Tianjin Capital Environmental Protection Group Company Limited
天 津 創 業 環 保 集 團 股 份 有 限 公 司

*(a joint stock limited company incorporated in the People's Republic of China with limited liability)*
**(Stock Code: 1065)**

# First Quarterly Report 2021

## 1. IMPORTANT

1.1 The board (the "**Board**") of directors (the "**Directors**") and the supervisory committee of Tianjin Capital Environmental Protection Group Company Limited (the "**Company**") and all of its Directors, supervisors and senior management warrant that there are no false information, misleading statements or material omissions in this quarterly report, and accept joint and several responsibility for the truthfulness, accuracy and completeness of the contents contained in this quarterly report.

1.2 Mr. Liu Yujun, the chairman of the Company, Ms. Peng Yilin, the officer in charge of the accounting function, and Mr. Liu Tao, the officer in charge of the accounting department (the accounting management officer) have warranted the truthfulness, accuracy and completeness of the financial statements contained in this quarterly report.

1.3 The financial statements contained in the first quarterly report of the Company have not been audited.

## 2. BASIC INFORMATION OF THE COMPANY

### 2.1 Major Financial Data

*Unit: 0'000 Currency: RMB*

| | As at the end of this reporting period | As at the end of the previous year | Comparison between the end of this reporting period and the end of the previous year increase/ decrease (%) |
|---|---|---|---|
| Total assets | 2,066,092.6 | 1,880,296.9 | 9.88 |
| Net assets attributable to the shareholders of the Company | 675,714.5 | 659,135.1 | 2.52 |
| | **From the beginning of the year to the end of the reporting period** | **From the beginning of the previous year to the end of the corresponding reporting period of the previous year** | **Compared with the same period of the previous year increase/ decrease (%)** |
| Net cash flows from operating activities | 4,144.6 | -525.2 | 889.15 |
| Operating income | 87,528.3 | 71,627.6 | 22.20 |
| Net profits attributable to the shareholders of the Company | 16,579.3 | 12,980.7 | 27.72 |
| Net profit attributable to the shareholders of the Company after deduction of extraordinary items | 14,470.5 | 11,640.4 | 24.31 |
| Weighted average return ratio on net assets (%) | 2.48 | 2.08 | 0.40 |
| Basic earnings per share (RMB/share) | 0.116 | 0.091 | 27.47 |
| Diluted earnings per share (RMB/share) | 0.116 | 0.091 | 27.47 |

**Extraordinary items and amounts**

*Unit: 0'000 Currency: RMB*

| **Items** | **Amount for the reporting period** |
|---|---:|
| Government grants included in profit or loss for the current period other than those closely related to the normal operation of the Company, in compliance with national policies and regulations, as well as the government grants entitled continuously in accordance with certain standard quota or quantity basis | 2,815.7 |
| Other non-operating income and expenditure except for those mentioned above | 30.4 |
| Impact on minority shareholders interests (after tax) | -198.8 |
| Impact on income tax | -538.5 |
| **Total** | 2,108.8 |

## 2.2 Total number of shareholders and tables of the shareholdings of the top ten shareholders and the top ten shareholders of circulating shares (or shareholders of non-restricted circulating shares) as at the end of the reporting period

| Total number of shareholders | | | 67,051 of which 64 were shareholders of H Shares | | | |
|---|---|---|---|---|---|---|
| Shareholdings of the top ten shareholders | | | | | | |
| Name of shareholder (Full name) | Number of shares held at the end of the reporting period (shares) | Percentage of shareholding (%) | Number of restricted shares held (shares) | Pledged or frozen | | Nature of shareholder |
| | | | | Status of shares | Number (shares) | |
| Tianjin Municipal Investment Company Limited ("**TMICL**") | 715,565,186 | 50.14 | 0 | None | 0 | State-owned legal person |
| HKSCC Nominees Limited | 337,908,810 | 23.68 | 0 | Unknown | 0 | Other |
| Central Huijin Asset Management Ltd. | 14,169,800 | 0.99 | 0 | None | 0 | State-owned legal person |
| Hong Kong Securities Clearing Company Limited | 8,583,491 | 0.60 | 0 | None | 0 | Other |
| Zhejiang Jinxin Construction Engineering Co., Ltd. (浙江錦鑫建設工程有限公司) | 6,244,000 | 0.44 | 0 | None | 0 | Domestic non-state-owned legal person |
| Industrial and Commercial Bank of China Limited－China Universal CSI Environmental Governance Index Securities Investment Fund (中國工商銀行股份有限公司－匯添富中證環境治理指數型證券投資基金) (LOF) | 2,827,300 | 0.20 | 0 | None | 0 | Other |
| Hou Hongyan (侯紅燕) | 2,500,000 | 0.18 | 0 | None | 0 | Domestic natural person |
| Fan Liping (范莉萍) | 2,000,000 | 0.14 | 0 | None | 0 | Domestic natural person |
| Shenyang Railway Coal Group Co., Ltd. (瀋陽鐵道煤炭集團有限公司) | 1,500,000 | 0.11 | 0 | None | 0 | State-owned legal person |
| Huang Qiangsheng (黃強勝) | 1,432,100 | 0.10 | 0 | None | 0 | Domestic natural person |

| Shareholdings of the top ten shareholders of non-restricted circulating shares | | | |
|---|---|---|---|
| Name of shareholders | Number of non-restricted circulating shares (shares) | Type and number of shares | |
| | | Type | Number (shares) |
| TMICL | 715,565,186 | Ordinary RMB Shares | 715,565,186 |
| HKSCC Nominees Limited | 337,908,810 | H Shares | 337,908,810 |
| Central Huijin Asset Management Ltd. | 14,169,800 | Ordinary RMB Shares | 14,169,800 |
| Hong Kong Securities Clearing Company Limited | 8,583,491 | Ordinary RMB Shares | 8,583,491 |
| Zhejiang Jinxin Construction Engineering Co., Ltd.(浙江錦鑫建設工程有限公司) | 6,244,000 | Ordinary RMB Shares | 6,244,000 |
| Industrial and Commercial Bank of China Limited－China Universal CSI Environmental Governance Index Securities Investment Fund(中國工商銀行股份有限公司－匯添富中證環境治理指數型證券投資基金)(LOF) | 2,827,300 | Ordinary RMB Shares | 2,827,300 |
| Hou Hongyan(侯紅燕) | 2,500,000 | Ordinary RMB Shares | 2,500,000 |
| Fan Liping (范莉萍) | 2,000,000 | Ordinary RMB Shares | 2,000,000 |
| Shenyang Railway Coal Group Co., Ltd.(瀋陽鐵道煤炭集團有限公司) | 1,500,000 | Ordinary RMB Shares | 1,500,000 |
| Huang Qiangsheng(黃強勝) | 1,432,100 | Ordinary RMB Shares | 1,432,100 |

| | |
|---|---|
| **Notes on the connected relationship or parties acting in concert among the above shareholders** | It is not certain whether there is any connected relationship among the top ten shareholders.<br><br>It is not certain whether there is any connected relationship between the top ten shareholders of non-restricted circulating shares and the top ten shareholders.<br><br>Notes: (1) According to the register of members as provided by HKSCC Nominees Limited, those H shares held by it were held on behalf of various clients. As of the end of the reporting period, Ningbo Baisi Yuesi Trading Co., Ltd. (寧波百思樂斯貿易有限公司) and the parties acting in concert with it, namely Ningbo Ningdian Investment Development Co., Ltd. (寧波寧電投資發展有限公司), Lvneng Investment & Development Co., Limited (Hong Kong) (綠能投資發展有限公司(香港)), held 98,050,000 H shares of the Company in total, representing 6.870% of the total share capital of the Company. None of the shares held have been pledged.<br><br>(2) None of the top ten shareholders are strategic investors of the Company. |

## 3. MAJOR EVENTS

### 3.1 Description of and reasons for substantial changes in principal financial statement items and financial indicators of the Company

As at 31 March 2021, the Company had total assets in the amount of RMB20,660.93 million, representing an increase of RMB1,857.96 million or 9.88% as compared to the end of last year. Total liabilities were RMB12,904.30 million, representing an increase of RMB1,682.97 million or 15.00% as compared to the end of last year. Equity interest attributable to the shareholders of the Company was RMB6,757.15 million, representing an increase of RMB165.79 million or 2.52% as compared to the end of last year. The realised net profit attributable to the Company for the period from January to March of 2021 was RMB165.79 million, representing an increase of RMB35.99 million or 27.72% as compared to the same period last year. The substantial increase of revenue and profit as compared to the same period last year is primarily attributable to the increase in revenue from the sewage treatment business resulting from the facts that (i) the new plants at Dongjiao of Tianjin under upgrading and expansion were put into operation in July 2020, in which a new unit price on sewage treatment service was executed; and (ii) the treated volume of new development projects and existing projects increased.

Analysis of items with more significant changes is set out below:

*Unit: 0'000 Currency: RMB*

| Items | 31 March 2021 | 31 December 2020 | Amount of increase/ decrease | Change (%) | Reasons |
|---|---|---|---|---|---|
| Currency funds | 240,422.80 | 166,364.60 | 74,058.20 | 44.52 | Mainly due to the increase in the Company's long-term borrowings |
| Construction in progress | 1,359.80 | 985.90 | 373.90 | 37.92 | Mainly due to the increase in the Company's construction investments in the projects |
| Goodwill | 49,876.60 | 0.00 | 49,876.60 | N/A | Mainly the goodwill recognized by the Company in respect of the hazardous waste projects acquired |
| Wages payable | 2,325.80 | 8,562.00 | -6,236.20 | -72.84 | Mainly due to the issue of the year-end bonus provided for in 2020 during the current period |
| Long-term borrowings | 590,161.70 | 422,789.40 | 167,372.30 | 39.59 | Mainly due to the increase in the long-term borrowings during the current period |

| Items | January to March 2021 | January to March 2020 | Amount of increase/ decrease | Change (%) | Reasons |
|---|---|---|---|---|---|
| Taxes and surcharges | 598.30 | 920.20 | -321.90 | -34.98 | Mainly due to the change in the value-added tax rate and the increase in input tax, the decrease in the value-added tax paid and the corresponding decrease in additional taxes |
| Non-operating income | 26.90 | 2.30 | 24.60 | 1,069.57 | Mainly due to the increase in rebates of property taxes and other taxes received by subsidiaries as compared with the same period last year |
| Non-operating expenses | 13.20 | 226.50 | -213.30 | -94.17 | Mainly due to RMB1.688 million paid by the Company for poverty alleviation in Xixiaoliang Village, Wuqing District in the same period last year, of which was nil this period |
| Net cash flows from operating activities | 4,144.60 | -525.20 | 4,669.80 | -889.15 | Mainly due to the decrease in the operating payments such as the purchase of goods, labor services and taxes paid in the current period as compared with the same period last year |
| Net cash flow from investment activities | -97,225.00 | -46,911.70 | -50,313.30 | 107.25 | Mainly due to the increase in the Company's investment expenditures on projects this year as compared with the same period last year |
| Net cash flow from financing activities | 167,138.60 | 56,053.00 | 111,085.60 | 198.18 | Mainly due to a higher additional debt financing in the current year as compared with the same period last year |
| Net increase in cash and cash equivalents | 74,058.20 | 8,616.10 | 65,442.10 | 759.53 | Mainly due to the combined impact of cash flows from operating, investment and financing activities |

## 3.2 Progress of major event and its effects as well as the analytical explanation of solutions

The Company convened the 32nd meeting of the eighth session of the Board on 13 July 2020 to consider the matters relating to the non-public issuance of A shares, and the relevant matters were considered and approved at the 2020 First Extraordinary General Meeting, the 2020 First A Shareholders' Class Meeting and the 2020 First H Shareholders' Class Meeting of the Company held on 7 September 2020. For details, please refer to the relevant announcements of the Company published on the websites of the Shanghai Stock Exchange (http://www.sse.com.cn) (the "**SSE Website**") and on the website of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") (http://www.hkex.com.hk) (the "**Stock Exchange Website**") on 14 July 2020 and 8 September 2020, respectively, as well as the Company's circular published on the Stock Exchange Website on 21 August 2020.

In view of the changes in the capital market environment, upon comprehensive consideration of the Company's actual situation, development plans and various other factors, after careful analysis and repeated communication with relevant parties, the Company has adjusted the proposal of the non-public issuance of shares. On 30 March 2021, the Company convened the 47th meeting of the eighth session of the Board, to approve the "Resolution regarding the Plan for Adjustments to the Non-public Issuance of A Shares of the Company 2020" and conduct adjustment to the proposal of the non-public issuance of A shares 2020. On the same date, the Company issued the announcement of the feedback reply regarding the "Notice regarding China Securities Regulatory Commission's Second Feedback on the Review of Administrative Permission Items" (amended). For details of the above matters, please refer to the relevant announcements of the Company published on the SSE Website, as well as the inside information announcement and relevant overseas regulatory announcements published on the Stock Exchange Website on 28 January 2021 and 31 March 2021 respectively.

The non-public issuance of A shares of the Company remains subject to the obtaining of approval from the China Securities Regulatory Commission (the "**CSRC**"). The Company will perform its obligation of information disclosure on a timely manner according to the progress of the approval by CSRC. Investors are kindly reminded to pay attention to investment risks.

### 3.3 Commitments that failed to be implemented on time during the reporting period

☐ Applicable √ Not applicable

### 3.4 Warning of the prediction that the accumulated net profits from the beginning of the year to the end of the next reporting period may record a loss or substantial changes may have occurred as compared with the same period of the previous year and the reasons

☐ Applicable √ Not applicable

By Order of the Board
**Liu Yujun**
*Chairman*

Tianjin, the PRC
26 April 2021

*As at the date of this announcement, the Board comprises three executive Directors: Mr. Liu Yujun, Ms. Wang Jing and Mr. Niu Bo; two non-executive Directors: Mr. Gu Wenhui and Mr. Si Xiaolong; and three independent non-executive Directors: Mr. Di Xiaofeng, Mr. Guo Yongqing and Mr. Wang Xiangfei.*

## 4. APPENDICES

**Consolidated Balance Sheet**
As at 31 March 2021

*Unit: '000 Currency: RMB*

| **Items** | **As at 31 March 2021** | **As at 31 December 2020** |
|---|---|---|
| **CURRENT ASSETS:** | | |
| Currency funds | 2,404,228 | 1,663,646 |
| Notes receivable | 3,025 | 2,656 |
| Trade receivables | 2,302,841 | 1,959,083 |
| Prepayments | 29,795 | 26,220 |
| Other receivables | 22,493 | 24,117 |
| Inventories | 19,774 | 17,460 |
| Non-current assets due within one year | 20,787 | 20,049 |
| Other current assets | 106,553 | 82,228 |
| Total current assets | 4,909,496 | 3,795,459 |
| **NON-CURRENT ASSETS:** | | |
| Long-term receivables | 1,642,787 | 1,647,402 |
| Long-term equity investments | 195,000 | 195,000 |
| Other investments in equity instruments | 2,000 | 2,000 |
| Fixed assets | 1,012,582 | 809,495 |
| Construction in progress | 13,598 | 9,859 |
| Intangible assets | 12,017,225 | 11,999,818 |
| Goodwill | 498,766 | – |
| Deferred income tax assets | 12,965 | 12,965 |
| Other non-current assets | 356,507 | 330,971 |
| Total non-current assets | 15,751,430 | 15,007,510 |
| **TOTAL ASSETS** | 20,660,926 | 18,802,969 |

| Items | As at 31 March 2021 | As at 31 December 2020 |
|---|---|---|
| **CURRENT LIABILITIES:** | | |
| Trade payables | 279,469 | 294,973 |
| Contract liabilities | 540,115 | 527,410 |
| Wages payable | 23,258 | 85,620 |
| Taxes payable | 52,971 | 56,841 |
| Other payables | 924,704 | 955,773 |
| Including: Interests payable | 1,240 | 2,097 |
| Dividends payable | 142 | 142 |
| Non-current liabilities due within one year | 1,704,170 | 1,596,263 |
| Other current liabilities | – | 0 |
| Total current liabilities | 3,524,687 | 3,516,880 |
| **NON-CURRENT LIABILITIES:** | | |
| Long-term borrowings | 5,901,617 | 4,227,894 |
| Bonds payable | 1,099,107 | 1,098,848 |
| Long-term payables | 243,411 | 247,734 |
| Expected liabilities | 14,055 | 13,737 |
| Deferred income | 1,984,620 | 1,981,434 |
| Deferred income tax liabilities | 102,803 | 100,799 |
| Other non-current liabilities | 34,000 | 34,000 |
| Total non-current liabilities | 9,379,613 | 7,704,446 |
| **TOTAL LIABILITIES** | 12,904,300 | 11,221,326 |
| **OWNERS' EQUITY (OR SHAREHOLDERS' EQUITY):** | | |
| Paid-up capital (or share capital) | 1,427,228 | 1,427,228 |
| Capital reserves | 431,024 | 431,024 |
| Surplus reserves | 619,055 | 619,054 |
| Retained earnings | 4,279,838 | 4,114,045 |
| Total equity attributable to owners of the Company (or shareholders' equity) | 6,757,145 | 6,591,351 |
| Minority shareholders interest | 999,481 | 990,292 |
| Total owners' (or shareholders') equity | 7,756,626 | 7,581,643 |
| **TOTAL LIABILITIES AND OWNERS' (OR SHAREHOLDERS') EQUITY** | 20,660,926 | 18,802,969 |

**Balance Sheet of the Company**
As at 31 March 2021

*Unit: '000 Currency: RMB*

| Items | As at 31 March 2021 | As at 31 December 2020 |
|---|---|---|
| **CURRENT ASSETS:** | | |
| Currency funds | 1,440,061 | 623,111 |
| Trade receivables | 1,324,207 | 1,126,477 |
| Prepayments | 3,422 | 0 |
| Other receivables | 28,419 | 25,883 |
| Including: Interest receivables | 0 | 0 |
| Dividend receivables | 0 | 0 |
| Inventories | 5,819 | 5,995 |
| Non-current assets due within one year | 20,787 | 20,049 |
| Other current assets | 258,949 | 375,011 |
| Total current assets | 3,081,664 | 2,176,526 |
| **NON-CURRENT ASSETS:** | | |
| Long-term receivables | 1,642,787 | 1,647,402 |
| Long-term equity investments | 4,966,545 | 4,223,545 |
| Other investments in equity instruments | 2,000 | 2,000 |
| Fixed assets | 144,688 | 148,551 |
| Construction in progress | 681 | 340 |
| Intangible assets | 3,823,577 | 3,865,856 |
| Other non-current assets | 20,832 | 40,832 |
| Total non-current assets | 10,601,110 | 9,928,526 |
| **TOTAL ASSETS** | 13,682,774 | 12,105,052 |

| Items | As at 31 March 2021 | As at 31 December 2020 |
|---|---|---|
| **CURRENT LIABILITIES:** | | |
| Trade payable | 52,238 | 43,558 |
| Contract liabilities | 4,950 | 4,950 |
| Wages payable | 14,340 | 43,202 |
| Taxes payable | 7,083 | 4,688 |
| Other payables | 213,892 | 230,454 |
| Including: Interests payable | – | 0 |
| Dividends payable | 142 | 142 |
| Non-current liabilities due within one year | 1,405,636 | 1,536,886 |
| Other current liabilities | 360,000 | 70,000 |
| Total current liabilities | 2,058,139 | 1,933,738 |
| **NON-CURRENT LIABILITIES:** | | |
| Long-term borrowings | 2,717,871 | 1,396,472 |
| Bonds payable | 1,099,107 | 1,098,848 |
| Long-term payables | 234,811 | 239,134 |
| Expected liabilities | 11,665 | 11,665 |
| Deferred income | 1,507,746 | 1,524,402 |
| Deferred income tax liabilities | 37,636 | 36,085 |
| Other non-current liabilities | 380,000 | 380,000 |
| Total non-current liabilities | 5,988,836 | 4,686,606 |
| **TOTAL LIABILITIES** | 8,046,975 | 6,620,344 |
| **OWNERS' EQUITY (OR SHAREHOLDERS' EQUITY):** | | |
| Paid-up capital (or share capital) | 1,427,228 | 1,427,228 |
| Capital reserves | 380,788 | 380,788 |
| Surplus reserves | 619,054 | 619,054 |
| Retained earnings | 3,208,729 | 3,057,638 |
| Total owners' (or shareholders') equity | 5,635,799 | 5,484,708 |
| **TOTAL LIABILITIES AND OWNERS' (OR SHAREHOLDERS') EQUITY** | 13,682,774 | 12,105,052 |

**Consolidated Income Statement**
January to March 2021

*Unit: '000 Currency: RMB*

| Items | First Quarter of 2021 | First Quarter of 2020 |
|---|---|---|
| 1. Total operating income | 875,283 | 716,276 |
| Including: Operating income | 875,283 | 716,276 |
| 2. Total operating costs | 699,111 | 588,164 |
| Including: Operating costs | 572,151 | 478,978 |
| Tax and surcharges | 5,983 | 9,202 |
| Sales expenses | 4,525 | 3,816 |
| Administrative expenses | 39,458 | 32,949 |
| Research and development expenses | 1,673 | 1,321 |
| Financial expenses | 75,321 | 61,898 |
| Including: Interest expenses | 67,063 | 74,378 |
| Interest income | 4,798 | 10,139 |
| Add: Other income | 31,936 | 39,871 |
| 3. Operating profit (losses are stated by "-") | 208,108 | 167,983 |
| Add: Non-operating income | 269 | 23 |
| Less: Non-operating expenses | 132 | 2,265 |
| 4. Total profit (total losses are stated by "-") | 208,245 | 165,741 |
| Less: Income tax expenses | 33,753 | 30,707 |
| 5. Net profit (net losses are stated by "-") | 174,492 | 135,034 |
| (I) Classified by continuity of operations | | |
| 1. Net profit from continuing operations (net losses are stated by "-") | 174,492 | 135,034 |
| (II) Classified by ownership of the equity | | |
| 1. Net profit attributable to shareholders of the Company (net losses are stated by "-") | 165,793 | 129,807 |
| 2. Loss or profit attributable to minority shareholders (net losses are stated by "-") | 8,699 | 5,227 |
| 6. Other comprehensive income, net of tax | – | – |
| 7. Total comprehensive income | 174,492 | 135,034 |
| (I) Total comprehensive income attributable to owners of the Company | 165,793 | 129,807 |
| (II) Total comprehensive income attributable to minority shareholders | 8,699 | 5,227 |
| 8. Earnings per share: | | |
| (I) Basic earnings per share (RMB/share) | 0.116 | 0.091 |
| (II) Diluted earnings per share (RMB/share) | 0.116 | 0.091 |

For the business combination under common control effected in the current period, the net profit recognized by the merged party before the combination was RMB0, and the net profit recognized by the merged party in the previous period was RMB0.

**Income Statement of the Company**
January to March 2021

*Unit: ’000 Currency: RMB*

| Items | First Quarter of 2021 | First Quarter of 2020 |
|---|---|---|
| 1. Operating income | 394,165 | 358,348 |
| Less: Operating costs | 207,582 | 210,888 |
| Tax and surcharges | 692 | 3,029 |
| Administrative expenses | 17,466 | 19,281 |
| Research and development expenses | 3 | – |
| Financial expenses | 48,509 | 50,920 |
| Including: Interest expenses | 39,636 | 56,717 |
| Interest income | 4,200 | 3,392 |
| Add: Other income | 16,797 | 30,218 |
| Investment Income (losses are stated by “-”) | 35,441 | 6,163 |
| 2. Operating profit (losses are stated by “-”) | 172,151 | 110,611 |
| Add: Non-operating income | 2 | – |
| Less: Non-operating expenses | – | 1,688 |
| 3. Total profit (total losses are stated by “-”) | 172,153 | 108,923 |
| Less: Income tax expenses | 21,062 | 16,338 |
| 4. Net profit (net losses are stated by “-”) | 151,091 | 92,585 |
| (I) Net profit from continuing operations (net losses are stated by “-”) | 151,091 | 92,585 |
| 5. Other comprehensive income, net of tax | – | – |
| 6. Total comprehensive income | 151,091 | 92,585 |
| 7. Earnings per share: | | |
| (I) Basic earnings per share (RMB/share) | – | – |
| (II) Diluted earnings per share (RMB/share) | – | – |

**Consolidated Cash Flow Statement**
January to March 2021

*Unit: '000 Currency: RMB*

| Items | First Quarter of 2021 | First Quarter of 2020 |
|---|---|---|
| **1. Cash flows from operating activities:** | | |
| Cash received from sales of goods and rendering of services | 592,758 | 562,094 |
| Taxes and levies rebate received | 2,968 | 7,962 |
| Cash received relating to other operating activities | 38,816 | 42,668 |
| Sub-total of cash inflow from operating activities | 634,542 | 612,724 |
| Cash paid for goods and services | 334,554 | 318,579 |
| Cash paid to and on behalf of employees | 147,400 | 126,087 |
| Payment of taxes and levies | 67,415 | 116,659 |
| Cash payments relating to other operating activities | 43,727 | 56,651 |
| Sub-total of cash outflow for operating activities | 593,096 | 617,976 |
| Net cash flow generated from operating activities | 41,446 | -5,252 |
| **2. Cash flows from investing activities:** | | |
| Net cash received from disposal of fixed assets, intangible assets and other long-term assets | 5 | 49 |
| Cash received from other investing activities | 20,154 | – |
| Sub-total of cash inflow from investing activities | 20,159 | 49 |
| Cash paid to acquire and construct fixed assets, intangible assets and other long-term assets | 303,415 | 469,166 |
| Cash paid for investments | 688,994 | – |
| Sub-total of cash outflow for investing activities | 992,409 | 469,166 |
| Net cash flows generated from investing activities | -972,250 | -469,117 |

| Items | First Quarter of 2021 | First Quarter of 2020 |
|---|---|---|
| **3. Cash flows from financing activities:** | | |
| Cash received from assimilated investments | 490 | 12,706 |
| Including: cash received from minority shareholders' investments assimilated by subsidiaries | 490 | 12,706 |
| Cash received from borrowings | 1,969,769 | 1,152,524 |
| Sub-total of cash inflow from financing activities | 1,970,259 | 1,165,230 |
| Cash paid for repayment of debt | 253,747 | 567,580 |
| Cash paid for distribution of dividends, profits or interest payments | 45,126 | 37,120 |
| Including: Dividends and profits paid by subsidiaries to minority shareholders | 0 | 0 |
| Sub-total of cash outflow from financing activities | 298,873 | 604,700 |
| Net cash flow generated from financing activities | 1,671,386 | 560,530 |
| **4. Effect of foreign exchange rate changes on cash and cash equivalent** | – | – |
| **5. Net increase in cash and cash equivalents** | 740,582 | 86,161 |
| Add: Balance of cash and cash equivalents at the beginning of the period | 1,652,657 | 2,066,301 |
| **6. Balance of cash and cash equivalents at the end of the period** | 2,393,239 | 2,152,462 |

**Cash Flow Statement of the Company**
January to March 2021

*Unit: '000 Currency: RMB*

| Items | First Quarter of 2021 | First Quarter of 2020 |
|---|---|---|
| **1. Cash flows from operating activities:** | | |
| Cash received from sales of goods and rendering of services | 224,489 | 353,299 |
| Taxes and levies rebate received | – | 2,072 |
| Cash received relating to other operating activities | 188,323 | 255,746 |
| Sub-total of cash inflow from operating activities | 412,812 | 611,117 |
| Cash paid for goods and services | 157,292 | 149,349 |
| Cash paid to and on behalf of employees | 55,062 | 56,628 |
| Payment of taxes and levies | 27,404 | 77,197 |
| Cash payments relating to other operating activities | 54,663 | 188,407 |
| Sub-total of cash outflow for operating activities | 294,421 | 471,581 |
| Net cash flow generated from operating activities | 118,391 | 139,536 |
| **2. Cash flows from investing activities:** | | |
| Cash received from investment returns | 32,000 | – |
| Sub-total of cash inflow from investing activities | 32,000 | – |
| Cash paid to acquire and construct fixed assets, intangible assets and other long-term assets | 45,365 | 44,717 |
| Cash paid for investments | 732,859 | 74,509 |
| Sub-total of cash outflow for investing activities | 778,224 | 119,226 |
| Net cash flows generated from investing activities | -746,224 | -119,226 |
| **3. Cash flows from financing activities:** | | |
| Cash received from borrowings | 1,527,291 | 682,280 |
| Sub-total of cash inflow from financing activities | 1,527,291 | 682,280 |
| Cash paid for repayment of debt | 65,750 | 501,000 |
| Cash paid for distribution of dividends, profits or interest payments | 16,758 | 17,577 |
| Sub-total of cash outflow from financing activities | 82,508 | 518,577 |
| Net cash flow generated from financing activities | 1,444,783 | 163,703 |
| **4. Effect of foreign exchange rate changes on cash and cash equivalent** | – | – |
| **5. Net increase in cash and cash equivalents** | 816,950 | 184,013 |
| Add: Balance of cash and cash equivalents at the beginning of the period | 617,960 | 736,182 |
| **6. Balance of cash and cash equivalents at the end of the period** | 1,434,910 | 920,195 |