to a foreign invested joint stock company in June 2007, the transfers to statutory surplus reserve fund is based on the profit after taxation stated in the financial statements prepared under the PRC accounting standards at the discretion of the board of directors.

As stipulated by the relevant laws and regulations for foreign investment enterprises in the PRC, the PRC subsidiaries are required to maintain an enterprise expansion fund. Enterprise expansion fund are non-distributable. Appropriations to such reserve are made out of net profit after taxation annually of the PRC subsidiaries at the discretion of its board of directors. The enterprise expansion fund is used for expanding the capital base of the PRC companies by means of capitalisation issue.

11. SHARE CAPITAL, SHARE PREMIUM AND RESERVES *(continued)*

Notes: *(continued)*

(ii) Pursuant to the announcement of the Company dated 5 October 2009 and the circular of the Company dated 31 December 2010 in relation to the very substantial acquisition, the Company entered into the Assets Acquisition Agreement with 天津市燃氣集團有限公司 ("Tianjin Gas"), pursuant to which the Company conditionally agreed to acquire from Tianjin Gas part of the tangible assets and gas ancillary facilities held by the Hedong District Sales Offices and the Heping District Sales Offices of both the Transmissions Branch and the First Sales Branch of Tianjin Gas (both branches of Tianjin Gas), including outdoor pipelines (the "Transferred Assets"). To satisfy the consideration, the Company issued, in aggregate, 689,707,800 Domestic Shares to Tianjin Gas on 7 April 2011 and the transaction was completed on 11 April 2011.

12. RELATED PARTY TRANSACTIONS

(a) During the period, the following related party transactions took place:

Name of related party	Relationship	Nature of transactions	Three months ended 30 September 2011 RMB'000	Three months ended 30 September 2010 RMB'000	Nine months ended 30 September 2011 RMB'000	Nine months ended 30 September 2010 RMB'000
Tianjin Gas	Shareholder	Purchase of gas	**233,503**	53,467	**473,313**	154,454
		Construction fee paid	**23,555**	18,203	**23,555**	30,203
		Gas transportation income	**930**	616	**2,703**	3,166
天津市煤氣工程設計院	Controlled by the same ultimate holding company	Construction design fee	**594**	791	**597**	929

12. RELATED PARTY TRANSACTIONS *(continued)*

(b) Compensation of key management personnel

The remuneration of directors and other members of key management during the period were as follows:

	Three months ended 30 September		Nine months ended 30 September	
	2011	2010	**2011**	2010
	RMB'000	RMB'000	**RMB'000**	RMB'000
Short-term benefit	**351**	398	**1,151**	1,194
Post employment benefit	**3**	2	**9**	6
	354	400	**1,160**	1,200

(c) Pursuant to the circular dated 31 December 2010, the Company entered into an asset acquisition agreement with Tianjin Gas on 16 September 2009 to acquire from Tianjin Gas the Transfer Assets, in consideration for issuing 689,707,800 shares of the Company. The transaction was completed on 11 April 2011. 689,707,800 new domestic shares were issued by the Company on 7 April 2011 and Tianjin Gas became the ultimate holding company of the Company thereafter.

(d) The Group is ultimately controlled by the Tianjin Gas, which is controlled by the PRC government, and the Group operates in an economic environment currently predominated by entities controlled by the PRC Government ("government-related entities"). Apart from the transactions with Tianjin Gas are disclosed in Note 11(a), the Group also conducts businesses with entities directly or indirectly owned or controlled by the PRC Government in the ordinary course of business, including sale of gas.

MANAGEMENT DISCUSSION AND ANALYSIS

Since the listing of the H shares ("H Shares") of the Company on the Growth Enterprise Market on the Stock Exchange of Hong Kong Limited ("GEM") on 9 January 2004, the Group has been growing rapidly in terms of the business scope and market coverage of its products and services.

BUSINESS REVIEW

For the nine months ended 30 September 2011, the Group reported a revenue of approximately RMB656,888,000 (nine months ended 30 September 2010: amounted to approximately RMB270,968,000), representing an increase of approximately 142% as compared with the corresponding period in the previous year. The net profit attributable to equity holders for the nine months ended 30 September 2011 amounted to approximately RMB56,745,000 (nine months ended 30 September 2010: approximately RMB47,640,000).

SEGMENTAL INFORMATION ANALYSIS

During the nine months ended 30 September 2011, the Group has continued its formulated development strategies to provide piped gas connection to the users in the Group's operational locations in Tianjin City and Jining, Inner Mongolia. Sales of piped gas is the major source of income for the Group, which is followed by gas connection, gas transportation and sales of gas appliances. The Group will further expand the operation in these four areas, in order to attain its strategic objectives for the remaining period of this year.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The Group is generally funded by equity financing. As at 30 September 2011, the Group did not have any bank borrowing.

The Group mostly uses Renminbi in its normal business operation and it had not used any financial instrument for currency hedging purposes, as it considers that its exposure to fluctuations in exchange rates in its normal business operation is only minimal.

CONTINGENT LIABILITIES

As at 30 September 2011, the Group had no material contingent liabilities or guarantees.

PROSPECTS

On 16 September 2009, the Company entered into an assets acquisition agreement (the "Assets Acquisition Agreement") with Tianjin Gas, pursuant to which the Company has agreed to acquire from Tianjin Gas (the "Assets Transfer") the assets (which consist of part of the tangible assets and gas ancillary facilities held by the Hedong District Sales Offices and the Heping District Sales Offices of both Transmission Branch and First Sales Branch of Tianjin Gas, including outdoor pipelines of over 1,400 kilometres, domestic pipelines connected to approximately 360,000 users as at 30 June 2010, and the related machinery and electronic equipment and 40 vehicles) (the "Transferred Assets").

The Company has received the formal approval from the relevant Industry and Commerce Administrative Bureau on 11 April 2011 by the issuance of the business licence in relation to the allotment of consideration shares (the "Consideration Shares") of 689,707,800 domestic shares of the Company (the "Domestic Shares") and the amendment to the articles of association of the Company for the increase of the registered capital of the Company which was dated 7 April 2011. Although the said business licence from the relevant Industry and Commerce Administrative Bureau was dated 7 April 2011, the Company only received the business licence on 11 April 2011. In this regard, all conditions under the Assets Acquisition Agreement were fulfilled and accordingly the completion of the Assets Transfer took place on 11 April 2011. Upon completion of the Assets Transfer, the Transferred Assets are owned by the Group and the Group has started to provide piped gas to the users connected by the Transferred Assets.

The Directors consider that the Group will benefit from the Assets Transfer. In particular, (i) the Assets Transfer will significantly increase the operation scale of the Group in terms of number of users and areas of operation; (ii) the Assets Transfer will broaden and diversify the Group's client base; (iii) the Assets Transfer will increase the market share of the gas business of the Group in Tianjin; (iv) the Transferred Assets are located in urban districts, where the local pipeline networks and other pipeline-related facilities have been fully developed, thus the Company does not have to inject additional capital to develop the relevant facilities; and (v) the Transferred Assets are profitable assets.

With the fast growth of China's economy and the gradual increase of private investments, all the recent factors indicate that the growth of the energy industry in China remains strong. Combined with the special attention of the State on the West-to-East Pipeline Project and environmental protection measures, the gas industry in China is still growing rapidly. In view of environment protection and efficiency, the Chinese government plans to gradually reduce the use of coal and instead encourage the use of green fuels such as various natural gases.

Benefiting from the reformation of gas companies across China and the considerable demands, the Group expects to further increase its market share in its existing operational locations. The directors and management of the Company will try their best to bring satisfactory returns to shareholders of the Company (the "Shareholder").

The principal objectives of the Group are to expand its supply of natural gas business through expansion of its gas pipelines network and to maximize the returns for Shareholders. To achieve these objectives, the Group will pursue the strategies set out below.

- The Group will continue to supply piped natural gas to its existing operational locations in Tianjin City and will aim at expansion by constructing new pipelines and connecting to more users in its existing operational locations.
- The Group will seek to expand its gas pipelines network by mergers and acquisitions, if suitable assets or suitable targets are identified.
- Apart from its natural gas operation in Tianjin City, the Group will also continue to explore and develop its natural gas operation in Jining City.
- The Company will continue its expansion in Binhai New District.

The Group plans to further explore the following areas in the future:

- Focus on the balanced development of various gas-related businesses and make efforts to develop the piped gas market, including participating in the urban natural gas pipeline network projects in local areas by way of mergers or acquisitions.
- Continue to advance the research, evaluation, negotiation and other work related to existing projects, and ensure the fulfillment of the business objectives.
- Continue to strengthen the financial management of the Group. The Group also aims to continuously lower the operating costs and maximize the revenue from the operating projects.
- Further its efforts in personnel training and recruitment, facilitate the smooth operations and developments of the Group, develop positive corporate culture, and upgrade the management of the Company.

The Directors announced that the Company had submitted a formal application form to the Stock Exchange on 1 August 2011 for the proposed transfer of listing of the H Shares from GEM to the Main Board (the "Main Board") of the Stock Exchange (the "Transfer of Listing").

The Directors believe that listing of the H Shares on the Main Board will enhance the profile of the Group and could improve trading liquidity of the H Shares. The Directors also consider that listing of the H Shares on the Main Board will be beneficial to the future growth, financing flexibility and business development of the Group. No material change in the business of the Group is contemplated by the Directors following the Transfer of Listing.

Based on these achievements, the Group will further strengthen the operating management of existing businesses and input greater resources into the market development.

DIRECTORS', CHIEF EXECUTIVES' AND SUPERVISORS' INTERESTS IN SECURITIES

As at 30 September 2011, the interests and short positions of the Directors, chief executives and supervisors ("Supervisors") of the Company in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), which are required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) pursuant to the required standard of dealings by Directors and Supervisors as referred to in Rule 5.46 of the Rules Governing the Listing of Securities on GEM ("GEM Listing Rules") to be notified to the Company and the Stock Exchange were as follows:

Long position

Domestic Shares of RMB0.1 each in the capital of the Company

Name of Director/ Supervisor	Capacity	Number of Domestic Shares held	Approximate percentage of interests in the Company/ Domestic Shares of the Company
Ms. Tang Jie	Beneficial owner	41,700,000	2.27%/3.11%
Mr. Bai Shao Liang (please see Note 3 under the section "Substantial Shareholders")	Held by controlled corporation	235,925,000	12.83%/17.62%

Save as disclosed in the above paragraph, as at 30 September 2011, none of the Directors, Supervisors and chief executives of the Company had interests or short positions in any securities of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which are required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) pursuant to the required standard of dealings by Directors and Supervisors as referred to in Rule 5.46 of the GEM Listing Rules to be notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDERS AND OTHER SHAREHOLDERS

So far as known to the Directors, as at 30 September 2011, the following persons, not being a Director, Supervisor or chief executive of the Company, had interests or short positions in the shares, underlying shares and debentures of the Company which would fall to be disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO and required to be recorded in the register kept by the Company pursuant to section 336 of the SFO:

SUBSTANTIAL SHAREHOLDERS

Long position

Domestic Shares of RMB0.1 each in the capital of the Company

Name of Shareholder	Capacity	Number of Domestic Shares held	Approximate percentage of interests in the Company/ Domestic Shares of the Company
Tianjin Beacon Coatings Co., Ltd 天津燈塔涂料有限公司 (Note 1)	Beneficial owner	118,105,313	6.42%/8.82%
Tianjin Gas Group Company Limited 天津市燃氣集團有限公司 ("Tianjin Gas")	Beneficial owner	943,517,487 (Note 2)	51.30%/70.45%
Tianjin Wanshun Real Estate Company Limited 天津市萬順置業有限公司	Beneficial owner	235,925,000	12.83%/17.62%
Ms. Li Sha (Note 3)	Family	235,925,000	12.83%/17.62%

Note 1: 天津燈塔塗料有限公司 (Tianjin Beacon Coatings Co., Ltd), formerly known as Tianjin Tsinlien Investment & Trade Company Limited (天津津聯投資貿易有限公司), is wholly owned by Tianjin Taida Investment Holdings Company Limited 天津泰達投資控股有限公司), which is State-owned company wholly owned by Tianjin Municipal People's Government (天津市人民政府).

Note 2: Out of 943,517,487 Domestic Shares, the interest in 689,707,800 Domestic Shares derived from the Consideration Shares (as defined in the paragraph headed "Prospects" of this report).

Note 3: As at 30 September 2011, Mr. Bai Shao Liang held 76% interests in 天津市萬順置業有限公司 (Tianjin Wanshun Real Estate Company Limited) and is a director of such company. Ms. Li Sha is the wife of Mr. Bai Shao Liang. Under the SFO, Mr. Bai Shao Liang and Ms. Li Sha are taken to be interested in all the Domestic Shares held by Tianjin Wanshun Real Estate Company Limited.

OTHER SHAREHOLDERS

Long position

H Shares of RMB0.1 each in the capital of the Company

Name of shareholder	Capacity	Number of H Shares held	Approximate percentage of interests in the Company/ H Shares of the Company
Liu Hei Wan	Interests held jointly with another person (Note 1)	14,500,000	0.79%/2.90%
	Held by controlled corporation (Note 2)	30,000,000	1.63%/6.00%
Law Suet Yi	Interests held jointly with another person (Note 1)	14,500,000	0.79%/2.90%
	Interest of spouse (Note 3)	30,000,000	1.63%/6.00%
The Waterfront Development Group Limited	Beneficial owner (Note 2)	30,000,000	1.63%/6.00%
Martin Currie (Holdings) Limited	Held by controlled corporation (Note 4)	46,110,000	2.51%/9.22%

Notes:

1. As at 30 September 2011, Mr. Liu Hei Wan and Ms. Law Suet Yi jointly held the 14,500,000 H Shares.

2. The Waterfront Development Group Limited is wholly owned by Mr. Liu Hei Wan and thus a controlled corporation by Mr. Liu Hei Wan. Mr. Liu Hei Wan is deemed, or taken to be, interested in the 30,000,000 H Shares which are beneficially owned 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 H Shares in which Mr. Liu Hei Wan is interested for the purpose of SFO.

4. Martin Currie Inc and Martin Currie Investment Management Limited are indirectly wholly owned by Martin Currie (Holdings) Limited and thus both of them are controlled corporations of Martin Currie (Holdings) Limited. Martin Currie (Holdings) Limited is deemed, or taken to be, interested in the 25,950,000 H Shares and the 20,160,000 H Shares beneficially owned by Martin Currie Inc and Martin Currie Investment Management Limited respectively for the purpose of the SFO.

Save as disclosed above, as at 30 September 2011, the Directors are not aware of any person, not being a Director, Supervisor or chief executive of the Company, who had interests or short positions in the shares, underlying shares and debentures of the Company which would fall to be disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO and required to be recorded in the register kept by the Company pursuant to section 336 of the SFO.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the nine months ended 30 September 2011, neither the Company nor its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

DIRECTORS' INTERESTS IN CONTRACTS

No contract of significance to which the Company or its subsidiaries was a party and in which a Director or Supervisor had a material interest, whether directly or indirectly, subsisted at the end of the nine months ended 30 September 2011 or at any time during.

INTERESTS OF THE COMPLIANCE ADVISER

Upon the completion of the Assets Transfer on 11 April 2011, Kingsway Capital Limited became the compliance adviser of the Company (the "Compliance Adviser"). As at 30 September 2011, save as the 1,480,000 H Shares held by Kingsway Lion Spur Technology Limited, a fellow subsidiary of the Compliance Adviser, neither the Compliance Adviser or its directors, employees or associates had any interest in relation to the Group.

COMPETING INTERESTS

Each of Mr. Jin Jian Ping (an executive Director and the Chairman of the Company), Zhang Tian Hua (an executive Director) and Mr. Dong Hui Qiang (an executive Director) holds positions with Tianjin Gas. They do not have any equity interest in Tianjin Gas nor the Company. Save as their positions with Tianjin Gas, each of the Directors and their respective associates has confirmed that he/she does not have any interest in a business which competes or may compete with the business of the Group.

In the wholesale distribution of natural gas, no competition between Tianjin Gas and the Group exists given the fact that the Group only supplies natural gas to end users but is not engaged in wholesale distribution business. In the provision of piped natural gas to end users, Tianjin Gas and the Group are not competing with each other due to the nature of the piped gas supply business, which required fixed pipelines be installed and connected to the customers' pipelines, it is practically infeasible for more than one set of pipelines connecting to the same customer's pipeline.

Besides, on 9 December 2003, Tianjin Gas has entered into a non-competition agreement (the "Non-Competition Agreement") with the Company. Under the non-competition agreement, save for Tianjin Gas's then existing piped gas operations in Tianjin City, which is outside the scope of operation of the Group in Tianjin at that time (the "Previous Operational Locations"), Tianjin Gas has irrevocably undertaken and covenanted with the Company that, except with the Company's prior written consent, it would not and would procure that its subsidiaries should not, carry on for their own accounts or for any other persons to carry on and/or have an interest in, any business of which is or may be in competition with the Group's business within the Previous Operational Locations or outside its existing operating district in Tianjin City.

On 28 December 2010, Tianjin Gas has further entered into the supplemental non-competition agreement (the "Supplemental Non-Competition Agreement") to supplement certain terms of the non-competition agreement dated 9 December 2003, pursuant to which the meaning of "subsidiary(ies)" as mentioned in the above-mentioned undertaking has been amended to include "associates" under the definition of the GEM Listing Rules and the Previous Operational Locations have been amended to cover the operational locations of the Group (i.e. Xiao Hai Di (小海地) of Hexi District (河西區), part of Jinnan District (津南區), Xiqing District (西青區), Hangu District (漢沽區) and Ninghe County (寧河縣)) which have been served by the Group's pipelines as well as Hedong District (河東區) and Heping District (和平區) after completion of the Assets Transfer which are served by the Transferred Assets.

Furthermore, pursuant to the Supplemental Non-Competition Agreement, Tianjin Gas further undertakes that (A) where business opportunities which may compete with the business of the Group arises, or if Tianjin Gas desires to sell any of its existing piped gas business or the underlying assets for the piped gas business in Tianjin, Tianjin Gas shall give the Company's notice in writing and the Company shall have a right of first refusal to take up such business opportunities. The Company shall only exercise the right of first refusal upon the approval of all the independent non-executive Directors (who do not have any interest in such proposed transactions); and (B) regarding the assets which have not yet been transferred to the Company by Tianjin Gas in Hedong District, Heping District, Xiqing District, Hangu District and Ninghe County, the Company has the right to require Tianjin Gas to sell these assets to the Company at any time, subject to compliance with the applicable requirements under the relevant PRC laws as well as the GEM Listing Rules, at a price that is fair and reasonable, and acceptable to the independent non-executive Directors (who do not have any interest in such proposed transaction).

Given the terms of the Non-Competition Agreement and the Supplemental Non-Competition Agreement given by Tianjin Gas and the inherent nature of pipe gas supply business, the Directors are of the view that Tianjin Gas does not compete with the Group's operations in the provision of piped natural gas.

Save as disclosed above, as at 30 September 2011, the Directors are not aware of any business or interest of the Directors, the controlling shareholders of the Company and their respective associates, that competes or may compete with the business of the Group and any other conflicts of interest which any such person has or may have with the Group.

CORPORATE GOVERNANCE

During the nine months ended 30 September 2011, the Company had complied with the board practices and procedures as set out in Rules 5.34 to 5.45 of the GEM Listing Rules during the nine months ended 30 September 2011.

During the nine months ended 30 September 2011, the Company had complied with the Code on Corporate Governance Practice set out in Appendix 15 to the GEM Listing Rules.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

At no time during the nine months ended 30 September 2011 was the Company or its subsidiaries a party to any arrangements to enable the Directors and Supervisors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

During the nine months ended 30 September 2011, the Company had adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. The Company had also made specific enquiry with all Directors and the Company was not aware of any non-compliance with the required standard of dealings and its code of conduct regarding securities transactions by Directors.

CHANGE OF CHAIRMAN OF THE BOARD AND RESIGNATION OF DIRECTOR

On 25 July 2011, Mr. Sun Bo Quan ("Mr. Sun") tendered his resignation as the chairman of the Board and a non-executive Director as he has reached the age of retirement. The Board has unanimously decided that Mr. Jin Jian Ping, an executive Director, shall replace Mr. Sun to act as the chairman of Board with immediate effect. The resignation of Mr. Sun as a non-executive Director was subject to approval of appointment of the new Director by the Shareholders at the extraordinary general meeting of the Company (the "General Meeting"), which was held on 23 September 2011.

On 1 July 2011, Mr. Sun Bo Quan resigned as the chairman of the board of directors of Tianjin Gas. On the same date, Mr. Jin Jian Ping resigned as the general manager, vice party secretary and vice chairman of the board of directors of Tianjin Gas and was appointed as the party secretary and chairman of the board of directors of Tianjin Gas.

APPOINTMENT OF NEW DIRECTOR

The proposed appointment of Mr. Zhang Tian Hua to be an executive Director has been approved by the Shareholders at the General Meeting on 23 September 2011.

AUDIT COMMITTEE

The Company established an audit committee on 3 December 2003 with written terms of reference in compliance with the GEM Listing Rules. The primary duties of the audit committee are to review and to provide supervision over the financial reporting process and internal control system of the Group. The audit committee comprises the three independent non-executive directors, Professor Zhang Yu Li, Mr. Luo Wei Kun and Mr. Chan Shun Kuen. The Audit Committee has reviewed the report and the results for the nine months ended 30 September 2011.

SUBSEQUENT EVENTS

Transfer of Listing

The Company was granted an approval-in-principle from the Stock Exchange for the H Shares to be listed on the Main Board and de-listed from GEM according to Rule 9A.09(6) of the GEM Listing Rules.

The approval-in-principle was granted by the Stock Exchange on 3 October 2011 for the H Shares to be listed on the Main Board and de-listed from GEM according to Rule 9A.09(6) of the Listing Rules. The Company also obtained the approval from the China Securities Regulatory Commission in connection with the implementation of the Transfer of Listing on 10 November 2010.

The last day of dealings in the H Shares on GEM was 17 October 2011. Dealings in the H Shares on the Main Board commenced at 9:00 a.m. on 18 October 2011. The H Shares was then on the Main Board under the new stock code "01265".

Except for this report, the Company will not continue the quarterly reporting of financial results after the listing of the H Shares on the Main Board.

For details, please refer to the announcement of the Company dated 4 October 2011.

Renewal of Continuing Connected Transactions

On 28 October 2011, Tianjin Gas and the Company entered into three conditional gas supply contracts (the "New Gas Supply Contracts") in respect of the supply of natural gas by Tianjin Gas to the Company for the 12 months ending 31 December 2012, 2013 and 2014, respectively.

On 28 October 2011, Tianjin Gas and the Company entered into the conditional natural gas transportation contract (the "2012 Gas Transportation Contract") in respect of the renewal of provision of gas transportation services through the gas pipelines owned and managed by the Company for natural gas transmission by Tianjin Gas for the period from 1 January 2012 to 31 December 2014.

As one or more of the applicable percentage ratios as defined under Rule 14.07 of the Rules Governing the Listing of Securities on the Stock Exchange for the annual caps for the New Gas Supply Contracts for the year ending 31 December 2012, 31 December 2013 and 31 December 2014, and the annual caps for the 2012 Gas Transportation Contract for the year ending 31 December 2012, 31 December 2013 and 31 December 2014 exceed 5%, the New Gas Supply Contracts and 2012 Gas Transportation Contract will be subject to, inter alia, the independent Shareholders' approval, reporting, annual review and announcement requirements under Chapter 14A of the Listing Rules.

For details, please refer to the Company's announcement dated 28 October 2011.

Joint Venture between Tianjin Gas and China Resources Gas (Hong Kong) Investment Limited

On 2 November 2011, the Board has been informed by Tianjin Gas, a controlling Shareholder (which holds 943,517,487 Domestic Shares, representing approximately 51.30% of the total issued shares of the Company as at 30 September 2011), that on 2 November 2011, Tianjin Gas and China Resources Gas Group Limited ("China Resources Gas (HK)") entered into a joint venture agreement (the "Joint Venture Agreement") and a supplemental agreement (the "Supplemental Agreement") relating to, inter alia, the formation of the a joint venture company (the "Proposed JV") in the PRC.

Pursuant to the Joint Venture Agreement, Tianjin Gas and China Resources Gas (HK) will set up the Proposed JV in the PRC. Tianjin Gas and China Resources Gas (HK) will own 51% and 49% respectively of the registered capital of the Proposed JV, which will be RMB5 billion. Tianjin Gas will contribute its share of registered capital of RMB2.55 billion by way of injection of its natural gas-related operational assets (which will not include the Domestic Shares held by Tianjin Gas) and China Resources Gas (HK) will contribute its share of registered capital of RMB2.45 billion by way of cash. The board of directors of the Proposed JV will comprise of seven directors. Tianjin Gas is entitled to appoint four directors while China Resources Gas (HK) is entitled to appoint the remaining three directors. The chairman of the board of directors of the Proposed JV shall be nominated by Tianjin Gas. It was further agreed that Tianjin Gas will inject its remaining natural gas-related assets to the Proposed JV with details to be determined by the parties by separate agreement(s). Each of Tianjin Gas and China Resources Gas (HK) agrees that after incorporation of the Proposed JV, each of them (including its subsidiaries) and the Proposed JV will not compete with each other in the same industry and will not develop the same or competing business in the operational areas of the Proposed JV.

Pursuant to the Supplemental Agreement, it is agreed that after establishment of the Proposed JV, all existing natural gas-related business of Tianjin Gas will be taken over by the Proposed JV, which will include, inter alia, the Domestic Shares held by Tianjin Gas. The acquisition of the Domestic Shares by the Proposed JV from Tianjin Gas will be subject to (i) compliance with all applicable laws, rules and regulations in the PRC and Hong Kong as well as the Listing Rules and the Code on Takeovers and Mergers (the "Takeovers Code"); and (ii) receipt of all necessary approvals or consents from the relevant governmental and regulatory authorities in the PRC and Hong Kong, including (without limitation) the Securities and Futures Commission. The detailed terms and timetable regarding the disposal of the Domestic Shares by Tianjin Gas will be subject to further agreement between Tianjin Gas and the Proposed JV.

It is the intention of Tianjin Gas and China Resources Gas (HK) that, subject to (i) compliance with all applicable laws, rules and regulations in the PRC and Hong Kong as well as the Listing Rules and the Takeovers Code; and (ii) receipt of all necessary approvals or consents from the relevant governmental and regulatory authorities in the PRC and Hong Kong, including (without limitation) the Securities and Futures Commission, following the Proposed JV's acquisition of Tianjin Gas's interest in the Company, the Proposed JV would combine and consolidate the respective assets and businesses of the Proposed JV and the Company such that the Company would become the listing vehicle for such assets and business. However, no concrete plan has been discussed or agreed between Tianjin Gas, China Resources Gas (HK) and/or the Company as at the date of this report. The Directors advised that, the Company would only acquire the assets or business of the Proposed JV or of Tianjin Gas in the future if the Directors are of the view that (1) the proposed transaction would be entered into on normal commercial terms; (2) the terms would be fair and reasonable and in the interests of the Company and the Shareholders as a whole; (3) the Company has the resources to settle the relevant consideration; and (4) the transaction would comply with all applicable laws, rules and regulations, including but not limited to the Listing Rules.

For details, please refer to the Company's announcement dated 2 November 2011.

By order of the Board
Tianjin Tianlian Public Utilities Company Limited
Jin Jian Ping
Chairman

Tianjin, PRC, 11 November 2011

As at the date of this report, the Board comprises 5 executive directors, namely Mr. Jin Jian Ping (Chairman), Mr. Dong Hui Qiang, Ms. Tang Jie, Mr. Bai Shao Liang and Mr. Zhang Tian Hua, 1 non-executive director, namely Mr. Gong Jing, and 4 independent non-executive directors, namely Mr. Zhang Yu Li, Mr. Luo Wei Kun, Mr. Chan Shun Kuen, Eric and Mr. Tam Tak Kei, Raymond.