China Titans Energy Technology Group Co., Limited
中國泰坦能源技術集團有限公司*

Incorporated in the Cayman Islands with members' limited liability
Stock Code : 2188

2023
INTERIM REPORT

* For identification purpose only

CONTENTS

	Page
Corporate Information	2
Management Discussion and Analysis	4
Condensed Consolidated Interim Financial Information	
Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income	23
Condensed Consolidated Statement of Financial Position	25
Condensed Consolidated Statement of Changes in Equity	27
Condensed Consolidated Statement of Cash Flows	28
Notes to the Condensed Consolidated Interim Financial Information	29
Other Information	45

CORPORATE INFORMATION

Board of Directors	Executive Directors Mr. Gao Xia *(Chairman)* Mr. Li Xin Qing Mr. Bi Jingfeng Mr. An Wei *(Chief Executive Officer)*
	Non-executive Director Mr. Jiang Wenqi
	Independent Non-Executive Directors Mr. Li Xiang Feng Mr. Liu Wei Ms. Jiang Yan
Audit Committee	Ms. Jiang Yan *(Committee Chairman)* Mr. Liu Wei Mr. Li Xiang Feng
Remuneration Committee	Mr. Li Xiang Feng *(Committee Chairman)* Mr. Liu Wei Ms. Jiang Yan
Nomination Committee	Mr. Gao Xia *(Committee Chairman)* Mr. Liu Wei Mr. Li Xiang Feng
Authorised Representatives	Mr. Gao Xia Ms. Ho Wing Yan
Company Secretary	Ms. Ho Wing Yan
Auditor	SHINEWING (HK) CPA Limited
Registered Office	Cricket Square Hutchins Drive P.O. Box 2681 Grand Cayman KY1-1111 Cayman Islands

CORPORATE INFORMATION

Principal Place of Business and Address of Headquarters in the PRC	Building G1 South Section of The High and New Technology Factory Renhe Road Caofeidian Industrial District Tangshan Hebei Province The PRC
Principal Place of Business in Hong Kong	Suite 2703, 27/F., Shui On Centre Nos. 6-8 Harbour Road Wanchai Hong Kong
Principal Share Registrar and Transfer Office	SMP Partners (Cayman) Limited Royal Bank House – 3rd Floor 24 Shedden Road P.O. Box 1586, Grand Cayman KY1-1110 Cayman Islands
Hong Kong Branch Share Registrar and Transfer Office	Computershare Hong Kong Investor Services Limited 17M Floor Hopewell Centre 183 Queen's Road East Wanchai Hong Kong
Legal Adviser *(as to Hong Kong law)*	Wan & Tang
Principal Banker	Bank of Communications
Stock Code	2188
Website	www.titans.com.cn

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

For the six months ended 30 June 2023, China Titans Energy Technology Group Co., Limited (the "Company") and its subsidiaries (collectively, the "Group") recorded revenue of approximately RMB138,891,000, representing an increase of approximately 10.90% over that of the corresponding period last year. Revenue was mainly derived from the Group's principal businesses including manufacturing and sales of direct current power system products ("DC Power System" or "electrical DC products"), charging equipment for electric vehicles and provision of charging services for electric vehicles. The table below shows the revenue of different series of products of the Group for the six months ended 30 June 2022 and 2023.

	Six months ended 30 June			
	2023		2022	
	RMB'000	**%**	RMB'000	%
	(Unaudited)		(Unaudited)	
Electrical DC products	**53,813**	**38.75**	46,119	36.82
Charging equipment for electric vehicles	**71,410**	**51.41**	67,973	54.27
Charging services for electric vehicles	**13,616**	**9.80**	11,084	8.85
Others	**52**	**0.04**	69	0.06
Total	**138,891**	**100**	125,245	100

The Group recorded a profit for the period attributable to owners of the Company of approximately RMB5,597,000 for the six months ended 30 June 2023 (the "Reporting Period"), representing an increase of approximately RMB16,634,000 over the loss of approximately RMB11,037,000 in the corresponding period last year. Due to the increase in revenue of products such as electrical DC products and equipment for electric vehicles during the Reporting Period and other income, the Group's profits increased.

Electrical DC products

During the six months ended 30 June 2023, sales of the electrical DC products was approximately RMB53,813,000 (for the six months ended 30 June 2022: approximately RMB46,119,000), representing an increase of approximately 16.68%. The sales of electrical DC products recorded a slight increase as compared with the corresponding period last year.

Charging equipment for electric vehicles

For the six months ended 30 June 2023, sales of the charging equipment for electric vehicles amounted to approximately RMB71,410,000 (for the six months ended 30 June 2022: approximately RMB67,973,000), representing an increase of approximately 5.06%. The increase in revenue during the Reporting Period was mainly due to the fact that the investments in charging facility projects in various regions returned to normal during the Reporting Period as compared with the corresponding period of last year, leading to the increase in turnover.

MANAGEMENT DISCUSSION AND ANALYSIS

Charging services for electric vehicles

For the six months ended 30 June 2023, the Group's sales of charging services for electric vehicles amounted to approximately RMB13,616,000 (for the six months ended 30 June 2022: approximately RMB11,084,000), representing an increase of approximately 22.84%. The Directors are of the view that the increase in revenue from the charging services for electric vehicles was mainly due to the recovery of charging demands of domestic electric vehicles, which led to the increase in revenue of the Company's charging service business.

Others

During the Reporting Period, the Group's revenue of other business amounted to approximately RMB52,000 (for the six months ended 30 June 2022: approximately RMB69,000), which represented the income from the leasing business in relation to electric vehicles, and a decrease of approximately 24.64%. Such business is not a principal business of the Group.

Major operating activities in the first half of 2023:

In the first half of 2023, as the haze of the pandemic cleared and its impacts on various industries were also vanishing gradually, the economic order of China was regained progressively and Chinese macro-economy was recovering, especially, the businesses in relation to new energy vehicles maintained rapid recovery.

During the Reporting Period, the Ministry of Finance, the State Administration of Taxation and the Ministry of Industry and Information Technology published an announcement to continue and improve the policy of purchase tax cut for new energy vehicles. On 17 May 2023, the National Development and Reform Commission and the National Energy Administration formulated the "Implementation Opinions on Accelerating the Construction of Charging Infrastructure to Better Support the Introduction of New Energy Vehicles to Rural Areas and Rural Revitalization" (《關於加快推進充電基礎設施建設更好支持新能源汽車下鄉和鄉村振興的實施意見》), which indicated that the construction of charging infrastructure shall be moderately advanced, optimize the purchase and operational environment of new energy vehicles and strengthen the management of new energy vehicles in rural areas.

Under the supports from a number of relevant policies of China on the development of new energy vehicle industry, the industry chain of new energy vehicles maintained rapid development.

With reference to the data released by China Association of Automobile Manufacturers, as of June 2023, the production and sales volume of new energy vehicles in China reached 3,788,000 units and 3,747,000 units respectively, representing year-on-year increases of 42.4% and 44.1% respectively.

According to the statistics released by China Electric Vehicle Charging Infrastructure Promotion Alliance, from January to June 2023, the number of charging infrastructure increased by 1,442,000 units, of which, public charging poles increased by 351,000 units and private charging poles built with vehicles increased by 1,091,000 units, representing a year-on-year increase of 18.6%. The cumulative number of charging infrastructure nationwide was 6,652,000 units, representing a year-on-year increase of 69.8%. The ownership volume of public charging poles in 25 provinces exceeded 10,000 units, indicating the density of our charging service network continued to be healthy and extensive.

MANAGEMENT DISCUSSION AND ANALYSIS

According to the data released by the China Electricity Council, as of June 2023, China's total electricity consumption was 4,307.6 billion kWh, representing a year-on-year increase of 5.0%. Electrical DC products is a major component of power transmission and transformation equipment and also one of the two core products of the Company. The construction of power system that has been expanding year-by-year brings wide room for development of the Company's electrical DC products.

During the Reporting Period, total revenue from the Group's principal business was approximately RMB138,891,000, representing a year-on-year increase of 10.90%. The main operating conditions are set out as below:

1. Electrical DC products

During the Reporting Period, the Group's electrical DC products recorded a revenue of approximately RMB53,813,000, representing a year-on-year increase of 16.68%.

The Group still continued the sales model of "agency + direct sales". Among which, the sales performance of direct sales recorded a significant growth during the Reporting Period. In respect of bidding activities, leveraging on our professional brand reputation, high-quality services as well as intelligent and stable products, Titans successively won the bid for a number of projects of State Grid in Beijing, Sichuan province, Gansu province, Tibet autonomous region, Fujian province, Qinghai province, Hebei province and Xiong'an New Area. The bid-winning in Xiong'an New Area certified the advantages in technology and branding of Titan's electrical DC products to win another bid.

2. Charging equipment for electric vehicles

During the Reporting Period, revenue from the charging equipment for electric vehicles amounted to approximately RMB71,410,000, representing a year-on-year increase of 5.06%.

Since 2005, Titans has been focusing on the field of charging infrastructure of new energy vehicles. Facing the expanding demands for the development of charging of electric vehicles, Titans has accumulated extensive experience in product development and manufacturing. In the first half of the year, China was developing the industry of charging poles of new energy vehicles vigorously. After the pandemic, regions across China increased their infrastructure proactively and the Group kept abreast of development trends to expand different regional markets vigorously and build marketing networks.

MANAGEMENT DISCUSSION AND ANALYSIS

During the Reporting Period, leveraging on our professional brand reputation, high-quality services, reliable product functions and efficient responsiveness, Titans Group successively won the bids of numerous projects of charging equipment for electric vehicles, including large-scale state-owned enterprises like China Tower, State Grid and China Southern Power Grid, which showed remarkable breakthroughs in terms of bidding regions and bidding projects as compared to the corresponding period last year. Meanwhile, the Group penetrated channels proactively during the construction of various city-wide charging networks and occupied city-wide operator markets proactively, leading to our market coverage reaching major provinces and key cities across China.

This represents the products and services of the Group are widely recognized in the industry. The Group continued to support the construction and development of charging facilities for new energy vehicles by charging operators and relevant units in all provinces and municipalities across China. We assisted different regions to build charging networks for electric vehicles with high performance and convenient usage by our improving charging equipment and professional services, so as to improve the charging service experience of electric vehicle users and contribute the strength of Titans for the development of charging infrastructure nationwide.

3. Charging services for electric vehicles

During the Reporting Period, revenue from charging services for electric vehicles amounted to approximately RMB13,616,000, representing a year-on-year increase of 22.84%. During the Reporting Period, with regards to investments and operations, the Group has two new stations for charging infrastructure and with our focus towards the redevelopment of existing stations and increase in the number of effective stations to increase our income by introducing more services on our platforms, while conducting management of the entire product lifecycle on the charging equipment of electric vehicles. In terms of research and development, the Group emphasized the delivery of software research and development, optimized those functions with higher market demands to improve dispatching capabilities and upgraded the version of platforms for the deployment of overseas markets.

4. Supporting measures

The Group attaches great importance to talent cultivation. During the Reporting Period, the Group provided diversified and multi-faceted training courses for employees, held employee skill competitions and helped employees to apply for technical titles. The Group regards employees as the starting point and takes the Group's development as the foothold, so as to help employees to improve continuously, better enhance their level of occupational skills and cultivate and reserve more top-quality talents for the Group.

MANAGEMENT DISCUSSION AND ANALYSIS

Results analysis

Revenue

	Six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Electrical DC products	**53,813**	46,119
Charging equipment for electric vehicles	**71,410**	67,973
Charging services for electric vehicles	**13,616**	11,084
Others	**52**	69
Total	**138,891**	125,245

For the six months ended 30 June 2023, the Group recorded revenue of approximately RMB138,891,000, representing an increase of approximately 10.90% as compared to approximately RMB125,245,000 for the corresponding period in 2022. The electricity demands and charging demands increased due to social and economic restoration after the stabilisation of the domestic pandemic during the Reporting Period, leading to an increase in the turnover of the Company.

Cost of sales

The Group's cost of sales mainly included raw material costs, direct labour costs and manufacturing expenses. The cost of sales increased from approximately RMB84,257,000 for the six months ended 30 June 2022 to approximately RMB91,333,000 for the six months ended 30 June 2023, which was mainly attributable to the increase in sales during the Reporting Period.

Gross profit and gross profit margin

The Group's gross profit increased by approximately RMB6,570,000 to approximately RMB47,558,000 for the six months ended 30 June 2023 from approximately RMB40,988,000 for the corresponding period in 2022. For the six months ended 30 June 2023, sales of electrical DC products contributed approximately RMB18,165,000 to our gross profit whereas sales of charging equipment for electric vehicles contributed approximately RMB28,968,000 to our gross profit, charging services for electric vehicles contributed approximately RMB404,000 to our gross profit and sales and lease of electric vehicles contributed approximately RMB21,000 to our gross profit. Currently, as the prevention and control situation continues to improve, the production and living orders are recovering at an accelerated pace, the Group will strive to enhance the profitability of its products.

MANAGEMENT DISCUSSION AND ANALYSIS

Percentage of gross profit margin of respective reportable segments

	Six months ended 30 June	
	2023	2022
	(Unaudited)	(Unaudited)
Segment		
Electrical DC products	**33.76%**	30.39%
Charging equipment for electric vehicles	**40.57%**	39.17%
Charging services for electric vehicles	**2.97%**	2.91%
Others	**40.38%**	39.13%

The Group's overall gross profit margin increased to approximately 34.24% for the six months ended 30 June 2023 from approximately 32.73% for the corresponding period in 2022, and increased by approximately 2.25% as compared to approximately 31.99% for the year ended 31 December 2022.

The gross profit margin of our electrical DC products for the six months ended 30 June 2023 increased by approximately 3.37% as compared to that of the corresponding period in 2022, and increased by approximately 10.50% as compared to approximately 23.26% for the year ended 31 December 2022.

The gross profit margin of our charging equipment for electric vehicles for the six months ended 30 June 2023 increased by approximately 1.40% as compared to that of the corresponding period in 2022, and increased by approximately 0.11% as compared to approximately 40.46% for the year ended 31 December 2022.

The gross profit margin of our charging services for electric vehicles for the six months ended 30 June 2023 increased by approximately 0.06% as compared to that of the corresponding period in 2022, and decreased by approximately 2.34% as compared to approximately 5.31% for the year ended 31 December 2022.

For the six months ended 30 June 2023, the gross profit margin of sales and lease of electric vehicles increased by approximately 1.25% as compared to that of the corresponding period in 2022, and increased by approximately 0.24% as compared to approximately 40.14% for the year ended 31 December 2022.

As the national economic order returned to normal, it is expected that our businesses will return to their original track in upcoming periods, and the Group's overall gross profit margin will remain at a normal level.

MANAGEMENT DISCUSSION AND ANALYSIS

Other revenue

Other revenue of the Group, which mainly included exchange gains and government grants, increased by approximately RMB20,812,000 from approximately RMB1,011,000 for the six months ended 30 June 2022 to approximately RMB21,823,000 for the six months ended 30 June 2023.

Selling and distribution expenses

Selling and distribution expenses increased by approximately RMB5,284,000, or approximately 23.30%, from approximately RMB22,673,000 for the six months ended 30 June 2022 to approximately RMB27,957,000 for the six months ended 30 June 2023. The increase in selling and distribution expenses was primarily due to the effects of the following reasons: (1) sales-related fees including travelling, office and other sundry expenses increased by approximately RMB11,365,000; (2) sales-related expenses such as remuneration and benefits decreased by approximately RMB521,000; (3) sales-related fees including installation and testing, tendering and amortisation expenses decreased by approximately RMB2,600,000; (4) sales-related fees including entertainment, transportation and advertising expenses decreased by approximately RMB2,927,000; and (5) sales-related depreciation charges decreased by approximately RMB33,000.

Administrative and other expenses

Administrative expenses increased by approximately RMB3,344,000, or approximately 11.95%, from approximately RMB27,984,000 for the six months ended 30 June 2022 to approximately RMB31,328,000 for the six months ended 30 June 2023. The increase in administrative expenses of the Group during the Reporting Period was primarily due to the combined effects of the following reasons: (1) rental, transportation and other sundry expenses increased by approximately RMB857,000; (2) bank charges and payment to lawyers and professionals increased by approximately RMB2,200,000; (3) expenses such as salaries and benefits relating to management staff increased by approximately RMB996,000; (4) travelling fee relating to management personnel and maintenance fees decreased by approximately RMB296,000; (5) depreciation charges and research and development cost decreased by approximately RMB192,000; and (6) office and entertainment expenses decreased by approximately RMB221,000.

Share of results of associates

During the Reporting Period, the Group owned 20% (as at 31 December 2022: 20%) equity interests in Beijing Aimeisen Information Technology Co., Ltd* (北京埃梅森資訊技術有限公司) ("Beijing Aimeisen"), which principally engaged in the construction of charging equipment network for electric vehicles business. Beijing Aimeisen was accounted for as the Group's associate, and the Group's share of loss from Beijing Aimeisen for the Reporting Period was approximately RMB1,000.

During the Reporting Period, the Group owned 49% (as at 31 December 2022: 49%) equity interest in Qingdao Jiaoyun Titans New Energy Vehicle Leasing Service Co., Ltd* (青島交運泰坦新能源汽車租賃服務有限公司) ("Jiaoyun Titans"). Jiaoyun Titans is mainly engaged in the construction of charging equipment network for electric vehicles and lease business for electric vehicles. Jiaoyun Titans was accounted for as the Group's associate, and the Group's share of profit from Jiaoyun Titans during the Reporting Period was approximately RMB76,000.

* *English name for identification purposes only*

MANAGEMENT DISCUSSION AND ANALYSIS

During the Reporting Period, the Group owned 20% (as at 31 December 2022: 20%) equity interest in Qingdao Titans Yilian New Energy Technology Co., Limited* (青島泰坦驛聯新能源科技有限公司) ("Qingdao Titans"). Qingdao Titans is engaged in the construction of charging network for electric vehicles, as well as the sale, lease and maintenance of electric vehicles. Qingdao Titans was accounted for as the Group's associate, and the Group's share of profit from Qingdao Titans during the Reporting Period was approximately RMB186,000.

During the Reporting Period, the Group owned 20% (as at 31 December 2022: 20%) equity interest in Guangdong Titans Intelligent Power Co., Ltd* (廣東泰坦智能動力有限公司) ("Guangdong Titans"). Guangdong Titans is principally engaged in the research and development, sales and manufacturing of charging equipment for Automated Guided Vehicles ("AGV"). Guangdong Titans was accounted for as the Group's associate, and the Group's share of profit from Guangdong Titans during the Reporting Period was approximately RMB369,000.

During the Reporting Period, the Group owned 17% (as at 31 December 2022: 17%) equity interests in Jiangsu Titans Smart Technology Co., Limited* (江蘇泰坦智慧科技有限公司) ("Jiangsu Titans"). Jiangsu Titans is primarily engaged in the technology development, technology transfer and technology consultancy of computer software and hardware; computer system integration and network engineering; development and subcontracting of computer software and sales of computer equipment. Jiangsu Titans is accounted for as the Group's associate and the Group's share of loss from Jiangsu Titans during the Reporting Period amounted to approximately RMB279,000.

Finance costs

Finance costs of the Group decreased by approximately 9.39% from approximately RMB4,631,000 for the six months ended 30 June 2022 to approximately RMB4,196,000 for the six months ended 30 June 2023. Finance costs of the Group as a percentage of the Group's revenue decreased from 3.70% for the six months ended 30 June 2022 to 3.02% for the six months ended 30 June 2023. The decrease in finance costs of the Group was attributable to the decrease in the average borrowing interest expense during the Reporting Period as compared to the corresponding period last year.

Loss attributable to non-controlling interests

For the six months ended 30 June 2023, loss attributable to the non-controlling interests of the Group's non-wholly-owned subsidiaries was RMB347,000, representing a decrease in loss of approximately RMB153,000 as compared to an attributable loss of RMB500,000 in the corresponding period last year.

Profit/loss attributable to owners of the Company

The Group recorded profit attributable to owners of the Company of approximately RMB5,597,000 for the six months ended 30 June 2023, representing an increase of approximately RMB16,634,000 as compared to a loss of approximately RMB11,037,000 for the corresponding period in 2022.

* *English name for identification purposes only*

MANAGEMENT DISCUSSION AND ANALYSIS

Earnings/loss per share

For the six months ended 30 June 2023, basic and diluted earnings per share of the Company ("Share(s)") were both RMB0.52 cent whilst the basic and diluted loss per share for the corresponding period in 2022 were both RMB1.19 cent. The basic and diluted earnings per share were attributable to the profits recorded for the Reporting Period.

Employees and remuneration

As at 30 June 2023, the Group had 408 employees (as at 30 June 2022: 405) in total. During the six months ended 30 June 2023, total employees' remuneration amounted to approximately RMB26,219,000 (for the six months ended 30 June 2022: approximately RMB26,125,000). The remuneration paid to our employees and the Directors is based on their experience, responsibility, workload and the time devoted to the Group.

The Group participates in various employees' benefit plans, such as retirement benefit scheme and medical insurance. The Group also makes pension contributions in compliance with all material respects of the requirements of the laws and regulations of the jurisdictions where the Group operates.

All PRC-based employees are entitled to participate in a defined contribution basic pension insurance plan in the social security insurance operated by the Ministry of Labour and Social Security of the PRC, and the premium in respect of which is undertaken by the Group and the employees respectively based on percentages fixed by relevant PRC laws. The only obligation of the Group in the PRC with respect to the retirement scheme is the required contributions under the retirement scheme. The Group has no other legal constructive obligations to pay further contributions.

During the six months ended 30 June 2022 and 2023, there were no contributions forfeited by the Group on behalf of its employees who left the plan prior to vesting fully in such contribution, nor had there been any utilization of such forfeited contributions to reduce future contributions. As at 30 June 2023 and 31 December 2022, no forfeited contributions were available for utilization by the Group to reduce the existing level of contributions as described in paragraph 26(2) of Appendix 16 to the Listing Rules.

The Company adopted the share option scheme on 18 December 2020 (the "Share Option Scheme"). The purpose of the Share Option Scheme is to provide incentives to the eligible persons (including but not limited to employees, officers, agents, consultants or representatives of any members of the Group (including the executive or non-executive directors of any members of the Group)) for their contributions to the Group and to enable the Group to recruit and retain high-calibre employees and attract and retain human resources that are valuable to the Group. Details of the Share Option Schemes is set out in the section headed "2020 Share Option Schemes" in the interim report of the Company.

MANAGEMENT DISCUSSION AND ANALYSIS

Subscription of new shares under specific mandate

On 18 October 2022 (after trading hours), the Company entered into the subscription agreement (the "Subscription Agreement") with 唐山國控科創有限公司 (Tangshan Guokong Science and Technology Limited*) ("Tangshan Guokong"), the parent company of Tangshan Guokong Science and Technology Innovation Investment Group Co., Limited (唐山國控科技創新投資集團有限公司) (the "Offeror"), a company incorporated in Hong Kong with limited liability, to subscribe for 566,970,000 new ordinary Shares (the "Subscription Shares"). Pursuant to the Subscription Agreement, the Company has conditionally agreed to allot and issue, and Tangshan Guokong has conditionally agreed to subscribe the Subscription Shares at HK$0.34 per Subscription Share (the "Subscription Price") for a total consideration of HK$192,769,800 (the "Subscription"). The aggregate nominal value of the Subscription Shares is HK$5,669,700. The market price of the Shares of the Company is HK$0.33 per Share as quoted on the Stock Exchange on 18 October 2022, being the date of the Subscription Agreement.

Reasons for the Subscription

In order to seize the opportunities under the PRC national strategy and achieve repaid growth, the Company has to seek financial and market resources during the process of its business expansion. The Directors consider that the Subscription will expand the Company's shareholder base, and, as a result of which, to further strengthening the market's confidence in the development of the Company in the long run.

Implication under the takeovers code

Upon completion of the Subscription (the "Completion"), Tangshan Guokong would hold 566,970,000 Shares, representing approximately 38.00% of the enlarged issued share capital of the Company. Under Rule 26.1 of the Takeovers Code, upon the allotment and issue of the Subscription Shares at Completion, Tangshan Guokong (the "Subscriber") would be obliged to make a mandatory general offer to the Shareholders for all the issued Shares and other securities of the Company not already owned or agreed to be acquired by the Subscriber and parties acting in concert with it unless the whitewash waiver (the "Whitewash Waiver") is granted by the Executive Director of the Corporate Finance Division of the Securities and Futures Commission (the "Executive").

The resolution approving the Subscription Agreement and the transactions contemplated thereunder set out in the notice of extraordinary general meeting (the "EGM") dated 18 November 2022 was duly passed by the independent Shareholders by way of poll at the EGM held on 12 December 2022. The resolution relating to the Whitewash Waiver was not passed by the independent Shareholders at the EGM.

On 11 May 2023, Tangshan Guokong issued to the Company a notice in writing to waive the conditions precedent requiring the passing of the necessary resolution at a duly convened extraordinary general meeting to approve the Whitewash Waiver by special resolution and the satisfaction of all conditions attached to the Whitewash Waiver granted by the Executive, being conditions precedent (c) and (d) as set out in the circular of the Company dated 18 November 2022, such that Completion shall no longer be conditional on the fulfillment of these conditions precedent.

Following the waiver of the aforementioned conditions precedent, all conditions precedent of the Subscription Agreement have been fulfilled or waived (as the case may be) and Completion took place on 11 May 2023.

* *English name for identification purposes only*

MANAGEMENT DISCUSSION AND ANALYSIS

Mandatory conditional cash offers

Before Completion, neither the Offeror nor any party acting in concert with it owned (or had control or direction over) any Shares. Upon Completion, the Offeror and parties acting in concert with it own 566,970,000 Shares, representing 38.00% of the total issued share capital of the Company as enlarged by the issue and allotment of the Subscription Shares. Pursuant to Rule 26.1 of the Takeovers Code, upon Completion, the Offeror is required to make a mandatory conditional cash offer for all the issued Shares (other than those already owned and/or agreed to be acquired by the Offeror and the parties acting in concert with it). Pursuant to Rule 13 of the Takeovers Code, the Offeror will make an appropriate cash offer to the Offer Optionholders to cancel all the Offer Options.

Accordingly, Guotai Junan Securities (Hong Kong) Limited ("Guotai Junan Securities") will, for and on behalf of the Offeror, make the Offers in compliance with the Takeovers Code on the basis of HK$0.34 in cash for each Offer Share. The share offer price of HK$0.34 is equal to the Subscription Price of the Subscription Shares under the Subscription Agreement, and the option offer price for the cancellation of each of the offer options will be a nominal cash amount of HK$0.0001.

For details of the Subscription and the Offer, please refer to the circulars dated 18 November 2022, 24 May 2023 and 30 May 2023 and announcements dated 18 October 2022, 8 and 18 November 2022, 12 December 2022, 12 January 2023, 10 February 2023, 10 March 2023, 31 March 2023, 28 April 2023, 11 May 2023, 24 May 2023, 30 May 2023 and 14 June 2023, respectively.

Liquidity, financial resources and capital structure

566,970,000 Shares were allotted by the Company under a specific mandate on 11 May 2023. Save as disclosed in the above paragraph "Subscription of new shares under specific mandate", there has been no change in the capital structure of the Group during the six months ended 30 June 2023. The capital of the Group only comprises ordinary shares.

The Group generally finances its operation through internal resources, bank and other borrowings. As at 30 June 2023, the Group had short-term bank deposits, bank balances and cash of approximately RMB272,365,000 (as at 31 December 2022: approximately RMB84,713,000), excluding restricted bank balances of approximately RMB18,662,000 (as at 31 December 2022: approximately RMB12,974,000).

The net current assets of the Group as at 30 June 2023 were approximately RMB538,133,000 (as at 31 December 2022: approximately RMB322,875,000).

MANAGEMENT DISCUSSION AND ANALYSIS

Use of net proceeds from subscription

Save as the Subscription mentioned under the section "Subscription of new shares under specific mandate", the Company has not conducted any equity fund raising activities during the period and subsequently after 31 December 2022. The date of Completion is 11 May 2023 and the net proceeds from the Subscription, after deducting all relevant costs and expenses of the Subscription are approximately HK$188.29 million, and were utilized as follows:

Objective	Percentage of the total amount	Net proceeds HK$ million	Utilised amount as at 31 December 2022 HK$ million	Utilised amount as of 30 June 2023 HK$ million	Utilised amount of the net proceeds as at the date of this report HK$ million	Unutilised net proceeds as at the date of this report HK$ million	Expected time period of the balance to be fully utilized
Investments in the expansion of the charging services for electric vehicles business	50%	94.14	N/A	–	–	94.14	By the end of 2025
Investments in the expansion of the charging equipment for electric vehicles business	40%	75.32	N/A	–	–	75.32	By the end of 2024
General working capital of the Group	10%	18.83	N/A	–	10.08	8.75	By the end of 2024
Total	100%	188.29		–	10.08	178.21	

Bank and other borrowings

As at 30 June 2023, total bank and other borrowings of the Group amounted to RMB156,235,000 (among which RMB156,235,000 are secured loans) (as at 31 December 2022: RMB164,583,000, among which RMB164,583,000 were secured loans). Secured bank loans as at 30 June 2023 were subject to the floating interest rates ranging from 4.50% to 4.65% per annum. As at 30 June 2023, the total bank borrowings recorded by the Group decreased by RMB8,348,000 as compared with those as at 31 December 2022.

As at 30 June 2023, the Group's current ratio (i.e. current assets divided by current liabilities) was 2.67 as compared with 1.96 as at 31 December 2022, and the gearing ratio (i.e. borrowings divided by total assets x 100%) was 14.19% as compared with 18.15% as at 31 December 2022.

MANAGEMENT DISCUSSION AND ANALYSIS

Significant investments

The Group did not hold any significant investment during the six months ended 30 June 2023.

Material acquisition and disposal of subsidiaries, associates and joint ventures

During the six months ended 30 June 2023, the Group had no material acquisitions or disposals of subsidiaries, associates or joint ventures.

Trade and bills receivables

As at 30 June 2023, the Group recorded trade and bills receivables (net of allowance) of approximately RMB273,925,000 (as at 31 December 2022: approximately RMB299,547,000). The Group made additional allowance for impairment loss in respect of trade and bills receivables of RMB1,598,000 during the six months ended 30 June 2023 (for the six months ended 30 June 2022: nil). The allowances for impairment of trade receivables as at 30 June 2023 and 31 December 2022 were RMB67,859,000 and RMB66,261,000 respectively.

The table below sets out the ageing analysis of trade receivables (net of allowance for impairment loss of trade receivables) of the Group as at 30 June 2023 and 31 December 2022.

	30 June 2023 RMB'000 (Unaudited)	31 December 2022 RMB'000 (Audited)
Within 90 days	**111,619**	160,624
91 days to 180 days	**50,555**	25,931
181 days to 365 days	**51,040**	57,495
Over 1 year to 2 years	**41,964**	49,398
Over 2 years to 3 years	**18,747**	6,099
	273,925	299,547

MANAGEMENT DISCUSSION AND ANALYSIS

Our key products, namely electrical DC product series, are supplied to, among others, power generation plants and power grid companies. Sales are recognised upon product delivery which may be conducted before the date when trade receivables are due for payment. Our customers are only required to pay us the purchase amount pursuant to the terms of the sales contracts. For the purpose of selling our electrical DC products, we may require the payment of a deposit of approximately 10% of the total contract sum to be paid after signing the contract, and 80% of the contract sum by the customer after our products have been delivered and properly installed and tested. It is normally stipulated in the contract that the balance of 10% will be withheld, being retention money as a form of product performance surety, and be settled by the customer to us 12 to 18 months after the on-site installation and testing.

We consider that longer trade and bills receivables turnover days and the higher proportion of overdue trade and bills receivables were mainly due to (1) the time lag between our accounting policy to recognise the full sales amount and trade receivables amount upon delivery of product until the due dates of trade receivables; (2) some of our customers in the power generation or transmission sectors settle the amounts payable to their suppliers, including us, after completion of the construction of their whole power generation units or transforming stations; and (3) delay in the schedule of some of the customers' projects.

Whilst we believe it is a special feature of the power electronic market that equipment suppliers will face a relatively long trade receivables turnover period, we will continue to monitor, control and speed up the collection of our trade receivables by closely liaising with the customers and monitoring progress of their projects.

Pledge of assets

As at 30 June 2023, the Group's leasehold land and buildings with carrying amounts of approximately RMB136,726,000 (as at 31 December 2022: RMB137,727,000) were pledged to secure bank borrowings and other facilities granted to the Group.

Capital commitments and contingent liabilities

As at 30 June 2023, the Group had capital expenditure contracted for but not provided in the consolidated financial information of approximately RMB9,170,000 (as at 31 December 2022: approximately RMB9,170,000).

As at 30 June 2023 and the date of this report, the Group had no significant contingent liabilities.

MANAGEMENT DISCUSSION AND ANALYSIS

Foreign exchange

The Group conducts its business primarily in the PRC with substantially all of its transactions denominated and settled in Renminbi. The Group's consolidated financial information is expressed in Renminbi, whereas dividends on Shares, if any, will be paid in Hong Kong dollars. Thus, any fluctuation of Renminbi could affect the value of Shares.

During the Reporting Period, the Group recorded exchange gains of approximately RMB6,970,000 (corresponding period in 2022: nil). As at 30 June 2023, the Group had no hedging arrangement in place with respect to foreign currency exchange.

The Group adopted a prudent approach towards its treasury policies. Our treasury function mainly involves the management of our cash flow. Cash is mainly deposited in banks in Renminbi for our working capital purposes. We did not have any material holding in foreign exchange (except for business purposes) during the six months ended 30 June 2023.

Our accounts department projects monthly cash receipts and plans for cash payments based on the data provided by our marketing management and supporting teams regarding the progress on the customers' projects and relevant payment plans. Thereafter, our accounts department plans for cash payments based on the projections.

The Group strives to reduce exposure to credit risk by performing on-going credit evaluations of the financial conditions of its customers. Our sales representatives and other sales staff together with our sales partners will monitor the development of our customers' projects on a timely basis and communicate with our customers regarding the settlement of our trade and bills receivables.

Future business prospect and plans

In the second half of the year, the new energy vehicle industry will remain as a key industry for China to develop. To stabilize market expectations and consolidate and expand the development advantages of new energy vehicles, relevant government departments have successively issued a number of relevant policies and measures.

Among which, on 15 June 2023, the MIIT, together with five other departments, jointly issued "A Notice to Deploy New Energy Vehicles to the Countryside in 2023" (《關於開展二零二三年新能源汽車下鄉活動的通知》). Such activity aims at establishing a comprehensive after-sales service system by formulating promotional policies in the second half of the year. Also, it will promote and guide rural consumption of new energy vehicles by improving the layout of charging facilities, launching concessionary charging policies and conducting network promotions.

On 19 June 2023, the General Office of the State Council issued the "Guiding Opinions on Further Constructing High-quality Charging Infrastructure" (《關於進一步構建高質量充電基礎設施體系的指導意見》). Such guiding opinion states clearly that a high-quality charging infrastructure system with broad coverage, moderate scale, reasonable scale and improved functions will be basically completed by 2030, which will be able to support the development of new energy vehicle industry and meet the charging demands of people during their travels effectively.

MANAGEMENT DISCUSSION AND ANALYSIS

On 14 July 2023, the National Development and Reform Commission, the National Energy Administration and the National Rural Revitalisation Administration issued the "Guiding Opinions on Carrying Out Rural Power Grid Consolidation and Improvement Projects" (《關於實施農村電網鞏固提升工程的指導意見》). Such opinion proposes to consider rural construction of charging networks and development of transmission and distribution networks, ensure proper transition of the planning of rural power grids and the planning of charging infrastructure, strengthen the construction, transformation, operation and maintenance of the ancillary power grids for charging infrastructure, so as to act according to local conditions, be moderately advanced and plan the capacity-to-load ratio of high voltage transmission lines in counties scientifically and reasonably. Government departments will cooperate to start the construction of demonstration counties and demonstration towns of charging infrastructure, in order to establish high-quality charging infrastructure system and serve new energy vehicle to the countryside. The guiding opinions from the three departments provide a top-level guideline for the construction of rural charging network, which is expected to promote rapid construction of charging networks in rural areas.

In the future, the industry chain of new energy vehicles will welcome continuous and rapid development under the support from various policies. The Group will be in line with the national development trends, seize market opportunities, expand business scale and improve the corporate image of the Group.

In the second half of 2023, the focuses of the Group's operation and management are as follows:

1. **Base in Beijing-Tianjin-Hebei region to improve our sales systems and expand markets proactively**

   During the period, Tangshan government published the "Action Plan for the Construction of Beautiful Tangshan (2023-2027)" (《美麗唐山建設行動方案(2023-2027年)》). Such action plan promotes new energy vehicles with clear direction, pushes forward the construction of pilot cities for the application of battery swap model of heavy-duty new energy vehicles, strengthens the promotion efforts of hydrogen fuel-cell vehicles, a type of battery-swapping heavy-duty truck, and establishes 50 battery-swapping stations for heavy trucks in 2023.

   In the second half of the year, the Group will conduct business development in Beijing-Tianjin-Hebei region and start from Caofeidian District to construct a cluster of new energy industry within the region gradually, in order to expand market scale quickly, seize core and competitive position, penetrate into deeper sub-segments and facilitate the layout and upgrade of the Group's new energy industry.

   In respect of production and sales, the Group will implement the construction of a new factory in Hebei to advance the transformation into digital production. The Group will optimize and improve our sales systems, expand our sales networks, develop distributors proactively and better leverage on regional sales in Tangshan and surrounding cities to increase our market coverage. The Group will stabilize the high-output fast charging market and intelligent flexible charging market, so as to achieve normalization of bid-winning of our standardized products. Meanwhile, the Group will increase our efforts in potential battery-swapping markets. Under the guidance and support from Tangshan government, the Group will focus on advancing the new energy equipment manufacturing project in Caofeidian and explore battery-swapping customers from heavy trucks by targeting at the demands for electrification of heavy trucks and coupled with the experiences gained from the implemented battery-swapping projects of heavy trucks, so as to deploy charging and power-replacing stations for intelligent heavy trucks at key junctures of logistic systems.

MANAGEMENT DISCUSSION AND ANALYSIS

2. **Strengthen the establishment of marketing channels and facilitate the implementation of projects of our major strategic customers**

Recently, CNPC, Sinopec, China Tower and other state-owned enterprises as well as other energy enterprises have already publicized their corresponding plans in deploying the charging pole business of electric vehicles. For example, CNPC proposed that: by the end of the "14th Five-Year Plan" period, CNPC will build over 1,000 charging and power-replacing stations for the upgrade and construction of a "replaceable and chargeable" integrated energy service network. As of the date of this report, leveraging on the branding and product advantages accumulated over the years, the Group has successfully become a qualified supplier of CNPC, China Tower and other major enterprises. In the second half of the year, the Group will focus on and promote the implementation of tendered projects of strategic customers and expand new strategic customer resources proactively, so as to contribute to the rapid growth of the Company's businesses.

3. **Restart new investment, construction and operation projects of charging stations**

Due to the rage of COVID-19 and challenges from the economy, the Group adjusted our strategies promptly in 2020 and ceased the investment in self-operated charging station projects. During such period, the Group focused on improving the level of usage and management of our platforms and its computing services, as such, the "Yi Charging Platform" has continued to upgrade and iterate and better fulfill our charging operation management. With the pandemic comes to an end and the economy has been recovering gradually, governments of various cities increase their supports to and capital investment in basic infrastructure. At the same time, the addition of new shareholder ease the Group's capital strain. Therefore, the Group will restart its BOT investment and operation business for charging stations. Through the experience in investment accumulated in the past, the Group will prioritize the development and construction of integrated energy service stations by the high-quality charging equipment and advancing technologies, coupling with modernized investment and financing methods like funding platforms and financial leasing, for the sake of promoting "photovoltaic, storage, charging and swapping" integrated products and looking for a profit model that is suitable for the long-term development of the Group.

4. **Strengthen research and development to enhance the core competitiveness of products**

In relation to product development and technologies, the Group will maintain its core technical advantages in power and electric products and gradually implement high-output and high-pressure liquid-cooled charging systems, new generation of energy storage systems and BMS control system, so as to continue to build and improve the core competitiveness of products by putting customers' needs at the center of the business. At the same time, the Group will strengthen the cooperation with research and technology teams of various colleges and universities and upgrade existing products constantly, in order to reserve new technologies in advance and improve market adaptability in the future.

MANAGEMENT DISCUSSION AND ANALYSIS

5. Optimize internal management and improve comprehensive response capability

The Group will reinforce the trainings provided to management personnel to guide them to self-reflect and foster intrinsic motivation. The Group will deepen the assessment mechanism that combines Key Performance Indicators (KPI) and Objectives and Key Results (OKR), in order to improve the overall quality and work efficiency of employees and build up an efficient team.

In the future, facing opportunities and challenges, the Group will count on our advantage as a state-owned enterprise and bring our unique comprehensive competitiveness as a state-owned enterprise and a listed company into full play, so as to let Titans Group take it up a notch. Meanwhile, the Group will never forget its mission to develop and promote green energy and the objective to help China achieve carbon peak and carbon neutrality.

INTERIM DIVIDEND

The Board did not declare an interim dividend for the six months ended 30 June 2023 (for the six months ended 30 June 2022: nil).

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company has complied with all applicable code provisions (the "Code Provisions") of the Corporate Governance Code as set out in Appendix 14 to the Listing Rules during the six months ended 30 June 2023 and there has been no material deviation from the Code Provisions.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules as its model code regarding directors securities transactions. Having made specific enquiry of all Directors, all Directors confirmed that they had complied with the required standards of the Model Code during the six months ended 30 June 2023.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Save as allotment and issuance of Subscription Shares on 11 May 2023 pursuant to the Subscription Agreement as mentioned in this report, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2023.

MANAGEMENT DISCUSSION AND ANALYSIS

MATERIAL LITIGATION AND ARBITRATION PROCEEDINGS

The Group had no material litigation or arbitration during the six months ended 30 June 2023.

REVIEW BY AUDIT COMMITTEE

The audit committee of the Company has reviewed and discussed with the management the accounting principles and practices adopted by the Group and the Group's risk management, internal control systems and financial reporting matters, including the review of the unaudited consolidated interim results of the Group for the six months ended 30 June 2023.

EVENT AFTER THE REPORTING PERIOD

Save as disclosed in this report, there was no significant event after the Reporting Period.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2023

		Six months ended 30 June	
		2023	2022
	Notes	**RMB'000**	RMB'000
		(Unaudited)	(Unaudited)
Revenue	*4*	**138,891**	125,245
Cost of revenue		**(91,333)**	(84,257)
Gross profit		**47,558**	40,988
Other revenue		**21,823**	1,011
Selling and distribution expenses		**(27,957)**	(22,673)
Administrative and other expenses		**(31,328)**	(27,984)
Reversal of impairment losses of financial assets	*6*	**14**	2,366
Other gains and losses		**(1,628)**	(130)
Share of results of associates		**351**	114
Finance costs		**(4,196)**	(4,631)
Profit/(loss) before taxation		**4,637**	(10,939)
Income tax credit/(expense)	*5*	**613**	(598)
Profit/(loss) for the period	*6*	**5,250**	(11,537)
Other comprehensive (expense)/income for the period			
Items that will not be reclassified subsequently to profit or loss:			
Net fair value loss on financial assets at fair value through other comprehensive income		**(614)**	(2,032)
Income tax relating to item that will not be reclassified subsequently to profit or loss		**(6)**	82
Other comprehensive expense for the period, net of tax		**(620)**	(1,950)
Total comprehensive income/(expense) for the period		**4,630**	(13,487)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2023

		Six months ended 30 June	
		2023	2022
	Notes	**RMB'000**	RMB'000
		(Unaudited)	(Unaudited)
Profit/(loss) for the period attributable to:			
– Owners of the Company		**5,597**	(11,037)
– Non-controlling interests		**(347)**	(500)
		5,250	(11,537)
Total comprehensive income/(expense) for the period attributable to:			
– Owners of the Company		**4,977**	(12,987)
– Non-controlling interests		**(347)**	(500)
		4,630	(13,487)
Earnings/(loss) per share	*8*		
Basic and diluted (RMB cent)		**0.52**	(1.19)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2023

	Notes	**30 June 2023 RMB'000 (Unaudited)**	31 December 2022 RMB'000 (Audited)
Non-current assets			
Property, plant and equipment	*9*	**158,952**	161,362
Right-of-use assets		**6,896**	7,052
Intangible assets		**16,657**	19,816
Interests in associates	*10*	**22,677**	22,326
Financial assets at fair value through other comprehensive income	*14*	**20,007**	20,621
Financial asset at fair value through profit or loss	*14*	**2,016**	2,834
Deferred tax assets		**12,484**	12,213
		239,689	246,224
Current assets			
Inventories		**205,561**	177,466
Trade receivables	*11*	**273,925**	299,547
Contract assets		**30,387**	32,411
Loan receivables		**1,202**	1,401
Prepayments, deposits and other receivables		**55,727**	48,366
Amounts due from associates		**131**	313
Finance lease receivable		**–**	187
Tax recoverable		**3,361**	3,362
Restricted bank balances		**18,662**	12,974
Bank balances and cash		**272,365**	84,713
		861,321	660,740

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2023

	Notes	30 June 2023 RMB'000 (Unaudited)	31 December 2022 RMB'000 (Audited)
Current liabilities			
Trade and bills payables	*12*	**179,343**	196,989
Contract liabilities		**60,773**	16,896
Accruals and other payables		**12,800**	11,345
Amounts due to associates		**431**	458
Bank and other borrowings	*13*	**69,744**	111,202
Tax payable		**97**	975
		323,188	337,865
Net current assets		**538,133**	322,875
Total assets less current liabilities		**777,822**	569,099
Non-current liabilities			
Deferred tax liabilities		**12,777**	13,115
Bank and other borrowings	*13*	**86,491**	53,381
		99,268	66,496
Net assets		**678,554**	502,603
Capital and reserves			
Share capital	*15*	**13,093**	8,087
Share premium and reserves		**654,415**	482,963
Equity attributable to owners of the Company		**667,508**	491,050
Non-controlling interests		**11,046**	11,553
Total equity		**678,554**	502,603

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2023

	Attributable to Owner of the Company											
	Share capital RMB'000	Share premium RMB'000	Share option reserve RMB'000	Merger reserve RMB'000 *(note (i))*	Exchange translation reserve RMB'000	Investments revaluation reserve RMB'000	Capital reserve RMB'000 *(note (ii))*	Statutory reserve fund RMB'000	Retained profits RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
At 1 January 2022 (Audited)	8,087	325,141	1,112	8,640	504	854	(4,771)	66,907	104,518	510,992	11,927	522,919
Loss for the period	–	–	–	–	–	–	–	–	(11,037)	(11,037)	(500)	(11,537)
Other comprehensive (expense)/income for the period:												
Net fair value loss on financial assets at other comprehensive income	–	–	–	–	–	(2,032)	–	–	–	(2,032)	–	(2,032)
Income tax relating to items that will not be classified subsequently	–	–	–	–	–	82	–	–	–	82	–	82
Total comprehensive expense for the period	–	–	–	–	–	(1,950)	–	–	(11,037)	(12,987)	(500)	(13,487)
Lapse of share option	–	–	(32)	–	–	–	–	–	32	–	–	–
At 30 June 2022 (Unaudited)	8,087	325,141	1,080	8,640	504	(1,096)	(4,771)	66,907	93,513	498,005	11,427	509,432
At 1 January 2023 (Audited)	**8,087**	**325,141**	**3,177**	**8,640**	**504**	**(2,963)**	**(4,771)**	**67,285**	**85,950**	**491,050**	**11,553**	**502,603**
Loss for the period	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**5,597**	**5,597**	**(347)**	**5,250**
Other comprehensive expense for the period:												
Net fair value gain on financial assets at other comprehensive income	**–**	**–**	**–**	**–**	**–**	**(614)**	**–**	**–**	**–**	**(614)**	**–**	**(614)**
Income tax relating to items that will not be classified subsequently	**–**	**–**	**–**	**–**	**–**	**(6)**	**–**	**–**	**–**	**(6)**	**–**	**(6)**
Total comprehensive expense for the period	**–**	**–**	**–**	**–**	**–**	**(620)**	**–**	**–**	**5,597**	**4,977**	**(347)**	**4,630**
Transfer in/(out)	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**1,136**	**(1,136)**	**–**	**–**	**–**
Issue of share capital	**5,006**	**165,189**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**170,195**	**–**	**170,195**
Deregistration of a subsidiary	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(160)**	**(160)**
Recognition of equity-settled share-based payment expenses	**–**	**–**	**1,286**	**–**	**–**	**–**	**–**	**–**	**–**	**1,286**	**–**	**1,286**
At 30 June 2023 (Unaudited)	**13,093**	**490,330**	**4,463**	**8,640**	**504**	**(3,583)**	**(4,771)**	**68,421**	**90,411**	**667,508**	**11,046**	**678,554**

Notes:

(i) Merger reserve represents the amount of consideration paid to Zhuhai Titans Group Company Limited, in excess of the net book value of the subsidiary acquired from Zhuhai Titans Technology Co., Ltd.* 珠海泰坦科技股份有限公司 ("Titans Technology") in previous years.

(ii) Capital reserve represents the difference between the consideration paid for the acquisition of additional equity interests in subsidiaries and the carrying value of the additional equity interests of the subsidiaries acquired.

* *English name is for identification purpose only.*

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2023

	Six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
CASH GENERATED FROM/(USED IN) OPERATING ACTIVITIES	**26,285**	(7,331)
Cash generated from/(used in) operating tax paid	**(879)**	(203)
NET CASH GENERATED FROM/(USED IN) OPERATING ACTIVITIES	**25,406**	(7,534)
INVESTING ACTIVITIES		
Repayment of loan receivables	**1,811**	4,000
Proceeds from disposal of property, plant and equipment	**468**	–
Purchase of property, plant and equipment	**(6,795)**	(250)
Placement of restricted bank balances	**(5,688)**	(13,625)
Withdrawal of short-term bank deposits	**–**	43,000
Withdrawal of restricted bank balances	**–**	16,065
Other cash flows arising from investing activities	**286**	102
NET CASH (USED IN)/GENERATED FROM INVESTING ACTIVITIES	**(9,918)**	49,292
FINANCING ACTIVITIES		
Repayment of bank and other borrowings	**(58,348)**	(51,984)
Interest paid	**(4,196)**	(4,631)
Proceeds of share issue	**170,195**	–
New bank and other borrowings raised	**50,000**	51,963
Receipts from government grants	**14,540**	7
Other cash flows used in financing activities	**(27)**	–
NET CASH GENERATED FROM/(USED IN) FINANCING ACTIVITIES	**172,164**	(4,645)
NET INCREASE IN CASH AND CASH EQUIVALENTS	**187,652**	37,113
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	**84,713**	35,988
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD, representing bank balances and cash	**272,365**	73,101

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2023

1. GENERAL INFORMATION

China Titans Energy Technology Group Co., Limited (the "Company") was incorporated and registered as an exempted company in the Cayman Islands with limited liability. The address of the registered office is Cricket Square, P.O. Box 2681, Grand Cayman, KY1-1111, the Cayman Islands. The address of the principal place of business and headquarters in the People's Republic of China (the "PRC") is Building G1, South Section of The High and New Technology Factory, Renhe Road, Caofeidian Industrial District, Tangshan, Hebei Province, the PRC. The address of the principal place of business in Hong Kong is Suite 2703, 27/F., Shui On Centre, Nos. 6-8 Harbour Road, Wanchai, Hong Kong.

The principal activities of the Company and its subsidiaries (hereinafter collectively referred to as the "Group") are (i) supply of power electric products and equipment; (ii) the sales and leases of electric vehicles; (iii) provision of charging services for electric vehicles; and (iv) construction services of charging poles for electric vehicles under Build-Operate-Transfer ("BOT") arrangements.

The condensed consolidated interim financial information of the Group are presented in Renminbi ("RMB") which is the same as the functional currency of the Company.

2. BASIS OF PREPARATION

The condensed consolidated interim financial information of the Group for the six months ended 30 June 2023 have been prepared in accordance with the applicable disclosure provisions requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Hong Kong Accounting Standard ("HKAS") 34 Interim Financial Reporting, issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

3. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial information have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values, as appropriate.

The accounting policies used in the condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2022 except as described below.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2023

3. PRINCIPAL ACCOUNTING POLICIES (continued)

Application of new and amendments to HKFRSs

In the current interim period, the Group has applied, for the first time, the following new and amendments to Hong Kong Financial Reporting Standards ("HKFRSs") issued by the HKICPA which are effective for the Group's financial year beginning 1 January 2023:

HKFRS 17 and related amendments	Insurance Contracts
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction

Except as described below, the application of new and amendments HKFRSs in the current interim period has had no material effect on the Group's financial performance and positions for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

Impact on application of Amendments to HKAS 1 and HKFRS Practice Statement 2 – Disclosure of Accounting Policies

The amendments to HKAS 1 and HKFRS Practice Statement 2 Making Materiality Judgements provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

These amendments had no impact on the interim condensed consolidated financial statements of the Group as they relate to disclosures of accounting policies in complete financial statements rather than interim financial statements. The amendments are expected to affect the accounting policy disclosures in the Group's annual consolidated financial statements for the year ending 31 December 2023.

Impact on application of Amendments to HKAS 8 – Definition of Accounting Estimates

The amendments to HKAS 8 clarify the distinction between changes in accounting estimates, and changes in accounting policies and the correction of errors. They also clarify how entities use measurement techniques and inputs to develop accounting estimates.

3. PRINCIPAL ACCOUNTING POLICIES (continued)

Application of new and amendments to HKFRSs (continued)

Impact on application of Amendments to HKAS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The amendments to HKAS 12 narrow the scope of the recognition exemption of deferred tax liabilities and deferred tax assets in paragraphs 15 and 24 of HKAS 12 so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences, such as leases and decommissioning liabilities. Therefore, entities are required to recognise a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability for temporary differences arising from these transactions. The amendments shall be applied to transactions related to leases and decommissioning obligations at the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to the opening balance of retained profits or other component of equity as appropriate at that date. In addition, the amendments shall be applied prospectively to transactions other than leases and decommissioning obligations.

The amendments had no impact on the interim condensed consolidated financial statements of the Group.

4. REVENUE AND SEGMENT INFORMATION

Revenue represents the amounts received and receivable for goods sold and services provided to external customers, net of discounts, returns and sales related taxes.

Information reported to the executive directors of the Company, being the chief operating decision maker (the "CODM"), for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided. The CODM has chosen to organise the Group around differences in products and services.

The Group's reporting segments under HKFRS 8 are as follows:

(i) DC Power System – Manufacturing and sales of direct current power system

(ii) Charging Equipment – Manufacturing and sales of charging equipment for electric vehicles

(iii) Charging Services and Construction – Provision of charging services for electric vehicles and construction services of charging poles for electric vehicles under BOT arrangements

(iv) Others – Including two operating segments namely (i) Energy Storage Equipment; and (ii) Electric Vehicles – sales and leases of electric vehicles

4. REVENUE AND SEGMENT INFORMATION (continued)

Charging Services and Construction which do not meet any of the quantitative thresholds under HKFRS 8, is considered as individual reporting segment and separately disclosed as the CODM concludes that segment information is useful to users of the financial information as the nature of products and services of Charging Services and Construction is distinct to other reporting segments.

Operating segments of Energy Storage Equipment and Electric Vehicles are combined as one reporting segment namely as "Others" since they do not meet the quantitative thresholds under HKFRS 8 and the CODM considers that the segment information is not useful to users of the financial information as the business is insignificant when compared to other operating segments.

Segment revenue and results

The following is an analysis of the Group's revenue and the results by reportable and operating segments:

For the six months ended 30 June 2023

	DC Power System RMB'000 (Unaudited)	Charging Equipment RMB'000 (Unaudited)	Charging Services and Construction RMB'000 (Unaudited)	Others RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Segment revenue	53,813	71,410	13,616	52	138,891
Segment results	18,165	28,968	404	21	47,558
Other revenue					21,823
Other gains and losses					(1,628)
Share of results of associates					351
Finance costs					(4,196)
Unallocated head office and corporate expenses					(59,271)
Profit before taxation					4,637

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2023

4. REVENUE AND SEGMENT INFORMATION (continued)

Segment revenue and results (continued)

The following is an analysis of the Group's revenue and the results by reportable and operating segments: (continued)

For the six months ended 30 June 2022

	DC Power System RMB'000 (Unaudited)	Charging Equipment RMB'000 (Unaudited)	Charging Services and Construction RMB'000 (Unaudited)	Others RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Segment revenue	46,119	67,973	11,084	69	125,245
Segment results	14,014	26,625	322	27	40,988
Other revenue					1,011
Other gains and losses					(130)
Share of results of associates					114
Finance costs					(4,631)
Unallocated head office and corporate expenses					(48,291)
Loss before taxation					(10,939)

Note: All of the segment revenue reported above is from external customers.

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment results represent the profit earned from each segment without allocation of other revenue, other gains and losses, share of results of associates, finance costs and unallocated head office and corporate expenses. This is the measure reported to the CODMs for the purposes of resource allocation and performance assessment.

4. REVENUE AND SEGMENT INFORMATION (continued)

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable segments:

Segment assets	**30 June 2023 RMB'000 (Unaudited)**	31 December 2022 RMB'000 (Audited)
DC Power System	**283,923**	273,335
Charging Equipment	**418,912**	423,349
Charging Services and Construction	**45,401**	48,325
Total segment assets	**748,236**	745,009
Unallocated	**352,774**	161,955
Consolidated assets	**1,101,010**	906,964

Segment liabilities	**30 June 2023 RMB'000 (Unaudited)**	31 December 2022 RMB'000 (Audited)
DC Power System	**95,717**	85,296
Charging Equipment	**117,264**	107,846
Charging Services and Construction	**27,566**	20,557
Total segment liabilities	**240,547**	213,699
Unallocated	**181,909**	190,662
Consolidated liabilities	**422,456**	404,361

4. REVENUE AND SEGMENT INFORMATION (continued)

Segment assets and liabilities (continued)

For the purpose of monitoring segment performance and allocating resource between reporting segments:

- all assets are allocated to operating segments other than interests in associates, financial assets at FVTOCI, financial assets at FVTPL, finance lease receivable, deferred tax assets, loan receivables, certain deposits and other receivables, tax recoverable, restricted bank balances and bank balances and cash; and

- all liabilities are allocated to operating segments other than certain accruals and other payables, tax payable, bank and other borrowings and deferred tax liabilities.

5. INCOME TAX CREDIT/(EXPENSE)

	For the six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
PRC Enterprise Income Tax ("EIT"):		
– Current period	**–**	(1)
Deferred tax	**613**	(597)
	613	(598)

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits for the six months ended 30 June 2023 and 2022. No provision for Hong Kong Profits Tax has been made as the Group's income neither arises in, nor was derived from, Hong Kong for the six months ended 30 June 2023 and 2022.

Under the Law of the PRC on EIT (the "EIT Law") and Implementation Regulation of the EIT Law, the applicable tax rate of certain PRC subsidiaries is 25% (six months ended 30 June 2022: 25%). No provision for EIT has been made for the six months ended 30 June 2023 as the Group did not have any assessable profits subject to the EIT.

Zhuhai Titans Technology Co., Limited (珠海泰坦科技股份有限公司) was recognised as an approved high technology enterprise and therefore is entitled to a tax concession period of reduction in EIT rate of 15% from 2020 to 2023.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2023

6. PROFIT/(LOSS) FOR THE PERIOD

Profit/(loss) for the period has been arrived at after charging/(crediting):

	Six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Impairment losses on financial assets:		
– trade receivables	**1,598**	–
– loan receivables	**–**	1,308
– other receivables	**–**	1,386
Reversal of impairment losses on financial assets:		
– loan receivables	**(1,612)**	–
– trade receivables	**–**	(5,060)
Total reversal of impairment losses on financial assets	**(14)**	(2,366)
Depreciation of property, plant and equipment	**7,927**	5,571
Depreciation of right-of-use assets	**156**	156
Amortisation of intangible assets	**3,159**	3,128
Total depreciation and amortisation	**11,242**	8,855
Bank interest income	**(231)**	(102)
Government grants *(note (i))*	**(14,540)**	(7)
Fair value loss/(gain) on financial assets at fair value through profit or loss	**818**	(130)
Research and development expenses (including in administrative and other expenses) *(note (ii))*	**13,317**	10,129

Notes:

(i) Included in government grants are subsidies of approximately RMB9,600,000 (six months ended 30 June 2022: nil) received from Department of Industry and Information Technology of Guangdong Province (廣東省工業和信息化廳) and the remaining amount of approximately RMB4,940,000 (six months ended 30 June 2022: approximately RMB7,000) received from Zhuhai Social Insurance Fund Management Center (珠海市社會保險基金管理中心), Zhuhai Finance Bureau (珠海市財政局) and the Ministry of Science and Technology of the PRC (中華人民共和國科學技術部), regarding the government's subsidies to support employment and the research and development on technology innovation, of which there are no unfulfilled conditions or contingencies relating to these subsidies and recognised upon receipts during the six months ended 30 June 2023 and 2022.

(ii) Research and development expenses included staff costs and depreciation of property, plant and equipment for the purpose of research and development activities.

7. DIVIDENDS

No dividend has been paid or proposed by the Company for the six months ended 30 June 2023 and 2022 nor has any dividend been proposed since the end of reporting period.

8. EARNINGS/(LOSS) PER SHARE

The calculation of basic and diluted earnings/(loss) per share attributable to owners of the Company is based on the following data:

	Six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Profit/(loss) for the purpose of basic and diluted earnings/(loss) per share	**5,597**	(11,037)

	Six months ended 30 June	
	2023	2022
	'000	'000
Number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted earnings/(loss) per share	**1,084,810**	925,056

The dilutive earnings/(loss) per share is equal to the basic earnings/(loss) per share as there were no dilutive potential ordinary shares outstanding during the six months ended 30 June 2023 and 2022.

9. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2023, the Group disposed of certain property, plant and equipment with an aggregate carrying amount of approximately RMB1,000,000, resulting in a loss on disposal of approximately RMB532,000.

During the six months ended 30 June 2023, the Group wrote off certain property, plant and equipment with an aggregate carrying amount of approximately RMB278,000 (six months ended 30 June 2022: RMB68,000).

During the six months ended 30 June 2023, the Group acquired property, plant and equipment with a cost of approximately RMB6,795,000 (six months ended 30 June 2022: RMB250,000).

10. INTERESTS IN ASSOCIATES

	30 June 2023 RMB'000 (Unaudited)	31 December 2022 RMB'000 (Audited)
Cost of investment in unlisted associates	**18,705**	18,705
Share of post acquisition results, net of dividend received	**3,972**	3,621
	22,677	22,326

As at 30 June 2023 and 31 December 2022, the Group had interests in the following material associates:

Name of entity	Form of entity	Place of establishment/ operation	Class of shares held	Proportion of ownership interests indirectly held by the Group		Proportion of voting power held		Principal activities
				30/6/2023	31/12/2022	**30/6/2023**	31/12/2022	
Jiangsu Titans Intelligent Technology Co., Ltd.* ("Jiangsu Titans") 江蘇泰坦智慧科技有限公司	Registered	The PRC	Contributed capital	**17%**	17%	**20%** *(Note (i))*	20% *(Note (i))*	Research and development of computer software and sales of computer equipment
Guangdong Titans Intelligence Power Co., Ltd.* ("Guangdong Titans") 廣東泰坦智能動力有限公司	Registered	The PRC	Contributed capital	**19.4%**	19.4%	**20%** *(Note (ii))*	20% *(Note (ii))*	Research and development, ales and manufacturing of charging equipment automated guided vehicles

Notes:

(i) The Group is able to exercise significant influence over Jiangsu Titans because it has the power to appoint one out of the five directors of that company under the provisions stated in the Articles of Association of Jiangsu Titans.

(ii) The Group is able to exercise significant influence over Guangdong Titans because it has 20% voting rights in the shareholders' meeting of Guangdong Titans under the provisions stated in the Article of Association of Guangdong Titans.

* *English name for identification purpose only*

11. TRADE RECEIVABLES

	30 June 2023 RMB'000 (Unaudited)	31 December 2022 RMB'000 (Audited)
Trade receivables	**341,784**	365,808
Less: allowance for impairment losses	**(67,859)**	(66,261)
Total trade receivables	**273,925**	299,547

The following is an ageing analysis of trade receivables, net of allowance for impairment losses of trade receivables, presented based on the dates of delivery of goods or rendering services, which approximates the respective revenue recognition dates, at the end of the reporting period:

	30 June 2023 RMB'000 (Unaudited)	31 December 2022 RMB'000 (Audited)
0 – 90 days	**111,619**	160,624
91 – 180 days	**50,555**	25,931
181 – 365 days	**51,040**	57,495
1 – 2 years	**41,964**	49,398
2 – 3 years	**18,747**	6,099
	273,925	299,547

The Group allows an average credit period of 90 days (31 December 2022: 90 days) to its trade customers. For certain customers with installment payments, initial payments are requested and due upon signing of sales contracts, while remaining payments are fallen due after installation and testing. Retention money will be fallen due from the end of the product quality assurance period. For the trade receivables from the state-owned enterprises, they normally settle their outstanding balances upon the completion of their constructions in accordance with the industry practice in the PRC.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2023

12. TRADE AND BILLS PAYABLES

	30 June 2023 RMB'000 (Unaudited)	31 December 2022 RMB'000 (Audited)
Trade payables	**135,528**	144,261
Bills payables	**43,815**	52,728
	179,343	196,989

The following is an ageing analysis of trade and bills payables, based on the dates of receipt of goods purchased, at the end of the reporting period:

	30 June 2023 RMB'000 (Unaudited)	31 December 2022 RMB'000 (Audited)
0 – 90 days	**104,040**	126,710
91 – 180 days	**40,735**	57,695
181 – 365 days	**18,133**	4,797
1 – 2 years	**13,440**	6,900
Over 2 years	**2,995**	887
	179,343	196,989

The average credit period on purchases of goods is 90 days (31 December 2022: 90 days).

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2023

13. BANK AND OTHER BORROWINGS

During the six months ended 30 June 2023, the Group borrowed approximately RMB50,000,000 (six months ended 30 June 2022: RMB51,963,000) from a bank. The loan is secured and is repayable in full within one year. The loan bears interest of 5.00% per annum. During the six months ended 30 June 2023, the Group repaid approximately RMB58,348,000 (six months ended 30 June 2022: RMB51,984,000) of secured bank and other borrowings bearing interest rates of ranging from 3.70% to 4.79% per annum.

14. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

(a) Fair value of the Group's financial instruments that are measured at fair value on a recurring basis

The table analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The following table provides the fair value measurement hierarchy of the Group's financial instruments as at 30 June 2023 and 31 December 2022:

	Level 3	
	30 June 2023 RMB'000 (Unaudited)	31 December 2022 RMB'000 (Audited)
Financial assets at FVTPL		
Listed equity security	**2,016**	2,834
Financial assets at FVTOCI		
Unlisted equity securities	**20,007**	20,621

There were no transfers between levels of fair value hierarchy in the current and prior periods.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2023

14. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (continued)

(a) Fair value of the Group's financial instruments that are measured at fair value on a recurring basis (continued)

The valuation techniques and inputs used in the fair value measurement of the financial instruments on a recurring basis are set out below:

Financial instruments	Fair value as at		Fair value hierarchy	Valuation technique and key inputs	Significant unobservable inputs	Relationship of key inputs and significant unobservable inputs to fair value
	30/6/2023 RMB'000 (Unaudited)	31/12/2022 RMB'000 (Audited)				
Listed equity securities at FVTPL	**2,016**	2,834	Level 3	Market approach – by applying market multiples from comparable companies and adjusted by marketability discount	(i) Enterprise value ("EV")-to-earnings before interest, taxation, depreciation and amortisation ("EBITDA") ratio of 16.30 (31/12/2022: 18.67) (ii) Marketability discount of 20.50% (31/12/2022: 20.60%)	(i) The higher of EV to EBITDA ratio, the higher the fair value. (ii) The higher of the marketability discount, the lower the fair value.
Unlisted equity securities at FVTOCI	**20,007**	20,621	Level 3	Market approach – by reference to the asset with identical or similar assets in the market	(i) Price-to-book ratio of 0.93 (31/12/2022: 0.96) (ii) Marketability discount of 35% to 40% (31/12/2022: 35% to 40%)	(i) The higher the price-to-book ratio, the higher the fair value. (ii) The higher of marketability discount, the lower the fair value.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
For the six months ended 30 June 2023

14. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (continued)

(a) Fair value of the Group's financial instruments that are measured at fair value on a recurring basis (continued)

Reconciliation of Level 3 fair value measurement of financial instruments that are measured on a recurring basis are as follows:

	Listed equity securities RMB'000	**Unlisted equity securities** RMB'000
At 1 January 2022 (Audited)	4,146	24,515
Changes in fair value through profit or loss	(1,312)	–
Changes in fair value through other comprehensive income	–	(3,894)
At 31 December 2022 (Audited)	2,834	20,621
Changes in fair value through profit or loss	(818)	–
Changes in fair value through other comprehensive income	–	614
At 30 June 2023 (Unaudited)	2,016	20,007

15. SHARE CAPITAL

	Number of shares	**Share capital** RMB'000
At 1 January 2022 and 31 December 2022 (Audited)	925,056,000	8,087
Issue of new ordinary shares	566,970,000	5,006
At 30 June 2023 (Unaudited)	1,492,026,000	13,093

On 18 October 2022, the Company entered into the subscription agreement with Tangshan Guokong. Pursuant to the subscription agreement, the Company agreed to allot and issue 566,970,000 new ordinary shares at a price of HK$0.34 per share to Tangshan Guokong. On 18 October 2022, being the date of the subscription agreement, the closing market price of the Company's shares as quoted on The Stock Exchange of Hong Kong Limited was HK$0.33 per share.

The subscription of these 566,970,000 new ordinary shares at a price of HK$0.34 per share by Tangshan Guokong was completed on 11 May 2023. These new ordinary shares were rank pari passu with other ordinary shares in issue in all respects.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2023

16. CAPITAL COMMITMENTS

	30 June 2023 RMB'000 (Unaudited)	31 December 2022 RMB'000 (Audited)
Capital expenditures contracted for but not provided in the consolidated financial statements in respect of establishment of associates	**9,170**	9,170

17. RELATED PARTY TRANSACTIONS

During the six months ended 30 June 2023, the Group entered into the following transactions with related parties:

(a) Compensation to key management personnel

The directors of the Company consider that the executive directors are the only key management personnel of the Group. The remuneration of executive directors during the six months ended 30 June 2023 and 2022 was as follows:

	Six months ended 30 June	
	2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
Short-term benefits	**776**	731

The remuneration of the executive directors is determined by the remuneration committee of the Company having regard to the performance of individuals and market trends.

(b) Guarantees from directors

At 30 June 2023 and 31 December 2022, certain bank and other borrowings of the Group were guaranteed by Mr. Li Xin Qing and Mr. An Wei, directors of the Company:

	30 June 2023 RMB'000 (Unaudited)	31 December 2022 RMB'000 (Audited)
To the extent of	**320,000**	353,000

OTHER INFORMATION

DIRECTORS' INTERESTS IN SHARES

As at 30 June 2023, the interests of the Directors and their associates in the Shares which have been notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the Securities and Futures Ordinance (the "SFO"), or which were recorded in the register required to be kept pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuer (the "Model Code") as set out in Appendix 10 to the Listing Rules were as follows:

Name of Director	Nature of interest	Number of Shares or underlying Shares	Approximate percentage of existing issued share capital of the Company
Mr. Li Xin Qing	Interest of controlled corporations	205,709,875 *(Note 2)*	13.79%
	Beneficial owner	800,000 *(Note 3)*	0.05%
Mr. An Wei	Interest of controlled corporations	195,869,875 *(Note 4)*	13.13%
	Beneficial owner	1,000,000 *(Note 5)*	0.07%

Notes:

1. All interests in Shares were long positions.

2. The entire issued share capital of Genius Mind Enterprises Limited ("Genius Mind") is beneficially owned by Mr. Li Xin Qing ("Mr. Li") who is deemed to be interested in 197,724,457 Shares held by Genius Mind by virtue of the SFO. Among 197,724,457 Shares, a total of 40,000,000 Shares were provided as security to a person other than a qualified lender. In addition, by virtue of the SFO, Mr. Li is also deemed to be interested in 7,985,418 Shares held by Rich Talent Management Limited ("Rich Talent"), a company which shareholding is owned as to 50% by him.

3. Of these 800,000 Shares, 600,000 Shares are share options granted by the Company on 23 July 2021.

4. The entire issued share capital of Great Passion International Limited ("Great Passion") is beneficially owned by Mr. An Wei ("Mr. An") who is deemed to be interested in 187,884,457 Shares held by Great Passion by virtue of the SFO. Among 187,884,457 Shares, a total of 20,000,000 Shares were provided as security to a person other than a qualified lender. In addition, by virtue of the SFO, Mr. An is also deemed to be interested in 7,985,418 Shares held by Rich Talent, a company which shareholding is owned as to 50% by him.

5. Of these 1,000,000 Shares, 600,000 Shares are share options granted by the Company on 23 July 2021.

Save as disclosed above, as at 30 June 2023, none of the Directors or chief executive of the Company nor their associates had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which had to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

OTHER INFORMATION

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Other than the Share Option Scheme, at no time during the six months ended 30 June 2023 was the Company or any of its subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of acquisition of shares in, or debt securities (including debentures) of, the Company or any other body corporate and none of the Directors, their spouses or children under 18 years of age, had any rights to subscribe for securities of the Company, or had exercised any such rights.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES

As at 30 June 2023 and up to the date of this report, as far as known to the Directors, the following persons or entities (not being a Director or a chief executive of the Company) who had interests in Shares which would fall to be disclosed to the Company pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Name of shareholder	**Nature of interest**	**Number of Shares or underlying Shares**	**Approximate percentage of existing issued share capital of the Company**
唐山市人民政府國有資產監督管理委員會*(Note 2)*	Interest of controlled corporations	566,970,000 *(Note 3)*	38.00%
Ms. Zeng Zhen *(Note 4)*	Interests of spouse	206,509,875	13.84%
Genius Mind *(Note 5)*	Beneficial owner	197,724,457	13.25%
Ms. Yan Kai *(Note 6)*	Interests of spouse	196,869,875	13.19%
Great Passion *(Note 7)*	Beneficial owner	187,884,457	12.59%
Broad-Ocean Motor (Hong Kong) Co. Limited *(Note 8)*	Beneficial owner	84,096,000	5.64%
Zhongshan Broad-Ocean Motor Co., Ltd. *(Note 8)*	Interest of controlled corporations	84,096,000	5.64%
Mr. Lu Chuping *(Note 8)*	Interest of controlled corporations	84,096,000	5.64%
Honor Boom Investments Limited *(Note 9)*	Beneficial owner	82,458,117	5.53%

OTHER INFORMATION

Name of shareholder	Nature of interest	Number of Shares or underlying Shares	Approximate percentage of existing issued share capital of the Company
Mr. Li Xiao Bin *(Note 9)*	Interest of controlled corporations	82,458,117	5.53%
	Beneficial owner	3,740,000 *(Note 10 and 11)*	0.25%
Ms. Zhang Lina *(Note 12)*	Interests of spouse	86,198,117	5.78%

Notes:

1. All interests in Shares were long positions.

2. The entire issued share capital of 唐山國控科創有限公司 is indirectly owned by 唐山市人民政府國有資產監督管理委員會. Therefore, 唐山市人民政府國有資產監督管理委員會 is deemed to be interested in the 566,970,000 Shares held by 唐山國控科創有限公司 by virtue of the SFO.

3. These 566,970,000 Shares were the subscription shares allotted to 唐山國控科創有限公司 under the Subscription Agreement dated 18 October 2022. For details of the Subscription, please refer to the Company's circular dated 18 November 2022 and the Company's announcements dated 18 October 2022, 8 and 18 November 2022, 12 December 2022, 12 January 2023, 10 February 2023, 10 March 2023, 31 March 2023, 28 April 2023 and 11 May 2023.

4. Ms. Zeng Zhen is the spouse of Mr. Li Xin Qing. Therefore, Ms. Zeng Zhen is deemed to be interested in the Shares in which Mr. Li Xin Qing is interested by virtue of the SFO.

5. The entire issued share capital of Genius Mind is beneficially owned by Mr. Li Xin Qing who is deemed to be interested in the Shares held by Genius Mind by virtue of the SFO. Mr. Li Xin Qing is the sole director of Genius Mind.

6. Ms. Yan Kai is the spouse of Mr. An Wei. Therefore, Ms. Yan Kai is deemed to be interested in the Shares in which Mr. An Wei is interested by virtue of the SFO.

7. The entire issued share capital of Great Passion is beneficially owned by Mr. An Wei who is deemed to be interested in the Shares held by Great Passion by virtue of the SFO. Mr. An Wei is the sole director of Great Passion.

8. The entire issued share capital of Broad-Ocean Motor (Hong Kong) Co. Limited is owned by Zhongshan Broad-Ocean Motor Co. Ltd, which is in turn 27.1% of its interest was beneficially owned by Mr. Lu Chuping.

9. The issued share capital of Honor Boom Investments Limited is owned as to 40% by Mr. Li Xiao Bin, 30% by Ms. Ou Yang Fen and 30% by Mr. Cui Jian respectively. Therefore, Mr. Li Xiao Bin is deemed to be interested in the 82,458,117 Shares held by Honor Boom Investments Limited by virtue of the SFO.

10. These 1,140,000 Shares and 2,600,000 Shares are share options granted by the Company on 23 July 2021 and 15 July 2022, respectively.

11. On 15 July 2022, the Company granted in aggregate 30,200,000 share options to 13 grantees to subscribe for the same number of ordinary Shares of HK$0.01 each in the capital of the Company. The share options are granted under the share option scheme adopted by the Company on 18 December 2020. Out of these 30,200,000 options, 2,600,000 share options were granted to Mr. Li Xiao Bin. Please refer to the announcement of the Company dated 15 July 2022 for further details.

12. Ms. Zhang Lina is the spouse of Mr. Li Xiao Bin. Therefore. Ms. Zhang Lina is deemed to be interested in the Shares in which Mr. Li Xiao Bin is interested by virtue of the SFO.

Save as disclosed above, as at 30 June 2023 and up to the date of this report, the Company has not been notified by any person (other than the Directors or the chief executive of the Company) who had interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company pursuant to the provision of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

OTHER INFORMATION

2020 SHARE OPTION SCHEME

At the extraordinary general meeting of the Company held on 18 December 2020, an ordinary resolution was passed to adopt a 2020 Share Option Scheme.

The purpose of the 2020 Share Option Scheme is to enable the Group to grant share options to selected participants as incentives or rewards for their contributions to the Group. All officers, employees, agents, consultants or representatives of any member of the Group, (including any executive or non-executive Director) who the Board may determine in its absolute discretion, have made valuable contributions to the business of the Group based on their performance and/or years of service, or are regarded to be valuable human resources of the Group are eligible to participate in the 2020 Share Option Scheme subject to such conditions as the Board may think fit.

The remaining life of 2020 Share Option Scheme is 8 years.

When the 2020 Share Option Scheme was approved by the shareholders of the Company on 18 December 2020, it was also approved that the total number of Shares which may be allotted and issued upon exercise of all options to be granted under the 2020 Share Option Scheme and any other 2020 Share Option Scheme adopted by the Group must not in aggregate exceed 10% of the Shares in issue as at the date of the 2020 extraordinary general meeting, i.e. 925,056,000 Shares (the "2020 Scheme Mandate Limit"). The Company may renew the 2020 Scheme Mandate Limit with shareholders' approval provided that each such renewal may not exceed 10% of the Shares in issue as at the date of the shareholders' approval (i.e. 92,505,600 Shares).

The maximum number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the 2020 Share Option Scheme and any other 2020 Share Option Scheme adopted by the Group must not in aggregate exceed 30% of the Shares in issue from time to time. Unless approved by shareholders of the Company, the total number of Shares issued and to be issued upon exercise of the options granted under the 2020 Share Option Scheme and any other share option scheme of the Group (including both exercised or outstanding options) to each participant in any 12-month period shall not exceed 1% of the issued Shares of the Company for the time being.

The vesting period for options shall not be less than 12 months.

A nominal consideration of HK$1 is payable on acceptance of the grant of an option.

An option may be exercised in accordance with the terms of the 2020 Share Option Scheme at any time during a period to be notified by the Board to each grantee, which period must expire no later than 10 years from the date of the grant (subject to acceptance) of the option.

The right to exercise an option is not subject to or conditional upon the achievement of any performance target unless otherwise stated in the grant letter which is to be made by the Company to the participant of the 2020 Share Option Scheme upon granting of the option.

No specific period within which payments or call must or may be made or loans for such proposes must be repaid.

OTHER INFORMATION

The subscription price for the Shares under the 2020 Share Option Scheme will be a price determined by the Directors, but shall not be less than the highest of (i) the closing price of Shares as stated in the Stock Exchange's daily quotations sheet on the date of the offer of grant, which must be a business day; (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations for the five trading days immediately preceding the date of the offer of grant; and (iii) the nominal value of the Shares.

The Company has granted in aggregate 37,980,000 Share Options to the Grantees pursuant to the 2020 Share Option Scheme on 23 July 2021. For details, please refer to the announcement of the Company dated 23 July 2021.

The Company has granted in aggregate 30,200,000 Share Options to the Grantees pursuant to the 2020 Share Option Scheme on 15 July 2022. For details, please refer to the announcement of the Company dated 15 July 2022.

There were 66,920,000 and 66,260,000 outstanding share options under 2020 Share Option Scheme at the beginning and at the end of the Period respectively.

No options were granted, exercised or cancelled by the Company under the 2020 Share Option Scheme during the six months ended 30 June 2023. 660,000 options lapsed under the 2020 Share Option Scheme during the six months ended 30 June 2023. At the beginning and at the end of the six months ended 30 June 2023, 24,325,600 share options are available for grant under the Scheme Mandate Limit.

As at the date of this report, the total number of securities available for issue under the 2020 Share Option Scheme was 90,585,600 Shares, representing 6.07% of the issued Shares of the Company.

Below sets out the movements of the Share Options for the six months ended 30 June 2023:

		Number of Options								
Name of Grantee	Date of grant	As at 1 January 2023	Granted during the Period	Exercised during the Period	Lapsed during the Period	Cancelled/ forfeited during the Period	Outstanding as at 30 June 2023	Exercise price per Share	Vesting Period	Exercise period
Li Xin Qing (Executive Director)	23 July 2021	200,000	–	–	–	–	200,000	HK$0.445	From 23 July 2021 to 31 December 2021	1 June 2022 to 31 December 2023
Li Xin Qing (Executive Director)	23 July 2021	200,000	–	–	–	–	200,000	HK$0.445	From 1 January 2022 to 31 December 2022	1 June 2023 to 31 December 2024
Li Xin Qing (Executive Director)	23 July 2021	200,000	–	–	–	–	200,000	HK$0.445	From 1 January 2023 to 31 December 2023	1 June 2024 to 31 December 2025
An Wei (Executive Director)	23 July 2021	200,000	–	–	–	–	200,000	HK$0.445	From 23 July 2021 to 31 December 2021	1 June 2022 to 31 December 2023
An Wei (Executive Director)	23 July 2021	200,000	–	–	–	–	200,000	HK$0.445	From 1 January 2022 to 31 December 2022	1 June 2023 to 31 December 2024
An Wei (Executive Director)	23 July 2021	200,000	–	–	–	–	200,000	HK$0.445	From 1 January 2023 to 31 December 2023	1 June 2024 to 31 December 2025
Employees	23 July 2021	11,840,000	–	–	220,000	–	11,620,000	HK$0.445	From 23 July 2021 to 31 December 2021	1 June 2022 to 31 December 2023
Employees	23 July 2021	11,840,000	–	–	220,000	–	11,620,000	HK$0.445	From 1 January 2022 to 31 December 2022	1 June 2023 to 31 December 2024

OTHER INFORMATION

Name of Grantee	Date of grant	As at 1 January 2023	Granted during the Period	Exercised during the Period	Lapsed during the Period	Cancelled/ forfeited during the Period	Outstanding as at 30 June 2023	Exercise price per Share	Vesting Period	Exercise period
		Number of Options								
Employees	23 July 2021	11,840,000	–	–	220,000	–	11,620,000	HK$0.445	From 1 January 2023 to 31 December 2023	1 June 2024 to 31 December 2025
Employees	15 July 2022	14,250,000	–	–	–	–	14,250,000	HK$0.343	From 15 July 2022 to 14 July 2023	15 July 2023 to 14 July 2024
Employees	15 July 2022	14,250,000	–	–	–	–	14,250,000	HK$0.343	From 15 July 2022 to 14 July 2024	15 July 2024 to 14 July 2025
Consultant *(Note)*	15 July 2022	850,000	–	–	–	–	850,000	HK$0.343	From 15 July 2022 to 14 July 2023	15 July 2023 to 14 July 2024
Consultant *(Note)*	15 July 2022	850,000	–	–	–	–	850,000	HK$0.343	From 15 July 2022 to 14 July 2024	15 July 2024 to 14 July 2025

Note: As at the date of this Report, a consultant is holding 1,700,000 share options. The consultant is an independent third party and a financial consultant to the Group. He has extensive experience in the aspect of taxation and finance. He is a certified tax agent and provides tax and financial consultant service to the Group.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, as at the date of this report, the Company has maintained the prescribed public float under the Listing Rules.

DISCLOSURE OF INFORMATION ON DIRECTORS

Pursuant to rule 13.51B of the Listing Rules, the change of information on the Directors is as follows:

Mr. Gao Xia has been appointed as the chairman of the Company (the "Chairman") and the chairman of the nomination committee of the Company with effect from 24 May 2023. Following the afore-mentioned appointment of Mr. Gao, Mr. Li Xin Qing has ceased to act as the Chairman and the chairman of the nomination committee with effect from 24 May 2023.

By Order of the Board
China Titans Energy Technology Group Co., Limited
Gao Xia
Chairman

Hong Kong, 25 August 2023