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, 2021

FINANCIAL HIGHLIGHTS

- In 2021, the Company and its subsidiaries recorded consolidated operating income of RMB617.368 million, representing an increase of 28.1% as compared to the same period of the previous year of RMB482.072 million.
- The profit before taxation decreased by 76.8% from RMB38.817 million for the whole year of 2020 to RMB9.023 million for the whole year of 2021.
- In 2021, basic and diluted earnings per Share was RMB0.27 cents.
- The Board has resolved not to declare a final dividend for 2021.

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, 2021 prepared in accordance with the IFRS.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended December 31, 2021

	Note	For the year ended December 31, 2021 RMB'000 (Audited)	2020 RMB'000
Revenue	2	**617,368**	482,072
Cost of sales		**(611,230)**	(407,449)
Gross profit		**6,138**	74,623
Other net income	3	**43,179**	2,079
Administrative expenses		**(27,565)**	(26,608)
Profit from operations		**21,752**	50,094
Interest income		**552**	570
Interest expense		**(13,281)**	(11,847)
Profit before taxation	4	**9,023**	38,817
Income tax	5(a)	**(2,535)**	(9,341)
Profit for the year		**6,488**	29,476
Attributable to:			
Equity shareholders of the Company		**431**	17,510
Non-controlling interests		**6,057**	11,966
Profit for the year		**6,488**	29,476
Earnings per share	6		
Basic (Cents)		**0.27**	10.95
Diluted (Cents)		**0.27**	10.95

	Note	For the year ended December 31, 2021 RMB'000 (Audited)	2020 RMB'000
Profit for the year		**6,488**	29,476
Other comprehensive income for the year		**–**	–
Total comprehensive income for the year		**6,488**	29,476
Attributable to:			
Equity shareholders of the Company		**431**	17,510
Non-controlling interests		**6,057**	11,966
Total comprehensive income for the year		**6,488**	29,476

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31, 2021

	Note	At December 31, 2021 RMB'000 (Audited)	At December 31, 2020 RMB'000
Non-current assets			
Property, plant and equipment	7	**516,577**	553,325
Right-of-use assets for properties		**72,095**	73,865
Intangible assets		**2,455**	3,124
Deferred tax assets		**1,844**	–
Other receivables and assets		**1,250**	–
Goodwill	8	**537**	537
		594,758	630,851
Current assets			
Inventories		**10,071**	11,802
Contract assets		**44**	28
Trade and bill receivables	9	**55,339**	31,836
Other receivables and assets	10	**24,599**	7,880
Cash and cash equivalents	11	**186,141**	126,916
Restricted deposits		**2,600**	1,000
		278,794	179,462
Current liabilities			
Trade and other payables	12	**100,602**	47,805
Loans and borrowings		**188,196**	115,509
Contract liabilities		**22,660**	22,442
Salary and welfare payables		**4,575**	3,110
Current taxation		**2,299**	2,403
Lease liabilities		**131**	79
Current portion of other non-current liabilities	14	**–**	85,098
		318,463	276,446
Net current liabilities		**(39,669)**	(96,984)
Total assets less current liabilities		**555,089**	533,867

	Note	At December 31, 2021 RMB'000 (Audited)	At December 31, 2020 RMB'000
Non-current liabilities			
Loans and borrowings		**109,938**	80,099
Lease liabilities		**1,472**	1,148
Deferred income		**19,912**	21,821
Contract liabilities		**5,952**	6,438
Deferred tax liabilities		**5,592**	5,730
Other non-current liabilities	*14*	**–**	–
		142,866	115,236
NET ASSETS		**412,223**	418,631
CAPITAL AND RESERVES			
Share capital		**159,921**	159,921
Reserves		**147,196**	154,761
Total equity attributable to equity shareholders of the Company		**307,117**	314,682
Non-controlling interests		**105,106**	103,949
TOTAL EQUITY		**412,223**	418,631

NOTES TO THE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

For the year ended December 31, 2021
(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 2021 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 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 2021, the Group had net current liabilities of RMB40 million. Notwithstanding the net current liabilities as at 31 December 2021, the consolidated financial statements continue to be prepared on a going concern basis in light of the below circumstances:

(i) given the fact that the upstream and downstream price linkage mechanism of gas has been established since August 2021, the Group is able to adjust the selling prices upwards to respond to the rise in procurement costs of coal. Accordingly, 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 RMB86 million and unutilised facility granted by finance lease institution of RMB125 million at 31 December 2021, respectively.

Consequently, the Directors are of the opinion that it is appropriate to prepare the Group's financial statements for the year ended 31 December 2021 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 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16, Interest rate benchmark reform – phase 2

- Amendment to IFRS 16, Covid-19-related rent concessions beyond 30 June 2021

Impacts of the adoption of the amended IFRSs are discussed below:

Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16, Interest rate benchmark reform – phase 2

The amendments provide targeted reliefs from (i) accounting for changes in the basis for determining contractual cash flows of financial assets, financial liabilities and lease liabilities as modifications, and (ii) discontinuing hedge accounting when an interest rate benchmark is replaced by an alternative benchmark rate as a result of the reform of interbank offered rates ("**IBOR reform**"). The amendments do not have an impact on these financial statements as the Group does not have contracts that are indexed to benchmark interest rates which are subject to the IBOR reform.

Amendment to IFRS 16, Covid-19-related rent concessions beyond 30 June 2021 (2021 amendment)

The Group previously applied the practical expedient in IFRS 16 such that as lessee it was not required to assess whether rent concessions occurring as a direct consequence of the COVID-19 pandemic were lease modifications, if the eligibility conditions are met. One of these conditions requires the reduction in lease payments affect only payments originally due on or before a specified time limit. The 2021 amendment extends this time limit from 30 June 2021 to 30 June 2022.

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.

(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 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, 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), steam to the industrial and commercial customers in Tianjin Port Free Trade Zone (Lingang) and photovoltaic power generation and selling.
- Others: construction and operation maintenance of industrial facilities, trading of electronic components.

(a) Disaggregation of revenue

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

	2021	2020
	RMB'000	*RMB'000*
Revenue from contracts with customers within the scope of IFRS 15		
– Electricity dispatch and sale	**185,267**	162,288
– Power generation and supply	**414,173**	305,215
– Others	**17,928**	14,569
	617,368	482,072

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

The Group includes two (2020: one) customers with whom transactions have exceeded 10% of the Group's revenue. In 2021 revenue from these customers amounted to approximately RMB171 million (2020: RMB76 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, building and structure for general management use and other corporate assets. Segment liabilities include segment borrowings, trade and other payables, lease liabilities, contract liabilities, salary and welfare payables, deferred income and deferred tax liabilities, except for borrowings and other corporate 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 2021 and 2020 is set out below.

	Electricity dispatch and sale		**Power generation and supply**		**Others**		**Total**	
For the year ended 31 December	**2021**	2020	**2021**	2020	**2021**	2020	**2021**	2020
	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	**185,267**	162,288	**414,173**	305,215	**117**	1,146	**599,557**	468,649
Over time	**–**	–	**–**	–	**17,811**	13,423	**17,811**	13,423
Revenue from external customers	**185,267**	162,288	**414,173**	305,215	**17,928**	14,569	**617,368**	482,072
Inter-segment revenue	**3,149**	3,364	**–**	–	**–**	–	**3,149**	3,364
Reportable segment revenue	**188,416**	165,652	**414,173**	305,215	**17,928**	14,569	**620,517**	485,436
Reportable segment profit (adjusted EBITDA)	**11,198**	11,624	**74,415**	95,923	**5,625**	4,709	**91,238**	112,256
Depreciation and amortisation for the year	**6,061**	5,722	**36,931**	29,326	**1,041**	1,031	**44,033**	36,079
Reportable segment assets	**84,228**	70,370	**559,950**	579,745	**12,589**	7,029	**656,767**	657,144
Additions to non-current segment assets during the year	**98**	3,959	**3,324**	362,851	**59**	39	**3,481**	366,849
Reportable segment liabilities	**45,781**	29,033	**86,432**	57,571	**13,821**	12,766	**146,034**	99,370

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

	2021	2020
	RMB'000	*RMB'000*
Revenue		
Reportable segment revenue	**620,517**	485,436
Elimination of inter-segment revenue	**(3,149)**	(3,364)
Consolidated revenue	**617,368**	482,072

	2021	2020
	RMB'000	*RMB'000*
Profit		
Reportable segment profit	**91,238**	112,256
Other net income	**1,160**	525
Interest income	**552**	570
Interest expense	**(13,281)**	(11,847)
Depreciation and amortisation	**(44,033)**	(36,871)
Unallocated head office and corporate expenses	**(26,613)**	(25,816)
Consolidated profit before taxation	**9,023**	38,817

	At 31 December 2021	At 31 December 2020
	RMB'000	*RMB'000*
Assets		
Reportable segment assets	**656,767**	657,144
Unallocated head office and corporate assets	**216,785**	153,169
Consolidated total assets	**873,552**	810,313

	At 31 December 2021	At 31 December 2020
	RMB'000	*RMB'000*
Liabilities		
Reportable segment liabilities	**146,034**	99,370
Unallocated head office and corporate liabilities	**315,295**	292,312
Consolidated total liabilities	**461,329**	391,682

(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

	2021	2020
	RMB'000	*RMB'000*
Price subsidy *(Note)*	**40,110**	–
Government grants	**1,986**	1,134
Net foreign exchange losses	**(442)**	(867)
Gain/(loss) from disposal of fixed assets	**1,237**	(44)
Others	**288**	1,856
	43,179	2,079

Note: Price subsidy is provided by the local PRC government authorities to the Group on the steam supply business due to the increased coal price and unmatched steam price due to the fixed steam price ruled by authorities for a certain time period in 2021.

4 PROFIT BEFORE TAXATION

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

	2021	2020
	RMB'000	*RMB'000*
(a) Finance costs		
Interest expense on payables due to shareholders	**3,285**	6,540
Interest on bank loans	**9,633**	4,843
Interest on other borrowings	**235**	–
Interest on lease liabilities	**79**	36
Other financial costs	**49**	428
	13,281	11,847

	2021	2020
	RMB'000	*RMB'000*
(b) Staff costs		
Contributions to defined contribution retirement plan	**2,535**	1,049
Salaries, wages and other benefits	**27,287**	23,333
	29,822	24,382
(c) Other items		
Amortisation		
– right-of-use assets for properties	**1,770**	1,291
– intangible assets	**750**	449
Depreciation	**41,514**	35,131
Auditors' remuneration	**1,226**	2,077
Purchase of electricity	**168,266**	143,719
Fuel	**286,858**	124,810
Outsourcing operation	**38,714**	35,677
Net foreign exchange losses	**442**	867

5 INCOME TAX IN THE CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

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

	2021	2020
	RMB'000	*RMB'000*
Current tax		
Provision for the year	**4,517**	11,401
Deferred tax		
Reversal of temporary differences	**(1,982)**	(2,060)
	2,535	9,341

The Group was subject to the statutory income tax rate of 25% for the year ended 31 December 2021 (2020: 25%).

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

	2021	2020
	RMB'000	*RMB'000*
Profit before taxation	**9,023**	38,817
Notional tax on profit before taxation	**2,256**	9,704
Others	**279**	(363)
Actual tax expenses	**2,535**	9,341

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 2021 of RMB431,000 (2020: RMB17,510,000) and the weighted average of 159,921,000 ordinary shares (2020: 159,921,000) in issue during the year, calculated as follows:

Weighted average number of ordinary shares

	2021	2020
	'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 (CIP) RMB'000	Total RMB'000
Cost:						
At 1 January 2020	16,806	639,381	1,200	26,512	–	683,899
Addition through acquisition of a 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
Additions	–	–	–	2,870	2,260	5,130
Transfer from CIP	–	3,420	–	557	(3,977)	–
Disposals	–	(7,325)	–	(446)	–	(7,771)
At 31 December 2021	**157,811**	**730,851**	**1,444**	**33,835**	**780**	**924,721**
Accumulated depreciation:						
At 1 January 2020	(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 disposals	–	689	140	155	–	984
At 31 December 2020	(11,373)	(345,567)	(1,023)	(16,074)	–	(374,037)
Charge for the year	(6,100)	(32,056)	(72)	(3,286)	–	(41,514)
Written back on disposals	–	6,976	–	431	–	7,407
At 31 December 2021	**(17,473)**	**(370,647)**	**(1,095)**	**(18,929)**	**–**	**(408,144)**
Net book value:						
At 31 December 2021	**140,338**	**360,204**	**349**	**14,906**	**780**	**516,577**
At 31 December 2020	146,438	389,189	421	14,780	2,497	553,325

(b) Right-of-use assets

The analysis of the net book value of right-of-use assets included in property, plant and equipment by class of underlying asset is as follows:

	31 December 2021 *RMB'000*	31 December 2020 *RMB'000*
Buildings and structure leased for own use, carried at depreciated cost	**1,570**	1,243
	1,570	1,243

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

	2021 *RMB'000*	2020 *RMB'000*
Depreciation charge of right-of-use assets by class of underlying asset:		
Motor vehicles	**–**	128
Buildings and structure leased for own use, carried at depreciated cost	**156**	81
	156	209
Interest on lease liabilities *(note 5(a))*	**79**	36
Expense relating to short-term leases and other leases with remaining lease term ending on or before 31 December 2021	**441**	524
Expense relating to leases of low-value assets, excluding short-term leases of low-value assets	**22**	13

(c) Assessing impairment

Electricity dispatch and sale business in Seaport, power generation and supply business in Seaport and power generation and supply business in Tianjin Tianbao Lingang Thermal Power Co., Ltd. have been identified as three separate cash-generating units ("**CGUs**") for impairment assessment purpose. For those CGUs where an indicator of impairment was identified, management compares the carrying amounts of the property, plant and equipment and right-of-use assets for properties allocated to each CGU with the respective recoverable amounts, which are estimated by calculating their value in use based on a discounted cash flow forecasts, to determine the amount of impairment loss, if any. The management are of the view that there is nil impairment loss amount for the property, plant and equipment and right -of-use assets for properties as at 31 December 2021 (2020: nil).

8 GOODWILL

	At 31 December 2021 *RMB'000*
Cost	
Balance at 1 January 2021 and 31 December 2021	**537**
Impairment losses	
Balance at 1 January 2021 and 31 December 2021	**–**
Carrying amounts	
Balance at 31 December 2021 and 31 December 2021	**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% (2020: 0%). 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 9.05% (2020: 9.42%). The discount rate used are pre-tax and reflect specific risks relating to the relevant segment.

9 TRADE AND BILL RECEIVABLES

	At 31 December 2021	At 31 December 2020
	RMB'000	*RMB'000*
Accounts receivable, net of loss allowance	**54,249**	30,507
Bills receivable	**1,090**	1,329
	55,339	31,836

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:

	2021	2020
	RMB'000	*RMB'000*
Within 3 months	**54,565**	29,336
4 to 6 months	**231**	2,500
7 to 9 months	**532**	–
10 to 12 months	**11**	–
Over 12 months	**–**	–
	55,339	31,836

Trade receivables are generally due within 30 – 90 days from the date of billing. Further details on the Group's credit policy and credit risk arising from trade debtors and bills receivable are set out in note 27(a).

10 OTHER RECEIVABLES AND ASSETS

	At 31 December 2021	At 31 December 2020
	RMB'000	*RMB'000*
Current		
Price subsidy	**15,920**	–
Value added tax recoverable	**7,214**	5,861
Corporation income tax recoverable	**715**	1,518
Deposits with third parties	**22**	22
Advance to suppliers	**728**	479
	24,599	7,880
Non-current		
Deposits with third parties	**1,250**	–

11 CASH AND CASH EQUIVALENTS

(a) Cash and cash equivalents comprise:

	At 31 December 2021 *RMB'000*	At 31 December 2020 *RMB'000*
Cash at bank	**186,141**	126,916

(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 *RMB'000*	**Loans and borrowings** *RMB'000*	**Interest payables** *RMB'000*	**Lease liabilities** *RMB'000*	**Payable to shareholders for capital reduction** *RMB'000*	**Total** *RMB'000*
At 1 January 2021	**–**	**195,608**	**267**	**1,227**	**85,098**	**282,200**
Cash flows:						
Dividends paid	**(12,896)**	**–**	**–**	**–**	**–**	**(12,896)**
Proceeds from new bank loans	**–**	**193,000**	**–**	**–**	**–**	**193,000**
Proceeds from other borrowings, net of deposit	**–**	**23,750**	**–**	**–**	**–**	**23,750**
Repayment of bank loans	**–**	**(115,709)**	**–**	**–**	**–**	**(115,709)**
Payment to shareholders for capital reduction	**–**	**–**	**–**	**–**	**(88,383)**	**(88,383)**
Interest paid	**–**	**–**	**(9,749)**	**–**	**–**	**(9,749)**
Capital element of lease rentals paid	**–**	**–**	**–**	**(194)**	**–**	**(194)**
Interest element of lease rentals paid	**–**	**–**	**–**	**(79)**	**–**	**(79)**
Non-cash changes:						
Increase in lease liabilities from entering into new leases during the year	**–**	**–**	**–**	**570**	**–**	**570**
Deposit placed	**–**	**1,250**	**–**	**–**	**–**	**1,250**
Interest incurred	**–**	**235**	**9,633**	**79**	**3,285**	**13,232**
Dividends declared	**12,896**	**–**	**–**	**–**	**–**	**12,896**
At 31 December 2021	**–**	**298,134**	**151**	**1,603**	**–**	**299,888**

	Dividends payable *RMB'000*	Loans and borrowings *RMB'000*	Interest payables *RMB'000*	Lease liabilities *RMB'000*	Payable to shareholders for capital reduction *RMB'000*	Total *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

(c) Total cash outflow for leases

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

	2021 ***RMB'000***	2020 *RMB'000*
Within operating cash flows	**463**	546
Within financing cash flows	**273**	263
	736	809

These amounts relate to the following:

	2021 ***RMB'000***	2020 *RMB'000*
Lease rentals paid	**736**	809

12 TRADE AND OTHER PAYABLES

	At 31 December 2021	At 31 December 2020
	RMB'000	*RMB'000*
Trade payable to third parties	**92,919**	39,819
Deposit received	**2,153**	6,376
Payables for value added tax and other taxes	**3,209**	395
Payables for purchase of property, plant and equipment	**1,115**	–
Others	**1,206**	1,215
	100,602	47,805

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:

	2021	2020
	RMB'000	*RMB'000*
Within 3 months	**80,757**	33,061
4 to 6 months	**19,728**	13,950
7 to 12 months	**117**	70
Over 12 months	**–**	724
	100,602	47,805

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

	2021	2020
	RMB'000	*RMB'000*
Nil final dividend proposed after the end of the reporting period (2020: RMB0.05 per ordinary share)	–	7,996

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

	2021	2020
	RMB'000	*RMB'000*
Final dividend in respect of the previous financial year, approved and paid during the year, of RMB0.05 per ordinary share (2020: RMB0.03)	**7,996**	4,798

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 2021, the Company repaid to Tianjin Tianbao Holdings Limited the remaining amount of RMB88,384,000.

15 NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD

On 30 January 2022, the board of directors resolved to approve a potential capital increase of Tianjin Tianbao Lingang Thermal Power Co., Ltd. for no less than RMB40.8240 million and RMB9.1646 million by the potential investor and the Company, respectively and a potential construction works of the gas distributed energy station project of Tianjin Tianbao Lingang Thermal Power Co., Ltd. In the first quarter of 2022, the project has been approved by the Shareholders.

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY REVIEW

Although China has been focusing on the development of nuclear power and new energy power generation in recent years, thermal power generation still accounts for a very large proportion of the overall power generated. However, it can be seen from the change of power generation structure in recent years that the proportion of thermal power generation in China is gradually decreasing, while that of wind power, photovoltaic, nuclear and other energy generation is gradually increasing. With the accelerated development of new energy and change in power consumption characteristics, the demand for peak shaving by the system will increase continuously. There are few hydropower stations with adjustable capacity in China, and the proportion of gas-fired power in the overall energy market is low. Therefore coal-fired power is currently the most economical and reliable peak shaving power source. The market position of coal-fired power will gradually change from the traditional position of being the main source of power and electricity supply to being an adjustable power supply that provides reliable capacity, electricity and flexibility. The utilization hours of coal-fired power will continue to decrease.

The "14th Five-Year Plan" initiated in 2021 proposed to deepen the supply-side structural reform and to develop low-carbon electricity for the power industry, which is targeted at achieving clean, efficient and sustainable development of the power industry through efficient utilization of energy, development of clean energy and reduction of pollutant emissions. China has put forward relevant plans in terms of photovoltaic, hydropower, nuclear power, etc., requiring clean energy-based power generation to be able to undertake the role of main power generation.

The Group completed the comprehensive transformation of ultra-low emission and energy conservation 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 conservation, 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 operational 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 systems, promoting low-carbon development of hydrogen production by coal, and helping to achieve the goal of carbon neutrality.

China's electric power system reform will continue to deepen, and the market mechanism will continue to improve. According to the Notice of the National Development and Reform Commission on Further Deepening the Market-oriented Reform of The On-grid Price of Coal-fired Power Generation (Fa Gai Jia Ge [2021] No. 1439) (《國家發展改革委關於進一步深化燃煤發電上網電價市場化改革的通知》(發改價格[2021]1439號)), the on-grid price of all electricity generated by coal-fired will be lifted in an orderly manner, the range of market-based prices will be expanded, all industrial and commercial users will be encouraged to enter the market, and the catalog price for electricity supply of industrial and commercial businesses will be canceled. It targets to maintain stable electricity prices for household, agricultural, and public welfare, give full play to the decisive role of the market in resource allocation, better leverage the role of the government to ensure a safe and stable supply of electricity, promote the optimization and upgrading of the industrial structure, and promote the construction of new power systems, and help achieve the goal of peaking carbon dioxide emissions and ensuring carbon neutrality. This is of great significance to change the situation in the past few years that electricity prices have been falling unilaterally, while electricity prices for industrial and commercial businesses would only increase but not fall. This would alleviate the losses of coal power generation enterprises and improve the market mechanism.

According to the Notice of Tianjin Development and Reform Commission on Matters Related to Deepening the Reform of Electricity Price (Jin Fa Gai Jia Zong [2021] No. 313) (《市發展改革委關於深化電價改革有關事項的通知》(津發改價綜[2021]313號)), from October 15, 2021, all the coal-fired power generation capacity in Tianjin will enter the market in principle, and the on-grid price will be set within the range of "base price + fluctuation", in which the base price is RMB0.3655 per kilowatt-hour and the fluctuation shall be no more than 20%. The market transaction price of large energy consumers is not subject to the range of 20% rise. Spot prices of electricity are not subject to the above range. The above policies contributed to the increase of revenue of the Group from the power distribution and sales business, but had no significant impact on the overall performance.

BUSINESS REVIEW FOR THE YEAR OF 2021

(1) Initiation of Lingang Thermal Power's gas distributed energy station project

Lingang Thermal Power has invested in a number of environmental protection technology renovation projects in recent years, and its coal-fired boiler has achieved ultra-low emission standards. As set forth in the 14th Five-Year Strategic Development Plan of the Group, the Group will vigorously expand its clean energy business, and taking into account the guidance of National Development and Reform Commission and the National Energy Administration on the promotion of load and storage integration in power supply networks and the development of multiple energy resources and based on the actual development situation, establish gas distributed energy projects during the 14th Five-Year Plan period. In response to the central government's policy of "carbon reduction and coal control" and in order to meet the new energy demand of customers in the industrial park in the future, Lingang Thermal Power initiated the gas distributed energy station project during the year of 2021. Upon the completion of the gas distributed energy station project, Lingang Thermal Power will use natural gas instead of coal as a fuel for steam production. As the governmental policies require for the reduction and cessation in use of coal-fired boilers, this project may make up for the gap in the supply of steam for industrial use, thereby safeguarding the continuous stability of power supply for manufacturers in the relevant area. This project will become the first regional distributed energy station to realize combined heat and power system in Tianjin, accelerate the business upgrading of the Company, and meet the future development requirements of the industry.

(2) Kick-off of capital increase of Lingang Thermal Power and introduction of strategic investors

During the year of 2021, the Group promoted the capital increase of Lingang Thermal Power and intended to introduce external investors. The capital increase in Lingang Thermal Power and the introduction of strategic investors will further optimize the equity structure, raise funds for the construction of gas distributed energy station project of Lingang Thermal Power, improve the future market competitiveness of Lingang Thermal Power, give full play to the advantages of shareholders' resources and facilitate the development of Lingang Thermal Power's businesses. It is also a reflection of the Company's compliance with the direction of market-oriented reform and meeting the requirements of the Three-year Action Plan for SOE Reform (2020-2022) to improve the modern enterprise system with Chinese characteristics.

(3) Launch of contractual energy management project

In 2021, the Group won the tender to participate in the smart street lamp contractual energy management project in Tianjin Port Free Trade Zone, in which we will provide contractual energy management services to upgrade and manage the public lighting in Tianjin Port Free Trade Zone. Covering the public road lighting facilities in Tianjin Port Free Trade Zone, the project is the integrated contractual energy management project with electricity charging and facilities management for municipal public lighting facilities in Tianjin. Upon the completion of the project, it is expected that approximately 12 million kWh will be conserved annually and reduction in the emission of CO_2 by approximately 11,000 tons, thereby cohering with the national strategy of "peak carbon dioxide emission and carbon neutrality".

(4) Safeguarding of the energy supply for the industrial park

Coal-fired power companies were faced with a grim and complex environment in 2021. Due to the continuous recovery of the Chinese economy, as well as overall economic recovery, energy replacement, cold weather, low base and other factors, the demand for electricity increased rapidly. However, due to the limited supply of coal, many provinces across the country issued notices of orderly power consumption or power rationing. At the same time, the sharp increase in coal prices caused a serious impact on coal-fired power enterprises, resulting in a decline in willingness to generate power and the widespread practice of power rationing.

As a regional energy supplier, the Group fully turned on the emergency energy supply mechanism, promptly adjusted and improved the orderly power consumption scheme, and established the orderly power consumption mechanism of alternating peak production in turn, so as to meet the customers' needs to the greatest extent. We strengthened the investigation of power grid security risks, enhanced operation maintenance, and made scientific scheduling of early warning based on reasonable power gap warning, in order to avoid production accident caused by sudden power outage. We ensured the sufficiency of coal stock to meet demand from production, and made scientific and reasonable arrangements for coal procurement and transportation, taking into account the market trends, environmental factors and production demand, in order to ensure the stable production of the Group. During the period of power rationing, the Group effectively safeguarded the stability of regional energy supply by taking various measures to "secure electricity supply", "secure heat supply" and "secure coal supply" based on overall planning and detailed deployment.

(5) Safe production and epidemic prevention and control

In 2021, the Group attached great importance to production safety, strengthened the awareness of the red line of production safety, adhered to the principle of "life first and safety first". By strengthening top-level design and taking multiple measures, the Group implemented the main responsibility for production safety, and all employees participated in the whole process. Controlling the safety production in all aspects of production and operation activities has kept the overall safety situation of the Company stable. The Group did not have any production accident in 2021.

In active response to the call of the state, the Group supported the epidemic prevention and control and nucleic acid screening and testing in Binhai New Area, Tianjin, while making best effort to ensure the energy supply of enterprises and households in the area. Party members and cadres led all the employees to solve difficulties brought by the epidemic for the customers, helping them resume production and improve their epidemic prevention capacity.

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

With the gradual recovery of China's economy and the rebound of demand for energy, COVID-19 had no significant impact on the Group's daily operations.

According to the work requirements of Tianjin and Binhai New Area governments on the normalization of the prevention and control of the COVID-19, the Group promptly adjusted the epidemic prevention work rules, implemented measures such as disinfection and ventilation in the workplace, and personal protection, organized all employees and employees of outsourced units to receive vaccination against COVID-19, and strictly checked the "health QR code" and "travel code" of external visitors. The Group dispatched more than 10 employees to participate in the "132 Working Group" of epidemic prevention in Tianjin Port Free Trade Zone to assist its management committee to inspect the epidemic prevention work of the enterprises in the zone. When the Tianjin Port Free Trade Zone Management Committee organised vaccination activity, particular electricity safeguarding work was carried out for vaccination sites.

OPERATING RESULTS AND ANALYSIS

According to the Company's statistics, in 2021, sales of steam amounted to 1.795 million tons, representing an increase of 27.8% from 1.404 million tons over the corresponding period of the previous year, mainly due to there are four additional months of Lingang Thermal Power's steam sales statistics in 2021 when compared to 2020 as the inclusion of Lingang Thermal Power in the consolidated financial statements of the Group only commenced in May 2020. Sales of electricity amounted to 277.087 million kilowatt-hours, representing an increase of 17.6% from 235.608 million kilowatt-hours over the corresponding period of the previous year, mainly due to the higher electricity demand of users in the area with the recovery from the epidemic this year when compared to the lower electricity demand of users in the area affected by the COVID-19 epidemic and the Sino-US trade war in 2020, and during the year, on-grid power generation amounted to 52.744 million kilowatt-hours, representing a decrease of 2.8% from 54.236 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 2020 and 2021, we have analyzed the indicators which significantly affected the operating income and profit before tax of the Company in 2021, details of which are as follows:

(1) Operating income

In 2021, the Group recorded a consolidated operating income of RMB617.368 million, representing an increase from RMB482.072 million over the corresponding period of the previous year, mainly due to the increase in income from electricity dispatch and sale and power generation and supply.

Electricity dispatch and sale segment

The income from our electricity dispatch and sale segment increased by 14.2% from RMB162.288 million for the whole year of 2020 to RMB185.267 million for the whole year of 2021, mainly due to the higher electricity demand of users in the area with the recovery from the epidemic this year when compared to the lower electricity demand of users in the area affected by the COVID-19 epidemic and the Sino-US trade war in 2020.

Power generation and supply segment

The income from our power generation and supply segment increased by 35.7% from RMB305.215 million for the whole year of 2020 to RMB414.173 million for the whole year of 2021, mainly due to there are four additional months of Lingang Thermal Power's steam sales statistics in 2021 when compared to 2020 as the inclusion of Lingang Thermal Power in the consolidated financial statements of the Group only commenced in May 2020; at the same time, in response to the increase in fuel costs, the Group has established a market-oriented pricing mechanism and the selling price of steam has increased.

Other segments

The income from other segments increased by 23.1% from RMB14.569 million for the whole year of 2020 to RMB17.928 million for the whole year of 2021, mainly due to the increase in facility operation and maintenance services.

(2) Other net income

In 2021, the Group recorded other net income of RMB43.179 million, representing an increase of 1,976.9% as compared with the corresponding period of the previous year of RMB2.079 million, which was primarily due to steam price subsidy granted to the Group in 2021.

(3) Segment costs

Electricity dispatch and sale segment

The costs of our electricity dispatch and sale segment increased by 16.5% from RMB157.331 million for the whole year of 2020 to RMB183.280 million for the whole year of 2021, mainly due to the higher electricity demand of users in the area with the recovery from the epidemic this year when compared to the lower electricity demand of users in the area affected by the COVID-19 epidemic and the Sino-US trade war in 2020, which resulted in the increased amount of electricity purchased by the Group and higher cost of electricity.

Power generation and supply segment

The costs of our power generation and supply segment increased by 72.4% from RMB241.075 million for the whole year of 2020 to RMB415.552 million for the whole year of 2021, mainly due to there are four additional months of Lingang Thermal Power's steam sales statistics in 2021 when compared to 2020 as the inclusion of Lingang Thermal Power in the consolidated financial statements of the Group only commenced in May 2020. Besides, due to multiple factors, domestic coal prices rose rapidly and hit record highs, resulting in a significant increase in fuel costs for the year.

Other segments

The costs of other segments increased by 37.0% from RMB9.048 million for the whole year of 2020 to RMB12.398 million for the whole year of 2021, mainly due to the increase in the facility operation and maintenance services for the year resulted in an increase in the cost of operation and maintenance services required.

(4) Segment gross profit

Electricity dispatch and sale segment

The gross profit from our electricity dispatch and sale segment decreased by 59.9% from RMB4.957 million for the whole year of 2020 to RMB1.987 million for the whole year of 2021, mainly due to the change of the basic electricity charge collection method during the year from a fixed amount to an on-demand payment by customers, resulting in a decrease in the basic electricity charge revenue in 2021.

Power generation and supply segment

The gross profit from our power generation and supply segment decreased by 102.1% from RMB64.140 million for the whole year of 2020 to RMB-1.379 million for the whole year of 2021, mainly due to the rapid increase of domestic coal prices under the influence of multiple factors, which led to a record high, resulting in a significant increase in fuel costs for the year.

Other segments

The gross profit from other segments increased by 0.2% from RMB5.521 million for the whole year of 2020 to RMB5.530 million for the whole year of 2021.

(5) EBITDA

EBITDA decreased by 18.7% from RMB112.256 million for the whole year of 2020 to RMB91.238 million for the whole year of 2021.

(6) Finance costs

In 2021, the Group recorded finance costs of RMB13.281 million, representing an increase of 12.1% as compared with the corresponding period of the previous year of RMB11.847 million, which was primarily due to the increase in interest expense as a result of the expansion of the Group's financing scale.

(7) Fuel costs

In 2021, the Group recorded fuel costs of RMB286.858 million, representing an increase of 129.8% as compared with the corresponding period of the previous year of RMB124.810 million, which was primarily due to there are four additional months of Lingang Thermal Power's steam sales statistics in 2021 when compared to 2020 as the inclusion of Lingang Thermal Power in the consolidated financial statements of the Group only commenced in May 2020. Besides, due to multiple factors, domestic coal prices rose rapidly and hit record highs, resulting in a significant increase in fuel costs for the year.

(8) Profit before tax

The profit before tax decreased by 76.8% from RMB38.817 million for the whole year of 2020 to RMB9.023 million for the whole year of 2021, which was mainly due to a sharp decrease in profit before tax as a result of the significant increase in coal prices and a greater increase in fuel costs compared with revenue in 2021.

(9) Income tax expenses

In 2021, the Group recorded income tax expenses of RMB2.535 million, representing a decrease of 72.9% as compared with the corresponding period of the previous year of RMB9.341 million, which was primarily due to the decrease in profits before tax for the year of 2021.

(10) Profit for the year attributed to the parent company

Profit for the year attributed to the parent company decreased by 97.5% from RMB17.510 million for the whole year of 2020 to RMB0.431 million for the whole year of 2021, which was mainly due to a sharp decrease in profit attributed to the parent company as a result of the significant increase in coal prices and a greater increase in fuel costs compared with revenue in 2021.

FINANCIAL POSITION

(1) Assets and liabilities

Total assets increased by 7.8% from RMB810.313 million as at the end of 2020 to RMB873.552 million as at the end of 2021, mainly due to the increase in receivables of electricity sales and steam price subsidy. Total liabilities increased by 17.8% from RMB391.682 million as at the end of 2020 to RMB461.329 million as at the end of 2021, mainly due to the increase in borrowings during the year.

As of the end of 2021, our current assets amounted to RMB278.794 million, representing an increase of 55.3% as compared with the end of 2020 of RMB179.462 million, of which cash and cash equivalents amounted to RMB186.141 million (end of 2020: RMB126.916 million), trade and bill receivables amounted to RMB55.339 million (end of 2020: RMB31.836 million), which was mainly the increase in electricity sales receivables. Our current liabilities amounted to RMB318.463 million (end of 2020: RMB276.446 million), of which trade and other payables amounted to RMB100.602 million (end of 2020: RMB47.805 million), and non-current liabilities amounted to RMB142.866 million (end of 2020: RMB115.236 million).

(2) Cash and cash equivalents

As at the end of 2021, the Group recorded cash and cash equivalents of RMB186.141 million in aggregate, representing an increase of 46.7% as compared with the end of the previous year of RMB126.916 million, which was primarily due to the shortening of steam sales settlement period which led to speeding up of receipt of capital.

(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 2021, the Group recorded a gearing ratio of 1.12, representing an increase as compared with the corresponding period of the previous year of 0.94, which was primarily due to the increase in new borrowings during the year.

OVERVIEW OF HUMAN RESOURCES

As of December 31, 2021, the Group had 63 employees. The table below shows the number of employees in each of the business section as of December 31, 2021.

Function	Number of employees	Percentage
Management, administration, finance	22	34.9%
Marketing	7	11.1%
Procurement	5	7.9%
Engineering and technology	29	46.1%
Total	**63**	**100.0%**

To cope with its development, the Group, on the basis of the position-oriented accountability system, has established a sound performance appraisal mechanism covering all employees to assess employees quarterly. Guided by assessment and incentive, we enhanced the promotion channel of employees in technical sequence, added special rewards for new project development, continuously optimized the evaluation methods for performance appraisal of all posts, and practically exerted the role of assessment, so as to stimulate the enthusiasm of employees.

Employees' remuneration includes basic salary and performance-based salary, and the latter is related to both the performance evaluation of the Group and that of the respective employees. During the Reporting Period, we had incurred staff cost (including salary, welfare and bonus) of RMB29.822 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 2021, the Group carried out comprehensive and diversified trainings for management personnel, technical personnel and skilled personnel according to different layers and segments so as to improve the professional capacity and management level of the employees. In 2021, the Company organized 4 safety production trainings for all employees, and 28 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, the PRC Social Insurance Law and the Regulations on Management of Housing Provident Fund by paying social insurance, housing provident fund as well as enterprise annuity to reinforce employees' sense of belonging and happiness.

Employees of the Group are required to participate in defined contribution retirement schemes which are administered and operated by the local municipal government. The Group contributes to the employees' retirement benefit scheme, the amount of which is calculated according to a certain proportion based on the applicable average wage and according to the scope agreed by the local municipal government. The Group's contributions to the defined contribution plan, including the social pension insurance schemes and the annuity, are recognised as expenses when incurred. Forfeited contributions could not be utilized to reduce the existing level of contribution, thus, as of December 31, 2021, there is no forfeited contributions that may be used by the Group to reduce the existing level of contribution.

The Group is committed to gender equality by providing fair recruitment, training and promotion opportunities for all employees. By the end of 2021, women represented over 25% of the Group's total workforce. The Group continues to make progress in nurturing talented female leaders across all management levels. In addition, the Company is committed to fostering a working environment that is professional, inclusive and non-discriminatory for employees to unleash their potential. In our workplaces, differences are understood, appreciated and encouraged. Each employee, without regard to religion, age, gender or gender identity, disability, sexual orientation, is provided with fair opportunity on the Group's diverse platform.

OTHER SIGNIFICANT EVENTS

(1) Capital expenditure

In 2021, cash capital expenditure (inclusive of tax) of the Group was RMB8.591 million, of which expenses for procurement of flue gas monitoring system amounted to RMB1.152 million, expenses of preliminary Gas Distributed Energy Station Project amounted to RMB0.455 million, expenses of de-nitrification quality improvement and upgrading project amounted to RMB 2.142 million, expenses of de-plume project amounted to RMB2.68 million, expenses for procurement of reduced-pressure steam turbine equipment modified by steam-electric drive technology for 4# boiler feed pump amounted to RMB0.268 million, expenses of distributed photovoltaic power generation project amounted to RMB1.141 million, expenses of procurement of other equipment amounted to RMB0.753 million.

In addition, Gas Distributed Energy Station Project of Lingang Thermal Power, which involves the procurement of gas boilers, procurement of gas turbines and construction works, has been approved by the Shareholders in the first quarter of 2022 and the Group expects to incur capital expenditure of approximately RMB 231.89 million in 2022. For details of the project, please refer to the announcement of the Company dated January 31 , 2022 and the circular of the Company dated March 8, 2022.

(2) Liquidity and financial resources

As at December 31, 2021, the Group had cash and cash equivalents amounting to RMB186.141 million in aggregate; loans and borrowings of RMB298.134 million which include short-term borrowings of RMB188.196 million and the non-current portion of long-term borrowings of RMB109.938 million, while secured and guaranteed borrowings amounted to RMB101.934 million and unsecured borrowings amounted to RMB196.200 million, all of which were with fixed interest rates. 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

As of December 31, 2021, there had been no material acquisition and assets disposal of the Group.

(4) Significant investments

As of December 31, 2021, the Group did not have significant investments.

(5) Contingent liabilities

As of December 31, 2021, 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 approximately RMB25.000 million, the Group did not have contingent liabilities.

(6) Loans and borrowings of the Group

As of December 31, 2021, the Group had loans and borrowings of RMB298.134 million which include short-term borrowings of RMB188.196 million and the non-current portion of long-term borrowings of RMB109.938 million, while secured and guaranteed borrowings amounted to RMB101.934 million and unsecured borrowings amounted to RMB196.200 million, all of which were with fixed interest rates.

(7) Other debts of the Group

As of 31 December 2021, the Group had lease liabilities of RMB1.603 million in addition to the loans and borrowings of the Group.

(8) Charges and pledges on the Group's assets

As of December 31, 2021, the Company has pledged its gas supply facilities, equipment and related parts with a value of RMB31.564 million as security for a finance lease with balance amounting to RMB25.234 million as of December 31, 2021, the Company's subsidiary Lingang Thermal Power had pledged its trade receivables as security for a bank loan with balance amounting to RMB25.000 million as of December 31, 2021, and the Company had pledged its 51% equity interests in Lingang Thermal Power as security for a bank loan with balance amounting to RMB41.700 million as of December 31, 2021.

(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, 2021, 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

At present, the policy risk faced by the Group mainly comes from the power system reform.

In accordance with the overall requirements of "controlling the middle and liberalizing the two ends (the State shall control the price of power transmission and distribution in the middle, and liberalize the on-grid electricity price and sales price)" of the power system reform, the on-grid price of all electricity generated by coal-fired will be lifted in an orderly manner, the range of market-based prices will be expanded, all industrial and commercial users will be encouraged to enter the market, and the catalog price for electricity supply of industrial and commercial businesses will be canceled. It targets to maintain stable electricity prices for household, agricultural, and public welfare, give full play to the decisive role of the market in resource allocation, and better leverage the role of the government to ensure a safe and stable supply of electricity, promote the optimization and upgrading of the industrial structure, promote the construction of new power systems, and help achieve the goal of peaking carbon dioxide emissions and carbon neutrality.

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

(2) Material procurement management risk

Coal costs accounted for a large proportion of the Group's operating costs. China's coal price is mainly determined by the market supply and demand relationship. If there is a sharp increase in coal prices, the Group's operating costs will increase, which will adversely affect the Group's profitability.

To cope with the above risks, the Group closely tracked the changes in policies and domestic and foreign coal markets, strengthened the cooperation with competitive suppliers, continuously explored new procurement channels, carried out spot bidding procurement, enhanced fine coal management and strived to control coal costs. At the same time, the steam price was determined by the market. To avoid the Company's profit decreasing due to the large increase of coal price, an agreement on the linkage price of coal and steam was signed with the customer to reduce the corresponding risks.

(3) Safety risk

As a public utility company, the Group's production and operation safety issues will have a significant impact on the normal production of industrial users in the service area. 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 have carried out 9 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 their safety awareness. We regularly checked the fire prevention apparatus and anti-pollution equipment and kept records. The Group also formulated the equipment emergency response process to regulate the emergency operations, and carried out 33 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 the 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.

During the year, the Group formulated the Management Measures for the Remuneration and Performance of Deputy Heads and revised the Employee Performance Management Measures. The Company 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 functional 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 2022

The Group will, based on the "14th Five-Year Plan" development strategy, as well as the development orientation of becoming a comprehensive service provider of clean energy in the industry park, strengthen the Party leadership, deepen the reform of state-owned enterprises, focus on business development, improve economic benefits, seek progress in stability, and forge ahead, in order to make new and greater contributions for the building of Binhai New Area into an ecological, intelligent, livable and beautiful "Binhai City" integrating port, industry and community, and to welcome the 20th CPC National Congress with outstanding achievements.

In 2022, the Group will strive to accomplish the following tasks:

1. **To put the Gas Boilers of the gas distributed energy station project into operation**

   The Group will complete the construction of the gas boilers for the gas distributed energy station project of Lingang Thermal Power in 2022 and completely replace coal with natural gas for steam production by the end of 2022.

2. **To complete the capital increase of Lingang Thermal Power and introduction of strategic investors**

   We will continue to promote the capital increase of Lingang Thermal Power and introduction of strategic investors, and provide reliable financial support for the gas distributed energy station project, in order to ensure the smooth progress of the project. Meanwhile, leveraging the introduction of strategic investors of Lingang Thermal Power, we will redesign the corporate governance structure and organizational structure of Lingang Thermal Power, develop a scientific and modern management operation system, and make an in-depth exploration on the reform of the Group.

3. **To vigorously expand new energy business**

   We will, based on the agreement for the smart street lamp contract energy management project, gradually complete the modification and upgrade of the public road lighting facilities in Tianjin Port Free Trade Zone, and complete the commissioning and launch of the smart street lamps system. We will complete phase II of PV power generation project as soon as possible, and the power generation is expected to reach 4 million kWh per year after completion. We will continue to expand the installed capacity of PV distribution network and promote the construction of phase III of PV power generation project.

4. **To explore the energy service market**

The Company will provide users with comprehensive and customized energy services including market-based electricity transactions, electrical tests and electricity commission maintenance by making full use of the market advantages of regional energy suppliers and combining national industrial policies and industry development trends.

We will take advantage of the opportunity to construct the gas distributed energy station project to carry out investigation and research on market-based pricing mechanisms in other regions, and establish a market-based pricing mechanism after the coal-to-fuel conversion, so as to further deepen market reform.

5. **To strengthen the energy consumption control and explore new measures for cost reduction and efficiency improvement**

As a key energy consumer, the Group will continue to strengthen the energy consumption control according to the work requirements issued by the government, including total raw coal consumption control, energy "double control", energy conservation and consumption reduction. We will continue to improve the Group's thermal pipe network insulation maintenance, so as to improve insulation effect and reduce pipe depreciation. We will replace the bags of boiler dust collectors to reduce system resistance and fan power consumption. We will replace the chemical water ultrafiltration membrane to improve the water production rate and reduce the power consumption of the system.

6. **To coordinate epidemic prevention and control and ensure production safety**

The Group will promptly adjust the epidemic prevention and control work requirements based on the epidemic development. We will diligently implement daily epidemic prevention, carry out investigation of travel and residence history and vaccination status of local people and verification of visitors to Tianjin, and assist the Epidemic Prevention Office of Tianjin Port Free Trade Area in carrying out epidemic prevention related work. Focusing on the production safety of the gas distributed energy station project of Lingang Thermal Power, the contract energy management project and the photovoltaic construction project, we will build a set of standard, regular and effective safety management system, and improve the standardization level of safe production.

7. **To optimize internal control systems**

We will improve the classification and hierarchical authorization control in the internal control management system, avoid procedural redundancy, and strengthen daily supervision and control, so as to improve work efficiency. We will combine the construction of the quality management system with that of the institutional system, revise the system and institutional documents, and further optimize responsibilities, standards and procedures.

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 Part 2 of the Corporate Governance Code as set out in Appendix 14 of the Listing Rules for the year ended December 31, 2021.

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, 2021.

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, 2021 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, 2021.

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 2021 annual results and the audited financial statements for the year ended December 31, 2021 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, 2021.

FINAL DIVIDEND

As coal prices in China has substantially increased due to multiple reasons, the production costs of the Group has increased significantly and profit attributable to equity Shareholders of the Group is relatively low. In order to maintain the sustainable and long term profitable development of the Company, the Board has resolved not to declare a final dividend for 2021.

CLOSURE OF REGISTER OF MEMBERS

In order to ascertain Shareholders' entitlement to attend and vote at the AGM, the H Share register of members of the Company will be closed from April 29, 2022 to May 5, 2022 (both days inclusive), 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 April 28, 2022.

THE ARTICLES OF ASSOCIATION

During the Reporting Period, the Company has revised its Articles of Association on June 10 and October 22, 2021. Details of such amendments are set out in the circular to the Shareholders dated April 23 and September 30, 2021, respectively. An up-to-date version of the Articles of Association is also available on the Company's website and the Stock Exchange's website.

SCOPE OF WORK OF KPMG

The figures in respect of this result announcement of the Group's results for the year ended December 31, 2021 have been agreed by the Group's independent auditor, KPMG, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by KPMG in this respect did not constitute an assurance engagement performed in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by KPMG on the preliminary announcement.

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 2021 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 2021 annual general meeting of the Company to be held in June 2022
"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
"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
"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 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, 2021 to December 31, 2021, 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.* (天津保税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* (天津港保税區國有資產管理局) 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 25, 2022

As of the date of this announcement, the Board comprises Mr. Zhou Shanzhong, Mr. Mao Yongming and Mr. Xing Cheng 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*