Tianjin Tianbao Energy Co., Ltd. *
天津天保能源股份有限公司

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

(Stock Code: 1671)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED DECEMBER 31, 2020

FINANCIAL HIGHLIGHTS

- In 2020, the Company and its subsidiaries recorded consolidated operating income of RMB482.072 million, representing an increase of 29.0% as compared to the same period of the previous year of RMB373.634 million.
- The profit before taxation increased by 1.76 times from RMB14.076 million for the whole year of 2019 to RMB38.817 million for the whole year of 2020.
- In 2020, basic and diluted earnings per Share was RMB0.11.
- The Board recommended a distribution of final cash dividend of RMB0.05 per Share (tax inclusive).

OPERATION HIGHLIGHTS

The Board of Directors of Tianjin Tianbao Energy Co., Ltd.* announces the audited consolidated results of the Company and its subsidiaries for the year ended December 31, 2020 prepared in accordance with the IFRS.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended December 31, 2020

	Note	For the year ended December 31, 2020 RMB'000 (Audited)	2019 RMB'000
Revenue	*2*	**482,072**	373,634
Cost of sales		**(407,449)**	(339,362)
Gross profit		**74,623**	34,272
Other net income	*3*	**2,079**	4,939
Administrative expenses		**(26,608)**	(19,117)
Profit from operations		**50,094**	20,094
Interest income		**570**	896
Interest expense		**(11,847)**	(6,914)
Profit before taxation	*4*	**38,817**	14,076
Income tax	*5(a)*	**(9,341)**	(3,747)
Profit for the year		**29,476**	10,329
Attributable to:			
Equity shareholders of the Company		**17,510**	10,329
Non-controlling interests		**11,966**	–
Profit for the year		**29,476**	10,329
Earnings per share	*6*		
Basic (RMB)		**0.11**	0.06
Diluted (RMB)		**0.11**	0.06

	Note	For the year ended December 31, 2020 RMB'000 (Audited)	2019 RMB'000
Profit for the year		**29,476**	10,329
Other comprehensive income for the year		**–**	–
Total comprehensive income for the year		**29,476**	10,329
Attributable to:			
Equity shareholders of the Company		**17,510**	10,329
Non-controlling interests		**11,966**	–
Total comprehensive income for the year		**29,476**	10,329

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31, 2020

	Note	At December 31, 2020 RMB'000 (Audited)	At December 31, 2019 RMB'000
Non-current assets			
Property, plant and equipment	7	**553,325**	344,009
Right-of-use assets for properties		**73,865**	14,989
Intangible assets		**3,124**	2,820
Goodwill	8	**537**	–
		630,851	361,818
Current assets			
Inventories		**11,802**	3,460
Trade and bill receivables	9	**31,836**	35,453
Contract assets		**28**	1,102
Other receivables and assets	10	**7,880**	2,739
Cash and cash equivalents	11	**126,916**	133,678
Restricted deposits		**1,000**	2,000
		179,462	178,432
Current liabilities			
Loans and borrowings (current portion)		**79,900**	–
Trade and other payables	12	**47,805**	31,383
Contract liabilities (current portion)		**22,442**	22,512
Salary and welfare payables		**3,110**	2,779
Lease liabilities (current portion)		**79**	131
Current taxation		**2,403**	1,195
Current portion of other non-current liabilities	14	**120,707**	80,000
		276,446	138,000
Net current (liabilities)/assets		**(96,984)**	40,432
Total assets less current liabilities		**533,867**	402,250

	Note	At December 31, 2020 *RMB'000* (Audited)	At December 31, 2019 *RMB'000*
Non-current liabilities			
Loans and borrowings (non-current portion)		**80,099**	–
Lease liabilities (non-current portion)		**1,148**	–
Deferred income		**21,821**	12,813
Contract liabilities (non-current portion)		**6,438**	6,925
Deferred tax liabilities		**5,730**	1,984
Other non-current liabilities	*14*	**–**	78,558
		115,236	100,280
NET ASSETS		**418,631**	301,970
CAPITAL AND RESERVES			
Share capital		**159,921**	159,921
Reserves		**154,761**	142,049
Total equity attributable to equity shareholders of the Company		**314,682**	301,970
Non-controlling interests		**103,949**	–
TOTAL EQUITY		**418,631**	301,970

NOTES TO THE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

For the year ended December 31, 2020
(Expressed in RMB unless otherwise indicated)

1 SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

These financial statements have been prepared in accordance with all applicable International Financial Reporting Standards ("**IFRSs**"), which collective term includes all applicable individual International Financial Reporting Standards, International Accounting Standards ("**IASs**") and Interpretations issued by the International Accounting Standards Board (the "**IASB**") and the requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"). Significant accounting policies adopted by the Group are disclosed below.

The IASB has issued certain amendments to IFRSs that are first effective or available for early adoption for the current accounting period of the Group. Note 1(c) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current accounting period reflected in these financial statements.

(b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 December 2020 comprise the Company and its subsidiaries (together referred to as the "**Group**").

The measurement basis used in the preparation of the financial statements is the historical cost basis.

Non-current assets are stated at the lower of carrying amount and fair value less costs to sell.

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In determining the appropriate basis of preparation of financial statements, the Directors are required to consider whether the Group could continue in operational existence for the foreseeable future.

The liquidity of the Group is primarily dependent on its ability to maintain adequate cash flow from operations to meet its debt obligations as and when they fall due, and its ability to obtain adequate external financing to meet its committed future capital expenditures.

As at 31 December 2020, the Group had net current liabilities of RMB97 million. Notwithstanding the net current liabilities as at 31 December 2020, the Directors do not consider that material uncertainties related to events or conditions exist which, individually or collectively, may cast significant doubt on the Group's ability to continue as a going concern. This is because:

(i) the Group was profit making and generated net cash inflows from operating activities of approximately RMB104 million during the year ended 31 December 2020 and expects to continue to improve its working capital management. Based on cash flow projection prepared by management covering a period for at least the twelve months from the end of the Reporting Period, the Group would have adequate funds to meet its liabilities as and when they fall due;

(ii) the Group had available unutilised bank facilities of RMB25 million at 31 December 2020; and

(iii) the Group has the ability to obtain new banking and other financing facilities and has the ability to renew or refinance the banking facilities upon maturity.

Consequently, the Directors are of the opinion that it is appropriate to prepare the Group's financial statements for the year ended 31 December 2020 on a going concern basis.

(c) Changes in accounting policies

The Group has applied the following amendments to IFRSs issued by the IASB to these financial statements for the current accounting period:

- Amendments to IFRS 3, *Definition of a Business*

- Amendment to IFRS 16, *Covid-19-Related Rent Concessions*

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period. Impacts of the adoption of the amended IFRSs are discussed below:

Amendments to IFRS 3, Definition of a Business

The amendments clarify the definition of a business and provide further guidance on how to determine whether a transaction represents a business combination. In addition, the amendments introduce an optional "concentration test" that permits a simplified assessment of whether an acquired set of activities and assets is an asset rather than business acquisition, when substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The Group has applied the amendments prospectively to transactions for which the acquisition date is on or after 1 January 2020.

Amendment to IFRS 16, Covid-19-Related Rent Concessions

The amendment provides a practical expedient that allows a lessee to by-pass the need to evaluate whether certain qualifying rent concessions occurring as a direct consequence of the COVID-19 pandemic ("**COVID-19-related rent concessions**") are lease modifications and, instead, account for those rent concessions as if they were not lease modifications.

There is Nil COVID-19-related rent concessions granted to the Group during the year. Consequently, there is no impact of rent concessions recognised in profit or loss during the year. There is no impact on the opening balance of equity at 1 January 2020 as well.

(d) Subsidiaries and non-controlling interest

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether the Group has power, only substantive rights (held by the Group and other parties) are considered.

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances, transactions and cash flows and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

Non-controlling interests represent the equity in a subsidiary not attributable directly or indirectly to the Company, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability. For each business combination, the Group can elect to measure any non-controlling interests either at fair value or at the non-controlling interests' proportionate share of the subsidiary's net identifiable assets.

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from equity attributable to the equity shareholders of the Company. Non-controlling interests in the results of the Group are presented on the face of the consolidated statement of profit or loss and the consolidated statement of profit or loss and other comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between non-controlling interests and the equity shareholders of the Company. Loans from holders of non-controlling interests and other contractual obligations towards these holders are presented as financial liabilities in the consolidated statement of financial position in accordance with notes 1(n) or (o) depending on the nature of the liability.

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling and non-controlling interests within consolidated equity to reflect the change in relative interests, but no adjustments are made to goodwill and no gain or loss is recognised.

When the Group loses control of a subsidiary, it is accounted for as a disposal of the entire interest in that subsidiary, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former subsidiary at the date when control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset or, when appropriate, the cost on initial recognition of an investment in an associate or joint venture.

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (see note 1(i)), unless the investment is classified as held for sale (or included in a disposal group that is classified as held for sale).

(e) Goodwill

Goodwill represents the excess of

(i) the aggregate of the fair value of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the Group's previously held equity interest in the acquiree; over

(ii) the net fair value of the acquiree's identifiable assets and liabilities measured as at the acquisition date.

When (ii) is greater than (i), then this excess is recognised immediately in profit or loss as a gain on a bargain purchase.

Goodwill is stated at cost less accumulated impairment losses. Goodwill arising on a business combination is allocated to each cash-generating unit, or groups of cash generating units, that is expected to benefit from the synergies of the combination and is tested annually for impairment.

On disposal of a cash generating unit during the year, any attributable amount of purchased goodwill is included in the calculation of the profit or loss on disposal.

2 REVENUE AND SEGMENT REPORTING

The Group manages its businesses by divisions, which are organised by business lines (products and services). In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes or resource allocation and performance assessment, the Group has presented the following three reportable segments. No operating segments have been aggregated to form the following reportable segments.

- Electricity dispatch and sale business: selling electricity purchased from the local branch of State Grid to end-users in various industries in Tianjin Port Free Trade Zone (Seaport) and relevant service fee.
- Power generation and supply business: selling electricity to the local branch of State Grid, and providing steam, heating and cooling to the industrial and commercial customers in Tianjin Port Free Trade Zone (Seaport) and industrial steam to the industrial and commercial customers in Tianjin Port Free Trade Zone (Lingang).
- Others: construction and operation maintenance of industrial facilities, trading of electronic components, photovoltaic power generation and selling.

(a) Disaggregation of revenue

Disaggregation of revenue from contracts with customers by major products or service lines is as follows:

	2020	2019
	RMB'000	*RMB'000*
Revenue from contracts with customers within the scope of IFRS 15		
– Electricity dispatch and sale	**162,288**	176,857
– Power generation and supply	**305,215**	167,715
– Others	**14,569**	29,062
	482,072	373,634

Disaggregation of revenue from contracts with customers by the timing of revenue recognition is disclosed in note 2(b).

The Group includes one (2019: three) customer with whom transactions have exceeded 10% of the Group's revenues. In 2020 revenues from these customers amounted to approximately RMB76 million (2019: RMB152 million).

(b) Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the Group's senior executive management monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment assets include all tangible, intangible assets and current assets, except for cash and cash equivalents. Segment liabilities include trade and other payables, contract liabilities, salary and welfare payables, deferred income and deferred tax liabilities.

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments. Other than reporting inter-segment sales of electricity dispatch and sale, assistance provided by one segment to another, including sharing of assets and technical know-how, is not measured.

The measure used for reporting segment profit is "adjusted EBITDA" i.e. "adjusted earnings before interest, taxes, depreciation and amortisation", where "interest" is regarded as including the interest on loan and borrowings, interest on lease liabilities and the difference between the amount of the total undiscounted payable to the Shareholders and the corresponding present value of the payments. To arrive at adjusted EBITDA, the Group's earnings are further adjusted for items not specifically attributed to individual segments, such as directors' and auditors' remuneration and other head office or corporate administration costs.

In addition to receiving segment information concerning adjusted EBITDA, management is provided with segment information concerning inter segment sales, depreciation, amortisation and impairment losses and additions to non-current segment assets used by the segments in their operations. Inter-segment sales are priced with reference to prices charged to external parties for similar orders.

Disaggregation of revenue from contracts with customers by the timing of revenue recognition, as well as information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the years ended 31 December 2020 and 2019 is set out below.

	Electricity dispatch and sale		**Power generation and supply**		**Others**		**Total**	
For the year ended 31 December	**2020**	2019	**2020**	2019	**2020**	2019	**2020**	2019
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*
Disaggregated by timing of revenue recognition								
Point in time	**162,288**	176,857	**305,215**	167,715	**1,146**	20,798	**468,649**	365,370
Over time	**–**	–	**–**	–	**13,423**	8,264	**13,423**	8,264
Revenue from external customers	**162,288**	176,857	**305,215**	167,715	**14,569**	29,062	**482,072**	373,634
Inter-segment revenue	**3,364**	2,526	**–**	–	**–**	–	**3,364**	2,526
Reportable segment revenue	**165,652**	179,383	**305,215**	167,715	**14,569**	29,062	**485,436**	376,160
Reportable segment profit (adjusted EBITDA)	**11,624**	11,663	**95,923**	43,643	**4,709**	3,708	**112,256**	59,014
Depreciation and amortisation for the year	**5,722**	5,838	**29,326**	18,840	**1,031**	64	**36,079**	24,742
Reportable segment assets	**70,370**	71,517	**579,745**	314,569	**7,029**	16,937	**657,144**	403,023
Additions to non-current segment assets during the year	**3,959**	13,316	**362,851**	3,058	**39**	443	**366,849**	16,817
Reportable segment liabilities	**29,033**	32,613	**57,571**	30,178	**12,766**	10,617	**99,370**	73,408

(c) Reconciliations of reportable segment revenues, profit or loss, assets and liabilities

	2020	2019
	RMB'000	*RMB'000*
Revenue		
Reportable segment revenue	**485,436**	376,160
Elimination of inter-segment revenue	**(3,364)**	(2,526)
Consolidated revenue	**482,072**	373,634

	2020	2019
	RMB'000	*RMB'000*
Profit		
Reportable segment profit	**112,256**	59,014
Other net income	**525**	4,939
Interest income	**570**	896
Interest expense	**(11,847)**	(6,914)
Depreciation and amortisation	**(36,871)**	(25,702)
Unallocated head office and corporate expenses	**(25,816)**	(18,157)
Consolidated profit before taxation	**38,817**	14,076

	At 31 December	At 31 December
	2020	2019
	RMB'000	*RMB'000*
Assets		
Reportable segment assets	**657,144**	403,023
Unallocated head office and corporate assets	**153,169**	137,227
Consolidated total assets	**810,313**	540,250

	At 31 December	At 31 December
	2020	2019
	RMB'000	*RMB'000*
Liabilities		
Reportable segment liabilities	**99,370**	73,408
Unallocated head office and corporate liabilities	**292,312**	164,872
Consolidated total liabilities	**391,682**	238,280

(d) Geographic information

Since all the revenue from customers is derived from the customers located in Tianjin and the non-current assets are located in Tianjin, there is no information separated by different geographical locations provided to the Group's management.

3 OTHER NET INCOME

	2020	2019
	RMB'000	*RMB'000*
Government grants	**1,134**	3,958
Net foreign exchange (losses)/gains	**(867)**	548
Others	**1,812**	433
	2,079	4,939

4 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging/(crediting):

	2020	2019
	RMB'000	*RMB'000*
(a) Finance costs		
Interest expense on payables due to shareholders	**6,540**	6,845
Interest on loans and borrowings	**4,843**	–
Interest on lease liabilities	**36**	20
Other financial costs	**428**	49
	11,847	6,914

	2020	2019
	RMB'000	*RMB'000*
(b) Staff costs		
Contributions to defined contribution retirement plan	**1,049**	2,396
Salaries, wages and other benefits	**23,333**	18,651
	24,382	21,047
(c) Other items		
Amortisation		
– right-of-use assets for properties	**1,291**	331
– intangible assets	**449**	319
Depreciation	**35,131**	25,053
Auditors' remuneration	**2,077**	1,321
Purchase of electricity	**143,719**	157,781
Fuel	**124,810**	75,276
Outsourcing operation	**35,677**	18,910
Net foreign exchange losses/(gains)	**867**	(548)

5 INCOME TAX IN THE CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

(a) Taxation in the consolidated statement of profit or loss represents:

	2020	2019
	RMB'000	*RMB'000*
Current tax		
Provision for the year	**11,401**	5,753
Deferred tax		
Reversal of temporary differences	**(2,060)**	(2,006)
	9,341	3,747

The Group was subject to the statutory income tax rate of 25% for the year ended 31 December 2020 (2019: 25%).

(b) Reconciliation between tax expense and accounting profit at applicable tax rates:

	2020	2019
	RMB'000	*RMB'000*
Profit before taxation	**38,817**	14,076
Notional tax on profit before taxation	**9,704**	3,519
Others	**(363)**	228
Actual tax expenses	**9,341**	3,747

6 EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders of the Company for the year ended 31 December 2020 of RMB17,510,000 (2019: RMB10,329,000) and the weighted average of 159,921,000 ordinary shares (2019: 159,921,000) in issue during the year, calculated as follows:

Weighted average number of ordinary shares

	2020	2019
	'000	*'000*
Issued ordinary shares at 1 January and weighted average number of ordinary shares at 31 December	**159,921**	159,921

There was no difference between basic and diluted earnings per share as there were no potential dilutive shares during the year.

7 PROPERTY, PLANT AND EQUIPMENT

(a) Reconciliation of carrying amount

	Buildings and structure *RMB'000*	Power generation plant and electric utility in service *RMB'000*	Motor vehicles *RMB'000*	Others *RMB'000*	Construction in progress *RMB'000*	Total *RMB'000*
Cost:						
At 1 January 2019	16,806	618,234	1,200	25,494	9,800	671,534
Additions	–	1,039	–	1,018	13,870	15,927
Transfer from CIP	–	23,670	–	–	(23,670)	–
Disposals	–	(3,562)	–	–	–	(3,562)
At 31 December 2019	16,806	639,381	1,200	26,512	–	683,899
Addition through acquisition of subsidiary	141,005	74,852	393	2,596	22,596	241,442
Additions	–	1,149	–	1,907	–	3,056
Transfer from CIP	–	20,099	–	–	(20,099)	–
Disposals	–	(725)	(149)	(161)	–	(1,035)
At 31 December 2020	**157,811**	**734,756**	**1,444**	**30,854**	**2,497**	**927,362**
Accumulated depreciation:						
At 1 January 2019	(6,631)	(299,544)	(380)	(11,666)	–	(318,221)
Charge for the year	(527)	(22,334)	(601)	(1,590)	–	(25,052)
Written back on disposal	–	3,383	–	–	–	3,383
At 31 December 2019	(7,158)	(318,495)	(981)	(13,256)	–	(339,890)
Charge for the year	(4,215)	(27,761)	(182)	(2,973)	–	(35,131)
Written back on disposal	–	689	140	155	–	984
At 31 December 2020	**(11,373)**	**(345,567)**	**(1,023)**	**(16,074)**	**–**	**(374,037)**
Net book value:						
At 31 December 2020	**146,438**	**389,189**	**421**	**14,780**	**2,497**	**553,325**
At 31 December 2019	**9,648**	**320,886**	**219**	**13,256**	**–**	**344,009**

In May 2020, the Group acquired 51% of the shares and voting interests in Tianjin Tianbao Lingang Thermal Power Co., Ltd. (formerly named Tianjin Jinneng Lingang Thermal Power Co., Ltd., refer to as "Lingang Thermal Power"). As a result, the Group obtained control of Lingang Thermal Power.

(b) Right-of-use assets

The analysis of the net book value of right-of-use assets by class of underlying asset is as follows:

	31 December 2020	1 January 2020
	RMB'000	*RMB'000*
Buildings and structure, carried at depreciated cost	**–**	–
Motor vehicles, carried at depreciated cost	**–**	128
Other properties leased for own use, carried at depreciated cost	**1,243**	–
	1,243	128

The analysis of expense items in relation to leases recognised in profit or loss is as follows:

	2020	2019
	RMB'000	*RMB'000*
Depreciation charge of right-of-use assets by class of underlying asset:		
Buildings and structure	**–**	73
Motor vehicles	**128**	584
Others	**81**	24
	209	681
Interest on lease liabilities	**36**	20
Expense relating to short-term leases and other leases with remaining lease term ending on or before 31 December 2020	**524**	496
Expense relating to leases of low-value assets, excluding short-term leases of low-value assets	**13**	18

8 GOODWILL

	At 31 December 2020 *RMB'000*
Cost	
Balance at 1 January 2020	–
Acquisition through business combination (note 26(h))	**537**
Balance at 31 December 2020	**537**
Impairment losses	
Balance at 1 January 2020	–
Impairment losses	–
Balance at 31 December 2020	–
Carrying amounts	
Balance at 1 January 2020	–
Balance at 31 December 2020	**537**

Impairment tests for cash-generating units containing goodwill

Goodwill is allocated to the Group's Power generation and supply – Lingang Thermal Power cash generation unit (CGU) identified according to operating segment.

The recoverable amounts of the CGU is determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using an estimated weighted average growth rate of 0% (not applicable for 2019). The growth rates used do not exceed the long-term average growth rates for the business in which the CGU operates. The cashflows are discounted using a discount rate of 9.42% (not applicable for 2019). The discount rate used are pre-tax and reflect specific risks relating to the relevant segment.

9 TRADE AND BILL RECEIVABLES

	At 31 December 2020 *RMB'000*	At 31 December 2019 RMB'000
Accounts receivable, net of loss allowance	**30,507**	31,427
Bills receivable	**1,329**	4,026
	31,836	35,453

As of the end of the Reporting Period, the ageing analysis of trade debtors and bills receivable, based on the invoice date and net of loss allowance, is as follows:

	2020 *RMB'000*	2019 *RMB'000*
Within 3 months	**29,336**	32,704
4 to 6 months	**2,500**	1,522
7 to 9 months	**–**	1,149
10 to 12 months	**–**	33
Over 12 months	**–**	45
	31,836	35,453

Trade receivables are generally due within 30 – 90 days from the date of billing.

10 OTHER RECEIVABLES AND ASSETS

	At 31 December 2020 *RMB'000*	At 31 December 2019 *RMB'000*
Value added tax recoverable	**7,379**	1,092
Deposits with third parties	**22**	1,065
Advance to suppliers	**479**	582
	7,880	2,739

11 CASH AND CASH EQUIVALENTS

(a) Cash and cash equivalents comprise:

	At 31 December 2020	At 31 December 2019
	RMB'000	*RMB'000*
Cash at bank	**126,916**	133,678

(b) Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the Group's consolidated cash flow statement as cash flows from financing activities.

	Dividends payable	**Bank loans and other borrowings**	**Interest payables**	**Lease liabilities**	**Payable to shareholders for capital reduction**	**Total**
	RMB'000	***RMB'000***	***RMB'000***	***RMB'000***	***RMB'000***	***RMB'000***
At 1 January 2020	**–**	**–**	**–**	**131**	**158,558**	**158,689**
Cash flows:						
Dividends paid	**(9,698)**	**–**	**–**	**–**	**–**	**(9,698)**
Proceeds from new bank loans	**–**	**129,900**	**–**	**–**	**–**	**129,900**
Repayment of bank loans	**–**	**(66,199)**	**–**	**–**	**–**	**(66,199)**
Payment to shareholders for capital reduction	**–**	**–**	**–**	**–**	**(80,000)**	**(80,000)**
Interest paid	**–**	**–**	**(5,296)**	**–**	**–**	**(5,296)**
Capital element of lease rentals paid	**–**	**–**	**–**	**(227)**	**–**	**(227)**
Interest element of lease rentals paid	**–**	**–**	**–**	**(36)**	**–**	**(36)**
Non-cash changes:						
Addition through acquisition of a subsidiary	**–**	**131,907**	**720**	**–**	**–**	**132,627**
Increase in lease liabilities from entering into new leases during the year	**–**	**–**	**–**	**1,323**	**–**	**1,323**
Interest incurred	**–**	**–**	**4,843**	**36**	**6,540**	**11,419**
Dividends declared	**9,698**	**–**	**–**	**–**	**–**	**9,698**
At 31 December 2020	**–**	**195,608**	**267**	**1,227**	**85,098**	**282,200**

	Dividends payable *RMB'000*	Lease liabilities *RMB'000*	Payable to shareholders for capital reduction *RMB'000*	Total *RMB'000*
At 1 January 2019	–	809	151,713	152,522
Cash flows:				
Dividends paid	(12,798)	–	–	(12,798)
Capital element of lease rentals paid	–	(678)	–	(678)
Interest element of lease rentals paid	–	(20)	–	(20)
Non-cash changes:				
Interest incurred	–	20	6,845	6,865
Dividends declared	12,794	–	–	12,794
Exchange adjustments	4	–	–	4
At 31 December 2019	–	131	158,558	158,689

(c) Total cash outflow for leases

Amounts included in the cash flow statement for leases comprise the following:

	2020 ***RMB'000***	2019 *RMB'000*
Within operating cash flows	**546**	18
Within financing cash flows	**263**	698
	809	716

These amounts relate to the following:

	2020 ***RMB'000***	2019 *RMB'000*
Lease rentals paid	**809**	716

(d) Net cash outflow arising from the acquisition of a subsidiary

The recognised amounts of assets acquired and liabilities at the date of acquisition of the subsidiary comprise the following:

	At the date of acquisition *RMB'000*
Cash consideration paid	100,880
Less: cash and cash equivalents acquired	(42,349)
Net cash outflow	58,531

12 TRADE AND OTHER PAYABLES

	At 31 December 2020	At 31 December 2019
	RMB'000	*RMB'000*
Trade payable to third parties	**39,819**	24,194
Deposit received	**6,376**	1,267
Payables for value added tax and other taxes	**395**	1,081
Payables for purchase of property, plant and equipment	**–**	4,147
Others	**1,215**	694
	47,805	31,383

All of the other trade and other payables are expected to be settled or recognised as income within one year or are repayable on demand.

As of the end of the Reporting Period, the ageing analysis of trade and other payables, based on the invoice date, is as follows:

	2020	2019
	RMB'000	*RMB'000*
Within 3 months	**33,061**	29,159
4 to 6 months	**13,950**	751
7 to 12 months	**70**	195
Over 12 months	**724**	1,278
	47,805	31,383

The balance of trade payables that over 1 year mainly represent of quality guarantee deposit for construction.

13 DIVIDENDS

(i) Dividends payable to equity shareholders of the Company attributable to the year

	2020	2019
	RMB'000	*RMB'000*
Final dividend proposed after the end of the Reporting Period of RMB0.05 per ordinary share (2019: RMB0.03 per ordinary share)	**7,996**	4,798

The final dividend proposed after the end of the reporting year has not been recognised as a liability at the end of the reporting year.

(ii) Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the year

	2020	2019
	RMB'000	*RMB'000*
Final dividend in respect of the previous financial year, approved and paid during the year, of RMB0.03 per ordinary share (2019: RMB0.08)	**4,798**	12,794

14 OTHER NON-CURRENT LIABILITIES

In October 2016, the Company reduced its equity by RMB240,874,000 and recorded the capital to be returned as non-current payables to Tianjin Tianbao Holdings Limited and Tianjin Free Trade Zone Investment Company Limited (the "Shareholders") of RMB228,384,000 and RMB12,490,000, respectively.

According to the supplementary agreement between the Company and the Shareholders entered into in December 2016, the Group scheduled the payment terms as follows: (1) payment to Tianjin Free Trade Zone Investment Company Limited of RMB12,490,000 before June 2018; (2) payment to Tianjin Tianbao Holdings Limited of RMB60,000,000 before December 2018; (3) payment to Tianjin Tianbao Holdings Limited of RMB80,000,000 before December 2020; (4) payment to Tianjin Tianbao Holdings Limited of RMB88,384,000 before December 2021. The payables to Shareholders are interest-free.

The difference between the amount of total payments and their present value (net of income tax) amounted to RMB27,903,000 was recorded in capital reserve as capital contribution from Shareholders for the year ended 31 December 2016.

During the year ended 31 December 2020, the Company paid to Tianjin Tianbao Holdings Limited of RMB80,000,000. As of 31 December 2020, the total undiscounted payable to the Shareholders was RMB88,384,000 (2019: RMB168,384,000), and the corresponding present value of the payments was RMB85,098,000 (2019: RMB158,558,000), which was recorded as current portion of other non-current liabilities (2019: RMB80,000,000).

15 NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD

Final Dividend

After the end of the Reporting Period, the directors proposed a final dividend. Further details are disclosed in note 13.

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY REVIEW

At present, China's cogeneration industry has entered into a mature stage with steady growth of industry development. On March 22, 2016, the Administrative Measures for Cogeneration (the "**Measures**") was jointly released by the National Development and Reform Commission, the National Energy Administration, the Ministry of Finance, the Ministry of Housing and Urban-Rural Development and the Ministry of Ecology and Environment. The Measures include certain provisions in respect of planning and construction, unit selection, network source coordination, environmental protection, policies and measures, supervision and management. It has an important significance on guidance and a role in promoting the prevention and control of air pollution, improving energy utilization efficiency and promoting the healthy development of the thermal power industry. Therefore, local governments have actively issued plans for cogeneration in cities and counties or industrial parks. In the future, the development of cogeneration will abide by the principles of "unified planning, power determination by heat, focus on available capacity, structure optimization, energy efficiency improvement, environmental protection priority", forming a healthy development pattern for cogeneration industry with scientific planning, reasonable layout, efficient utilization and safe heating.

The Group completed the comprehensive transformation of ultra-low emission and energy saving for coal-fired units of its thermal power enterprises, which has significantly reduced coal consumption in power generation and pollution emissions. China's environmental protection departments continue to enhance environmental protection requirements towards cogeneration companies, prompting the development trend of energy saving, environmental protection and high efficiency in the cogeneration industry. The Group will also actively seek progress, promote development, adjust energy industry structure when appropriate, strengthen industry innovation research, and improve the operation capacity of the Group's major businesses. The Group shall always pay attention to great opportunities arising from the national energy industry transformation during the "14th Five-Year Plan" period, the transformation towards safe, clean, low-carbon and efficient energy system will become more significant, and smart energy industry will become an important economic growth point and support the transformation towards clean, efficient and low-carbon energy system, promoting low-carbon development of hydrogen production by coal, and helping to achieve the goal of carbon neutrality.

Pursuant to the Notice of Tianjin Development and Reform Commission to Enterprises on Reducing Electricity Cost by Phrases to Support Resumption of Work and Production (Jin Fa Gai Jia Zong [2020] No.64) (市發展改革委關於階段性降低企業用電成本支持企業復工復產的通知（津發改價綜[2020]64號）) and the Notice of Tianjin Development and Reform Commission to Enterprises on Further Reducing Electricity Cost by Phrases (Jin Fa Gai Jia Zong [2020] No.231) (市發展改革委關於延長階段性降低企業用電成本政策的通知（津發改價綜[2020]231號）), save as customers in the high energy consumption industries, from February 1, 2020 to December 31, 2020, we charged our qualified customers only 95% of the original price of electricity. Pursuant to the Notice of Tianjin Development and Reform Commission on Reducing of on-grid Tariff for Natural Gas Power Generation and Electricity Price for Large Industries (Jin Fa Gai Jia Zong [2020] No.295) (市發展改革委關於降低天然氣發電上網電價和大工業電價有關事項的通知（津發改價綜[2020]295號）), since October 5, 2020, the catalog price of electricity for large industrial enterprises has decreased by an average of 1.44 cents per kilowatt-hours. The above policies resulted in a decrease in income for the Group's electricity dispatch and sale business segment but had no material impact on our overall performance.

BUSINESS REVIEW FOR THE YEAR OF 2020

(1) Completion of the acquisition of Lingang Thermal Power

The Company entered into an equity transfer agreement with Tianjin Jinneng Binhai Heating Group Co., Ltd.* (天津津能濱海供熱集團有限公司) on February 17, 2020 in relation to the acquisition of 51% equity interests in Lingang Thermal Power, which was approved by the Shareholders on May 8, 2020. On June 11, 2020, the relevant industrial and commercial changes registration completed and Lingang Thermal Power was renamed as Tianjin Tianbao Lingang Thermal Power Co., Ltd.* (天津天保臨港熱電有限公司), marking the completion of the acquisition of Lingang Thermal Power.

Lingang Thermal Power is principally engaged in steam production and supply business. Lingang Thermal Power's business is generally similar to the Group's existing business, and synergies in various aspects such as production technology, human resources and management have been created between Lingang Thermal Power and the Company. The acquisition of Lingang Thermal Power is the Group's first attempt to expand through external acquisition after its listing on the Stock Exchange. This acquisition project has improved the Group's profitability and assets quality and is the first step taken by the Group in expanding its business area out of the Tianjin Port Free Trade Zone (Seaport). After completion of the acquisition of 51% equity interests in Lingang Thermal Power, the Company has carried out management optimization and environmental protection upgrade of Lingang Thermal Power based on its rich industry experience and technology. The Group has also actively expanded to the heating supply area where Lingang Thermal Power is located. For details, please refer to the Company's announcements dated February 17, 2020, March 9, 2020, May 8, 2020 and June 11, 2020 and the Company's circular dated March 12, 2020.

(2) Smooth progress and completion of the H Share "full circulation" programme

The Company submitted the application of H Share "full circulation" programme (being the conversion of the Domestic Shares into H Shares to be listed on the Stock Exchange) to the CSRC on January 8, 2020, obtained formal approval from the CSRC on June 1, 2020 and the listing approval from the Stock Exchange on July 9, 2020, and completed the conversion and listing of the Shares on the Main Board of the Stock Exchange on July 29, 2020.

During the Reporting Period, the Company became one of the first enterprises with its H Share "full circulation" application approved by the CSRC. All the Domestic Shares have been converted into 115,600,907 H Shares and were listed on the Stock Exchange on July 29, 2020. This marks a new era for the high-quality development of the Group and lays a solid foundation for subsequent capital market activities, wider financing channels and steady improvement of the Group's brand value. For details, please refer to the Company's announcements dated January 8, 2020, January 16, 2020, June 1, 2020, July 9, 2020, July 17, 2020 and July 28, 2020.

(3) Technology upgrade and environmental protection transformation

For the purpose of promoting energy conservation and consumption reduction, and reduction in production and operation costs, in 2020, the Group enhanced its research efforts in special topics in relation to energy conservation transformation, strengthened the technological research and development of Haigang Thermal Plant, Lingang Thermal Plant and each power transformation station, replaced old equipment to improve regional power supply reliability, and completed various technological transformation projects such as additional concentrated water reverse osmosis facilities and transformation of the steam-driven feed water pump. The Group's flue gas deep residual heat recycling project of Haigang Thermal Plant was selected into the typical case database of key energy-saving technology applications of the National Energy Conservation Center. Lingang Thermal Plant completed the de-nitrification quality improvement and upgrading of five boilers and put all of them into operation, achieving ultra-low emission standard, in which its emission level of air pollutants as coal power units is comparable to those of gas-fired units (which are perceived as more environmentally friendly).

(4) Optimized the organizational structure and advanced the incentive assessment mechanism reform

According to the needs for strategic transformation and business development of the Group, the organizational structure optimization and corresponding personnel adjustments were completed in the first half of 2020. The original departments were streamlined and merged, in which their duties were reclassified and names were changed, to improve the work efficiency of the Group. A performance salary appraisal mechanism for all employees was established to achieve differentiation in salary levels. Administrative measures on professional and technical personnel position management were established to form a professional and technical promotion system that align the career of employees with the development of the Company.

(5) Explored into new energy power generation and contractual energy management projects

The Group actively researched and explored into new energy power generation and contractual energy management projects in order to accelerate the business transformation of the Group and align with the future industry development trends. In 2020, the Group completed the building of the energy monitoring system to realize unmanned substation monitoring, launched the second phase of the distributed photovoltaic power generation project, completed the main construction work for 0.915MW of storage facility during the year, conducted researches on the geothermal source and air source heat pump projects with an aim to provide technology and projects reserve for the future business expansion of the Group, and entered into the contractual energy management field for the first time and conducted works such as preliminary plan designing and energy-saving effect test with its customers.

(6) Production safety and epidemic prevention and control

The Group paid great importance to production safety, constantly strengthened its safety management, maintained equipment quality, ensured the safe and stable operation of all businesses, strictly complied with safety production laws and regulations, improved the safety rules and regulations system, and continuously strengthened its safety management of outsourcing units, implemented the 6S management requirements on a regular basis, thereby promoting a culture of safety. In 2020, no safety liability accidents occurred within the Group.

The Group actively responded to the national call to ensure energy supply for the production of enterprises and daily lives of households in the area, and supported the epidemic prevention and control, nucleic acid check and testing work in Tianjin Binhai New Area. Party members and cadres led all employees to solve the difficulties of customers caused by the epidemic, assisted them in recovering production, and enhanced their epidemic prevention capabilities.

THE IMPACT OF COVID-19 ON THE GROUP AND ITS RESPONSE

(1) The Impact of COVID-19 on the Group

Electricity dispatch and sale segment

Due to the impact of COVID-19, the customers in the Tianjin Port Free Trade Zone (Seaport) were greatly affected by the pandemic for resumption of work and production in the first quarter of 2020. The electricity sale of the Group decreased by more than 10% year-on-year. In the second quarter of 2020, with the pandemic started to become under control, the enterprises resumed production comprehensively, and the Group's electricity sale increased slightly year-on-year. In the third and fourth quarters of 2020, the impact of COVID-19 on our production was essentially eliminated, the Group's electricity sale increased year-on-year. For the whole year of 2020, the Group's electricity sale decreased by 2.5% year-on-year. In actively responding to the national policies relating to COVID-19 within the year, the Group reduced its customers' electricity bills, resulting in a decrease in the annual operating income and gross profit of the Group. Nonetheless, the pandemic had no material impact on the Group's overall electricity dispatch and sale business.

Power generation and supply segment

The Group's power generation and supply business had not been significantly affected by COVID-19 and instead recorded growth. With regard to gas supply, the annual steam sales of the Company (excluding Lingang Thermal Power) in 2020 generally remained at the same level as that in 2019, with a slight increase of 1.1%. The output declined in the early stage of the COVID-19 outbreak as customers in the Tianjin Port Free Trade Zone (Seaport) were unable to carry out work and production to the desired level. By leveraging on the national policy on ensuring the supply of products for people's livelihood and the success of pandemic prevention and control measures, all the enterprises in the region quickly recovered to their respective production level, and their demand for the Company's gas supply remained generally the same as that of the same period in 2019. After the Company's acquisition of 51% equity interest in Lingang Thermal Power and up until the end of 2020, steam sales volume of Lingang Thermal Power has increased by 10.0% as compared to the same period in 2019. With regard to heat supply, in spite of the impact of COVID-19 on the heat consumption customers in Tianjin Port Free Trade Zone (Seaport) in 2020, as most of them have signed tenancy agreements and the corresponding heating contracts on an annual basis, in 2020, the Group did not record a significant reduction in the number of heat consumption customers. Affected by changes in governmental policies relating to heat supply in Tianjin Port Free Trade Zone (Seaport) and the impact of the Company's verification of customers' heating area it covered, we recorded a 27.3% increase in heat supply service area during the heat supply period as compared with that in 2019. With regard to cold supply, the cold supply area of the Group in 2020 decreased by 5.3% as compared with that in 2019, mainly because of the COVID-19 pandemic and the industry policies of certain customers which caused some of them to suspend or stop using cooling services.

(2) The Group maintained sufficient liquidity

In 2020, the Group charged qualified customers 95% of the original electricity price in accordance with the requirements of national policies, resulting in a corresponding decrease in the Group's operating income. Moreover, the price of raw materials became more volatile, leading to a slight increase in the Group's demand for capital adequacy. Overall, the COVID-19 pandemic had no significant impact on the Group's financial position, and the Group's liquidity and working capital is relatively sufficient. According to the Circular of the CPC Central Committee and the State Council on Issuing the Action Plan for Preventing and Defusing Major Financial Risks (Zhong Fa [2009] No. 16)(《中共中央、國務院關於印發<打好防範化解重大金融風險攻堅戰行動方案>的通知》(中發[2009]16號)), Notice of the CPC Tianjin Municipal Committee and Tianjin Municipal People's Government on Printing and Distributing the Implementation Plan for Preventing and Defusing Major Financial Risks in Tianjin (Jin Dang Fa [2019] No.22)(《中共天津市委、天津市人民政府關於印發<天津市打好防範化解重大金融風險攻堅戰實施方案>的通知》(津黨發[2019]22號)) and requirements in Binhai New Area on preventing and reducing debt risks, having considered the impact of the COVID-19 pandemic on the current financing work, and based on the business expectations at the beginning of 2020, the Group planned to adopt various financing means such as comprehensive credit extension, working capital loan and project loan in order to avoid capital risks and ensure the normal operation of the Group's capital chain during the year.

(3) The Group's response to COVID-19

In view of the risks and uncertainties caused by COVID-19, to ensure a constant and stable provision of services to its customers, the Group actively dealt with the difficulties and firmly resolved the challenges in various aspects during 2020. The following measures were adopted:

1. During the COVID-19 pandemic period, while ensuring its own secured power supply and heat supply, the Group, advancing its professionalism, actively helped the enterprises in the area to identify hidden dangers, and developed a power supply guaranteed plan at isolation spots for immigration officers;

2. The Group strictly implemented the notices and requirements issued by Tianjin Epidemic Prevention and Control Headquarters, and did not slacken its efforts in pandemic prevention and control;

3. In order to prevent the interruption of supply of major raw materials after the COVID-19 outbreak, the Group stored important production raw materials in advance according to the cycle of the outbreak;

4. In view of the situation that the customer may suspend production due to the interruption of supply of raw materials, the production department of the Group established direct contact with important customers so as to avoid heavy losses to the Group's production resulting from the customers' production shutdown; and

5. Due to the impact of COVID-19 in adjacent provinces and cities, the transportation of raw coal and other related materials was severely restricted. Therefore, the Group has taken the following measures:

   (i) Clarifying the requirements on safety and pandemic prevention clauses in the bidding documents and contracts, and adopting railway transportation in addition to road transportation for the transportation of raw coal;

   (ii) Preparing for emergency bidding, in order to ensure that once the coal enterprises winning the bid fail to perform their contracts, apart from implementing the contractual requirements, the Group can quickly organize and engage new coal suppliers to guarantee coal supply;

   (iii) Pursuant to the national requirement of switching from road transportation to railway transportation, expanding the range of suppliers and continuously introducing coal suppliers with railway transportation advantages to promote the supply of raw coal;

   (iv) Strengthening market research and comparison to understand the market position of China Coal Index and obtain the market price in a timely manner; and

   (v) Carrying out inspection and control by the Group on the goods recently supplied from areas affected by recent outbreaks of COVID-19, and conducting strict testing on the relevant delivery personnel in accordance with Tianjin Municipal's requirements of pandemic prevention.

OPERATING RESULTS AND ANALYSIS

According to the Company's statistics, in 2020, sales of steam amounted to 1.404 million tons, representing an increase of 101.4% from 697,000 tons over the corresponding period of the previous year, mainly due to the completion of the acquisition of 51% equity interest in Lingang Thermal Power which mainly sells steam during the Reporting Period, leading to an increase in overall sales of the Group's steam. Sales of electricity amounted to 235.608 million kilowatt-hours, representing a decrease of 2.5% from 241.747 million kilowatt-hours over the corresponding period of the previous year, mainly due to the lower electricity consumption as a result of the decreased business of users in the area affected by the COVID-19 epidemic and the Sino-US trade war. During the year, on-grid power generation amounted to 54.236 million kilowatt-hours, representing an increase of 12.6% from 48.184 million kilowatt-hours over the corresponding period of the previous year.

Taking into account the changing trend of operating income and profit before tax in 2019 and 2020, we have analyzed the indicators which significantly affected the operating income and profit before tax of the Company in 2020, which are as follows:

(1) Operating income

In 2020, the Group recorded consolidated operating income of RMB482.072 million, representing an increase from RMB373.634 million over the corresponding period of the previous year, mainly due to the increase in income from power generation and supply.

Electricity dispatch and sale segment

The income from our electricity dispatch and sale segment decreased by 8.2% from RMB176.857 million for the whole year of 2019 to RMB162.288 million for the whole year of 2020, mainly due to (i) the Group's active response to the requirements of reducing electricity cost for enterprises during the national epidemic prevention and control period so as to lighten the burden on enterprises pursuant to the Notice of Tianjin Development and Reform Commission to Enterprises on Reducing Electricity Cost by Phrases to Support Resumption of Work and Production (Jin Fa Gai Jia Zong [2020] No.64) (市發展改革委關於階段性降低企業用電成本支持企業復工復產的通知（津發改價綜[2020]64號）) and the Notice of Tianjin Development and Reform Commission on Policy of Extending Phased Reduction of Electricity Cost of Enterprises (Jin Fa Gai Jia Zong [2020] No.231) (市發展改革委關於延長階段性降低企業用電成本政策的通知（津發改價綜[2020]231號）), according to which we charged qualified customers (apart from customers in the high energy consumption industries) only 95% of the original price of electricity from February 1, 2020 to December 31, 2020; (ii) the Notice of Tianjin Development and Reform Commission on Reducing of on-grid Tariff for Natural Gas Power Generation and Electricity Price for Large Industries (Jin Fa Gai Jia Zong [2020] No.295) (市發展改革委關於降低天然氣發電上網電價和大工業電價有關事項的通知（津發改價綜[2020]295號）) setting out the catalog price of electricity for large industrial enterprises amounted to a decrease of an average of 1.44 cents per kilowatt-hour since October 5, 2020; and (iii) the lower electricity consumption as a result of the decreased business of users in the area affected by the COVID-19 epidemic and the Sino-US trade war.

Power generation and supply segment

The income from our power generation and supply segment increased by 82.0% from RMB167.715 million for the whole year of 2019 to RMB305.215 million for the whole year of 2020, mainly due to the completion of the acquisition of 51% equity interest in Lingang Thermal Power which mainly sells steam during the Reporting Period, leading to an increase in overall sales of the Group's steam.

Other segments

The income from other segments decreased by 49.9% from RMB29.062 million for the whole year of 2019 to RMB14.569 million for the whole year of 2020, mainly due to the shifting of business focus towards new energy business by the Company's subsidiary, Tianjin Tianbao New Energy, and the decrease in the sales of goods business in 2020, resulting in a significant decrease in sales revenue.

(2) Other net income

In 2020, the Group recorded other net income of RMB2.079 million, representing a decrease of 57.9% as compared with the corresponding period of the previous year of RMB4.939 million, which was primarily due to the decrease in government grants.

(3) Segment costs

Electricity dispatch and sale segment

The costs of our electricity dispatch and sale segment decreased by 8.0% from RMB171.032 million for the whole year of 2019 to RMB157.331 million for the whole year of 2020, mainly due to the lower electricity consumption as a result of the decreased business of customers in the Tianjin Port Free Trade Zone (Seaport) caused by the COVID-19 epidemic and the Sino-US trade war, which reduced the amount of electricity the Group was required to purchase and the costs of electricity the Group purchased.

Power generation and supply segment

The costs of our power generation and supply segment increased by 68.7% from RMB142.912 million for the whole year of 2019 to RMB241.075 million for the whole year of 2020, mainly due to the completion of the acquisition of 51% equity interest in Lingang Thermal Power which mainly sells steam during the Reporting Period, which led to an increase in overall sales of the Group resulting in the increase in cost of purchase of fuel.

Other segments

The costs of other segments decreased by 64.4% from RMB25.418 million for the whole year of 2019 to RMB9.048 million for the whole year of 2020, mainly due to the decrease in cost of sales of the Company's subsidiary Tianjin Tianbao New Energy as a result of the shifting of business focus towards new energy business and the decrease in goods sales.

(4) Segment gross profit

Electricity dispatch and sale segment

The gross profit from our electricity dispatch and sale segment decreased by 14.9% from RMB5.825 million for the whole year of 2019 to RMB4.957 million for the whole year of 2020, mainly due to the decrease in electricity consumption as a result of the decreased business of customers in the Tianjin Port Free Trade Zone (Seaport).

Power generation and supply segment

The gross profit from our power generation and supply segment increased by 158.6% from RMB24.803 million for the whole year of 2019 to RMB64.140 million for the whole year of 2020, mainly due to the increase in sales of steam.

Other segments

The gross profit from other segments increased by 51.5% from RMB3.644 million for the whole year of 2019 to RMB5.521 million for the whole year of 2020, mainly due to the shifting of business focus towards new energy business by the Company's subsidiary, Tianjin Tianbao New Energy, and the decrease in revenue from sale of goods, but the gross profit per unit of its relevant new products is higher than its previous products.

(5) EBITDA

EBITDA has increased by 90.2% from RMB59.014 million for the whole year of 2019 to RMB112.256 million for the whole year of 2020, which is in line with the increase in operating income.

(6) Finance costs

In 2020, the Group recorded finance costs of RMB11.847 million, representing an increase of 71.3% as compared with the corresponding period of the previous year of RMB6.914 million, which was primarily due to the increase in interest costs as a result of having long-term borrowings and short-term borrowings after acquisition of 51% equity interest in Lingang Thermal Power.

(7) Fuel costs

In 2020, the Group recorded fuel costs of RMB124.810 million, representing an increase of 65.8% as compared with the corresponding period of the previous year of RMB75.276 million, which was primarily due to the increase in cost of purchase of fuel as a result of the increase in sales of steam after the acquisition of 51% equity interest in Lingang Thermal Power.

(8) Profit before tax

The profit before tax increased by 175.8% from RMB14.076 million for the whole year of 2019 to RMB38.817 million for the whole year of 2020.

(9) Income tax expenses

In 2020, the Group recorded income tax expenses of RMB9.341 million, representing an increase of 149.3% as compared with the corresponding period of the previous year of RMB3.747 million, which was primarily due to the increase in profits for the year of 2020.

(10) Profit for the year attributed to the parent

Profit for the year attributed to the parent increased by 69.5% from RMB10.329 million for the whole year of 2019 to RMB17.510 million for the whole year of 2020.

FINANCIAL POSITION

(1) Assets and liabilities

Total assets increased by 50.0% from RMB540.250 million as at the end of 2019 to RMB810.313 million as at the end of 2020, mainly due to the increase in non-current assets after the acquisition of 51% equity interest in Lingang Thermal Power. Total liabilities increased by 64.4% from RMB238.280 million as at the end of 2019 to RMB391.682 million as at the end of 2020, mainly due to the increase in borrowings after the acquisition of 51% equity interest in Lingang Thermal Power.

As of the end of 2020, our current assets amounted to RMB179.462 million, representing an increase of 0.6% as compared with the end of 2019 of RMB178.432 million, of which cash and cash equivalents amounted to RMB126.916 million (end of 2019: RMB133.678 million), trade and bill receivables amounted to RMB31.836 million (end of 2019: RMB35.453 million), which was mainly revenue from sales of steam. Our current liabilities amounted to RMB276.446 million (end of 2019: RMB138.000 million), of which trade and other payables amounted to RMB47.805 million (end of 2019: RMB31.383 million), and non-current liabilities amounted to RMB115.236 million (end of 2019: RMB100.280 million).

(2) Cash and cash equivalents

As at the end of 2020, the Group recorded cash and cash equivalents of RMB126.916 million in aggregate, representing a decrease of 5.1% as compared with the end of the previous year of RMB133.678 million, which was primarily due to the repayment of RMB80.00 million in relation to the share capital reduction in 2016 to certain Shareholders.

(3) Gearing ratio

The gearing ratio is calculated as the balance of liabilities as at the end of the Reporting Period divided by the balance of Shareholders' equity as at the end of the Reporting Period.

At the end of 2020, the Group recorded a gearing ratio of 0.94, representing an increase as compared with the corresponding period of the previous year of 0.79, which was primarily due to the increase in liabilities.

OVERVIEW OF HUMAN RESOURCES

As of December 31, 2020, the Group had 69 employees. The table below shows the number of employees in each of the business section as of December 31, 2020.

Role	Number of employees	Percentage
Management, administration, finance	26	37.7%
Marketing	7	10.1%
Procurement	4	5.8%
Engineering and technology	32	46.4%
Total	69	100.0%

To cope with its development, the Group, on the basis of position-oriented accountability system, has established sound performance appraisal mechanism covering all employees to assess employees quarterly. Under the combination of incentives and restraints, objective performance evaluations enable employees to focus on the main tasks when performing their duties, and to identify unsatisfactory aspects of their works, so as to improve themselves continuously.

Employees' remuneration includes basic salary and performance-related salary, which is related to both the performance evaluation of the Group and that of the respective employees. As of December 31, 2020, we have incurred staff cost (including salary, welfare and bonus) of RMB24.382 million.

The Group attaches great importance to employees' trainings and development. For the Group's sound development and employees' development, the Group provides continuous education and training programs for managers and other employees to continuously improve their skills and knowledge. The internal employees' trainings of the Group are conducted by the management and the head of relevant departments, or professional trainings by external training institutions, ensuring that our employees can continue to have the required skills to gain relevant knowledge and capability of their work, thereby helping the Group to maintain its market competitiveness.

In 2020, the Group carried out comprehensive and diversified trainings for management personnel, technical personnel and skilled personnel in accordance with different layers and segments so as to improve the professional capacity and management level of the employees. In 2020, the Company organized five safety production trainings for all employees, and 25 professional skills trainings for the employees from different departments involving work standards, continuing education, finance, taxation, legal and information system.

The Group strictly complies with the PRC Labor Law, the PRC Employment Contract Law and the PRC Social Insurance Law by paying social insurance, housing provident fund as well as enterprise annuity to reinforce employees' sense of belonging and happiness.

The Group is not allowed to use the contributions to defined contribution retirement plans which have been forfeited to reduce the current level of contributions.

OTHER SIGNIFICANT EVENTS

(1) Capital expenditure

In 2020, cash capital expenditure (inclusive of tax) of the Group was RMB30.315 million, of which expenses for procurement of transformers at the 2#35KV power transformation station amounted to RMB4.157 million, expenses of Tianjin Port Free Trade Zone (Seaport) 3 Megawatt distributed photovoltaic power generation project (phase 1) amounted to RMB2.764 million, expenses of Tianjin Port Free Trade Zone (Seaport) 4.26 Megawatt distributed photovoltaic power generation project (phase 2) amounted to RMB2.366 million, expenses of de-nitrification quality improvement and upgrading amounted to RMB15.391 million, expenses of de-plume project amounted to RMB3.476 million and expenses of procurement of other equipment amounted to RMB563,000.

(2) Liquidity and financial resources

As at December 31, 2020, the Group had cash and cash equivalents amounting to RMB126.916 million in aggregate; bank borrowings of RMB195.608 million which includes short-term borrowings of RMB115.509 million (including long-term borrowings due within one year of RMB35.609 million) and non-current portion of long-term borrowings of RMB80.099 million, while secured and guaranteed borrowings amounted to RMB50.000 million and unsecured borrowings amounted to RMB145.608 million, all of which were with fixed interest rate. There were no financial instruments entered into by the Group for hedging purpose. In addition, the Group had no investments in foreign currency.

(3) Material acquisitions and disposals

On February 17, 2020, the Company and Tianjin Jinneng Binhai Heating Group Co., Ltd. entered into an equity transfer agreement, pursuant to which the Company agreed to acquire 51% equity interest in Lingang Thermal Power for the total consideration of RMB139.130 million, consisting of the cash consideration payable by the Company to Tianjin Jinneng Binhai Heating Group Co., Ltd. as the vendor for the acquisition, being RMB100.880 million (inclusive of the deposit) and the provision of a guarantee in favour of Lingang Thermal Power for borrowings of RMB38.250 million. The acquisition was approved by the Shareholders on May 8, 2020, and the Company completed the relevant industrial and commercial changes registration and renamed the company as Tianjin Tianbao Lingang Thermal Power Co., Ltd.* (天津天保臨港熱電有限公司) on June 11, 2020, marking the successful completion of the acquisition of Lingang Thermal Power.

(4) Significant investments

As of December 31, 2020, the Group did not have significant investments.

(5) Contingent liabilities

As of December 31, 2020, except for the provision of the joint and several liability guarantee by the Group for 51% of the remaining balance of a long-term loan of Lingang Thermal Power amounting to RMB25.500 million, the Group did not have contingent liabilities.

(6) Bank borrowings of the Group

As of December 31, 2020, the Group had bank borrowings of RMB195.608 million which include short-term borrowings of RMB115.509 million (including long-term borrowings due within one year of RMB35.609 million) and non-current portion of long-term borrowings of RMB80.099 million, while secured and guaranteed borrowings amounted to RMB50.000 million and unsecured borrowings amounted to RMB145.608 million, all of which were with fixed interest rate.

(7) Other debts of the Group

Except for the bank borrowings as disclosed in this announcement and the capital reduction amounts of RMB88.383 million due to certain Shareholders of the Company, the Group did not have other interest-bearing debts.

(8) Charges on Group's assets

As of December 31, 2020, the Company's subsidiary Lingang Thermal Power had pledged its trade receivables as security for a bank loan with balance amounting to RMB50.000 million as of December 31, 2020, and the Company had pledged its 51% equity interests in Lingang Thermal Power with value of RMB51.000 million as security for a bank loan with balance amounting to RMB50.000 million as of December 31, 2020.

(9) Capital structure

The H Shares of the Company were listed on the Main Board of the Stock Exchange on April 27, 2018. Upon completion of the H Share "full circulation" programme on July 29, 2020, all Domestic Shares had been converted into H Shares and became listed on the Main Board of the Stock Exchange. As at the date of this announcement, the capital structure of the Company consisted of H Shares only.

(10) Share option scheme

As of December 31, 2020, the Company had not implemented any share option scheme.

(11) Foreign exchange and exchange rate risk

The Group mainly operates in China. Other than bank deposits denominated in foreign currencies (including bank deposits in Hong Kong dollars and US dollars), the Group is not exposed to material foreign exchange rate risk. The Directors expect that fluctuation in the exchange rate of RMB will not have a material adverse effect on the operation of the Group. Accordingly, the Group did not enter into any hedging arrangement for reducing the risk of fluctuation in exchange rates during the Reporting Period.

RISK FACTORS AND RISK MANAGEMENT

Currently, the operation and development of the Group are not exposed to any significant risk factors. From the results of the Group's annual risk assessment, the top four important risks are policy risk, material procurement management risk, safety risk and performance appraisal management risk.

(1) Policy risk

Currently, the Group is exposed to the policy risks of adjustments of electricity price.

As the electricity price is directed by the state and the implementation of the tariff determination mechanism is in its transition period, if the electricity price is lower than the normal operating cost of the Group's power supply business, the profit of the Group would be directly affected.

To address the risks mentioned above, the Group has established and improved its risk prevention system. There is a specialized department responsible for following up and analyzing the impacts on the Group as a result of the changes in the external environment, so as to enable the raising of warning in a scientific manner, assessing the impacts and providing the corresponding measures in a truly manner.

(2) Material procurement management risk

For example, due to the adjustment of national policies and industrial restructuring, the supply-demand relationship would change and lead to price fluctuations and affect the schedule and procurement costs. Or due to external factors such as weather or emergencies, the purchased materials fail to be delivered in time. Or due to internal factors such as the procurement plan is not submitted in a timely and accurate manner or mismatches with the actual procurement demand, this will affect the normal production and operation activities of the Group.

To address the risks mentioned above, the Group has amended several original measures, such as materials procurement management measures, storage procedures and inventory management measures and coal purchasing management measures, and enhanced and regulated the relevant procedures. The Group has its strengthened information management for various procedures in materials procurement management system, such as materials procurement with approval, in-warehouse after inspections and out-warehouse recipients and improved the supervising level of materials procurement procedure. The Group also reviewed and evaluated the qualifications of the suppliers on the performance of contracts, delivery time, after-sales services and others for comprehensive evaluation of the suppliers, and removed the unqualified supplies from the list of suppliers and terminated the procurement and supply relationships with them.

(3) Safety risk

Safety production and operation of the Group does not only affect the Group itself, but would also indirectly affect the normal production order of other customers within its location. It will affect the efficiency of operation and even cause an accident due to the lack of training and safety trainings and inexperience of the front-line operators or their failure to follow the operating procedures. We would be unable to effectively protect assets or equipment in an emergency due to the lack or loss of fire prevention apparatus and anti-pollution equipment, emergency plan or inadequate drills. If we fail to carry out good inspection and maintenance of assets, such as machinery, equipment and pipelines, it would cause loss to the Group's interests and even affect its normal production and operation.

To address the risks as mentioned above, the responsible departments of the Group has carried out 13 professional skills and safety trainings during the Reporting Period, highlighting the important areas and summarizing technical experience so as to enhance the professional skills of the operators and safety awareness. We regularly checked the fire prevention apparatus and anti-pollution equipment and made records. The Group also developed equipment emergency response process to regulate the emergency operations, and carried out 32 emergency drills with different hypothetical contexts during the Reporting Period so as to ensure that the employees have the ability to effectively keep themselves and the Group's assets safe in an emergency. We also conducted the maintenance of fixed assets on a regular basis, made records of daily maintenance and major overhauls and regularly performed the impairment tests.

(4) Performance appraisal management risk

For example, due to unscientific and unreasonable setting of performance appraisal indicators, and failure of the appraisal content to cover the main production and operation activities of each function, the appraisal results would not truly reflect the production and operation of the enterprise. Or due to lengthy appraisal cycle, untimely appraisal or biases of appraisers, halo effect, primacy effect, recency effect, central tendency, seniority or position tendency, the impartiality of the appraisal results would be affected.

The Group strictly implemented the performance appraisal management measures, defined performance goals by breaking down the strategic objectives and annual key projects, and formulated performance appraisal indicators according to different functions and post settings to regularly examine and appraise the employees at different levels from different functions. The Group adopted the method of monthly monitoring and quarterly appraisal to engage performance assessment of each department and employee every quarter. After the completion of performance appraisal, feedback on the appraisal results will be given. Performance bonus will be given based on the appraisal results and interviews will be conducted with those who fail in the appraisal for continuous improvement.

SUBSEQUENT EVENTS

Events subsequent to the Reporting Period are set out in note 15 to the consolidated financial statements in this announcement.

BUSINESS OUTLOOK FOR 2021

The Group will focus on its principal businesses such as heat and power supply, electricity dispatch and sale and heat supply to industrial parks, actively develop distributed energy and comprehensive energy services in order to ensure the sustainable and stable development of the Group. With the driving force of "capital operation" and "technical innovation", we will promote the Group to achieve fast and high quality development during the "14th Five-Year Plan" period.

In 2021, the Group will strive to accomplish the following tasks:

1. **To work out high-quality strategic plan and supporting special plans for the "14th Five-Year Plan"**

   The Group will increase its policy studies and market research, define the role of the Group in the market more clearly, determine the future development direction, and formulate the overall strategic plan and various special plans of the Group. By formulating the strategic plan for the "14th Five-Year Plan", we will clarify the strategic focus of the Group's business development in the next five years and improve the Group's performance.

2. **To accelerate the development of new energy projects**

   We will increase development in the field of new energy, strengthen project negotiation and cooperation, accelerate feasibility analysis and studies in photovoltaic projects, air source heat pump projects, contractual energy management projects, energy storage projects, in order to achieve early breakthrough and create new profit growth points for the Group.

3. **To increase investment in energy-efficient renovation projects**

   We will continue to tap into the potential of energy saving and consumption reduction field, further strengthen the technical research and development of the power transformation stations, Lingang Thermal Plant and Haigang Thermal Plant, promote the implementation of the recycled water renovation projects in Lingang Thermal Plant and the heat pipe network renovation and upgrading projects in Haigang Thermal Plant, in order to achieve further cost reduction and efficiency improvement.

4. To increase the acquisition projects pipeline and actively expand service areas

The Group will, based on its strategic positioning towards "integrated energy service provider of industrial parks", increase acquisition pipeline, and progressively achieve trans-regional business development. The Company's business currently only reaches the Haigang and Lingang areas of the Tianjin Port Free Trade Zone, with limited coverage and narrow scope of customer and industry base. The narrow scope of business services directly restricts the development of the Group. During the "14th Five-Year Plan" period, the Group will, based on the Tianjin Port Free Trade Zone, actively expand the business in the Tianjin Port Free Trade Zone and other areas of Tianjin by self-establishment or cooperation, and expand the projects to areas beyond Tianjin as and when appropriate to serve the local major enterprises and other special industries.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

As a company listed on the Stock Exchange, the Group always strives to maintain a high level of corporate governance and has complied with the code provisions as set out in the Corporate Governance Code as set out in Appendix 14 of the Listing Rules for the year ended December 31, 2020.

COMPLIANCE WITH MODEL CODE

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules as the code of conduct regarding securities transactions of the Company by the Directors, Supervisors and relevant employees of the Company. Upon making specific enquiries to all of the Directors, Supervisors and relevant employees of the Company, all Directors, Supervisors and relevant employees confirmed that during the Reporting Period, each of the Directors, Supervisors, and relevant employees has strictly complied with the required standards set out in the Model Code.

The Company is not aware of any incident of non-compliance of the Model Code committed by any Director, Supervisor or relevant employee during the Reporting Period.

PLEDGE OF SHARES BY THE CONTROLLING SHAREHOLDERS

The Controlling Shareholders of the Company did not pledge any of their Shares in the Company to secure the Company's debts or to secure guarantees or other support of the Company's obligations for the year ended December 31, 2020.

LOAN AGREEMENTS OR FINANCIAL ASSISTANCE OF THE COMPANY

The Company has no affiliated companies and the Company did not provide any financial assistance nor guarantee to its affiliated companies for the year ended December 31, 2020 which gives rise to a disclosure under Rule 13.16 of the Listing Rules. The Company did not enter into any loan agreement with covenants relating to specific responsibility of its Controlling Shareholders nor breach the terms of any loan agreements for the year ended December 31, 2020.

AUDIT COMMITTEE

The audit committee of the Company (the "**Audit Committee**") has formulated terms of reference in written form in accordance with the requirements of the Listing Rules. It comprises three members, namely, Mr. CHAN Wai Dune (independent non-executive Director), Ms. DONG Guangpei (non-executive Director) and Ms. YANG Ying (independent non-executive Director). Mr. CHAN Wai Dune currently serves as the chairperson of the Audit Committee.

The Audit Committee has reviewed the Group's 2020 annual results and the audited financial statements for the year ended December 31, 2020 prepared in accordance with the IFRSs.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OR REDEEMABLE SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities or redeemable securities during the year ended December 31, 2020.

FINAL DIVIDEND

The Board recommended a distribution of final cash dividend of RMB0.05 per Share (tax inclusive) for the year ended December 31, 2020 to Shareholders as of the record date for payment of dividend. The ratio of final dividend distribution for the year is based on the various factors such as business performance of the Company in 2020. All dividends for 2020 will be paid on or around August 3, 2021 upon approval by Shareholders at the AGM to be held on June 10, 2021.

CLOSURE OF REGISTER OF MEMBERS

In order to ascertain Shareholders' entitlement to attend and vote at the AGM and to the proposed 2020 final dividends, the H Share register of members of the Company will be closed from June 7, 2021 to June 10, 2021 (both days inclusive) and from June 17, 2021 to June 21, 2021 (both days inclusive), respectively, during such periods no transfer of H Shares will be registered.

In order to qualify for attending and voting at the forthcoming AGM, holders of H Shares of the Company must lodge transfer documents with the Company's H Share Registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration before 4:30 p.m. on June 4, 2021.

In order to qualify for receiving the proposed 2020 final dividends (subject to the approval by Shareholders at the forthcoming AGM), holders of H Shares of the Company must lodge transfer documents with the Company's H Share Registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at the above mentioned address for registration before 4:30 p.m. on June 16, 2021.

THE ARTICLES OF ASSOCIATION

During the Reporting Period, the Company has revised its Articles of Association on June 15, 2020. Details of such amendments are set out in the circular to the Shareholders dated April 23, 2020. An up-to-date version of the Articles of Association is also available on the Company's website and the Stock Exchange's website.

After the Reporting Period, pursuant to the completion of the H Share "full circulation" of the Company and based on the provisions and relevant requirements in laws and regulations, including, among others, the Company Law of the PRC, the Board, after referring to the actual situation of the Company and its operation and development needs, proposed to amend the Articles of Association, the Rules of Procedure of the General Meeting of the Company and the Rules of Procedure of the Board of the Company in accordance with principles of prudence, suitability and necessity. The proposed amendments to the Articles of Association, the Rules of Procedure of the General Meeting of the Company and the Rules of Procedure of the Board of the Company are subject to the approval of the Shareholders at the 2020 annual general meeting of the Company by special resolution, ordinary resolution and ordinary resolution, respectively. For details, please refer to the Company's announcement dated March 26, 2021.

SCOPE OF WORK OF KPMG

The Group's independent auditor (KPMG) has audited the figures of the consolidated financial statements of the Company for the year ended December 31, 2020, prepared in accordance with the IFRS and relevant notes.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This results announcement is published on the HKEXnews websites of the Stock Exchange (http://www.hkexnews.hk) and the Company (http://www.tjtbny.com). The Company's 2020 annual report containing all the information required under the Listing Rules will be despatched to the Shareholders and will be available on the websites of the Company and the Stock Exchange in due course.

DEFINITIONS

"AGM"	the 2020 annual general meeting of the Company to be held in June 2021
"Articles of Association"	the articles of association of the Company
"Board" or "Board of Directors"	the board of directors of the Company
"Company", "our Company", "we" or "us"	Tianjin Tianbao Energy Co., Ltd.* (天津天保能源股份有限公司)
"Controlling Shareholder(s)"	has the meaning ascribed to it under the Listing Rules and in this announcement refers to Tianbao Holdings and TFIHC

"CSRC"	China Securities Regulatory Commission (中國證券監督管理委員會)
"Director(s)"	director(s) of the Company
"Domestic Shares"	the ordinary shares issued in the share capital of the Company with a nominal value of RMB1.00 each, which are subscribed for and paid up in RMB
"Group" or "our Group"	the Company and its subsidiaries
"H Shares"	the overseas listed ordinary shares in the share capital of the Company, with a nominal value of RMB1.00 each, which are listed on the Main Board of the Stock Exchange
"Haigang Thermal Plant"	the power plant located in Tianjin Port Free Trade Zone (Seaport) currently held by the Group
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong dollars"	Hong Kong dollars, the lawful currency of Hong Kong
"IFRS"	International Financial Reporting Standards, which include standards and interpretations promulgated by the International Accounting Standards Board, and International Accounting Standards and Interpretations issued by the International Accounting Standards Board
"Lingang Thermal Plant"	the power plant located in Tianjin Port Free Trade Zone (Lingang) currently held by the Group
"Lingang Thermal Power"	Tianjin Tianbao Lingang Thermal Power Co., Ltd.* (天津天保臨港熱電有限公司) (formerly known as Tianjin Jinneng Lingang Thermal Power Co., Ltd.* (天津津能臨港熱電有限公司)), a limited liability company established in the PRC on May 8, 2009, a non-wholly-owned subsidiary of our Company
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"Model Code"	Model Code for Securities Transactions by Directors of Listed Companies
"PRC" or "China"	the People's Republic of China
"Reporting Period"	from January 1, 2020 to December 31, 2020, being the financial year of this announcement
"RMB"	the lawful currency of the PRC

"Share(s)"	ordinary share(s) in the share capital of our Company
"Shareholders(s)"	holder(s) of the Share(s)
"Hong Kong Stock Exchange" or "Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Supervisor(s)"	supervisors of the Company
"TFIHC"	Tianjin Free Trade Zone Investment Holdings Group Co., Ltd.* (天津保稅區投資控股集團有限公司), a wholly-owned subsidiary of Tianjin Port Free Trade Zone State-owned Assets Administration Bureau* (天津港保稅區國有資產管理局) established in the PRC, one of our Controlling Shareholders
"Tianbao Holdings"	Tianjin Tianbao Holdings Limited* (天津天保控股有限公司), a limited liability company established in the PRC on January 28, 1999 and a wholly-owned subsidiary of TFIHC, one of our Controlling Shareholders
"Tianjin Tianbao New Energy"	Tianjin Tianbao New Energy Co., Ltd.* (天津天保新能有限公司) (formerly known as Tianjin Baorun International Trading Electrical Engineering Co., Ltd.* (天津保潤國際貿易電氣工程有限公司)), a limited liability company established in the PRC on November 21, 1994, a wholly-owned subsidiary of our Company

By Order of the Board
Tianjin Tianbao Energy Co., Ltd.*
Zhou Shanzhong
Chairman

Tianjin, the People's Republic of China, March 26, 2021

As of the date of this announcement, the Board comprises Mr. Zhou Shanzhong, Mr. Xing Cheng and Mr. Mao Yongming as executive directors; Mr. Wang Xiaotong and Ms. Dong Guangpei as non-executive directors; and Mr. Chan Wai Dune, Mr. Han Xiaoping and Ms. Yang Ying as independent non-executive directors.

* *For identification purpose only*