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## **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)**

### **ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED JUNE 30, 2024**

#### **FINANCIAL HIGHLIGHTS**

- For the six months ended June 30, 2024, the Company and its subsidiaries recorded consolidated operating revenue of approximately RMB405.828 million, representing an increase of approximately 5.8% as compared to the corresponding period of the previous year of approximately RMB383.402 million.
- The profit for the period attributable to shareholders of the Company was approximately RMB1.787 million, representing an increase of approximately 153.8% as compared with the corresponding period of the previous year.
- In the first half of 2024, basic and diluted earnings per Share were RMB1.12 cent, representing an increase of approximately 154.5% as compared with the corresponding period of the previous year.

#### **OPERATION HIGHLIGHTS**

The Board of Directors of Tianjin Tianbao Energy Co., Ltd.\* announces the unaudited consolidated results of the Company and its subsidiaries for the six months ended June 30, 2024 prepared in accordance with the International Financial Reporting Standards issued by International Accounting Standards Board.

# CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2024

	Notes	For the six months ended 30 June	
		2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
<b>Revenue</b>	4	<b>405,828</b>	383,402
Cost of sales		<u>(378,928)</u>	<u>(365,012)</u>
<b>Gross profit</b>		<b>26,900</b>	18,390
Other net income		<b>1,678</b>	1,272
Administrative expenses		<u>(13,148)</u>	<u>(11,252)</u>
<b>Profit from operations</b>		<b>15,430</b>	8,410
Finance income		<b>284</b>	344
Finance costs	5	<u>(8,595)</u>	<u>(6,141)</u>
<b>Profit before taxation</b>	5	<b>7,119</b>	2,613
Income tax	6	<u>(2,145)</u>	<u>(548)</u>
<b>Profit and total comprehensive income for the period</b>		<b><u>4,974</u></b>	<b><u>2,065</u></b>
<b>Attributable to:</b>			
Equity shareholders of the Company		<b>1,787</b>	704
Non-controlling interest		<u><b>3,187</b></u>	<u>1,361</u>
		<b><u>4,974</u></b>	<b><u>2,065</u></b>
<b>Earnings per share</b>	7		
Basic (Cents)		<b><u>1.12</u></b>	<u>0.44</u>
Diluted (Cents)		<b><u>1.12</u></b>	<u>0.44</u>

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2024

		At <b>30 June 2024</b> <i>RMB'000</i> <b>(Unaudited)</b>	At 31 December 2023 <i>RMB'000</i> <b>(Audited)</b>
	<i>Notes</i>		
<b>Non-current assets</b>			
Property, plant and equipment	8	<b>672,902</b>	655,372
Right-of-use assets for properties	8	<b>67,671</b>	68,556
Intangible assets		<b>4,676</b>	5,079
Deferred tax assets		<b>7,091</b>	7,238
Other receivables and assets	11	<b>1,250</b>	1,250
Goodwill	9	<b>4,037</b>	537
		<hr/> <b>757,627</b>	<hr/> 738,032
<b>Current assets</b>			
Inventories		<b>1,271</b>	5,423
Trade receivables	10	<b>106,757</b>	113,329
Other receivables and assets	11	<b>72,244</b>	79,802
Bank balances and cash	12	<b>134,171</b>	144,307
Restricted deposits		<b>4,200</b>	8,200
		<hr/> <b>318,643</b>	<hr/> 351,061
<b>Current liabilities</b>			
Trade and other payables	13	<b>89,988</b>	103,310
Loans and borrowings	14	<b>265,928</b>	269,412
Contract liabilities		<b>4,151</b>	7,409
Salary and welfare payables		<b>8,625</b>	5,961
Tax payable		<b>5,883</b>	5,913
Lease liabilities		<b>204</b>	144
		<hr/> <b>374,779</b>	<hr/> 392,149

		At 30 June 2024 <i>RMB'000</i> (Unaudited)	At 31 December 2023 <i>RMB'000</i> (Audited)
<b>Net current liabilities</b>		<u>(56,136)</u>	<u>(41,088)</u>
<b>Total assets less current liabilities</b>		<u>701,491</u>	<u>696,944</u>
<b>Non-current liabilities</b>			
Loans and borrowings	<i>14</i>	181,912	180,955
Lease liabilities		866	1,192
Deferred income		44,140	45,694
Contract liabilities		4,736	4,979
Deferred tax liabilities		<u>5,266</u>	<u>5,333</u>
		<u>236,920</u>	<u>238,153</u>
<b>NET ASSETS</b>		<u><u>464,571</u></u>	<u><u>458,791</u></u>
<b>CAPITAL AND RESERVES</b>			
Share capital		159,921	159,921
Reserves		<u>153,681</u>	<u>151,894</u>
<b>Total equity attributable to equity shareholders of the Company</b>		<u>313,602</u>	<u>311,815</u>
<b>Non-controlling interest</b>		<u>150,969</u>	<u>146,976</u>
<b>TOTAL EQUITY</b>		<u><u>464,571</u></u>	<u><u>458,791</u></u>

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

*For the six months ended 30 June 2024*

		Attributable to equity shareholders of the Company						
		Share capital	Capital reserve	Statutory surplus reserves	Retained profits	Total	Non- controlling interests	Total equity
Notes	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	<b>At 1 January 2024</b>	<b>159,921</b>	<b>79,530</b>	<b>13,786</b>	<b>58,578</b>	<b>311,815</b>	<b>146,976</b>	<b>458,791</b>
	Profit for the period	-	-	-	1,787	1,787	3,187	4,974
	Total comprehensive income	-	-	-	1,787	1,787	3,187	4,974
	Addition through acquisition of a subsidiary	-	-	-	-	-	622	622
	Capital injection by a non-controlling shareholder of a subsidiary	-	-	-	-	-	184	184
	<b>Balance at 30 June 2024 (Unaudited)</b>	<b>159,921</b>	<b>79,530</b>	<b>13,786</b>	<b>60,365</b>	<b>313,602</b>	<b>150,969</b>	<b>464,571</b>
	<b>At 1 January 2023</b>	<b>159,921</b>	<b>79,530</b>	<b>13,574</b>	<b>62,370</b>	<b>315,395</b>	<b>150,062</b>	<b>465,457</b>
	Profit for the period	-	-	-	704	704	1,361	2,065
	Total comprehensive income	-	-	-	704	704	1,361	2,065
	Dividends approved in respect of the previous year	-	-	-	(3,838)	(3,838)	-	(3,838)
15		-	-	-	(3,838)	(3,838)	-	(3,838)
	<b>Balance at 30 June 2023 (Unaudited)</b>	<b>159,921</b>	<b>79,530</b>	<b>13,574</b>	<b>59,236</b>	<b>312,261</b>	<b>151,423</b>	<b>463,684</b>

## CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 30 June 2024

	<i>Notes</i>	For the six months ended	
		2024	2023
		<i>RMB'000</i>	<i>RMB'000</i>
		(Unaudited)	(Unaudited)
<b>Operating activities</b>			
Cash generated from/(used in) operations		42,811	(62,636)
Income tax paid		(2,576)	(2,253)
Income tax refund		481	–
		<hr/>	<hr/>
<b>Net cash generated from/(used in) operating activities</b>		<b>40,716</b>	<b>(64,889)</b>
		<hr/>	<hr/>
<b>Investing activities</b>			
Net cash outflow on acquisition of a subsidiary		(13,888)	–
Payment for the purchase of property, plant and equipment and intangible assets		(26,044)	(52,184)
		<hr/>	<hr/>
<b>Net cash used in investing activities</b>		<b>(39,932)</b>	<b>(52,184)</b>
		<hr/>	<hr/>
<b>Financing activities</b>			
Dividends paid to shareholders of the company		–	(1,064)
Capital injection by a non-controlling shareholder of a subsidiary		184	–
Proceeds from bank loans		124,216	189,705
Repayment of bank loans		(124,660)	(93,794)
Repayment of other borrowings		(2,083)	(2,622)
Interest paid		(8,577)	(5,762)
		<hr/>	<hr/>
<b>Net cash (used in)/from financing activities</b>		<b>(10,920)</b>	<b>86,463</b>
		<hr/>	<hr/>
<b>Net decrease in cash and cash equivalents</b>		<b>(10,136)</b>	<b>(30,610)</b>
		<hr/>	<hr/>
<b>Cash and cash equivalents at 1 January</b>		<b>144,307</b>	<b>153,314</b>
		<hr/>	<hr/>
<b>Cash and cash equivalents at 30 June</b>	12	<b>134,171</b>	<b>122,704</b>
		<hr/> <hr/>	<hr/> <hr/>

# NOTES TO THE CONDENSED INTERIM FINANCIAL REPORT

*For the six months ended 30 June 2024*

## 1 CORPORATE AND GROUP INFORMATION

Tianjin Tianbao Energy Co Ltd (the “**Company**”) was incorporated in the People’s Republic of China (the “**PRC**”) and is listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The address of its registered office is 40th Floor, Dah Sing Financial Centre, No. 248 Queen’s Road East Wan Chai, Hong Kong.

The Company and its subsidiaries (hereinafter collectively referred to as the “**Group**”) are principally engaged in co-generation of steam, electricity, heating and cooling.

## 2 BASIS OF PREPARATION

This interim results announcement 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 22 August 2024.

The liquidity of the Group is dependent on its ability to maintain adequate cash flow from operations to meet its debt obligations as and when they fall due, and its ability to obtain adequate external financing to meet its committed future capital expenditures.

As at 30 June 2024, the Group had net current liabilities of RMB56.14 million. Notwithstanding the net current liabilities as at 30 June 2024, the Directors do not consider that material uncertainties related to events or conditions exist which, individually or collectively, may cast significant doubt on the Group’s ability to continue as a going concern, in light of the below circumstances:

- (i) the Group had available unutilised bank facilities of RMB235.68 million at 30 June 2024.

Consequently, the Directors are of the opinion that it is appropriate to prepare the Group’s financial statements for the six months ended 30 June 2024 on a going concern basis.

### 3 PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis.

The accounting policies used in the condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2023 except as described below.

#### **Application of amendments to International Financial Reporting Standards (“IFRSs”)**

In the current interim period, the Group has applied, for the first time, the following amendments to International Financial Reporting Standards issued by the IASB which are effective for the Group's financial year beginning 1 January 2024:

Amendments to IFRS 16	Lease Liability in a Sale and Leaseback
Amendments to IAS 1	Classification of Liabilities as Current or Non-current
Amendments to IAS 1	Non-current Liabilities with Covenants
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangement

The application of the amendments to IFRSs in the current interim period has had no material effect on the Group's financial performance and positions for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

#### **Accounting policies newly adopted by the Group**

In addition, the Group has applied the following accounting policy which became relevant to the Group in the current interim period.

#### **Business combinations**

Acquisition of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs incurred to effect a business combination are recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities arising from the assets acquired and liabilities assumed in the business combination are recognised and measured in accordance with IAS 12 Income Taxes;
- assets or liabilities related to the acquiree's employee benefit arrangements are recognised and measured in accordance with IAS 19 Employee Benefits;



- liabilities or equity instruments related to share-based payment arrangement of the acquiree or the replacement of the acquiree's share-based payment transactions with the share-based payment transactions of the Group are measured in accordance with IFRS 2 Share-based Payment at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard.
- lease liabilities are recognised and measured at the present value of the remaining lease payments as if the acquired lease was a new lease at the acquisition date, except for leases for which (a) the lease term ends within 12 months of the acquisition date; or (b) the underlying asset is of low value. Right-of-use assets are recognised and measured at an amount equal to the lease liabilities, adjusted to reflect favourable or unfavourable terms of the lease when compared with market terms.

Goodwill is measured as the excess of the aggregate of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the Group's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

Non-controlling interests, unless as required by another standards, are measured at acquisition date fair value except for non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are initially measured either at fair value or at the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. The provisional amounts recognised at the acquisition date are adjusted retrospectively during the measurement period, and additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date. Measurement period adjustments are adjustments that arise from additional information obtained during the "measurement period" (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

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

Disaggregation of revenue from contracts with customers by major products or services lines is as following:

	<b>For the six months ended 30 June</b>	
	<b>2024</b>	<b>2023</b>
	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Revenue from contract with customers within the scope of IFRS 15		
Electricity dispatch and sale	<b>103,731</b>	97,138
Power generation and supply	<b>284,996</b>	276,519
Others	<b>17,101</b>	9,745
	<b><u>405,828</u></b>	<b><u>383,402</u></b>

Disaggregation of revenue from contracts with customers by timing of recognition

	<b>For the six months ended 30 June</b>	
	<b>2024</b>	<b>2023</b>
	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Time of revenue recognition		
At a point in time	<b>389,239</b>	373,727
Over time	<b>16,589</b>	9,675
	<b><u>405,828</u></b>	<b><u>383,402</u></b>
Total revenue from contracts with customers		

Since all the revenue from customers is derived from the customers located in PRC and the non-current assets are located in PRC, there is no information about different geographical locations provided to the Group's management.

An analysis of the Group's revenue by segments is set out below.

The following table present revenue and profit information regarding the Group's operating segments for the six months ended 30 June 2024 and 2023, respectively.

<b>Six months ended 30 June 2024 (unaudited)</b>	<b>Electricity dispatch and sales <i>RMB'000</i></b>	<b>Power generation and supply <i>RMB'000</i></b>	<b>Others <i>RMB'000</i></b>	<b>Total <i>RMB'000</i></b>
Revenue				
External sales	<b>103,731</b>	<b>284,996</b>	<b>17,101</b>	<b>405,828</b>
Inter-segment	<b>1,655</b>	<b>–</b>	<b>–</b>	<b>1,655</b>
Segment revenue				<b>407,483</b>
Elimination				<b>(1,655)</b>
Group revenue				<b>405,828</b>
Results				
Segments profit (adjusted EBITDA)	<b>7,711</b>	<b>39,718</b>	<b>5,865</b>	<b>53,294</b>
Other net income				<b>123</b>
Interest income				<b>284</b>
Finance costs				<b>(8,595)</b>
Depreciation and amortisation				<b>(25,939)</b>
Other unallocated head office and corporate expenses				<b>(12,048)</b>
Profit before tax				<b>7,119</b>
At 30 June 2024				
Reportable segment assets	<b>60,918</b>	<b>805,313</b>	<b>50,571</b>	<b>916,802</b>
Reportable segment liabilities	<b>25,634</b>	<b>201,651</b>	<b>15,914</b>	<b>243,199</b>

Six months ended 30 June 2023 (unaudited)	Electricity dispatch and sales <i>RMB'000</i>	Power generation and supply <i>RMB'000</i>	Others <i>RMB'000</i>	Total <i>RMB'000</i>
Revenue				
External sales	97,138	276,519	9,745	383,402
Inter-segment	<u>2,063</u>	<u>–</u>	<u>–</u>	<u>2,063</u>
Segment revenue				385,465
Elimination				<u>(2,063)</u>
Group revenue				383,402
Results				
Segments profit (adjusted EBITDA)	<u>5,488</u>	<u>31,442</u>	<u>4,310</u>	<u>41,240</u>
Other net income				318
Interest income				344
Finance costs				(6,141)
Depreciation and amortisation				(23,956)
Other unallocated head office and corporate expenses				<u>(9,192)</u>
Profit before tax				<u>2,613</u>
At 30 June 2023				
Reportable segment assets	102,419	684,663	62,273	849,355
Reportable segment liabilities	<u>20,708</u>	<u>137,741</u>	<u>7,568</u>	<u>166,017</u>

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

## 5 PROFIT BEFORE TAXATION

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

	Six months ended 30 June	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Finance costs on bank loans and other borrowings	8,555	6,030
Interest on lease liabilities	22	34
Other financial costs	18	77
	<u>8,595</u>	<u>6,141</u>
Amortisation of right-of-use assets for properties	885	853
Amortisation of intangible assets	423	575
Gain on early termination of lease	(165)	–
Depreciation	24,631	22,527
Purchase of electricity	98,354	87,648
Fuel	195,652	207,256
Outsourcing operation	20,954	21,140

## 6 INCOME TAX

The major components of income tax expense in the condensed consolidated statements of profit or loss and other comprehensive income are:

	Six months ended 30 June	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
<b>Current tax</b>		
Provision for the period	2,065	825
<b>Deferred taxation</b>		
Provision (reversal) of temporary differences	80	(277)
Income tax expense	<u>2,145</u>	<u>548</u>

## 7 EARNINGS PER SHARE

The calculation of the basic earnings per share attributable to the equity shareholders of the Company is based on the following data:

### Earnings

	Six months ended 30 June	
	2024	2023
	<i>RMB\$'000</i>	<i>RMB\$'000</i>
	(Unaudited)	(Unaudited)
Profit for the period attributable to equity shareholders of the Company	<u>1,787</u>	<u>704</u>

### Numbers of shares

	Six months ended 30 June	
	2024	2023
	Number of shares	Number of shares
	<i>000</i>	<i>000</i>
	(Unaudited)	(Unaudited)
Weighted average number of ordinary shares for the purposes of basic earnings per share	<u>159,921</u>	<u>159,921</u>

The basic earnings per share and the diluted earnings per share are the same as there were no potential dilutive ordinary shares in issue during both periods.

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

### (a) Property, plant and equipment:

During the six months ended 30 June 2024, the Group acquired a subsidiary resulting in additions of property, plant and equipment with the fair value as of the acquisition day of RMB27,120,000. Besides, the Group acquired items of plant, machinery and construction in progress with a cost of RMB15,206,000 (six months ended 30 June 2023: RMB34,256,000). During the six months ended 30 June 2024, there is an early termination of a lease in respect of buildings and structure with a carrying value of RMB165,000 during the six months ended 30 June 2024 (six months ended 30 June 2023: 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 right in the PRC.

## 9 GOODWILL

	<b>At 30 June 2024 RMB'000 (Unaudited)</b>	At 31 December 2023 RMB'000 (Audited)
<b>Cost</b>	<u>4,037</u>	<u>537</u>
<b>Impairment losses</b>	<u>–</u>	<u>–</u>
<b>Carrying amounts</b>	<u><u>4,037</u></u>	<u><u>537</u></u>

### **Impairment tests for cash-generating units containing goodwill**

Goodwill is allocated to two cash generation units (CGU) included in Group's power generation and supply segment — Tianjin Tianbao Lingang Thermal Power Co., Ltd. (refer to as “**Lingang Thermal Power**”) and Yangzhou Qingchang Solar Energy Technology Co., Ltd. (refer to as “**Yangzhou Qingchang**”). The increase in goodwill in 2024 was relating to the acquisition of a subsidiary Yangzhou Qingchang, which is determined on a provisional basis.

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% (2023: 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 10.37% (2023: 10.37%). The discount rates used are pre-tax and reflect specific risks relating to the relevant segment.

## 10 TRADE RECEIVABLES AND BILL RECEIVABLES

As the end of reporting period, the ageing analysis of trade receivables (net of allowance for the credit losses) presented based on the invoice date, is as follows:

	<b>At 30 June 2024 RMB'000 (Unaudited)</b>	At 31 December 2023 RMB'000 (Audited)
Within 3 months	103,821	112,088
4 to 6 months	1,652	879
7 to 9 months	1,246	169
10 to 12 months	38	193
	<u>106,757</u>	<u>113,329</u>

The Group allows credit period of 90 days to its trade customers.

## 11 OTHER RECEIVABLES AND ASSETS

	<b>At 30 June 2024 RMB'000 (Unaudited)</b>	At 31 December 2023 RMB'000 (Audited)
<b>Current</b>		
Price subsidy	41,889	41,889
Value added tax and other tax recoverable	1,222	3,533
Advance to suppliers	29,111	34,265
Others	22	115
	<u>72,244</u>	<u>79,802</u>
<b>Non-current</b>		
Deposits with third parties	<u>1,250</u>	<u>1,250</u>



## 12 BANK BALANCES AND CASH

	<b>At 30 June 2024 RMB'000 (Unaudited)</b>	At 31 December 2023 RMB'000 (Audited)
Cash at bank	<b><u>134,171</u></b>	<b><u>144,307</u></b>

## 13 TRADE AND OTHER PAYABLES

	<b>At 30 June 2024 RMB'000 (Unaudited)</b>	At 31 December 2023 RMB'000 (Audited)
Trade payable to third parties	<b>64,768</b>	54,221
Bills payable	<b>500</b>	3,500
Retention payable	<b>5,575</b>	14,832
Payables for value added tax and other taxes	<b>2,154</b>	3,086
Payables for purchase of property, plant and equipment	<b>16,669</b>	27,487
Others	<b>322</b>	184
	<b><u>89,988</u></b>	<b><u>103,310</u></b>

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

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:

	<b>At 30 June 2024 RMB'000 (Unaudited)</b>	At 31 December 2023 RMB'000 (Audited)
Within 3 months	<b>56,250</b>	46,957
4 to 6 months	<b>1,842</b>	2,188
7 to 12 months	<b>7,176</b>	8,576
	<b><u>65,268</u></b>	<b><u>57,721</u></b>

## 14 LOANS AND BORROWINGS

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

	At 30 June 2024 <i>RMB'000</i> (Unaudited)	At 31 December 2023 <i>RMB'000</i> (Audited)
<b>Bank loans</b>		
Within 1 year or on demand	<u>261,761</u>	<u>264,445</u>
After 1 year but within 2 years	41,722	39,953
After 2 years but within 5 years	25,460	38,785
After 5 years	<u>104,313</u>	<u>90,517</u>
	<u>171,495</u>	<u>169,255</u>
	<u>433,256</u>	<u>433,700</u>
<b>Other borrowings</b>		
Within 1 year or on demand	<u>4,167</u>	<u>4,967</u>
After 1 year but within 2 years	4,167	4,168
After 2 years but within 5 years	<u>6,250</u>	<u>7,532</u>
	<u>10,417</u>	<u>11,700</u>
	<u>14,584</u>	<u>16,667</u>
	<u><b>447,840</b></u>	<u><b>450,367</b></u>

**(b) Assets pledged as security for loans and borrowings**

At 30 June 2024, the loans and borrowings were secured as follows:

	<b>At 30 June 2024 RMB'000 (Unaudited)</b>	At 31 December 2023 RMB'000 (Audited)
Bank loans		
– secured	<b>30,489</b>	31,886
– guaranteed by a subsidiary of the Company	<b>10,000</b>	7,200
– guaranteed by the Company	<b>119,250</b>	101,480
– unsecured	<b>273,517</b>	293,154
Other borrowings		
– secured	<b>14,584</b>	16,667
	<b>447,840</b>	450,367

At 30 June 2024, the secured bank loans were pledged with the 45% (2023: 45%) of the total paid up capital of a non-wholly owned subsidiary, Lingang Thermal Power, which represent the equity interest of Lingang Thermal Power held by the Group.

At 30 June 2024, the secured other borrowings represent borrowing balance from SPDB Financial Leasing Co., Ltd., which were pledged by the steam supply facilities, equipment and related parts in respect of property, plant and equipment of the Group with an aggregate carrying value of RMB26,328,000 (2023: RMB27,374,000).

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

As at 30 June 2024, 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.

As of 30 June 2024, the aggregate amount of bank loan balances with such covenants is RMB254,924,000 which will mature over the next 5 years (2023: RMB251,204,000 which will mature over the next 5 years).

There was no non-compliance with loan covenants for the six months ended 30 June 2024 (2023: nil).

## 15 DIVIDENDS

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

### Six months ended 30 June

2024	2023
<i>RMB'000</i>	<i>RMB'000</i>
(Unaudited)	(Unaudited)

Final dividend in respect of the previous financial year, approved during the following interim period, of RMBnil per ordinary share (six months ended 30 June 2023: RMB0.024 per ordinary share)

-	3,838
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## 16 NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD

No significant subsequent events have occurred since 30 June 2024.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **SUMMARY OF BUSINESS REVIEW FOR THE FIRST HALF OF 2024**

In the first half of 2024, China's gross domestic product (GDP) amounted to RMB61,683.6 billion, representing an increase of 5.0% year on year. China's economy saw steady progress on the whole, with new driving forces witnessing accelerated growth, which has made possible new strides in high-quality development. In the first half of 2024, the Chinese energy industry was generally stable. Specifically, the foundation of energy supply was further consolidated, which drove the rapid development of the new energy industry. Furthermore, the energy consumption of the wider civil society remained on the increase. This has further defined the trend of greening and cleaning of energy, accelerating green and low-carbon transformation.

The Group's gross profit margin for industrial steam remained stable in the first half of 2024. The Group worked to improve the corporate operating efficiency by lowering its production costs through technological transformation, biomass fuel-blended combustion and other means, successful operating of power generation part of gas distributed energy station project of Lingang Thermal Power, wrapping up the equity acquisition project of Yangzhou Qingchang and expanding industrial and commercial distributed photovoltaic power plant projects.

### **THE GROUP'S MEASURES TO IMPLEMENT KEY TASKS IN THE FIRST HALF OF 2024**

#### **1. Reducing costs and increasing efficiency through various forms**

The Group established a cost control system coordinated with its operating objectives and matched with its organizational structure to continuously improve the quality and efficiency of its business.

The Group kept a close eye on production and operation across the board. As a result, the Group significantly reduced its coal and water consumption in steam production and further lowered its steam pipe loss rate as compared to the same period of last year by strengthening coal quality sampling and testing, boiler low-load renovation, deep recycling of wastewater, and maintenance of pipeline network facilities.

The Group communicated with downstream customers on steam demand frequently and adjusted its steam production plan in time according to the customers' steam consumption to match the natural gas consumption with the contracted volume, which has controlled the cost of natural gas procurement.

The Group reformed the boiler combustion technology, topped off a number of biomass fuel-blended combustion tests, and the implementation will be initiated in due course based on the Group's overall arrangement at a later stage.

## **2. The equity acquisition project of Yangzhou Qingchang was a great success and the expansion of the new energy industry recorded strides**

In March 2024, the Group completed the industrial and commercial registration changes of Yangzhou Qingchang and the equity acquisition project of Yangzhou Qingchang recorded a great success, which, as the first outbound project of the Group, meant a lot to the Group going out of Tianjin to cover more service areas and implementing the "14th Five-Year Plan".

In the first half of 2024, the Group completed the grid connection and started the operation of distributed photovoltaic power generation projects such as Yangzhou Qingchang Kaixiang Phase II and Tianjin Konggang Xijiudao Road, completed the main construction of projects such as Tianjin Konggang Xiqidao Road and promoted the establishment of a number of projects, confirmation of the intention to cooperate and modification of investment and construction plans.

In the first half of 2024, the Group added 11.56MW of installed capacity of distributed photovoltaic power generation, bringing the total installed capacity to 18.8MW, and the installed capacity of new energy power generation has reached 62.7% of the installed capacity of coal power generation.

## **3. Making great efforts in production safety**

In the first half of 2024, the Group continued to standardize its efforts in production safety. To make it happen, the Group worked to improve the production safety management system to step up the management of hazardous operations such as fire-related work, work at height, and temporary electricity work. It offered safety training and education programs in fire, traffic and electricity. It organized 504 inspections of safety risks and eliminated 375 hidden dangers. It launched emergency drills, which included those for flood control, chemical leakage disposal, emergency evacuation and more to improve emergency response capabilities.

## OPERATING RESULTS AND ANALYSIS

According to the Group's data, in the first half of 2024, sales of steam amounted to approximately 792,000 tons, representing a decrease of approximately 7.7% from approximately 858,000 tons over the corresponding period of the previous year; sales of electricity amounted to approximately 139.457 million kilowatt-hours, representing an increase of approximately 21.2% from approximately 115.083 million kilowatt-hours over the corresponding period of the previous year; and on-grid power generation amounted to approximately 118.178 million kilowatt-hours, representing an increase of approximately 455.8% from approximately 21.261 million kilowatt-hours over the corresponding period of the previous year.

### 1. Operating revenue

In the first half of 2024, the Group recorded consolidated operating revenue of approximately RMB405.828 million, representing an increase of approximately 5.8% from approximately RMB383.402 million for the first half of 2023, mainly attributable to the smooth commercial operation of the power generation part on the basis that the gas distributed energy station project has been put into operation for heating, and the successful operation of the project has improved the operating revenue of the Group. The acquisition of 95% of the equity interest in Yangzhou Qingchang, which holds approximately 10.44MW of industrial and commercial distributed roof photovoltaic projects, improved the Group's operating revenue.

#### *Electricity dispatch and sale segment*

In the first half of 2024, the Group recorded revenue from our electricity dispatch and sale segment of approximately RMB103.731 million, representing an increase of approximately 6.8% from approximately RMB97.138 million for the first half of 2023, mainly attributable to the increase in electricity consumption of enterprises in the park compared with the same period last year.

#### *Power generation and supply segment*

In the first half of 2024, the Group recorded revenue from our power generation and supply segment of approximately RMB284.996 million, representing an increase of approximately 3.1% from approximately RMB276.519 million for the first half of 2023, because of the operation of power generation part of gas distributed energy station project of Lingang Thermal Power commenced in the second half of 2023, resulting in a corresponding increase in revenue.

### *Others segment*

In the first half of 2024, the Group recorded revenue from the others segment of approximately RMB17.101 million, representing an increase of approximately 75.5% from approximately RMB9.745 million for the first half of 2023, due to the increase of agent maintenance and engineering business compared with the same period last year.

## **2. Other net income**

In the first half of 2024, the Group recorded other net income of approximately RMB1.678 million, representing an increase of approximately 31.9% from approximately RMB1.272 million for the first half of 2023, mainly attributable to the fact that the deferred revenue of gas distributed energy station project began to be recognized as income monthly after the project was converted to a fixed asset.

## **3. Segment costs**

### *Electricity dispatch and sale segment*

In the first half of 2024, the costs of our electricity dispatch and sale segment amounted to approximately RMB100.688 million, representing an increase of approximately 7.0% from approximately RMB94.058 million for the first half of 2023, mainly because of the increase in electricity purchase costs due to the increase in electricity consumption of enterprises in the park compared with last year.

### *Power generation and supply segment*

In the first half of 2024, the costs of our power generation and supply segment amounted to approximately RMB266.044 million, representing an increase of approximately 0.2% from approximately RMB265.519 million for the first half of 2023.



### *Others segment*

In the first half of 2024, the costs of others segment amounted to approximately RMB12.197 million, representing an increase of approximately 124.4% from approximately RMB5.435 million for the first half of 2023, due to the increase of agent maintenance and engineering business, resulting in a corresponding increase in costs.

## **4. Segment gross profit**

### *Electricity dispatch and sale segment*

In the first half of 2024, the gross profit from our electricity dispatch and sale segment amounted to approximately RMB3.043 million, representing a decrease of approximately 1.2% from approximately RMB3.080 million for the first half of 2023, which was primarily due to the smooth implementation of the power transmission and distribution price reform policy and the relatively stable profit of electricity dispatch and sale.

### *Power generation and supply segment*

In the first half of 2024, the gross profit from our power generation and supply segment amounted to approximately RMB18.952 million, representing an increase of approximately 72.3% from approximately RMB11.000 million for the first half of 2023, which was mainly because of the improvement in the linkage between power generation and industrial steam of Lingang Thermal Power.

### *Others segment*

In the first half of 2024, the gross profit from others segment amounted to approximately RMB4.904 million, representing an increase of approximately 13.8% from approximately RMB4.310 million for the first half of 2023, which was primarily due to the increase in gross profit of the agent maintenance and engineering business.

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

In the first half of 2024, the earnings before interest, taxes, depreciation and amortization of segments amounted to approximately RMB53.294 million, representing an increase of approximately 29.2% from approximately RMB41.240 million for the first half of 2023, which was primarily due to the increase in gross profit of power generation and supply segment.

## **6. Finance costs**

In the first half of 2024, the Group recorded finance costs of approximately RMB8.595 million, representing an increase of approximately 40.0% as compared with approximately RMB6.141 million for the first half of 2023, which was primarily because of the conversion of interest from capitalization to expense of the distributed energy station project of Lingang Thermal Power.

## **7. Fuel costs**

In the first half of 2024, the Group recorded fuel costs of approximately RMB195.652 million, representing a decrease of approximately 5.6% as compared with approximately RMB207.256 million for the first half of 2023, which was primarily due to the decrease in procurement costs of coal and natural gas compared with last year.

## **8. Profit before tax**

Profit before tax amounted to approximately RMB7.119 million for the first half of 2024, representing an increase of approximately 172.4% as compared with approximately RMB2.613 million for the first half of 2023, which was mainly because of the Company's acquisition of 95% equity interest in Yangzhou Qingchang, energy production and supply, and the increase in profits of agent maintenance and engineering business compared with last year.

## **9. Income tax expenses**

In the first half of 2024, the Group recorded income tax expenses of approximately RMB2.145 million, representing an increase of approximately 291.4% as compared with approximately RMB0.548 million for the first half of 2023, which was primarily because of the increase in profit before tax.

## **10. Profit for the period attributable to the parent company**

In the first half of 2024, the profit for the period attributable to the parent company amounted to approximately RMB1.787 million, representing an increase of approximately 153.8% from approximately RMB0.704 million for the first half of 2023 due to the fact that the profit for the period attributable to the parent company increased due to the incorporation of energy production and supply segment, agent maintenance business and Yangzhou Qingchang into the consolidated financial statements.

## FINANCIAL POSITION

### 1. Assets and liabilities

Total assets decreased by approximately 1.2% from approximately RMB1,089.093 million as at the end of 2023 to approximately RMB1,076.270 million as at the end of June 2024. Total liabilities decreased by approximately 3.0% from approximately RMB630.302 million as at the end of 2023 to approximately RMB611.699 million as at the end of June 2024. Total equity attributable to ordinary Shareholders of the Company increased by approximately 0.6% from approximately RMB311.815 million as at the end of 2023 to approximately RMB313.602 million as at the end of June 2024.

As of the end of June 2024, our current assets amounted to approximately RMB318.643 million, representing a decrease of approximately 9.2% from approximately RMB351.061 million as at the end of 2023, of which bank balances and cash amounted to approximately RMB134.171 million (end of 2023: approximately RMB144.307 million), trade receivables amounted to approximately RMB106.757 million (end of 2023: approximately RMB113.329 million). Our current liabilities amounted to approximately RMB374.779 million (end of 2023: approximately RMB392.149 million), of which trade and other payables amounted to approximately RMB89.988 million (end of 2023: approximately RMB103.310 million); and non-current liabilities amounted to approximately RMB236.920 million (end of 2023: approximately RMB238.153 million).

## **2. Bank balances and cash**

As at the end of June 2024, the Group recorded bank balances and cash of approximately RMB134.171 million, representing a decrease of approximately 7.0% as compared with the end of the previous year of approximately RMB144.307 million, mainly due to the payment for the acquisition of 95% equity interest in Yangzhou Qingchang.

## **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 2024, the Group recorded a gearing ratio of 1.32, representing a slight decrease as compared with the end of the previous year of 1.37, which was due to repayment of funds payable for gas distributed energy station project of Lingang Thermal Power.

## **OTHER SIGNIFICANT EVENTS**

### **1. Capital expenditure and capital commitment**

In the first half of 2024, the total capital expenditure of the Group was approximately RMB26.044 million, mainly applicable to funds payable for gas distributed energy station project of Lingang Thermal Power.

On June 30, 2024, the Group's provision for capital commitment was approximately RMB12.502 million, mainly applicable to funds payable for the construction of the Yangzhou Qingchang Phase II distributed photovoltaic power generation project and for the gas distributed energy station project of Lingang Thermal Power.

As of June 30, 2024, save as disclosed in "Business Outlook for the Second Half of 2024" in this results announcement, the Group did not have other confirmed plan to make major investments or purchase capital assets or to make relevant financing in the upcoming period.

## **2. Liquidity and financial resources**

As at June 30, 2024, the Group had bank balances and cash amounting to approximately RMB134.171 million in aggregate; loans and borrowings of approximately RMB447.84 million which includes short-term borrowings of approximately RMB265.928 million and long-term borrowings of approximately RMB181.912 million, while secured or guaranteed loans and borrowings amounted to approximately RMB174.323 million and unsecured borrowings amounted to approximately RMB273.517 million, of which, approximately RMB288.460 million were fixed-rate loans and borrowings and approximately RMB159.380 million were floating-rate loans and borrowings. 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 of subsidiaries, associates and joint ventures**

On December 28, 2023, the Company entered into the Equity Transfer Agreement with Tianjin Yuanhai Jinfeng New Energy Co., Ltd.\* (天津遠海金風新能源有限公司) to acquire 95% equity interest in Yangzhou Qingchang held by it at a consideration of approximately RMB15.372 million. The equity acquisition was completed and the industrial and commercial registration change was completed in March 2024. Yangzhou Qingchang is mainly engaged in the development, design and construction of solar photovoltaic power generation projects, and currently operates an industrial and commercial distributed photovoltaic project of approximately 10.44MW.

For the six months ended June 30, 2024, the Company did not receive any dividends from Yangzhou Qingchang.

Save as disclosed above, for the six months ended June 30, 2024, the Group had no material acquisitions and disposals in relation to subsidiaries, associates and joint ventures.

## **4. Significant investments**

For the six months ended June 30, 2024, the Group did not have significant investments.

## **5. Contingent liabilities**

As at June 30, 2024, the Group did not have contingent liabilities.

## **6. Bank borrowings of the Group**

As at June 30, 2024, the Group had loans and borrowings of approximately RMB447.84 million which includes short-term borrowings of approximately RMB265.928 million and long-term borrowings of approximately RMB181.912 million; while secured or guaranteed loans and borrowings amounted to approximately RMB174.323 million and unsecured borrowings amounted to approximately RMB273.517 million, of which, approximately RMB288.460 million were fixed-rate loans and borrowings and approximately RMB159.380 million were floating-rate loans and borrowings.

## **7. Other debts of the Group**

Except for the Group's loans and borrowings as disclosed in this results announcement, the Group has lease liability of approximately RMB1.07 million.

## **8. Charges and pledges on the Group's assets**

As of June 30, 2024, the steam supply facilities, equipment and related parts held by the Company at a value of RMB26.328 million was used as collateral for the financial lease with balance of RMB14.584 million as of June 30, 2024, and the 45% equity of Lingang Thermal Power held by the Company was used as collateral for the bank loan with balance of RMB20.95 million as of June 30, 2024.

As at June 30, 2024, the secured bank loans of RMB9.539 million were pledged by all receivables for electricity charges and all related rights acquired by the relevant contracts held by the Group within the pledged period. As at June 30, 2024, the aggregate carrying amount of the receivables related to the relevant contracts was RMB1.425 million (December 31, 2023: RMB1.648 million).

## **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 had been converted into H Shares and became listed on the Main Board of the Stock Exchange. As at the date of this results announcement, the capital structure of the Company consists of H Shares only.

## **10. Share scheme**

As of June 30, 2024, the Company had not implemented any share scheme.

## **11. Foreign exchange and exchange rate risk**

The Group mainly operates in China, and the Group's transactions are denominated and settled in RMB. 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.

## **SUBSEQUENT EVENTS**

Events subsequent to the Reporting Period are set out in note 16 to the unaudited consolidated financial statements in this announcement.

## **BUSINESS OUTLOOK FOR THE SECOND HALF OF 2024**

### **1. Expand increment in new energy business**

In terms of increment in business, the Group will expand our business around key directions such as expanding comprehensive energy services in the park, contract energy management, wind power, photovoltaics, hydrogen energy, energy storage and biomass power generation, focus on the Company's differentiated development direction, improve product quality and added value, and enhance innovation and transformation capabilities.

In the second half of 2024, the Group will accelerate the promotion of distributed photovoltaic and contractual energy management reserve projects and track them to be implemented as soon as possible to generate revenue. At the same time, we will tap into the business within the Tianjin Port Free Trade Zone and seek investment opportunities outside the Zone with the help of social resources, improve operational efficiency and the level of the Group's return on assets to reserve for future development.

## 2. Improving the quality and efficiency of existing business

In the existing business, the Group actively introduce new quality productivity, establish a cost control system coordinated with operating objectives, and reduce the proportion of cost in operating revenue year by year, so as to improve the level of refined management.

In the second half of 2024, in terms of existing business, the Group will actively introduce new quality productivity to reduce operating costs, and increase its visits to downstream steam users to understand their needs and help them fix problems in energy consumption to make possible their steady increases in production. The Group will rationalize its maintenance efforts to ensure a stable energy supply. The Group will accelerate the implementation of projects such as pilot unattended heat exchange stations, waste steam and waste heat recovery renovation and pipe network insulation and repair to reduce production costs.

## HUMAN RESOURCES AND TRAINING

As of June 30, 2024, we had 71 employees. The following table sets forth the number of employees for each of our areas of operations as of June 30, 2024.

<b>Function</b>	<b>Number of Employees</b>	<b>Percentage of Total</b>
Management, administration and finance	24	33.8%
Marketing	7	9.9%
Procurement	5	7.0%
Engineering and technology	35	49.3%
<b>Total</b>	<b>71</b>	<b>100.0%</b>

For the six months ended June 30, 2024, we incurred staff costs (including salaries, benefits and allowances) of approximately RMB11.09 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, for the six months ended June 30, 2024, 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. 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 Company'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. For the six months ended June 30, 2024, the Group has completed 24 professional skills trainings for the employees from different departments involving continuing education, policies and regulations, safety education and technical standard.

The Group maintain a good working relationship with its personnel. Our employees are unionized in accordance with local labor laws.

## **COMPLIANCE WITH CORPORATE GOVERNANCE CODE**

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 C1 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 C3 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 Director, Supervisor or relevant employee during the Reporting Period.

## **PLEDGE OF SHARES BY THE CONTROLLING SHAREHOLDERS**

The Controlling Shareholders of the Company did not pledge any of their Shares in the Group to secure the Group's debts or to secure guarantees or other support of the Company's debts during the Reporting Period.

## **CHARGES AND PLEDGES ON THE GROUP'S ASSETS**

As of June 30, 2024, the steam supply facilities, equipment and related parts held by the Company at a value of RMB26.328 million was used as collateral for the financial lease with balance of RMB14.584 million as of June 30, 2024, and the 45% equity of Lingang Thermal Power held by the Company was used as collateral for the bank loan with balance of RMB20.95 million as of June 30, 2024.

As at June 30, 2024, the secured bank loans of RMB9.539 million were pledged by all receivables for electricity charges and all related rights acquired by the relevant contracts held by the Group within the pledged period. As at June 30, 2024, the aggregate carrying amount of the receivables related to the relevant contracts was RMB1.425 million (December 31, 2023: RMB1.648 million).

## **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 performance 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. Shi Wei, 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.

The audit committee of the Company has reviewed the Group's 2024 interim results announcement, the interim report and the unaudited financial statements for the six months ended June 30, 2024 prepared in accordance with the IFRS.

## **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 (including disposal of treasury shares (as defined in the Listing Rules)) or redeemable securities during the six months ended June 30, 2024. As of the end of the Reporting Period, the Company did not hold any treasury shares.

## **INTERIM DIVIDEND**

The Board has not made any recommendation on the distribution of an interim dividend for the six months ended June 30, 2024.

## AMENDMENTS TO THE ARTICLES OF ASSOCIATION

During the Reporting Period, in accordance with the Trial Measures of Overseas Securities Offering and Listing by Domestic Companies\* (《境內企業境外發行證券和上市管理試行辦法》) issued by the China Securities Regulatory Commission and the relevant requirements of the Listing Rules, the Company amended the Articles of Association with reference to the Guidance on the Articles of Association of Listed Companies and the actual situation of the Company. Such amendment was approved by the shareholders at the 2023 annual general meeting of the Company held on June 7, 2024. Details of the amendment are set out in the circular of the general meeting of the Company dated April 30, 2024. The latest version of the Articles of Association is available on the Company’s website and the website of the Stock Exchange.

## PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

This results announcement is published on the HKEXnews website of the Stock Exchange (<http://www.hkexnews.hk>) and the Company’s website (<http://www.tjtbny.com>). The Company’s 2024 interim report containing all the information required under the Listing Rules will be despatched to the Shareholders and will be available on the websites of the Company and the Stock Exchange in due course.

## DEFINITIONS

“Articles of Association”	the articles of association of the Company
“Board” or “Board of Directors”	the board of directors of the Company
“Company”, “our Company”, “we” or “us”	Tianjin Tianbao Energy Co., Ltd.* (天津天保能源股份有限公司)
“Controlling Shareholder(s)”	has the meaning ascribed to it under the Listing Rules and in this announcement refers to Tianbao Holdings and TFIHC
“Director(s)”	director(s) of the Company
“Domestic Share(s)”	the ordinary shares in the share capital of the Company with a nominal value of RMB1.00 each, which are subscribed for and paid up in RMB
“Group”	the Company and its subsidiaries

“H Shares”	the overseas listed ordinary shares in the share capital of the Company, with a nominal value of RMB1.00 each, which are listed on the Main Board of the Stock Exchange
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong dollars”	Hong Kong dollars, the lawful currency of Hong Kong
“IFRS”	International Financial Reporting Standards, which include standards and interpretations promulgated by the International Accounting Standards Board, and International Accounting Standards and Interpretations issued by the International Accounting Standards Board
“Lingang Thermal Power”	Tianjin Tianbao Lingang Thermal Power Co., Ltd.* (天津天保臨港熱電有限公司) (formerly known as Tianjin Jinneng Lingang Thermal Power Co., Ltd.* (天津津能臨港熱電有限公司)), a limited liability company established in the PRC on May 8, 2009 and a non-wholly owned subsidiary of our Company
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Model Code”	Model Code for Securities Transactions by Directors of Listed Issuers
“PRC” or “China”	the People’s Republic of China
“Reporting Period”	from January 1, 2024 to June 30, 2024, being the financial report period of this announcement
“RMB”	the lawful currency of the PRC
“Share(s)”	ordinary share(s) in the share capital of our Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supervisor(s)”	supervisor(s) 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 limited liability company established in the PRC on December 17, 2008 and a non-wholly owned holding company of the Finance Bureau of Tianjin Port Free Trade Zone\* (天津港保稅區財政局), 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
- “Yangzhou Qingchang” Yangzhou Qingchang Solar Energy Technology Co., Ltd.\* (揚州晴昌太陽能科技有限公司), a limited liability company established in the PRC on July 16, 2019 and a non-wholly owned subsidiary of the Company

By Order of the Board  
**Tianjin Tianbao Energy Co., Ltd.\***  
**Zhou Shanzhong**  
*Chairman*

Tianjin, the People’s Republic of China, August 22, 2024

*As at the date of this announcement, the Board comprises Mr. Zhou Shanzhong, Mr. Wang Geng, Mr. Mao Yongming and Mr. Yao Shen as executive directors; Mr. Wu Guoqi and Ms. Shi Wei as non-executive directors; and Mr. Chan Wai Dune, Mr. You Shijun and Ms. Yang Ying as independent non-executive directors.*

\* *For identification purpose only*