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)

Third Quarterly Report 2020

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 responsibilities 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. Peng Yilin, the officer in charge of the accounting function, and Mr. Liu Tao, the officer in charge of the accounting department (the chief accountant) have warranted the truthfulness, accuracy and completeness of the financial statements contained in this quarterly report.

1.3 The third quarterly report of the Company has not been audited.

2. Major Financial Data and Changes in Shareholders of the Company

2.1 Major Financial Data

Unit: 0'000 Currency: RMB

	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	1,843,561.3	1,799,080.7	2.47
Net assets attributable to the shareholders of the Company	645,798.6	617,402.5	4.60
	From the beginning of the year to the end of the reporting period (January to September)	**From the beginning of the previous year to the end of the corresponding reporting period of the previous year (January to September)**	**Compared with the same period of the previous year Increase/decrease (%)**
Net cash flows from operating activities	48,360.6	85,305.7	-43.31
Operating income	248,016.6	194,069.0	27.80
Net profits attributable to the shareholders of the Company	43,667.4	38,766.8	12.64
Net profits attributable to the shareholders of the Company after deduction of extraordinary items	38,638.3	31,297.0	23.46
Weighted average return ratio on net assets (%)	6.91	6.53	Increased by 0.38 percentage point
Basic earnings per share (RMB/share)	0.31	0.27	14.81
Diluted earnings per share (RMB/share)	0.31	0.27	14.81

Extraordinary items and amounts

Unit: 0'000 Currency: RMB

Items	Amounts for the current period (July to September)	Amounts for the period from the beginning of the year to the end of the reporting period (January to September)
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	2,342.5	6,145.4
Other non-operating income and expenditure except for those mentioned above	50.4	-208.1
Impact on minority interests (after tax)	22.1	57.6
Impact on income tax	-425.7	-965.8
Total	1,989.3	5,029.1

2.2 Total number of shareholders and 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				69,305, of which 66 were shareholders of H shares		
Shareholdings of the top ten shareholders						
Name of shareholders (full name)	**Number of shares held at the end of the reporting period (shares)**	**Percentage of shareholdings (%)**	**Number of restricted shares held (shares)**	**Pledged or frozen**		**Nature of shareholders**
				Status of shares	**Number (shares)**	
Tianjin Municipal Investment Company Limited ("**TMICL**")	715,565,186	50.14	0	None	–	State-owned legal person
HKSCC Nominees Limited	337,892,810	23.67	0	Unknown	–	Other
Central Huijin Asset Management Ltd.	14,169,800	0.99	0	None	–	Other
Hong Kong Securities Clearing Company Limited	8,914,396	0.62	0	None	–	Other
Zhejiang Jinxin Construction Engineering Co., Ltd. (浙江錦鑫建設工程有限公司)	6,011,000	0.42	0	None	–	Domestic non-state-owned legal person
Agricultural Bank of China Limited - CSI500 Index Open-ended Fund (中證500交易型開放式指數證券投資基金)	2,690,252	0.19	0	None	–	Other
Bank of China Limited - Guangfa China Securities Environmental Protection Industry Index Open-ended Fund (廣發中證環保產業交易型開放式指數證券投資基金)	2,264,044	0.16	0	None	–	Other
Hou Hongyan (侯紅燕)	1,500,000	0.11	0	None	–	Domestic natural person
Shenyang Railway Coal Group Co., Ltd. (瀋陽鐵道煤炭集團有限公司)	1,500,000	0.11	0	None	–	State-owned legal person
Huang Qiangsheng (黃強勝)	1,489,100	0.10	0	None	–	Domestic natural person

Shareholdings of the top ten shareholders of non-restricted circulating shares			
Name of shareholders	**Number of non-restricted circulating shares**	**Type and number of shares**	
		Type	**Number (shares)**
TMICL	715,565,186	Ordinary RMB Shares	715,565,186
HKSCC Nominees Limited	337,892,810	H Shares	337,892,810
Central Huijin Asset Management Ltd.	14,169,800	Ordinary RMB Shares	14,169,800
Hong Kong Securities Clearing Company Limited	8,914,396	Ordinary RMB Shares	8,914,396
Zhejiang Jinxin Construction Engineering Co., Ltd. (浙江錦鑫建設工程有限公司)	6,011,000	Ordinary RMB Shares	6,011,000
Agricultural Bank of China Limited -CSI500 Index Open-ended Fund (中證500交易型開放式指數證券投資基金)	2,690,252	Ordinary RMB Shares	2,690,252
Bank of China Limited - Guangfa China Securities Environmental Protection Industry Index Open-ended Fund (廣發中證環保產業交易型開放式指數證券投資基金)	2,264,044	Ordinary RMB Shares	2,264,044
Hou Hongyan (侯紅燕)	1,500,000	Ordinary RMB Shares	1,500,000
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
Huang Qiangsheng (黃強勝)	1,489,100	Ordinary RMB Shares	1,489,100
Notes on the connected relationship or parties acting in concert among the above shareholders	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. 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. (2)None of the top ten shareholders are strategic investors of the Company.		

3. Major Events

3.1 Description of and reasons for substantial changes in principal financial statement items and financial indicators of the Company

As at 30 September 2020, the Company and its subsidiaries (the "**Group**") had total assets in the amount of RMB18,435.61 million, representing an increase of RMB444.81 million or 2.47% as compared to the end of last year. Total liabilities were RMB10,982.63 million, representing an increase of RMB134.01 million or 1.24% as compared to the end of last year. Equity interest attributable to the shareholders of the Company was RMB6,457.99 million, representing an increase of RMB283.96 million or 4.60% as compared to the end of last year. The realised net profit attributable to the Company for the period from January to September of 2020 was RMB436.67 million, representing an increase of RMB49.01 million or 12.64% as compared to the same period last year.

Analysis of items with more significant changes is set out below:

Unit: 0' 000 Currency: RMB

Items	30 September 2020	31 December 2019	Amount of increase/decrease	Change (%)	Explanation of changes
Notes receivable	828.0	1,613.1	-785.1	-48.67	Mainly due to the maturity of some of bank acceptance bills
Trade receivables	331,021.3	249,276.4	81,744.9	32.79	Mainly due to the increase in sewage treatment service fee receivables
Other receivables	4,152.9	6,515.6	-2,362.7	-36.26	Mainly due to the collection of part of deposits during this period
Other current assets	11,380.4	7,250.4	4,130.0	56.96	Mainly due to the increase in value-added tax to be credited by the Company
Construction in progress	20,982.1	15,921.4	5,060.7	31.79	Mainly due to increase in investment of non-franchising project during this period
Short-term borrowings	0.0	20,000.0	-20,000.0	-100.00	Mainly due to the repayment of short-term borrowings falling due during this period
Wages payable	2,690.4	6,610.0	-3,919.6	-59.30	Mainly due to the payment of year-end bonus provided for 2019 during this period
Non-current liabilities due within one year	55,937.1	85,255.2	-29,318.1	-34.39	Mainly due to the repayment of long-term borrowings due within one year during this period
Other current liabilities	0.0	2,025.0	-2,025.0	-100.00	Mainly due to repayment of minority shareholders' entrusted loans by subsidiaries
Long-term borrowings	400,433.2	300,675.6	99,757.6	33.18	Mainly due to the newly-added long-term borrowings during this period

Items	January to September 2020	January to September 2019	Amount of increase/decrease	Change (%)	Explanation of changes
Selling expenses	1,181.3	346.4	834.9	241.02	Mainly due to the increase in selling expenses incurred as a result of the commencement of operation of the hazardous waste project of the Company
Financial expenses	18,780.1	13,596.9	5,183.2	38.12	Mainly due to the conversion of the corresponding interest expenses from capitals to expenses after commencement of operation of new projects
Gains on disposals of assets	0.0	4,818.3	-4,818.3	-100.00	Mainly due to the receipt of arbitration compensation by a subsidiary for tap water project in the same period last year while no such events occurred during this period
Credit impairment losses	0.0	9.8	-9.8	-100.00	Mainly due to the collected accounts receivable for which provision for credit impairment losses were made in the same period last year while no such events occurred during this period
Non-operating income	72.6	559.6	-487.0	-87.03	Mainly due to the higher one-off government subsidy received in the same period last year than that of this period
Net cash flows from operating activities	48,360.6	85,305.7	-36,945.1	-43.31	Mainly due to the decrease of sewage treatment service fee and other operation-related fees charged in this period as compared to the same period last year and the higher operating expenses, various taxes and other operation-related payment as compared to the same period last year
Net cash flows from investing activities	-113,482.8	-183,737.1	70,254.3	38.24	Mainly due to the decrease in investment expenses of construction projects of the Company during this period as compared to the same period last year
Net cash flows from financing activities	14,886.6	81,651.2	-66,764.6	-81.77	Mainly due to the debt financing repaid for this period was higher than that in the same period last year
Net increase in cash and cash equivalents	-50,235.6	-16,780.2	-33,455.4	199.37	Due to the combined effects of cash flow from operating, investing and financing activities

3.2 Progress of major event and its effects as well as the analytical explanation of solutions

The Company convened the 32nd meeting of the eighth session of the Board on 13 July 2020 to consider the matters relating to the non-public issuance of A shares, and the relevant matters were considered and approved at the 2020 First Extraordinary General Meeting, the 2020 First H Shareholders' Class Meeting and the 2020 First A Shareholders' Class Meeting of the Company held on 7 September 2020. For details, please refer to the relevant announcements published on the websites of the Shanghai Stock Exchange (http://www.sse.com.cn) and the Hong Kong Stock Exchange (http://www.hkex.com.hk) on 14 July 2020 and 8 September 2020, respectively, as well as the Company's circular published on the website of the Hong Kong Stock Exchange (http://www.hkex.com.hk) on 21 August 2020.

The proposed non-public issuance of A shares of the Company was approved by the State-owned Assets Supervision and Administration Commission of the Tianjin Municipal People's Government on 28 August 2020. For details, please refer to the Company's relevant announcements published on the websites of the Hong Kong Stock Exchange (http://www.hkex.com.hk) and the Shanghai Stock Exchange (http://www.sse.com.cn) on 28 August 2020 and 29 August 2020, respectively. The Company published the "Announcement Relating to the Acceptance of the Application for Non-Public Issuance of A Shares by the CSRC" on the websites of the Hong Kong Stock Exchange (http://www.hkex.com.hk) and the Shanghai Stock Exchange (http://www.sse.com.cn) on 29 September 2020 and 30 September 2020, respectively. However, the non-public issuance of A shares of the Company remains subject to the obtaining of approval (the "**Approval**") from the China Securities Regulatory Commission (the "**CSRC**"). There are still uncertainties on whether the Company can obtain the Approval in relation to the non-public issuance of A shares. The Company will perform its obligation of information disclosure on a timely manner according to the progress of the above matter conducted by CSRC. Shareholders and potential shareholders of the Company are advised to exercise caution when dealing in the securities of the Company.

3.3 Commitments that failed to be implemented on time during the reporting period

□ Applicable √ Not applicable

3.4 Warning of the prediction that the accumulated net profits from the beginning of the year to the end of the next reporting period may record a loss or substantial changes may have occurred as compared with the same period of the previous year and the reasons

□ Applicable √ Not applicable

By order of the Board
Liu Yujun
Chairman

Tianjin, the PRC
27 October 2020

As at the date of this announcement, the Board comprises three executive Directors: Mr. Liu Yujun, Ms. Wang Jing and Mr. Niu Bo; two non-executive Directors: Mr. Gu Wenhui and Mr. Si Xiaolong; and three independent non-executive Directors: Mr. Di Xiaofeng, Mr. Guo Yongqing and Mr. Wang Xiangfei.

4. APPENDICES

Consolidated Balance Sheet
As at 30 September 2020

Unit: '000 Currency: RMB

Items	Balance at the end of the period	Balance at the beginning of the year
CURRENT ASSETS:		
Currency funds	1,574,934	2,079,613
Notes receivable	8,280	16,131
Account receivable	3,310,213	2,492,764
Prepayments	41,733	38,583
Other receivables	41,529	65,156
Inventories	15,042	14,805
Non-current assets due within one year	19,343	17,224
Other current assets	113,804	72,504
Total current assets	5,124,878	4,796,780
NON-CURRENT ASSETS:		
Long-term receivables	221,416	236,450
Long-term equity investments	195,000	195,000
Other investments in equity instruments	2,000	2,000
Fixed assets	606,139	641,793
Construction in progress	209,821	159,214
Intangible assets	11,830,420	11,759,442
Deferred income tax assets	4,209	4,209
Other non-current assets	241,730	195,919
Total non-current assets	13,310,735	13,194,027
Total assets	18,435,613	17,990,807

Items	Balance at the end of the period	Balance at the beginning of the year
CURRENT LIABILITIES:		
Short-term borrowings	0	200,000
Account payable	270,611	231,293
Contract liability	525,421	558,472
Wages payables	26,904	66,100
Tax payables	85,376	86,188
Other payables	1,257,901	1,534,014
Including: Interest payables	45,081	42,974
Dividend payables	0	1,172
Non-current liabilities due within 1 year	559,371	852,552
Other current liabilities	0	20,250
Total current liabilities	2,725,584	3,548,869
NON-CURRENT LIABILITIES:		
Long-term borrowings	4,004,332	3,006,756
Bonds payable	1,798,160	1,797,389
Long-term payables	264,720	262,652
Estimated liabilities	11,665	11,665
Deferred income	2,016,001	2,059,702
Deferred income tax liabilities	126,164	125,587
Other non-current liabilities	36,000	36,000
Total non-current liabilities	8,257,042	7,299,751
Total liabilities	10,982,626	10,848,620
OWNERS' EQUITY (OR SHAREHOLDERS' EQUITY)		
Paid-up capital (or share capital)	1,427,228	1,427,228
Capital reserve	431,024	431,024
Surplus reserve	558,250	558,250
Undistributed profit	4,041,484	3,757,523
Total owners' equity (or shareholders' equity) attributable to the Company	6,457,986	6,174,025
Minority shareholders interest	995,001	968,162
Total owners' equity (or shareholders' equity)	7,452,987	7,142,187
Total liabilities and owners' equity (or shareholders' equity)	18,435,613	17,990,807

Balance Sheet of the Company
As at 30 September 2020

Unit: '000 Currency: RMB

Items	Balance at the end of the period	Balance at the beginning of the year
CURRENT ASSETS:		
Currency funds	497,131	741,257
Account receivable	2,373,218	1,958,081
Prepayments	3,570	1,916
Other receivables	115,222	87,945
Including: Interest receivables	0	0
Dividend receivables	44,200	1,820
Inventories	5,667	4,811
Non-current assets due within one year	19,343	17,224
Other current assets	286,180	478,566
Total current assets	3,300,331	3,289,800
NON-CURRENT ASSETS:		
Long-term receivables	221,416	236,450
Long-term equity investments	4,165,794	4,067,052
Other investments in equity instruments	2,000	2,000
Fixed assets	141,764	160,912
Construction in progress	1,016	699
Intangible assets	3,892,597	4,021,934
Other non-current assets	64,832	115,332
Total non-current assets	8,489,419	8,604,379
Total assets	11,789,750	11,894,179

Items	Balance at the end of the period	Balance at the beginning of the year
CURRENT LIABILITIES:		
Short-term borrowings	0	200,000
Account payable	65,286	65,904
Contract liability	26,390	4,950
Wages payables	16,116	30,463
Tax payables	20,642	31,101
Other payables	321,587	417,707
Including: Interest payables	45,081	42,974
Dividend payables	0	0
Non-current liabilities due within 1 year	259,970	582,872
Total current liabilities	709,991	1,332,997
NON-CURRENT LIABILITIES:		
Long-term borrowings	1,225,148	1,135,632
Bonds payable	1,798,160	1,797,389
Long-term payables	252,320	262,652
Estimated liabilities	11,665	11,665
Deferred income	1,542,968	1,593,830
Deferred income tax liabilities	62,417	60,642
Other non-current liabilities	670,000	670,000
Total non-current liabilities	5,562,678	5,531,810
Total liabilities	6,272,669	6,864,807
OWNERS' EQUITY (OR SHAREHOLDERS' EQUITY)		
Paid-up capital (or share capital)	1,427,228	1,427,228
Capital reserve	380,788	380,788
Surplus reserve	558,250	558,250
Undistributed profit	3,150,815	2,663,106
Total owners' equity (or shareholders' equity)	5,517,081	5,029,372
Total liabilities and owners' equity (or shareholders' equity)	11,789,750	11,894,179

Consolidated Income Statement
January to September 2020

Unit: '000 Currency: RMB

Items		Amount for the period (July-September)	Amount for the previous period (July-September)	Amount for the period from the beginning of the year to the end of the reporting period (January-September)	Amount for the period from the beginning of the previous year to the end of the corresponding reporting period of the previous year (January-September)
1.	Total operating income	958,776	715,974	2,480,166	1,940,690
	Including: Operating income	958,776	715,974	2,480,166	1,940,690
2.	Total operating costs	749,693	582,545	2,006,262	1,582,224
	Including: Operating costs	621,368	491,637	1,662,080	1,305,997
	Tax and surcharges	8,936	8,203	31,114	27,110
	Selling expenses	3,891	1,477	11,813	3,464
	Administrative expenses	38,723	36,422	108,976	104,454
	Research and development expenses	1,961	1,960	4,478	5,230
	Financial expenses	74,814	42,846	187,801	135,969
	Including: Interest expenses	68,466	41,477	195,048	148,067
	Interest income	5,578	6,006	17,906	16,986
	Add: Other income	45,482	32,488	119,459	93,232
	Credit impairment loss (losses are stated by "-")	0	0	0	98
	Income from asset disposal (losses are stated by "-")	0	46,982	0	48,183
3.	Operation profit (losses are stated by "-")	254,565	212,899	593,363	499,979
	Add: Non-operating income	494	3,047	726	5,596
	Less: Non-operating expenses	-10	106	2,807	2,486
4.	Total profit (total losses are stated by "-")	255,069	215,840	591,282	503,089
	Less: Income tax expenses	52,319	34,083	111,491	90,237

Items			Amount for the period (July-September)	Amount for the previous period (July-September)	Amount for the period from the beginning of the year to the end of the reporting period (January-September)	Amount for the period from the beginning of the previous year to the end of the corresponding reporting period of the previous year (January-September)
5.	Net profit (net losses are stated by "-")		202,750	181,757	479,791	412,852
	(1)	Classified by continuity of operations				
		1. Net profit from continuing operations (net losses are stated by "-")	202,750	181,757	479,791	412,852
	(2)	Classified by ownership of the equity				
		1. Net profit attributable to shareholders of the Company (net losses are stated by "-")	179,726	169,165	436,674	387,668
		2. Loss or profit attributable to minority shareholders (net losses are stated by "-")	23,024	12,592	43,117	25,184
6.	Other comprehensive income, net of tax		–	–	–	–
7.	Total comprehensive income		202,750	181,757	479,791	412,852
	(1)	Total comprehensive income attributable to owners of the Company	179,726	169,165	436,674	387,668
	(2)	Total comprehensive income attributable to minority shareholders	23,024	12,592	43,117	25,184
8.	Earnings per share:					
	(1)	Basic earnings per share (RMB/share)	0.13	0.12	0.31	0.27
	(2)	Diluted earnings per share (RMB/share)	0.13	0.12	0.31	0.27

For the business combination under common control effected in the current period, the net profit recognized by the merged party before the combination was RMB0, and the net profit recognized by the merged party in the previous period was RMB0.

Income Statement of the Company
January to September 2020

Unit: '000 Currency: RMB

Items		Amount for the period (July-September)	Amount for the previous period (July-September)	Amount for the period from the beginning of the year to the end of the reporting period (January-September)	Amount for the period from the beginning of the previous year to the end of the corresponding reporting period of the previous year (January-September)
1.	Operating income	410,955	281,982	1,118,155	819,940
	Less: Operating costs	214,083	193,922	644,864	542,929
	Tax and surcharges	3,265	1,181	13,439	6,878
	Administrative expenses	20,990	19,670	60,136	57,689
	Financial expenses	46,481	30,108	145,248	104,905
	Including: Interest expenses	36,555	24,995	143,266	107,142
	Interest income	3,224	30,685	9,830	36,770
	Add: Other income	34,856	20,744	97,910	54,842
	Investment gain (losses are stated by "-")	256,018	190,638	345,237	209,939
2.	Operation profit (losses are stated by "-")	417,010	248,483	697,615	372,320
	Add: Non-operating income	40	1,418	155	2,510
	Less: Non-operating expenses	0	0	2,198	2,379
3.	Total profit (total losses are stated by "-")	417,050	249,901	695,572	372,451
	Less: Income tax expenses	24,916	10,070	55,150	28,452
4.	Net profit (net losses are stated by "-")	392,134	239,831	640,422	343,999
	(1) Net profit from continuing operations (net losses are stated by "-")	392,134	239,831	640,422	343,999
5.	Other comprehensive income, net of tax	–	–	–	–
6.	Total comprehensive income	392,134	239,831	640,422	343,999
7.	Earnings per share:				
	(1) Basic earnings per share (RMB/share)	0.27	0.17	0.45	0.24
	(2) Diluted earnings per share (RMB/share)	0.27	0.17	0.45	0.24

Consolidated Cash Flow Statement
January to September 2020

Unit: ’000 Currency: RMB

Items		Amount for the period from the beginning of the year to the end of the reporting period (January-September)	Amount for the period from the beginning of the previous year to the end of the corresponding reporting period of the previous year (January-September)
1.	**Cash flows from operating activities:**		
	Cash received from sales of goods and rendering of services	1,930,950	2,032,415
	Taxes and levies rebate received	79,902	29,520
	Cash received relating to other operating activities	172,620	342,886
	Sub-total of cash inflow from operating activities	2,183,472	2,404,821
	Cash paid for goods and services	946,275	860,090
	Cash paid to and on behalf of employees	270,243	248,042
	Payments of taxes and levies	303,130	215,844
	Cash payments relating to other operating activities	180,218	227,788
	Sub-total of cash outflow from operating activities	1,699,866	1,551,764
	Net cash flows from operating activities	483,606	853,057
2.	**Cash flows from investing activities:**		
	Net cash received from disposal of fixed assets, intangible assets and other long-term assets	49	47,515
	Cash received relating to other investing activities	3,900	4,274
	Sub-total of cash inflow from investing activities	3,949	51,789
	Cash paid to acquire fixed assets, intangible assets and other long-term assets	1,137,277	1,885,260
	Cash paid relating to other investing activities	1,500	3,900
	Sub-total of cash outflow from investing activities	1,138,777	1,889,160
	Net cash flows from investing activities	-1,134,828	-1,837,371

Items	Amount for the period from the beginning of the year to the end of the reporting period (January-September)	Amount for the period from the beginning of the previous year to the end of the corresponding reporting period of the previous year (January-September)
3. Cash flows from financing activities:		
Cash received from capital contributions	15,647	129,224
Including: Cash received from capital contribution by minority shareholders of subsidiaries	15,647	129,224
Cash received from borrowings	2,011,429	1,683,991
Sub-total of cash inflow from financing activities	2,027,076	1,813,215
Cash paid for repayments of debts	1,520,925	699,121
Cash paid for distribution of dividends and profits or for interest expenses	357,285	297,582
Including: Dividends and profits paid to minority shareholders by subsidiaries	31,925	0
Sub-total of cash outflow from financing activities	1,878,210	996,703
Net cash flows from financing activities	148,866	816,512
4. Effect of foreign exchange rate changes on cash and cash equivalents	–	–
5. Net increase in cash and cash equivalents	-502,356	-167,802
Add: Balance of cash and cash equivalents at the beginning of period	2,066,301	1,808,543
6. Balance of cash and cash equivalents at the end of period	1,563,945	1,640,741

Cash Flow Statement of the Company
January to September 2020

Unit: '000 Currency: RMB

Items		Amount for the period from the beginning of the year to the end of the reporting period (January to September)	Amount for the period from the beginning of the previous year to the end of the corresponding reporting period of the previous year (January to September)
1.	**Cash flows from operating activities:**		
	Cash received from sales of goods and rendering of services	888,469	958,466
	Taxes and levies rebate received	57,960	9,439
	Cash received relating to other operating activities	762,268	1,033,144
	Sub-total of cash inflow from operating activities	1,708,697	2,001,049
	Cash paid for goods and services	509,521	430,680
	Cash paid to and on behalf of employees	110,674	99,445
	Payments of taxes and levies	172,175	46,617
	Cash payments relating to other operating activities	498,211	855,818
	Sub-total of cash outflow from operating activities	1,290,581	1,432,560
	Net cash flows from operating activities	418,116	568,489
2.	**Cash flows from investing activities:**		
	Cash received from returns on investments	285,527	182,770
	Sub-total of cash inflow from investing activities	285,527	182,770
	Cash paid to acquire fixed assets, intangible assets and other long-term assets	167,227	233,357
	Cash paid for investments	98,743	526,044
	Sub-total of cash outflow from investing activities	265,970	759,401
	Net cash flows from investing activities	19,557	-576,631

Items		Amount for the period from the beginning of the year to the end of the reporting period (January to September)	Amount for the period from the beginning of the previous year to the end of the corresponding reporting period of the previous year (January to September)
3.	**Cash flows from financing activities:**		
	Cash received from borrowings	821,460	533,629
	Sub-total of cash inflow from financing activities	821,460	533,629
	Cash paid for repayments of debts	1,251,500	550,000
	Cash paid for distribution of dividends and profits or for interest expenses	251,835	257,940
	Sub-total of cash outflow from financing activities	1,503,335	807,940
	Net cash flows from financing activities	-681,875	-274,311
4.	**Effect of foreign exchange rate changes on cash or cash equivalents**	–	–
5.	**Net increase in cash and cash equivalents**	-244,202	-282,453
	Add: Balance of cash and cash equivalents at the beginning of period	736,182	586,888
6.	**Balance of cash and cash equivalents at the end of period**	491,980	304,435

4.2 Explanations on retrospective adjustments of previously comparative figures due to initial adoption of new revenue standards and new lease standards Since 2020

☐ Applicable √ Not applicable

4.3 Audit Report

☐ Applicable √ Not applicable