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CORPORATE INFORMATION

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Mr. ZHANG Aogen
Mr. SHI Borong
Mr. ZHANG Kaihong
Mr. ZHOU Jian hong

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. HUANG Dongliang
Mr. XIA Yong ao
(resigned with e ect from 15 March 2022)
Mr. ZHANG Yong
Mr. XIAO Gang (appointed with e ect from 15 March 2022)

AUDIT COMMITTEE MEMBERS

Mr. HUANG Dongliang *(Chairman)*
Mr. XIA Yong ao
(resigned with e ect from 15 March 2022)
Mr. ZHANG Yong
Mr. XIAO Gang (appointed with e ect from 15 March 2022)

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(resigned with e ect from 15 March 2022)
Mr. XIAO Gang *(Chairman)* (appointed with e ect from 15 March 2022)
Mr. HUANG Dongliang
Mr. ZHANG Aogen

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Mr. HUANG Dongliang
Mr. XIA Yong ao
(resigned with e ect from 15 March 2022)
Mr. XIAO Gang (appointed with e ect from 15 March 2022)

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The Stock E change of Hong Kong Limited
Stock Code: 00819

MANAGEMENT DISCUSSION AND ANALYSIS

COMPANY PROFILE

Tianneng Power International Limited (**T a** or the **C a**), together with its subsidiaries (the **G**), is a leading compan in the sector of batteries for new-energ vehicles in the People's Republic of China (**C a** or the **PRC**), founded in 1986. In 2007, Tianneng was listed on the Main Board of The Stock E change of Hong Kong Limited (the **S c E c a**) (Stock Code: 00819.HK). After more than 30 ears of development, the Group has become a new energ group focusing on the manufacturing and services of motive batteries for light electric vehicles and integrating the research and development (R&D), production and sale of various t pes of batteries (including motive batteries for electric vehicles, start-stop batteries for automobiles and energ storage batteries), the rec cling of waste batteries and renewable resources, green and intelligent manufacturing industrial parks, and smart logistics platforms.

In the first half of 2022, the global pandemic was in a state of flu . The Central Economic Work Conference stated that economic development is facing pressure of decrease in demand, suppl shock and weakening e pectations . Tianneng, through the implementation of the Industr Technolog Capital development strateg with determination, quickl and scientificall adjusted the operation strategies of various business segments, stepping on an upward trend during the o -season of the industr .

Leveraging on the core competitiveness built with rich industr e perience of more than 30 ears, comprehensive product research and development, production and sales s stems, as well as profound brand power, Tianneng was able to withstand the impact of the e ternal environment in the rst half of 2022. It will continue to consolidate its foundation for development. Tianneng was listed on a number of honours, among which it was ranked the 160th on Fortune China 500, the 208th on Top 500 National Science and Technolog Innovation Enterprise, the 10th on Top 500 Zhejiang Business Enterprises in China, and the 46th on Top 100 Creative Enterprises in Zhejiang Province, demonstrating high qualit development of Tianneng.

Start-stop battery

Start-stop batteries are designed for instant starting, ignition, and lighting power needs of vehicles, ships, diesel locomotives, etc., which are applicable to starting fuel vehicles, heav trucks, agricultural vehicles and engine sets under harsh environment; starting outdoor motive equipment such as motorc cles, all-terrain vehicles, and snowmobiles; starting and deep c cle charging and discharging of vessels; and diesel locomotives, electric locomotives, railwa passenger carrier lighting, emergenc power suppl and au iliar electrical equipment, etc.

Start-stop batteries are used in the vehicle start-stop s stem to save energ and reduce consumption. Tianneng's EFB start-stop batter products are suitable for applications under partial state of charging, supporting more frequent engine starts and prolonging idle time. AGM batteries are applied to vehicles equipped with start-stop s stem, which can save nearl 5% of fuels compared with traditional vehicles with internal combustion engines.

Lead-carbon energy storage system and backup battery

Energ storage batteries can provide effective power suppl for global communications, data centres, emergenc power supplies, railwa s, vessels, radio and television, UPS, digital and consumer products. Lead-carbon batteries are non-flammable with relativel low cost, being advantageous of high safet and high efficienc in the application of large-scale energ storage. Tianneng TNC lead-carbon energ storage products can be used in solar power generation equipment, wind power generation equipment and other power equipment.

(2) New energy battery

New energ batteries mainl comprise lithium-ion batteries, and also include the production and R&D of ne t-generation batter products such as h drogen fuel cells. The application elds of lithium-ion batteries are principall divided into motive eld and non-motive eld. The lithium-ion batteries for the motive categor include light electric vehicles, electric passenger vehicles and electric commercial vehicles, while the lithium-ion batteries for the non-motive categor include energ storage eld and consumer electronic products.

Lithium-ion motive battery

The Group's lithium-ion motive batteries are mainl applied on electric bic cles, electric cars, electric passenger buses, micro electric vehicles, logistics vehicles, sanitation vehicles, special industrial vehicles, etc. The Compan 's products cover c lindrical batteries, pouch shell batteries, prismatic batteries and lithium-ion batter s stems. Lithium-ion batteries, with a number of national patented technologies, are safe, environmentall friendl , lightweight, and long-life.

Among which, serving the world's top 50 construction machiner companies, the Group's industrial lithium-ion motive batteries can provide customised, safe, reliable and durable product solutions for forklifts, aerial work platforms, AGVs, etc. based on customer usage scenarios and actual needs, so as to facilitate the electri cation process in the eld of construction machiner .

The Group has also formed a rich product line comprising light motive lithium-ion batteries, high-charge-rate electric tool batteries, etc., which can be applied to electronic instruments and small household appliances, etc., to meet the needs of new markets and overseas markets.

Lithium-ion energy storage system and backup battery

Lithium-ion energ storage products can provide effective power for a variet of application scenarios as same as the Group's lead-carbon energ batteries do. Lithium-ion energ storage has the advantages of high energ densit , high conversion efficienc , and long c cle life, mainl used on the power generation, gird, and user perspectives.

Fuel cell battery

As a power generation device that converts chemical energ into electrical energ through chemical reactions, fuel cell batteries can provide electricit without interruption until the fuel is e hausted. Compared with primar batteries and fossil fuel power generation, fuel cells are a green eco-friendl batter .

The Group can provide customised h drogen fuel cell s stem solutions (including s stems and stacks) according to speci c application scenarios, which are suitable for various elds such as transportation, aerospace and energ storage, including drones, two-wheeled vehicles, standb powers, sightseeing vehicles, forklifts, mainstream large buses, heav trucks, logistics vehicles and various energ storage stations. In addition, in the eld of electrol sis of water for h drogen production, the Group can also customise the supporting electrol sed water MEA, electrol sis stack, electrol ser and h drogen generator.

(3) Renewable new materials

In terms of the renewable new materials segment, the Compan , based on the E tended Producer Responsibilit Scheme (生產者責任延伸制度), has developed the rec cling business of used lead-acid batter and lithium-ion batter apart from the main business, constructing a value chain of batteries. Meanwhile, the Compan is also activel e ploring other green rec cling businesses including solid waste and ha ardous waste disposal. It e tended the upstream and downstream industrial chains and increased its in uence in the subdivision elds.

Lead-acid battery recycling business

The Group's used lead-acid batter rec cling business commenced in 2009. Used batteries include motive batteries, start-stop batteries, energ storage batteries and standb batteries. The metal recover rate of used batteries can reach more than 99%. The plastic recover rate is 99% and the recover rate of residual acids is 100%. The products produced for rec cling are mainl lead ingots, sulfuric acid, plastic shells, etc.

Lithium-ion battery recycling business

Used lithium-ion batteries are valuable urban mines, while the green regeneration and material repair technolog of retired power batteries is an important basis for ensuring the efficient recover and rec cling of used motive batter materials. Under the shortage of raw materials for lithium-ion batteries, the used lithium-ion batter rec cling industr has received considerable attention. The Group commenced engaging in lithium-ion batter rec cling business in 2018. Currentl , lithium-ion motive batteries for new energ will also usher in the rst wave of peak season for scraps. Lithium-ion batter rec cling is mainl based on motive batteries, 3C consumer batteries, energ storage batteries, etc. The products produced are mainl cobalt sulfate, nickel sulfate, manganese sulfate, lithium carbonate, etc.

II. INDUSTRY DEVELOPMENT AND OPERATION

During the reporting period, the Group's manufacturing business achieved revenue of appro imatel RMB17,410 million, representing an increase of 8.10% as compared to the same period of last ear. Pro t attributable to owners of the Compan amounted to appro imatel RMB760 million, representing an increase of 14.96% as compared to the same period of last ear.

The industries where each of the Group's manufacturing business operates and operating conditions are as follows:

(1) High-end eco-friendly battery

During the reporting period, the operating income of high-end eco-friendl batteries amounted to appro imatel RMB14,213 million, representing an increase of 8.34% as compared with the same period of last ear. As a principal business of the Group, the high-end eco-friendl batter business maintains the momentum of high-qualit and sustainable development.

Lead-acid motive battery

In recent ears, the thriving new econom has driven the demand for two-wheeled and three-wheeled electric vehicles in the short-distance deliver and e press deliver . Meanwhile, the COVID-19 pandemic has propelled the transformation to the commuting alone mode for end consumers. According to the White Paper for the Development of the Chinese Twowheeled Electric Vehicles Industr (2022) (《中國電動二輪車行業發展白皮書(2022)》) published b EVTank, a research institute, China produced a total of 54.43 million two-wheeled electric vehicles in 2021, recording a ear-on- ear rise of appro imatel 12.6%. Given the aggregate ownership of appro imatel 350 million two-wheeled electric vehicles in 2022, appro imatel ever four Chinese people own one two-wheeled electric vehicle. Based on the personal dail commute b consumers, lead-acid batteries need replacement ever 0.5 to 3 ears, generating an even greater market for replacement batter .

Following ears of development and accumulation, the Compan has built an integrated marketing and after-sales network of more than 3,000 distributors and more than 400,000 terminal stores covering 32 provinces, autonomous regions and municipalities. Meanwhile, the Tab Cloud (泰博雲), a digital tool to help its distributors identif the latest market suppl and demand and grasp market incremental points in real time, which has sharpened their capabilities of business operation and re ned operation. The Compan 's market share has increased ear b ear in the past three ears that the market share of the lead-acid batteries for light electric vehicles currentl e ceeded 45%.

Tianneng endeavoured to e plore products in respect of technolog research and development. During the reporting period, Tianneng officiall released the 3rd generation of Long Mileage King, batter production and the 3rd generation of Longevit King,. The 3.0 version of the Two-King series, lead-acid batteries is equipped with the 2nd generation Power Durable core technolog s stem with a new graphene technolog process applied, which has made a leap forward in terms of motive, c cle life, continuation mileage, low temperature resistance and charging rate as compared with the 2nd generation batteries.

The Group also jointl released a super new product equipped with 3.0 batteries the liquid-cooled ultra-endurance electric vehicle with Lu uan Electric Vehicle (綠源電動車). In order to meet the replacement needs of users of two-wheeled electric vehicles under the national Statement of Safet Technical Speci cation for Electric Bic cle (GB17761-2018), promulgated in 2019 (the New National Standard), Tianneng's rechargeable batteries for Lu uan's new electric bic cles were also released. The launch of a series of new products covers electric bic cles, electric mopeds, electric motorc cles and other models, providing users with a variet of product choices for travel.

In addition, the Group released an overrun graphene batter using Balance Tech (衡科技), high-energ graphene composite modified materials and the world's leading intelligent forging technolog , aiming to solve the problems of non-durabilit and short life of batteries.

The number of three-wheeled electric vehicles in the market is increasing ear b ear, of which the market in townships and rural areas is growing rapidl . In order to facilitate the standardised and orderl development of the three-wheeled electric vehicle batter industr and full meet the needs of three-wheeled vehicle users, Tianneng launched the Tianju Batter (天聚電池) brand which officiall commenced its professional brand for three-wheeled vehicle batter during the reporting period when consolidating its leading position in the electric vehicle batter industr . Tianju Batter , equipped with a professional production line, is the rst-ever deepl di erentiated and e clusivel customised product in the industr .

In order to increase more loads and durabilit of agricultural three-wheeled vehicles, Tianneng officiall launched T3 graphene New Black Gold large batteries such as 6-EVF-62 in the press release for a high-capacit and large batter held in Jiashou Cit , Anhui Province, to rede ne the standard of high-capacit and large batteries in the lead-acid batter industr with its e cellent performance of ma imum loads doubling batter life . Such batter adopts a brand new intelligent manufacturing technolog to improve overall batter performance.

In terms of special electric vehicle batteries, the Group's major customers include Hangcha Group, Anhui Heli, XCMG, Baoli Forklift, Zhejiang Dingli Machiner , Lonking, Zoomilion, etc. During the reporting period, Tianneng and Heli Group completed the strategic cooperation contract, pursuant to which both parties will carr out cooperation in various aspects.

The Beijing Winter Ol mpics was held on 4 Februar 2022. As one of the suppliers of shuttle buses equipped with Tianneng's new energ batter , Shandong Huarui Chida (山東華瑞馳達) assisted in providing shuttle and commuting services for athletes and staff of the Beijing Winter Ol mpics.

Start-stop battery

Based on different sales objects, the market of start-stop batteries is divided into primar and secondar markets. Automobile start-stop batt88ug.9 (ts)1tteries have an average operating life of three to five ears, with appro imatel a fth of operating vehicles in need of batter replacement each ear. Research institutions predict that the market si e of the domestic start-stop batteries industr in the PRC is e pected to reach RMB33 billion in 2025.

The Group constantl optimises secondar channels and new retail channels. At the same time, the Group also made breakthroughs in the primar market. In the rst half of 47 T.2 (t the same time)1osofumbld .9 (-st)5.8atter

Lead-carbon energy storage system and backup battery

During the reporting period, the Group's energ storage recorded operating income of appro imatel RMB280 million, representing a ear-on- ear increase of appro imatel 32 times. Among which, lead-carbon energ storage recorded operating income of appro imatel RMB73.31 million, representing a ear-on- ear increase of 763%.

In June 2022, the 25 Ke Requirements for Preventing Electricit Production Accident (2022 Edition) (Draft for Comment) (《防止電力生產事故的二十五項重點要求(2022年版)(徵求意見稿)》) was issued b the General Department of the National Energ Administration, which proposed the medium and large electrochemical energ storage power stations shall not appl for NCM lithium-ion batteries and sodium-sulphur batteries. The release of these policies emphasi ed the safet of new energ storage. In the future, the batteries specialised for energ storage featured with high safet , low cost and eas rec cling will be widel used.

Based on its characteristic of high securit and cost-e ectiveness, lead-carbon energ storage has a broad market for applications in data centres and large-scale electrochemical energ storage power stations.

Tianneng is the enterprise that can provide both lead-carbon and lithium energ storage solutions. During the reporting period, Tianneng's lead-carbon energ storage has e panded its markets in various fields. Currentl , Tianneng's products and s stem solutions in the eld of new energ storage have covered the power generation side, grid side and user side, which are widel used in photovoltaic power stations, wind farms, urban power stations, large data centres, 5G base stations, industrial parks, and ordinar residences and other scenarios. Tianneng has rich product and technolog reserves for sub-fields such as base station energ storage, user energ storage, industrial and commercial energ storage as well as energ storage power stations.

(2) New energy battery

During the reporting period, the Group's new energ batter business recorded an operating revenue of appro imatel RMB763 million, representing a ear-on- ear increase of 80.04%.

In terms of production capacit development, in March 2022, the Compan invested in the construction of Annual Output of 10GWh Lithium-ion Batter Second Phase Project for the Base in South Taihu New District, Hu hou, Zhejiang Province, with a planned production capacit of appro imatel 7GWh. The rst phase of 3GWh has entered the mass production stage, which has facilitated the Compan 's production capacit la out for lithium-ion iron phosphate (LFP) batteries. At the same month, Tianneng Batter Group Co., Ltd. (**T a** **Ba**)

Lithium-ion motive battery

In the rst half of 2022, the Group's lithium-ion motive batteries for light electric vehicles recorded operating income of appro imatel RMB410 million, representing a ear-on- ear increase of 17.77%.

The New National Standard has been graduall implemented, in particular several provinces and pilot cities have adhered to the New National Standard to regulate and rectif the light electric vehicle industr . The New National Standard clarifies parameters such as vehicle qualit and ma imum speed of electric bic cles, which is conducive to the development of leading enterprises in the industr . Lithium-ion batteries, featured with light weight, more charge c cles and short charging time, can meet the needs of urban mobilit tools for commuting as well as the requirements of the New National Standard such as light qualit , strong batter life and high output power. Therefore, the market share of lithium-ion batteries in the new car market for electric bic cles in line with the New National Standard has increased.

During the reporting period, Tianneng has made breakthroughs in the development of the mini passenger car and commercial vehicle markets. In April 2022, the pure electric passenger car of Jiangsu Hua i Vehicle Industr (江蘇華梓車業), equipped with Tianneng's LFP batteries, was listed in the Road Motor Vehicle Manufacturers and Products Announcement (《道路機動車輛生產企業及產品公告》) (Batch 355) b the Ministr of Industr and Information Technolog of the People's Republic of China (MIIT). In June 2022, Tianneng appeared for the first time as a supporting supplier in the product catalogue of the Road Motor Vehicle Manufacturers and Products Announcement (Batch 357) issued b MIIT, equipped with two models of Fari on Auto (遠程汽車), Geel Commercial Vehicle's brand, and a model of its brand, Tang Jun Ouling Automobile (唐駿歐鈴汽車).

In today's rapid development of the warehousing and logistics industry, forklifts equipped with lithium-ion batteries have become an important element connecting warehousing and logistics as well as forklift performance. Tianneng continues to strengthen R&D and innovation in the field of industrial motive batteries, leading the high-voltage lithium-ion battery for forklifts into the high-power era. On the one hand, Tianneng's high-voltage lithium-ion battery for large capacity forklifts can effectively reduce the current of the forklifts, slow down the frequency of power fluctuation, reduce energy loss and generate electricity in an efficient way by saving more than 10% of the energy and improving the efficiency by more than 12%. On the other hand, it can provide stable voltage continuously without affecting the efficiency when discharging and prolong the service life of the battery cycle.

In addition, Tianneng's forklift lithium-ion battery for leasing was delivered offline in May this year, relying on its customised, high-performance products and industrial financial services to provide customers with battery leasing system solutions. As forklift lithium-ion battery for leasing adopts minimised size using LFP battery cells, the volumetric energy density of the battery pack is increased by approximately 30%. With a customised outer box, it is suitable for the majority of market models. Meanwhile, the battery is convenient for replacement and effectively reduce the purchase cost of the battery pack which is a cost-effective competitive advantage.

In the future, Tianneng will continue to rel on its strong scientific and technological innovation team and industrial strength to provide users with more e cient, safe and environmentall friendl products with an advanced intelligent manufacturing platform, and continue to promote the electri cation process in the eld of construction machiner .

At present, the global energ transition is accelerating, while the integration of renewable energ sources such as wind power and photovoltaics as well as distributed power sources grid-connection continues to grow. Electrochemical energ storage is one of the important wa s to store electricit . According to the data of the Gaogong Industr Institute (GGII), the global energ storage batter shipments reached 70GWh in 2021, representing a ear-on- ear increase of appro imatel 159.30%, of which China's energ storage batter shipments reached 48GWh, representing a ear-on- ear increase of appro imatel 196.30%. GGII predicts that b 2025, the global energ storage batter shipments will reach 460GWh, and it is optimistic about the future market.

In March 2022, the 14th Five-Year Plan for New Energ Storage Development Implementation Plan officiall issued b the National Development and Reform Commission (NDRC) and the National Energ Administration (NEA) stated that the new energ storage will enter the stage of large-scale development from the initial stage of commercialisation equipped with the conditions for large-scale commercial application b 2025. In June of the same ear, NDRC and NEA issued the Notice on Further Promoting the Participation of New Energ Storage in the Electricit Market and Dispatching Application (《關於進一步推動新型儲能參與電力市場和調度運用的通知》), clarif ing that the new energ storage can participate in the electricit market as an independent energ storage with the deplo ment of its market mechanism, price mechanism and operation mechanism. B 2030, the new energ storage will be full market-oriented.

Tianneng's lithium-ion batter is committed to continuousl breaking through technical barriers, increasing R&D efforts in energ storage batter c cle life, energ storage cost and safet , and providing customers with products and s stems that meet various energ storage applications.

In terms of outdoor portable energ storage, a 65W car refrigerator is able to run for 8.5 hours and a conventional notebook computer is able to run for 13.5 hours, with Tianneng's 550W high-voltage lithium-ion batter product full charged. On the premise of supplementing power with solar photovoltaic panels, an outdoor energ storage power suppl can full meet the dail electricit demand for outdoor leisure and mobile o ce. In the post-epidemic era, as outdoor sports and suburban leisure are popular and common around the world, outdoor energ storage power sources have replaced fuel generators as the mainstream solution for outdoor power consumption. In terms of global carbon neutralit , this emerging categor has entered into the fast lane of development.

Tianneng has also continued to increase the power generation side energ storage business, b signing strategic cooperation agreements with Datang Shandong Power Generation Co., Ltd. and State Grid Zhejiang Electric Power Co., Ltd. Hu hou Power Suppl Compan , as well as further e panding its production capacit to support Tianneng's high qualit development in the eld of new energ storage.

In Ma 2022, the installation of the first air-cooled energ storage container for the 100MWh s stem business undertaken b Tianneng was completed and successfull delivered to the customer, achieving a breakthrough for the Group in this eld.

This air-cooled energ storage container adopts 280Ah batteries, with a service life of more than ten ears. Meanwhile, it is geared with equipment such as fire protection, temperature control, monitoring, liquid leakage protection, thermal management s stem and batter management s stem, to protect the batter from salt spra , water vapor and dust pollution, ensuring the efficient and stable operation of the s stem. This s stem can provide energ storage batter integration solutions for microgrid s stems, b coordinating with energ storage s stems and photovoltaic s stems to achieve functions such as peak shaving and valle lling, smooth output, and peak regulating.

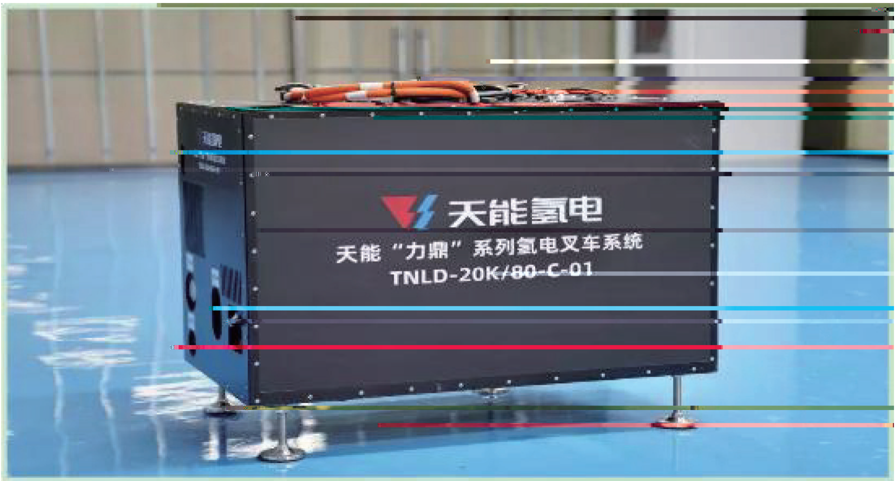
Fuel cell battery

In recent ears, since the fuel cell industr has commenced its rapid development, a number of h drogen energ -related policies and plans have been issued at the national and local government levels to boost and support the industr . The strategic position of the h drogen energ and fuel cell industr has been specified in documents such as the Medium and Long-Term Plan for the Development of the H drogen Energ Industr (2021-2035) (《氫能產業發展中長期規劃(2021-2035年)》) and the Outline of the National Innovation-Driven Development Strateg (《國家創新驅動發展戰略綱要》). B the end of 2021, more than 10 plans for h drogen energ industr at the provincial and municipal levels across China e ceeded, and more than 30 special plans for h drogen energ projects at the prefecture and district levels have been received, which have greatl promoted the development of the h drogen energ and fuel cell industries.

Following the general trend, Tianneng's h drogen energ development has accelerated. After the establishment of relevant wholl -owned subsidiaries, the Compan has activel carried out industr -universit -institute cooperation. As it has successivel carried out technical cooperation with Dalian Institute of Chemical Ph sics, Chinese Academ of Sciences (中科院大連化物所), Beijing Universit of Chemical Technolog (北京化工大學) etc., its product technical capabilities have been continuousl improved.

In terms of industrialisation, the Compan has entered into a strategic cooperation agreement with Nanjing Golden Dragon (南京金龍), XCMG (徐工集團), Geel Auto (吉利汽車), Yadea (雅迪) and other manufacturers, to make arrangement for various eld terminals such as public transportation, logistics vehicles, engineering vehicles (forklifts), backup power suppl , distributed power generation, and two-wheeled vehicles. Sk well Passenger Bus (開沃客車), which cooperates with Nanjing Golden Dragon, and Fari on Passenger Bus (遠程牌客車), which cooperates with Geel Auto, are listed in the product catalogue of MIIT. The Compan 's fuel cell products have been mass-produced and shipped, which generates revenue. In Januar 2022, Tianneng won the New Future Talent Award (未來年度新銳獎) at the 2021 TrendBank H drogen Energ and Fuel Cell Industr Annual Conference (勢銀氫能與燃料電池產業年會).

In the future, Tianneng will continue to launch a series of higher qualit h drogen fuel cell products covering various elds such as transportation and power suppl through a series of innovations as well as e pand cooperation with leading enterprises in the h drogen fuel cell industr , so as to improve the industrial la out.



(3) Renewable new materials

Tianneng adheres to the concept of green, low-carbon and circular development. From product design to manufacturing and application to regeneration, it keeps optimising the industrial structure and production methods while contributing to the construction of circular econom to solve the problem of global resource circulation. During the reporting period, the Group's renewable new materials business recorded operating income of appro imatel RMB1,918 million, representing a ear-on- ear increase of 54.22%. On 21 Januar 2022, MIIT announced the list of 2021 green manufacturing. The products from si subsidiaries of Tianneng were selected as green design products, and its two subsidiaries were selected as green suppl chain management enterprises.

Lead-acid battery recycling business

In the first half of 2022, Tianneng has achieved a green inner loop of lead-acid batter rec cling through production, suppl chain and supplier management, green rec cling s stem and platform for information collection, monitoring and disclosure.

Tianneng has four production bases for rec cled lead, where 1,000,000 tons of used batteries can be processed annuall . In the course of man ears of production and operation, Tianneng has established a strong sales network. Through over 400,000 terminal stores across China, it can effectivel realise the decentralised rec cling, centralised disposal and harmless rec cling and utilisation of used batteries, creating a closed-loop economic ecological circle.

On 13 Ma 2022, Tianneng signed a strategic cooperation agreement with the China Nonferrous Metals Industr Association Rec cling Metal Branch (中國有色金屬工業協會再生金屬分會), pursuant to which both parties will give full pla to their respective advantages and jointl promote the green c cle business level and core competitiveness of Tianneng.

On 25 Ma 2022, Tianneng signed a strategic cooperation with Zhejiang Universit of Technolog , pursuant to which both parties will carr out school-enterprise cooperation in respect of advanced processes and technologies related to carbon neutralit on rec cling and disposal of secondar used batteries, so as to promote the development of scienti c research of both parties as well as cultivate industr high-end scienti c and technological talents in China, thereb realising the common progress of enterprises, universities and societ .

In Jul 2022, the Ke Technologies and Applications of High-value Utilisation of Used Lead-Acid Batteries and Green C cle of Resources (《廢鉛蓄電池高值利用及資源綠色循環關鍵技術與應用》) Project led b the Compan was awarded the rst runner-up of 2021 Zhejiang Science and Technolog Progress Award (浙江省科學技術進步二等獎). The project focused on the opportunities arising from the large-scale and echelon utilisation of retired batteries in China's used lead-acid batter rec cling industr . The carbon neutralit technolog for rec cled lead industr based on echelon utilisation of retired batteries, pure o gen side-blown molten pool smelting, and echelon utilisation of flue gas waste heat was created to promote the green development of the industr .

In addition, for the renewable resources industr , the Government has created a fair and sustainable operating environment through the two major s stems of nance and ta ation. The Announcement on Improving the Value-Added Ta Polic for Comprehensive Utilisation of Resources (《關於完善資源綜合利用增值稅政策的公告》) (the **A** **c**) issued b the Ministr of Finance and the State Administration of Ta ation was implemented with effect from 1 March 2022. The Announcement stated that general VAT ta pa ers engaged in the rec cling of renewable resources pa VAT at the rate of 3% calculated with the simplified ta method when selling the renewable resources acquired. The proportion of ta rebates for integrated and utilised resources named used batteries and related dismantled materials has been increased from 30% to 50%.

Tianneng continued to accelerate the global la out of the large-scale rec cling business. In addition to obtaining the rec cling pilot quali cations in 15 provinces, Tianneng also empowers and creates values for customers in cooperative relationship through online platforms. In the future, the Compan 's lead-acid batter rec cling industr will continue to e pand overseas markets.

Lithium-ion battery recycling business

The rapid development of the new energ vehicle industr leds to an accelerated growth in the number of retired power batteries. As an essential part of developing the circular econom and facilitating the intensive utilisation of resources, motive batter rec cling is conducive to alleviating the limit of lithium resources and lithium prices. It is of great signi cance for implementing the dual carbon strateg and promoting the construction of ecological civilisation.

Currentl , Tianneng's production capacit for lithium-ion batter rec cling is 10,000 tons, with the rec cling rate of NCM batteries at the forefront of the industr . During the reporting period, a ected b the increase in the price of upstream raw materials for lithium-ion batteries, the Compan 's revenue and pro t in this business increased signi cantl as compared with the same period of last ear. The Compan is one of the enterprises qualified with dual white lists for rec cling and echelon utilisation across China. With this quali cation, the Compan can participate in the batteries disposal of batter companies, OEMs and operators, as well as obtain large quantities of retired batteries.

The Compan also attaches great importance to the industr -universit -institute cooperation with universities and scientific research institutes. In recent ears, Tianneng has established e tensive cooperative relationship with the Institute of Process Engineering, Chinese Academ of Sciences (中國科學院過程工程研究所), Central South Universit (

In Februar   2022, Tianneng and the People's Government of Binhai

Limited resources, unlimited recycling

In recent ears, the Chinese government has successivel drafted or issued such laws and regulations as the Laws of PRC on the Notice of the General O ce of the State Council on Issuing the Implementation Plan for E tended Producer Responsibilit (《國務院辦公廳關於印發生產者責任延伸制度推行方案的通知》) and the Interim Measures for the Management of the Rec cling and Utilisation of Lead-Acid Batteries (Draft for Comments) (《鉛蓄電池回收利用管理暫行辦法》(徵求意見稿)), with a view to setting out detailed provisions on the rec cling and disposal processes of used batteries, establishing an E tended Producer Responsibilit scheme for products such as lead-acid batteries and vehicle motive batteries. The objective is for China to recover over 70% of its lead-acid batteries b the end of 2025.

Under the laws of PRC, China strictl prohibits entities without licences or not in compliance with the requirements of the licences from engaging in operations regarding the collection, storage, utilisation and disposal of ha ardous wastes. Going forward, the rec cling industr will receive growing support for its sound and orderl development, with outdated and substandard capacit to phase out. As an enterprise that has been involved in the industr for man ears, Tianneng will further e pand the market in the future. While fulfilling its own corporate and social responsibilit for production, the Group will also help to achieve the national goal of dual carbon.

Lead-lithium synergy, facilitating energy storage system market

New energ storage is leading the green energ industr to make progress with its one-of-a-kind industrial advantages and its clear direction for development. In the future, rel ing on its profound and accumulated e perience in lead-carbon energ storage technolog and lithium-ion batter energ storage technolog , Tianneng will further integrate various advantageous technical routes and integrated s stems to create a full set of smart energ storage solutions with smart operation and maintenance, safet , reliabilit , clean and friendliness, while taking into account the optimal allocation of innovative resources to promote the integrated development of the industr , academia, and research.

Tianneng will continue to delve into new energ storage business models, e plore the application of business models such as shared energ storage, cloud energ storage, energ storage aggregation, and separate energ storage, focus on and dig into the commercial value of the energ storage industr , and develop a reasonable pilot demonstration of new energ storage s stem. Meanwhile, for the international market, Tianneng will also activel promote international cooperation in the process of new energ storage industrialisation and achieve high-qualit introduction and high-level e port of new energ storage technologies and industries.

FINANCIAL REVIEW

Turnover

The Group's turnover for the reporting period was appro imatel RMB31,026 million, representing a decrease of appro imatel 14.47% as compared with the same period last ear. Of which, turnover from the manufacturing industr was RMB17,410 million, representing in increase of appro imatel 8.10% as compared with the same period last ear, turnover from trading was RMB13,617 million, representing a decrease of appro imatel 32.49% as compared with the same period last ear.

Gross profit

The gross profit for the reporting period was appro imatel RMB2,380 million, representing an increase of appro imatel 23.01% as compared with the same period last ear. It was mainl attributable to a growth in the batter 's gross pro t margin. The gross pro t margin for the reporting period was appro imatel 7.67%, representing an increase of appro imatel 2.34 percentage points as compared with the same period last ear, of which the gross pro t margin of the manufacturing industr was appro imatel 13.55%, representing an increase of appro imatel 1.63 percentage points as compared with the same period last ear. It was mainl attributable to the increase in prices of products as compared with the same period last ear.

Other income

The Group's other income for the reporting period was appro imatel RMB678 million (for the si months ended 30 June 2021: appro imatel RMB574 million), representing an increase of appro imatel 18.06% as compared with the same period last ear. It was mainl attributable to the increase in interest income and government grants.

Distribution and selling costs

Distribution and selling costs increased from appro imatel RMB409 million in the same period last ear to appro imatel RMB462 million for the reporting period, which was mainl attributable to the increase in salaries and advertising fees.

Administrative expenses

Administrative e penses increased from appro imatel RMB441 million in the same period last ear to appro imatel RMB568 million for the reporting period, which was mainl attributable to the increase in salaries.

Research and development costs

R&D costs increased from appro imatel RMB616 million in the same period last ear to appro imatel RMB709 million for the reporting period, which was mainl attributable to the increase in the number of R&D projects and optimisation of the R&D team.

Finance costs

Finance costs increased from appro imatel RMB118 million in the same period last ear to appro imatel RMB153 million for the reporting period, which was mainl due to the increase in loan si e.

Operating activities cash flow

The net cash generated from operating activities of the Group changed from appro imatel RMB-2,185 million in the same period last ear to the net cash used in operating activities of appro imatel RMB-326 million for the reporting period. It was mainl attributable to the increase in inventories.

As at 30 June 2022, the equit attributable to the owners of the Compan amounted to appro imatel RMB13,356 million (31 December 2021: appro imatel RMB12,980 million). The Group's capital structure is the equit attributable to owners of the Compan , comprising issued share capital, reserves and accumulated pro ts.

As at 30 June 2022, the Group had total assets of appro imatel RMB39.634 billion, increasing b appro imatel 21.06% as compared with appro imatel RMB32.739 billion as at 31 December 2021, including total current assets of appro imatel RMB28.472 billion and total non-current assets of appro imatel RMB11.162 billion, increasing b appro imatel 23.33% and 15.64%, respectivel . The increase in the current assets was mainl due to the increase in the inventor , notes receivable and bank deposits. The increase in the non-current assets was mainl due to the increase in deposits for the acquisition of propert , plant and equipment.

As at 30 June 2022, the total liabilities of the Group were appro imatel RMB23.752 billion, increasing b appro imatel 36.80% as compared with appro imatel RMB17.362 billion as at 31 December 2021, including total current liabilities of appro imatel RMB21.554 billion and total non-current liabilities of appro imatel RMB2,198 million, increasing b appro imatel 40.99% and 5.94%, respectivel . The increase in the current liabilities was mainl due to the increase in bank notes and short-term loans held b the Group. The increase in the non-current liabilities was mainl due to the increase in deferred revenue.

As at 30 June 2022, the cash and bank balances of the Group (including pledged bank deposits and bank deposits) were appro imatel RMB12.059 billion (31 December 2021: appro imatel RMB11,640 million), of which appro imatel RMB187 million and appro imatel RMB336 million are denominated in US dollars and Hong Kong dollars, respectivel . As at 30 June 2022, the interest bearing borrowings and loan notes (together as **b a** - **a**) of the Group with maturit of within one ear amounted to appro imatel RMB6,228 million (31 December 2021: appro imatel RMB2,875 million). The interest bearing loans with maturit of more than one ear amounted to appro imatel RMB1,391 million (31 December 2021: appro imatel RMB1,409 million). The interest bearing loans of appro imatel RMB6,151 million were denominated in RMB. The loans denominated in RMB had ed interest rates ranging from appro imatel 2.00% to 6.5% (2021: appro imatel 2.23% to 6.5%) per annum. In conclusion, the borrowings of the Group as at 30 June 2022 remained at a health and controllable level. With unutilised credit facilities of appro imatel RMB5,185 million, the Group will take a cautious stance and ma imise the interests of the shareholders and the Compan will strike a balance between borrowings and funding utilisation. Moreover, with continuousl improving the fund structure as its nancial objective in the long run, the Group will optimise its loan structure with further use of long term loans.

Pledge of assets

As at 30 June 2022, the bank facilities and bank borrowings of the Group were secured b its bank deposits, bills receivables, propert , plant and equipment, and land use rights. The aggregate net book value of the assets pledged amounted to appro imatel RMB4,788 million (31 December 2021: appro imatel RMB4,315 million).

Gearing ratio

As at 30 June 2022, the Group's gearing ratio, de ned as the percentage of the sum of current and non-current portions of interest bearing loans against the total assets, was appro imatel 19.22% (31 December 2021: appro imatel 13.08%).

Exposure to exchange rate fluctuations

As the Group's operations were mainl conducted in China and the majorit of its

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2022, the Group emplo ed a total of 26,921 emplo ees (30 June 2021: 25,099). Sta cost of the Group for the reporting period was appro imatel RMB1,503 million (for the si months ended 30 June 2021: appro imatel RMB1,146 million). The cost included basic salaries and sta bene ts such as discretionar bonus, medical and insurance plans, pension scheme, unemplo ment insurance plan, etc. Competitive remuneration packages were offered to emplo ees b the Group. The Compan has adopted incentive programs to encourage emplo ees' performance and a range of training programs for the development of its sta .

INTERIM DIVIDEND

The Board does not recommend the pa ment of an interim dividend for the reporting period (for the si months ended 30 June 2021: Nil).

SIGNIFICANT INVESTMENTS HELD

Save for the investments in equit securities listed in Hong Kong and the PRC, unlisted equit securities in the PRC and the structured bank deposits, there were no other signi cant investments held b the Group as at 30 June 2022.

Financial assets at fair value through profit or loss

As at 30 June 2022, the Group's nancial assets at fair value through pro t or loss mainl included unlisted nancial products purchased from commercial banks. The following table summarises the Group's nancial assets at fair value through pro t or loss as at 30 June 2022:

I	P c ca _	P c a ac	I c / a a (RMB'000)	Fa a a a 30 J 2022 (RMB'000)	I / a c	P c a a C a a a 30 J 2022
Industrial and Commercial Bank of China Limited	Structured deposit	Banking services	120,000.00	120,000.00		0.30%
China Construction Bank Corporation	Structured deposit	Banking services	140,000.00	140,000.00		0.35%
Ping An Bank Co., Ltd.	Structured deposit	Banking services	130,000.00	130,000.00		0.33%
Shanghai Pudong Development Bank Co., Ltd.	Structured deposit	Banking services	180,000.00	180,000.00		0.45%
China Merchants Bank Co., Ltd.	Structured deposit	Banking services	300,000.00	300,000.00		0.76%
China CITIC Bank	Structured deposit	Banking services	320,000.00	320,000.00		0.81%
Hang hou Cit Commercial Bank Co., Ltd.	Wealth management product	Banking services	60,000.00	60,000.00		0.15%
Bank of Ningbo	Wealth management product	Banking services	110,000.00	110,000.00		0.28%
Ping An Bank Co., Ltd.	Wealth management product	Banking services	127,000.00	127,000.00		0.32%
Shanghai Pudong Development Bank Co., Ltd.	Wealth management product	Banking services	3,920.00	3,920.00		0.01%
Bank of Shanghai	Wealth management product	Banking services	292,000.00	292,000.00		0.74%
Industrial Bank Co., Ltd.	Wealth management product	Banking services	330,025.59	330,025.59		0.83%
Listed compan	Equit securities listed in China		36,227.95	42,311.34		0.11%
Listed compan	Equit securities listed in Hong Kong, China		17,887.95	31,207.76		0.08%
Futures	Commodit derivative contracts			2,453.11		0.01%
The lock e change	Forward foreign e change contract			9,974.24		0.03%

MATERIAL ACQUISITION AND DISPOSAL

The Group has no material acquisition and disposal as at 30 June 2022.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

For details, please refer to note 20 to the condensed consolidated nancial statements.

IMPORTANT EVENTS SINCE THE END OF THE FINANCIAL PERIOD

(A) Change of Auditor

ZHONGHUI ANDA CPA LIMITED (**ZHONGHUI ANDA**) has resigned as the auditor of the Group with e ect from 5 Jul 2022. Deloitte Touche Tohmatsu has been appointed as the auditor of the Group with e ect from 8 Jul 2022 to ll the casual vacanc following the resignation of ZHONGHUI ANDA and to hold the o ce until the conclusion of the forthcoming annual general meeting of the Compan .

(B) Change of Address of Hong Kong Branch Share Registrar and Transfer Office

Tricor Investor Services Limited, the Hong Kong Branch Share Registrar and Transfer O ce of the Compan , has changed its address from Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong to 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong with e ect from 15 August 2022.

CORPORATE GOVERNANCE

The Compan is committed to ensuring high standards of corporate governance. The Board believes that good corporate governance practices are increasingl important

T B a D c
Ta P I a a L

INTRODUCTION

We have reviewed the condensed consolidated nancial statements of Tianneng Power International Limited (the **C a**) and its subsidiaries (collectivel referred to as the **G**) set out on pages 39 to 75, which comprise the condensed consolidated statement of financial position as of 30 June 2022 and the related condensed consolidated statement of pro t or loss and other comprehensive income, statement of changes in equit and statement of cash ows for the si -month period then ended, and certain e planator notes. The Rules Governing the Listing of Securities on The Stock E change of Hong Kong Limited require the preparation of a report on interim nancial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 Interim Financial Reporting (**HKAS 34**) issued b the Hong Kong Institute of Certi ed Public Accountants. The directors of the Compan are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with HKAS 34. Our responsibilit is to e press a conclusion on these condensed consolidated nancial statements based on our review, and to report our conclusion solel to ou, as a bod , in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibilit towards or accept liabilit to an other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 Review of Interim Financial Information Performed b the Independent Auditor of the Entit issued b the Hong Kong Institute of Certi ed Public Accountants. A review of these condensed consolidated nancial statements consists of making inquiries, primaril of persons responsible for nancial and accounting matters, and appl ing anal tical and other review procedures. A review is substantiall less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequentl does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingl , we do not e press an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated nancial statements are not prepared, in all material respects, in accordance with HKAS 34.

OTHER MATTER

The comparative condensed consolidated statement of profit or loss and other comprehensive income, statement of changes in equit and statement of cash ows for the si -month period ended 30 June 2021 and the relevant e planator notes included in these condensed consolidated nancial statements were e tracted from the interim nancial information of the Group for si -month period ended 30 June 2021 reviewed b another auditor who e pressed an unmodi ed conclusion on the interim nancial information on 27 August 2021. The comparative condensed consolidated statement of financial position as at 31 December 2021 were e tracted from the consolidated nancial statements of the Group for the ear ended 31 December 2021 audited b the same auditor who e pressed an unmodi ed opinion on those statements on 30 March 2022.

D T c T a
Certified Public Accountants
Hong Kong
26 August 2022

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2022

		S	**30 J**
	Notes	**2022** **RMB'000** **(a)**	2021 RMB'000 (unaudited)
Revenue	3	**31,026,206**	36,276,133
Cost of sales		**(28,646,673)**	(34,341,730)
Gross pro t		**2,379,533**	1,934,403
Other income	5	**677,583**	573,914
Other gains and losses	6	**(11,488)**	65,620
Impairment losses recognised under e pected credit loss model, net of reversal	15	**(31,575)**	(18,838)
Distribution and selling e penses		**(461,613)**	(409,348)
Administrative e penses		**(568,190)**	(441,459)
Research and development costs		**(708,943)**	(615,787)
Other e penses		**(7,989)**	(11,963)
Share of results of associates		**508**	(569)
Finance costs		**(153,358)**	(117,705)
P b a		**1,114,468**	958,268
Income ta e pense	7	**(213,321)**	(214,946)
P	8	**901,147**	743,322

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)

For the six months ended 30 June 2022

	S	**30 J**
	2022	2021
	RMB'000	RMB'000
	(a)	(unaudited)
O c :		
Item that will not be reclassified to profit or loss:		
Fair value loss on investments in equit instruments at fair value through other comprehensive income (FVTOCI)	**(5,241)**	(64,770)
	(5,241)	(64,770)
Item that may be reclassified subsequently to profit or loss:		
Fair value gain (loss) on debt instruments measured at FVTOCI, net of income ta	**5,687**	(915)
Other comprehensive income (e penses)		

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)

For the six months ended 30 June 2022

	Note	**S**	**30 J**
		2022	2021
		RMB'000	RMB'000
		(a)	(unaudited)
P ' a b ab :			
Owners of the Compan		**759,754**	660,863
Non-controlling interests		**141,393**	82,459
		901,147	743,322
T a c c a b ab :			
Owners of the Compan		**760,200**	595,178
Non-controlling interests		**141,393**	82,459
		901,593	677,637
Ea ‑ a	10		
Basic (RMB cents)		**67.47**	58.68
Diluted (RMB cents)		**66.23**	57.24

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2022

	Notes	**30/06/2022 RMB'000 (a)**	31/12/2021 RMB'000 (audited)
N -c A			
Propert , plant and equipment	11	**7,259,010**	6,504,488
Right-of-use assets	11	**1,349,864**	1,099,183
Goodwill		**23,305**	23,305
Interests in associates		**146,576**	36,115
Equit instruments at FVTOCI		**261,806**	267,489
Deferred ta assets	12	**783,707**	688,263
Deposits for acquisition of propert , plant and equipment		**970,297**	743,273
Loan receivables		**367,524**	284,928
Long-term receivables			5,136
		11,162,089	9,652,180
C A			
Inventories		**7,045,572**	4,484,624
Properties under development for sale		**704,112**	768,189
Bills, trade and other receivables	13	**4,843,559**	3,328,917
Loan receivables		**638,801**	203,954
Amounts due from related parties	24	**802**	3,479
Amount due from an associate	24		70,000
Debt instruments at FVTOCI	14	**981,163**	987,055
Financial assets at fair value through pro t or loss (**FVTPL**)	16	**2,198,892**	1,600,095
Pledged bank deposits		**3,311,697**	2,943,087
Bank balances and cash		**8,747,210**	8,697,364
		28,471,808	23,086,764

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

At 30 June 2022

	Notes	**30/06/2022 RMB'000 (a)**	31/12/2021 RMB'000 (audited)
C ab			
Bills, trade and other pa ables	17	**10,836,581**	8,923,504
Amounts due to related parties	24	**239,613**	239,970
Derivative nancial instruments			263
Ta ation liabilities		**232,173**	348,748
Borrowings current portion	18	**6,228,086**	2,874,839
Lease liabilities		**5,064**	8,727
Provisions		**727,444**	720,292
Contract liabilities		**3,285,218**	2,129,216
Deferred government grants			42,026
		21,554,179	15,287,585
N C A		**6,917,629**	7,799,179
T a A C L ab		**18,079,718**	17,451,359
N -c ab			
Deferred ta liabilities	12	**40,310**	60,407
Borrowings non-current portion	18	**1,391,287**	1,408,682
Lease liabilities		**10,561**	13,637
Deferred government grants		**755,537**	591,701
		2,197,695	2,074,427
		15,882,023	15,376,932

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

At 30 June 2022

	Note	**30/06/2022** **RMB'000** **(a)**	31/12/2021 RMB'000 (audited)
Ca a a			
Share capital	19	**109,850**	109,850
Share premium and reserves		**13,246,252**	12,870,646
Equit attributable to the owners of the Compan		**13,356,102**	12,980,496
Non-controlling interests		**2,525,921**	2,396,436
T a E		**15,882,023**	15,376,932

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2022

	A b ab						C a						
	S a ca a RMB'000	S a RMB'000	S ca RMB'000	Ca a RMB'000	S a RMB'000	I a a RMB'000	O FVTOCI RMB'000	S a RMB'000	D c a RMB'000	Acc a ' RMB'000	S b a RMB'000	N -c RMB'000	T a RMB'000
A 1 Ja a 2022	**109,850**	**778,567**	**10,000**	**3,658,601**	**35,355**	**(216,718)**	**(5,687)**	**1,122,931**	**143,212**	**7,344,385**	**12,980,496**	**2,396,436**	**15,376,932**
Pro t for the period										**759,754**	**759,754**	**141,393**	**901,147**
Other comprehensive (e pense) income for the period						**(5,241)**	**5,687**				**446**		**446**
Total comprehensive (e pense) income for the period						**(5,241)**	**5,687**			**759,754**	**760,200**	**141,393**	**901,593**
Capital contribution from non-controlling interests												**89,216**	**89,216**
Dividend recognised as distribution (note 9)										**(384,594)**	**(384,594)**		**(384,594)**
Dividend paid/pa able to non-controlling interest												**(103,040)**	**(103,040)**
Disposal of investments in equit instruments at FVTOCI						**(102)**				**102**			
Forfeiture of equit -settled share-based pa ment					**(453)**					**453**			
Recognition of equit -settled share based pa ment (note 20)												**1,916**	**1,916**
A 30 J 2022 (a)	**109,850**	**778,567**	**10,000**	**3,658,601**	**34,902**	**(222,061)**		**1,122,931**	**143,212**	**7,720,100**	**13,356,102**	**2,525,921**	**15,882,023**

	A b ab						C a						
	S a ca a RMB'000	S a RMB'000	S ca RMB'000	Ca a RMB'000	S a RMB'000	I a a RMB'000	O FVTOCI RMB'000	S a RMB'000	D c a RMB'000	Acc a ' RMB'000	S b a RMB'000	N -c RMB'000	T a RMB'000
At 1 Januar 2021	109,850	778,567	10,000	251,558	36,984	(112,107)	(12,181)	1,012,920	143,212	6,527,357	8,746,160	713,129	9,459,289
Pro t for the period										660,863	660,863	82,459	743,322
Other comprehensive e penses for the period						(64,770)	(915)				(65,685)		(65,685)
Total comprehensive (e penses) income for the period						(64,770)	(915)			660,863	595,178	82,459	677,637
Capital contribution from non-controlling interests												178,500	178,500
Issue of shares of a subsidiar				3,407,043							3,407,043	1,322,690	4,729,733
Dividend recognised as distribution (note 9)										(374,810)	(374,810)		(374,810)
Dividend paid/pa able to non-controlling interest												(78,540)	(78,540)
Forfeiture of equit -settled share-based pa ment										133	133	(133)	
Recognition of equit -settled share based pa ment (note 20)												6,603	6,603
At 30 June 2021 (unaudited)	109,850	778,567	10,000	3,658,601	36,984	(176,877)	(13,096)	1,012,920	143,212	6,813,543	12,373,704	2,224,708	14,598,412

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

For the six months ended 30 June 2022

	S	**30 J**
	2022	2021
	RMB'000	RMB'000
	(a)	(unaudited)
F a c _ ac		
New borrowings raised	**4,988,569**	5,267,789
Repa ments of borrowings	**(1,710,737)**	(860,057)
Dividends paid to non-controlling interests	**(103,040)**	(78,540)
Capital contribution from a non-controlling shareholder	**89,216**	178,500
Proceeds from issue of shares of a subsidiar		4,729,733
Repa ment of lease liabilities	**(7,688)**	(2,648)
N ca ' a c _ ac	**3,256,320**	9,234,777
N c a ca a ca a	**49,846**	3,811,652
Cash and cash equivalents at the beginning of the period	**8,697,364**	4,456,305
Ca a ca a a , b ba ba a c a ca	**8,747,210**	8,267,957

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2022

1. BASIS OF PREPARATION

Tianneng Power International Limited (the **C a**) was incorporated and registered as an e empted compan with limited liabilit in the Ca man Islands under the Companies Law of the Ca man Islands on 16 November 2004 and its shares are listed on The Stock E change of Hong Kong Limited (the **H K S c E c a**) with e ect from 11 June 2007. The Compan and its subsidiaries are collectivel referred to as the Group .

The Group's condensed consolidated financial statements are presented in Renminbi (**RMB**), which is also the functional currenc of the Compan .

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 *Interim Financial Reporting* issued b the Hong Kong Institute of Certified Public Accountants (**HKICPA**) as well as the applicable disclosure requirements of Appendi 16 to the Rules Governing the Listing of Securities on the Hong Kong Stock E change.

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis, e cept for certain nancial instruments, which are measured at fair values.

Other than additional accounting policies resulting from application of amendments to Hong Kong Financial Reporting Standards (**HKFRS**), the accounting policies and methods of computation used in the condensed consolidated nancial statements for the si months ended 30 June 2022 are the same as those presented in the Group's annual nancial statements for the ear ended 31 December 2021.

Application of amendments to HKFRSs

In the current interim period, the Group has applied the following amendments to HKFRSs issued b the HKICPA, for the rst time, which are mandatoril e ective for the Group's annual period beginning on 1 Januar 2022 for the preparation of the Group's condensed consolidated nancial statements:

Amendments to HKFRS 3	Reference to the Conceptual Framework
Amendment to HKFRS 16	Covid-19-Related Rent Concessions be ond 30 June 2021
Amendments to HKAS 16	Propert , Plant and Equipment Proceeds before Intended Use
Amendments to HKAS 37	Onerous Contracts Cost of Foc8 Amendments to HKAS 16Al5

3. REVENUE FROM CONTRACTS WITH CUSTOMERS

	S	30 J
	2022	2021
	RMB'000	RMB'000
	(a)	(unaudited)
An anal sis of revenue is as follows:		
Manufacturing business		
Lead-acid batter products	**14,212,873**	13,119,025
Renewable resources product	**1,917,867**	1,243,582
Lithium batter products	**762,997**	423,792
Others	**515,808**	1,318,815
Trading	**13,616,661**	20,170,919
	31,026,206	36,276,133
G _ a ca a		
Mainland China	**30,815,846**	36,194,398
Others	**210,360**	81,735
	31,026,206	36,276,133
T _ c _		
A point in time	**30,643,322**	35,400,437
Over time	**382,884**	875,696
	31,026,206	36,276,133

4. SEGMENT INFORMATION

The following is an anal sis of the Group's revenue and results b operating and reportable segments for the period:

	S	30 J
	2022	2021
	RMB'000	RMB'000
	(a)	(unaudited)
S		
[illegible]		

5. OTHER INCOME

	S	**30 J**
	2022	2021
	RMB'000	RMB'000
	(a)	(unaudited)
Government grants		
grants related to income (note i)	**437,102**	332,915
grants related to assets (note ii)	**19,896**	20,913
Interest income	**121,949**	82,353
Income from sales of scrap materials	**93,299**	100,278
Others	**5,337**	37,455
	677,583	573,914

Notes:

i. The government grants related to income mainl represent unconditional government subsidies received from relevant government bodies to encourage the operations of certain subsidiaries. The government grants are accounted for as immediate nancial support with no future related costs e pected to be incurred and are not related to an assets.

ii. The government grants related to assets mainl represent government subsidies obtained in relation to the acquisition of land use right or equipment of certain subsidiaries of the Group, which were included in the condensed consolidated statement of financial position as deferred government grants and credited to pro t or loss on a straight-line basis over the lease term of the land use right or the useful life of the equipment.

6. OTHER GAINS AND LOSSES

	S	**30 J**
	2022	2021
	RMB'000	RMB'000
	(a)	(unaudited)
Gains (losses) from changes in fair value of nancial assets at FVTPL		
structured bank deposits	**37,166**	27,291
investments in listed equit securities	**(5,576)**	(11,503)
foreign currenc forward contracts	**9,974**	
commodit derivative contracts	**13,372**	22,433
Loss on disposals/write o of propert , plant and equipment	**(23,579)**	(10,839)
Net foreign e change (losses) gains	**(49,495)**	38,238
Others	**6,650**	
	(11,488)	65,620

7. INCOME TAX EXPENSE

	S	**30 J**
	2022	2021
	RMB'000	RMB'000
	(a)	(unaudited)
PRC Enterprise Income Ta (**EIT**)		
Current ta	**296,256**	278,902
Deferred ta (note 12)		
Current period	**(82,935)**	(63,956)
	213,321	214,946

The Compan was incorporated in the Ca man Islands and Tianneng International Investment Holdings Limited was incorporated in the British Virgin Islands (the **BVI**) and as such ta are e empted as no business carried out in Ca man Islands and BVI under the ta laws of the Ca man Islands and the BVI, respectivel .

9. DIVIDENDS

	S	**30 J**
	2022	2021
	RMB'000	RMB'000
	(a)	(unaudited)
Dividends declared during the period:		
Si months ended 30 June 2022: 2021 nal dividend of HK$40.00 cents (equivalent to RMB32.54 cents) (si months ended 30 June 2021: 2020 nal dividend of HK$40.00 cents (equivalent to RMB33.28 cents)) per ordinar share	**384,594**	374,810

The directors do not recommend the pa ment of an interim dividend for the si months ended 30 June 2022 and 30 June 2021.

10. EARNINGS PER SHARE

	S	**30 J**
	2022	2021
	RMB'000	RMB'000
	(a)	(unaudited)
Earnings:		
Earnings for the purposes of calculating basic and diluted earnings per share attributable to the owners of the Compan	**759,754**	660,863
Number of shares:		
Weighted average number of ordinar shares for the purpose of calculating basic earnings per share	**1,126,124,500**	1,126,124,500
E ect of dilutive potential ordinar shares share options	**21,087,042**	28,445,165
Weighted average number of ordinar shares for the purpose of calculating diluted earnings per share	**1,147,211,542**	1,154,569,665

11. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS

During the current interim period, the Group disposed of certain propert , plant and equipment with an aggregate carr ing amount of RMB29,276,000 (si months ended 30 June 2021: RMB19,825,000) for cash proceeds of RMB5,697,000 (si months ended 30 June 2021: RMB8,986,000), resulting in a loss on disposal of RMB23,579,000 (si months ended 30 June 2021: RMB10,839,000).

In addition, during the current interim period, the Group purchased RMB301,865,000, RMB739,634,000 and RMB25,811,000 (si months ended 30 June 2021: RMB99,919,000, RMB393,206,000 and RMB39,075,000) on additions of machiner and manufacturing plant, construction in progress and others in the PRC respectivel .

During the current interim period, upfront pa ments for leasehold lands in the PRC, amounting to RMB130,300,000 (si months ended 30 June 2021: RMB92,698,000), were recognised b the Group as right-of-use assets for 50 ears on lease commencement.

12. DEFERRED TAXATION (CONTINUED)

The following is the anal sis of the deferred ta balances for nancial reporting purposes:

	30/06/2022	31/12/2021
	RMB'000	RMB'000
	(a)	(audited)
Deferred ta assets	**783,707**	688,263
Deferred ta liabilities	**(40,310)**	(60,407)
	743,397	627,856

As at the end of the current interim period, the Group has unused ta losses of appro imatel RMB429,159,000 (At 31 December 2021: RMB136,968,000) available to offset against future profits, in respect of which no deferred ta assets been recognised, due to the unpredictabilit of future pro t streams. Such unrecognised losses will e pire at various dates up to and including 2027 (At 31 December 2021: 2026).

Under the EIT Law, starting from 1 Januar 2008, 10% withholding income ta is imposed on dividends declared in respect of pro ts earned in ear 2008 onwards and distributed to foreign investors for companies established in the PRC. For investors incorporated in Hong Kong, a preferential rate of 5% will be applied where appropriate. Other than the PRC withholding income ta provided in respect of undistributed profits of the PRC subsidiaries as above, no deferred ta ation has been provided for the remaining accumulated pro ts of appro imatel RMB8,729 million (At 31 December 2021: RMB8,079 million), which was derived from the PRC subsidiaries since 1 Januar 2008 as the Group is able to control the timing of the reversal of the temporar di erences and it is probable that the temporar differences will not reverse in the foreseeable future.

13. BILLS, TRADE AND OTHER RECEIVABLES

	30/06/2022 RMB'000 (a)	31/12/2021 RMB'000 (audited)
Bills receivables*	**1,347,224**	
Trade receivables	**1,642,405**	1,868,648
Less: Allowance for credit losses	**(245,395)**	(253,511)
	1,397,010	1,615,137
Other receivables	**98,660**	106,965
Prepa ments for materials	**1,119,448**	1,203,124
PRC value added ta and EIT recoverable	**881,217**	403,691
	4,843,559	3,328,917

* The balance represents bills receivables held b the Group which is measured at amortised cost since the bills are held within a business model whose objective is to collect contractual cash flows and the contractual cash flows are solel pa ments of principal and interest on the principal amount outstanding. Bills receivables held b the Group as at 30 June 2022 will mature within 1 ear.

The Group allows an average credit period of 45 da s to customers.

13. BILLS, TRADE AND OTHER RECEIVABLES (CONTINUED)

The following is an aged anal sis of trade receivables net of allowance for credit losses presented based on the invoice date.

	30/06/2022 RMB'000 (a)	31/12/2021 RMB'000 (audited)
0 to 45 da s	**1,001,993**	978,311
46 to 90 da s	**212,209**	349,392
91 to 180 da s	**41,558**	160,253
181 to 365 da s	**31,350**	86,048
1 ear to 2 ears	**92,965**	24,986
Over 2 ears	**16,935**	16,147
	1,397,010	1,615,137

14. DEBT INSTRUMENTS AT FVTOCI

The balance as at 30 June 2022 represents bills receivables held b the Group which is measured at FVTOCI since the bills are held within the business model whose objective is achieved b both collecting contractual cash flows and selling the nancial assets, and the contractual cash ows are solel pa ments of principal and interest on the principal amount outstanding.

The following is an aged anal sis of debt instruments at FVTOCI at the end of the reporting period:

	30/06/2022 RMB'000 (a)	31/12/2021 RMB'000 (audited)
0 to 180 da s	**981,163**	885,953
181 to 365 da s		101,102
	981,163	987,055

14. DEBT INSTRUMENTS AT FVTOCI (CONTINUED)

These bills receivables are all issued b reputable banks of good credit qualit . The management of the Group considered the credit risk of these bank issued bills is insigni cant and no impairment was provided on them at the period end.

15. IMPAIRMENT ASSESSMENT ON FINANCIAL ASSETS SUBJECT TO EXPECTED CREDIT LOSS ("ECL") MODEL

	S	**30 J**
	2022	2021
	RMB'000	RMB'000
	(a)	(unaudited)
Impairment loss recognised in respect of		
Trade receivables	**20,521**	12,707
Other receivables	**8,338**	4,919
Loan receivables	**2,716**	1,212
	31,575	18,838

The basis of determining the inputs and assumptions and the estimation techniques used in the condensed consolidated nancial statements for the si months ended 30 June 2022 are the same as those followed in the preparation of the Group's annual nancial statements for the ear ended 31 December 2021.

16. FINANCIAL ASSETS AT FVTPL

	30/06/2022	31/12/2021
	RMB'000	RMB'000
	(a)	(audited)
Structured bank deposits	**2,112,946**	1,521,000
Equit securities listed in Mainland China	**42,311**	39,610
Equit securities listed in Hong Kong	**31,208**	39,485
Foreign currenc forward contracts	**9,974**	
Commodit derivative contracts	**2,453**	
	2,198,892	1,600,095

17. BILLS, TRADE AND OTHER PAYABLES

	30/06/2022 **RMB'000** **(a)**	31/12/2021 RMB'000 (audited)
Trade pa ables	**3,427,163**	3,004,111
Bills pa ables	**4,676,014**	3,278,323
Dividend pa ables	**393,074**	7,916
Other pa ables and accrued charges	**2,340,330**	2,633,154
	10,836,581	8,923,504

The following is an aged anal sis of trade pa ables, presented based on invoice date at the end of the reporting period:

	30/06/2022 **RMB'000** **(a)**	31/12/2021 RMB'000 (audited)
0 90 da s	**3,202,944**	2,879,511
91 180 da s	**98,538**	5,883
181 365 da s	**59,147**	61,971
1 2 ears	**40,048**	27,333
Over 2 ears	**26,486**	29,413
	3,427,163	3,004,111

The following is an aged anal sis of bills pa ables from issue date at the end of the reporting period:

	30/06/2022 **RMB'000** **(a)**	31/12/2021 RMB'000 (audited)
0 180 da s	**4,624,564**	3,228,323
181 365 da s	**51,450**	50,000
	4,676,014	3,278,323

18. BORROWINGS

	30/06/2022 RMB'000 (a)	31/12/2021 RMB'000 (audited)
Bank borrowings	**7,276,475**	4,065,392
Other borrowings*	**342,898**	218,129
	7,619,373	4,283,521
Secured	**601,819**	179,675
Unsecured	**7,017,554**	4,103,846
	7,619,373	4,283,521
Carr ing amounts repa able:		
Within one ear	**6,228,086**	2,874,839
Within a period of more than one ear but not e ceeding two ears	**746,640**	428,980
Within a period of more than two ears but not more than ve ears	**632,870**	964,009
Over ve ears	**11,777**	15,693
	7,619,373	4,283,521
Less: Amounts due within one ear shown under current liabilities	**(6,228,086)**	(2,874,839)
Amounts shown under non-current liabilities	**1,391,287**	1,408,682

* As at 30 June 2022, other borrowings amounting to RMB104,575,000 (31 December 2021: RMB101,558,000) were from a related part . Details are set out in note 24.

Details of assets pledged b the Group at the end of the reporting period are set out in note 21.

19. SHARE CAPITAL

	N b a	A RMB'000
Ordinar shares of the Compan with nominal value of HK$0.10 each		
Authorised:		
At 1 Januar 2021, 30 June 2021, 1 Januar 2022 and 30 June 2022	2,000,000,000	212,780
Issued and full paid:		
At 1 Januar 2021, 30 June 2021, 1 Januar 2022 and 30 June 2022	1,126,124,500	109,850

20. SHARE-BASED PAYMENTS

Share options scheme

The Compan has a share options scheme (the **Sc**) for eligible directors of the Compan , eligible emplo ees of the Group and other selected participants. According to the terms of the Scheme, option granted must be taken up within 28 da s from the date of grant, upon pa ment of HK$1.00. The options ma be e ercised in accordance with the terms of the Scheme at an time during the e ercise period determined b the board of directors which shall in an event not be more than ten ears from the date of grant. Share options are vested over a period up to a ma imum of four ears after the date of grant.

The total number of shares issued and which ma fall to be issued upon e ercise of the options granted pursuant to the Scheme to an eligible participant in an 12-month period shall not e ceed 1% of the number of shares in issue unless approved b shareholders in a general meeting. The ma imum number of shares in respect of which options ma be granted under the Scheme shall not in aggregate e ceed 10% of the shares in issue on the date on which dealings in the shares rst commence on the Hong Kong Stock E change, i.e. a total of 100,000,000 shares (the **O** **L**). Pursuant to an annual general meeting held on 16 Ma 2014, the Option Limit has been refreshed to 10% of the shares in issue on the date of the annual general meeting, i.e. a total of 111,190,800 shares.

20. SHARE-BASED PAYMENTS (CONTINUED)

Share options scheme (Continued)

All holders of options granted under the Scheme ma onl e ercise their options in the following manner:

Ma c a c ab	V
10% of the options	Upon the rst anniversar of the date of grant
Additional 20% of the options	Upon the second anniversar of the date of grant
Additional 30% of the options	Upon the third anniversar of the date of grant
Additional 40% of the options	Upon the fourth anniversar of the date of grant

The following tables disclosed movements of the Compan 's options under the Scheme during the si months ended 30 June 2022 and 30 June 2021.

Ca	G a a	E c ab	E c c	O a a 01/01/2022	F	O a a 30/06/2022
Option C	16.6.2014	16.6.2015-15.6.2024	HK$2.90	34,794,000	(450,000)	34,344,000
E ercisable at the end of the period						34,344,000

Ca	G a a	E c ab	E c c	O a a 01/01/2021	F	O a a 30/06/2021
Option C	16.6.2014	16.6.2015-15.6.2024	HK$2.90	35,410,500	(373,500)	35,037,000
E ercisable at the end of the period						35,037,000

20. SHARE-BASED PAYMENTS (CONTINUED)

Share options scheme (Continued)

No options were e ercised during the si months ended 30 June 2022 and 2021.

During the si months ended 30 June 2022 and 2021, no e pense were recognised in relation to share options granted b the Compan under the Scheme.

Share award scheme of a subsidiary of the Company

Pursuant to the shareholders' resolution approved on 23 Ma 2019, Tianneng Batter Group Co., Ltd. (**T a _ Ba**) adopted a share award scheme for eligible senior management and eligible emplo ees of Tianneng Batter and its subsidiaries (the **S c E**) (the **S a A a Sc**). The objective of the Share Award Scheme is to recognise the contribution b the Selected Emplo ees and to provide them with incentives in order to retain them for the continuing operation and development of Tianneng Batter and its subsidiaries.

According to the Share Award Scheme, 41,200,000 shares of Tianneng Batter were granted to certain limited partnerships (the **L Pa**), which were legall owned b Zhejiang Tianneng Commercial Management Co., Ltd. (**T a _ C c a**), a wholl owned subsidiar of the Group, and the Selected Emplo ees and for the purpose of facilitating the purchasing, holding and selling of shares of Tianneng Batter for the bene t of the Selected Emplo ees. The shares have been subscribed at a price of RMB7.69 per share.

These shares are restricted for sale until the fourth anniversar date after the initial public o ering of Tianneng Batter in A-share market (the **Q a IPO**). Upon the e pir of restriction of the awarded shares, the Limited Partnership shall dispose the awarded shares at the prevailing market price and transfer the proceeds in relation to the awarded shares to the respective Selected Emplo ees.

20. SHARE-BASED PAYMENTS (CONTINUED)

Share award scheme of a subsidiary of the Company (Continued)

If the Selected Emplo ees resigned before the e pir of restriction of the awarded shares, the are required to sell back the awarded shares at a share price of RMB7.69 plus interest at 115% of the benchmark lending rate of peer loan issued b the People's Bank of China.

The fair value of restricted shares granted on 23 Ma 2019 amounted to appro imatel RMB71,367,000. During the current interim period, an e pense of appro imatel RMB1,916,000 (si months ended 30 June 2021: RMB6,603,000) was recognised b the Group in relation to restricted shares granted b Tianneng Batter under the Share Award Scheme.

21. PLEDGE OF ASSETS

At the end of reporting period, the Group has pledged the following assets to secure the general banking facilities granted to the Group.

	30/06/2022 RMB'000 (a)	31/12/2021 RMB'000 (audited)
Bank deposits	**3,311,697**	2,943,087
Financial assets at FVTPL		
Structured bank deposits	**322,026**	392,682
Propert , plant and equipment	**524,447**	429,023
Debt instruments at FVTOCI	**474,603**	450,913
Right-of-use assets	**132,893**	99,749
Bills receivables	**22,396**	
	4,788,062	4,315,454

22. CAPITAL COMMITMENTS

	30/06/2022 **RMB'000** **(a)**	31/12/2021 RMB'000 (audited)
Contracted for but not provided in the condensed consolidated nancial statements in respect of the acquisition of propert , plant and equipment	**2,481,586**	2,043,330
Commitment to contribute funds to an associate	**88,000**	128,000
	2,569,586	2,171,330

23. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

Fair value measurements and valuation process

Some of the Group's nancial assets and nancial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair value of these financial assets and financial liabilities are determined, as well as the level of the fair value hierarch into which the fair value measurements are categorised (level 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

Level 1 fair value measurements are based on quoted prices (unadjusted) in active market for identical assets or liabilities;

Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liabilit , either directl (i.e. as prices) or indirectl (i.e. derived from prices); and

Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liabilit that are not based on observable market data (unobservable inputs).

23. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (CONTINUED)

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis

F a c a a	Fa a a a 30/06/2022 (a)	31/12/2021 (audited)	Fa a a c	Va a c a	S ı ca b ab	R a b ab a a
Listed equit securities classi ed as nancial assets at FVTPL	L c Ma a C a: RMB42,311,000	Listed equit securities in Mainland China: RMB39,610,000	Level 1	Quoted transaction prices in active markets.	N/A	N/A
	L c H . K .: RMB31,208,000	Listed equit securities in Hong Kong: RMB39,485,000				
Listed equit instruments at FVTOCI	L c H . K .: RMB176,520,000	Listed equit securities in Hong Kong: RMB200,937,000	Level 1	Quoted bid transaction in an active market.	N/A	N/A
	L c Ma a C a: RMB40,286,000					
Foreign currenc forward contracts	A : RMB9,974,000	N/A	Level 2	Discounted cash ow. Future cash ows are estimated based on forward e change rates (from observable forward e change rates at the end of the reporting period) and contracted forward rates, discounted at a rate that re ects the credit risk of various counterparties.	N/A	N/A
Commodit derivative contracts	A : RMB2,453,000	Liabilities: RMB263,000	Level 2	The fair value of the commodit derivative contracts is estimated b reference to the quoted prices of similar standardised commodit derivative contracts at the end of the reporting period.	N/A	N/A

23. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (CONTINUED)

Fair value of the Group's financial assets and financial liabilities that

24. RELATED PARTY TRANSACTIONS

During the period, the Group had the following transactions with its related companies:

Na a c a	Na a ac	S 2022 RMB'000 (a)	30 J 2021 RMB'000 (unaudited)
浙江暢通科技有限公司 Zhejiang Changtong Technolog Compan Limited (**C a T c**) (note i)	Purchase of materials Sales of materials Interest e pense	**258,767** **1,079** **3,017**	228,607 452 –
長興遠鴻機械有限公司 Chang ing Yuanhong Machiner Compan Limited (**Y a Mac**) (note ii)	Purchase of materials	**633**	350
浙江長興欣欣包裝有限公司 Zhejiang Chang ing Xin Xin Packaging Co., Ltd. (**X X Pac a**) (note iii)	Purchase of consumables	**1,869**	1,180
濟源市萬洋冶煉(集團)有限公司 Ji uan Cit Wan ang Smelting (Group) Co., Ltd. (**Wa a G**) (note iv)	Purchase of materials Sale of goods Rental paid	**398,143** **70,005** **941**	507,229 55,648 941
浙江昊楊物產管理有限公司 Zhejiang Hao ang Propert Management Co., Ltd (**Ha a P Ma a**) (note v)	Propert management fees	**5,298**	–
長興金陵大酒店 Chang ing Jin Ling Hotel (note v)	Hotel e pense	**25**	449

24. RELATED PARTY TRANSACTIONS (CONTINUED)

Details of the amounts due to related parties are as follows:

Na a c a	**30/06/2022** **RMB'000** **(a)**	31/12/2021 RMB'000 (audited)
Changtong Technolog	**198,537**	236,469
Yuanhong Machiner	**541**	493
Wan ang Group	**40,535**	3,008
	239,613	239,970

Details of the amounts due from related parties are as follows:

Na a a	**30/06/2022** **RMB'000** **(a)**	31/12/2021 RMB'000 (audited)
Hao ang Propert Management		3,479
Changtong Technolog	**103**	
Wan ang Group	**699**	
	802	3,479

The amounts due to/from related parties are trade in nature and with ageing less than 180 da s.

24. RELATED PARTY TRANSACTIONS (CONTINUED)

Details of the amount due from an associate are as follows:

Na a c a	**30/06/2022 RMB'000 (a)**	31/12/2021 RMB'000 (audited)
浙江谷尚智慧科技有限公司		70,000

The amount due from an associate as at 31 December 2021 was unsecured, interest-free and non-trade in nature and has been converted into equit investment during the current interim period.

Details of the other borrowings from a related part are as follows:

Na a c a	**30/06/2022 RMB'000 (a)**	31/12/2021 RMB'000 (audited)
Changtong Technolog	**104,575**	101,558

The other borrowings from a related part are unsecured, non-trade in nature and carr interests at 6% per annum.

During the si months ended 30 June 2022, **天暢控股有限公司** Tianchang Holding Group Co., Ltd. (**T a c a H**) acquired 35% equit interests of **浙江天能新材料有限公司** Zhejiang Tianneng New Material Co., Ltd., a whol - owned subsidiar of the Group before the acquisition, with a consideration of RMB89,216,000.

24.

INTERESTS OF DIRECTORS AND CHIEF EXECUTIVE

As at 30 June 2022, apart from the details as follows, the Directors and chief e ecutive of the Compan do not have an other interests and short positions in the shares, underl ing shares and debentures of the Compan and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (**SFO**)), as recorded in the register maintained b the Compan under Section 352 of the SFO or as noti ed to the Compan and the Hong Kong Stock E change pursuant to the Model Code.

Ordinary shares of HK$0.1 each of the Company

Na	**Ca ac**	**N b a** (Note 1)	**A a a c a a ca a C a** (Note 7)
Zhang Tianren	Interest of a controlled corporation (Note 2)	410,355,650 (L)	36.44%
	Interest of spouse (Note 2)	438,000 (L)	0.04%
Zhang Aogen	Interest of a controlled corporation (Note 3)	13,641,022 (L)	1.21%
Zhang Kaihong	Interest of a controlled corporation (Note 4)	18,884,174 (L)	1.68%
Shi Borong	Interest of a controlled corporation (Note 5)	15,686,141 (L)	1.39%
Zhou Jian hong	Interest of a controlled corporation (Note 6)	2,362,815 (L)	0.21%
Huang Dongliang	Bene cial owner	240,000 (L)	0.02%

Notes:

1. The letter L denotes long position in the shares of the Compan .

2. The 410,355,650 shares of the Compan were held b Prime Leader Global Limitedition in the sharE8.5

3. The 13,641,022 shares of the Compan were held b Top Bene ts International Limited, which was wholl -owned b Mr. Zhang Aogen.

4. The 18,884,174 shares of the Compan were held b Plent Gold Holdings Limited, which was wholl -owned b Mr. Zhang Kaihong.

5. The 15,686,141 shares of the Compan were held b Precise Asia Global Limited, which was wholl -owned b Mr. Shi Borong.

6. The 2,362,815 shares of the Compan were held b Centre Wealth Limited which was wholl -owned b Mr. Zhou Jian hong.

7. Shareholding percentage is based on 1,126,124,500 issued shares of the Compan as at 30 June 2022.

INTERESTS OF SUBSTANTIAL SHAREHOLDERS

As at 30 June 2022, the register of substantial shareholders maintained b the Compan pursuant to Section ,/⊠ 1 Tf0.029 Tw 9.5 0 0 9.5 42.5197 326.s029 Tw 0.8665 0,T ANTIAL SHAREHC

Ordinary shares of HK$0.1 each of the Company

Na S a	Ca ac	N b a (Note 1)	A a c a a ca a C a (Note 4)
Zhang Tianren	Interest of a controlled corporation (Note 2)	410,355,650 (L)	36.44%
	Interest of spouse (Note 2)	438,000 (L)	0.04%
Yang Yaping	Bene cial owner (Note 2)	438,000 (L)	0.04%
	Interest of spouse (Note 2)	410,355,650 (L)	36.44%
Prime Leader Global Limited	Bene cial owner (Note 2)	410,355,650 (L)	36.44%

Notes:

1. The letter L denotes long position in the shares of the Compan .

2. The 410,355,650 shares were held b Prime Leader Global Limited, which was wholl -owned b Dr. Zhang Tianren. The interest in 438,000 Shares arises from the share options granted to Ms. Yang Yaping, spouse of Dr. Zhang Tianren. Ms. Yang Yaping, being the spouse of Dr. Zhang Tianren, is deemed to be interested in the shares held b Dr. Zhang Tianren.

3. Shareholding percentage is based on 1,126,124,500 issued shares of the Compan as at 30 June 2022.

SHARE OPTIONS

The Compan 's share option scheme (the **Sc**) was adopted pursuant to a resolution passed b the shareholders on 26 Februar 2007 for the primar purpose of providing incentives or rewards to selected participants for their contribution to the Group. Details of the Scheme are set out in the Note 20 to the nancial statements. An ordinar resolution was passed at the annual general meeting of the Compan held on 16 Ma 2014 (the **A a G a M**) relating to the refreshment of scheme mandate limit of the Scheme as set out in the supplemental notice of the Annual General Meeting. The Scheme e pired on 10 June 2017.

On 30 March 2009, a total of 36,340,000 share options were offered to the eligible participants under the Scheme. 35,310,000 share options were accepted and granted on the same da . On 22 November 2010, a total of 44,720,000 share options were o ered and granted to the Directors and eligible participants under the Scheme. After the refreshment of the Scheme, on 16 June 2014, a total of 58,660,000 options were o ered and granted to the Directors and eligible participants. Details of the movement of the Compan 's share options during the reporting period are as follows:

Na a	Da a	E c	E c c (HK$)	C c C a' a a b a a (HK$)	W a a c c C a' a a b a c (HK$)	N b a a 1 Ja a 2022	N b a	N b c	N b ca c	N b a acc a c Sc	N b a a 30 J 2022	A a a c a a ca a C a
Huang Dongliang (Independent non-e ecutive Director)	16/6/2014	16/6/2015 to 15/6/2024	2.90	2.89		90,000					90,000	0.01%
Other eligible participants	16/6/2014	16/6/2015 to 15/6/2024	2.90	2.89		34,704,000				(450,000)	34,254,000	3.04%
						34,794,000				(450,000)	34,344,000	3.05%

On 18 Ma 2018, the Compan b ordinar resolution approved the adoption of a new shares option scheme with terms in line with the provisions of Chapter 17 of the Listing Rules. No options have et been granted under such new share option scheme.

SHARE AWARD SCHEME

Pursuant to the shareholders' resolution approved on 23 Ma 2019, Tianneng Batter , a subsidiar of the Compan , adopted a share award scheme for eligible senior management and eligible emplo ees of Tianneng Batter and its subsidiaries (the **S c E**). The shares of Tianneng Batter to be issued to the Selected Emplo ees who are connected persons of the Compan amount to 0.19% of the then issued shares of Tianneng Batter immediatel after the completion of the subscription b certain management partnerships established for holding the shares for and on behalf of the Selected Emplo ees. Details are set out in Note 20 and the circular of the e traordinar meeting dated 24 June 2019.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Compan nor an of its subsidiaries purchased, sold or redeemed an of the Compan 's listed securities during the period under review.

DISCLOSURE OF CHANGES IN INFORMATION OF DIRECTORS

Pursuant to Rule 13.51B(1) of the Listing Rules, there is no change in Directors' information since the date of publication of the 2021 Annual Report.

B order of the Board
Z a T a
Chairman

Hong Kong, 26 August 2022