



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

* For identification purposes only

Interim Report 2022

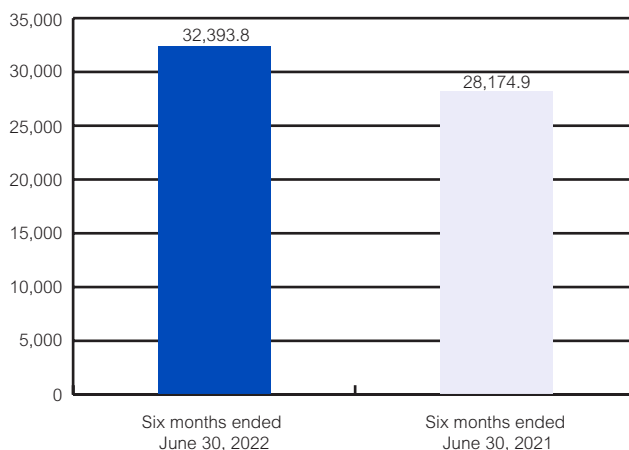


Contents

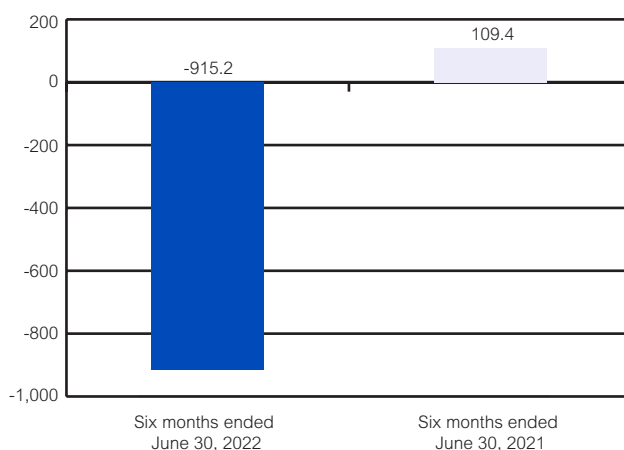
	Page
Financial Highlights	2
Corporate Information	4
Management Discussion and Analysis	6
Corporate Governance and Other Information	15
Review Report	21
Unaudited Consolidated Statement of Profit or Loss	22
Unaudited Consolidated Statement of Profit or Loss and Other Comprehensive Income	23
Unaudited Consolidated Statement of Financial Position	24
Unaudited Consolidated Statement of Changes in Equity	26
Unaudited Condensed Consolidated Cash Flow Statement	28
Notes to the Unaudited Interim Financial Report	29
Definitions	43

Financial Highlights

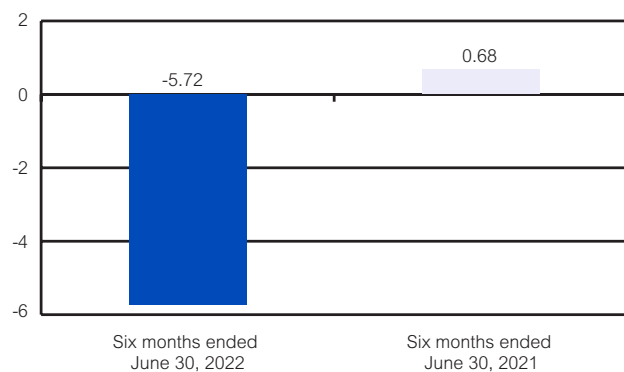
The Board of Directors of Tianjin Tianbao Energy Co., Ltd. announces the unaudited operating results for the six months ended June 30, 2022 and a comparison with the unaudited operating results for the corresponding period of the previous year. For the six months ended June 30, 2022, the Group recorded a consolidated operating revenue of approximately RMB323.938 million, which had increased by approximately 15.0% as compared with the corresponding period of the previous year. The loss for the period attributable to equity shareholders of the Company was approximately RMB9.152 million, as compared to profit for the period attributable to equity shareholders of the Company for the corresponding period of the previous year of RMB1.094 million.



Operating revenue (RMB10,000)



Loss/profit for the period attributable to Shareholders of the Company (RMB10,000)



Loss/earning per Share (Cents)

Financial Highlights

	Six months ended June 30, 2022 RMB'000 (Unaudited)	Six months ended June 30, 2021 RMB'000 (Unaudited)
Revenue	323,938	281,749
(Loss)/profit before tax	(8,423)	4,725
Income tax	2,106	(1,181)
(Loss)/profit for the period	(6,317)	3,544
Attributable to:		
Equity shareholders of the Company	(9,152)	1,094
Non-controlling interests	2,835	2,450
(Loss)/profit for the period	(6,317)	3,544
(Loss)/earning per Share		
Basic (Cents)	(5.72)	0.68
Diluted (Cents)	(5.72)	0.68
	As at June 30, 2022 RMB'000 (Unaudited)	As at December 31, 2021 RMB'000 (Audited)
Total assets	829,483	873,552
Non-current assets	618,599	594,758
Current assets	210,884	278,794
Total liabilities	423,577	461,329
Current liabilities	289,592	318,463
Non-current liabilities	133,985	142,866
Net assets	405,906	412,223
Total equity attributable to equity shareholders of the Company	297,965	307,117
Non-controlling interests	107,941	105,106
Total equity	405,906	412,223

REGISTERED NAME

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

DIRECTORS

Executive Directors

Mr. ZHOU Shanzhong (周善忠) (*Chairman of the Board*)
Mr. WANG Geng (王廣) (*General manager*)
(*Appointed on May 5, 2022*)
Mr. MAO Yongming (毛永明) (*Deputy general manager*)
Mr. YAO Shen (姚慎) (*Deputy general manager*)
(*Appointed on May 30, 2022*)
Mr. XING Cheng (邢城) (*Resigned on May 30, 2022*)

Non-executive Directors

Mr. WANG Xiaotong (王小潼)
Ms. DONG Guangpei (董光沛)

Independent Non-executive Directors

Mr. CHAN Wai Dune (陳維端)
Mr. YOU Shijun (由世俊) (*Appointed on August 29, 2022*)
Ms. YANG Ying (楊瑩)
Mr. HAN Xiaoping (韓曉平) (*Retired on July 17, 2022*)

AUDIT COMMITTEE

Mr. CHAN Wai Dune (陳維端) (*Chairperson*)
Ms. YANG Ying (楊瑩)
Ms. DONG Guangpei (董光沛)

REMUNERATION COMMITTEE

Mr. YOU Shijun (由世俊) (*Chairperson*)
(*Appointed on August 29, 2022*)
Ms. YANG Ying (楊瑩)
Mr. MAO Yongming (毛永明)
Mr. HAN Xiaoping (韓曉平) (*Chairperson*)
(*Retired on July 17, 2022*)

NOMINATION COMMITTEE

Mr. ZHOU Shanzhong (周善忠) (*Chairperson*)
Mr. YOU Shijun (由世俊) (*Appointed on August 29, 2022*)
Ms. YANG Ying (楊瑩)
Mr. HAN Xiaoping (韓曉平) (*Retired on July 17, 2022*)

SUPERVISORY BOARD

Mr. LI Yingjie (李英傑) (*Chairperson*)
(*Appointed on July 28, 2022*)
Mr. SHAO Guoyong (邵國永)
Ms. JIAO Dongxu (矯東旭)
Mr. PENG Chong (彭冲) (*Resigned on July 28, 2022*)

COMPANY SECRETARY

Mr. LAU Kwok Yin (劉國賢)

AUTHORIZED REPRESENTATIVES

Mr. MAO Yongming (毛永明)
No.35 Haibinba Road
Tianjin Port Free Trade Zone
Tianjin City
PRC

Mr. LAU Kwok Yin (劉國賢)
40th Floor, Dah Sing Financial Centre
No.248 Queen's Road East
Wanchai, Hong Kong

REGISTERED OFFICE AND HEAD OFFICE

No.35 Haibinba Road
Tianjin Port Free Trade Zone
Tianjin City
PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

40th Floor, Dah Sing Financial Centre
No.248 Queen's Road East
Wanchai, Hong Kong

* For identification purpose only

PRINCIPAL BANKERS

Bank of China (Tianjin Pilot Free Trade Zone Branch)
No.88 Haibinjiu Road
Tianjin Port Free Trade Zone
Tianjin, PRC

Industrial and Commercial Bank of China (Tianjin
Tianbao Branch)
No.176 Tianbao Avenue
Tianjin Port Free Trade Zone
Tianjin, PRC

Shanghai Pudong Development Bank (Tianjin Puji Branch)
No. 3 Building, 158 West 3rd Road
Airport Logistics Processing Zone, Dongli District
Tianjin, PRC

AUDITOR

KPMG, *Public Interest Entity Auditor registered in
accordance with the Financial Reporting Council
Ordinance*
8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

HONG KONG LEGAL ADVISER

King & Wood Mallesons
13/F, Gloucester Tower
The Landmark
15 Queen's Road Central
Central, Hong Kong

PRC LEGAL ADVISER

Beijing Global Law Office
20/F Tower 1
China Central Place
No.81 Jianguo Road
Chaoyang District, Beijing, the PRC

H SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17th Floor
Hopewell Centre
183 Queen's Road East
Wanchai, Hong Kong

STOCK CODE

1671

PLACE OF LISTING

The Stock Exchange of Hong Kong Limited

COMPANY'S WEBSITE

www.tjtbnv.com

INVESTOR ENQUIRIES

Investor Hotline: +86 22-66276388
Facsimile: +86 22-66276388
Email: tianbaonengyuan@tjtbnv.com

Management Discussion and Analysis

SUMMARY OF BUSINESS REVIEW FOR THE FIRST HALF OF 2022

In the first half of 2022, the international environment became more complicated and challenging, with commodity price increasing significantly and the COVID-19 pandemic spreading frequently. Under the strong leadership of the Party Central Committee, the epidemic prevention and control and economic and social development have been effectively deployed nationwide, and the national economy has stabilized and rebounded. In the first half of 2022, gross domestic product in China amounted to RMB56,264.2 billion, representing a year-on-year increase of 2.5%.

In the first half of 2022, the domestic coal price increased sharply when compared to the corresponding period of last year, resulting in the coal procurement cost of the Group increasing significantly as compared to that in the first half of 2021, which had material effects on the profitability of the Group.

Facing the adverse situation of continuous coal price hikes, the Group actively expanded its business presence, conducted in-depth research on potential investments, saved daily operating costs, and strived to minimize the adverse impact on the Group due to the rising coal price.

THE GROUP'S MEASURES TO IMPLEMENT KEY TASKS IN THE FIRST HALF OF 2022

1. Commencement of construction of Lingang Thermal Power's gas distributed energy station project

The Group had officially commenced the construction of Lingang Thermal Power's gas distributed energy station project in the first half of 2022. Project design, tender and procurement of major facilities and other works have been completed as scheduled. Taking into consideration the actual situation of gas distributed energy station project, the construction of new energy power generation projects such as photovoltaic and wind power will be rolled out. Once completed, the project will become the first regional distributed energy station to realize combined heat and power system in Tianjin.

2. Actively responded to the pressure from a significant increase in costs

In the first half of 2022, the Group actively responded to operation pressures caused by the significant increase in coal prices. The Group strengthened the investment into technology research and development, and closely cooperated with colleges and universities by means of industry-university research alliance to dig deep into the method of reducing pipe damage. The Group actively communicated with users by mastering the production plan in advance. Also, the Group, by combining with boiler operation load to make adjustment to its range, improved the efficiency of boiler operation through reasonable allocation of user side loadings, strengthened the analysis for coal market situation and made procurement at reasonable timing, thereby improving the level of intelligence, optimizing the cost of heating and effectively improving the level of enterprise management and operation.

3. Completion of Tianjin Port Free Trade Zone smart street lamps contractual energy management project

The Group won Tianjin Port Free Trade Zone smart street lamps contractual energy management project in 2021 to provide contractual energy management services to upgrade and manage the public lighting in Tianjin Port Free Trade Zone. The project completed all re-construction work and passed inspection by customers in the first half of 2022, saving approximately 12 million kWh per year for its customers with CO₂ emission decreased by 11,000 tons, equivalent to saving standard coal for power generation of 3,800 tons. The project was the first contractual energy management project implemented by the Group. The Group will continue to vigorously expand contractual energy management projects to improve its profitability.

4. Research on potential investments, expanding development paths

Under the backdrop of “peak carbon dioxide emission and carbon neutrality”, the Group was presented with historical opportunities and challenges. In the first half of 2022, the Group advanced transformation, focusing on research on potential investments on photovoltaage, wind power, comprehensive energy management, geothermal central heating and other sectors. The Group will progressively seek for investment opportunities to new projects so as to expand its development paths and complete transformation and upgrading of the Group. On this basis, the Group will actively seek for partners to further explore the potential of resources in the region, increase the development of resources outside the region, and jointly accelerate the development of new energy businesses, so as to become a cross-regional and market-oriented integrated energy service provider.

5. Epidemic prevention and control

In the first half of 2022, the COVID-19 pandemic spread frequently in Tianjin. The Group strictly followed instructions from Tianjin Epidemic Prevention and Control Headquarter to adjust its prevention and control policies, publish its working requirements against the pandemic in a timely manner, and timely adjust its working rules against the pandemic. In the first half of 2022, the Group completed several rounds of investigation and screening, and assisted the management committee of Tianjin Port Free Trade Zone to complete a number of transshipments. As a regional energy supplier, the Group comprehensively takes into account the market factors and energy demand from customers, makes scientific evaluation for the amount of raw coal and bulk environmental protection materials reserved and makes reasonable arrangements for coal procurement and transportation, in order to provide reliable material guarantee for the safe and stable operation of various production work.

6. Production safety

The Group attached great importance to production and construction safety. In the first half of 2022, the Group conducted several safety inspections and guidance, mainly focusing on the construction of Lingang Thermal Power’s gas distributed energy station project, supervising the safety of the project. The Group experienced no production safety incidents during the first half of 2022.

OPERATING RESULTS AND ANALYSIS

According to the Group’s data, in the first half of 2022, sales of steam amounted to approximately 854,000 tons, representing a decrease of approximately 5.8% from approximately 907,000 tons over the corresponding period of the previous year, mainly due to the decrease in demand for steam arising from reduction in production for users in the region in the first half of 2022 affected by the resurgent epidemic and the increased international commodity prices; sales of electricity amounted to approximately 121.361 million kilowatt-hours, representing a decrease of approximately 6.7% from approximately 130.023 million kilowatt-hours over the corresponding period of the previous year, mainly due to the decrease in demand for electricity of users in the region affected by the epidemic; and on-grid power generation amounted to approximately 21.997 million kilowatt-hours, representing a decrease of approximately 14.8% from approximately 25.814 million kilowatt-hours over the corresponding period of the previous year, mainly attributable to the decrease in the sales of steam in the first half of 2022 accompanied by the decrease in power generation.

1. Operating revenue

The consolidated operating revenue recorded by the Group increased by approximately 15.0% from approximately RMB281.749 million for the first half of 2021 to approximately RMB323.938 million for the first half of 2022.

Management Discussion and Analysis

Electricity dispatch and sale segment

The revenue from our electricity dispatch and sale segment increased by approximately 6.8% from approximately RMB84.778 million for the first half of 2021 to approximately RMB90.525 million for the first half of 2022, mainly because the comprehensive electricity price was higher than the corresponding period of the previous year resulting from the adjustment to trading policies of electricity market by Tianjin Development and Reform Commission due to the continuous high coal price, which gave rise to the fluctuation of grid electricity price of coal-fired power at around 20% in the first half of 2022.

Power generation and supply segment

The revenue from our power generation and supply segment increased by approximately 16.3% from approximately RMB189.669 million for the first half of 2021 to approximately RMB220.648 million for the first half of 2022, due to the establishment of a linkage mechanism between coal and steam price by the Group in the second half of 2021, leading to higher sales unit price of steam over the period of last year.

Others segment

The revenue from the others segment increased by approximately 74.8% from approximately RMB7.302 million for the first half of 2021 to approximately RMB12.765 million for the first half of 2022, due to increase in revenue from transformation project of ancillary facilities of the Group such as power lines in the region in the first half of 2022.

2. Other net income

In the first half of 2022, the Group recorded other net income of approximately RMB1.201 million, basically in line with the corresponding period of the previous year.

3. Segment costs

Electricity dispatch and sale segment

The costs of our electricity dispatch and sale segment increased by approximately 7.8% from approximately RMB79.241 million for the first half of 2021 to approximately RMB85.419 million for the first half of 2022, mainly due to the increase in purchasing cost of electricity of the Group resulting from higher comprehensive electricity price over the same period of previous year owing to the adjustment to trading policies of electricity market by Tianjin Development and Reform Commission due to the continuous high coal price, which gave rise to the fluctuation of grid electricity price of coal-fired power at around 20% in the first half of the 2022.

Power generation and supply segment

The costs of our power generation and supply segment increased by approximately 24.0% from approximately RMB177.668 million for the first half of 2021 to approximately RMB220.266 million for the first half of 2022 due to the significant increase in domestic coal price in the first half of 2022 as compared with the corresponding period of the previous year, thereby causing an increase in the Group's procurement costs of coal.

Other segment

The costs of other segment increased by approximately 122.1% from approximately RMB4.211 million for the first half of 2021 to approximately RMB9.352 million for the first half of 2022, due to increase in revenue from transformation project of ancillary facilities such as power lines in the region, which is in line with increase in costs in the first half of 2022.

4. Segment gross profit

Electricity dispatch and sale segment

The gross profit from our electricity dispatch and sale segment decreased by approximately 7.8% from approximately RMB5.538 million for the first half of 2021 to approximately RMB5.106 million for the first half of 2022.

Power generation and supply segment

The gross profit from our power generation and supply segment decreased by approximately 96.8% from RMB12.001 million for the first half of 2021 to approximately RMB0.383 million for the first half of 2022, which was mainly due to the leap in coal price and in return resulting in the increase in cost of steam production.

Other segment

The gross profit from others segment increased by approximately 10.5% from approximately RMB3.090 million for the first half of 2021 to approximately RMB3.413 million for the first half of 2022.

5. Earnings before interest, taxes, depreciation and amortization of segments

Earnings before interest, taxes, depreciation and amortization of segments decreased by approximately 27.8% from approximately RMB43.335 million in the first half of 2021 to approximately RMB31.284 million for the first half of 2022.

6. Finance costs

In the first half of 2022, the Group recorded finance costs of approximately RMB6.941 million, representing an increase of approximately 13.9% as compared with the corresponding period of the previous year of approximately RMB6.095 million, which was primarily due to increase in interest expenses of the Group.

7. Fuel costs

In the first half of 2022, the Group recorded fuel costs of approximately RMB148.052 million, representing an increase of approximately 29.9% as compared with the corresponding period of the previous year of approximately RMB113.981 million, which was primarily due to the significant increase in domestic coal price in the first half of 2022 as compared with the corresponding period of the previous year, thereby causing an increase in the Group's procurement costs of coal.

8. Loss/Profit before tax

Loss before tax amounted to approximately RMB8.423 million for the first half of 2022, as compared to profit before tax of approximately RMB4.725 million for the first half of 2021, which was mainly caused by the significant increase in domestic coal price in the first half of 2022 as compared with the corresponding period of the previous year, a sharp decrease in profit before tax as a result of increase in fuel costs exceeding increase in revenue.

9. Income tax gains/expenses

In the first half of 2022, the Group recorded income tax gains of approximately RMB2.106 million, as compared with income tax expenses of approximately RMB1.181 million in the corresponding period of the previous year, which was primarily due to recognition of deferred income tax assets for deductible losses in first half of 2022.

10. Loss/profit for the period attributable to the parent company

Loss for the period attributable to the parent company amounted to approximately RMB9.152 million for the first half of 2022, as compared to profit for the period attributable to the parent company amounted to approximately RMB1.094 million for the first half of 2021.

Management Discussion and Analysis

FINANCIAL POSITION

1. Assets and liabilities

Total assets decreased by approximately 5.0% from approximately RMB873.552 million as at the end of 2021 to approximately RMB829.483 million as at the end of June 2022. Total liabilities decreased by approximately 8.2% from approximately RMB461.329 million as at the end of 2021 to approximately RMB423.577 million as at the end of June 2022. Total equity attributable to ordinary Shareholders of the Company decreased by approximately 3.0% from approximately RMB307.117 million as at the end of 2021 to approximately RMB297.965 million as at the end of June 2022.

As of the end of June 2022, our current assets amounted to approximately RMB210.884 million, representing a decrease of approximately 24.4% from approximately RMB278.794 million as at the end of 2021, of which cash and cash equivalents amounted to approximately RMB109.841 million (end of 2021: approximately RMB186.141 million), trade and bill receivables amounted to approximately RMB65.405 million (end of 2021: approximately RMB55.339 million), which was mainly steam sales income. Our current liabilities amounted to approximately RMB289.592 million (end of 2021: approximately RMB318.463 million), of which trade and other payables amounted to approximately RMB140.167 million (end of 2021: approximately RMB100.602 million); and non-current liabilities amounted to approximately RMB133.985 million (end of 2021: approximately RMB142.866 million).

2. Cash and cash equivalents

As at the end of June 2022, the Group recorded cash and cash equivalents of approximately RMB109.841 million, representing a decrease of approximately 41.0% as compared with the end of the previous year of approximately RMB186.141 million. Taking into account the capital needs of the Group's daily operating activities and the higher expected capital expenditures, the Group adopted a conservative cash management strategy.

3. Gearing ratio

The gearing ratio is calculated as the balance of liabilities as at the end of the period divided by the balance of total equity as at the end of the period.

As at the end of June 2022, the Group recorded a gearing ratio of 1.04, representing a decrease as compared with the end of the previous year of 1.12, which was due to the decrease in the balance of liabilities at the end of the period as the Group repaid part of the short-term borrowings and payables to suppliers in the first half of 2022.

HUMAN RESOURCES AND TRAINING

As of June 30, 2022, we had 66 employees. The following table sets forth the number of employees for each of our areas of operations as of June 30, 2022.

Function	Number of Employees	Percentage of Total
Management, administration and finance	25	37.9%
Marketing	7	10.6%
Procurement	5	7.6%
Engineering and technology	29	43.9%
Total	66	100.0%

As of June 30, 2022, we incurred staff costs (including salaries, benefits and allowances) of approximately RMB11.579 million.

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 funds, which are calculated on certain percentage complied with the range agreed by the local municipal government based on the applicable average salaries, to the scheme to fund the retirement benefits of the employees. 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 30 June 2022, there is no forfeited contributions that may be used by the Company and its subsidiaries to reduce the existing level of contribution.

The Group has implemented a number of initiatives in recent years to enhance the productivity of our employees. The Group conducts periodic performance reviews for all of our employees and their salaries and performance bonuses are performance-based. The Directors believe that these initiatives have contributed to increased employee productivity.

The Group places significant emphasis on staff training and development. To realize steady and healthy development of the Group and meet the development needs of our employees, the Group provides continuing education and training programs for the management personnel and other employees with a view to constantly enhance their skills and knowledge. Our staff training is either conducted internally by the management and relevant department heads of the Group or by external trainers invited to conduct the professional trainings. We aim to ensure that our staff remain equipped with the necessary skills, knowledge and abilities in their respective areas of work as this in turn helps to maintain the Group's competitiveness in the market.

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. As of June 30, 2022, the Group has completed four professional skills trainings for the employees from different departments involving continuing education, policies and regulations, safety education and technical standard.

The Directors believe that we maintain a good working relationship with our personnel. Our employees are unionized in accordance with local labor laws.

OTHER SIGNIFICANT EVENTS

1. Capital expenditure and capital commitment

In the first half of 2022, the total capital expenditure of the Group was approximately RMB30.580 million, mainly applicable to Lingang Thermal Power's gas distributed energy station project as to RMB23.750 million and contractual energy management project as to RMB6.659 million.

On June 30, 2022, the Group's provision for capital commitment was approximately RMB171.213 million, which was expected to be used for Lingang Thermal Power's gas distributed energy station project as to RMB158.785 million and contractual energy management project as to RMB12.428 million.

In addition, as Gas Distributed Energy Station Project of Lingang Thermal Power with respect to purchasing of gas-fired boilers and gas turbines and construction work have obtained approval of Shareholders in the first quarter of 2022, the Group expected to incur approximately RMB231.890 million of capital expenditure in 2022. For details, please refer to the announcements dated January 31, and April 27, 2022 and the circular of the Company dated March 8, 2022.

As of June 30, 2022, save as disclosed in this Interim Report, the Group did not have other confirmed plan to make major investments or purchase capital assets or to make relevant financing in the upcoming year.

Management Discussion and Analysis

2. Liquidity and financial resources

As at June 30, 2022, the Group had cash and cash equivalents amounting to approximately RMB109.841 million, loans and borrowings of approximately RMB244.940 million which include short-term borrowings of approximately RMB142.655 million and long-term borrowings of approximately RMB102.285 million, while secured or guaranteed loans and borrowings amounted to approximately RMB84.631 million and unsecured borrowings amounted to approximately RMB160.309 million, all of which were with fixed interest rate. There were no financial instruments entered into by the Group for hedging purpose. In addition, the Group had no investments in foreign currency.

3. Material acquisitions and disposals

In the first half of 2022, the Group promoted the Gas Distributed Energy Station Project of Lingang Thermal Power, and purchased five gas boilers with output of 40 tons/hour each and the respective ancillary equipment thereof, two 15MW graded gas turbines and two 29 tons/hour waste heat steam boilers and its accessories, and the Company has entrusted the relevant construction works to a contractor, each of which constitutes a major transaction of the Company under the Listing Rules. For details of the project, please refer to the announcements of the Company dated January 31, 2022, February 15, 2022, April 27, 2022 and the circular dated March 8, 2022. Save as disclosed hereinabove, as of June 30, 2022, the Group had no material acquisitions and disposals.

4. Significant investments

In the first half of 2022, the Company initiated the capital increase project of Lingang Thermal Power, a non-wholly-owned subsidiary (being to conduct a capital injection to Lingang Thermal Power for no less than RMB40.8240 million and RMB9.1646 million by the potential investor and the Company, respectively). Currently, the relevant public tender and listing process and Shareholders' approval have been completed. The Company will actively promote the completion of the capital increase in Lingang Thermal Power and the introduction of external investors in the second half of 2022. Save as disclosed hereinabove, as of June 30, 2022, the Group did not have significant investments.

5. Contingent liabilities

As at June 30, 2022, except for providing a joint liability guarantee for the bank loan of Lingang Thermal Power, with a balance of RMB0.952 million as at 30 June 2022, and 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 RMB13.000 million, the Group did not have contingent liabilities.

6. Bank borrowings of the Group

As at June 30, 2022, the Group had loans and borrowings of approximately RMB244.940 million which include short-term borrowings of approximately RMB142.655 million and long-term borrowings of approximately RMB102.285 million, while secured or guaranteed loans and borrowings amounted to approximately RMB84.631 million and unsecured borrowings amounted to approximately RMB160.309 million, all of which were with fixed interest rate.

7. Other debts of the Group

Except for the Group's loans and borrowings as disclosed in this Interim Report and loans, the Group has lease liability of RMB1.640 million.

8. Charges on the Group's assets

As of June 30, 2022, the Company has pledged its gas supply facilities, equipment and related components with a value of RMB30.517 million as security for the finance lease with balance of RMB23.129 million as of June 30, 2022, the Company has provided its joint and several liability guarantee for a bank loan with balance amounting to RMB0.952 million as of June 30, 2022 of the Company's subsidiary Lingang Thermal Power and the Company's subsidiary Lingang Thermal Power has pledged its trade receivables as security for a bank loan with balance amounting to approximately RMB13.000 million as of June 30, 2022, and the Company had pledged its 51% equity interests in Lingang Thermal Power as security for a bank loan with balance amounting to approximately RMB37.550 million as of June 30, 2022. Tianjin Tianbao New Energy, a subsidiary of the Company, provided guarantee for the Company's bank loan with balance of RMB10.000 million as of June 30, 2022.

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 of the Company on July 29, 2020, all domestic shares of the Company had been converted into H Shares and became listed on the Main Board of the Stock Exchange. As at the Latest Practicable Date, the capital structure of the Company consists of H Shares only.

10. Share option scheme

As of June 30, 2022, 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), 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.

BUSINESS OUTLOOK FOR THE SECOND HALF OF 2022

1. Completion of the construction of Lingang Thermal Power's gas distributed energy station project

The Group is about to complete the construction of Lingang Thermal Power's gas distributed energy station project in 2022, commences the use of the new gas-fired boiler and shuts down the coal-fired boiler by the end of the year. The Group will strive to be excellent in the construction safety management, tender review and operation management of the project, and complete the production preparation, commissioning and stable production in a timely manner according to the project progress to ensure the safe and steady operation of the project as planned.

2. Completion of capital increase of Lingang Thermal Power and introduction of strategic investors

The Group has obtained the Shareholders' approval that the potential investor and the Company will increase the capital of Lingang Thermal Power by no less than RMB40.8240 million and RMB9.1646 million, respectively. Please refer to the announcements of the Company dated January 31, 2022 and April 27, 2022 and the circular of the Company dated March 8, 2022 for details.

The capital increase in Lingang Thermal Power and the introduction of strategic investors will provide capital guarantee for the future business development and expansion of the operation scale of Lingang Thermal Power, and provide a stable fuel source for the future operation of Lingang Thermal Power, which is also an important commitment for the Group to transform and upgrade and optimize the energy structure.

3. Expansion of light assets business

The Group will expand contractual energy management business by concluding experience on completed contractual energy management project, analyzing and sorting out potential projects by category, achieving in-depth understanding of the market, accumulating project experience and training professional teams. In addition, the Group will continue to expand electrical equipment testing business and market-based power transaction business in the second half of the year.

4. Continuous promotion of the construction of distributed photovoltaic power stations

The Group has commenced the construction of distributed photovoltaic power generation projects in the Tianjin Port Free Trade Zone (Seaport), of which the first phase of 3.9MWp has been connected to the grid for power generation. The Group will continue to expand the share of photovoltaic installed capacity of the distribution network in the park, provide customized service solutions for enterprises with the intention of cooperation within the park, and continue to promote the cooperation progress.

5. To improve management mechanism and optimize operational efficiency

The Group will carry out work in various aspects to improve the management mechanism and optimize its operational efficiency. We intend to realize such goal by establishing assessment and incentive implementation measures to give full play to the positive incentive effect of appraisal based on the performance appraisal of all employees; redesigning the corporate governance system and organizational structure of Lingang Thermal Power, and organizing the establishment of Lingang Thermal Power system; strengthening budget management and control to ensure the successful completion of operating targets; improving the internal control management system, avoiding redundant process, improving work efficiency, and revising the internal control manual.

CORPORATE GOVERNANCE PRACTICES

The Board of the Company is committed to maintaining high standard of corporate governance. The Board believes that high standard of corporate governance is essential for the Company to safeguard the interests of the Shareholders and to enhance corporate value and accountability. The Company has applied the principles set out in the Corporate Governance Code contained in Appendix 14 to the Listing Rules. The Directors consider that the Company has complied with all code provisions as set out in the Part II of the Corporate Governance Code during the Reporting Period.

MODEL CODE FOR SECURITIES TRANSACTIONS

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 with the Model Code committed by any Directors, Supervisors or relevant employees during the Reporting Period.

PLEDGING 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 Group's debts or to secure guarantees or other support of the Group's obligations during the Reporting Period.

CHARGES ON THE GROUP'S ASSETS

During the Reporting Period, the Company has pledged its gas supply facilities, equipment and related components with a value of RMB30.517 million as security for the finance lease with a balance of RMB23.129 million as of June 30, 2022, the Company has provided its joint and several liability guarantee for a bank loan with balance amounting to RMB0.952 million as of June 30, 2022 of the Company's subsidiary Lingang Thermal Power, and the Company's subsidiary Lingang Thermal Power has pledged its trade receivables as security for a bank loan with balance amounting to approximately RMB13.000 million as of June 30, 2022, and the Company had pledged its 51% equity interests in Lingang Thermal Power as security for a bank loan with balance amounting to approximately RMB37.550 million as of June 30, 2022. A bank loan of the Company with balance amounting to RMB10.000 million as of June 30, 2022 was guaranteed by the Company's subsidiary Tianjin Tianbao New Energy.

LOAN ARRANGEMENTS GRANTED BY THE GROUP TO ENTITIES

During the Reporting Period, the Group did not grant any loan to any entity which is subject to disclosure requirements under Rule 13.13 of the Listing Rules.

LOAN AGREEMENTS OR FINANCIAL ASSISTANCE OF THE GROUP

The Group has no affiliated companies and also did not provide any financial assistance nor guarantee to its affiliated companies during the Reporting Period, which gives rise to a disclosure under Rule 13.16 of the Listing Rules. The Group 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 during the same Reporting Period.

AUDIT COMMITTEE

The audit committee comprises three non-executive Directors, namely Mr. Chan Wai Dune (chairperson), Ms. Yang Ying and Ms. Dong Guangpei, with the majority being independent non-executive Directors (including one independent non-executive Director with accounting expertise). None of the members of the audit committee is a former partner of the Company's existing auditor. The primary responsibilities of the audit committee are to review and supervise the Group's financial reporting process, risk management and internal control system. The terms of reference of the audit committee are available on the Stock Exchange's website and the Company's website.

Corporate Governance and Other Information

The audit committee of the Company has reviewed the Group's 2022 interim results announcement, this Interim Report and the unaudited financial statements for the six months ended June 30, 2022 prepared in accordance with the IFRS.

SHARE CAPITAL

As of June 30, 2022, the total share capital of the Company was 159,920,907 H Shares, with par value of RMB1.00 each. Since the listing of the Shares on the Main Board of the Stock Exchange, the Company had not issue any new Shares in exchange for cash.

INTERESTS AND SHORT POSITIONS OF DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVE IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at June 30, 2022, no Director, Supervisor or chief executive of the Company had any interest or short position in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including those taken or deemed as their interests or short positions in accordance with such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES

As at June 30, 2022, to the knowledge of the Directors, the persons (other than a Director, Supervisor or chief executive of the Company) who have an interest or short position in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO and as recorded in the register required to be kept under Section 336 of the SFO were as follows:

Name of Shareholders	Capacity	Number of H Shares/ underlying H Shares held (Share) (Note 2)	Percentage of total share capital (%) (Note 3)
Tianbao Holdings (Note 1)	Beneficial owner	109,606,538 (L)	68.54
TFIHC (Note 1)	Interest of a controlled corporation	115,600,907 (L)	72.29
Yuan Andy Yun Nan	Beneficial owner	12,880,000 (L)	8.05

Notes:

1. Tianbao Holdings is interested in 109,606,538 H Shares, and Tianbao Investment is interested in 5,994,369 H Shares. Since Tianbao Holdings and Tianbao Investment are wholly-owned subsidiaries of TFIHC, TFIHC is deemed to be interested in the H Shares held by Tianbao Holdings and Tianbao Investment by virtue of the SFO.
2. The letter "L" denotes the relevant person's long position in such Shares.
3. The calculation is based on 159,920,907 H Shares in issue as at June 30, 2022.

NON-COMPETITION DEED FROM THE CONTROLLING SHAREHOLDERS

The Group entered into a non-competition deed with the Company's Controlling Shareholders, Tianbao Holdings and TFIHC, on April 4, 2018 in favour of the Company, pursuant to which each of our Controlling Shareholders has given certain non-competition undertakings to the Group (for itself and for the benefits of other members of the Group), to the effect that, it shall not, and it shall procure that its associates (other than any member of the Group) do not and shall not, directly or indirectly, whether on its own or through any entities, carry on, participate, be interested or engaged or otherwise be involved, whether for profit, reward, other benefit or otherwise, in any business or activity that is in competition with, or is likely to be in competition with, the business carried on by any member of the Group from time to time during the period when the non-competition deed remains valid and effective and will grant the Company options for new business opportunities and acquisitions, as well as pre-emptive rights and the right to acquire the Konggang Thermal Plant business. The independent non-executive Directors of the Company are solely responsible for reviewing, considering and deciding whether to exercise the options for acquisitions and pre-emptive rights and are responsible for reviewing, considering and deciding whether to exercise the right to acquire the Konggang Thermal Plant business.

During the Reporting Period, the Company's independent non-executive Directors have reviewed the implementation of the non-competition deed and confirmed that the Controlling Shareholders have fully observed the non-competition deed without any case of violation.

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 six months ended June 30, 2022.

MATERIAL LITIGATION AND ARBITRATION

During the Reporting Period, the Group was not involved in any material legal proceedings or arbitrations in which any member of the Group was a defendant. So far as the Directors are aware, no material legal proceedings or claims in which any member of the Group might become a defendant are pending or threatened against the Group.

CONTRACT OF SIGNIFICANCE

Save as disclosed in this Interim Report and the Prospectus, at no time during the Reporting Period had the Company or its subsidiaries entered into any contract of significance with the Controlling Shareholders or any of their subsidiaries, nor had any contract of significance been entered into for the services provided by the Controlling Shareholders or any of their subsidiaries to the Company or its subsidiaries.

INTERIM DIVIDEND

The Board has not made any recommendation on the distribution of an interim dividend for the six months ended June 30, 2022.

CHANGES IN DIRECTORS' AND SUPERVISORS' INFORMATION

Mr. CHAN Wai Dune, an independent non-executive Director of the Company has been a member of the sixth Selection Committee for the HKSAR Government since 2022.

Corporate Governance and Other Information

The Hong Kong Institute of Certified Public Accountants reprimanded Mr. CHAN Wai Dune for his audit of the financial statements of a Hong Kong listed company for the year ended December 31, 2005 on May 5, 2022 and imposed a penalty. However, the Hong Kong Institute of Certified Public Accountants has made no allegation of fraud or dishonesty and the reprimand was not related to Mr. CHAN's integrity. For details, please refer to the announcement of the Company dated May 10, 2022.

Ms. YANG Ying, an independent non-executive Director of the Company has been a director and general manager of Jingyinghui Investment and Management (Tianjin) Co., Ltd.* (菁英匯投資管理(天津)有限責任公司) since January 2022. Ms. YANG has ceased to be a senior partner of Shanghai Allbright Law Offices (Tianjin) (上海錦天城(天津)律師事務所) since December 2021.

In addition, the changes in the positions of directors and supervisors of the Company in 2022 are as follows:

Ms. JIAO Dongxu has been elected as an employee representative Supervisor of the second session of the Supervisory Board of the Company at the employees assembly of the Company held on January 11, 2022. The term of office of Ms. JIAO commenced from January 11, 2022 till the expiry of the term of the second session of the Supervisory Board.

Mr. WANG Geng was appointed as the general manager of the Company on 1 April 2022 for a term of three years. On the same day, Mr. MAO Yongming has ceased to act as the general manager of the Company but will remain as an executive Director and deputy general manager of the Company. Upon the approval at the general meeting held on May 5, 2022, Mr. WANG Geng was appointed as an executive Director with a term commencing from the date of approval by the Shareholders at the general meeting until the expiry of the term of the second session of the Board.

Upon approval of the general meeting held on May 30, 2022, Mr. YAO Shen was appointed as an executive Director from the date of approval by the Shareholders at the general meeting until the expiry of the term of the second session of the Board. On the same day, Mr. XING Cheng has ceased to serve as an executive Director.

Save as disclosed above, as of June 30, 2022, there is no change in the information of Directors and Supervisors of the Company.

After the Reporting Period, upon the approval at the general meeting held on July 28, 2022, Mr. LI Yingjie was appointed as a shareholder representative Supervisor and elected as the chairman of the Supervisory Board. The term of office of Mr. LI commenced from the date of approval by the Shareholders at the general meeting to the termination of the second session of the Supervisory Board. On the same day, Mr. PENG Chong has ceased to serve as the shareholder representative Supervisor.

In addition, Mr. HAN Xiaoping, an independent non-executive Director, chairman of the remuneration committee and member of the nomination committee of the Company, passed away on July 17, 2022. To fill the vacated office, Mr. YOU Shijun was appointed as an independent non-executive Director, chairman of the remuneration committee and member of the nomination committee upon the approval at the general meeting held on August 29, 2022. The term of office of Mr. YOU commenced from the date of approval by the Shareholders at the general meeting until the expiry of the term of the second session of the Board. Therefore, during the period from the passing away of Mr. HAN Xiaoping until the date when the appointment of Mr. YOU Shijun was approved by the Shareholders, the Company failed to meet the requirements regarding the minimum number of independent non-executive Directors and the number of

independent non-executive Directors must represent at least one-third of members of the Board, the requirement that the remuneration committee must be chaired by an independent non-executive Director, and the requirement that the nomination committee must comprise a majority of independent non-executive Directors under the Listing Rules. In addition, during the above period, we failed to comply with the provisions set out in Article 133 of the Articles of Association that the Board shall consist of nine Directors, but has not resulted in the number of members of the Board falling below the statutory quorum as required under the Companies Law and had not affected the operation of the Board in compliance with the applicable rules and regulations of the PRC.

USE OF PROCEEDS FROM THE INITIAL PUBLIC OFFERING

The Shares of the Company were successfully listed on the Main Board of the Stock Exchange on April 27, 2018, with a financing scale of approximately HK\$84.21 million and net proceeds of HK\$41.18 million after deducting the underwriting commission and other estimated expenses in connection with the public offering (the “**IPO Proceeds**”), of which HK\$25.62 million was expected to be used for technology and equipment upgrades and HK\$15.56 million would be used for the establishment of Tianbao Electricity Sales Company.

As the technology and equipment upgrades have been fully completed and the remaining IPO proceeds of approximately HK\$4.10 million have not been utilized through cost savings, and the profit margin of the proposed electricity sales business has reduced significantly as a result of changes in the circumstances for the establishment of Tianbao Electricity Sales Company since the Company’s listing in April 2018 due to various reasons, the Group has decided to partially change the use of the IPO Proceeds after approval by the second extraordinary general meeting of 2021 convened on November 30, 2021. All the unutilized IPO proceeds (i.e. approximately HK\$19.66 million or 47.74% of the IPO Proceeds) will be used by the Group for the Smart Street Light Contractual Energy Management Project in the Tianjin Port Free Trade Zone, providing contractual energy management services to upgrade and manage the public lighting in Tianjin Port Free Trade Zone. The Group will assist with, among other things, (i) replacing traditional high energy consumption street lamps with high-quality energy-saving lamps that have high lighting efficiency, low power consumption and long-life; and (ii) establishing a smart city lighting management system that could adjust the lighting of each street lamp based on actual needs, which will reduce overall energy consumption and enhance the municipal energy management. Approximately HK\$10.00 million of the remaining IPO Proceeds was expected to be utilized by December 31, 2021 and the remaining HK\$9.66 million to be fully utilized by December 31, 2022. Please refer to the Company’s announcement dated October 29, 2021 and the circular dated November 10, 2021 for more details.

The Group has completed the construction work for the Smart Street Light Contractual Energy Management Project in the Tianjin Port Free Trade Zone, and settled part of construction payment in the first half of 2022. To further improve the efficiency of the street light management platform, ensure the reliable services provided to the Company by suppliers during the complete project life cycle for the purpose of the long-term stable operation of the project and therefore the profitability of the project, payments were made later than originally planned but the Group will continue making payments based on the improved performance of the street light management platform system. As of June 30, 2022, RMB6.8 million has been utilized. The construction of the Smart Street Lighting Contract Energy Management Project in the Tianjin Port Free Trade Zone is progressing smoothly. The Group will settle the remaining payment based on the progress of the project settlement in subsequent period and carry out settlement in the third quarter and make corresponding payments to suppliers successively. It is expected that the Group will fully utilize all the remaining IPO Proceeds (i.e. approximately HK\$19.66 million) by December 31, 2022.

The unutilized IPO Proceeds have been deposited into short-term demand deposits in a bank account maintained by the Group.

Corporate Governance and Other Information

AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The Company has not made any amendments to its Articles of Association during the Reporting Period.

DIRECTORS' REPORTING RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the financial statements of the Company for the six months ended June 30, 2022 to give a true and fair view of the production and operation condition of the Group and the business performance and cash flow of the Company.

The management of the Group has provided the Board with the necessary explanations and data to facilitate the review and approval of the Company's financial statements by the Board. The Company provided all members of the Board with monthly updates on the Group's financial position.

The Directors are not aware of any material uncertainties relating to events or conditions that may significantly affect the Group's ability to operate on a going concern.

SUBSEQUENT EVENTS

Events subsequent to the Reporting Period are set out in note 19 to the unaudited Interim Financial Report in this Interim Report.

INTRODUCTION

We have reviewed the interim financial report set out on pages 22 to 42 which comprises the consolidated statement of financial position of Tianjin Tianbao Energy Co., Ltd. (the “**Company**”) as of 30 June 2022 and the related consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income and the consolidated statement of changes in equity and the condensed consolidated cash flow statement for the six months period then ended and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and International Accounting Standard 34, Interim financial reporting, issued by the International Accounting Standards Board. The directors are responsible for the preparation and presentation of the interim financial report in accordance with International Accounting Standard 34.

Our responsibility is to form a conclusion, based on our review, on the interim financial report and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the Hong Kong Institute of Certified Public Accountants. A review of the interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial report as at 30 June 2022 is not prepared, in all material respects, in accordance with International Accounting Standard 34, *Interim financial reporting*.

KPMG

Certified Public Accountants

8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

31 August 2022

Unaudited Consolidated Statement of Profit or Loss

for the six months ended 30 June 2022 – unaudited (Expressed in RMB)

	Note	Six months ended 30 June	
		2022 RMB'000	2021 RMB'000
Revenue	3	323,938	281,749
Cost of sales		(315,036)	(261,120)
Gross profit		8,902	20,629
Other net income	4	1,201	1,255
Administrative expenses		(11,805)	(11,338)
(Loss)/profit from operations		(1,702)	10,546
Interest income		220	274
Finance costs	5(a)	(6,941)	(6,095)
(Loss)/profit before taxation	5	(8,423)	4,725
Income tax	6	2,106	(1,181)
(Loss)/profit for the period		(6,317)	3,544
Attributable to:			
Equity shareholders of the Company		(9,152)	1,094
Non-controlling interests		2,835	2,450
(Loss)/profit for the period		(6,317)	3,544
(Loss)/earnings per share	7		
Basic (Cents)		(5.72)	0.68
Diluted (Cents)		(5.72)	0.68

The notes on pages 29 to 42 form part of this interim financial report. Details of dividends payable to equity shareholders of the Company are set out in note 15.

Unaudited Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the six months ended 30 June 2022 – unaudited (Expressed in RMB)

	Six months ended 30 June	
	2022 RMB'000	2021 RMB'000
(Loss)/profit for the period	(6,317)	3,544
Other comprehensive income for the period	–	–
Total comprehensive income for the period	(6,317)	3,544
Attributable to:		
Equity shareholders of the Company	(9,152)	1,094
Non-controlling interests	2,835	2,450
Total comprehensive income for the period	(6,317)	3,544

The notes on pages 29 to 42 form part of this interim financial report.

Unaudited Consolidated Statement of Financial Position

at 30 June 2022 – unaudited (Expressed in RMB)

	<i>Note</i>	At 30 June 2022 RMB'000	At 31 December 2021 RMB'000
Non-current assets			
Property, plant and equipment	<i>8</i>	537,713	516,577
Right-of-use assets for properties	<i>8</i>	71,210	72,095
Intangible assets		2,075	2,455
Deferred tax assets		5,814	1,844
Other receivables and assets	<i>11</i>	1,250	1,250
Goodwill	<i>9</i>	537	537
		618,599	594,758
Current assets			
Inventories		9,481	10,071
Contract assets		51	44
Trade and bills receivables	<i>10</i>	65,405	55,339
Other receivables and assets	<i>11</i>	17,515	24,599
Restricted deposits		8,591	2,600
Cash and cash equivalents	<i>12</i>	109,841	186,141
		210,884	278,794
Current liabilities			
Trade and other payables	<i>13</i>	140,167	100,602
Loans and borrowings	<i>14</i>	142,655	188,196
Contract liabilities		4,156	22,660
Salary and welfare payables		1,937	4,575
Current taxation		543	2,299
Lease liabilities		134	131
		289,592	318,463
Net current liabilities		(78,708)	(39,669)
Total assets less current liabilities		539,891	555,089

Unaudited Consolidated Statement of Financial Position

at 30 June 2022 – unaudited (Expressed in RMB)

	<i>Note</i>	At 30 June 2022 RMB'000	At 31 December 2021 RMB'000
Non-current liabilities			
Loans and borrowings	14	102,285	109,938
Lease liabilities		1,506	1,472
Deferred income		18,958	19,912
Contract liabilities		5,709	5,952
Deferred tax liabilities		5,527	5,592
		133,985	142,866
NET ASSETS		405,906	412,223
CAPITAL AND RESERVES			
Share capital		159,921	159,921
Reserves		138,044	147,196
Total equity attributable to equity shareholders of the Company		297,965	307,117
Non-controlling interests		107,941	105,106
TOTAL EQUITY		405,906	412,223

The notes on pages 29 to 42 form part of this interim financial report.

Unaudited Consolidated Statement of Changes in Equity

for the six months ended 30 June 2022 – unaudited (Expressed in RMB)

	Attributable to equity shareholders of the Company						Non-controlling interests	Total equity
	Note	Share capital	Capital reserve	Statutory surplus reserves	Retained profits	Total		
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 January 2021		159,921	79,137	12,759	62,865	314,682	103,949	418,631
Changes in equity for the six months ended 30 June 2021:								
Profit for the period		-	-	-	1,094	1,094	2,450	3,544
Total comprehensive income		-	-	-	1,094	1,094	2,450	3,544
Dividends approved in respect of the previous year	15	-	-	-	(7,996)	(7,996)	-	(7,996)
Balance at 30 June 2021 and 1 July 2021		159,921	79,137	12,759	55,963	307,780	106,399	414,179
Changes in equity for the six months ended 31 December 2021:								
(Loss)/profit for the period		-	-	-	(663)	(663)	3,607	2,944
Total comprehensive income		-	-	-	(663)	(663)	3,607	2,944
Dividends approved in respect of the previous year		-	-	-	-	-	(4,900)	(4,900)
Appropriation to reserves		-	-	815	(815)	-	-	-
Balance at 31 December 2021		159,921	79,137	13,574	54,485	307,117	105,106	412,223

Unaudited Consolidated Statement of Changes in Equity

for the six months ended 30 June 2022 – unaudited (Expressed in RMB)

	Attributable to equity shareholders of the Company							
	Note	Share capital	Capital reserve	Statutory surplus reserves	Retained profits	Total	Non-controlling interests	Total equity
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 January 2022		<u>159,921</u>	<u>79,137</u>	<u>13,574</u>	<u>54,485</u>	<u>307,117</u>	<u>105,106</u>	<u>412,223</u>
Changes in equity for the six months ended 30 June 2022:								
(Loss)/profit for the period		<u>-</u>	<u>-</u>	<u>-</u>	<u>(9,152)</u>	<u>(9,152)</u>	<u>2,835</u>	<u>(6,317)</u>
Total comprehensive income		<u>-</u>	<u>-</u>	<u>-</u>	<u>(9,152)</u>	<u>(9,152)</u>	<u>2,835</u>	<u>(6,317)</u>
Balance at 30 June 2022		<u>159,921</u>	<u>79,137</u>	<u>13,574</u>	<u>45,333</u>	<u>297,965</u>	<u>107,941</u>	<u>405,906</u>

The notes on pages 29 to 42 form part of this interim financial report.

Unaudited Condensed Consolidated Cash Flow Statement

for the six months ended 30 June 2022 – unaudited (Expressed in RMB)

	Note	Six months ended 30 June	
		2022 RMB'000	2021 RMB'000
Operating activities			
Cash generated from operations		22,596	31,519
Income tax paid		(3,029)	(4,372)
Net cash generated from operating activities		19,567	27,147
Investing activities			
Payment for the purchase of property, plant and equipment and intangible assets		(30,580)	(2,501)
Net cash used in investing activities		(30,580)	(2,501)
Financing activities			
Proceeds from bank loans		43,274	76,000
Repayment of bank loans		(94,362)	(93,154)
Repayment of other borrowings		(2,083)	–
Interest paid		(6,717)	(4,522)
Other cash flows arising from financing activities		(5,991)	–
Capital element of lease rentals paid		–	(35)
Interest element of lease rentals paid		–	(34)
Net cash used in financing activities		(65,879)	(21,745)
Net (decrease)/increase in cash and cash equivalents		(76,892)	2,901
Cash and cash equivalents at 1 January		186,141	126,916
Effect of foreign exchange rates changes		592	(152)
Cash and cash equivalents at 30 June	12	109,841	129,665

The notes on pages 29 to 42 form part of this interim financial report.

Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

1 BASIS OF PREPARATION

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with International Accounting Standard (**IAS**) 34, *Interim financial reporting*, issued by the International Accounting Standards Board (**IASB**). It was authorised for issue on 31 August 2022.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2021 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2022 annual financial statements. Details of any changes in accounting policies are set out in note 2.

The preparation of an interim financial report in conformity with IAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Tianjin Tianbao Energy Co., Ltd. and its subsidiaries (together, the “**Group**”) since the 2021 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with International Financial Reporting Standards (“**IFRSs**”).

The interim financial report is unaudited, but has been reviewed by KPMG in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the HKICPA. KPMG’s independent review report to the Board of Directors is included.

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.

The Group had net current liabilities of RMB79 million as at 30 June 2022, and loss of RMB6 million for the six months ended 30 June 2022. The net cash generated from operating activities decreased from RMB27 million for the six months ended 30 June 2021 to RMB20 million for the six months ended 30 June 2022.

The Group’s cost base increased and cash inflows from operating activities decreased mainly due to the coal prices continued to rise during the period.

The Group is in the progress to improve the pricing linkage mechanism of steam to better respond to the fluctuation in procurement costs of coal, the new price mechanism is expected to be implemented before the end of 2022.

Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

1 BASIS OF PREPARATION *(continued)*

The Group's Available unrestricted bank facilities was RMB56 million as of 30 June 2022 (31 December 2021: RMB86 million), undrawn credit facilities under secured other borrowings agreement was RMB125 million as of 30 June 2022 (31 December 2021: RMB125 million) and undrawn credit facilities under specific-purpose borrowings agreement for the construction of gas distributed energy station project of Tianjin Tianbao Lingang Thermal Power Co., Ltd. ("Lingang Thermal Power") was RMB119 million as of 30 June 2022 (31 December 2021: nil).

Management has assessed cash flow forecasts under fuel prices assumption for the best estimate throughout the forecast period. Management is of the opinion that the Group has sufficient liquidity for at least the next 12 months from the date of approval of the condensed consolidated financial statements. Accordingly, the Directors concludes that it is appropriate to prepare the condensed financial statements for the six months ended 30 June 2022 on a going concern basis.

2 CHANGES IN ACCOUNTING POLICIES

The Group has applied the following amendments to IFRSs to this interim financial report for the current accounting period:

- Amendments to IAS 16, *Property, plant and equipment: Proceeds before intended use*
- Amendments to IAS 37, *Provisions, contingent liabilities and contingent assets: Onerous contracts – cost of fulfilling a contract*

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

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

Amendments to IAS 16, Property, plant and equipment: Proceeds before intended use

The amendments prohibit an entity from deducting the proceeds from selling items produced before that asset is available for use from the cost of an item of property, plant and equipment. Instead, the sales proceeds and the related costs should be included in profit and loss. The amendments do not have a material impact on these financial statements as the Group does not sell items produced before an item of property, plant and equipment is available for use during the periods.

Amendments to IAS 37, Provisions, contingent liabilities and contingent assets: Onerous contracts – cost of fulfilling a contract

The amendments clarify that for the purpose of assessing whether a contract is onerous, the cost of fulfilling the contract includes both the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts.

Previously, the Group included only incremental costs when determining whether a contract was onerous. In accordance with the transitional provisions, the Group has applied the new accounting policy to contracts for which it has not yet fulfilled all its obligations at 1 January 2022, and has concluded that none of them is onerous.

Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

3 REVENUE AND SEGMENT REPORTING

The Group manages its businesses by divisions, which are organised by a mixture of both business lines (products and services) and geography. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has identified 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 and geographical location of customers is as follows:

	Six months ended 30 June	
	2022	2021
	RMB'000	RMB'000
Revenue from contracts with customers within the scope of IFRS 15		
Disaggregated by major products of service lines		
– Electricity dispatch and sale	90,525	84,778
– Power generation and supply	220,648	189,669
– Others	12,765	7,302
	323,938	281,749

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.

Disaggregation of revenue from contracts with customers by the timing of revenue recognition is disclosed in note 3(b).

(b) Information about profit or loss, assets and liabilities

Disaggregation of revenue from contracts with customers by 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 period is set out below.

Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

3 REVENUE AND SEGMENT REPORTING (continued)

(b) Information about profit or loss, assets and liabilities (continued)

For the six months ended 30 June	Electricity dispatch and sale		Power generation and supply		Others		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
	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	90,525	84,778	220,648	189,669	60	301	311,233	274,748
Over time	-	-	-	-	12,705	7,001	12,705	7,001
Revenue from external customers	90,525	84,778	220,648	189,669	12,765	7,302	323,938	281,749
Inter-segment revenue	1,114	1,003	-	-	-	-	1,114	1,003
Reportable segment revenue	91,639	85,781	220,648	189,669	12,765	7,302	325,052	282,752
Reportable segment profit (EBITDA)	8,511	9,239	19,316	30,958	3,457	3,138	31,284	43,335
Depreciation and amortisation for the period	3,406	3,701	17,979	18,002	44	48	21,429	21,751
As at 30 June/31 December								
Reportable segment assets	76,400	84,228	575,955	559,950	30,233	12,589	682,588	656,767
Reportable segment liabilities	30,666	45,781	104,942	86,432	29,553	13,821	165,161	146,034

The measure used for reporting segment profit is “EBITDA” representing for earnings before interest, taxes, depreciation and amortisation.

Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

3 REVENUE AND SEGMENT REPORTING (continued)

(c) Reconciliations of reportable segment profit or loss

	Six months ended 30 June	
	2022	2021
	RMB'000	RMB'000
Revenue		
Reportable segment revenue	325,052	282,752
Elimination of inter-segment revenue	(1,114)	(1,003)
Consolidated revenue	323,938	281,749

	Six months ended 30 June	
	2022	2021
	RMB'000	RMB'000
Profit		
Reportable segment profit	31,284	43,335
Other net income	246	300
Interest income	220	274
Finance costs	(6,941)	(6,095)
Depreciation and amortisation	(21,838)	(22,224)
Other unallocated head office and corporate expenses	(11,394)	(10,865)
Consolidated (loss)/profit before taxation	(8,423)	4,725

4 OTHER NET INCOME

	Six months ended 30 June	
	2022	2021
	RMB'000	RMB'000
Government grants	1,049	955
Others	152	300
	1,201	1,255

Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

5 (LOSS)/PROFIT BEFORE TAXATION

(Loss)/profit before taxation is arrived at after charging:

	Six months ended 30 June	
	2022 RMB'000	2021 RMB'000
(a) Finance costs		
Interest on loans and borrowings	6,653	4,347
Interest expense on payables due to shareholders	–	1,661
Interest on lease liabilities	37	68
Other financial costs	251	19
	6,941	6,095
(b) Other items		
Amortisation		
– right-of-use assets for properties	885	885
– intangible assets	385	366
Depreciation	20,568	20,973
Purchase of electricity	81,997	74,843
Fuel	148,052	113,981
Outsourcing operation	20,923	19,491

6 INCOME TAX

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

	Six months ended 30 June	
	2022 RMB'000	2021 RMB'000
Current tax		
Provision for the period	1,929	2,044
Deferred taxation		
Recognition of temporary differences	(4,035)	(863)
	(2,106)	1,181

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

	Six months ended 30 June	
	2022 RMB'000	2021 RMB'000
(Loss)/profit before taxation	(8,423)	4,725
Notional tax on (loss)/profit before taxation (Note (i))	(2,106)	1,181
Actual tax expenses	(2,106)	1,181

(i) The Group is subject to the statutory income tax rate of 25% for the six months ended 30 June 2021 and 2022.

Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

7 (LOSS)/EARNINGS PER SHARE

The calculation of basic (loss)/earnings per share is based on the loss attributable to ordinary equity shareholders of the Company for the six months ended 30 June 2022 of RMB9,152,000 (six months ended 30 June 2021: profit of RMB1,094,000) and the weighted average of 159,921,000 ordinary shares (six months ended 30 June 2021: 159,921,000 shares) in issue. There was no difference between basic and diluted earnings per share as there were no potential dilutive shares during the period.

8 RIGHT-OF-USE ASSETS FOR PROPERTIES AND PROPERTY, PLANT AND EQUIPMENT

(a) Property, plant and equipment:

During the six months ended 30 June 2022, the Group acquired items of plant, machinery and construction in progress with a cost of RMB47,639,000.00 (six months ended 30 June 2021: RMB2,501,000). There is no disposal of property, plant and equipment during the six months ended 30 June 2022 (six months ended 30 June 2021: nil).

(b) Right-of-use assets for properties

Right-of-use assets for properties of the Group mainly represent the prepayments for the land use premium held under operating leases.

(c) Assessing impairment

Electricity dispatch and sale business in Seaport, power generation and supply business in Seaport and power generation and supply business in Lingang Thermal Power 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.

As of 30 June 2022, as the fuel prices remained high, reducing the profitability of power generation and supply business in Seaport and Lingang Thermal Power, management has performed impairment assessments on the above CGUs. Management assessed the recoverable amounts of those CGUs and as a result, management is of the view that there is no impairment loss provision for the property, plant and equipment and right-of-use assets for properties as at 30 June 2022 (2021: nil).

For the power generation and supply business in Seaport and Lingang Thermal Power, the estimates of recoverable amount was 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% (2021: 0%). The growth rates used do not exceed the long-term average growth rates for the business in which the CGU operates. The cash flows are discounted using a discount rate of 9.64% (2021: 9.05%). The discount rate used is pre-tax and reflect specific risks relating to the relevant segment.

Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

9 GOODWILL

Reconciliation of carrying amount of goodwill:

	At 30 June 2022 RMB'000	At 31 December 2021 RMB'000
Cost		
Balance at 1 January	537	537
Balance at 30 June/31 December	537	537
Impairment losses		
Balance at 1 January	-	-
Impairment losses	-	-
Balance at 30 June/31 December	-	-
Carrying amounts		
Balance at 1 January	537	537
Balance at 30 June/31 December	537	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 are 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% (2021:0%). 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 9.64% (2021: 9.05%). The discount rate used is pre-tax and reflect specific risks relating to the relevant segment.

Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

10 TRADE AND BILLS RECEIVABLES

	At 30 June 2022 RMB'000	At 31 December 2021 RMB'000
Accounts receivable, net of loss allowance	63,785	54,249
Bills receivable	1,620	1,090
	65,405	55,339

Ageing analysis

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

	At 30 June 2022 RMB'000	At 31 December 2021 RMB'000
Within 3 months	64,442	54,565
4 to 6 months	581	231
7 to 9 months	189	532
10 to 12 months	193	11
	65,405	55,339

Trade and bills receivables are generally due within 30-90 days from the date of billing.

Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

11 OTHER RECEIVABLES AND ASSETS

	At 30 June 2022 RMB'000	At 31 December 2021 RMB'000
Current		
Price subsidy	15,920	15,920
Value added tax recoverable	751	7,214
Corporation income tax recoverable	59	715
Deposits with third parties	22	22
Advance to suppliers	763	728
	<u>17,515</u>	<u>24,599</u>
Non-current		
Deposits with third parties	1,250	1,250

12 CASH AND CASH EQUIVALENTS

	At 30 June 2022 RMB'000	At 31 December 2021 RMB'000
Cash at bank	109,841	186,141

13 TRADE AND OTHER PAYABLES

	At 30 June 2022 RMB'000	At 31 December 2021 RMB'000
Trade payable to third parties	90,213	92,919
Bills payable	28,891	-
Deposit received	1,941	2,153
Payables for value added tax and other taxes	2,796	3,209
Payables for purchase of property, plant and equipment	15,761	1,115
Others	565	1,206
	<u>140,167</u>	<u>100,602</u>

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

Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

13 TRADE AND OTHER PAYABLES (continued)

As of the end of the reporting period, the ageing analysis of trade creditors and bills payables (which are included in trade and other payables), based on the invoice date, is as follows:

	At 30 June 2022 RMB'000	At 31 December 2021 RMB'000
Within 3 months	108,392	80,757
4 to 6 months	26,718	19,728
7 to 12 months	5,057	117
	<u>140,167</u>	<u>100,602</u>

14 LOANS AND BORROWINGS

(a) The analysis of the repayment schedule of loans and borrowings is as follows:

	At 30 June 2022 RMB'000	At 31 December 2021 RMB'000
Bank loans		
Within 1 year or on demand	137,357	182,725
After 1 year but within 2 years	56,210	56,646
After 2 years but within 5 years	28,244	33,529
	<u>84,454</u>	<u>90,175</u>
	<u>221,811</u>	<u>272,900</u>
Other borrowings		
Within 1 year or on demand	5,298	5,471
After 1 year but within 2 years	4,153	5,188
After 2 years but within 5 years	13,678	14,239
After 5 years	-	336
	<u>17,831</u>	<u>19,763</u>
	<u>23,129</u>	<u>25,234</u>
	<u>244,940</u>	<u>298,134</u>

Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

14 LOANS AND BORROWINGS (continued)

(b) Assets pledged as security for loans and borrowings

At 30 June 2022, the loans and borrowings were secured as follows:

	At 30 June 2022 RMB'000	At 31 December 2021 RMB'000
Bank loans		
– secured	50,550	66,700
– guaranteed by subsidiary of the Company	10,000	10,000
– guaranteed by the Company	952	–
– unsecured	160,309	196,200
Other borrowings		
– secured	23,129	25,234
	244,940	298,134

At 30 June 2022, the secured bank loans were pledged by 51% shares of Lingang Thermal Power held by the Group with an aggregate carrying value of RMB51,000,000 (2021: RMB51,000,000) and full amount of trade receivables of Lingang Thermal Power.

At 30 June 2022, the secured other borrowings represent borrowing balance from SPDB Financial Leasing Co., Ltd., which were pledged by the gas supply facilities, equipment and related parts of the Group with an aggregate carrying value of RMB30,517,000 (2021: RMB31,564,000).

(c) Bank loan agreements with covenants relating to requirements of specific financial performance, indicators

As at 30 June 2022, the Group has certain bank loan agreements that include covenants relating to requirements of specific financial performance indicators on the borrowers, such as debt-to-asset ratio, liquidity ratio and net profit for each fiscal year. Failure to achieve the requirements may cause the lenders to demand immediate repayment of the loans.

The aggregate amount of bank loan balances which include such covenants is RMB104,302,400 having maturity dates from 1 year to 5 years as of 30 June 2022.

There was no non-compliance with loan covenants for the period ended 30 June 2022.

Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

15 DIVIDENDS

Dividends payable to equity shareholders attributable to the previous financial year, approved during the interim period

	Six months ended 30 June	
	2022	2021
	RMB'000	RMB'000
Nil final dividend in respect of the previous financial year, approved during the following interim period (six months ended 30 June 2021: RMB0.05 per share)	-	7,996

16 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

As at 30 June 2022 and 31 December 2021, the carrying amounts of trade and bills receivables, other receivables and assets, trade and other payables were not materially different from their fair values.

17 COMMITMENTS

Capital commitments outstanding at 30 June 2022 not provided for in the interim financial report:

	At 30 June	At 31 December
	2022	2021
	RMB'000	RMB'000
Contracted for	171,213	-
Authorised but not contracted for	-	-
	171,213	-

Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

18 MATERIAL RELATED PARTY TRANSACTIONS

(a) Related party balances

(i) *Trade and bills receivables and other receivables and assets comprised the following balances due from related parties:*

	At 30 June 2022 RMB'000	At 31 December 2021 RMB'000
Due from Tianjin Free Trade Zone Investment Holdings Group Co., Ltd. ("Tianbao Group") and its subsidiaries	878	961
Due from equity owner of a subsidiary	4,812	2,805
	<u>5,690</u>	<u>3,766</u>

(ii) *Other payables and liabilities comprised the following balances due to related parties:*

	At 30 June 2022 RMB'000	At 31 December 2021 RMB'000
Advance received from Tianbao Group's subsidiaries	129	407
	<u>129</u>	<u>407</u>

(b) Related party transactions

	Six months ended 30 June	
	2022 RMB'000	2021 RMB'000
Sales of goods to		
Subsidiaries of Tianbao Group	2,703	2,916
Equity owner of a subsidiary	1,104	-
Purchase of goods from		
Subsidiaries of Tianbao Group	-	150
Services provided to		
Subsidiaries of Tianbao Group	617	412
Equity owner of a subsidiary	1,608	-
Guarantee given by		
Equity owner of a subsidiary	49,000	-

19 NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD

No significant subsequent events have occurred since 30 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 Report refers to Tianbao Holdings and TFIHC
“Director(s)”	director(s) of the Company
“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” or “HK”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong dollars”, “HK\$” or “HKD”	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
“Interim Report” or “Report”	the Group’s interim report for the six months ended June 30, 2022
“Konggang Thermal Plant”	the power plant located in Tianjin Airport Economic Zone which is currently held by Tianbao Holdings, one of the Controlling Shareholders of the Company, which operates energy production and supply business
“Latest Practicable Date”	August 31, 2022, being the latest practicable date prior to the printing of this Interim Report for ascertaining certain information contained herein
“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

Definitions

“Model Code”	Model Code for Securities Transactions by Directors of Listed Companies
“PRC” or “China”	the People’s Republic of China
“Prospectus”	the prospectus of the Company dated on April 16, 2018
“Reporting Period”	from January 1, 2022 to June 30, 2022, being the financial reporting period of this Interim Report
“RMB” or “Renminbi”	the lawful currency of the PRC
“Securities and Futures Ordinance” or “SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share(s)”	share(s) in the share capital of our Company with a nominal value of RMB1.00 each
“Shareholders”	holder(s) of H Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supervisor(s)”	supervisor(s) of the Company
“Supervisory Board”	the board of Supervisors of the Company
“TFIHC”	Tianjin Free Trade Zone Investment Holdings Group Co., Ltd.* (天津保稅區投資控股集團有限公司), a company with limited liability established in the PRC, and a subsidiary held as to 90.55% and 9.45% by Tianjin Port Free Trade Zone State-owned Assets Administration Bureau* (天津港保稅區國有資產管理局) and Tianjin Zhonglian Real Estate Co., Ltd. (天津中聯置業有限公司), a wholly-owned subsidiary of the Tianjin Municipal Bureau of Finance, respectively, 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
“Tianbao Investment”	Tianjin Free Trade Zone Investment Company Limited* (天津保稅區投資有限公司), a state-owned enterprise established in the PRC on January 18, 2002 and a wholly-owned subsidiary of TFIHC, one of our 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

* for identification purpose only