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凯盛新能源股份有限公司

Triumph New Energy Company Limited

*(Formerly known as “LUOYANG GLASS COMPANY LIMITED 洛陽玻璃股份有限公司”)
(a joint stock limited company incorporated in the People’s Republic of China with limited liability)*

(Stock code: 01108)

2023 INTERIM RESULTS ANNOUNCEMENT

I. IMPORTANT NOTICE

The board (the “**Board**”) of directors (the “**Directors**”) of Triumph New Energy Company Limited (the “**Company**”) is pleased to announce the interim results of the Company and its subsidiaries (the “**Group**”) for the period ended 30 June 2023.

This interim results announcement is extracted from the full text of the 2023 interim report of the Company. For details, investors are advised to read carefully the full text of the 2023 interim report of the Company which will be published simultaneously on the website of the Shanghai Stock Exchange and other websites designated by China Securities Regulatory Commission.

This interim results of the Company for the six months ended 30 June 2023 are unaudited but have been reviewed and approved by the audit committee under the Board of the Company.

II. MAJOR FINANCIAL DATA AND INFORMATION OF SHAREHOLDERS

(I) Major financial data

Unit: Yuan Currency: RMB

Major accounting data	Reporting period	Same period last year	Increase/decrease over the same period last year
	(January to June)		(%)
Operating income	2,778,818,294.04	2,356,478,561.97	17.92
Net profit attributable to shareholders of the Company	128,742,580.09	247,885,774.91	-48.06
Net profit attributable to shareholders of the Company after deducting non-recurring profit or loss	27,095,338.17	23,066,186.61	17.47
Net cash flow from operating activities	-384,739,037.08	-192,175,244.45	N/A
	At the end of the reporting period	At the end of the previous year	Increase/decrease from the end of the previous year
			(%)
Net assets attributable to shareholders of the Company	4,361,173,487.44	4,232,430,907.35	3.04
Total assets	11,314,143,706.37	10,565,902,910.42	7.08

(II) Number and shareholdings of shareholders

1. Number of shareholders

Total number of holders of ordinary shares as at the end of the reporting period (<i>shareholder</i>)	37,561
Total number of preferential shareholders with voting rights restored as at the end of the reporting period (<i>shareholder</i>)	0

2. Shareholdings of top ten shareholders

Unit: share

Name of shareholder (Full name)	Increase/ decrease during the reporting period	Shareholdings of top ten shareholders			Pledged, tagged or frozen		Nature of shareholder
		Number of shares at the end of reporting period	Proportion (%)	Number of shares held subject to trading moratorium	Status	Number	
HKSCC NOMINEES LIMITED	16,000	249,168,789	38.59		Unknown		Overseas legal person
China Luoyang Float Glass (Group) Co., Ltd.	0	111,195,912	17.22	0	Pledged	55,597,956	State-owned legal person
CNBM New Material Research Institute Group Co., Ltd.* (中建材玻璃新材料研究院 集團有限公司)	-6,454,550	63,835,499	9.89	0	Nil	0	State-owned legal person
Hongtu Equity Investment Management (Shenzhen) Co., Ltd of Shenzhen Capital Group Co., Ltd.– New Materials Fund of Shenzhen Capital Group for Transformation and Upgrading for Manufacturing Sector (Limited Partnership)* (深創 投紅土股權投資管理(深 圳)有限公司–深創投製 造業轉型升級新材料基 金(有限合夥))	0	38,853,812	6.02	0	Nil	0	Domestic non- state owned legal person
Triumph Science & Technology Co., Ltd.	6,454,550	26,037,673	4.03	13,229,724	Nil	0	State-owned legal person

Name of shareholder (Full name)	Shareholdings of top ten shareholders				Pledged, tagged or frozen		Nature of shareholder
	Increase/ decrease during the reporting period	Number of shares at the end of reporting period	Proportion (%)	Number of shares held subject to trading moratorium	Status	Number	
Luoyang Venture Investment Co., Ltd. – High Quality Development Fund for Manufacturing Sector in Luoyang (Limited Partnership) (洛陽創業投資有限公司—洛陽製造業高品質發展基金(有限合夥))	0	4,856,726	0.75	0	Nil	0	Domestic non-state owned legal person
Hong Kong Securities Clearing Co., Ltd.	2,432,782	4,358,137	0.68	0	Nil	0	Overseas legal person
CNBMG Triumph Mineral Resources Group Co. Ltd. (中建材凱盛礦產資源集團有限公司)	0	3,477,327	0.54	0	Nil	0	State-owned legal person
Yang Wucheng	-466,030	2,050,372	0.32	0	Pledged	987,870	Domestic natural person
Bank of Jiangsu Co., Ltd. – Huishenghuiyuan Return Hybrid Securities Investment Fund* (江蘇銀行股份有限公司—惠升惠遠回報混合型證券投資基金)	1,741,780	1,741,780	0.27	0	Nil	0	Domestic non-state owned legal person

Shareholdings of top 10 shareholders not subject to trading moratorium

Name of shareholder	Number of circulating shares not subject to trading moratorium	Type and number of shares	
		Type	Number
HKSCC NOMINEES LIMITED	249,168,789	Overseas listed foreign shares	249,168,789
China Luoyang Float Glass (Group) Co., Ltd.	111,195,912	Ordinary shares denominated in RMB	111,195,912
CNBM New Material Research Institute Group Co., Ltd.* (中建材玻璃新材料研究院集團有限公司)	63,835,499	Ordinary shares denominated in RMB	63,835,499
Hongtu Equity Investment Management (Shenzhen) Co., Ltd of Shenzhen Capital Group Co., Ltd.– New Materials Fund of Shenzhen Capital Group for Transformation and Upgrading for Manufacturing Sector (Limited Partnership)* (深創投紅土股權投資管理(深圳)有限公司—深創投製造業轉型升級新材料基金(有限合伙))	38,853,812	Ordinary shares denominated in RMB	38,853,812
Triumph Science & Technology Co., Ltd.	12,807,949	Ordinary shares denominated in RMB	12,807,949

Shareholdings of top 10 shareholders not subject to trading moratorium

Name of shareholder	Number of circulating shares not subject to trading moratorium	Type and number of shares	
		Type	Number
Luoyang Venture Investment Co., Ltd. – High Quality Development Fund for Manufacturing Sector in Luoyang (Limited Partnership) (洛陽創業投資有限公司－洛陽製造業高品質發展基金(有限合夥))	4,856,726	Ordinary shares denominated in RMB	4,856,726
Hong Kong Securities Clearing Co., Ltd.	4,358,137	Ordinary shares denominated in RMB	4,358,137
CNBMG Triumph Mineral Resources Group Co. Ltd. (中建材凱盛礦產資源集團有限公司)	3,477,327	Ordinary shares denominated in RMB	3,477,327
Yang Wucheng	2,050,372	Ordinary shares denominated in RMB	2,050,372
Bank of Jiangsu Co., Ltd. – Huishenghuiyuan Return Hybrid Securities Investment Fund* (江蘇銀行股份有限公司－惠升惠遠回報混合型證券投資基金)	1,741,780	Ordinary shares denominated in RMB	1,741,780
Explanation on the repurchase accounts among the top ten shareholders			None
Explanation on the aforesaid shareholders entrusting voting rights, being entrusted with voting rights, and waiving voting rights of			None

Explanation on related relationship or action acting in concert among the aforesaid shareholders	Among the top 10 shareholders of the Company, China Luoyang Float Glass (Group) Co., Ltd. and CNBM New Material Research Institute Group Co., Ltd., CNBMG Triumph Mineral Resources Group Co., Ltd. and Triumph Science & Technology Co., Ltd. are related parties or persons acting in concert as defined under the Regulations for Disclosure of Changes in Shareholding of Listed Companies (《上市公司股東持股變動信息披露管理辦法》). The Company is not aware of any parties acting in concert or any related relationship among other holders of circulating shares.
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Explanations on preferential shareholders with voting rights restored and the number of shares held	None
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Notes:

- 1 Shares held by HKSCC NOMINEES LIMITED are held on behalf of various customers.
- 2 The ordinary shares dominated in Renminbi held by Hong Kong Securities Clearing Co., Ltd. are held on behalf of overseas investors who held ordinary shares denominated in Renminbi of the Company via Northbound Trading in the Shanghai-Hong Kong Stock Connect.
3. On 25 July 2023, CNBMG Triumph Mineral Resources Group Co. Ltd. transferred its holding of 3,477,327 circulating shares not subject to trading moratorium of the Company to Triumph Science & Technology Group Company Limited by way of an agreed transfer.

Number of shares held by and trading moratorium of top 10 holders of shares subject to trading moratorium

Unit: share

No.	Name of holders of shares subject to trading moratorium	Number of shares held subject to trading moratorium	Shares subject to trading moratorium available for listing and trading		Trading moratorium
			Time available for listing and trading	Number of additional shares available for listing and trading	
1	Triumph Technology Group Co., Ltd.	13,229,724	18 August 2024	0	Non-transferable within 36 months from the completion date of the issuance
	Explanation on related relationship or action acting in concert among the aforesaid shareholders	None			

III. FINANCIAL STATEMENTS AND NOTES

(I) Financial Statements

Consolidated Balance Sheet

30 June 2023

Prepared by: Triumph New Energy
Company Limited

Unit: Yuan Currency: RMB

Item	30 June 2023	31 December 2022
Current assets:		
Monetary funds	651,036,495.54	689,022,322.44
Notes receivable	575,264,340.78	607,645,160.15
Accounts receivable	983,712,674.01	981,111,286.02
Accounts receivable financing	838,528,772.58	754,316,996.75
Prepayments	219,515,188.95	176,309,507.09
Other receivables	155,446,582.19	106,661,629.98
Inventories	1,019,071,725.21	695,508,197.62
Other current assets	82,935,460.87	59,289,265.40
Total current assets	4,525,511,240.13	4,069,864,365.45
Non-current assets:		
Fixed assets	4,576,440,657.85	4,021,905,180.15
Construction in progress	1,066,964,263.29	1,158,626,308.86
Right-of-use assets	11,372,478.86	13,007,301.50
Intangible assets	748,660,852.68	699,580,215.54
Development expenditure	14,446,331.90	9,242,547.95
Goodwill	17,583,473.33	17,583,473.33
Deferred tax assets	15,606,250.53	16,836,091.52
Other non-current assets	337,558,157.80	559,257,426.12
Total non-current assets	6,788,632,466.24	6,496,038,544.97
Total assets	11,314,143,706.37	10,565,902,910.42

Item	30 June 2023	31 December 2022
Current liabilities:		
Short-term borrowings	1,296,939,239.67	1,097,924,601.61
Notes payable	405,031,563.20	429,242,468.26
Accounts payable	1,450,403,194.48	1,728,154,819.46
Prepayment	109,272.72	271,590.44
Contract liabilities	26,135,236.81	18,314,969.87
Employee compensation payable	31,368,353.28	49,200,604.16
Taxes payable	19,014,513.48	19,546,491.47
Other payables	248,941,761.11	232,485,514.56
Non-current liabilities due within one year	198,864,979.67	57,813,133.81
Other current liabilities	454,885,396.00	514,209,429.62
Total current liabilities	4,131,693,510.42	4,147,163,623.26
Non-current liabilities:		
Long-term borrowings	2,338,349,325.99	1,703,779,270.66
Lease liabilities	7,651,082.15	9,405,001.94
Deferred income	53,129,103.57	51,344,031.93
Deferred income tax liabilities	40,568,717.91	40,568,717.91
Total non-current liabilities	2,439,698,229.62	1,805,097,022.44
Total liabilities	6,571,391,740.04	5,952,260,645.70
Owner's equity (or shareholder's equity):		
Paid-in capital (or share capital)	645,674,963.00	645,674,963.00
Capital reserve	3,780,818,962.41	3,780,818,962.41
Surplus reserve	51,365,509.04	51,365,509.04
Undistributed profit	-116,685,947.01	-245,428,527.10
Total equity attributable to owners (or shareholders) of the Company	4,361,173,487.44	4,232,430,907.35
Minority interests	381,578,478.89	381,211,357.37
Total owner's equity (or shareholder's equity)	4,742,751,966.33	4,613,642,264.72
Total liabilities and owner's equity (or shareholder's equity)	11,314,143,706.37	10,565,902,910.42

Balance Sheet of the Company
30 June 2023

Prepared by: Triumph New Energy
 Company Limited

Unit: Yuan Currency: RMB

Item	30 June 2023	31 December 2022
Current assets:		
Monetary funds	226,520,190.74	304,124,727.90
Notes receivable	57,152,866.44	
Accounts receivable	159,623,705.08	276,801,400.86
Accounts receivable financing	360,932,362.24	213,294,478.37
Prepayments	34,809.00	35,638.46
Other receivables	645,278,802.68	660,172,421.07
Inventories	12,417.00	8,509.00
Other current assets		65,466.27
	<hr/>	<hr/>
Total current assets	<u>1,449,555,153.18</u>	<u>1,454,502,641.93</u>
Non-current assets:		
Long-term receivables	3,803,415,248.62	3,703,415,248.62
Fixed assets	1,739,437.38	1,864,728.54
Construction in progress	544,608.33	53,857.88
Intangible assets	48,191,003.09	46,933,795.67
Other non-current assets		55,049,500.00
	<hr/>	<hr/>
Total non-current assets	<u>3,853,890,297.42</u>	<u>3,807,317,130.71</u>
	<hr/>	<hr/>
Total assets	<u>5,303,445,450.60</u>	<u>5,261,819,772.64</u>

Item	30 June 2023	31 December 2022
Current liabilities:		
Short-term borrowings	309,368,363.94	411,004,486.12
Accounts payable	174,050,895.63	277,840,273.82
Contract liabilities	27,270.95	27,270.95
Employee compensation payable	4,633,571.20	10,581,733.02
Taxes payable	1,072,910.53	244,614.35
Other payable	80,069,019.13	62,831,631.70
Non-current liabilities due within one year	23,813,089.34	13,291,218.59
Other current liabilities	77,892,061.07	116,961,766.71
Total current liabilities	670,927,181.79	892,782,995.26
Non-current liabilities:		
Long-term borrowings	734,065,725.99	541,972,270.66
Total non-current liabilities	734,065,725.99	541,972,270.66
Total liabilities	1,404,992,907.78	1,434,755,265.92
Owner's equity (or shareholder's equity):		
Paid-in capital (or share capital)	645,674,963.00	645,674,963.00
Capital reserve	3,857,589,394.08	3,857,589,394.08
Surplus reserve	51,365,509.04	51,365,509.04
Undistributed profit	-656,177,323.30	-727,565,359.40
Total owner's equity (or shareholder's equity)	3,898,452,542.82	3,827,064,506.72
Total liabilities and owner's equity (or shareholder's equity)	5,303,445,450.60	5,261,819,772.64

Consolidated Income Statement
January to June 2023

Prepared by: Triumph New Energy
 Company Limited

Unit: Yuan Currency: RMB

Item	Half year of 2023	Half year of 2022
I. Total operating revenue	2,778,818,294.04	2,356,478,561.97
Including: Operating income	2,778,818,294.04	2,356,478,561.97
II. Total operating costs	2,730,498,449.97	2,298,710,240.31
Including: Operating costs	2,482,815,202.22	2,101,464,482.64
Taxes and surcharges	20,207,124.82	15,477,064.66
Selling expenses	12,135,001.59	7,056,880.54
Administration expenses	71,421,868.03	55,234,778.83
Research and development expenses	107,234,562.42	82,302,797.18
Finance expenses	36,684,690.89	37,174,236.46
Including: Interest expenses	43,514,746.37	45,097,670.32
Interest income	3,469,341.86	6,433,445.10
Add: Other income	109,619,994.87	108,516,440.69
Investment income		
(loss is represented by “-”)	6,124,204.41	123,412,144.27
Credit impairment loss		
(loss is represented by “-”)	-1,457,620.66	-9,880,103.11
Impairment loss of assets		
(loss is represented by “-”)	3,858,670.80	1,550,762.12
Gains from disposal of assets		
(loss is represented by “-”)	-5,138.72	-70,384.53
III. Operating profit (loss is represented by “-”)	166,459,954.77	281,297,181.10
Add: Non-operating income	648,096.40	724,900.64
Less: Non-operating expense	187,269.86	21,315.91
IV. Total profit (total loss is represented by “-”)	166,920,781.31	282,000,765.83
Less: Income tax expenses	12,597,716.12	8,691,413.41

Item	Half year of 2023	Half year of 2022
V. Net profit (net loss is represented by “-”)	154,323,065.19	273,309,352.42
(I) Classification by continued operation		
1. Net profit from continued operation (net loss is represented by “-”)	154,323,065.19	268,096,487.07
2. Net profit from discontinued operation (net loss is represented by “-”)		5,212,865.35
(II) Classification by ownership		
1. Net profit attributable to the owners of the Company (Net loss is represented by “-”)	128,742,580.09	247,885,774.91
2. Profit or loss attributable to minority interests (Net loss is represented by “-”)	25,580,485.10	25,423,577.51
VI. Other comprehensive income net of tax		
(I) Other comprehensive income attributable to the owners of the Company, net of tax		
(II) Other comprehensive income attributable to minority interests, net of tax		
VII. Total comprehensive income	154,323,065.19	273,309,352.42
(I) Total comprehensive income attributable to owners of the Company	128,742,580.09	247,885,774.91
(II) Total comprehensive income attributable to minority interests	25,580,485.10	25,423,577.51
VIII. Earnings per share:		
(I) Basic earnings per share (<i>RMB/share</i>)	0.20	0.38
(II) Diluted earnings per share (<i>RMB/share</i>)	0.20	0.38

Income Statement of the Company
January to June 2023

Prepared by: Triumph New Energy
 Company Limited

Unit: Yuan Currency: RMB

Item	Half year of 2023	Half year of 2022
I. Operating revenue	607,906,865.22	312,193,316.27
Less: Operating costs	604,431,703.63	310,941,463.07
Taxes and surcharges	865,267.88	525,797.29
Selling expenses		279,480.71
Administration expenses	12,012,223.95	9,221,913.93
Research and development expenses		
Finance expenses	2,077,234.49	950,313.83
Including: Interest expenses	14,273,318.66	14,734,063.91
Interest income	12,306,806.67	13,823,233.76
Add: Other income	1,421,768.08	41,513,074.23
Investment income (loss is represented by "-")	81,649,953.05	-145,048,074.42
Credit impairment loss (loss is represented by "-")	-788,022.44	439,884,403.23
II. Operating profit (loss is represented by "-")	70,804,133.96	326,623,750.48
Add: Non-operating income	583,902.14	660,000.63
Less: Non-operating expense		
III. Total profit (total loss is represented by "-")	71,388,036.10	327,283,751.11
Less: Income tax expenses		
IV. Net profit (net loss is represented by "-")	71,388,036.10	327,283,751.11
(I) Net profit from continued operation (net loss is represented by "-")	71,388,036.10	327,283,751.11
(II) Net profit from discontinued operation (net loss is represented by "-")		
V. Other comprehensive income net of tax		
(I) Other comprehensive income that will not be reclassified to profit or loss		
(II) Other comprehensive income that will be reclassified to profit and loss		
VI. Total comprehensive income	71,388,036.10	327,283,751.11
VII. Earnings per share:		
(I) Basic earnings per share (<i>RMB/share</i>)		
(II) Diluted earnings per share (<i>RMB/share</i>)		

Consolidated Cash Flow Statement

January to June 2023

Prepared by: Triumph New Energy
Company Limited

Unit: Yuan Currency: RMB

Item	Half of 2023	Half of 2022
I. Cash flows from operating activities:		
Cash received from sale of goods or rendering of services	2,045,214,358.74	1,070,635,763.49
Refund of taxes and levies	29,841,425.09	134,212,379.69
Other cash receipts relating to operating activities	92,501,113.79	161,224,958.03
Sub-total of cash inflows from operating activities	<u>2,167,556,897.62</u>	<u>1,366,073,101.21</u>
Cash paid for purchase of goods and services rendered	2,206,014,577.39	1,215,140,407.62
Cash paid to and on behalf of employees	231,408,652.48	194,762,261.13
Tax payments	43,072,276.86	55,483,557.84
Other cash paid for activities related to operation	71,800,427.97	92,862,119.07
Sub-total of cash outflow from operating activities	<u>2,552,295,934.70</u>	<u>1,558,248,345.66</u>
Net cash flow from operating activities	<u>-384,739,037.08</u>	<u>-192,175,244.45</u>
II. Cash flow from investment activities:		
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	191,800.00	
Net cash received from disposal of subsidiaries and other business units	160,173,650.00	436,622,904.74
Sub-total of cash inflows from investing activities	<u>160,365,450.00</u>	<u>436,622,904.74</u>
Cash paid for the acquisition and construction of fixed assets, intangible assets, and other long-term assets	476,412,860.15	342,684,612.52
Net cash payments for acquisition of subsidiaries and other business units	80,295,400.00	
Sub-total of cash outflows from investing activities	<u>556,708,260.15</u>	<u>342,684,612.52</u>
Net cash flows from investing activities	<u>-396,342,810.15</u>	<u>93,938,292.22</u>

Item	Half of 2023	Half of 2022
III. Cash flows from financing activities:		
Cash received from capital injection		
Cash received from borrowings	1,526,452,253.88	1,246,675,032.28
Other cash received related to financing activities		665,537,055.46
Subtotal of cash inflows from financing activities	1,526,452,253.88	1,912,212,087.74
Cash paid for repayments of borrowings	593,706,544.67	1,383,770,262.46
Cash payment for distribution of dividends and profits or repayment of interest	66,198,408.56	65,054,864.63
Including: Dividends and profits paid to minority shareholders by subsidiaries	13,213,363.58	10,000,000.00
Other cash payments related to financing activities		750,886,583.62
Subtotal of cash outflows from financing activities	659,904,953.23	2,199,711,710.71
Net cash flow from financing activities	866,547,300.65	-287,499,622.97
IV. Effect of exchange rate changes on cash and cash equivalents	735,619.63	-803,180.15
V. Net increase in cash and cash equivalents	86,201,073.05	-386,539,755.35
Add: Opening balance of cash and cash equivalents	485,547,816.11	961,479,236.37
VI. Closing balance of cash and cash equivalents	571,748,889.16	574,939,481.02

Cash Flow Statement of the Company

January to June 2023

Prepared by: Triumph New Energy
Company Limited

Unit: Yuan Currency: RMB

Item	Half year of 2023	Half year of 2022
I. Cash flows from operating activities:		
Cash received from sale of goods or rendering of services	314,942,696.96	97,591,422.35
Refund of taxes and levies		11,417,001.19
Other cash receipts relating to operating activities	6,524,311.93	46,392,343.55
Sub-total of cash inflows from operating activities	<u>321,467,008.89</u>	<u>155,400,767.09</u>
Cash paid for purchase of goods and services rendered	343,393,222.09	97,853,960.55
Cash paid to and on behalf of employees	14,930,081.58	12,131,137.74
Tax payments	1,750,786.06	763,543.27
Other cash paid for activities related to operating activities	12,291,033.15	6,977,368.52
Sub-total of cash outflows from operating activities	<u>372,365,122.88</u>	<u>117,726,010.08</u>
Net cash flows from operating activities	<u>-50,898,113.99</u>	<u>37,674,757.01</u>
II. Cash flows from investment activities:		
Cash received from recovery of investments	160,173,650.00	536,116,000.00
Cash received from returns on investments	65,334,253.05	57,113,237.34
Sub-total of cash inflows from investing activities	<u>225,507,903.05</u>	<u>593,229,237.34</u>
Cash paid for the acquisition and construction of fixed assets, intangible assets, and other long-term assets	1,785,500.00	84,799.75
Cash paid for investments	180,295,400.00	20,000,000.00
Sub-total of cash outflows from investing activities	<u>182,080,900.00</u>	<u>20,084,799.75</u>
Net cash flows from investing activities	<u>43,427,003.05</u>	<u>573,144,437.59</u>

Item	Half year of 2023	Half year of 2022
III. Cash flows from financing activities:		
Cash received from capital injection		
Cash received from borrowings	260,000,000.00	289,000,000.00
Other cash received related to financing activities	2,114,071,620.92	2,178,426,802.91
Subtotal of cash inflows from financing activities	<u>2,374,071,620.92</u>	<u>2,467,426,802.91</u>
Cash paid for repayments of borrowings	289,406,544.67	512,590,000.00
Cash payment for distribution of dividends and profits or repayment of interest	13,229,292.31	21,776,079.48
Other cash payments related to financing activities	2,141,569,416.11	2,371,454,918.92
Subtotal of cash outflows from financing activities	<u>2,444,205,253.09</u>	<u>2,905,820,998.40</u>
Net cash flows from financing activities	<u><u>-70,133,632.17</u></u>	<u><u>-438,394,195.49</u></u>
IV. Effect of exchange rate changes on cash and cash equivalents	205.95	316.68
V. Net increase in cash and cash equivalents	-77,604,537.16	172,425,315.79
Add: Opening balance of cash and cash equivalents	304,124,727.90	276,185,683.54
VI. Closing balance of cash and cash equivalents	<u><u>226,520,190.74</u></u>	<u><u>448,610,999.33</u></u>

Consolidated Statement of Changes in Owners' Equity

January to June 2023

Prepared by: Triumph New Energy Company Limited

Unit: Yuan Currency: RMB

Item	Half year of 2023													
	Equity attributable to owners of the Company											Total owners' equity		
	Paid-in capital (or share capital)	Other equity instruments		Capital reserve	Less: Treasury stock		Other comprehensive income	Special reserve	Surplus reserve	General risk provisions	Undistributed profit		Others	Subtotal
I. Balance at the end of last year	645,074,963.00	645,074,963.00	3,780,818,962.41	3,780,818,962.41	51,365,509.04	-245,428,527.10	51,365,509.04	4,232,430,907.35	4,232,430,907.35	381,211,357.37	4,613,642,264.72	4,613,642,264.72	381,211,357.37	4,613,642,264.72
II. Balance at the beginning of the year	645,074,963.00	645,074,963.00	3,780,818,962.41	3,780,818,962.41	51,365,509.04	-245,428,527.10	51,365,509.04	4,232,430,907.35	4,232,430,907.35	381,211,357.37	4,613,642,264.72	4,613,642,264.72	381,211,357.37	4,613,642,264.72
III. Change for the period (decrease is indicated by "-")														
(I) Total comprehensive income														
(II) Owners' contribution and decrease in capital														
(III) Profit distribution														
1. Appropriation to surplus reserve														
2. Appropriation to general risk provisions														
3. Distribution to owners (or shareholders)														
4. Others														
(IV) Internal carry-forward of owners' equity														
(V) Special reserve														
1. Amount withdrawn during the period														
2. Amount utilized during the period														
(VI) Others														
IV. Balance at the end of the period	645,074,963.00	645,074,963.00	3,780,818,962.41	3,780,818,962.41	51,365,509.04	-116,685,947.01	51,365,509.04	4,361,173,487.44	4,361,173,487.44	381,578,478.89	4,742,751,966.33	4,742,751,966.33	381,578,478.89	4,742,751,966.33

Half year of 2022

Item	Equity attributable to owners of the Company											Total owners' equity		
	Other equity instruments				Less:			Others						
	Paid-in capital (or share capital)	Preferred shares	Perpetual bonds	Others	Capital reserve	Treasury stock	Other comprehensive income	Special reserve	Surplus reserve	General risk provisions	Undistributed profit		Subtotal	Minority interests
I. Balance at the end of last year	645,674,963				3,792,235,992.58			51,365,509.04	51,365,509.04		-654,467,178.80	3,834,809,285.82	504,068,563.34	4,338,877,649.16
II. Balance at the beginning of the year	645,674,963				3,792,235,992.58			51,365,509.04	51,365,509.04		-654,467,178.80	3,834,809,285.82	504,068,563.34	4,338,877,649.16
III. Change for the period (decrease is indicated by "-")														
(I) Total comprehensive income														
(II) Owners' contribution and decrease in capital														
(III) Profit distribution														
1. Appropriation to surplus reserve														
2. Appropriation to general risk provisions														
3. Distribution to owners (or shareholders)														
4. Others														
(IV) Internal carry-forward of owners' equity														
(V) Special reserve														
1. Amount withdrawn during the period														
2. Amount utilized during the period														
(VI) Others														
IV. Balance at the end of the period	645,674,963				3,792,235,992.58			51,365,509.04	51,365,509.04		-406,581,403.89	4,082,695,060.73	508,955,060.04	4,591,650,126.77

Statement of Changes in Owners' Equity of the Company
January to June 2023

Prepared by: Triumph New Energy Company Limited

Unit: Yuan Currency: RMB

Item	Half year of 2023						Total owners' equity			
	Paid-in capital (or share capital)	Other equity instruments			Less: Treasury stock	Other comprehensive income		Special reserve	Surplus reserve	Undistributed profit
		Preferential shares	Perpetual bonds	Others	Capital reserve					
I. Balance at the end of last year	645,674,963.00				3,857,589,394.08			51,365,509.04	-727,565,359.40	3,827,064,506.72
II. Balance at the beginning of the year	645,674,963.00				3,857,589,394.08			51,365,509.04	-727,565,359.40	3,827,064,506.72
III. Change for the period (decrease is indicated by "-")										
(I) Total comprehensive income										
(II) Owners' contribution and decrease in capital										
(III) Profit distribution										
(IV) Internal carry-forward of owners' equity										
(V) Special reserve										
(VI) Others										
IV. Balance at the end of the period	645,674,963.00				3,857,589,394.08			51,365,509.04	-656,177,323.30	3,898,452,542.82

Half year of 2022

Item	Other equity instruments				Less:		Total owners' equity
	Paid-in capital (or share capital)	Preferential shares	Perpetual bonds	Others	Treasury stock	Other comprehensive income	
I. Balance at the end of last year	645,674,963			3,857,589,394.08			3,410,955,404.42
II. Balance at the beginning of the year	645,674,963			3,857,589,394.08			3,410,955,404.42
III. Change for the period (decrease is indicated by “-”)							
(I) Total comprehensive income							
(II) Owners' contribution and decrease in capital							
(III) Profit distribution							
(IV) Internal carry-forward of owners' equity							
(V) Special reserve							
(VI) Others							
IV. Balance at the end of the period	645,674,963			3,857,589,394.08			3,738,239,155.53

(II) NOTES TO THE FINANCIAL STATEMENTS *(Expressed in Renminbi)*

1. *Background of the Company*

The Company was incorporated in the People's Republic of China (the "PRC") as a joint stock limited company, which is mainly engaged in the manufacturing and sales of new energy materials, and its business scope covers the manufacturing and sales of photovoltaic equipment and components; the manufacturing and sales of non-metallic mineral products; technical services for solar power generation; research and development of new materials technology; and research and development of emerging energy technologies.

2. *Significant Accounting Policies*

(1) Basis of preparation of the financial statements

The financial statements of the Company have been prepared on a going concern basis in respect of the actual transactions and events in accordance with the requirements of the Accounting Standards for Business Enterprises, the Application Guidelines for Accounting Standards for Business Enterprises, the Interpretations of the Accounting Standards for Business Enterprises and other regulations issued by the Ministry of Finance of the PRC, and based on the following significant accounting policies and accounting estimates.

(2) Accounting period

Accounting year of the Company is the calendar year from 1 January to 31 December.

(3) Functional Currency

The Company's functional currency is the Renminbi.

(4) *Preparation method of consolidated financial statements*

① Scope of consolidation

The scope of consolidation of the consolidated financial statements is determined on the basis of control. The term “control” refers to the fact that the Company has power over the investee and is entitled to variable returns from its involvement with the investee and the ability to use its power over the investee to affect the amount of those returns. A subsidiary is an entity controlled by the Company (including an enterprise, a separable part of an investee, a structured entity, etc.).

② Basis for preparation of the consolidated financial statements

The consolidated financial statements are prepared by the Company based on the financial statements of the Company and its subsidiaries and other relevant information. In preparing the consolidated financial statements, the accounting policies and accounting periods of the Company and its subsidiaries shall be consistent, and intra-company significant transactions and balances are eliminated.

A subsidiary and its business acquired through a business combination involving entities under common control during the reporting period shall be included in the scope of the consolidation of the Company from the date of being controlled by the ultimate controlling party, and its operating results and cash flows from the date of being controlled by the ultimate controlling party are included in the consolidated income statement and the consolidated cash flow statement, respectively.

For a subsidiary and its business acquired through a business combination involving entities not under common control during the reporting period, its income, expenses and profits are included in the consolidated income statement, and cash flows are included in the consolidated cash flow statement from the acquisition date to the end of the reporting period.

The shareholders' equity of the subsidiaries that is not attributable to the Company is presented under shareholders' equity in the consolidated balance sheet as minority interest. The portion of net profit or loss of subsidiaries for the period attributable to minority interest is presented in the consolidated income statement under the "profit or loss of minority interest". When the amount of loss for the period attributable to the minority shareholders of a subsidiary exceeds the minority shareholders' portion of the opening balance of owners' equity of the subsidiary, the excess amount are still allocated against minority interests.

③ Acquisition of non-controlling interests in subsidiaries

The difference between the long-term equity investments costs acquired by the acquisition of non-controlling interests and the share of the net assets from subsidiaries from the date of acquisition or the date of combination based on the new shareholding ratio on a continuous basis, as well as the difference between the proceeds from the partial disposal of the equity investment without losing control over its subsidiary and the disposal of the long-term equity investment corresponding to the share of the net assets of the subsidiaries from the date of acquisition or the date of combination on a continuous basis, are adjusted to the capital reserve, if the capital reserve is not sufficient, any excess is adjusted to retained earnings.

④ Accounting treatment for loss of control over subsidiaries

When the control over the original subsidiaries is lost due to reasons such as disposal of part of the equity investment, the remaining shareholding will be remeasured based on the fair value on the date of loss of control. The difference between the sum of disposal consideration and fair value of the remaining equity less the sum of the share of the carry value of net assets of the original subsidiaries calculated at the original shareholding percentage on a continuous basis from the date of acquisition and the goodwill shall be recorded into the investment income for the period when the control is lost.

Other comprehensive income related to the equity investment in the original subsidiaries will be transferred to income for the period when control is lost, excluding other comprehensive income resulting from changes in net liabilities or net assets arising from the designated benefit plan through the re-measurement on the investee.

3. Segment Reporting

(1) Determination basis and accounting policies of reporting segments

The operations of the Company are organized into two reportable segments on the basis of its internal organizational structure, management requirements and internal report system. These reportable segments are determined on the basis of the financial information required for the day-to-day internal management of the Company. The management of the Group regularly evaluates the operating results of these reportable segments to make decisions about resources to be allocated to the segments and to assess their performance.

An operating segment is a component of the Company that meets the following conditions simultaneously:

- ① The component is able to generate revenues and incur expenses from its ordinary activities;
- ② Its operating results are regularly evaluated by the Company's management to make decisions about resources to be allocated to the segment and assess its performance;
- ③ Its accounting information on financial position, operating results and cash flows and others is available to the Company. Two or more operating segments may be aggregated into a single operating segment if they have similar economic characteristics and meet specified conditions.

The operating segments of the Company include new energy glass segment and other functional glass segment.

Segment information is disclosed in accordance with the accounting policies and measurement criteria adopted by each segment when reporting to management. The measurement criteria are consistent with the accounting policies and measurement criteria in the preparation of the financial statements. Segment assets exclude deferred income tax assets and segment liabilities exclude deferred income tax liabilities.

Intersegment transactions are measured based on the actual transaction price. Segment revenue and segment expenses are recognized based on the actual revenue generated and actual expenses incurred by the respective segments. Assets and liabilities are allocated according to the assets used or liabilities assumed that are attributable to the operating segment in their daily operating activities.

(2) *Financial information of the reporting segments*

Segment profit or loss, assets and liabilities of the current period or the end of the current period:

Item	New energy glass segment	Other functional glass segment	Unallocated items	Offset	Total
Operating income	3,148,993,299.46	112,106,491.27	607,906,865.22	-1,090,188,361.91	2,778,818,294.04
Including: Revenue from external principal operations	3,142,082,489.58	111,325,079.17		-498,559,192.05	2,754,848,376.70
Revenue from other external operations	6,910,809.88	781,412.10	607,906,865.22	-591,629,169.86	23,969,917.34
Operating costs	2,851,606,938.66	119,786,594.09	604,431,703.63	-1,093,010,034.16	2,482,815,202.22
Credit impairment losses	-30,438.41	-639,159.81	-788,022.44		-1,457,620.66
Impairment losses of assets	429,979.73	3,428,691.07			3,858,670.80
Depreciation expenses and amortization expenses	145,939,372.84	8,217,341.27	1,264,422.33		155,421,136.44
Total profit	173,705,034.23	-10,065,800.73	71,029,088.51	-67,747,540.70	166,920,781.31
Income tax expenses	11,981,091.05		228,618.22	388,006.85	12,597,716.12
Net profit	161,723,943.18	-10,065,800.73	70,800,470.29	-68,135,547.55	154,323,065.19
Total assets	10,106,148,577.83	512,805,348.53	5,854,716,902.66	-5,159,527,122.65	11,314,143,706.37
Total liabilities	6,430,686,213.90	186,659,364.78	1,439,832,377.82	-1,485,786,216.46	6,571,391,740.04

(3) *Geographic information*

The following table sets out information about the geographical location of the Company's revenue from external customers and the Company's non-current assets (excluding deferred income tax assets). The geographical location of customers is stated as the location at which goods were delivered to customers. The geographical location of fixed assets, construction in progress and lease prepayments under non-current assets is determined as the physical location of the assets; the geographical location of intangible assets and exploration and evaluation assets is determined as the location of relevant operations; and the geographical location of interests in associates and other investments is determined as the location of their respective operations.

Operating revenue by customer's geographical location

Geographical location	Amount for current period	Amount for previous period
China (excluding Hong Kong, Macau and Taiwan)	2,545,346,061.28	2,221,157,130.36
Other countries and regions	<u>233,472,232.76</u>	<u>135,321,431.61</u>
Total	<u><u>2,778,818,294.04</u></u>	<u><u>2,356,478,561.97</u></u>

Non-current assets by its geographical location

Geographical location	Closing balance	Balance as at the end of last year
China (excluding Hong Kong, Macau and Taiwan)	<u><u>6,773,026,215.71</u></u>	<u><u>6,461,618,980.12</u></u>

Note: Non-current assets are attributable to the areas where the assets are located, excluding financial assets, separate account assets and deferred income tax assets.

(4) *Reliance on major customers*

From January to June 2023, the transaction amount of four customers from new energy glass reporting segment (customers who are controlled by the same controller are deemed to be the same customer) of the Company exceeds 10% of the Company's revenue. The transaction amounts are RMB604,843,140.78, RMB516,064,614.17, RMB318,090,428.94 and RMB287,902,493.46, respectively.

4. *Turnover*

Turnover represents revenue from the invoiced value of goods sold to customers, after deduction of any trade discounts and net of value added tax and surcharges, an analysis of which is as follows:

(1) Details of operating revenue

Item	Amount for current period	Amount for previous period
I. Revenue from principal operations	2,754,848,376.70	2,351,356,734.71
II. Revenue from other operations	23,969,917.34	5,121,827.26
Total	<u>2,778,818,294.04</u>	<u>2,356,478,561.97</u>

(2) Details of income from principal operations by product

Item	Amount for current period	Amount for previous period
Information display glass		22,320,590.62
New energy glass	2,643,523,297.53	2,156,904,513.52
Other functional glass	111,325,079.17	172,131,630.57
Total	<u>2,754,848,376.70</u>	<u>2,351,356,734.71</u>

5. *Other Income*

Item	Amount for current period	Amount for previous period	Asset-related/Income- related
Subsidy for production and operation	91,183,626.36	103,789,008.30	Asset-related/Income- related
Research and development, technological renovation subsidy	15,194,812.00	1,106,334.00	Income-related
Subsidy for photovoltaic power generation	2,357,345.23	2,065,410.87	Income-related
Subsidy for stabilizing employment	229,567.98	622,324.12	Income-related
Gains on debt restructuring		119,700.00	
Refunds of individual income tax handling fees	108,691.16	45,045.13	
Others	545,952.14	768,618.27	Asset-related/Income- related
	<hr/>	<hr/>	
Total	<u>109,619,994.87</u>	<u>108,516,440.69</u>	

6. *Gains on Disposal of Assets*

Item	Amount for current period	Amount for previous period
Gains on disposal of fixed assets (losses are represented by “-”)	-5,138.72	-70,384.53
Gains on disposal of intangible assets (losses are represented by “-”)		
	<hr/>	<hr/>
Total	<u>-5,138.72</u>	<u>-70,384.53</u>

7. *Non-Operating Income*

Item	Amount for current period	Amount for previous period	Amount recognized as non-recurring gain or loss for the period
Fine income		64,900.00	
Others	648,096.40	660,000.64	648,096.40
Total	648,096.40	724,900.64	648,096.40

8. *Profit Before Income Tax*

Profit before income tax is arrived at after (charging)/crediting:

(1) *Financial expenses*

Item	Amount for current period	Amount for previous period
Interest expense	43,514,746.37	45,097,670.32
Less: Interest income	3,469,341.86	6,433,445.10
Exchange loss	-4,193,898.18	-3,035,283.84
Handling charges and other expenses	833,184.56	1,545,295.08
Total	36,684,690.89	37,174,236.46

(2) *Operating costs*

Item	Amount for current period	Amount for previous period
I. Costs of principal operations	2,466,738,652.95	2,098,074,227.70
II. Costs of other operations	16,076,549.27	3,390,254.94
Total	2,482,815,202.22	2,101,464,482.64

(3) *Business Taxes and surcharges*

Item	Amount for current period	Amount for previous period
Property tax	7,045,762.93	4,893,627.32
Land-use tax	5,270,967.96	5,662,661.57
Urban construction and maintenance	950,745.01	908,878.29
Education surcharges	929,749.91	820,414.52
Stamp duty	2,802,385.30	2,176,244.37
Others	3,207,513.71	1,015,238.59
Total	<u>20,207,124.82</u>	<u>15,477,064.66</u>

(4) *Selling expenses*

Item	Amount for current period	Amount for previous period
Employee compensation	8,575,068.76	5,323,093.11
Sample and product depletion	787,314.39	92,613.07
Property insurance expenses	270,416.00	51,144.67
Office expenses	1,434,904.01	302,062.43
Business travel expenses	213,229.37	149,952.49
Depreciation expenses	501,161.04	92,490.60
Other selling expenses	352,908.02	1,045,524.17
Total	<u>12,135,001.59</u>	<u>7,056,880.54</u>

(5) *Administrative expenses*

Item	Amount for current period	Amount for previous period
Staff compensation	41,531,494.26	26,348,348.31
Depreciation of fixed assets	5,944,842.73	4,312,704.38
Amortization of intangible assets	4,598,268.74	5,789,290.20
Intermediary engagement fees	3,529,154.27	3,437,544.57
Office expenses	2,589,613.79	4,019,074.60
Business entertainment expenses	721,304.48	645,910.31
Property management fee	653,104.47	386,376.78
Business travel expenses	689,451.15	437,714.08
Utilities	792,706.70	490,709.42
Transportation expenses	226,830.99	121,039.68
Repairing fee	706,596.70	158,289.83
Rental fee	918,040.69	191,483.62
Others	8,520,459.06	8,896,293.05
Total	<u>71,421,868.03</u>	<u>55,234,778.83</u>

(6) *Research and development expenses*

Item	Amount for current period	Amount for previous period
Staff remuneration	23,907,303.09	25,249,791.81
Material expenses	65,180,246.34	49,840,727.84
Depreciation and amortization expenses	16,950,862.88	6,666,867.13
Other expenses	1,196,150.11	545,410.40
Total	<u>107,234,562.42</u>	<u>82,302,797.18</u>

(7) *Impairment losses of assets*

Item	Amount for current period	Amount for previous period
Impairment loss on inventories	3,858,670.80	1,550,762.12
Impairment loss on fix assets		
Impairment loss on construction in progress		
Total	<u>3,858,670.80</u>	<u>1,550,762.12</u>

(8) *Impairment losses of credit*

Item	Amount for current period	Amount for previous period
Bad debt losses of notes receivable	479,764.54	-3,374,434.21
Bad debt losses of accounts receivable	-966,152.85	-6,267,347.65
Bad debt losses of other receivables	-971,232.35	-238,321.25
Total	<u>-1,457,620.66</u>	<u>-9,880,103.11</u>

(9) *Non-operating expenses*

Item	Amount for current period	Amount for previous period	Amount included in non-recurring profit or loss for current period
Penalties and overdue fine	129,982.99	21,315.91	129,982.99
Losses on retirement and damage of assets	57,286.87		57,286.87
Total	<u>187,269.86</u>	<u>21,315.91</u>	<u>187,269.86</u>

9. *Income Tax Expenses*

Item	Amount for current period	Amount for previous period
Current income tax calculated according to tax laws and relevant requirements	12,207,861.40	9,535,400.91
Deferred income tax expenses	389,854.72	-843,987.50
Total	<u>12,597,716.12</u>	<u>8,691,413.41</u>

10. *Dividend*

The board of directors of the Company does not recommend declaring dividends for the half year ended 30 June 2023.

11. *Basic Earnings Per Share*

Basic earnings per share are calculated by dividing consolidated net profit attributable to ordinary shareholders of the Company by the weighted average number of the outstanding ordinary shares of the Company:

Item	Amount for current period	Amount for previous period
Net profit attributable to ordinary shareholders of the Company	128,742,580.09	247,885,774.91
Weighted average number of the outstanding ordinary shares of the Company	<u>645,674,963.00</u>	<u>645,674,963.00</u>
Basic earnings per share (<i>RMB/share</i>)	<u>0.20</u>	<u>0.38</u>

There were no diluted earnings per share as the Company had no potential dilutive shares for the half year ended 30 June 2023.

12. Accounts Receivables and Notes Receivables

(1) Accounts receivables

Item	Book balance	Balance as at the beginning of the year
Accounts receivables	1,085,270,750.96	1,081,703,210.12
Less: provision for bad debts	<u>101,558,076.95</u>	<u>100,591,924.10</u>
Accounts receivable, net	<u><u>983,712,674.01</u></u>	<u><u>981,111,286.02</u></u>

Aged analysis of accounts receivables by date of entry:

Aging	Closing balance	Balance as at the end of last year
Within 1 year	983,519,140.24	981,932,220.54
1 to 2 years	14,640,560.56	12,643,082.28
2 to 3 years	3,062,831.81	3,491,423.40
3 to 4 years	6,219,661.62	10,353,157.23
4 to 5 years	18,549,774.03	14,846,358.31
Over 5 years	59,278,782.70	58,436,968.36
Subtotal	1,085,270,750.96	1,081,703,210.12
Less: provision for bad debts	<u>101,558,076.95</u>	<u>100,591,924.10</u>
Total	<u><u>983,712,674.01</u></u>	<u><u>981,111,286.02</u></u>

(2) *Notes receivables*

Category of notes	Book balance	Closing balance		Balance as at the end of last year		
		Provision for bad debts	Book value	Book balance	Provision for bad debts	Book value
Trade acceptance	<u>583,787,640.32</u>	<u>8,523,299.54</u>	<u>575,264,340.78</u>	<u>616,648,224.23</u>	<u>9,003,064.08</u>	<u>607,645,160.15</u>
Total	<u><u>583,787,640.32</u></u>	<u><u>8,523,299.54</u></u>	<u><u>575,264,340.78</u></u>	<u><u>616,648,224.23</u></u>	<u><u>9,003,064.08</u></u>	<u><u>607,645,160.15</u></u>

(3) *Receivables financing*

Item	Closing balance	Balance as at the end of last year
Notes receivable	838,528,772.58	754,316,996.75
Less: Other comprehensive income - changes in fair value		
Fair value at the end of the period	<u>838,528,772.58</u>	<u>754,316,996.75</u>

13. *Accounts Payables and Notes Payables*

(1) *Aged analysis of accounts payable by date of entry:*

Item	Closing balance	Balance as at the end of last year
Within 1 year	1,373,391,427.30	1,652,565,082.55
Above 1 year	<u>77,011,767.18</u>	<u>75,589,736.91</u>
Total	<u>1,450,403,194.48</u>	<u>1,728,154,819.46</u>

(2) *Notes payables*

Category	Closing balance	Balance as at the end of last year
Bank acceptances	380,714,758.20	405,761,091.26
Trade acceptance	24,316,805.00	23,481,377.00
Total	<u>405,031,563.20</u>	<u>429,242,468.26</u>

14. Reserves

(1) *Capital reserve*

Item	Opening balance	Increase for the period	Decrease for the period	Closing balance
Capital premium	3,538,238,816.69			3,538,238,816.69
Other capital reserve	<u>242,580,145.72</u>			<u>242,580,145.72</u>
Total	<u>3,780,818,962.41</u>			<u>3,780,818,962.41</u>

(2) *Surplus reserve*

Item	Opening balance	Increase for the period	Decrease for the period	Closing balance
Statutory surplus reserve	<u>51,365,509.04</u>			<u>51,365,509.04</u>

(3) *Undistributed profit*

Item	Amount for current period	Amount for previous year
Undistributed profit at the end of the previous period before adjustment	-245,428,527.10	-654,467,178.80
Total effects of adjustments of undistributed profits at the beginning of the period (increase expressed with +, and decrease expressed with -)		
Undistributed profit at the beginning of the period after adjustment	-245,428,527.10	-654,467,178.80
Add: net profit attributable to owners of the Company for the period	128,742,580.09	409,038,651.70
Undistributed profit at the end of the period	<u>-116,685,947.01</u>	<u>-245,428,527.10</u>

15. *Subsequent Matters*

None

IV. MANAGEMENT DISCUSSION AND ANALYSIS

Review of the overall performance and achievements during the reporting period

In 2023, the Group anchored itself in the new energy materials development arena, by keeping a close eye on the annual target tasks, focusing on increasing production volume, increasing sales volume, cost control and risk prevention, adhering to focusing projects and promoting development, and coordinating and pushing forward the work of cost reduction and efficiency improvement, business consolidation, green and low carbon, digital transformation, reform of state-owned enterprises etc., and party construction, thus maintaining a stable development trend of production and operation in general.

During the reporting period, the Group's operating revenue amounted to RMB2,778,818,300, representing a year-on-year increase of 17.92%; operating profit amounted to RMB166,460,000, representing a year-on-year decrease of 40.82%; Net profit attributable to shareholders of the Company after deducting non-recurring profit or loss amounted to RMB27,095,300, representing a year-on-year increase of 17.47%. At the end of the reporting period, the gearing ratio was 58.08%, representing an increase of 1.75 percentage points from the end of 2022.

In the first half of 2023, the output capacity of the Group's projects has been gradually released. From January to June, the cumulative output of photovoltaic glass amounted to 154 million square meters, representing a year-on-year increase of 115%; the cumulative sales volume amounted to 148 million square meters, representing a year-on-year increase of 53%. The Company's photovoltaic glass products gross margin was 11.19%, and the sales-output ratio was 96%. Among the projects under construction, the main works of Yixing New Energy Project has been basically completed, and the construction of the newly-constructed projects of Luoyang New Energy and North Glass are progressing according to the planned schedule.

Industry development status and business outlook

Subject to the rapid increase in photovoltaic glass production capacity, the gradual increase in supply and the market forecast that the growth rate of production capacity will be higher than that of the demand side, the market average selling price continues to be at a low level with small fluctuations. In the short term, the market is in the stage of overcapacity with intensified competition. In the long term, with the gradual increase in capacity in all segments of the photovoltaic industry chain, it will drive down the price of photovoltaic modules and thus stimulate the demand of the end-users, which is expected to maintain a high rate of growth in the long term. According to the latest statistics of China Photovoltaic Industry Association, the forecast of global photovoltaic new installations in 2023 is upward adjusted from 280–330 GW to 305–350 GW; the forecast of China photovoltaic new installations in 2023 is upward adjusted from 95–120 GW to 120–140 GW, with a year-on-year increase of more than 60%.

In the second half of 2023, the Group will analyze the industry situation in a comprehensive and long-term manner, maintain strategic stability, strengthen confidence in development, anchor its development goals, highlight the priority of high-quality development, so as to make every effort to win the battle of quality and efficiency improvement and stable growth. In addition, the Company will continue to take stabilizing cash flow, prices, sales volume and supply as an important key, by giving full play to the product, technology and regional advantages of each base, adhering to the strategy of differentiated products, promoting mergers and acquisitions, reorganization and construction projects in progress in an orderly and effective manner, consolidating and enhancing the scale of sales volume and market share, thus striving to meet the annual steady growth target, and working hard to achieve an effective quality improvement and a reasonable growth in volume.

There have been no important events affecting the Company and its subsidiaries which have occurred since the end of the accounting period.

Analysis of the principal operations during the reporting period

(I) Analysis of principal operating activities

1. Analytical statement of changes in relevant items in the income statement and cash flow statement

Unit: Yuan Currency: RMB

Item	Amount for current period	Amount for the same period last year	Change (%)
Operating revenue	2,778,818,294.04	2,356,478,561.97	17.92
Operating costs	2,482,815,202.22	2,101,464,482.64	18.15
Taxes and surcharges	20,207,124.82	15,477,064.66	30.56
Selling expenses	12,135,001.59	7,056,880.54	71.96
Administrative expenses	71,421,868.03	55,234,778.83	29.31
Finance expenses	36,684,690.89	37,174,236.46	-1.32
Research and development expenses	107,234,562.42	82,302,797.18	30.29
Investment income	6,124,204.41	123,412,144.27	-95.04
Income tax expenses	12,597,716.12	8,691,413.41	44.94
Net cash flow from operating activities	-384,739,037.08	-192,175,244.45	N/A
Net cash flow from investment activities	-396,342,810.15	93,938,292.22	-521.92
Net cash flow from financing activities	866,547,300.65	-287,499,622.97	N/A

Reasons for change in operating revenue: The year-over-year increase in sales volume of photovoltaic glass during the reporting period;

Reasons for change in operating costs: The increase in operating costs resulting from the year-on-year increase in sales volume of photovoltaic glass during the reporting period;

Reasons for change in taxes and surcharges: The year-on-year increase in taxes such as property tax and stamp tax during the reporting period;

Reasons for change in selling expenses: The year-on-year increase in selling expenses resulting from the year-on-year increase in the sales of photovoltaic glass during the reporting period;

Reasons for change in administrative expenses: The increase in administrative expenses resulting from the year-on-year increase in the scale of business during the reporting period;

Reasons for change in finance expenses: The year-on-year increase in the scale of fund-raising and the decrease in finance costs, which resulted in a year-on-year slight decrease in finance expenses during the reporting period;

Reasons for change in research and development expenses: The year-on-year increase in research and development investment during the reporting period;

Reasons for change in investment income: No gain from disposal of long-term equity investments during the reporting period;

Reasons for change in income tax expenses: The year-on-year increase in taxable income during the reporting period, which resulted in an increase in current income tax;

Reasons for change in net cash flow from operating activities: The year-on-year decrease in cash inflow including refund of taxes and levies during the reporting period;

Reasons for change in net cash flow from investment activities: The year-on-year increase in cash outflow for the purchase and construction of fixed assets on the one hand, and the decrease in cash inflow from the disposal of equity interests on the other hand as compared with the corresponding period;

Reasons for change in net cash flow from financing activities: The year-on-year increase in the scale of financing coupled with the year-on-year decrease in cash outflows such as debt repayment.

2. Principal operations by industry and by product

Unit: Yuan Currency: RMB

Principal operations by industry						
By industry	Operating revenue	Operating costs	Gross profit margin (%)	Increase/decrease of operating revenue as compared with the corresponding period last year (%)	Increase/decrease of operating costs as compared with the corresponding period last year (%)	Increase/decrease of gross profit margin as compared with the corresponding period last year (%)
New materials	2,754,848,376.70	2,466,738,652.95	10.46	17.16	17.57	Decreased by 0.31 percentage point

Principal operations by product						
By product	Operating revenue	Operating costs	Gross profit margin (%)	Increase/decrease of operating revenue as compared with the corresponding period last year (%)	Increase/decrease of operating costs as compared with the corresponding period last year (%)	Increase/decrease of gross profit margin as compared with the corresponding period last year (%)
New energy glass	2,643,523,297.53	2,347,733,470.96	11.19	22.56	20.56	Increased by 1.48 percentage points
Other functional glass	111,325,079.17	119,005,181.99	-6.90	-35.33	-14.08	Decreased by 26.44 percentage points

(III) Analysis of assets and liabilities

(1) Assets and liabilities

Unit: Yuan Currency: RMB

Item	Closing balance of current period	Percentage of closing balance of current period over the total assets (%)	Closing balance of last year	Percentage of closing balance last year over the total assets (%)	Percentage of changes in closing balance of current period over the closing balance last year (%)	Explanation
Other receivables	155,446,582.19	1.37	106,661,629.98	1.01	45.74	Increase in current accounts at the end of the reporting period
Inventories	1,019,071,725.21	9.01	695,508,197.62	6.58	46.52	Capacity expansion during the reporting period
Other current assets	82,935,460.87	0.73	59,289,265.40	0.56	39.88	Increase in the amount of input tax to be deducted during the reporting period
Development expenditure	14,446,331.90	0.13	9,242,547.95	0.09	56.30	Increase in research and development investment during the reporting period
Other non-current assets	337,558,157.80	2.98	559,257,426.12	5.29	-39.64	Part of the prepayment for construction and equipment was transferred to construction in progress based on the progress and disposal of certain creditor's rights during the reporting period
Contract liabilities	26,135,236.81	0.23	18,314,969.87	0.17	42.70	Increase in advance receipts from customers during the reporting period
Employee compensation payable	31,368,353.28	0.28	49,200,604.16	0.47	-36.24	Payment of bonus for the previous year during the reporting period
Non-current liabilities due within one year	198,864,979.67	1.76	57,813,133.81	0.55	243.98	Increase in long-term loans repayable within one year during the reporting period
Long-term borrowings	2,338,349,325.99	20.67	1,703,779,270.66	16.13	37.24	Increase in long-term loans raised for project construction during the reporting period
Undistributed profit	-116,685,947.01	-1.03	-245,428,527.10	-2.32	N/A	Increase in earnings and net profit attributable to the shareholders of the Company during the reporting period

(2) *Major restricted assets as at the end of the reporting period*

Item	Book value at the end of the period	Reasons for restriction
Monetary funds	79,287,606.38	Deposits for bank acceptance bill, maintenance funds
Notes receivable	71,447,139.07	Pledge
Fixed assets	564,952,735.23	Mortgage
Intangible assets	<u>110,113,023.18</u>	Mortgage
Total	<u><u>825,800,503.86</u></u>	

(3) *Other explanations*

1. Bank borrowings and other loans

Short-term borrowings: On 30 June 2023, the balance of short-term borrowings was RMB1,296,939,239.67, including credit borrowings of RMB1,296,579,239.67 and notes discounted but not derecognised of RMB360,000.00.

Long-term borrowings: the balance of long-term borrowings was RMB2,533,748,090.52 (including the balance of long-term borrowings due within one year amounting to RMB195,398,764.53).

2. Liquidity and capital resources

As at 30 June 2023, the Group had cash and cash equivalents of RMB571,748,889.16, including US dollar deposits of RMB4,148,335.32 (31 December 2022: US dollar deposits of RMB6,642,278.66) and HK dollar deposits of RMB6,609.68 (31 December 2022: HK dollar deposits of RMB6,403.40), representing an increase of RMB86,201,073.05 for cash and cash equivalents at the end of the period compared with the balance of RMB485,547,816.11 as at 31 December 2022.

3. Gearing ratio

Gearing ratio is calculated based on the total liabilities at the end of the period less the balance of cash and cash equivalents and divided by net assets attributable to the Company. The gearing ratio of the Group calculated under this formula was 137.57% as at 30 June 2023, compared to 129.16% as at 31 December 2022, representing an increase of 8.41 percentage points.

4. Contingent liabilities

As at 30 June 2023, the Group had no material contingent liabilities.

5. Risk of exchange rate fluctuations

The Group's assets, liabilities and transactions are mainly denominated in Renminbi. Therefore, fluctuations in foreign exchange rates do not have any material impact on the Group.

6. Save as disclosed herein, the Company confirms that there were no material differences between the existing information of the Company relating to the matters as set out in paragraph 32 of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (hereinafter referred to as the “**Listing Rules**”) and the relevant information disclosed in the Company's 2022 annual report.

(IV) Material disposal of assets and equity interests

There were no material asset and equity disposal during the reporting period.

(V) Analysis of major controlled and investee companies

Unit: Yuan Currency: RMB

Company name	Industry	Major products or services	Registered capital	Total assets	Operating income	Net assets	Net profit
CNBM (Hefei) New Energy Co., Ltd.	New materials	New energy glass	868,000,000.00	2,484,991,917.02	730,985,302.60	1,090,092,305.74	17,896,570.38
CNBM (Tongcheng) New Energy Materials Co., Ltd.	New materials	New energy glass	933,388,980.00	3,268,971,763.94	700,521,992.06	1,204,111,403.75	69,254,492.85
CNBM (Yixing) New Energy Resources Co., Ltd	New materials	New energy glass	313,700,000.00	2,360,684,788.60	1,127,098,671.94	509,017,196.64	37,083,510.53
Kaisheng (Zigong) New Energy Co., Ltd.	New materials	New energy glass	500,000,000.00	1,179,475,061.31	318,526,524.02	574,606,271.21	37,056,396.76
Kaisheng (Zhangzhou) New Energy Co., Ltd.	New materials	New energy glass	550,000,000.00	827,631,297.49	271,860,808.84	311,710,873.67	432,972.66
CNBM (Luoyang) New Energy Resources Co., Ltd	New materials	New energy glass	800,000,000.00	535,665,201.53	93,121,080.30	500,356,294.94	-587,565.81
Qinhuangdao North Glass Co., Ltd.	New materials	Other functional glass	643,903,700.00	512,805,348.53	112,106,491.27	328,145,983.75	-10,065,800.73

V. CORPORATE GOVERNANCE

1. Repurchase, Sale and Redemption of Shares

During the reporting period, neither the Company nor any of its subsidiaries carried out repurchase, sale or redemption of any securities of the Company.

2. Audit Committee

The audit committee of the Board of the Company has reviewed the 2023 interim results announcement and the 2023 interim report. The audit committee has agreed with the financial accounting principles, standards and methods adopted in the unaudited interim accounts of the Group for the six months ended 30 June 2023.

3. Compliance with the Corporate Governance Code

During the reporting period, the Company has complied with all the code provisions of the Corporate Governance Code as set out in Appendix 14 to the Listing Rule.

4. Compliance with the Model Code

Having made specific enquiries to all directors and supervisors of the Company, all directors and supervisors have confirmed that they have complied with the required standards set out in the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules during the reporting period.

5. Employees and Remuneration Policy

As at 30 June 2023, the number of employees listed on the payroll register of the Group was 3,693. An annual remuneration system is adopted for the management personnel of the Company and its subsidiaries while a position and skill-based salary system is adopted for the employees of the Company. In addition, according to relevant national, provincial and municipal policies, employees of the Company are also entitled to the “five insurance payments and housing provident fund”, paid leave, paid training and other treatments.

6. Publication of Interim Report

The interim report of the Company for the first half of 2023 containing all the relevant information required by Appendix 16 to the Listing Rules and other applicable laws and regulations will be despatched to the shareholders and published on the websites of the Stock Exchange and the Company in due course.

By order of the Board
Triumph New Energy Company Limited
Xie Jun
Chairman

Luoyang, the PRC
30 August 2023

As at the date of this announcement, the Board comprises four executive Directors: Mr. Xie Jun, Mr. Zhang Rong, Mr. He Qingbo and Ms. Wang Leilei; two non-executive Directors: Mr. Zhang Chong and Mr. Sun Shizhong; and four independent non-executive Directors: Ms. Zhang Yajuan, Mr. Chen Qisuo, Mr. Zhao Hulin and Mr. Fan Baoqun.

* *For identification purposes only*