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Tianjin Capital Environmental Protection Group Company Limited
天津創業環保集團股份有限公司

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

FIRST QUARTERLY REPORT 2022

1. IMPORTANT

- 1.1 The board (the “**Board**”) of directors (the “**Directors**”) and the supervisory committee of Tianjin Capital Environmental Protection Group Company Limited (the “**Company**”) and all of its Directors, supervisors and senior management warrant that there are no false information, misleading statements or material omissions in this quarterly report, and accept joint and several responsibility for the truthfulness, accuracy and completeness of the contents contained in this quarterly report.
- 1.2 Mr. Liu Yujun, the chairman of the Company, Ms. Jing Wanying, the officer in charge of the accounting function, and Mr. Liu Tao, the officer in charge of the accounting department (the accounting management officer) have warranted the truthfulness, accuracy and completeness of the financial statements contained in this quarterly report.
- 1.3 The financial statements contained in the first quarterly report of the Company have not been audited.

2. BASIC INFORMATION OF THE COMPANY

2.1 Major Financial Data

Principal accounting items and financial indicators

Unit: 0'000 Currency: RMB

Items	The current reporting period	Change in the current reporting period over the same period of the previous year (%)
Operating income	107,155.2	22.42
Net profits attributable to the shareholders of the Company	19,539.5	17.85
Net profit attributable to the shareholders of the Company after deduction of extraordinary items	17,902.1	23.71
Net cash flows from operating activities	21,235.5	412.37
Basic earnings per share (Yuan/share)	0.14	20.69
Diluted earnings per share (Yuan/share)	0.14	20.69
Weighted average return ratio on net assets (%)	2.71	0.23

	As at the end of this reporting period	As at the end of the previous year	Comparison between the end of this reporting period and the end of the previous year increase/decrease (%)
Total assets	2,108,999.8	2,106,529.2	0.12
Total equity attributable to equity shareholders of the Company	731,559.3	712,019.8	2.74

Extraordinary items and amounts

Unit: 0'000 Currency: RMB

Items	Amount for the reporting period
Government grants included in profit or loss for the current period other than those closely related to the normal operation of the Company, in compliance with national policies and regulations, as well as the government grants entitled continuously in accordance with certain standard quota or quantity basis	2,011.5
Other non-operating income and expenditure except for those mentioned above	-71.9
Minus: Impact on income tax	323.0
Impact on minority shareholders interests (after tax)	-20.8
Total	1,637.4

Please explain the reasons for including the extraordinary gain or loss items stated in the “Explanatory Announcement No. 1 for Information Disclosure by Public Issuers of Securities — Extraordinary Gain or Loss Items” by the Company in the recurring gain or loss items

Applicable Not applicable

Changes in principal accounting items and financial indicators, and reasons for changes thereof

Item	Percentage of change (%)	Main reasons
Net cash flows from operating activities	412.37	This was mainly due to higher receipt of payments from operations such as sewage treatment charges collected in the current period compared to the same period of the previous year.

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

Total number of shareholders		60,888 of which 61 were shareholders of H Shares				
Shareholdings of the top ten shareholders						
Name of shareholder (Full name)	Nature of shareholder	Number of shares held at the end of the reporting period (shares)	Percentage of shareholding (%)	Number of restricted shares held (shares)	Pledged, marked or frozen	
					Status of shares	Number (shares)
Tianjin Municipal Investment Company Limited* (天津市政投資有限公司) (“TMICL”)	State-owned legal person	715,565,186	50.14	0	None	0
HKSCC Nominees Limited	Other	337,954,810	23.68	0	None	0
Central Huijin Asset Management Ltd.	State-owned legal person	13,868,294	0.97	0	None	0
Hong Kong Securities Clearing Company Limited	Other	13,280,153	0.93	0	None	0
Zhejiang Jinxin Construction Engineering Co., Ltd.* (浙江錦鑫建設工程有限公司)	Domestic non-state owned legal person	7,453,000	0.52	0	None	0
China International Capital Corporation Hong Kong Asset Management Limited – Client funds 2	Other	3,697,733	0.26	0	None	0
Jiang Yong* (江勇)	Domestic natural person	3,420,300	0.24	0	None	0
Li Mingguo* (李命國)	Domestic natural person	2,104,785	0.15	0	None	0
Lin Zhimao* (林志茂)	Domestic natural person	1,719,700	0.12	0	None	0
Shenyang Railway Coal Group Co., Ltd.* (瀋陽鐵道煤炭集團有限公司)	State-owned legal person	1,500,000	0.11	0	None	0

Shareholdings of the top ten shareholders of non-restricted circulating shares			
Name of shareholders	Number of non-restricted circulating shares (shares)	Type and number of shares	
		Type	Number (shares)
TMICL	715,565,186	Ordinary RMB Shares	715,565,186
HKSCC Nominees Limited	337,954,810	H Shares	337,908,810
Central Huijin Asset Management Ltd.	13,868,294	Ordinary RMB Shares	13,868,294
Hong Kong Securities Clearing Company Limited	13,280,153	Ordinary RMB Shares	13,280,153
Zhejiang Jinxin Construction Engineering Co., Ltd.* (浙江錦鑫建設工程有限公司)	7,453,000	Ordinary RMB Shares	7,453,000
China International Capital Corporation Hong Kong Asset Management Limited – Client funds 2	3,697,733	Ordinary RMB Shares	3,697,733
Jiang Yong* (江勇)	3,420,300	Ordinary RMB Shares	3,420,300
Li Mingguo* (李命國)	2,104,785	Ordinary RMB Shares	2,104,785
Lin Zhimao* (林志茂)	1,719,700	Ordinary RMB Shares	1,719,700
Shenyang Railway Coal Group Co., Ltd.* (瀋陽鐵道煤炭集團有限公司)	1,500,000	Ordinary RMB Shares	1,500,000

<p>Notes on the connected relationship or parties acting in concert among the above shareholders</p>	<p>It is not certain whether there is any connected relationship among the top ten shareholders. It is not certain whether there is any connected relationship between the top ten shareholders of non-restricted circulating shares and the top ten shareholders.</p> <p>Notes:(1) According to the register of members as provided by HKSCC Nominees Limited, those H shares held by it were held on behalf of various clients. As of the end of the reporting period, Ningbo Baisi Yuesi Trading Co., Ltd.* (寧波百思樂斯貿易有限公司) and the parties acting in concert with it, namely Ningbo Ningdian Investment Development Co., Ltd.* (寧波寧電投資發展有限公司), Lvneng Investment & Development Co., Limited (Hong Kong)* (綠能投資發展有限公司(香港)), held 140,448,000 H shares of the Company in total, representing 9.841% of the total share capital of the Company. None of the shares held have been pledged.</p> <p>(2) None of the top ten shareholders are strategic investors of the Company.</p>
<p>Description on engagement in margin trading and short selling and refinancing business by top ten shareholders and top ten non-restricted shareholders (if any)</p>	<p>Zhejiang Jinxin Construction Engineering Co., Ltd.* (浙江錦鑫建設工程有限公司) held, in aggregate, 7,453,000 shares of the Company, of which, 0 shares through ordinary securities account and 7,453,000 shares through credit securities account; Jiang Yong* (江勇) held, in aggregate, 3,420,300 shares of the Company, of which, 0 shares through ordinary securities account and 3,420,300 shares through credit securities account; Lin Zhimao* (林志茂) held, in aggregate, 1,719,700 shares of the Company, of which, 0 shares through ordinary securities account and 1,719,700 shares through credit securities account.</p>

3. OTHER REMINDERS

In view of the changes in national policies and the capital market environment, and taking into account the actual situation, development planning and many other factors of the Company, the Company, after prudent analysis and repeated communication with intermediaries and other institutions, and with the consent of the Board of Directors, the Supervisory Committee and the General Meeting of Shareholders of the Company, terminated and withdrew the issuance proposal of non-public issuance of A shares 2020, revised the issue proposal and re-filed the issuance proposal of non-public issuance of A shares 2021 with the China Securities Regulatory Commission (the “CSRC”). On 28 January 2022, the Company received the “Notice regarding First Feedback on the Review of Administrative Permission Items from CSRC”* (《中國證監會行政許可項目審查一次反饋意見通知書》) (No. 213602) issued by the CSRC, to which the Company responded on 21 February 2022. On 16 March 2022, the Company received the “Notice regarding Second Feedback on the Review of Administrative Permission Items from CSRC”* (《中國證監會行政許可項目審查二次反饋意見通知書》) (No. 213602) issued by CSRC on 15 March 2022, to which the Company responded on 23 April 2022. Details of the above feedback comments are set out in the relevant announcements of the Company published on the websites of the Shanghai Stock Exchange (<http://www.sse.com.cn>) and the Stock Exchange of Hong Kong Limited (<http://www.hkex.com.hk/>) on 22 February 2022 and 23 April 2022 respectively.

The Company’s issuance proposal of non-public issuance of A shares 2021 is subject to the approval of the CSRC before it can be implemented. According to the progress of the above matters, the Company will comply with the information disclosure obligations in a timely manner and in strict accordance with the provisions and requirements of the laws and regulations relating to the non-public issuance of shares by listed companies, and investors are advised to pay attention to the investment risks.

By Order of the Board
Liu Yujun
Chairman

Tianjin, the PRC
26 April 2022

As at the date of this announcement, the Board comprises three executive Directors: Mr. Liu Yujun, Ms. Wang Jing and Mr. Niu Bo; three non-executive Directors: Mr. Gu Wenhui, Mr. Si Xiaolong and Mr. Liu Tao; and three independent non-executive Directors: Mr. Xu Zhiming, Mr. Guo Yongqing and Ms. Lu Yingying.

* For identification purpose only

4. APPENDICES

Consolidated Balance Sheet

As at 31 March 2022

Prepared by: Tianjin Capital Environmental Protection Group Company Limited

Unit: '000 Currency: RMB Type of audit: Unaudited

Items	As at 31 March 2022	As at 31 December 2021
CURRENT ASSETS:		
Currency funds	2,071,993	2,139,487
Notes receivable	9,256	8,123
Trade receivables	2,394,606	2,325,550
Prepayments	33,280	20,834
Other receivables	27,746	29,293
Including: Interest receivable	0	0
Dividend receivable	0	0
Inventories	22,803	21,828
Non-current assets due within one year	225,975	241,114
Other current assets	75,755	50,896
Total current assets	<u>4,861,414</u>	<u>4,837,125</u>
NON-CURRENT ASSETS:		
Long-term receivables	3,798,524	3,811,904
Long-term equity investments	195,000	195,000
Investments in other equity instruments	2,000	2,000
Fixed assets	957,533	973,273
Construction in progress	32,577	29,660
Right-of-use assets	8,240	9,021
Intangible assets	10,385,131	10,331,691
Goodwill	405,461	405,461
Deferred income tax assets	18,570	19,268
Other non-current assets	425,548	450,889
Total non-current assets	<u>16,228,584</u>	<u>16,228,167</u>
TOTAL ASSETS	<u><u>21,089,998</u></u>	<u><u>21,065,292</u></u>

Items	As at 31 March 2022	As at 31 December 2021
CURRENT LIABILITIES:		
Short-term loans	145,819	145,852
Accounts payables	363,008	429,522
Contract liabilities	541,960	567,682
Employee compensations payable	24,910	104,568
Taxes payable	60,098	47,291
Other payables	943,265	958,718
Including: Interest payable	0	0
Dividend payable	1,600	2,800
Non-current liabilities due within a year	1,263,732	957,139
Other current liabilities	0	0
Total current liabilities	3,342,792	3,210,772
NON-CURRENT LIABILITIES:		
Long-term loans	6,918,141	7,197,167
Debentures payable	250,000	250,000
Lease liabilities	5,499	6,230
Long-term payables	182,945	196,256
Accrued liabilities	15,212	15,212
Deferred income	1,914,877	1,933,891
Deferred income tax liabilities	120,660	119,694
Other non-current liabilities	32,000	32,000
Total non-current liabilities	9,439,334	9,750,450
TOTAL LIABILITIES	12,782,126	12,961,222

Items	As at 31 March 2022	As at 31 December 2021
OWNERS' EQUITY (OR SHAREHOLDERS' EQUITY):		
Paid-up capital (or share capital)	1,427,228	1,427,228
Capital reserve	437,949	437,949
Surplus reserves	677,336	677,336
Retained earnings	4,773,080	4,577,685
Total equity attributable to owners of the Company (or shareholders' equity)	<u>7,315,593</u>	<u>7,120,198</u>
Minority shareholders interest	992,279	983,872
Total owners' (or shareholders') equity	<u>8,307,872</u>	<u>8,104,070</u>
TOTAL LIABILITIES AND OWNERS' (OR SHAREHOLDERS') EQUITY	<u><u>21,089,998</u></u>	<u><u>21,065,292</u></u>

Person in charge of the Company: Liu Yujun
Person in charge of accounting function: Jing Wanying
Person in charge of accounting department: Liu Tao

Consolidated Income Statement

January to March 2022

Prepared by: Tianjin Capital Environmental Protection Group Company Limited

Unit: '000 Currency: RMB Type of audit: Unaudited

Items	First Quarter of 2022	First Quarter of 2021
I. Total revenue from operations	1,071,552	875,283
Including: Operating income	1,071,552	875,283
II. Total operating cost	828,905	699,111
Including: Operating costs	712,899	572,151
Taxes and other levies	7,828	5,983
Selling expenses	7,006	4,525
Administrative expenses	43,639	39,458
R&D expenses	2,375	1,673
Finance expenses	55,158	75,321
Including: Interest expenses	90,530	67,063
Interest income	38,653	4,798
Add: Other income	23,173	31,936
Impairment loss of credit (loss is represented by “-” sign)	-5,076	-
III. Profit from operations (loss is represented by “-” sign)	260,744	208,108
Add: Non-operating income	7	269
Less: Non-operating expenses	726	132
IV. Total profit (total loss is represented by “-” sign)	260,025	208,245
Less: Income tax expenses	58,438	33,753
V. Net profit (net loss is represented by “-” sign)	201,587	174,492
(I) Classified by continuity of operations		
1. Net profit from continuing operations (net loss is represented by “-” sign)	201,587	174,492
(II) Classified by ownership		
1. Net profits attributable to shareholders of the Company (net loss is represented by “-” sign)	195,395	165,793
2. Profit or loss attributable to minority shareholders (net loss is represented by “-” sign)	6,192	8,699

Items	First Quarter of 2022	First Quarter of 2021
VI. Total comprehensive income	201,587	174,492
(I) Total comprehensive income attributable to shareholders of the Company	195,395	165,793
(II) Total comprehensive income attributable to minority shareholders	6,192	8,699
VII. Earnings per share:		
(I) Basic earnings per share (Yuan/ per share)	0.137	0.116
(II) Diluted earnings per share (Yuan/ per share)	0.137	0.116

For business combination under common control during the Period, the net profit of merged party before the business combination is Nil, and the net profit of the merged party for the last period is Nil.

Person in charge of the Company: Liu Yujun

Person in charge of accounting function: Jing Wanying

Person in charge of accounting department: Liu Tao

Consolidated Cash Flow Statement

January to March 2022

Prepared by: Tianjin Capital Environmental Protection Group Company Limited

Unit: '000 Currency: RMB Type of audit: Unaudited

	First Quarter of 2022	First Quarter of 2021
I. Cash flows from operating activities:		
Cash received from sales of goods and provision of services	864,424	592,758
Refund of taxes and levies	3,638	2,968
Other cash received relating to operating activities	48,669	38,816
Subtotal of cash inflows of operating activities	916,731	634,542
Cash paid for goods purchased and services received	420,508	334,554
Cash paid to or on behalf of employees	162,962	147,400
Taxes and levies paid	55,000	67,415
Other cash paid relating to operating activities	65,906	43,727
Subtotal of cash outflows from operating activities	704,376	593,096
Net cash flows from operating activities	212,355	41,446
II. Cash flows from investing activities:		
Net cash proceeds from disposal of fixed assets, intangible assets and other long – term assets	0	5
Other cash received relating to investing activities	0	20,154
Subtotal of cash inflows from investing activities	0	20,159
Cash paid for purchase and construction of fixed assets, intangible assets and other long-term assets	217,429	303,415
Cash paid for investments	–	688,994
Subtotal of cash outflows from investing activities	217,429	992,409
Net cash flows from investing activities	–217,429	–972,250

	First Quarter of 2022	First Quarter of 2021
III. Cash flows from financing activities:		
Cash received from capital injection	2,215	490
Including: Cash received from capital injection of minority shareholders in subsidiaries	2,215	490
Cash received from borrowings	341,167	1,969,769
Subtotal of cash inflows from financing activities	343,382	1,970,259
Cash paid for repayment of borrowings	324,143	253,747
Cash paid for distribution of dividends, profits or payment of interest expenses	81,659	45,126
Including: Dividends and profits paid to minority shareholders by subsidiaries	1,200	0
Subtotal of cash outflows from financing activities	405,802	298,873
Net cash flows from financing activities	-62,420	1,671,386
IV. Net increase in cash and cash equivalents	-67,494	740,582
Add: Balance of cash and cash equivalents as at the beginning of the Period	2,093,556	1,652,657
V. Balance of cash and cash equivalents as at the end of the Period	2,026,062	2,393,239

Person in charge of the Company: Liu Yujun
Person in charge of accounting function: Jing Wanying
Person in charge of accounting department: Liu Tao

Particulars in relation to adjustments made to the financial statements as at the beginning of the year for the initial implementation of new accounting standard since 2022

Applicable Not applicable