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凱盛新能源股份有限公司
Triumph New Energy Company Limited

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

(Stock code: 01108)

TRIUMPH NEW ENERGY COMPANY LIMITED ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2022

I. IMPORTANT NOTICE

The board (the "**Board**") of directors (the "**Directors**") of Triumph New Energy Company Limited (the "**Company**") is pleased to announce the consolidated financial results of the Company and its subsidiaries (the "**Group**") for the year ended 31 December 2022.

The Company's financial information has been reviewed by the Audit Committee and the auditor of the Company.

II. FINANCIAL STATEMENTS AND NOTES THERETO

(I) Financial Statements

Consolidated Balance Sheet

Item	31 December 2022 *(RMB)*	31 December 2021 *(RMB)*
Current assets:		
Monetary funds	**689,022,322.44**	1,116,571,580.99
Notes receivable	**607,645,160.15**	204,999,510.62
Accounts receivable	**981,111,286.02**	438,504,721.48
Accounts receivable financing	**754,316,996.75**	369,857,635.69
Prepayments	**176,309,507.09**	127,452,119.00
Other receivables	**106,661,629.98**	35,054,042.55
Inventories	**695,508,197.62**	686,161,229.71
Other current assets	**59,289,265.40**	190,034,599.15
Total current assets	**4,069,864,365.45**	3,168,635,439.19
Non-current assets:		
Long-term receivables		55,000,000.00
Fixed assets	**4,021,905,180.15**	3,737,837,277.98
Construction in progress	**1,158,626,308.86**	1,420,340,092.86
Right-to-use assets	**13,007,301.50**	9,679,048.81
Intangible assets	**699,580,215.54**	644,275,347.55
Development expenditure	**9,242,547.95**	12,951,857.34
Goodwill	**17,583,473.33**	
Long-term deferred expenses		1,416,666.79
Deferred income tax assets	**16,836,091.52**	16,986,021.11
Other non-current assets	**559,257,426.12**	185,935,267.61
Total non-current assets	**6,496,038,544.97**	6,084,421,580.05
Total assets	**10,565,902,910.42**	9,253,057,019.24

Item	**31 December 2022**	31 December 2021
	(RMB)	*(RMB)*
Current liabilities:		
Short-term borrowings	**1,097,924,601.61**	1,326,709,864.27
Notes payable	**429,242,468.26**	650,930,930.94
Accounts payable	**1,728,154,819.46**	645,516,087.58
Payments received in advance	**271,590.44**	
Contract liabilities	**18,314,969.87**	46,718,841.37
Employee compensation payable	**49,200,604.16**	60,667,607.28
Taxes payable	**19,546,491.47**	12,827,698.25
Other payables	**232,485,514.56**	701,248,471.31
Non-current liabilities due within one year	**57,813,133.81**	258,656,910.02
Other current liabilities	**514,209,429.62**	20,064,405.18
Total current liabilities	**4,147,163,623.26**	3,723,340,816.20
Non-current liabilities:		
Long-term borrowings	**1,703,779,270.66**	1,032,800,000.00
Lease liabilities	**9,405,001.94**	6,771,924.40
Deferred income	**51,344,031.93**	132,719,249.92
Deferred income tax liabilities	**40,568,717.91**	18,547,379.56
Total non-current liabilities	**1,805,097,022.44**	1,190,838,553.88
Total liabilities	**5,952,260,645.70**	4,914,179,370.08
Shareholders' equity:		
Share capital	**645,674,963.00**	645,674,963.00
Capital reserve	**3,780,818,962.41**	3,792,235,992.58
Surplus reserve	**51,365,509.04**	51,365,509.04
Undistributed profit	**-245,428,527.10**	-654,467,178.80
Total equity attributable to shareholders of the Company	**4,232,430,907.35**	3,834,809,285.82
Minority interests	**381,211,357.37**	504,068,363.34
Total shareholders' equity	**4,613,642,264.72**	4,338,877,649.16
Total liabilities and shareholders' equity	**10,565,902,910.42**	9,253,057,019.24

Balance Sheet of the Company

Item	**31 December 2022** *(RMB)*	31 December 2021 *(RMB)*
Current assets:		
Monetary funds	**304,124,727.90**	276,223,398.45
Notes receivable		
Accounts receivable	**276,801,400.86**	220,389,403.91
Accounts receivable financing	**213,294,478.37**	81,302,010.11
Prepayments	**35,638.46**	23,957.69
Other receivables	**660,172,421.07**	431,793,556.37
Inventories	**8,509.00**	8,430.00
Other current assets	**65,466.27**	12,127,726.81
Total current assets	**1,454,502,641.93**	1,021,868,483.34
Non-current assets:		
Long-term receivables		55,000,000.00
Long-term equity investment	**3,703,415,248.62**	3,857,645,290.12
Fixed assets	**1,864,728.54**	1,932,791.36
Construction in progress	**53,857.88**	
Intangible assets	**46,933,795.67**	47,750,491.37
R&D expenses		
Long-term deferred expenses		
Deferred income tax assets		
Other non-current assets	**55,049,500.00**	49,500.00
Total non-current assets	**3,807,317,130.71**	3,962,378,072.85
Total assets	**5,261,819,772.64**	4,984,246,556.19

Item	**31 December 2022** *(RMB)*	31 December 2021 *(RMB)*
Current liabilities:		
Short-term borrowings	**411,004,486.12**	589,666,075.73
Notes payable		30,000,000.00
Accounts payable	**277,840,273.82**	96,682,422.72
Contract liabilities	**27,270.95**	28,120.27
Employee compensation payable	**10,581,733.02**	9,547,144.65
Taxes payable	**244,614.35**	306,238.93
Other payables	**62,831,631.70**	608,713,927.17
Non-current liabilities due within one year	**13,291,218.59**	45,543,566.66
Other current liabilities	**116,961,766.71**	3,655.64
Total current liabilities	**892,782,995.26**	1,380,491,151.77
Non-current liabilities:		
Long-term borrowings	**541,972,270.66**	192,800,000.00
Lease liabilities		
Deferred income		
Deferred income tax liabilities		
Total non-current liabilities	**541,972,270.66**	192,800,000.00
Total liabilities	**1,434,755,265.92**	1,573,291,151.77
Shareholders' equity:		
Share capital	**645,674,963.00**	645,674,963.00
Capital reserve	**3,857,589,394.08**	3,857,589,394.08
Surplus reserve	**51,365,509.04**	51,365,509.04
Undistributed profit	**-727,565,359.40**	-1,143,674,461.70
Total shareholders' equity	**3,827,064,506.72**	3,410,955,404.42
Total liabilities and shareholders' equity	**5,261,819,772.64**	4,984,246,556.19

Consolidated Income Statement

Item	**Amount for the period** ***(RMB)***	Amount for previous period *(RMB)*
I. Operating revenue	**5,030,111,246.27**	3,625,851,456.04
Less: Operating costs	**4,433,991,033.17**	2,772,254,355.29
Taxes and surcharges	**38,235,862.71**	42,783,319.97
Selling expenses	**17,430,076.24**	19,304,831.08
Administrative expenses	**126,261,780.54**	174,899,951.49
R&D expenses	**173,792,882.39**	154,331,928.64
Finance expenses	**73,534,231.49**	125,067,605.00
Including: Interest expenses	**87,180,142.81**	128,767,137.08
Interest income	**11,189,421.19**	8,788,027.25
Add: Other income	**157,399,524.47**	36,921,816.28
Investment income (losses are represented by "-")	**160,659,078.93**	-11,556,042.87
Impairment losses on credit (losses are represented by "-")	**-2,632,386.05**	-3,402,075.93
Impairment losses on assets (losses are represented by "-")	**-16,772,916.69**	-10,919,597.80
Gains on disposal of assets (losses are represented by "-")	**1,552,752.45**	-347,984.19
II. Operating profit (loss is represented by "-")	**467,071,432.84**	347,905,580.06
Add: Non-operating income	**3,319,010.17**	4,698,890.28
Less: Non-operating expenses	**123,796.26**	1,502,393.35
III. Total profit (total loss is represented by "-")	**470,266,646.75**	351,102,076.99
Less: Income tax expenses	**11,096,956.38**	19,775,344.53

Item	**Amount for the period *(RMB)***	Amount for previous period *(RMB)*
IV. Net profit (net loss is represented by "-")	**459,169,690.37**	331,326,732.46
(I) Classified on a going concern basis:		
1. Net profit from continued operation (net loss is represented by "-")	**327,505,482.08**	276,548,826.25
2. Net profit from discontinued operation (net loss is represented by "-")	**131,664,208.29**	54,777,906.21
(II) Classified by ownership:		
1. Net profit attributable to shareholders of the Company (net loss is represented by "-")	**409,038,651.70**	255,755,695.03
2. Profit or loss of minority interest (net loss is represented by "-")	**50,131,038.67**	75,571,037.43
V. Other comprehensive income net of tax		
(II) Other comprehensive income attributable to minority interests, net of tax		
VI. Total comprehensive income	**459,169,690.37**	331,326,732.46
(I) Total comprehensive income attributable to shareholders of the Company	**409,038,651.70**	255,755,695.03
(II) Total comprehensive income attributable to minority interests	**50,131,038.67**	75,571,037.43
VII. Earnings per share		
(I) Basic earnings per share	**0.63**	0.44
(II) Diluted earnings per share	**0.63**	0.44

Income Statement of the Company

Item	**Amount for the period** ***(RMB)***	Amount for previous period *(RMB)*
I. Operating revenue	**813,585,949.34**	569,073,441.80
Less: Operating costs	**809,523,960.85**	566,472,737.48
Taxes and surcharges	**1,060,914.59**	1,946,757.95
Selling expenses	**875,093.64**	971,218.63
Administrative expenses	**28,328,483.36**	24,285,318.19
R&D expenses		
Finance expenses	**-2,347,222.59**	34,715,318.27
Including: Interest expenses	**25,887,015.21**	60,571,535.03
Interest income	**28,297,430.55**	25,965,311.25
Add: Other income	**56,188,645.54**	6,229.23
Investment income (loss is represented by "-")	**-58,163,074.42**	297,827,242.98
Impairment losses on credit (loss is represented by "-")	**440,293,567.05**	-19,971,110.25
Impairment losses of assets (loss is represented by "-")		
Gains on disposal of assets (loss is represented by "-")		
II. Operating profit (loss is represented by "-")	**414,463,857.66**	218,544,453.24
Add: Non-operating income	**1,669,474.23**	
Less: Non-operating expenses	**24,229.59**	1,053.06
III. Total profit (total loss is represented by "-")	**416,109,102.30**	218,543,400.18
Less: Income tax expenses		

Item	**Amount for the period** ***(RMB)***	Amount for previous period *(RMB)*
IV. Net profit (net loss is represented by "-")	**416,109,102.30**	218,543,400.18
(I) Classified on a going concern basis:		
1. Net profit from continued operation (net loss is represented by "-")	**416,109,102.30**	218,543,400.18
2. Net profit from discontinued operation (net loss is represented by "-")		
V. Other comprehensive income net of tax		
VI. Total comprehensive income	**416,109,102.30**	218,543,400.18
VII. Earnings per share		
(I) Basic earnings per share *(RMB/share)*		
(II) Diluted earnings per share *(RMB/share)*		

Consolidated Cash Flow Statement

Item	**Amount for the period** *(RMB)*	Amount for previous period *(RMB)*
I. Cash flows from operating activities:		
Cash received from sale of goods or rendering of services	**2,560,221,493.35**	2,644,226,609.82
Tax refunds received	**175,002,704.82**	70,991,372.55
Other cash received from activities related to operation	**210,832,382.02**	71,798,067.53
Sub-total of cash inflow from operating activities	**2,946,056,580.19**	2,787,016,049.90
Cash paid for purchase of goods and services rendered	**2,776,221,225.75**	1,816,095,925.07
Cash paid to and on behalf of employees	**364,127,033.64**	367,557,264.73
Tax payments	**124,771,768.35**	268,108,018.51
Other cash paid for activities related to operation	**78,981,784.84**	198,940,693.44
Sub-total of cash outflow from operating activities	**3,344,101,812.58**	2,650,701,901.75
Net cash flow from operating activities	**-398,045,232.39**	136,314,148.15

Item	**Amount for the period** *(RMB)*	Amount for previous period *(RMB)*
II. Cash flow from investment activities:		
Cash received from recovery of investments		
Net cash received from disposal of fixed assets, intangible assets and other long term assets	**214,128.32**	887,503.60
Net cash received from disposal of subsidiaries and other operating entities	**591,662,259.58**	
Other cash received from investment activities		6,176,839.68
Sub-total of cash inflow from investment activities	**591,876,387.90**	7,064,343.28
Cash paid for purchase and construction of fixed assets, intangible assets and other long-term assets	**926,028,874.94**	1,688,879,719.28
Cash paid for investments		28,767,920.00
Net cash paid for acquisition of subsidiaries and other operating entities	**327,666,092.88**	
Sub-total of cash outflow from investment activities	**1,253,694,967.82**	1,717,647,639.28
Net cash flow from investment activities	**-661,818,579.92**	-1,710,583,296.00

Item	**Amount for the period** *(RMB)*	Amount for previous period *(RMB)*
III. Cash flow from financing activities:		
Cash received from investments		1,983,999,993.34
Proceeds from loans	**2,884,010,942.76**	2,595,990,000.00
Other cash received from financing-related activities	**806,627,932.44**	1,732,290,060.77
Sub-total of cash inflow from financing activities	**3,690,638,875.20**	6,312,280,054.11
Cash paid for repayment of loans	**2,089,390,000.00**	2,259,873,816.62
Cash payment for distribution of dividends, profits or repayment of interest	**121,575,364.51**	158,378,487.80
Including: Dividends and profits paid to minority interests by subsidiaries	**20,536,874.80**	40,189,514.01
Other cash paid for financing-related activities	**897,145,629.77**	1,509,408,480.82
Sub-total of cash outflow from financing activities	**3,108,110,994.28**	3,927,660,785.24
Net cash flow from financing activities	**582,527,880.92**	2,384,619,268.87
IV. Effects of changes in exchange rate on cash and cash equivalents	**1,404,511.13**	-807,776.94
V. Net increase in cash and cash equivalents	**-475,931,420.26**	809,542,344.08
Add: Opening balance of cash and cash equivalents	**961,479,236.37**	151,936,892.29
VI. Closing balance of cash and cash equivalents	**485,547,816.11**	961,479,236.37

Cash Flow Statement of the Company

Item	Amount for the period *(RMB)*	Amount for previous period *(RMB)*
I. Cash flows from operating activities:		
Cash received from sale of goods or rendering of services	**315,699,206.47**	270,294,779.03
Tax refunds received	**11,417,001.19**	
Other cash received from activities related to operation	**65,936,083.29**	7,897,529.91
Sub-total of cash inflow from operating activities	**393,052,290.95**	278,192,308.94
Cash paid for goods purchased and services rendered	**263,398,766.59**	263,381,848.36
Cash paid to and on behalf of employees	**17,243,387.75**	13,422,841.97
Tax payments	**2,624,808.96**	11,231,603.40
Other cash paid for activities related to operation	**11,698,341.72**	20,009,344.64
Sub-total of cash outflow from operating activities	**294,965,305.02**	308,045,638.37
Net cash flow from operating activities	**98,086,985.93**	-29,853,329.43
II. Cash flow from investment activities:		
Cash received from recovery of investments	**702,827,350.00**	
Cash received from investments income	**117,322,519.57**	243,347,245.76
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		
Other cash received from activities related to investment		
Sub-total of cash inflow from investment activities	**820,149,869.57**	243,347,245.76
Cash paid for purchase and construction of fixed assets, intangible assets and other long-term assets	**745,518.15**	42,936,055.00
Cash paid for investment	**741,143,520.00**	1,962,275,920.00
Sub-total of cash outflow from investment activities	**741,889,038.15**	2,005,211,975.00
Net cash flow from investment activities	**78,260,831.42**	-1,761,864,729.24

Item	**Amount for the period** *(RMB)*	Amount for previous period *(RMB)*
III. Cash flow from financing activities:		
Cash received from investments		1,983,999,993.34
Proceeds from loans	**807,785,360.00**	628,990,000.00
Other cash received from activities related to financing	**3,950,542,869.46**	5,868,130,511.76
Sub-total of cash inflow from financing activities	**4,758,328,229.46**	8,481,120,505.10
Cash paid for repayment of loans	**879,990,000.00**	465,521,271.66
Cash paid for distribution of dividends, profits, or repayment of interest	**31,673,150.89**	32,420,185.85
Including: Dividends and profits paid by subsidiaries to minority shareholders		
Other cash paid for financing-related activities	**3,995,074,393.97**	5,997,121,273.17
Sub-total of cash outflow from financing activities	**4,906,737,544.86**	6,495,062,730.68
Net cash flow from financing activities	**-148,409,315.40**	1,986,057,774.42
IV. Effects of changes in exchange rate on cash and cash equivalents	**542.41**	-179.19
V. Net increase in cash and cash equivalents	**27,939,044.36**	194,339,536.56
Add: Opening balance of cash and cash equivalents	**276,185,683.54**	81,846,146.98
VI. Closing balance of cash and cash equivalents	**304,124,727.90**	276,185,683.54

Consolidated Statement of Changes in Owners' Equity

Unit: Yuan Currency: RMB

Item	Current period												
	Equity attributable to shareholders of the Company												
		Other equity instruments											
	Share capital	Preferential shares	Perpetual bonds	Others	Capital reserve	Less: Treasury stock	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profit	Subtotal	Minority interest	Total shareholders' equity
I. Balance at the end of last year	**645,674,963.00**				**3,792,235,992.58**				**51,365,509.04**	**-654,467,178.80**	**3,834,809,285.82**	**504,068,363.34**	**4,338,877,649.16**
Business combination under common control													
II. Balance at the beginning of the year	**645,674,963.00**				**3,792,235,992.58**				**51,365,509.04**	**-654,467,178.80**	**3,834,809,285.82**	**504,068,363.34**	**4,338,877,649.16**
III. Increase/decrease in the period (decrease is represented by "-")					**-11,417,030.17**					**409,038,651.70**	**397,621,621.53**	**-122,857,005.97**	**274,764,615.56**
(I) Total comprehensive income										409,038,651.70	409,038,651.70	50,131,038.67	459,169,690.37
(II) Shareholders' contribution and decrease in capital					-11,417,030.17						-11,417,030.17	-152,451,169.84	-163,868,200.01
1. Ordinary shares contributed by shareholders													
2. Others					-11,417,030.17						-11,417,030.17	-152,451,169.84	-163,868,200.01
(III) Profit distribution												-20,536,874.80	-20,536,874.80
1. Appropriation to surplus reserve													
2. Distribution to shareholders												-20,536,874.80	-20,536,874.80
3. Others													
(IV) Internal carry-forward of shareholders' equity													
(V) Special reserve													
IV. Balance at the end of the period	**645,674,963.00**				**3,780,818,962.41**				**51,365,509.04**	**-245,428,527.10**	**4,232,430,907.35**	**381,211,357.37**	**4,613,642,264.72**

Unit: Yuan Currency: RMB

Item	Previous period												
	Equity attributable to shareholders of the Company												
		Other equity instruments											
	Share capital	Preferential shares	Perpetual bonds	Others	Capital reserve	Less: Treasury stock	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profit	Subtotal	Minority interest	Total shareholders' equity
I. Balance at the end of last year	548,540,432.00				1,982,394,841.30				51,365,509.04	-955,722,560.53	1,626,578,221.81	168,703,404.63	1,795,281,626.44
Business combination under common control					95,448,533.73					45,499,686.70	140,948,220.43	143,725,841.47	284,674,061.90
II. Balance at the beginning of the year	548,540,432.00				2,077,843,375.03				51,365,509.04	-910,222,873.83	1,767,526,442.24	312,429,246.10	2,079,955,688.34
III. Increase/decrease in the period (decrease is represented by "-")	97,134,531.00				1,714,392,617.55					255,755,695.03	2,067,282,843.58	191,639,117.24	2,258,921,960.82
(I) Total comprehensive income										255,755,695.03	255,755,695.03	75,571,037.43	331,326,732.46
(II) Shareholders' contribution and decrease in capital	97,134,531.00				1,714,392,617.55						1,811,527,148.55	156,257,593.82	1,967,784,742.37
1. Ordinary shares contribution from shareholders	97,134,531.00				1,886,519,109.01						1,983,653,640.01		1,983,653,640.01
2. Others					-172,126,491.46						-172,126,491.46	156,257,593.82	-15,868,897.64
(III) Profit distribution												-40,189,514.01	-40,189,514.01
1. Appropriation to surplus reserve													
2. Distribution to shareholders												-40,189,514.01	-40,189,514.01
(IV) Internal carry-forward of shareholders' equity													
(V) Special reserve													
IV. Balance at the end of the period	645,674,963.00				3,792,235,992.58				51,365,509.04	-654,467,178.80	3,834,809,285.82	504,068,363.34	4,338,877,649.16

Statement of Changes in Owners' Equity of the Company

Unit: Yuan Currency: RMB

Item	Current period										
		Other equity instruments									
	Share capital	Preferential shares	Perpetual bonds	Others	Capital reserve	Less: Treasury stock	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profit	Total shareholders' equity
I. Balance at the end of last year	645,674,963.00				3,857,589,394.08				51,365,509.04	-1,143,674,461.70	3,410,955,404.42
II. Balance at the beginning of the year	645,674,963.00				3,857,589,394.08				51,365,509.04	-1,143,674,461.70	3,410,955,404.42
III. Increase/decrease in the period (decrease is represented by "-")										416,109,102.30	416,109,102.30
(I) Total comprehensive income										416,109,102.30	416,109,102.30
(II) Shareholders' contribution and decrease in capital											
1. Ordinary shares contributed by shareholders											
2. Others											
(III) Profit distribution											
(IV) Internal carry-forward of shareholders' equity											
(V) Special reserve											
IV. Balance at the end of the period	645,674,963.00				3,857,589,394.08				51,365,509.04	-727,565,359.40	3,827,064,506.72

Unit: Yuan Currency: RMB

Item	Previous period										
	Share capital	Other equity instruments: Preferential shares	Other equity instruments: Perpetual bonds	Other equity instruments: Others	Capital reserve	Less: Treasury stock	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profit	Total shareholders' equity
I. Balance at the end of last year	548,540,432.00				1,961,847,553.30				51,365,509.04	-1,362,217,861.88	1,199,535,632.46
II. Balance at the beginning of the year	548,540,432.00				1,961,847,553.30				51,365,509.04	-1,362,217,861.88	1,199,535,632.46
III. Increase/decrease in the year (decrease is represented by "-")	97,134,531.00				1,895,741,840.78					218,543,400.18	2,211,419,771.96
(I) Total comprehensive income										218,543,400.18	218,543,400.18
(II) Shareholders' contribution and decrease in capital	97,134,531.00				1,895,741,840.78						1,992,876,371.78
1. Ordinary shares contribution from shareholders	97,134,531.00				1,886,519,109.01						1,983,653,640.01
2. Others					9,222,731.77						9,222,731.77
(III) Profit distribution											
(IV) Internal carry-forward of shareholders' equity											
(V) Special reserve											
IV. Balance at the end of the year	645,674,963.00				3,857,589,394.08				51,365,509.04	-1,143,674,461.70	3,410,955,404.42

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

1. Background of the Company

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

2. Significant Accounting Policies

(1) Basis of preparation of the financial statements

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

(2) Accounting period

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

(3) Functional Currency

The Company's functional currency is the Renminbi.

(4) Preparation method of consolidated financial statements

(1) Scope of consolidation

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

(2) Basis for preparation of the consolidated financial statements

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

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

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

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

(3) Acquisition of non-controlling interests in subsidiaries

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

(4) Accounting treatment for loss of control over subsidiaries

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

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

(5) Significant accounting policy changes

(1) Interpretation No. 15 of the Accounting Standards for Business Enterprises

In December 2021, the Ministry of Finance of the PRC issued the Interpretation No. 15 of the Accounting Standards for Business Enterprises (Cai Kuai [2021] No. 35) ("**Interpretation No. 15**").

The Interpretation No. 5 stipulates that for products or byproducts produced by an enterprise before the fixed assets reach the expected conditions for use or in the course of R&D for external sale (the "**Trial Operation Sales**"), it shall conduct accounting treatment separately in accordance with the provisions of Accounting Standards for Business Enterprises No. 14 – Revenue, Accounting Standards for Business Enterprises No. 1 – Inventories, etc.

The Interpretation No. 5 stipulates that when judging a loss-making contract, the cost of performing the contract shall include the incremental cost of performing the contract and the apportioned amount of other costs directly related to the performance of the contract. Among which, incremental costs of performing that contract include direct labour and materials among others; the apportioned amount of other costs that relate directly to performing the contract includes the apportioned amount of the depreciation charge for fixed assets used in performing that contract among others.

Upon approval from the Board of Director, the Company has implemented the provisions of Interpretation No. 15 since 1 January 2022, and the Company shall adopt the retrospective adjustment method to conduct accounting treatment for the output in trial operation according to the transitional provisions, and adjust the comparative statements.

Item	Carrying amount before adjustment (31 December 2021)	Adjustment	Carrying amount after adjustment (31 December 2021)
Fixed assets (original value)	4,959,094,834.79	-14,810,935.98	4,944,283,898.81
Accumulated depreciation	1,181,982,260.88	-111,176.73	1,181,871,084.15
Taxes payable	13,688,263.71	-860,565.46	12,827,698.25
Undistributed profit	-645,627,731.05	-8,839,447.75	-654,467,178.80
Minority interests	509,068,109.38	-4,999,746.04	504,068,363.34

Consolidated income statement item	Before adjustment	Adjustment	After adjustment
Operating revenue	3,605,601,992.64	20,249,463.40	3,625,851,456.04
Operating costs	2,737,305,132.64	34,949,222.65	2,772,254,355.29
Income tax expenses	20,635,909.99	-860,565.46	19,775,344.53
Net profit attributable to shareholders of the Company	264,595,142.78	-8,839,447.75	255,755,695.03

(2) Interpretation No. 16 of the Accounting Standards for Business Enterprises

In November 2022, the Ministry of Finance of the PRC issued the Interpretation No. 16 of the Accounting Standards for Business Enterprises (Cai Kuai [2022] No. 31) ("**Interpretation No. 16**").

Interpretation No. 16 stipulates that for financial instruments such as perpetual bonds which are classified as equity instruments, an enterprise shall recognise the income tax impact associated with dividends when recognising the dividend payable. For the profit allocated deriving from previously incurred profit or loss from a transaction or event, the income tax impact of the dividend shall be included in the profit or loss of the current period; and for the profit allocated arising from a transaction or event previously recognised in owner's equity, the income tax impact of the dividend shall be included in the owner's equity item.

For financial instruments classified as equity instruments that recognize dividends payable that occur during the current year, the accounting treatment of its relevant income tax impact shall be in accordance with the provisions of Interpretation No. 16 above; for those financial instruments that occurred before 1 January 2022 and have not been derecognized on 1 January 2022, retroactive adjustments shall be made to the relevant income tax impact.

Interpretation No. 16 stipulates that where an enterprise modifies the terms and conditions of a cash-settled share-based payment agreement to make it an equity-settled share-based payment; at the date of modification, the enterprise shall measure the equity-settled share-based payment at the fair value of the equity instrument at the date of grant, include the services acquired in capital reserves and at the same time derecognise the liability recognised for the cash-settled share-based payment at the date of modification. The difference between the two is included in profit or loss for the period. If, as a result of the modification, the waiting period is extended or shortened, the enterprise shall account for the above in accordance with the modified waiting period (without regard to the relevant accounting requirements for adverse modifications).

The Company's cash-settled share-based payments that occurred during the year were modified to equity-settled share-based payments and accounted for in accordance with the provisions of Interpretation No. 16 above. For such transactions occurring prior to 1 January 2022, retained earnings and other related financial statement items as at 1 January 2022 were adjusted and no adjustment was made to the comparable period information.

The adoption of Interpretation No.16 has no significant impact on the financial position and operating results of the Company.

3. *Segment Reporting*

(1) *Determination basis and accounting policies of reporting segments*

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

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

(1) The component is able to generate revenues and incur expenses from its ordinary activities;

(2) Its operating results are regularly evaluated by the Company's management to make decisions about resources to be allocated to the segment and assess its performance;

(3) Its accounting information on financial position, operating results and cash flows and others is available to the Company. Two or more operating segments may be aggregated into a single operating segment if they have similar economic characteristics and meet specified conditions.

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

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

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

(2) *Financial information of the reporting segments*

Segment information for the year 2022 and as at 31 December 2022:

Unit: Yuan Currency: RMB

Item	Information display glass	New energy glass	Other functional glass	Unallocated items	Elimination	Total
Operating revenue	22,338,394.46	4,690,225,120.26	314,236,410.80	813,585,949.34	-810,274,628.59	5,030,111,246.27
Including: Revenue from external principal operations	22,320,590.62	4,671,301,573.00	312,724,773.56			5,006,346,937.18
Revenue from other external operations	17,803.84	18,923,547.26	1,511,637.24	813,585,949.34	-810,274,628.59	23,764,309.09
Operating costs	12,204,919.51	4,136,149,688.32	281,296,909.72	809,523,960.85	-805,184,445.23	4,433,991,033.17
Impairment losses of credit	81,050.38	-1,558,094.32	-55,709.16	440,293,567.05	-441,393,200.00	-2,632,386.05
Impairment losses of assets		-9,242,980.33	-7,529,936.36			-16,772,916.69
Depreciation expenses and amortization expenses	5,511,714.66	245,304,014.60	20,399,846.75	1,379,049.70		272,594,625.71
Total profit	4,607,037.77	261,466,319.56	10,337,474.06	416,109,102.30	-222,253,286.94	470,266,646.75
Income tax expenses	-605,827.58	13,941,857.14			-2,239,073.18	11,096,956.38
Net profit	5,212,865.35	244,651,755.55	10,337,474.06	416,109,102.30	-217,141,506.89	459,169,690.37
Total assets		9,966,420,658.15	509,163,641.71	5,261,819,772.64	-5,171,501,162.08	10,565,902,910.42
Total liabilities		5,939,242,366.07	170,951,857.23	1,434,755,265.92	-1,592,688,843.52	5,952,260,645.70

(3) Operating revenue by customer's geographical location

Unit: Yuan Currency: RMB

Geographical location	**Amount for the period**	Amount for previous period
China (excluding Hong Kong, Macau and Taiwan)	**4,712,969,132.33**	3,418,257,174.18
Other countries and regions	**317,142,113.94**	207,594,281.86
Total	**5,030,111,246.27**	3,625,851,456.04

(4) Non-current assets by its geographical location

Unit: Yuan Currency: RMB

Geographical location	**Closing balance**	Balance as at the end of last year
China (excluding Hong Kong, Macau and Taiwan)	**6,461,618,980.12**	6,012,435,558.94

(5) Reliance on major customers

In 2022, the transaction amount of three customers (customers who are controlled by the same controller are deemed to be the same customer) from the new energy reporting segment of the Company exceeds 10% of the Company's revenue, and the amounts are RMB1,030,036,424.48, RMB865,058,981.44 and RMB510,004,147.05, respectively.

4. Auditors' remuneration

Unit: Yuan Currency: RMB

Auditor remuneration	**Amount for current period**	**Amount for previous period**
Total	1,200,000.00	1,480,000.00

5. Remuneration of directors, supervisors and staff

(1) Remuneration of directors and supervisors

The remuneration of each director and supervisor in 2022 is as follows:

Unit: Yuan Currency: RMB

Remuneration of directors and supervisors in 2022

Name	Position	Fees	Bonus	Salary, allowance and benefit in kind	Defined contribution, plan contribution	Total	Date of resignation or appointment
Executive directors:							
Wang Guoqiang	Executive Director, Deputy General Manager			183,333.33	24,561.84	207,895.17	Resignation: 2022.4.29
Xie Jun	Chairman			774,169.00	45,927.54	820,096.54	Appointment: 2022.05.26
Ma Yan	Executive Director, President			750,000.00	107,786.28	857,786.28	Appointment: 2022.05.26
Zhang Rong	Executive Director, Executive President			665,000.00	153,060.94	818,060.94	Appointment: 2022.05.26
Liu Yuquan	Executive Director			600,000.00	76,629.84	676,629.84	Appointment: 2022.05.26
Wang Leilei	Executive Director, Secretary to the Board			400,269.00	104,720.57	504,989.57	Appointment: 2022.05.26
Independent non-executive directors							
He Baofeng	Independent non-executive Director			25,000.00		25,000.00	Expiry
Ye Shuhua	Independent non-executive Director			25,000.00		25,000.00	Expiry
Zhao Hulin	Independent non-executive Director			58,333.00		58,333.00	Appointment: 2022.05.26
Chen Qisuo	Independent non-executive Director			58,333.00		58,333.00	Appointment: 2022.05.26
Fan Baoqun	Independent non-executive Director			58,333.00		58,333.00	Appointment: 2022.05.26
Zhang Yajuan	Independent non-executive Director			83,333.00		83,333.00	Appointment: 2022.05.26

Remuneration of directors and supervisors in 2022

Name	Position	Fees	Bonus	Salary, allowance and benefit in kind	Defined contribution, plan contribution	Total	Date of resignation or appointment
Supervisors:							
Li Wenge	Supervisor			87,500.00	18,421.38	105,921.38	Expiry
Employee supervisors:							
Wang Jian	Employee Supervisor			13,964.30	6,156.29	20,120.59	Expiry
Ma Jiankang	Employee Supervisor			43,650.75	29,740.74	73,391.49	Expiry
Zhang Pingwei	Employee Supervisor			186,667.00	40,298.01	226,965.01	Appointment: 2022.05.26
Li Huadong	Employee Supervisor			84,000.00	47,012.68	131,012.68	Appointment: 2022.05.26
Independent supervisors:							
Qiu Mingwei	Independent Supervisor			12,500.00		12,500.00	Expiry
Yan Mei	Independent Supervisor			12,500.00		12,500.00	Expiry
Wang Juan	Independent Supervisor			29,166.00		29,166.00	Appointment: 2022.05.26
Wang Junqiao	Independent Supervisor			29,166.00		29,166.00	Appointment: 2022.05.26
Total				4,180,217.38	654,316.11	4,834,533.49	

The remuneration of each director and supervisor in 2021 is as follows:

Unit: Yuan Currency: RMB

Name	Fees	Bonus	Salary, allowance and benefit in kind	Defined contribution, plan contribution	Total	Note
Executive directors:						
Ma Yan			850,000.00	103,527.22	953,527.22	
Wang Guoqiang			800,000.00	70,860.41	870,860.41	
Zhang Rong			612,275.95	137,724.05	750,000.00	
Independent non-executive directors:						
He Baofeng	60,000.00				60,000.00	
Ye Shuhua	60,000.00				60,000.00	
Zhang Yajuan	60,000.00				60,000.00	
Supervisors:						
Li Wenge			500,000.00	69,817.91	569,817.91	
Qiu Mingwei	30,000.00				30,000.00	
Yan Mei	30,000.00				30,000.00	
Employee supervisors:						
Wang Jian			320,000.00	69,652.91	389,652.91	
Ma Jiankang			220,000.00	61,698.86	281,698.86	
Total	240,000.00		3,302,275.95	513,281.36	4,055,557.31	

(2) *The five individuals whose remunerations were the highest*

The five individuals whose remuneration were the highest during 2022, include five directors (2021: three directors), whose remuneration was set out as above.

6. Turnover

(1) Details of operating revenue

Unit: Yuan Currency: RMB

Item	**Amount for the period**	Amount for previous period
I. Revenue from principal operating activities	**5,006,346,937.18**	3,616,946,743.08
II. Revenue from other operating activities	**23,764,309.09**	8,904,712.96
Total	**5,030,111,246.27**	3,625,851,456.04

(2) Revenue from principal operating activities by product

Unit: Yuan Currency: RMB

Item	**Amount for the period**	Amount for previous period
Information display glass	**22,320,590.62**	390,317,126.62
New energy glass	**4,671,301,573.00**	2,762,023,991.27
Other functional glass	**312,724,773.56**	464,605,625.19
Total	**5,006,346,937.18**	3,616,946,743.08

7. *Other Income*

Unit: Yuan   Currency: RMB

Item	**Amount for the period**	Amount for previous period	Asset-related/Income-related
Subsidy for production and operation	**150,578,933.70**	28,738,118.28	Asset-related/Income-related
Subsidy for photovoltaic power generation	**3,524,372.40**	4,376,814.68	Income-related
R&D, technological renovation subsidy	**2,196,551.00**	1,803,918.00	Asset-related/Income-related
Subsidy for stabilizing employment	**934,922.24**	457,898.46	Income-related
Gains on debt restructuring	**119,700.00**	382,382.96	
Refunds of individual income tax handling fees	**45,045.13**	689,700.90	
Others		472,983.00	Asset-related/Income-related
Total	**157,399,524.47**	36,921,816.28	

8. *Gains on Disposal of Assets*

Unit: Yuan Currency: RMB

Item	Amount for the period	Amount for previous period
Gains on disposal of fixed assets (losses are represented by "-")	**13,066.58**	-347,984.19
Gains on disposal of intangible assets (losses are represented by "-")	**1,539,685.87**	
Total	**1,552,752.45**	-347,984.19

9. *Non-Operating Income*

Unit: Yuan Currency: RMB

Item	Amount for the period	Amount for previous period	Amount recognized as non-recurring gain or loss for the period
Payables approved but not payable	**1,717,536.08**	63,215.70	1,717,536.08
Negative goodwill on acquisition of subsidiaries at consolidation level		4,530,231.38	
Others	**1,601,474.09**	105,443.20	1,601,474.09
Total	**3,319,010.17**	4,698,890.28	3,319,010.17

10. *Profit Before Tax*

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

(1) *Finance expenses*

Unit: Yuan Currency: RMB

Item	Amount for the period	Amount for previous period
Interest expense	**87,180,142.81**	128,767,137.08
Less: interest income	**11,189,421.19**	8,788,027.25
Exchange losses	**1,045,042.88**	1,233,465.12
Less: exchange income	**5,399,404.99**	84,680.64
Handling charges and other expenses	**1,897,871.98**	3,939,710.69
Total	**73,534,231.49**	125,067,605.00

(2) *Operating costs*

Unit: Yuan Currency: RMB

Item	Amount for the period	Amount for previous period
I. Principal operating costs	**4,425,678,789.64**	2,765,592,058.22
II. Other operating costs	**8,312,243.53**	6,662,297.07
Total	**4,433,991,033.17**	2,772,254,355.29

(3) Business tax and surcharges

Unit: Yuan Currency: RMB

Item	**Amount for the period**	Amount for previous period
Property tax	**13,532,051.09**	12,286,111.85
Land-use tax	**12,203,287.52**	12,364,963.69
Urban maintenance and construction tax	**1,651,900.73**	6,393,099.32
Education surcharges	**1,567,804.94**	5,088,034.46
Stamp duty	**6,275,512.49**	2,946,212.81
Environmental tax	**1,705,473.21**	734,140.28
Others	**1,299,832.73**	2,970,757.56
Total	**38,235,862.71**	42,783,319.97

(4) Selling expenses

Unit: Yuan Currency: RMB

Item	**Amount for the period**	Amount for previous period
Employee compensation	**13,133,251.68**	12,608,045.88
Sample and product depletion	**307,084.51**	3,286,187.18
Rental expenses	**1,052,766.46**	
Property insurance expenses	**720,917.38**	
Office expenses	**716,185.62**	828,891.11
Business travel expenses	**463,747.47**	453,947.28
Depreciation charges	**171,364.87**	763,914.43
Other selling expenses	**864,758.25**	1,363,845.20
Total	**17,430,076.24**	19,304,831.08

(5) Administrative expenses

Unit: Yuan Currency: RMB

Item	Amount for the period	Amount for previous period
Employee compensation	**66,957,172.00**	84,731,180.12
Depreciation of fixed assets	**13,852,461.50**	15,409,356.52
Amortization of intangible assets	**13,399,454.12**	13,903,467.91
Intermediary engagement fees	**8,805,263.23**	10,335,506.41
Office expenses	**5,741,240.94**	6,229,962.41
Business entertainment expenses	**1,462,374.27**	1,433,087.69
Property management fee	**2,845,784.39**	3,117,623.40
Business travel expenses	**1,238,865.95**	1,560,868.50
Utilities	**1,000,652.12**	1,292,988.91
Transportation expenses	**993,233.19**	2,056,093.07
Technical service fee	**895,413.12**	6,203,757.99
Consultancy fee	**380,717.50**	3,010,869.57
Amortisation of right-of-use assets		2,580,608.28
Others	**8,689,148.21**	23,034,580.71
Total	**126,261,780.54**	174,899,951.49

(6) Impairment loss on assets

Unit: Yuan Currency: RMB

Item	Amount for the period	Amount for previous period
Impairment loss on inventories	**-6,550,215.02**	-10,919,597.80
Impairment loss on fix assets	**-3,200,647.49**	
Impairment loss on construction in progress	**-7,022,054.18**	
Total	**-16,772,916.69**	-10,919,597.80

(7) Impairment loss on credit

Unit: Yuan Currency: RMB

Item	**Amount for the period**	Amount for previous period
Bad debt losses on notes receivable	**-4,486,293.49**	-2,093,022.80
Bad debt losses on accounts receivable	**2,340,609.93**	-3,624,120.49
Bad debt losses on other receivables	**-486,702.49**	2,315,067.36
Total	**-2,632,386.05**	-3,402,075.93

(8) Non-operating expenses

Unit: Yuan Currency: RMB

Item	**Amount for the period**	Amount for previous period	Amount recognized as non-recurring gain or loss for the period
Penalties and overdue fine	**99,566.67**	1,150,378.97	99,566.67
Losses on retirement and damage of assets	**24,229.59**	352,014.38	24,229.59
Total	**123,796.26**	1,502,393.35	123,796.26

11. Income Tax Expenses

Unit: Yuan Currency: RMB

Item	**Amount for the period**	Amount for previous period
Income tax expenses for the period calculated in accordance with tax laws and relevant regulations	**14,677,115.43**	25,827,877.52
Deferred income tax expenses	**-3,580,159.05**	-6,052,532.99
Total	**11,096,956.38**	19,775,344.53

12. Basic Earnings Per Share

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

Unit: Yuan Currency: RMB

Item	Amount for the period	Amount for previous period
Net profits attributable to the holders of ordinary shares of the Company	**409,038,651.70**	255,755,695.03
Weighted average number of ordinary shares in issue of the Company	**645,674,963**	580,918,609
Basic earnings per share (RMB/share)	**0.63**	0.44

No diluted earnings per share was calculated as the Company did not have any potential dilutive shares during the year ended 31 December 2022.

13. Accounts Receivable and Notes Receivable

(1) Accounts receivable:

Unit: Yuan Currency: RMB

Item	Book balance	Opening balance
Accounts receivable	**1,081,703,210.12**	552,650,324.05
Less: provision for bad debts	**100,591,924.10**	114,145,602.57
Accounts receivable, net	**981,111,286.02**	438,504,721.48

The aging of accounts receivable based on their recording dates is analysed as below:

Unit: Yuan Currency: RMB

Aging	**Closing balance**	Balance as at the end of last year
Within 1 year	**981,932,220.54**	425,260,917.50
1–2 years	**12,643,082.28**	33,223,135.32
2–3 years	**3,491,423.40**	11,291,882.09
3–4 years	**10,353,157.23**	14,885,060.83
4–5 years	**14,846,358.31**	10,947,806.15
Over 5 years	**58,436,968.36**	57,041,522.16
Subtotal	**1,081,703,210.12**	552,650,324.05
Less: Provision for bad debts	**100,591,924.10**	114,145,602.57
Total	**981,111,286.02**	438,504,721.48

(2) Notes receivable by category

Unit: Yuan Currency: RMB

Category of notes	**Closing balance**			**Balance as at the end of last year**		
	Book balance	**Provision for bad debts**	**Book value**	**Book balance**	**Provision for bad debts**	**Book value**
Trade acceptance	616,648,224.23	9,003,064.08	607,645,160.15	209,183,174.11	4,183,663.49	204,999,510.62
Total	616,648,224.23	9,003,064.08	607,645,160.15	209,183,174.11	4,183,663.49	204,999,510.62

(3) Accounts receivable financing

Unit: Yuan Currency: RMB

Item	**Closing balance**	Balance as at the end of last year
Notes receivable	**754,316,996.75**	369,857,635.69
Less: Other comprehensive income – changes in fair value		
Fair value as at the end of the period	**754,316,996.75**	369,857,635.69

14. *Accounts Payable and Notes Payable*

(1) *The aging of accounts payable based on their recording dates is analysed as below*

Unit: Yuan Currency: RMB

Item	**Closing Balance**	Balance as at the end of last year
Within 1 year	**1,652,565,082.55**	604,825,767.23
Over 1 year	**75,589,736.91**	40,690,320.35
Total	**1,728,154,819.46**	645,516,087.58

(2) *Notes payable by category*

Unit: Yuan Currency: RMB

Category	**Closing Balance**	Balance as at the end of last year
Bank acceptance	**405,761,091.26**	650,930,930.94
Commercial acceptance	**23,481,377.00**	
Total	**429,242,468.26**	650,930,930.94

15. *Reserves*

(1) *Capital reserve*

Unit: Yuan Currency: RMB

Item	Opening balance	**Increase in the period**	**Decrease in the period**	**Closing balance**
Share capital premium	3,538,238,816.69			**3,538,238,816.69**
Other capital reserves	253,997,175.89		11,417,030.17	**242,580,145.72**
Total	3,792,235,992.58		11,417,030.17	**3,780,818,962.41**

(2) Surplus reserve

Unit: Yuan Currency: RMB

Item	Opening balance	Increase in the period	Decrease in the period	Closing balance
Statutory surplus reserve	51,365,509.04			**51,365,509.04**

(3) Undistributed profit

Unit: Yuan Currency: RMB

Item	Amount for current period	Amount for previous period
Undistributed profit at the end of the previous period before adjustment	**-654,467,178.80**	-955,722,560.53
Adjustment for total undistributed profit at the beginning of the period (increase expressed with +, and decrease expressed with -)		45,499,686.70
Undistributed profit at the beginning of the period after adjustment	**-654,467,178.80**	-910,222,873.83
Add: Net profit attributable to shareholders of the Company for the period	**409,038,651.70**	255,755,695.03
Undistributed profit at the end of the period	**-245,428,527.10**	-654,467,178.80

16. Subsequent Matters

Not Applicable

III. DISCUSSION AND ANALYSIS OF THE OPERATIONS DURING THE REPORTING PERIOD

Business review

In 2022, against the backdrop where there are shocks of various factors like rising upstream raw material and energy prices and intensifying competition in the industry, the Company continued to strengthen strategic leadership, steadily promoted merger and acquisition integration, business optimization and project construction, and strived to do a good job in improving its weak links, setting protective prices and reducing costs in a solid manner, consolidating and maintaining the development trend of making progress in improving quality while maintaining stability.

Focusing on the development of the core business by pooling advantage resources.

During the reporting period, the Company completed a series of in-depth integration and M&A projects successively, mainly including disposing all the business of the information display glass segment; managing the relevant equity interest in the thin-film solar cell business of Triumph Technology Group Company* on trusteeship; the transfer of 100% equity interest in Puyang China National Building Materials Photovoltaic Materials Company Limited*, a wholly-owned subsidiary of the Company, and the acquisition of the remaining 40% equity interest in Qinhuangdao North Glass Co., Ltd.*, a holding subsidiary of the Company; the acquisition of 100% equity interest in TG Fujian Photovoltaic Glass Co., Ltd. and the change of its name to Kaisheng (Zhangzhou) New Energy Co., Ltd. and so on, basically realizing the structural adjustment of full transformation of main business of the Company into the field of new energy materials. In order to fully reflect the characteristics of the main business and the future development goals of the Company, the Company was officially renamed as Triumph New Energy Company Limited on 16 February 2023.

Building up development impetus and promoting the construction of major projects.

During the reporting period, two proceeds investment projects were put into operation in succession. Among them, for the Phase I of the Project of Photovoltaic Cell Encapsulating Material for Solar Equipment of Tongcheng New Energy, the 1,200 tonnes/day ultra-white rolled glass furnace with the patented technology of "one furnace, eight lines and two wings for diversion" was adopted for the first time; the patented technology of stepped-side furnace wall was adopted for the first time on the glass furnace; the multi-step furnace pool bottom energy-saving technology was adopted for the first time in the super-large glass furnace; for the new energy project in Hefei, the self-developed core technology and complete equipment was adopted, equipped with the first intelligent three-dimensional warehouse in the industry, which could realize fully automatic lines-connected production and big data platform interconnection, and was also the first to apply glass furnace's carbon dioxide capture and purification technology to the production line, helping to build a model of carbon reduction, carbon sequestration and carbon management in the industry. The Projects under construction were progressing in an orderly manner. For the Phase I of the Luoyang New Energy project, the construction of the two 1,200 tonnes/day production lines for producing substrates of photovoltaic cell encapsulating materials for solar equipment and supporting deep processing production lines had officially commenced; the Yixing New Energy project was progressing smoothly, and expected to put into operation in the first half of 2023. By the end of 2022, the Company's production capacity of raw photovoltaic glass was 4,650 tonnes/day, representing a year-on-year increase of 116.28%. The cumulative sales of photovoltaic glass for the whole year exceeded 200 million square meters, representing a year-on-year increase of more than 80%.

Deepening the quality and efficiency improvement, and stimulating the vitality of management innovation.

Firstly, we fully integrated marketing resources, promoted resource sharing among production bases, implemented unified sales of product orders, strengthened market research and judgment, developed our competitive advantages and increased our market share. During the reporting period, the Company entered into long-term cooperation framework agreements with major component customers and established stable product supply relationships between us and the customers, laying the foundation for the release of the Company's production capacity and cost reduction. Secondly, we steadily increased the investment in our science and technology research and development, the total investment in research and development in 2022 was nearly RMB200 million, the intensity of investment in research and development reached 3.97%; in the year, the Company completed a total of 75 patent applications, including 31 invention patents and 44 utility models, and was authorized 18 invention patents and 31 utility models. Thirdly, the Company continued to implement the benchmarking criteria for first-class enterprises to improve its management, carried out actions on treasuring every achievement which shall belong to the Company and carried out "increase, save and reduce" innovation project application activities, promote management refinement, took serious measures to reduce the cost and increase the efficiency, achieving better cost reduction results.

Situation of the industry in the reporting period

In 2022, the scale of the photovoltaic industry continued to grow, and China's renewable energy continued to maintain its global leadership. Firstly, the China's domestic application market maintained strong demand. The National Energy Administration of the PRC released data showing that by the end of December 2022, China had newly created installed capacity amounting to 87.41GW for photovoltaic power, representing a year-on-year increase of 60.3% and the highest annual installed capacity ever in history. Secondly, the growth of exports overseas was strong. In 2022, China's total exports of photovoltaic products (silicon wafers, battery, modules) amounted to approximately US$51.25 billion, representing an increase of 80.3% year-on-year, and the exports of photovoltaic modules exceeded 153GW, representing a year-on-year increase of 55.8% , effectively supporting the growth of domestic and foreign photovoltaic markets and global new energy demand. In terms of regional distribution of exports, Europe remained the most important export market in 2022, accounting for approximately 46% of total exports, with a continuous increase in its share.

Benefiting from the high growth rate of the installed capacity for photovoltaic power, the Company's production capacity and production volume of photovoltaic rolled glass increased significantly. The Ministry of Industry and Information Technology of the PRC released data showing that, in 2022, there were a total of 40 photovoltaic rolled glass producing enterprises existing in the country, with a production capacity of 84,000 tonnes/day. The cumulative output of photovoltaic rolled glass for the year was 16.062 million tonnes, representing a year-on-year increase of 53.6%.

Due to the increase in and release of the production capacity of photovoltaic glass, the market supply was gradually increasing, coupled with higher upstream raw material prices. During the reporting period, the overall profit of the photovoltaic rolled glass industry was at a low level.

Analysis of the principal operations during the reporting period

During the reporting period, the Company's operating revenue amounted to RMB5,030,111,246.27, representing a year-on-year increase of 38.73%; operating profit amounted to RMB467,071,432.84, representing a year-on-year increase of 34.25%; net profit attributable to the shareholders of the Company amounted to RMB409,038,651.70, representing a year-on-year increase of 59.93%; and basic earnings per share attributable to shareholders of the Company amounted to RMB0.63. During the reporting period, the gearing ratio was 56.33%, representing an increase of 3.22 percentage points from the end of 2021.

(I) Principal operating activities

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

Unit: Yuan Currency: RMB

Item	Amount for current period	Amount for the same period last year	Change (%)
Operating revenue	**5,030,111,246.27**	3,625,851,456.04	38.73
Operating costs	**4,433,991,033.17**	2,772,254,355.29	59.94
Taxes and surcharges	**38,235,862.71**	42,783,319.97	-10.63
Selling expenses	**17,430,076.24**	19,304,831.08	-9.71
Administrative expenses	**126,261,780.54**	174,899,951.49	-27.81
R&D expenses	**173,792,882.39**	154,331,928.64	12.61
Finance expenses	**73,534,231.49**	125,067,605.00	-41.20
Other income	**157,399,524.47**	36,921,816.28	326.30
Investment income	**160,659,078.93**	-11,556,042.87	N/A
Impairment losses on credit	**-2,632,386.05**	-3,402,075.93	-22.62
Impairment losses on assets	**-16,772,916.69**	-10,919,597.80	53.60
Gains on disposal of assets	**1,552,752.45**	-347,984.19	N/A
Income tax expenses	**11,096,956.38**	19,775,344.53	-43.88
Net cash flow from operating activities	**-398,045,232.39**	136,314,148.15	-392.01
Net cash flow from investing activities	**-661,818,579.92**	-1,710,583,296.00	-61.31
Net cash flow from financing activities	**582,527,880.92**	2,384,619,268.87	-75.57

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

Reasons for change in operating costs: The increase in the sales volume of photovoltaic glass on the one hand and the increase in the prices of raw material and fuel on the other hand drove up the costs during the reporting period;

Reasons for change in selling expenses: The change in the scope of consolidation for the equity interests in the Company during the reporting period;

Reasons for change in administrative expenses: The change in the scope of consolidation for the equity interests in the Company during the reporting period;

Reasons for change in finance expenses: The decrease in loan interest rate during the reporting period;

Reasons for change in R&D expenses: The continuous increase in R&D investment during the reporting period;

Reasons for change in other income: The increase in government subsidies received during the reporting period;

Reasons for change in investment income: The disposal of equity interests in subsidiaries during the reporting period;

Reasons for change in credit impairment losses: The accelerated turnover of current assets during the reporting period, and decrease in expected credit losses;

Reasons for change in asset impairment losses: The increase in provision for asset impairment of certain long-term assets during the reporting period;

Reason for change in asset disposal income: The increase in income from the disposal of certain waste assets during the reporting period;

Reason for change in income tax expenses: The decrease in taxable income during the reporting period;

Reasons for change in net cash flow from operating activities: The increase in cash outflows due to increase in purchase of commodities and the rise in the raw material and fuel prices on the one hand, and the collection of notes receivable from customers and discounting those did not meet the conditions for derecognition on the other hand during the reporting period;

Reasons for change in net cash flow from investing activities: The receipt of payments for the disposal of the equity interests in subsidiaries on the one hand and the decrease in cash outflows for the purchase of long-term assets such as fixed assets on the other hand during the reporting period;

Reasons for change in net cash flow from financing activities: The year-on-year decrease in the overall increment of financing during the reporting period.

2. Analysis of revenue and costs

During the reporting period, the Company recorded revenue of RMB5,030,111,246.27, representing an increase of 38.73% as compared with that of the same period of last year. The operating costs amounted to RMB4,433,991,033.17, representing an increase of 59.94% as compared with that of the same period of last year. The significant increase in the operating costs was mainly due to the increase in sales volume of photovoltaic glass on the one hand, and the increase in raw material and fuel prices on the other one hand, driving up the costs.

(1) Principal operations by industry, by product and by region

Unit: Yuan Currency: RMB

Principal operations by industry

By industry	Operating revenue	Operating costs	Gross profit margin (%)	Increase/decrease of operating revenue as compared with last year (%)	Increase/decrease of operating costs as compared with last year (%)	Increase/decrease of gross profit margin as compared with last year (%)
New materials	5,006,346,937.18	4,425,678,789.64	11.60	38.41	60.03	Decreased by 11.94 percentage points

Principal operations by product

By product	Operating revenue	Operating costs	Gross profit margin (%)	Increase/decrease of operating revenue as compared with last year (%)	Increase/decrease of operating costs as compared with last year (%)	Increase/decrease of gross profit margin as compared with last year (%)
Information display glass	22,320,590.62	12,204,919.51	45.32	N/A	N/A	N/A
New energy glass	4,671,301,573.00	4,132,591,067.74	11.53	69.13	86.12	Decreased by 8.08 percentage points
Other functional glass	312,724,773.56	280,882,802.39	10.18	-32.69	-4.40	Decreased by 26.58 percentage points

Principal operations by region

By region	Operating revenue	Operating costs	Gross profit margin (%)	Increase/decrease of operating revenue as compared with last year (%)	Increase/decrease of operating costs as compared with last year (%)	Increase/decrease of gross profit margin as compared with last year (%)
PRC (excluding Hong Kong, Macau and Taiwan)	4,689,204,823.24	4,151,140,648.64	11.47	37.54	57.85	Decreased by 11.40 percentage points
Other countries and regions	317,142,113.94	274,538,141.00	13.43	52.77	102.07	Decreased by 21.12 percentage points

(2) Analytical statement of production and sales volume

Unit: Yuan Currency: RMB

Major product	Unit	Production volume	Outsourcing production volume	Sales volume	Storage volume	Increase/ decrease of production volume as compared with last year *(%)*	Increase/ decrease of Sales volume as compared with last year *(%)*	Increase/ decrease of Storage volume as compared with last year *(%)*
Information display glass	'0,000 square meters	226.05	0	141.59	N/A	N/A	N/A	N/A
New energy glass	'0,000 square meters	20,474.41	2,295.08	22,913.82	1,334.40	50.81	81.92	-14.98
Other functional Glass	'0,000 square meters	1,346.38	0	1,215.86	248.61	-3.11	-14.97	156.86

(3) Analytical statement of costs

Unit: Yuan Currency: RMB

By industry							
By industry	**Component of cost**	**Amount for current period**	**Percentage over total cost for the current period** *(%)*	**Amount for the same period last year**	**Percentage over total cost for the same period last year** *(%)*	**Percentage of changes in amount for the current period over the same period last year** *(%)*	**Explanation**
New materials	Raw materials/energy power/direct labour/ manufacturing expenses	4,425,678,789.64	100.00	2,765,592,058.22	100.00	60.03	Nil

By product

By product	Component of Cost	Amount for current period	Percentage over total cost for the current period (%)	Amount for the same period last year	Percentage over total cost for the same period last year (%)	Percentage of changes in amount for the current period over the same period last year (%)	Explanation
Information display glass	Raw materials/energy power/direct labour/ manufacturing expenses	12,204,919.51	0.28	251,437,621.28	9.10	N/A	Nil
New energy glass	Raw materials/energy power/direct labour/ manufacturing expenses	4,132,591,067.74	93.37	2,220,342,252.76	80.28	86.12	Nil
Other functional Glass	Raw materials/energy power/direct labour/ manufacturing expenses	280,882,802.39	6.35	293,812,184.18	10.62	-4.40	Nil

In January 2022, the Company completed the disposal of the equity interest in the information display glass segment of the Company and the data for the information display glass segment within the scope of the Company's consolidation for the reporting period was not comparable to the same period last year.

(4) Major sales to customers and major suppliers

During the reporting period, the amount of sales to the top five customers amounted to RMB2,883,628,900, representing 57.33% of the total amount of annual sales of the Group, in particular, the largest customer accounted for approximately 20.48% of the Group's total annual sales; among the top five customers, based on the principle that the de facto controller of the Company, CNBMG, and its subsidiaries were considered as the same customer, CNBMG was the fifth largest customer of the Group, accounting for approximately 3.69% of the Group's total annual sales.

During the reporting period, the Group's purchases from the top five suppliers amounted to RMB1,629,781,400, representing 40.24% of the total annual purchases. The largest supplier among them accounted for approximately 19.46% of the Group's total annual purchase amount. Among the top five suppliers, the purchase amount was calculated on a consolidated basis based on the principle that the Company's de facto controller, CNBMG, and its subsidiaries were considered as the same supplier, and CNBMG was the largest supplier of the Group.

Save for the disclosed above, during the financial year ended 31 December 2022, none of the Directors of the Company or any of their associates or any shareholders who, to the best of the Directors' knowledge, owned more than 5% of the issued share capital of the Company had any beneficial interest in the Group's top five largest customers and suppliers.

3. *Expenses*

Unit: Yuan Currency: RMB

Item	**2022**	2021	**Changes** *(%)*	**Reasons of changes**
Selling expenses	**17,430,076.24**	19,304,831.08	-9.71	Change in the scope of consolidation for the equity interests in the Company during the reporting period
Administrative expenses	**126,261,780.54**	174,899,951.49	-27.81	Change in the scope of consolidation for the equity interests during the reporting period
R&D expenses	**173,792,882.39**	154,331,928.64	12.61	Continuous increase in R&D investment during the reporting period
Finance expenses	**73,534,231.49**	125,067,605.00	-41.20	Decrease in loan interest rate during the reporting period
Income tax expenses	**11,096,956.38**	19,775,344.53	-43.88	Year-on-year decrease in taxable income during the reporting period

4. *R&D expenditures*

Unit: Yuan Currency: RMB

Expensed R&D investment in current period	161,401,420.64
Capitalized R&D investment in current period	38,463,619.11
Total of R&D investment	199,865,039.75
Percentage of total R&D investment to operating revenue *(%)*	3.97
Number of the Company's R&D staff	376
Percentage of R&D staff number to the Company's total number of employees *(%)*	11.00
Proportion of capitalization of R&D investment *(%)*	19.24

5. *Cash flow*

(1) The net cash flow from operating activities amounted to RMB-398,045,232.39, representing a decrease of RMB534,359,380.54 as compared with RMB136,314,148.15 for the same period last year, mainly due to the increase in cash outflows due to increase in purchase of commodities and the rise in the raw material and fuel prices on the one hand and the collection of notes receivable from customers and discounting those did not meet the conditions for derecognition on the other hand during the reporting period.

(2) The net cash outflow from investing activities amounted to RMB661,818,579.92, representing a decrease of RMB1,048,764,716.08 as compared with the net outflow of RMB1,710,583,296.00 for the same period last year, mainly due to the receipt of payments for the disposal of the equity interests in subsidiaries on the one hand and the decrease in cash outflows for the purchase of long-term assets such as fixed assets on the other hand during the reporting period.

(3) The net cash inflow from financing activities amounted to RMB582,527,880.92, representing a decrease of RMB1,802,091,387.95 in the net inflow as compared with the net inflow of RMB2,384,619,268.87 for the same period last year, which was mainly due to the year-on-year decrease in the overall increment of financing during the reporting period.

(II) Assets and liabilities

Unit: Yuan Currency: RMB

Item	Closing balance of current period	Percentage of closing balance of current period over the total assets (%)	Closing balance of last period	Percentage of closing balance of last period over the total assets (%)	Percentage of changes in closing balance of current period over the closing balance of previous period (%)
Monetary funds	**689,022,322.44**	6.52	1,116,571,580.99	12.07	-38.29
Notes receivable	**607,645,160.15**	5.75	204,999,510.62	2.22	196.41
Accounts receivable	**981,111,286.02**	9.29	438,504,721.48	4.74	123.74
Accounts receivable financing	**754,316,996.75**	7.14	369,857,635.69	4.00	103.95
Prepayments	**176,309,507.09**	1.67	127,452,119.00	1.38	38.33
Other receivables	**106,661,629.98**	1.01	35,054,042.55	0.38	204.28
Other current assets	**59,289,265.40**	0.56	190,034,599.15	2.05	-68.80
Right-of-use assets	**13,007,301.50**	0.12	9,679,048.81	0.10	34.39
Goodwill	**17,583,473.33**	0.17			100.00
Other non-current assets	**559,257,426.12**	5.29	185,935,267.61	2.01	200.78
Notes payable	**429,242,468.26**	4.06	650,930,930.94	7.03	-34.06
Accounts payable	**1,728,154,819.46**	16.36	645,516,087.58	6.98	167.72
Contract liabilities	**18,314,969.87**	0.17	46,718,841.37	0.50	-60.80
Taxes payable	**19,546,491.47**	0.18	12,827,698.25	0.14	52.38
Other payables	**232,485,514.56**	2.20	701,248,471.31	7.58	-66.85
Non-current liabilities due within one year	**57,813,133.81**	0.55	258,656,910.02	2.80	-77.65
Other current liabilities	**514,209,429.62**	4.87	20,064,405.18	0.22	2462.79
Long-term borrowings	**1,703,779,270.66**	16.13	1,032,800,000.00	11.16	64.97
Lease liabilities	**9,405,001.94**	0.09	6,771,924.40	0.07	38.88
Deferred income	**51,344,031.93**	0.49	132,719,249.92	1.43	-61.31
Deferred income tax liabilities	**40,568,717.91**	0.38	18,547,379.56	0.20	118.73

(III) Major controlled companies

Unit: 0'000 Currency: RMB

Company name	Industry	Major products or services	Registered capital	Total assets	Net assets	Net profit
CNBM (Hefei) New Energy Co., Ltd.*	New materials	New energy glass	86,800	253,228	108,220	3,930
CNBM (Tongcheng) New Energy Materials Co., Ltd.*	New materials	New energy glass	93,339	291,789	114,486	5,699
CNBM (Yixing) New Energy Resources Co., Ltd*	New materials	New energy glass	31,370	196,792	51,748	5,613
Kaisheng (Zigong) New Energy Co., Ltd. *	New materials	New energy glass	50,000	123,325	56,755	7,684

IV. CAPITAL LIQUIDITY AND FINANCIAL RESOURCES

Capital liquidity

As at 31 December 2022, the Group's liquidity ratio was 0.98 (31 December 2021: 0.85) and quick ratio was 0.76 (31 December 2021: 0.58). The turnover rate of accounts receivable for the year was 6.16 times (2021: 5.53 times); and the turnover rate of inventory was 6.12 times (2021: 5.24 times).

Financial resources

As at 31 December 2022, the Group's cash and cash equivalents amounted to RMB485,547,816.11, including 98.63% denominated in RMB and 1.37% denominated in US$ and other foreign currencies.

As at 31 December 2022, the Group's borrowings from financial institutions amounted to RMB2,856,129,722.06 (31 December 2021: RMB2,615,677,350.77), including short-term borrowings amounting to RMB1,097,924,601.61 (31 December 2021: RMB1,326,709,864.27) and long-term borrowings amounting to RMB1,758,205,120.45 (31 December 2021: RMB1,288,967,486.50).

V. CAPITAL STRUCTURE

As at 31 December 2022, the Group's current liabilities amounted to RMB4,147,163,623.26 (31 December 2021: RMB3,723,340,816.20), representing an increase of 11.38% from 2021; non-current liabilities amounted to RMB1,805,097,022.44 (31 December 2021: RMB1,190,838,553.88), representing an increase of 51.58% from 2021; and equity attributable to shareholders of the Company amounted to RMB4,232,430,907.35 (31 December 2021: RMB3,834,809,285.82), representing an increase of 10.37% from 2021.

VI. MAJOR RESTRICTED ASSETS AS AT THE END OF THE REPORTING PERIOD

Unit: Yuan Currency: RMB

Item	Book value at the end of the period	Reasons for restriction
Monetary funds	**203,474,506.33**	Security deposit for the bank acceptance, security deposit for letter of credit, maintenance fund, ETC deposit
Notes receivable	**35,898,640.61**	Pledge
Fixed assets	**582,365,032.47**	Mortgage
Intangible assets	**33,241,954.42**	Mortgage
Total	**854,980,133.83**	

VII. CONTINGENT LIABILITIES

As at 31 December 2022, the Group did not have any material contingent liabilities.

VIII. EMPLOYEES AND REMUNERATION POLICY

As at 31 December 2022, the total number of employees in the Group is 3,425, including 1,126 female employees, accounting for 33% of the total employees. An annual remuneration system is adopted for the management of the Company and its subsidiaries while a position plus skill-based salary system is adopted for the employees of the Company. In addition, according to relevant national, provincial and municipal policies, employees of the Company are also entitled to the "five insurance payments and housing provident fund", paid leave, paid training and other benefits.

IX. DIVIDENDS

The Board of the Company did not recommend any distribution of dividends for the year ended 31 December 2022.

X. DISCUSSION AND ANALYSIS OF THE FUTURE DEVELOPMENT OF THE COMPANY

Industry landscape and Trend

The vigorous development of renewable energy has become a major strategic direction and consistent ambitious action for global energy transition and response to climate change, and many countries around the world have put forward the climate goal of "zero carbon" or "carbon neutrality", and the development of renewable energy represented by photovoltaic energy has become a global consensus. In the future, driving by the continuous decline in the cost of photovoltaic power generation and the global green recovery and other favourable factors, the newly created installed capacity for global photovoltaic power will continue to grow rapidly. According to the data from International Energy Agency (IEA), the cumulative installed capacity for photovoltaic power will surpass that of all other forms of power generation by 2027.

China is the world's largest photovoltaic module producer, with the world's largest demand and supply markets, and Chinese photovoltaic companies have strong market competitiveness in terms of core technology, capacity expansion, cost advantages and other aspects, with huge potential for future growth. The year of 2022 saw a new record high of China's newly created installed capacity of photovoltaic power, ranking first in the world for the 10th consecutive year; the cumulative installed capacity reached 392.61GW, representing a year-on-year increase of 28.1%, and photovoltaic power has overtaken wind power to become the third largest form of power generation in China. In 2022, the global newly created installed capacity for photovoltaic power reached 230GW, representing a year-on-year increase of 35.3%, with China's newly created installed capacity accounting for 38.0% of the global newly created installed capacity for photovoltaic power. According to the forecast by China Photovoltaic Industry Association, in 2023, the global newly created installed capacity for photovoltaic power will be 280GW ~ 330GW, and the domestic newly created installed capacity for photovoltaic power will be 95GW ~ 120GW.

2023 Operating Plan

2023 will be a year during which the Group will experience huge testing in the implementation of its strategies. The Company will anchor on its development target, focus on its main business, do its best in model innovation, management innovation and mechanism innovation, and strive to achieve effective improvement in quality and reasonable growth in quantity; the Company will continue to implement the various operating measures on "Adhere to benchmarking and promoting management; Adhere to innovation and promoting quality; Adhere to operation and promoting efficiency; Adhere to focusing on capital and facilitating the maintenance of market value; Adhere to focusing projects and promoting development; Adhere to reform and promoting incentives", striving to achieve growth in both scale and efficiency in the year.

XI. CORPORATE GOVERNANCE CODE

During the reporting period, the Company had complied strictly with the requirements of the Code on Corporate Governance Practices and the Corporate Governance Report as set out in Appendix 14 to the Listing Rules of the Stock Exchange. The Company regularly reviews its corporate governance practices to ensure its compliance with the Corporate Governance Code.

The Board is of the view that the Company has adopted and always complied with all the applicable code provisions as set out in the Corporate Governance Code during the year ended 31 December 2022.

XII. SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers in Appendix 10 to the Listing Rules of the Stock Exchange as its own code of conduct regarding securities transactions by the Directors. During the reporting period, all the Directors of the Company had strictly complied with the code of conduct in relation to the securities transactions by the Directors under the Model Code for Securities Transactions by Directors of Listed Issuers in Appendix 10 to the Listing Rules of the Stock Exchange.

XIII. AUDIT COMMITTEE

The audit committee of the Board of the Company has reviewed the audited annual results for the year ended 31 December 2022 and the 2022 annual report.

XIV. PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the reporting period, the Company did not purchase, sell or redeem any listed securities of the Company.

XV. CONTINUING CONNECTED TRANSACTIONS IN 2022

For the year 2022, the total amount of continuing connected transactions incurred by the Group was RMB4,789,087,000, and the total annual caps for the year as reviewed and approved was RMB7,378,000,000, and the continuing connected transactions did not exceed their respective annual cap disclosed in the relevant announcement.

All continuing connected transactions of the Group are inseparable from the Group's daily operations, and are subject to the general commercial terms and conditions or the transaction clauses are not inferior to the terms and conditions available to or provided by the independent third parties. The transaction price is fair and reasonable, and in the interests of the shareholders of the Company as a whole.

The Company's continuing connected transaction projects in 2022 have passed the corresponding review and approval procedures according to the relevant listing regulations of Stock Exchange of Hong Kong Limited and SSE, and the actual total transaction volumes have not exceeded the approved upper limit. The Company's independent auditor has reviewed the relevant continuing connected transactions and has issued the audit report of the projects. The Company's independent directors have also reviewed and confirmed the continuing connected transactions in 2022.

XVI. AUDITED ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

The data contained in the annual results announcement of the Company for the year ended 31 December 2022 has been agreed by Grant Thornton LLP, the auditor of Company, and is consistent with the data of the Company's 2022 annual report. The 2022 annual report will be dispatched to the shareholders and published on Stock Exchange by the Company in due course.

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

29 March 2023

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