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綠色動力
DYNAGREEN

綠色動力環保集團股份有限公司

Dynagreen Environmental Protection Group Co., Ltd.*

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

(Stock Code: 1330)

FIRST QUARTER REPORT OF 2023

SUMMARY

The Board of Dynagreen Environmental Protection Group Co., Ltd.* hereby announces the first quarter report of 2023 of the Company. The financial data contained in the Report has been prepared in accordance with PRC GAAP and is unaudited. This announcement is made pursuant to Rules 13.09(2) and 13.10B of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited and the Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

The board of directors (the “**Board**”) of Dynagreen Environmental Protection Group Co., Ltd.* (the “**Company**”) hereby announces the unaudited results of the Company for the three months ended 31 March 2023 (the “**Report**”). The financial data contained in the Report has been prepared in accordance with China Accounting Standards for Business Enterprises (“**PRC GAAP**”) and is unaudited. This announcement is made pursuant to Rules 13.09(2) and 13.10B of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited and the Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

The Report is written in both Chinese and English. In the case of any discrepancies, the Chinese version of the Report shall prevail.

IMPORTANT NOTICE

The Board, the supervisory committee and the directors, the supervisors and the senior management of the Company hereby warrant the truthfulness, accuracy and completeness of the contents of the quarter report, guarantee that there are no false representations, misleading statements or material omissions contained in the quarter report, and are jointly and severally responsible for the legal liabilities.

The responsible officer of the Company, the Chief Financial Officer and the Chief Accountant, declare that they warrant the truthfulness, accuracy and completeness of the information of the financial statements in the quarter report.

Whether the first quarter report is audited

Yes No

I. MAJOR FINANCIAL DATA

(I) Major accounting data and financial indicators

Unit: RMB

Item	The reporting period	Increase/decrease for the reporting period over the corresponding period last year (%)
Operating income	1,040,584,663.77	-5.84
Net profit attributable to shareholders of the Company	170,585,929.73	-5.69
Net profit excluding extraordinary gain and loss attributable to the shareholders of the Company	168,427,884.44	-5.72
Net cash flows from operating activities	103,030,599.50	23.65
Basic earnings per share (RMB/share)	0.12	-7.69
Diluted earnings per share (RMB/share)	0.11	-15.38
Weighted average return on net asset (%)	2.30	Decreased by 0.4 percentage point

I. MAJOR FINANCIAL DATA (CONTINUED)

(I) Major accounting data and financial indicators (continued)

	As at the end of the reporting period	As at the end of last year	Increase/decrease from the end of last year (%)
Total assets	22,408,783,541.95	22,677,440,152.69	-1.18
Owners' equity attributable to the shareholders of the Company	7,506,588,690.11	7,330,237,121.56	2.41

(II) Extraordinary gains and losses items and amounts

Unit: RMB

Item	Amount for the reporting period	Description
Gains and losses from disposal of non-current assets	782.45	
Government grants recognised through profit or loss, except for government grants which closely related to the Company's normal operation that are fixed or quantified based on the national standards	1,787,417.69	
Other non-operating income and expenses besides items above	352,455.06	
Other items of non-recurring gains or losses	261,595.51	
Less: Effects on income tax	182,944.26	
Effects on non-controlling shareholders (after-tax)	61,261.16	
Total	<u>2,158,045.29</u>	

I. MAJOR FINANCIAL DATA (CONTINUED)

(II) Extraordinary gains and losses items and amounts (continued)

Explanation of the non-recurring gains or losses items as illustrated in the Explanatory Announcement on Information Disclosure for Companies Offering Their Securities to the Public No. 1 – Non-recurring Gains or Losses defined as the recurring gains or losses items

Applicable Not applicable

(III) Changes in major accounting data and financial indicators and the reasons thereof

Applicable Not applicable

Item	Change (%)	Main reason
Net cash flows from operating activities	23.65	The number and scale of construction projects decreased, resulting in a decrease in cash payments related to the construction of PPP projects

II. INFORMATION OF SHAREHOLDERS

(I) Table of total number of holders of ordinary shares, number of shareholders of preference shares with restored voting rights and shareholdings of the top ten shareholders

Unit: share

Total number of holders of ordinary shares as at the end of the reporting period	52,542	Total number of shareholders of preference shares with restored voting rights as at the end of the reporting period (if any)	0
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Name of shareholder	Nature of shareholder	Shareholding of the top ten shareholders		Number of shares held subject to selling restrictions	Pledged, marked or frozen	Status	Number
		Number of shares held	Percent age (%)				
Beijing State-owned Assets Management Co., Ltd.	State-owned legal person	594,085,618	42.63	–	Nil	–	
HKSCC NOMINEES LIMITED	Overseas legal person	379,427,000	27.23	–	Unknown	–	
Three Gorges Capital Holdings Co., Ltd.	State-owned legal person	84,265,896	6.05	–	Nil	–	
Beijing State-Owned Assets Management (Hong Kong) Company Limited	Overseas legal person	24,859,792	1.78	–	Nil	–	
Beijing Huitai Hengrui Investment Co., Ltd.	Domestic non-state-owned legal person	17,170,707	1.23	–	Nil	–	
Gongqingcheng Jingxiu Investment Partnership (Limited Partnership)	Domestic non-state-owned legal person	7,130,378	0.51	–	Nil	–	
Hong Kong Securities Clearing Company Limited	Overseas legal person	4,025,800	0.29	–	Nil	–	
Agricultural Bank of China Limited – Southern CSI Yangtze River Protection Themed Exchanged Open Index Securities Investment Fund (中國農業銀行股份有限公司 – 南方中證長江保護主題交易型開放式指數證券投資基金)	Others	1,335,400	0.10	–	Nil	–	
Southern Fund Steady Plus Value-Added Pension Product – China Merchants Bank Co., Ltd. (南方基金穩健增值混合型養老金產品 – 招商銀行股份有限公司)	Others	1,323,400	0.09	–	Nil	–	
CITIC Securities Co., Ltd. – YFD CSI Yangtze River Protection Themed Exchanged Open Index Securities Investment Fund (中信證券股份有限公司 – 易方達中證長江保護主題交易型開放式指數證券投資基金)	Others	1,303,662	0.09	–	Nil	–	

II. INFORMATION OF SHAREHOLDERS (CONTINUED)

(I) Table of total number of holders of ordinary shares, number of shareholders of preference shares with restored voting rights and shareholdings of the top ten shareholders (continued)

Name of shareholder	Top ten holders of shares not subject to selling restrictions		Class and number of shares
	Number of tradable shares not subject to selling restrictions held	Type of shares	
Beijing State-owned Assets Management Co., Ltd.	594,085,618	RMB ordinary shares	594,085,618
HKSCC NOMINEES LIMITED	379,427,000	Overseas listed foreign shares	379,427,000
Three Gorges Capital Holdings Co., Ltd.	84,265,896	RMB ordinary shares	84,265,896
Beijing State-Owned Assets Management (Hong Kong) Company Limited	24,859,792	Overseas listed foreign shares	24,859,792
Beijing Huitai Hengrui Investment Co., Ltd.	17,170,707	RMB ordinary shares	17,170,707
Gongqingcheng Jingxiu Investment Partnership (Limited Partnership)	7,130,378	RMB ordinary shares	7,130,378
Hong Kong Securities Clearing Company Limited	4,025,800	RMB ordinary shares	4,025,800
Agricultural Bank of China Limited – Southern CSI Yangtze River Protection Themed Exchanged Open Index Securities Investment Fund (中國農業銀行股份有限公司 – 南方中證長江保護主題交易型開放式指數證券投資基金)	1,335,400	RMB ordinary shares	1,335,400
Southern Fund Steady Plus Value-Added Pension Product – China Merchants Bank Co., Ltd. (南方基金穩健增值混合型養老金產品 – 招商銀行股份有限公司)	1,323,400	RMB ordinary shares	1,323,400
CITIC Securities Co., Ltd. – YFD CSI Yangtze River Protection Themed Exchanged Open Index Securities Investment Fund (中信證券股份有限公司 – 易方達中證長江保護主題交易型開放式指數證券投資基金)	1,303,662	RMB ordinary shares	1,303,662
Particulars of related-party relationship or concert party arrangement among the Shareholders above	Beijing State-Owned Assets Management (Hong Kong) Company Limited is a wholly-owned subsidiary of Beijing State-owned Assets Management Co., Ltd.		

III. OTHER REMINDERS

Other important information about the Company's operations during the reporting period that needs to be brought to the attention of investors

Applicable Not applicable

As approved by the Approval in Relation to the Public Issuance of Convertible Corporate Bonds of Dynagreen Environmental Protection Group Co., Ltd. (Zheng Jian Xu Ke [2022] No. 132), on 25 February 2022, the Company publicly issued 23.6 million convertible corporate bonds with a nominal value of RMB100 per bond and a total issuance size of RMB2.36 billion. As approved by the Self-Regulatory Supervision Decision [2022] No. 70 of the Shanghai Stock Exchange, the convertible corporate bonds in an amount of RMB2.36 billion were listed on the Shanghai Stock Exchange on 23 March 2022 with the short name of "Dynagreen Convertible Bonds" and the code of "113054", and the initial conversion price was RMB9.82 per share. Pursuant to relevant provisions and the Offering Document of the Issuance of Convertible Corporate Bonds by Dynagreen Environmental Protection Group Co., Ltd., the "Dynagreen Convertible Bonds" could be converted into the A shares of the Company since 5 September 2022.

Due to the Company's distribution of cash dividends for 2021, the conversion price of "Dynagreen Convertible Bonds" was adjusted from RMB9.82 per share to RMB9.72 per share. The adjusted conversion price took effect from 21 July 2022 (ex-dividend date).

As at 31 March 2023, "Dynagreen Convertible Bonds" in an accumulative amount of RMB91,000 had been converted into the A shares of the Company and the accumulative number of convertible bonds which had been converted was 9,294 shares, representing 0.0007% of the total issued shares of the Company before conversion of the convertible corporate bonds ("**Convertible Bonds**").

IV. QUARTERLY FINANCIAL STATEMENTS

(I) Type of audit opinion

Applicable Not applicable

(II) Financial statements

Consolidated Balance Sheet 31 March 2023

Prepared by: Dynagreen Environmental Protection Group Co., Ltd.*

Unit: RMB Unaudited

Item	31 March 2023	31 December 2022
Current assets:		
Cash at bank and on hand	1,265,502,194.41	1,866,979,993.59
Notes receivable	1,700,000.00	3,630,000.00
Accounts receivable	1,654,952,926.06	1,514,336,722.29
Receivables financing	400,000.00	100,000.00
Prepayments	57,320,304.97	52,293,392.74
Other receivables	47,523,894.77	44,296,534.45
Inventories	47,324,843.40	50,455,726.71
Contract assets	311,714,653.17	290,565,986.15
Non-current assets due within one year	63,333,643.66	63,241,709.17
Other current assets	255,066,046.61	256,939,869.44
Total current assets	3,704,838,507.05	4,142,839,934.54
Non-current assets:		
Long-term receivables	35,781,894.31	35,781,894.31
Fixed assets	334,597,033.46	338,638,173.78
Right-of-use assets	3,709,203.77	4,569,816.51
Intangible assets	11,165,259,835.83	10,969,431,289.46
Goodwill	33,724,983.41	33,724,983.41
Long-term prepaid expenses	287,411.20	574,822.36
Deferred tax assets	239,590,288.34	230,546,731.84
Other non-current assets	6,890,994,384.58	6,921,332,506.48
Total non-current assets	18,703,945,034.90	18,534,600,218.15
Total assets	22,408,783,541.95	22,677,440,152.69

IV. QUARTERLY FINANCIAL STATEMENTS (CONTINUED)

(II) Financial statements (continued)

Consolidated Balance Sheet (continued) 31 March 2023

Prepared by: Dynagreen Environmental Protection Group Co., Ltd.*

Unit: RMB Unaudited

Item	31 March 2023	31 December 2022
Current liabilities:		
Short-term borrowings	501,539,252.78	629,445,334.97
Accounts payable	1,202,838,969.97	1,265,489,204.69
Contract liabilities	943,302.86	17,002,561.22
Employee benefits payable	46,638,619.44	101,522,137.34
Taxes payable	58,015,951.36	54,699,728.19
Other payables	175,534,479.78	135,686,058.50
Non-current liabilities due within one year	1,213,951,439.43	1,225,740,394.21
Total current liabilities	<u>3,199,462,015.62</u>	<u>3,429,585,419.12</u>
Non-current liabilities:		
Long-term borrowings	8,074,913,576.81	8,325,811,964.03
Bonds payable	2,215,508,240.32	2,195,494,717.04
Lease liabilities	2,238,524.72	2,203,964.74
Long-term payables	253,811,682.98	256,107,867.65
Provisions	13,217,560.56	13,070,517.24
Deferred income	152,677,010.09	153,995,806.76
Deferred tax liabilities	498,932,876.61	487,891,034.57
Total non-current liabilities	<u>11,211,299,472.09</u>	<u>11,434,575,872.03</u>
Total liabilities	<u>14,410,761,487.71</u>	<u>14,864,161,291.15</u>

IV. QUARTERLY FINANCIAL STATEMENTS (CONTINUED)

(II) Financial statements (continued)

Consolidated Balance Sheet (continued) 31 March 2023

Prepared by: Dynagreen Environmental Protection Group Co., Ltd.*

Unit: RMB Unaudited

Item	31 March 2023	31 December 2022
Owners' equity (or shareholders' equity):		
Paid-in capital (or share capital)	1,393,449,294.00	1,393,447,763.00
Other equity instruments	217,560,493.67	217,561,876.52
Capital reserve	2,412,494,287.04	2,412,480,372.81
Other comprehensive income	2,079,875.32	2,079,875.32
Special reserve	7,310,783.41	1,559,206.97
Surplus reserve	239,285,522.16	239,285,522.16
Retained earnings	3,234,408,434.51	3,063,822,504.78
Total equity attributable to owners of the Company (or Shareholders' equity)	7,506,588,690.11	7,330,237,121.56
Non-controlling interests	491,433,364.13	483,041,739.98
Total owners' equity (or shareholders' equity)	<u>7,998,022,054.24</u>	<u>7,813,278,861.54</u>
Total liabilities and owners' equity (or shareholders' equity)	<u>22,408,783,541.95</u>	<u>22,677,440,152.69</u>
Officer of the Company: Qiao Dewei	Chief Financial Officer: Yi Zhiyong	Chief Accountant: Zhao Linbin

IV. QUARTERLY FINANCIAL STATEMENTS (CONTINUED)

(II) Financial statements (continued)

Consolidated Income Statement

January to March 2023

Prepared by: Dynagreen Environmental Protection Group Co., Ltd.*

Unit: RMB Unaudited

Item	First Quarter of 2023	First Quarter of 2022
I. Total operating income	<u>1,040,584,663.77</u>	<u>1,105,078,853.31</u>
Including: Operating income	<u>1,040,584,663.77</u>	<u>1,105,078,853.31</u>
II. Total operating cost	836,489,319.19	869,267,639.22
Including: Operating cost	662,555,869.14	685,160,885.15
Taxes and surcharges	16,080,304.37	11,189,818.20
Selling expenses	219,704.56	171,296.11
Administrative expenses	42,262,191.10	39,167,638.87
Research and development expenses	1,109,193.75	2,844,871.02
Financial expenses	114,262,056.27	130,733,129.87
Including: Interest expenses	117,484,949.64	130,543,933.51
Interest income	3,492,350.24	4,526,505.91
Add: Other income	15,836,077.10	6,180,015.77
Investment income		
(“-” indicating loss)	–	1,706,684.69
Including: Income from investment in associates and joint ventures	–	1,372,911.11
Credit impairment losses		
(“-” indicating loss)	–5,805,808.36	–20,131,051.98
Asset impairment losses		
(“-” indicating loss)	–1,148,090.44	–2,217,732.01
Gains on disposal of assets		
(“-” indicating loss)	<u>1,156.06</u>	

IV. QUARTERLY FINANCIAL STATEMENTS (CONTINUED)

(II) Financial statements (continued)

Consolidated Income Statement (continued)

January to March 2023

Prepared by: Dynagreen Environmental Protection Group Co., Ltd.*

Unit: RMB Unaudited

Item	First Quarter of 2023	First Quarter of 2022
III. Operating profit (“-” indicating loss)	<u>212,978,678.94</u>	<u>221,349,130.56</u>
Add: Non-operating income	551,803.18	365,730.56
Less: Non-operating expenses	<u>199,721.73</u>	<u>15,781.42</u>
IV. Total profit (“-” indicating total loss)	<u>213,330,760.39</u>	<u>221,699,079.70</u>
Less: Income tax expenses	<u>34,711,242.29</u>	<u>30,643,289.02</u>
V. Net profit (“-” indicating net loss)	<u>178,619,518.10</u>	<u>191,055,790.68</u>
(1) Classified by continuity of operations		
1. Net profit from continuing operations (“-” indicating net loss)	178,619,518.10	191,055,790.68
2. Net profit from discontinued operations (“-” indicating net loss)		
(2) Classified by ownership of equity		
1. Net profit attributable to the shareholders of the Company (“-” indicating net loss)	170,585,929.73	180,883,631.36
2. Non-controlling interests (“-” indicating net loss)	<u>8,033,588.37</u>	<u>10,172,159.32</u>

IV. QUARTERLY FINANCIAL STATEMENTS (CONTINUED)

(II) Financial statements (continued)

Consolidated Income Statement (continued)

January to March 2023

Prepared by: Dynagreen Environmental Protection Group Co., Ltd.*

Unit: RMB Unaudited

Item	First Quarter of 2023	First Quarter of 2022
VI. Other comprehensive income, net of tax		<u>4,036,347.94</u>
(I) Other comprehensive income attributable to owners of the Company, net of tax		4,036,347.94
1 Other comprehensive income that cannot be reclassified to profit or loss		
2 Other comprehensive income to be reclassified to profit or loss		4,036,347.94
(1) Conversion differences arising from the conversion of foreign currency financial statements		<u>4,036,347.94</u>
(II) Other comprehensive income attributable to non-controlling interests, net of tax		
VII. Total comprehensive income	<u>178,619,518.10</u>	<u>195,092,138.62</u>
(I) Total comprehensive income attributable to owners of the Company	170,585,929.73	184,919,979.30
(II) Total comprehensive income attributable to non-controlling interests	<u>8,033,588.37</u>	<u>10,172,159.32</u>
VIII. Earnings per share:		
(I) Basic earnings per share (RMB/Share)	0.12	0.13
(II) Diluted earnings per share (RMB/Share)	<u>0.11</u>	<u>0.13</u>

For the business merger involving entities under common control during the reporting period, the net profit recorded by the merged party before the merger was RMB0, and the net profit recorded by the merged party in the prior period was RMB0.

Officer of the Company:
Qiao Dewei

Chief Financial Officer:
Yi Zhiyong

Chief Accountant:
Zhao Linbin

IV. QUARTERLY FINANCIAL STATEMENTS (CONTINUED)

(II) Financial statements (continued)

Consolidated Cash Flow Statement January to March 2023

Prepared by: Dynagreen Environmental Protection Group Co., Ltd.*

Unit: RMB Unaudited

Item	First Quarter of 2023	First Quarter of 2022
I. Cash flows from operating activities:		
Cash received from sale of goods and rendering of services	643,940,616.20	594,975,041.96
Refunds of taxes	11,629,499.99	15,015,707.42
Cash received from other operating activities	11,173,390.72	8,695,890.94
Sub-total of cash inflows from operating activities	666,743,506.91	618,686,640.32
Cash paid for goods and services	219,222,786.93	160,002,394.87
Other cash paid relating to the construction of the PPP project	105,531,515.91	153,745,503.49
Cash paid to and for employees	156,942,238.03	155,227,212.73
Payments of various taxes	68,009,597.21	53,472,024.38
Cash paid for other operating activities	14,006,769.33	12,914,819.99
Sub-total of cash outflows for operating activities	563,712,907.41	535,361,955.46
Net cash flows generated from operating activities	103,030,599.50	83,324,684.86
II. Cash flows from investing activities:		
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	24,224.02	6,725.66
Cash received from other investing activities		4,853,800.00
Sub-total of cash inflows from investing activities	24,224.02	4,860,525.66

IV. QUARTERLY FINANCIAL STATEMENTS (CONTINUED)

(II) Financial statements (continued)

Consolidated Cash Flow Statement (continued) January to March 2023

Prepared by: Dynagreen Environmental Protection Group Co., Ltd.*

Unit: RMB Unaudited

Item	First Quarter of 2023	First Quarter of 2022
Cash paid for repayment of borrowings	484,404,806.59	428,694,358.46
Cash paid for distribution of dividends and profit or payment of interests	106,083,687.18	116,313,184.33
Cash paid for other financing activities	<u>1,486,100.87</u>	<u>14,429,303.10</u>
Sub-total of cash outflows for financing activities	<u>591,974,594.64</u>	<u>559,436,845.89</u>
Net cash flows generated from financing activities	<u>-469,181,472.67</u>	<u>2,365,534,604.95</u>
IV. Effect of foreign exchanges rate changes on cash and cash equivalents	<u>-16,074.92</u>	<u>8,635.09</u>
V. Net increase in cash and cash equivalents	<u>-601,477,799.18</u>	<u>2,027,797,956.44</u>
Add: Balance of cash and cash equivalents at the beginning of the period	<u>1,864,783,293.59</u>	<u>954,789,955.35</u>
VI. Balance of cash and cash equivalents at the end of the period	<u>1,263,305,494.41</u>	<u>2,982,587,911.79</u>

Officer of the Company:
Qiao Dewei

Chief Financial Officer:
Yi Zhiyong

Chief Accountant:
Zhao Linbin

IV. QUARTERLY FINANCIAL STATEMENTS (CONTINUED)

(III) Adjustments to the first adoption of the relevant financial statements at the beginning of the then year due to the first adoption of new accounting standards or standards interpretations since 2023

Applicable Not applicable

By Order of the Board
Dynagreen Environmental Protection Group Co., Ltd.*
Qiao Dewei
Chairman

Shenzhen, the PRC
28 April 2023

As of the date of this announcement, the executive directors of the Company are Mr. Qiao Dewei, Ms. Zhong Xia and Mr. Hu Shengyong; the non-executive directors of the Company are Mr. Liu Shuguang, Mr. Cheng Suning and Mr. Li Lei; and the independent non-executive directors of the Company are Ms. Fu Jie, Mr. Xie Lanjun and Mr. Zhou Beihai.

* *For identification purposes only*