



**彩虹集團新能源股份有限公司**  
**IRICO GROUP NEW ENERGY COMPANY LIMITED\***

(A joint stock company incorporated in the People's Republic of China with limited liability)  
(Stock Code: 0438)

# 2024

## ANNUAL REPORT



\* For identification purpose only

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# Results Highlights

## 1. Operating Results

Unit: RMB0'000

Item	2024	2023
Operating revenue	327,622.01	314,538.55
Including: Principal operating revenue	324,636.54	311,103.49
Other operating revenue	2,985.47	3,435.06
Total profit (loss is represented by "-")	-35,842.74	-22,558.93
Net profit (net loss is represented by "-")	-37,595.38	-23,095.55
Including: Net profit attributable to the shareholders of the parent company	-37,595.38	-23,095.55
Minority interests		
Total comprehensive income (loss is represented by "-")	-32,279.51	-12,269.12
Including: Total comprehensive income attributable to the shareholders of the parent company	-32,279.51	-12,269.12
Total comprehensive income attributable to minority		
Basic earnings per share (RMB/share)	-2.1322	-1.3099
Diluted earnings per share (RMB/share)	-2.1322	-1.3099

## 2. Financial Position

Unit: RMB0'000

Item	31 December 2024	31 December 2023
Total assets	877,527.08	884,039.63
Including: Current assets	310,022.29	341,950.09
Non-current assets	567,504.80	542,089.54
Total liabilities	729,879.06	704,112.11
Including: Current liabilities	527,819.71	458,458.72
Non-current liabilities	202,059.36	245,653.38
Total shareholder's equity	147,648.02	179,927.53
Including: Equity attributable to the shareholders of the parent company	147,648.02	179,927.53
Minority interests		

## Results Highlights (Continued)

### 3. Cash Flow

Unit: RMB0'000

Item	2024	2023
Net cash flows from operating activities	-51,325.07	27,696.16
Net cash flows from investing activities	-47,469.01	-92,571.49
Net cash flows from financing activities	40,967.36	119,055.27
Effect of changes in exchange rate on cash and cash equivalents	0.61	0.28
Net increase in cash and cash equivalents	-57,826.11	54,180.23

### 4. Key Indicators

Name of indicators	31 December 2024	31 December 2023
Gearing ratio	83.17%	79.65%
Current ratio	0.59	0.75

Name of indicators	2024	2023
Trade receivable turnover (days)	76	79
Inventory turnover (days)	53	41

## Chairman's Statement

Dear Shareholders,

In 2024, our Group made significant strides in advancing national strategic emerging industries and robustly established a presence in the solar photovoltaic (PV) glass business. In the face of temporary supply-demand mismatch within the PV glass industry, the Group accelerated production line upgrades and optimized product mix, strengthened cost control and accelerated talent team development, to promote high-quality development with these multiple measures.

I am pleased to present the results of IRICO Group New Energy Company Limited ("IRICO" or the "Company") and its subsidiaries (collectively, the "Group") for the year ended 31 December 2024 (the "Reporting Period").

### Business Review

During the Reporting Period, the Group adhered to the business strategy of "production based on sales", accelerated technological innovation, intensified cost reduction and efficiency improvement, and vigorously implemented various initiatives for the "Cost Year" campaign. The construction of Phase I of the Shangrao base was completed and fully put into operations; Hefei base maintained stable operations; kiln cold repair was completed, and production was commenced at Yan'an Base, and Xianyang base continued to be profitable. During the Reporting Period, the Group achieved revenue of RMB3,276.2201 million, marking a year-on-year increase of 4.16%. However, due to insufficient market demands in the second half of the year, some production lines of the Company were curtailed, leading to a significant decline in sales prices of its products and a subsequent drop in gross profit margin. As a result, the total profit for the Reporting Period was RMB -358.4274 million.

During the Reporting Period, the Group continued to increase its R&D investment, and fully leveraged the role of the technology center platform. By adopting a "headquarters + sub-centers model", we proactively established a provincial-level technology center, and achieved significant breakthroughs in key research projects.

During the Reporting Period, the Group achieved notable results in cost reduction and efficiency improvement by accelerating the upgrading and optimization of production lines, implementing strict cost quota control measures, analyzing market trends, and adopting centralized and strategic procurement models. Additionally, we continued to expand sales channels, adhered to a major client strategy, and enhanced customer loyalty to ensure stable sales growth.

During the Reporting Period, the Group closely followed industry trends, with precise focus on future development, and deeply analyzed current demands. By establishing an internal talent development mechanism, the Group continuously improved the level of human resource management, laying a solid talent foundation for the Company's sustainable development.

## Chairman's Statement (Continued)

### Future Prospects

The Group will continue to leverage the resource advantages as a state-owned enterprise, closely monitor changes in industry policies, continuously optimize its product structure, strengthen marketing traction, deepen cost reduction and efficiency improvement initiatives, accelerate technological innovation, solidify foundational management, and strengthen the team building. The Group will initiate cold repairs for Hefei Phase II furnace, ignition for Yan'an furnace project, and conduct surveys on new projects at an appropriate time, to continuously drive the Company towards positive development.

### Acknowledgement

On behalf of the board of directors of the Company (the "**Board**") and its members (the "**Directors**"), I would like to express our gratitude to the Company's shareholders (the "**Shareholders**"), business partners and the community for their care and support. I would also like to express my heartfelt thanks to the management team and all of the employees for their hard work.

IRICO Group New Energy Company Limited\*  
Yang Hua  
*Chairlady*

Xianyang, the People's Republic of China  
26 March 2025

\* For identification purpose only



# Management Discussion and Analysis

## Industry Analysis

During the Reporting Period, the PV industry suffered from a temporary supply-demand mismatch, and industry losses intensified. Since the second half of 2024, due to the insufficient startup rates in downstream customers, significant declines have been seen in PV glass product prices, putting pressure on corporate profits.

Looking ahead, the PV industry will continue to be a crucial support to advance green and low-carbon development. The PV industry will further accelerate the application of new scenarios and technologies. PV glass will remain a primary auxiliary material for new PV technologies, maintaining a growing trend in market demand. As the outdated capacity exits the market more rapidly, overall furnace capacity is expected to return to a reasonable range. It is anticipated that the industry prosperity level of PV glass in 2025 will be higher than that in 2024.

## Business Review

### 1. Summary of business results

During the Reporting Period, the Group recorded operating revenue of RMB3,276.2201 million, representing a year-on-year increase of RMB130.8346 million or 4.16%; the Group recorded a total profit of RMB-358.4274 million, representing a year-on-year decrease of RMB132.8381 million or 58.88%.

The Company's original dividend policy remains unchanged. In light of the absence of accumulated surplus in 2024, the Board has resolved not to distribute any final dividend for the year ended 31 December 2024, which is subject to the approval by the Shareholders of the Company at the 2024 annual general meeting to be held in 2025. Further details in relation to the closure of register of members for H shares will be announced by the Company after confirming the arrangement of such general meeting.

### 2. Review of main businesses

During the Reporting Period, the Group recorded operating revenue of RMB3,276.2201 million, representing a year-on-year increase of RMB130.8346 million or 4.16%. The significant drop in sales prices of photovoltaic glass, coupled with the delayed ignition after cold repair of the Yan'an project, the early cold repair of the Hefei Phase II furnace, and production restrictions on certain lines at the Hefei and Shangrao bases, resulted in a substantial decrease in the Company's total profit to RMB-358.4274 million.

At the Shangrao base, Phase I No. 3 photovoltaic glass furnace was successfully ignited and completed production capacity acceptance on 13 June 2024, marking the full completion of the Phase I project, with production line efficiency and product yield reaching advanced level of the industry. Additionally, the Shangrao base actively pursued technical breakthroughs, achieving significant progress in large-tonnage photovoltaic glass furnace, rolling equipment, and 1.6mm thin photovoltaic glass technology. It was honored with the titles of "Provincial Enterprise Technology Center of Jiangxi Province (江西省省級企業技術中心)" and "Specialized, Refined, Differentiated and Innovative Enterprise of Jiangxi Province (江西省專精特新企業)".

## Management Discussion and Analysis (Continued)

### Business Review (Continued)

#### 2. Review of main businesses (Continued)

At the Hefei base, Phase I and Phase III photovoltaic glass furnaces and ancillary deep-processing production lines maintained stable operations. Facing challenges, the Hefei base vigorously innovated, tackling key issues related to rolling machinery and thin glass material technology, achieving mass production of 1.6mm thin photovoltaic glass. The “3441” quality enhancement and efficiency improvement project was launched, promoting LNG emergency peak shaving stations and self-developed new defoamer and other projects, resulting in remarkable cost control achievements, while passing the re-examination of National High-Tech Enterprise.

At the Xianyang base, it focused on product differentiation competition, achieving remarkable results in R&D for black grid and colorless double-coated photovoltaic glass products, and was recognized as a “Shaanxi Province Potential Gazelle Enterprise (陝西省瞪羚企業)” and a “Shaanxi Province Intelligent Factory (陝西省智能工廠)”. Additionally, by enhancing management and innovation, the “Implementation of Production Process Re-engineering in Deep Processing Enterprises Based on ‘Dual-Driving + Digital Empowerment’ (《深加工企業基於“雙輪驅動+數字賦能”進行生產流程再造的實施》)” won the second prize in the National Enterprise Management Modernization Innovation Achievement Awards. During the Reporting Period, it was recognised as a “Leading Enterprise” in Shaanxi Province for environmental performance.

At the Yan'an base, significant milestones have been achieved in the kiln cold repair and supporting kinetic energy renovation project. The furnace is now ready for ignition, and the ancillary deep-processing production line has been fully integrated and successfully put into operation, achieving mass production and sales. The product yield rate has stabilized at over 98%, receiving positive feedback from customers. During the Reporting Period, the construction of the dedicated natural gas pipeline has also been expedited.

The Group has continued to increase its investment in R&D, fully leveraging the role of the technology center platform to create a collaborative R&D system of “headquarters + sub-centres”. Product R&D rooms, equipment R&D rooms, and material R&D rooms have been successively established, working closely and efficiently together to provide robust support for maintaining the Group’s technological leadership in the industry. During the Reporting Period, the Group made significant scientific research achievements, with notable breakthroughs in new products such as 1.6mm ultra-thin, colorless double-coated, and black glazed glass. It is also committed to enhancing production efficiency and product quality, with the self-developed core rolling equipment technology and industrialization projects for photovoltaic glass having been applied in mass production, while self-developed new defoamers and high-coating-rate inks are now widely used.

Additionally, the Group continued to promote quality enhancement and efficiency improvement, implementing a cost quota control mechanism, and effectively reducing costs through diversified natural gas supply, strategic procurement of raw materials, cost reduction in R&D, and optimization of human resources. At the same time, it strengthened marketing efforts, consolidated strategic customer relationships and emphasized localized marketing of products from various bases, further enhancing marketing scale. During the Reporting Period, the Group’s photovoltaic glass product inventory was below the industry average.



## Management Discussion and Analysis (Continued)

### Financial Review

#### 1. Results

Profit and loss data for 2020–2024 (RMB'000)

Item	2024	2023	2022 (Restated)	2021 (Restated)	2020 (Restated)
Operating revenue	327,622.01	314,538.55	247,027.75	206,706.27	262,585.27
Operating costs	337,144.41	292,768.12	210,742.37	161,658.91	213,494.22
Tax and surcharges	2,459.01	2,403.18	2,257.48	2,115.68	1,339.95
Selling expenses	765.43	809.48	498.38	714.12	1,245.23
Administrative expenses	7,686.07	17,455.47	11,334.72	11,012.79	18,060.85
Research and development expenses	12,080.94	10,292.73	6,686.69	5,440.02	6,678.02
Finance costs	13,640.19	8,831.94	7,204.78	6,943.65	14,101.00
Impairment losses on assets (loss is represented by "-")	-8,966.62	-8,655.18	-96.24	-1,583.80	-1,199.93
Credit impairment losses (loss is represented by "-")	226.01	-423.08	-126.19	-163.63	132.32
Other income	13,593.31	4,219.15	1,537.56	2,542.99	8,196.97
Investment income (loss is represented by "-")	730.63	257.15	348.32	-1,003.31	5,252.67
Gains from changes in fair value (loss is represented by "-")	6.78	3.97	-2.05	-3.46	-15.53
Gains on disposal of assets (loss is represented by "-")	266.74	99.22	69.09	58.71	-5,122.82
Non-operating income	4,460.12	24.23	54.65	249.60	970.30
Non-operating expense	5.67	62.03	9.60	147.45	5.25
<b>Total profit (total loss is represented by "-")</b>	<b>-35,842.74</b>	<b>-22,558.93</b>	<b>10,078.87</b>	<b>18,770.73</b>	<b>15,873.72</b>
Income tax expense	1,752.64	536.62	1,155.82	2,327.57	-3,218.00
<b>Net profit (net loss is represented by "-")</b>	<b>-37,595.38</b>	<b>-23,095.55</b>	<b>8,923.05</b>	<b>16,443.16</b>	<b>19,091.72</b>
Including: Net profit attributable to the shareholders of the parent company	-37,595.38	-23,095.55	8,923.05	16,443.16	20,897.00
Minority interests					-1,804.24
<b>Other comprehensive income (net of tax)</b>	<b>5,315.88</b>	<b>10,826.42</b>	<b>-7,809.64</b>	<b>1,081.23</b>	<b>4,813.92</b>
Including: Other comprehensive income attributable to the owners of the parent company (net of tax)	5,315.88	10,826.42	-7,809.64	1,081.23	4,813.92
Other comprehensive income attributable to minority shareholders (net of tax)					
<b>Total comprehensive income</b>	<b>-32,279.51</b>	<b>-12,269.12</b>	<b>1,113.41</b>	<b>17,524.39</b>	<b>23,905.64</b>
Including: Total comprehensive income attributable to the owners of the parent company	-32,279.51	-12,269.12	1,113.41	17,524.39	25,710.92
Total comprehensive income attributable to minority shareholders					-1,804.24
<b>Earnings per share</b>					
(I) Basic earnings per share (RMB/share)	-2.1322	-1.3099	0.5061	1.2346	1.5690
(II) Diluted earnings per share (RMB/share)	-2.1322	-1.3099	0.5061	1.2346	1.5690

## Management Discussion and Analysis (Continued)

### Financial Review (Continued)

#### 1. Results (Continued)

Turnover by product category (RMB0'000)

Item	2024	2023
Operating revenue	327,622.01	314,538.55
Including: Solar photovoltaic business	324,636.54	311,103.49
Others	2,985.47	3,435.06

##### (1) Profits and losses

###### ① Operating revenue from principal business and profit

During the Reporting Period, the Group recorded operating revenue from its principal business of RMB3,246.3654 million, representing a year-on-year increase of RMB135.3306 million or 4.35%, which was mainly due to the gradual production and operation of three furnaces of Jiangxi Photovoltaic Phase I, the Group's new project, resulting in the increase in revenue.

During the Reporting Period, the Group recorded a total profit of RMB-358.4274 million, representing a year-on-year decrease of RMB132.8381 million or 58.88%, which was mainly due to that in the second half of 2024, the price of photovoltaic glass products dropped significantly year-on-year, resulting in a decrease in the gross profit margin of the Group's photovoltaic glass business; the Company has made provisions for asset impairment of photovoltaic glass products in accordance with the Accounting Standards for Business Enterprises, based on the current industry situation and product price fluctuations.

###### ② Administrative expenses

During the Reporting Period, the Group's administrative expenses were RMB76.8607 million (2023: RMB174.5547 million), representing a year-on-year decrease of RMB97.694 million or 55.97%, which was mainly due to that in 2024, in accordance with the requirements of the Accounting Standards for Business Enterprises, the cost of routine repairs of fixed assets related to inventory production and processing was included in the costs by the Group, resulting in a decrease in repair expenses.

## Management Discussion and Analysis (Continued)

### Financial Review (Continued)

#### 1. Results (Continued)

##### (1) Profits and losses (Continued)

###### ③ Finance costs

During the Reporting Period, the Group's finance costs included in profit and loss were RMB136.4019 million (2023: RMB88.3194 million), representing a year-on-year increase of RMB48.0825 million or 54.44%, which was mainly due to the increase in production capacity scale of photovoltaic glass, new projects being gradually put into production and increase in demand for operating capital; and that the letter of credit negotiation fee of the year has been reclassified from investment income to finance costs.

###### ④ Selling expenses

During the Reporting Period, the Group's selling expenses were RMB7.6543 million (2023: RMB8.0948 million), representing a year-on-year decrease of RMB0.4405 million or 5.44%, which was mainly due to a year-on-year decrease in product certification test fees.

###### ⑤ Research and development expenses

During the Reporting Period, the Group's research and development expenses were RMB120.8094 million (2023: RMB102.9273 million), representing a year-on-year increase of RMB17.8821 million or 17.37%, which was mainly due to the Group's increased investment in research and development of 210 large-size, 1.6mm thin and double-layer coating high-power photovoltaic glass products in order to meet market demands.

##### (2) Capital structure

As at 31 December 2024, the Group continued maintaining a suitable ratio of share capital to liabilities to ensure an effective capital structure.

As at 31 December 2024, the total assets of the Group amounted to RMB8,775.2708 million (31 December 2023: RMB8,840.3963 million), including cash and bank balances of RMB423.4628 million (31 December 2023: RMB1,035.0624 million).

As at 31 December 2024, the total liabilities of the Group were RMB7,298.7906 million (31 December 2023: RMB7,041.1211 million), including bank borrowings and other borrowings of RMB3,747.7744 million (31 December 2023: RMB3,829.3359 million).

## Management Discussion and Analysis (Continued)

### Financial Review (Continued)

#### 1. Results (Continued)

##### (2) Capital structure (Continued)

As at 31 December 2024, the total owners' equity of the Group was RMB1,476.4802 million (31 December 2023: RMB1,799.2753 million).

As at 31 December 2024, the gearing ratio of the Group (total liabilities/total assets) was 83.17% (31 December 2023: 79.65%).

During the Reporting Period, the turnover days for trade receivables of the Group were 76 days, representing a year-on-year decrease of three days, which was mainly attributable to the Group's strengthened control over accounts receivable.

During the Reporting Period, the inventory turnover days of the Group were 53 days, representing a year-on-year increase of 12 days, which was mainly attributable to that since the second half of 2024, downstream customers in the photovoltaic industry have been under-utilized, growth in installed capacity of photovoltaic power generation has slowed down and photovoltaic glass capacity has been in phased supply-demand imbalance, resulting in the increase in inventory of products.

##### (3) Cash flow

During the Reporting Period, the Group's net cash outflow from operating activities was RMB513.2507 million (net cash inflow in 2023 was RMB276.9616 million); net cash inflow from financing activities was RMB409.6736 million (2023: RMB1,190.5527 million); net cash outflow from investing activities was RMB474.6901 million (2023: RMB925.7149 million); the Group paid a total of RMB487.3162 million for capital expenditure (2023: RMB941.3012 million).

##### (4) Foreign exchange risk

The Group's income and most of its expenses were denominated in Renminbi and US dollar. During the Reporting Period, the net foreign exchange gain of the Group was RMB6,900 (2023: RMB2,800) as a result of exchange rate fluctuations. Exchange rate fluctuations had no material effect on the Group's working or liquidity capital.

##### (5) Commitments

As at 31 December 2024, the capital expenditure commitments of the Group amounted to RMB1,361.3008 million (31 December 2023: RMB2,963.76 million).

## Management Discussion and Analysis (Continued)

### Financial Review (Continued)

#### 1. Results (Continued)

##### (6) *Contingent liabilities*

As at 31 December 2024, the Group had no material contingent liability.

##### (7) *Pledged assets*

As at 31 December 2024, the Group had bank borrowings of approximately RMB608.00 million, which were obtained by pledging certain of the Group's machinery and equipment amounting to approximately RMB1,139.9152 million. As at 31 December 2023, the Group had no pledged assets.

##### (8) *Pension scheme*

The Group participated in the pension scheme established by the government, under which the annual contribution is approximately 16% of the employee's salary. Under the scheme, the pensions of current and retired employees are protected by the Human Resources and Social Security Bureau of the Company's location. During the Reporting Period, the Group did not have the right to utilize the contributions to the aforementioned pension scheme to reduce the current level of contributions and therefore there was no utilization of the contributions. The Group did not have any defined benefit schemes during the Reporting Period.

## Management Discussion and Analysis (Continued)

### Material Acquisition and Disposal

During the Reporting Period, the Company had not made any material acquisition or disposal of subsidiaries and associates.

### Significant Investment

During the Reporting Period, save as disclosed in this report, the Company had not made any other significant investment.

### Other Matters

#### 1. Changes of Directors' Terms of Office

On 12 November 2024, members of the sixth session of the Board were elected at the extraordinary general meeting of the Company, with Ms. Yang Hua and Mr. Ma Zhibin as executive Directors, Mr. Fang Zhongxi and Mr. Wang Dong as non-executive Directors, and Mr. Su Kun, Mr. Li Yong and Ms. Hao Meiping as independent non-executive Directors, for a term of three years commencing from the effective date of their appointments at the extraordinary general meeting. Ms. Yang Hua was elected as the chairlady of the Board of the Company at the first meeting of the sixth session of the Board of the Company on the same date.

For details, please refer to the announcements and notice of the Company dated 15 October 2024, 23 October 2024 and 12 November 2024.

#### 2. Changes of Supervisors

On 13 May 2024, Mr. Chen Xiaoning resigned as the shareholder representative supervisor of the Company and the chairman of the supervisory committee of the Company intending to devote more time to his work commitments within IRICO Group; Mr. Zhao Lefei resigned as the employee representative supervisor of the Company due to his work adjustment.

Mr. Luo Hongwei was elected as an employee representative supervisor at the employee representative meeting of the Company in accordance with the letter issued by the labor union of the Company on 13 May 2024. The term of Mr. Luo commenced on 13 May 2024 and continued until the expiry of the term of the fifth session of the supervisory committee.

On 13 May 2024, IRICO Group nominated Mr. Zhao Lefei as a shareholder representative supervisor of the Company. On 6 June 2024, the resolution in relation to the appointment of Mr. Zhao Lefei as a shareholder representative supervisor of the Company was considered and approved by the shareholders of the Company at the 2023 annual general meeting (the "AGM"), with a term commencing from the conclusion of the AGM to the expiry of the term of the fifth session of the supervisory committee of the Company. On the same date, at the second extraordinary meeting of the fifth session of the supervisory committee of the Company, Mr. Zhao Lefei was elected as the chairman of the supervisory committee of the Company.



## Management Discussion and Analysis (Continued)

### Other Matters (Continued)

#### 2. Changes of Supervisors (Continued)

Ms. Zhang Li, the employee representative supervisor of the fifth session of the supervisory committee of the Company, resigned from the position of employee representative supervisor with effect from the date of the extraordinary general meeting held on 12 November 2024 due to other work commitments.

On 12 November 2024, non-employee representative supervisors of the sixth session of the supervisory committee were elected at the extraordinary general meeting of the Company, with Mr. Zhao Lefei as a shareholder representative supervisor, and Mr. Jiang A'he and Mr. Huang Zhen as independent supervisors. Mr. Yao Rui and Mr. Luo Hongwei were elected as the employee representative supervisors of the sixth session of the supervisory committee of the Company at the employee representative meeting of the Company in accordance with the letter issued by the labor union of the Company on 12 November 2024 for a term of three years commencing from the date of the extraordinary general meeting, with the same term as the shareholder representative supervisor and independent supervisors. Mr. Zhao Lefei was elected as the chairman of the supervisory committee of the Company at the first meeting of the sixth session of the supervisory committee of the Company held on the same date.

For details, please refer to the announcements and notices of the Company dated 13 May 2024, 16 May 2024, 6 June 2024, 15 October 2024, 23 October 2024 and 12 November 2024.

#### 3. Changes of Senior Management

On 19 March 2024, Mr. Gao Feng'an was appointed as the deputy general manager of the Company.

On 13 May 2024, Mr. Niu Xinchun was appointed as the secretary to the Board of the Company until the expiry of the term of the Company's fifth session of the Board. Mr. Huang Weihong ceased to act as the secretary to the Board of the Company as he intends to devote more time to his other work commitments in the Company.

On 12 November 2024, at the first meeting of the sixth session of the Board of the Company, Mr. Ma Zhibin was appointed as the general manager of the Company, Mr. Wu Wenchao, Mr. Ni Huadong and Mr. Gao Feng'an were appointed as the deputy general managers of the Company, Mr. Huang Weihong was appointed as the chief financial officer of the Company, and Mr. Niu Xinchun was appointed as the secretary to the Board of the Company, all with the terms of office commencing from the date of approval at the first meeting of the sixth session of the Board of the Company to the date of expiry of the sixth session of the Board.

On 27 March 2025, the Board received a written resignation report from Mr. Huang Weihong, in which Mr. Huang Weihong tendered his resignation as the chief financial officer of the Company due to changes in work arrangements, and the resignation report took effect from the date of delivery to the Board. After his resignation as the chief financial officer of the Company, Mr. Huang Weihong no longer holds any position in the Company. On the same day, Mr. Li Yunpu was appointed as the chief financial officer of the Company for a term commencing from 27 March 2025 to the date of expiry of the term of office of the sixth session of the Board.

For details, please refer to the announcements of the Company dated 19 March 2024, 13 May 2024, 12 November 2024 and 27 March 2025.

## Management Discussion and Analysis (Continued)

### Other Matters (Continued)

#### 4. Change of Auditor

BDO China Shu Lun Pan Certified Public Accountants LLP (立信會計師事務所(特殊普通合夥)) (“BDO”) has provided audit services for the Company for five consecutive years. In accordance with the relevant regulations of the Notice on the Issuance of Administrative Measures for State-owned Enterprises and Listed Companies to Select and Engage Accounting Firms (Cai Kuai [2023] No. 4) 《關於印發〈國有企業、上市公司選聘會計師事務所管理辦法〉的通知》(財會[2023]4號)) issued by the Ministry of Finance, the State-owned Assets Supervision and Administration Commission of the State Council and the China Securities Regulatory Commission of the PRC, BDO retired as the auditor of the Company after the AGM as a result that BDO has reached the maximum number of years for which the Company has continuously employed an auditor to carry out audit work and to ensure the independence and objectivity of the audit work in conjunction with the actual operational needs.

On 6 June 2024, the resolution in relation to the appointment of WUYIGE Certified Public Accountants LLP as the auditor of the Company for the year 2024 and the authorization to the Board to determine its remuneration has been considered and approved by the shareholders of the Company at the AGM, with a term commencing from the conclusion of the AGM to the date of the conclusion of the 2024 annual general meeting.

For details, please refer to the announcements and notice of the Company dated 13 May 2024, 16 May 2024 and 6 June 2024.

# Profiles of Directors, Supervisors and Senior Management

## Directors

### Executive Directors

Yang Hua	51	Chairlady
Ma Zhibin	59	Executive Director

### Non-executive Directors

Fang Zhongxi	42	Non-executive Director
Wang Dong	36	Non-executive Director

### Independent Non-executive Directors

Su Kun	40	Independent Non-executive Director
Li Yong	60	Independent Non-executive Director
Hao Meiping	61	Independent Non-executive Director

**Ms. Yang Hua (楊樺)**, aged 51, the chairlady and executive Director of the Company, joined the Group in July 1996. Ms. Yang graduated from Xi'an Jiaotong University with a bachelor's degree in accounting and holds the qualification of accountant. She currently serves as the chief accountant of IRICO Group Co. Ltd. ("IRICO Group") and the chief accountant of Xianyang Zhongdian IRICO Group Holdings Ltd.. She formerly served as a cashier and accountant of power branch of IRICO Color Picture Tube Plant (彩虹彩色顯像管總廠動力分廠), an accountant and a cost statement accountant of the procurement department of IRICO Color Picture Tube Plant, the manager of the comprehensive analysis business of the Company, the manager of the finance department of IRICO Phosphor Material Co., Ltd., a comprehensive analysis accountant, the assistant to the director and the deputy director of the asset and finance department of IRICO Group (also the head of the settlement centre of IRICO Group), the director of the finance department of the Company, the deputy director (presiding over work) of the finance department and the director of the asset and operation department of IRICO Group and the director of the finance department of IRICO Group. She was appointed as the chairlady and executive Director of the Company on 12 November 2024.

**Mr. Ma Zhibin (馬志斌)**, aged 59, an executive Director, general manager, Party secretary, and legal representative of the Company, joined the Group in July 1987. Mr. Ma graduated from Shanghai Construction Materials College (上海建材學院) majoring in glass with college education background. He is a senior engineer, and a member of the Communist Party of China. Mr. Ma Zhibin serves as an executive director of IRICO (Hefei) Photovoltaic Co., Ltd.\* (彩虹(合肥)光伏有限公司) ("Hefei Photovoltaic"), IRICO (Yan'an) New Energy Co., Ltd.\* (彩虹(延安)新能源有限公司) ("Yan'an New Energy"), Jiangxi IRICO Photovoltaic Co., Ltd. (江西彩虹光伏有限公司) and Xianyang IRICO Photovoltaic Glass Co., Ltd. (咸陽彩虹光伏玻璃有限公司), respectively. He formerly served as the technician specializing in melting, engineer, assistant to the head of workshop, vice head of the workshop, head of the workshop, the Party branch secretary and the vice head of the glass factory of IRICO Group; the vice general manager and Party secretary of IRICO (Zhangjiagang) Flat Panel Display Co., Ltd. (彩虹(張家港)平板顯示有限公司), the vice head, the head and the Party secretary of IRICO Photovoltaic Glass Factory, the general manager of Hefei Photovoltaic, and the deputy general manager of the Company. He was appointed as an executive Director of the Company on 12 November 2024.

## Profiles of Directors, Supervisors and Senior Management (Continued)

### Directors (Continued)

**Mr. Fang Zhongxi (方忠喜)**, aged 42, a non-executive Director of the Company, joined the Group in August 2005. Mr. Fang graduated from Shaanxi University of Science and Technology with a major in mechatronics. He holds a bachelor's degree and obtained a master's degree in business administration while employed, and is a member of the Communist Party of China. He is a senior engineer and a deputy to the 13th People's Congress of Anhui Province. He currently serves as the assistant to the general manager, the director of the operation and management department and the planning and technology department of IRICO Group. He also serves as a director of IRICO Display Devices Co., Ltd. (600707. SH). He successively served as a technician and secretary of the Youth League of IRICO Glass Factory, secretary of the Party Committee of the Party Committee Work Department of IRICO Group, assistant to the director of the office, director of the Party and Masses Office, chairman of the labor union of IRICO Glass Factory, director of the comprehensive management department and chairman of the labor union of IRICO Photovoltaic Glass Factory, director of the comprehensive management department, chairman of the labor union, director of the operation and management department, assistant to the general manager, director of the manufacturing first department and vice general manager of Hefei Photovoltaic. From June 2021 to January 2023, he held a temporary position as the deputy director (presiding over work) of the economic operation division of the operation and management department at the headquarters of China Electronics Corporation, and the deputy director (presiding over work) of the operation and management department of IRICO Group. He was appointed as a non-executive Director of the Company on 12 November 2024.

**Mr. Wang Dong (王棟)**, aged 36, a non-executive Director of the Company, joined the Group in December 2023. Mr. Wang graduated from Xi'an Jiaotong University with a major in enterprise management, holds postgraduate qualifications and a master's degree in management, and is a member of the Communist Party of China, an accountant and an economist. He is currently the deputy head (presiding over work) of the asset operation department of IRICO Group, and concurrently as the executive director and general manager of China IRICO Electronics Import & Export Co., Ltd. He successively served as an account manager of Xi'an Xincheng Sub-branch of China Construction Bank, an account manager and regional director of Ping An International Financial Leasing Co., Ltd., and deputy head of the asset operation department of IRICO Group. He was appointed as a non-executive Director of the Company on 12 November 2024.

**Mr. Su Kun (蘇坤)**, aged 40, an independent non-executive Director of the Company, joined the Group in April 2022. Mr. Su graduated from Xi'an Jiaotong University with a doctorate degree in management. He is a member of the Chinese Communist Party and a PRC certified public accountant (CPA). Mr. Su currently serves as the head of the accounting department, professor and doctoral tutor of the School of Management of Northwestern Polytechnical University, an independent director of Shaanxi Tourism Culture Industry Holding Co. Ltd.\* (陝西旅遊文化產業股份有限公司) (870432. OC), and an independent director of Zhejiang Sanxing New Materials Co., Ltd.\* (浙江三星新材股份有限公司) (603578. SH). Mr. Su was awarded the Outstanding Young Talent of Shaanxi University, the First Prize of Teaching Achievement in Shaanxi Province and the First Prize of Excellent Achievements in Humanities and Social Sciences of Shaanxi University. In recent years, he has presided over three national natural science funds, seven provincial and ministerial funds such as the Humanities and Social Sciences Foundation of the Ministry of Education, independently authored two monographs, edited two textbooks, published more than 20 international journal essays of SSCI, more than 10 important journals of the National Natural Fund Committee and more than 20 essays of CSSCI. He was appointed as an independent non-executive Director of the Company on 12 November 2024.

## Profiles of Directors, Supervisors and Senior Management (Continued)

### Directors (Continued)

**Mr. Li Yong (李勇)**, aged 60, is an independent non-executive Director of the Company and joined the Group in November 2021. Mr. Li graduated from University of Science and Technology Beijing with a doctoral degree. He is currently a professor and doctoral supervisor in the School of Materials Science and Engineering of University of Science and Technology Beijing, independent director of Ruitai Materials Technology Co., Ltd. (002066.SZ), deputy director in Engineering Materials of China Metallurgical Construction Association, deputy director of the Refractories Branch of the Chinese Ceramic Society, deputy director of Expert Committee of the Association of China Refractories Industry, and editor of journal of the Chinese Ceramic Society. He was the research engineer of Sinosteel Luoyang Institute of Refractories Research Co., Ltd., deputy manager, director of the technical centre, deputy general manager and deputy chairman of the branch of Sinosteel Refractory Co., Ltd., independent director of Zhejiang Jinlei Refractories Co., Ltd.. In 2005, he was awarded the honorary title of “National Expert with Outstanding Contribution” with special government allowance. He received eight scientific and technological progress awards at the provincial and ministerial third class and above levels. He was appointed as an independent non-executive Director of the Company on 12 November 2024.

**Ms. Hao Meiping (郝梅平)**, aged 61, is an independent non-executive Director of the Company and joined the Group in November 2021. Ms. Hao graduated from Wuhan University of Technology with a bachelor's degree in Inorganic Non-metallic Materials Engineering (Glass). She is currently a senior adviser and professor-level senior engineer of China Building Materials Industry Planning Institute, an independent director of Fujian Super Tech Advanced Material Co., Ltd. (688398. SH), vice chairman of the Electronic Glass Branch of the Chinese Ceramic Society, vice chairman of the Photovoltaic Building Committee of China Photovoltaic Industry Association, vice chairman of the Aerogel Branch of China Insulation & Energy Efficiency Materials Association, executive director of China Architectural and Industrial Glass Association, member of the Building Renovation and Urban Renewal Committee of Architectural Society of China, member of the National Technical Committee for Standardization of Industrial Glass and Special Glass, a core member of the CSTM PV System Application Technology Standard Committee, an expert in the evaluation (assessment) of major special projects and investment projects, technology centres and engineering technology centres of the National Development and Reform Commission, Ministry of Industry and Information Technology and China Development Bank, and an expert in materials engineering education accreditation of China Engineering Education Accreditation Association. She has long been engaged in the research, investment, and engineering consulting of policy and development strategy planning in the field of inorganic non-metallic materials and related fields, and has won 19 national and provincial awards for excellent engineering consultation achievements and scientific and technological progress. She was appointed as an independent non-executive Director of the Company on 12 November 2024.



## Profiles of Directors, Supervisors and Senior Management (Continued)

### Supervisors

Chen Xiaoning	49	Shareholder Representative Supervisor, Chairman of the Supervisory Committee ( <i>Resigned on 13 May 2024</i> )
Zhao Lefei	55	Shareholder Representative Supervisor, Chairman of the Supervisory Committee ( <i>Appointed on 6 June 2024</i> )
Zhao Lefei	55	Employee Representative Supervisor ( <i>Resigned on 13 May 2024</i> )
Zhang Li	42	Employee Representative Supervisor ( <i>Retired on 12 November 2024</i> )
Yao Rui	53	Employee Representative Supervisor ( <i>Appointed on 12 November 2024</i> )
Luo Hongwei	47	Employee Representative Supervisor ( <i>Appointed on 13 May 2024</i> )
Jiang A'he	68	Independent Supervisor
Huang Zhen	53	Independent Supervisor

**Mr. Chen Xiaoning (陳曉寧)**, aged 49, is the shareholder representative supervisor and chairman of the supervisory committee of the Company and joined the Group in July 1996. Mr. Chen graduated from China Jiliang University with a bachelor degree of engineering, majoring in thermal test and Northwest University with an MBA degree, and is a senior engineer, a senior economist and a member of the Chinese Communist Party. He currently serves as the chairman, secretary of the Party Committee and legal representative of IRICO Group and the chairman of IRICO Group (Shaoyang) Special Glass Co., Ltd. (彩虹集團(邵陽)特種玻璃有限公司). He served as the head of administrative office of IRICO Group, a deputy head and the head of the office of the Company, the deputy head and a secretary of discipline inspection commission of IRICO Photovoltaic Glass Factory, a deputy head of the office of Board and office of general manager of the Company, a deputy general manager, an executive director, the general manager and the legal representative of Hefei Photovoltaic, an executive director, the general manager and the legal representative of Yan'an New Energy, a deputy chief engineer of IRICO Group and the assistant to the general manager, a deputy general manager, an executive deputy general manager, an executive director, the general manager, the Party secretary and the legal representative of the Company, and a vice general manager of IRICO Group. He resigned as a shareholder representative supervisor and the chairman of the supervisory committee of the Company on 13 May 2024.

**Mr. Zhao Lefei (趙樂飛)**, aged 55, a shareholder representative supervisor and the chairman of the supervisory committee of the Company, joined the Group in November 1990. Mr. Zhao graduated from Xianyang Normal University with a bachelor's degree in English. He is a senior political engineer and a member of the Chinese Communist Party, and currently serves as the director of the disciplinary inspection department and the director of the audit department of IRICO Group. He formerly served as a publicity member of IRICO Color Picture Tube Plant, the human resources manager of Haikou IRICO Hot Spring Hotel (海口彩虹溫泉大酒店), a member of the organisation department of the Party Committee (黨委組織部), a secretary of the Party Committee, and a director assistant of the disciplinary inspection and supervision division (紀檢監察處) of IRICO Group, the secretary of the disciplinary committee, the chairman of the labor union and the director of the office of the party and labor relations of IRICO Spare Parts Factory\* (彩虹零件廠), the secretary of the disciplinary committee, the chairman of the labor union and the director of the integrated management department (綜合管理部) of Xi'an IRICO Zixun Co., Ltd. (西安彩虹資訊有限公司), the office director at Xi'an headquarters of IRICO Group, a deputy director and director of the office of the party and labor relations (黨群辦), and an employee representative supervisor, the deputy secretary of the Communist Party Committee, the secretary of the disciplinary committee, the chairman of the labor union of the Company and etc. Mr. Zhao resigned as an employee representative supervisor of the Company on 13 May 2024, and was appointed as a shareholder representative supervisor and chairman of the supervisory committee on 6 June 2024. He was re-appointed as a shareholder representative supervisor and chairman of the supervisory committee on 12 November 2024.



## Profiles of Directors, Supervisors and Senior Management (Continued)

### Supervisors (Continued)

**Ms. Zhang Li (張莉)**, aged 42, an employee representative supervisor of the Company, joined the Group in July 2004. Ms. Zhang graduated from Shaanxi University of Technology with a bachelor's degree in Electronics and Information Engineering and is a senior engineer and a member of the Chinese Communist Party. She currently serves as the director of the Company's Planning and Technology Department. She was an assistant engineer in the R&D room of technology center, head of investment project business in the Strategic Planning Department, head of project management business in the Planning and Technology Department, assistant to the head of the Planning and Technology Department of IRICO Group, and the head of investment project management business, the head of project management business of and the assistant to the head of the Planning and Technology Department in Shaanxi headquarters of IRICO Group, and the deputy director of the Planning and Technology Department of the Company (presiding over work). She retired as an employee representative supervisor of the Company on 12 November 2024.

**Mr. Yao Rui (姚瑞)**, aged 53, an employee representative supervisor of the Company, joined the Group in July 1993. He graduated from Shaanxi University of Science and Technology majoring in enterprise management, with a college degree, and is a member of Communist Party of China, a political engineer and an economist. He currently serves as deputy secretary of the Communist Party Committee, secretary of the discipline inspection committee and chairman of the labor union of the Company, and a supervisor of Hefei Photovoltaic and Yan'an New Energy. He previously served as the cost accounting specialist of the production section of No.1 Color Picture Tube Factory of IRICO Color Picture Tube Plant (彩虹彩色顯像管總廠彩管一廠生產科), the office secretary of IRICO Group, the deputy director and director of the general office of No.1 and No. 2 Color Picture Tube Factories of IRICO Color Picture Tube Plant (彩虹彩色顯像管總廠彩管一廠、二廠), the deputy director and director of general office and the director of the human resources department of IRICO Display Devices Co., Ltd. (彩虹顯示器件股份有限公司), the deputy general manager of IRICO Group (Shaoyang) Special Glass Co., Ltd. (彩虹集團(邵陽)特種玻璃有限公司), the deputy head of the preparatory group of IRICO Group Intelligent Equipment Platform Company\* (彩虹集團智能裝備平台公司), and a member of the disciplinary committee, the deputy director and director of the disciplinary inspection department, etc. of IRICO Group. He was appointed as an employee representative supervisor of the Company on 12 November 2024.

**Mr. Luo Hongwei (駱宏偉)**, aged 47, an employee representative supervisor of the Company, joined the Group in August 2001. Mr. Luo graduated from Shenyang University of Technology with a bachelor's degree in computerized accounting. He is a member of the Communist Party of China and a senior accountant. He currently serves as the director of the finance department of the Company. He previously served as an accountant of the finance department of IRICO Group, the financial manager of IRICO Electronic Accessories Co., Ltd.\* (彩虹電子配件有限公司), the financial manager of IRICO Electron Gun Factory (彩虹電子槍廠), the financial manager of Hefei Photovoltaic, the director of the finance department of IRICO Photovoltaic Glass Factory (彩虹光伏玻璃廠), the chief financial officer of Shaanxi IRICO New Material Co., Ltd.\* (陝西彩虹新材料有限公司), the director of the finance department of the Company and the chief financial officer of Yan'an New Energy and etc. He was appointed as an employee representative supervisor of the Company on 13 May 2024, and was re-appointed as an employee representative supervisor of the Company on 12 November 2024.

## Profiles of Directors, Supervisors and Senior Management (Continued)

### Supervisors (Continued)

**Mr. Jiang A' he (姜阿合)**, aged 68, an independent supervisor of the Company, joined the Group in November 2021. Mr. Jiang graduated from the Wuhan Military Academy of the People's Liberation Army with a college degree of military finance. He is an internationally registered senior accountant and a member of the Chinese Communist Party. He was the staff officer of the Survey and Mapping Information Technology Station of General Staff Department of PLA, the chief section officer of the Central Branch of the Shaanxi Provincial Audit Department, a staff member responsible for human resources matters and being in charge of the 1st Audit Division during the preparatory period for the establishment of the Xi'an Commissioner Office of the State Audit Office, chief accountant of Hainan Caihong Industrial and Trading Corporation (海南彩虹工貿總公司), financial manager of Zhuhai Colour Pearl Industry Company Limited, the chief accountant of Xi'an IRICO Electronic Industrial Co. Ltd., the financial director of IRICO Display Devices Co., Ltd., director of the asset and finance department and deputy chief accountant of IRICO Group and non-executive Director of the Company. He was appointed as an independent supervisor of the Company on 12 November 2024.

**Mr. Huang Zhen (黃震)**, aged 53, an independent supervisor of the Company, joined the Group in November 2021. Mr. Huang graduated from Peking University Law School with a Doctor of Law degree. He is currently a professor and a director of the Institute of Financial Law at the Central University of Finance and Economics, and an expert member of the National Committee of Experts on the Internet Financial Security Technology, senior researcher of the Chongyang Institute of Financial Studies, Renmin University, vice president of the Beijing Internet Finance Law Research Association and consulting expert of Beijing Financial Court. He was a post-doctoral researcher in finance at the Institute of Finance and Banking of the Chinese Academy of Social Sciences, the director of the Financial Law Research Center and the vice president of the Institute of Defense Economics and Management of Central University of Finance and Economics, the vice president of the Beijing Blockchain Application Association and the director of the China Internet Finance Innovation Institute of the Financial Times. He has been awarded as "China Internet Finance Leader", "China Internet Finance Person of the Year" and "New Finance Research Contribution Award". He was appointed as an independent supervisor of the Company on 12 November 2024.

## Profiles of Directors, Supervisors and Senior Management (Continued)

### Other Members of the Senior Management

Wu Wenchao	59	Deputy General Manager
Ni Huadong	49	Deputy General Manager
Ni Huadong	49	Company Secretary
Huang Weihong	41	Chief Financial Officer ( <i>Resigned on 27 March 2025</i> )
Huang Weihong	41	Secretary to the Board ( <i>Ceased to serve on 13 May 2024</i> )
Gao Feng'an	51	Deputy General Manager ( <i>Appointed on 19 March 2024</i> )
Niu Xinchun	44	Secretary to the Board ( <i>Appointed on 13 May 2024</i> )
Li Yunpu	57	Chief Financial Officer ( <i>Appointed on 27 March 2025</i> )

**Mr. Wu Wenchao (吳文超)**, aged 59, the deputy general manager of the Company, joined the Group in July 1989. Mr. Wu graduated from Shaanxi Engineering College with a bachelor degree in machine manufacturing technology and equipment, and is a chief senior engineer and a member of the Chinese Communist Party. He served as a leader and an engineer of the grinding group of No. 2 drilling workshop, an engineer and an associate chief engineer of the processing technique office of the technical section, the deputy head and the head of the factory office, the head of the technical and quality section, an assistant to the factory director and the deputy factory director of IRICO Glass Factory, an assistant to the factory director and the head of the technical and quality department as well as the deputy factory director and factory director of IRICO Photovoltaic Glass Factory, the assistant to the general manager of the Company, the head of Xianyang IRICO Photovoltaic Glass Factory (咸陽彩虹光伏玻璃廠) and the general manager and legal representative of Xianyang IRICO Photovoltaic Glass Co., Ltd. (咸陽彩虹光伏玻璃有限公司). He was appointed as the deputy general manager of the Company on 12 November 2024.

**Mr. Ni Huadong (倪華東)**, aged 49, is the deputy general manager and the company secretary to the Company, a supervisor of Jiangxi IRICO Photovoltaic Co., Ltd. (江西彩虹光伏有限公司) and a supervisor of Xianyang IRICO Photovoltaic Glass Co., Ltd. (咸陽彩虹光伏玻璃有限公司), and joined the Group in May 2017. Mr. Ni graduated from Nanjing University of Finance & Economics with a bachelor's degree, majoring in investment economics and is a member of the Chinese Communist Party. He had served as investment specialist of the securities department, head of the corporate management center, assistant to the head and deputy head of the securities department of Nanjing Huadong Electronics Group Limited (南京華東電子集團有限公司), deputy director of the secretariat of the board of directors and representative of securities affairs of Nanjing Huadong Electronics Information & Technology Co., Ltd. ("Huadong Technology") (000727.SZ), deputy general manager of Nanjing Tian Xi Investment Co., Ltd. (南京天熙投資有限公司), general manager of Hong Kong Hua Jin Chen Technology Company Limited (香港華金晨科技有限公司), representative of securities affairs, head of the securities department and head of office of the board of directors of Huadong Technology and the secretary to the Board. He was appointed as the deputy general manager of the Company on 12 November 2024.

## Profiles of Directors, Supervisors and Senior Management (Continued)

### Other Members of the Senior Management (Continued)

**Mr. Huang Weihong (黃衛宏)**, aged 41, the chief financial officer and secretary to the Board, and joined the Group in December 2019. Mr. Huang graduated from Northwestern Polytechnical University with a master's degree in business administration, is a member of the Chinese Communist Party, a senior accountant and a senior auditor. He had served as an auditor of the auditing bureau of the Bureau of Agriculture and Farming of Hainan Province, the audit manager of the China Aero-Polytechnology Establishment, the head of the audit department of Shaanxi Tourism Co. Ltd.\* (陝西旅遊股份有限公司), the manager and representative of securities affairs of securities affairs department of Shaanxi Tourism Culture Industry Holding Co. Ltd.\* (陝西旅遊文化產業股份有限公司), the head of the audit department of IRICO Group and the secretary to the Board. He ceased to serve as secretary to the Board of the Company on 13 May 2024, and was appointed as the chief financial officer of the Company on 12 November 2024. He resigned as the chief financial officer of the Company on 27 March 2025.

**Mr. Gao Feng'an (高鋒安)**, aged 51, the deputy general manager of the Company, joined the Group in July 1996. Mr. Gao graduated from Xi'an Jiaotong University with a bachelor's degree. He is a member of the Communist Party of China and a senior engineer. Mr. Gao is currently a member of the Party Committee of the Company, Party secretary and general manager of Hefei Photovoltaic. He served as a mechanical technician, engineer, workshop quality officer, dispatcher, deputy director of the first post-assembly workshop and deputy director of the first-second workshop of the assembly workshop of No.1 Colour Picture Tube Factory under IRICO Color Picture Tube Plant (彩虹彩色顯像管總廠彩管一廠后裝車間), project manager of the strategic planning department of IRICO Group, manager of the operations and management department and manager of the electronic and digital business department of Zhuhai Caizhu Industrial Co., Ltd., assistant to the general manager and deputy general manager of IRICO (Foshan) Video Technology Co., Ltd., deputy general manager of Zhuhai Caizhu Industrial Co., Ltd., deputy general manager and executive deputy general manager of Hefei Photovoltaic and other positions. He was appointed as a deputy general manager of the Company on 19 March 2024, and was re-appointed as a deputy general manager of the Company on 12 November 2024.

## Profiles of Directors, Supervisors and Senior Management (Continued)

### Other Members of the Senior Management (Continued)

**Mr. Niu Xinchun (牛新春)**, aged 44, a secretary to the Board of the Company, joined the Group in August 2003. Mr. Niu graduated from the Air Force Engineering University with a bachelor's degree in telecommunication engineering. He is an engineer and a member of the Communist Party of China. He is currently a secretary to the Board of the Company, the director of the general manager's office and the director of the office of the party and labor relations of the Company. He previously served as an assistant engineer and engineer in the new product development office, the head of the preparation team of the high frequency transformer project, the workshop director, the production supervisor and the technical supervisor of the Xi'an plant of Xi'an IRICO Zixun Co., Ltd.\* (西安彩虹資訊有限公司), the production manager of Xianyang IRICO Digital Display Co., Ltd.\* (咸陽彩虹數碼顯示有限公司) (during which he was also the production manager of the module manufacturing department of Jiangsu Yongneng Photovoltaic Technology Co., Ltd.\* (江蘇永能光伏科技有限公司) and the production manager of the module sub-factory of Shanxi Lu'an Solar Photovoltaic Technology Co., Ltd.\* (山西潞安太陽能光伏科技有限公司)), the chief production coordinator of Xianyang IRICO Solar Photovoltaic Technology Co., Ltd.\* (咸陽彩虹光伏科技有限公司), the business supervisor, the business manager, the assistant to the director of the investment and operation department, and the vice-director (presiding over work) of the general manager's office of the Company and etc. He was appointed as a secretary to the Board of the Company on 13 May 2024, and was re-appointed as a secretary to the Board of the Company on 12 November 2024.

**Mr. Li Yunpu (李雲普)**, aged 57, the chief financial officer of the Company, joined the Group in July 1990. Mr. Li graduated from Xi'an Jiaotong University with a bachelor's degree in finance and accounting, is a senior accountant and a member of the Communist Party of China. He formerly served as the accountant of the finance department of IRICO Colour Picture Tube Plant (彩虹彩色顯像管總廠) and the finance section of IRICO Material Company (彩虹物資公司), the financial officer and the head of the finance section of IRICO Triple Industry and Trade Company (彩虹三產工貿公司), IRICO Material Company, IRICO Labour Service Company (彩虹勞動服務公司), Xi'an IRICO Information Company Limited (西安彩虹資訊有限公司), and IRICO Glass Factory (彩虹玻璃廠); the deputy general manager, general manager and head of the finance department of the Company, head of the audit department and member of the discipline inspection commission of IRICO Group, chief financial officer of IRICO Display Devices Co., Ltd. (彩虹顯示器件股份有限公司), and chief accountant of China IRICO Electronics Import & Export Co., Ltd (中國彩虹電子進出口有限公司) and Xianyang IRICO Industry Company Limited (咸陽彩虹集團實業有限公司). He was appointed as the chief financial officer of the Company on 27 March 2025.

## Report of the Board

The Board hereby presents the report of the Board and the audited financial report of the Group for the year ended 31 December 2024 to the Shareholders.

### Principal operations

During the Reporting Period, the Group was principally engaged in the research and development, manufacturing and sales of solar photovoltaic glass.

### Business review and future development

During the Reporting Period, the Group adhered to the business strategy of “production based on sales”, accelerated technological innovation, intensified cost reduction and efficiency improvement, and vigorously implemented various initiatives for the “Cost Year” campaign. The construction of Phase I of the Shangrao base was completed and fully put into operations; Hefei base maintained stable operations; kiln cold repair was completed, and production was commenced at Yan'an Base, and Xianyang base continued to be profitable. During the Reporting Period, the Group achieved operating revenue of RMB3,276.2201 million, marking a year-on-year increase of 4.16%. However, due to insufficient market demands in the second half of the year, some production lines of the Company were curtailed, leading to a significant decline in sales prices of its products and a subsequent drop in gross profit margin. As a result, the total profit for the Reporting Period was RMB -358.4274 million.

As a company specializing in the production of PV glass, the Group will continue to leverage the resource advantages as a state-owned enterprise, persist in technological innovation, and develop the PV glass with higher light transmittance and thinner profiles. Simultaneously, it will comprehensively deepen its intelligent and digital transformation efforts, striving to become a world-renowned green new energy service provider.

### Major risks and uncertainties

During the Reporting Period, the PV industry suffered from a temporary supply-demand mismatch, and industry losses intensified. Since the second half of 2024, due to the insufficient startup rates in downstream customers, significant declines have been seen in PV glass product prices, putting pressure on corporate profits.

In face of the new opportunities and challenges in the industry, the Group will continue to advance the development of strategic emerging industries, and adhere to the principles of technological leadership and cost leadership under innovative business models. The Group will continuously optimize operational management, strengthen cost control, and enhance production efficiency and product quality, to inject new vitality into its long-term development and achieve sustainable growth in such a highly competitive market.



## Report of the Board (Continued)

### Environmental protection policy

For the corporate survival and development, the Group seriously performs its corporate social responsibilities and strictly complies with the Environmental Protection Law of the People's Republic of China and relevant laws and regulations. By making the best efforts in environmental protection and technological improvement and regulating the management of operation and maintenance of environmental protection facilities, the Group ensures high efficiency in operation and achievement of emission standards, thereby building a resource saving and environmentally friendly enterprise.

### Compliance with relevant laws and regulations

During the Reporting Period, the Group strictly complied with laws and regulations which have material impacts on the Group.

The Group strictly complied with the requirements of the Rules Governing the Listing of Securities (the “**Listing Rules**”) of the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the articles of association of the Company (the “**Articles of Association**”) to improve the internal management system of the Company, which formed a governance system with standardized decision making, high efficiency operation and effective supervision. The Group pushed forward the improvement of corporate governance standard and the development of its business.

### Results and dividend

During the Reporting Period, the Group recorded operating revenue of RMB3,276.2201 million, representing a year-on-year increase of RMB130.8346 million or 4.16%. The Group recorded a total profit of RMB-358.4274 million, representing a year-on-year decrease of RMB132.8381 million or 58.88%.

For the analysis on the financial indicators of the results of the Company for the year 2024, please refer to the section headed “Management Discussion and Analysis” in this report.

The annual results of the Group for the year ended 31 December 2024 and its financial position as at the same date prepared in accordance with PRC Accounting Standards for Business Enterprises are set out from pages 81 to 103 of this annual report.

## Report of the Board (Continued)

### Results and dividend (Continued)

The Company has adopted a dividends distribution policy pursuant to relevant regulations, taking into consideration of various elements including but not limited to the Company's actual and expected financial performance, the production and operation of the Company, etc. When the Company distributes its yearly profits after tax, 10% of the profits shall be withdrawn as legal surplus. When the Company's legal surplus has accumulated up to the amount of more than 50% of the Company's registered capital, the compulsory withdrawal thereof can be stopped. If the Company's legal surplus is not sufficient to compensate for the loss of the previous year, the profits of the year shall, prior to the withdrawal for legal surplus, cover the losses first. Profits left after making up for losses and the withdrawal of the legal surplus shall be allocated in accordance with the proportion of shares held by the Shareholders. The Company may distribute the dividends by cash or by stocks.

In light of the absence of accumulated surplus in 2024, the Board has resolved not to distribute any final dividends for the year ended 31 December 2024, which is subject to the approval from Shareholders at the forthcoming annual general meeting.

### Five-year financial summary

A summary of the published results and assets, liabilities and minority interests of the Group for the last five years, as extracted from the audited and adjusted (if applicable) financial statements, is set out on page 304 of this annual report. This summary does not form part of the audited financial statements.

### Share capital

Details of the Company's share capital in 2024 and as at 31 December 2024 are set out in note V. (XXXIII) to the financial statements for 2024.

### Purchase, redemption and sale of shares of the Company

Neither has the Company nor any of its subsidiaries purchased, redeemed or sold any shares of the Company during this Reporting Period.

### Reserves

Details of the movements of reserves of the Company and of the Group during 2024 are set out in Statement of Changes in Owner's Equity.

### Distributable reserves

As at 31 December 2024, the Company had no reserves available for distribution.

## Report of the Board (Continued)

### Major customers and suppliers

The percentages of purchases from the major suppliers and sales to the major customers of the Group are set out as follows:

#### Purchases

- The largest supplier accounted for 18% of the total purchase amount
- The five largest suppliers accounted for 56% of the total purchase amount

#### Sales

- The largest customer accounted for 9% of the total sales amount
- The five largest customers accounted for 40% of the total sales amount

To the best knowledge of the Directors, none of the Directors, their respective close associates or any Shareholder holding more than 5% of the issued share capital of the Company, had any interest in the above-mentioned major suppliers and customers.

## Report of the Board (Continued)

### Directors, supervisors and senior management

Directors, supervisors and senior management of the Company for the year were as follows:

Name	Positions	Date of appointment/change/ resignation during the Reporting Period
Yang Hua	Executive Director, Chairlady	Appointed on 12 November 2024
Ma Zhibin	Executive Director	Appointed on 12 November 2024
Fang Zhongxi	Non-executive Director	Appointed on 12 November 2024
Wang Dong	Non-executive Director	Appointed on 12 November 2024
Su Kun	Independent Non-executive Director	Appointed on 12 November 2024
Li Yong	Independent Non-executive Director	Appointed on 12 November 2024
Hao Meiping	Independent Non-executive Director	Appointed on 12 November 2024
Chen Xiaoning	Shareholder Representative Supervisor, Chairman of the Supervisory Committee	Resigned on 13 May 2024
Zhao Lefei	Shareholder Representative Supervisor, Chairman of the Supervisory Committee	Appointed on 6 June 2024, and re- appointed on 12 November 2024
Jiang A'he	Independent Supervisor	Appointed on 12 November 2024
Huang Zhen	Independent Supervisor	Appointed on 12 November 2024
Zhao Lefei	Employee Representative Supervisor	Resigned on 13 May 2024
Zhang Li	Employee Representative Supervisor	Retired on 12 November 2024
Yao Rui	Employee Representative Supervisor	Appointed on 12 November 2024
Luo Hongwei	Employee Representative Supervisor	Appointed on 13 May 2024, and re- appointed on 12 November 2024
Ma Zhibin	General Manager	Appointed on 12 November 2024
Wu Wenchao	Deputy General Manager	Appointed on 12 November 2024
Ni Huadong	Deputy General Manager	Appointed on 12 November 2024
Ni Huadong	Company Secretary	
Huang Weihong	Chief Financial Officer	Appointed on 12 November 2024
Huang Weihong	Secretary to the Board	Ceased to serve on 13 May 2024
Gao Feng'an	Deputy General Manager	Appointed on 19 March 2024, and re- appointed on 12 November 2024
Niu Xinchun	Secretary to the Board	Appointed on 13 May 2024, and re- appointed on 12 November 2024

Biographical details of Directors, supervisors and senior management are set out on pages 16 to 24 of this annual report.

Each of the independent non-executive Directors has issued a confirmation in respect of the requirement set out in Rule 3.13 of the Listing Rules concerning his or her independence. The Company considers all of the independent non-executive Directors to be independent.

## Report of the Board (Continued)

### Remuneration of Directors and the five highest-paid individuals

Details of the remuneration of Directors and the highest-paid individuals of the Group are set out in note XII. (IV) 4 to the financial statements for 2024.

There were no arrangements under which a Director or supervisor of the Company had waived or agreed to waive any remuneration in respect of the year ended 31 December 2024.

### Remuneration of senior management

According to Code Provision E.1.5 of the Corporate Governance Code, the details of the annual remuneration of the senior management for the year 2024 which are contained in note XII. (IV) 4 to the financial statements for 2024 in this annual report are as follow:

*Unit: RMB*

Name	Fees	Remuneration and subsidy	Performance bonus	Pension insurance	Others	Total
Ma Zhibin	–	293,140.00	363,000.00	43,766.40	50,654.28	750,560.68
Wu Wenchao	–	227,140.00	297,000.00	43,766.40	50,654.28	618,560.68
Ni Huadong	–	215,140.00	270,000.00	43,766.40	50,654.28	579,560.68
Huang Weihong	–	223,340.00	270,000.00	43,766.40	50,654.28	587,760.68
Gao Feng'an	–	200,535.00		35,668.35	50,885.37	287,088.72
Niu Xinchun	–	122,385.00		25,530.40	30,405.83	178,321.23

### Directors' and supervisors' interests in contracts

Save as disclosed in this report, no transaction, arrangement or contract of significance in relation to the Company's business to which the Company or its subsidiaries were a party and in which a Director or a supervisor or an entity connected with such Director or supervisor had a material interest, whether directly or indirectly, subsisted at the end of the year or anytime during 2024.

### Directors' and supervisors' service contracts

Each of the Directors and supervisors has entered into a service contract with the Company. None of the Directors or supervisors proposed for re-election at the forthcoming general meeting has an unexpired service contract which is not terminable by the Company or its subsidiaries within a year without payment of any compensation (other than statutory compensation).

## Report of the Board (Continued)

### Permitted indemnity provision

During the Reporting Period and as at 31 December 2024, the Company has purchased liability insurance for its Directors and supervisors to provide appropriate guarantee for the Directors and supervisors of the Group.

### Interests of Directors, supervisors and chief executives in shares of the Company and its associated corporations

As at 31 December 2024, none of the Directors, supervisors or chief executives and their respective associates held an interest and short position in shares, underlying shares and/or debentures of the Company and/or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the “SFO”)) which were (a) required to be notified to the Company and the Stock Exchange pursuant to the provisions of Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which such directors, supervisors or chief executives were taken or deemed to have under such provisions of the SFO); or (b) required to be recorded in the register kept by the Company pursuant to section 352 of the SFO; (c) required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix C3 to the Listing Rules.

During the Reporting Period, no Directors, chief executives, supervisors, senior management or their spouses and minor children under 18 was vested by the Company any right to subscribe shares or bonds of the Company or any associated corporation (as defined in the SFO).

### Interests and short positions of substantial Shareholders and other parties

So far as the Directors are aware, each of the following persons, not being a Director, supervisor or chief executive, had an interest or short position in the Company’s shares or underlying shares (as the case may be) as at 31 December 2024 and as recorded in the register of members to be kept pursuant to section 336 of the SFO:

China Electronics Corporation\* (中國電子信息產業集團有限公司) (“CEC”), through IRICO Group and its subsidiary, Rui Bou Electronics (HK) Limited, had interests in 53,153,400 domestic shares (representing 66.38% of the domestic share capital of the Company) and 7,553,100 H shares of the Company; CEC, through Xianyang Zhongdian IRICO Group Holdings Ltd.\* (“Zhongdian IRICO”), also had interests in 25,214,300 H shares of the Company; CEC, through CEC Capital Investment Holdings Company Limited\* (中電金投控股有限公司) (“CEC Capital Investment”), had interests in 26,920,000 domestic shares (representing 33.62% of the domestic share capital of the Company) and 19,230,000 H shares of the Company. HKSCC Nominees Limited had interests in 96,144,580 H shares of the Company (representing 99.89% of the H share capital of the Company).



## Report of the Board (Continued)

### Interests and short positions of substantial Shareholders and other parties (Continued)

Ms. Yang Hua acts as the executive Director of the Company and concurrently acts as the chief accountant of IRICO Group and Zhongdian IRICO. Mr. Fang Zhongxi acts as the non-executive Director of the Company and concurrently acts as the assistant to the general manager, the director of the operation and management department and the director of the planning and technology department of IRICO Group. Mr. Wang Dong acts as the non-executive Director of the Company and concurrently acts as the deputy head (presiding over work) of the asset operation department of IRICO Group. Mr. Zhao Lefei, acts as the shareholder representative supervisor of the Company and concurrently acts as the director of the disciplinary inspection department and the director of the audit department of IRICO Group.

Save as disclosed above, as of 31 December 2024, none of the Directors and Supervisors was a director, supervisor or employee of a company which had an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO.

#### Notes:

As of 31 December 2024, based on the information available to Directors and so far as the Directors are aware, HKSCC Nominees Limited held 96,144,580 H shares, among which:

Zhongdian IRICO had beneficial interests in 25,214,300 H shares of the Company (representing approximately 26.20% of the issued H shares of the Company).

CEC Capital Investment had beneficial interests in 19,230,000 H shares of the Company (representing approximately 19.98% of the issued H shares of the Company).

Yan'an Dingyuan Investment (Group) Co., Ltd.\* (延安市鼎源投資(集團)有限公司) ("Yan'an Dingyuan"), through HuaAn Funds – Dingyuan QDII Single Asset Management Scheme, had beneficial interests in 1,961,700 H shares of the Company (representing approximately 2.04% of the issued H shares of the Company).

Hefei Xincheng State-owned Assets Management Co., Ltd.\* (合肥鑫城國有資產經營有限公司) ("Hefei Xincheng"), through HuaAn Funds – Xincheng QDII Single Asset Management Scheme, had beneficial interests in 6,896,500 H shares of the Company (representing approximately 7.17% of the issued H shares of the Company).

HuaAn Fund Management Co., Ltd. is the asset manager of HuaAn Funds-Dingyuan QDII Single Asset Management Scheme and HuaAn Funds-Xincheng QDII Single Asset Management Scheme.

### Competing interests

None of the Directors, the controlling Shareholder or their respective close associates (as defined under the Listing Rules) had any interest in a business which competes or may compete with the businesses of the Group or has or may have any other conflicts of the interest with the Group.

## Report of the Board (Continued)

### Management contracts

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the Reporting Period.

### Designated deposit and overdue time deposit

As of 31 December 2024, the Group had no designated deposits in any financial institutions in China. All of the Group's cash deposits are placed with commercial banks in China, and are in compliance with the relevant laws and regulations. There were also no instances where the Group had failed to collect any of the time deposits upon maturity.

### Employees, retirement benefits and other benefits

As of 31 December 2024, the Group had a total of 2,548 incumbent employees, all of whom were full-time employees, and were Chinese nationals working in China. Among all incumbent employees, approximately 1.10% were senior management personnel, 9.54% were general management and administrative personnel, 9.46% were technological personnel and 79.90% were production employees.

The employment and remuneration policy of the Company remained the same as set out in the Company's prospectus dated 8 December 2004. With full enthusiasm in work, the Group's employees are committed to ensuring the high quality and reliability of products and services. As of 31 December 2024, the Company did not implement any long-term incentive schemes.

\* *Excluding dispatched employees.*

## Report of the Board (Continued)

### Connected transactions

The connected transactions recorded during the year are as follows:

#### 1. Continuing connected transactions during the year of 2024

For the year ended 31 December 2024, there were various continuing connected transactions (the “**Continuing Connected Transactions**”) between the Group and the following connected persons of the Group (collectively, the “**connected persons**” and each a “**connected person**” under the Listing Rules).

- (1) IRICO Group is a substantial Shareholder of the Company and a connected person of the Company;
- (2) Zhongdian IRICO is a substantial Shareholder of the Company and a connected person of the Company;
- (3) CEC Industrial Internet Co., Ltd.\* (中電工業互聯網有限公司) (“**CEC Internet**”) is a subsidiary of CEC and thus a connected person of the Company;
- (4) China Elec-Trans Int'l Service Co., Ltd.\* (捷達國際運輸有限公司) (“**CETIS**”) is a subsidiary of CEC and thus a connected person of the Company;
- (5) China Electronics Optics Valley Union Holding Company Limited (中電光谷聯合控股有限公司) (“**CEOVU**”) is a subsidiary of CEC and thus a connected person of the Company; and
- (6) China Electronics System Engineering No. 3 Construction Co., Ltd.\* (中國電子系統工程第三建設有限公司) (“**CESE3**”) is a subsidiary of CEC and thus a connected person of the Company.

## Report of the Board (Continued)

### Connected transactions (Continued)

#### 1. Continuing connected transactions during the year of 2024 (Continued)

For the year ended 31 December 2024, the approved annual caps (the “Annual Caps”) and the actual revenue or expenditure in respect of each of the continuing connected transactions are set out below:

No.	Item	Annual Caps for Connected Transaction of 2024 RMB'000	Amount Incurred for Connected Transaction of 2023 RMB'000
(i)	IRICO Group Master Purchase Agreement Purchase of packaging materials and raw materials, electricity, facilities and ancillary services from IRICO Group and its associates	191,432	42,344
(ii)	Zhongdian IRICO Master Purchase Agreement Purchase of raw materials for solar photovoltaic business, production line facilities and installation services, other energy operation and maintenance services and medical examination services and others from Zhongdian IRICO and its associates	515,103	49,270
(iii)	CEC Internet Master Purchase Agreement Purchase of intelligent facility systems for solar photovoltaic production and ancillary services and others from CEC Internet and its associates	24,000	0
(iv)	IRICO Group Master Sales Agreement Sales of coated and tempered glass, heating water for power generation by waste heat and others to IRICO Group and its associates	52,165	4,499
(v)	Master Transportation Services Agreement Provision of transportation services by CETIS and its associates to the Group	10,849	1,181
(vi)	CEOVU Master Purchase Agreement Purchase of office building and factory renovation services and related ancillary services from CEOVU, its subsidiaries and/or its associates	30,000	0
(vii)	CESE3 Master Purchase Agreement Purchase of heating, ventilation and air conditioning facilities, and facility procurement and installation and related ancillary services for solar photovoltaic production from CESE3 and/or its associates	50,000	0

The consideration for each of the connected transactions listed above during the Reporting Period is set out in the respective agreements with relevant connected persons, details of which were set out in the Company's announcements dated 26 October 2021, 31 December 2021, 31 August 2022 and 19 October 2022 and the circulars dated 15 December 2021 and 26 September 2022.

## Report of the Board (Continued)

### Connected transactions (Continued)

#### 1. Continuing connected transactions during the year of 2024 (Continued)

##### *(1) IRICO Group Master Purchase Agreement*

Date:	26 October 2021
Parties:	(i) the Company; and (ii) IRICO Group
Term:	1 January 2022 to 31 December 2024, subject to early termination by the Company by giving at least three months' prior written notice to IRICO Group. IRICO Group shall not unilaterally terminate the IRICO Group Master Purchase Agreement without written consent of the Company.
Nature of transactions:	The Group shall purchase packaging materials and raw materials for photovoltaic production business, electricity, facilities and ancillary services from IRICO Group and its associates.
Pricing policy:	(i) The prices for packaging materials and services for photovoltaic production and facilities and ancillary services shall be determined in accordance with the Market Price (as defined below):  "Market Price" shall be determined in accordance with the following order: (a) the prevailing prices being offered or charged by independent third parties in the ordinary and usual course of business for the sales or purchases of the same or similar type of products or services in the selling or purchasing places or its nearby regions; or (b) the prevailing prices being offered or charged by independent third parties in the ordinary and usual course of business for the sales or purchases of the same or similar type of products or services in the PRC.

## Report of the Board (Continued)

### Connected transactions (Continued)

#### 1. Continuing connected transactions during the year of 2024 (Continued)

##### (1) *IRICO Group Master Purchase Agreement (Continued)*

Upon receipt of quotations from IRICO Group, the designated persons of the Group (namely, the business planning executives, who are primarily responsible for the examination and approval of the procurement plans and the execution of purchase contracts) will determine the prices proposed or charged by independent third parties, usually by mail, fax, telephone or by posting a tender notice through various media resources (e.g. local newspapers) to obtain quotations from at least two independent third parties for comparable quantities of the same or similar products or services, the average of which is the market price. The selling prices of each category of products or services will be reviewed by the procurement department of the Group and submitted to the head of such department for approval.

- (ii) The prices for the electricity shall be determined based on arm's length negotiations between the relevant parties with reference to (a) the Government-prescribed Price (as defined below); and (b) reduction from the government incentives offered by Anhui Provincial Government to IRICO Group. After taking into account the government incentives offered by Anhui Provincial Government to IRICO Group for the building and operation of the electrical transformer substation for the development of the new industrial area in Hefei City, Anhui Province, the overall unit price of electricity supplied by IRICO Group to the Company will be lower than the Government-prescribed Price.



## Report of the Board (Continued)

### Connected transactions (Continued)

#### 1. Continuing connected transactions during the year of 2024 (Continued)

##### (1) *IRICO Group Master Purchase Agreement (Continued)*

“Government-prescribed Price” means the prices of electricity in Anhui Province as prescribed by the State Grid Corporation of China. According to the “Notice of Anhui Province Development and Reform Commission on Matters Relating to the Adjustment of Price of Electricity Sales in the Province (Wan Fa Jia Ge [2020] No. 654) 《安徽省發展改革委關於調整我省銷售電價有關事項的通知(皖發價格[2020]654號)》” (for details, please refer to <https://www.wuhu.gov.cn/openness/public/6604551/29704691.html>), which took effect since 1 January 2021, the current state-prescribed rate of electricity for industrial and commercial use is approximately RMB0.9792 per kWh for peak seasons and RMB0.6048 per kWh for regular period. If the PRC government implements relevant policies, regulations or guidelines which amend the state-prescribed rate of electricity, the price of electricity purchased by the Group shall be adjusted accordingly from the implementation date of such policies, regulations or guidelines.

Upon receipt of quotations from IRICO Group, the designated persons of the Group (namely, the business planning executives, who are primarily responsible for the examination and approval of the procurement plans and the execution of purchase contracts) will make comparison with relevant prices charged by independent third parties in the same region. In case there is an adjustment to the prices of electricity in Anhui Province as prescribed by the State Grid Corporation of China, the prices will be adjusted correspondingly based on arm's length negotiations between the relevant parties. The quotation of electricity will be reviewed by the procurement department of the Group and submitted to the head of such department for approval.

The Directors are of the view that such pricing policy is fair and reasonable, on normal commercial terms and not prejudicial to the interest of the Shareholders.

## Report of the Board (Continued)

### Connected transactions (Continued)

#### 1. Continuing connected transactions during the year of 2024 (Continued)

##### (2) *Zhongdian IRICO Master Purchase Agreement*

Date:	26 October 2021
Parties:	(i) The Company; and (ii) Zhongdian IRICO
Term:	1 January 2022 to 31 December 2024, subject to early termination by either party by giving at least three months' prior written notice to the other party.
Nature of transactions:	The Group shall purchase raw materials for solar photovoltaic business, production line facilities and installation services, other energy operation and maintenance services, medical examination services and others from Zhongdian IRICO and its associates.
Pricing policy:	(i) The prices for such materials for solar photovoltaic business shall be determined in accordance with the "Market Price" (as defined below):

"Market Price" shall be determined in accordance with the following order: (a) the prevailing prices being offered or charged by independent third parties in the ordinary and usual course of business for the sales or purchases of the same or similar type of products in the selling or purchasing places or its nearby regions; or (b) the prevailing prices being offered or charged by independent third parties in the ordinary and usual course of business for the sales or purchases of the same or similar type of products in the PRC.

Upon receipt of quotations from Zhongdian IRICO, the designated persons of the Group will determine the prices proposed or charged by independent third parties, usually by mail, fax, telephone or by posting a tender notice through various media resources (e.g. local newspapers) to obtain quotations from at least two independent third parties for comparable quantities of the same or similar products, the average of which is the market price. The selling prices of each category of products will be reviewed by the procurement department of the Group and submitted to the head of such department for approval.

## Report of the Board (Continued)

### Connected transactions (Continued)

#### 1. Continuing connected transactions during the year of 2024 (Continued)

##### (2) *Zhongdian IRICO Master Purchase Agreement (Continued)*

(ii) The prices for production line facilities and installation services, energy operation and maintenance services and medical examination services shall be determined in accordance with the following policies:

- (a) where there is Government-prescribed Price (as defined below), in respect of the procurement of the production line facilities and installation services, energy operation and maintenance services and medical examination services, the prices shall be determined based on arm's length negotiations between the independent third parties with reference to the Government-prescribed Price; or
- (b) where there is no Government-prescribed Price, the prices shall be determined based on arm's length negotiations between the independent third parties with reference to reasonable costs incurred plus reasonable profit of around 5 – 10% of such reasonable cost (as calculated under the Accounting Standards for Business Enterprises of the PRC and the Directors are of the view that such profit is fair and reasonable). The reasonable costs primarily include raw materials, labour, taxation, management fee, etc.

The Directors are of the view that such pricing policy is fair and reasonable, on normal commercial terms and not prejudicial to the interest of the Shareholders.

"Government-prescribed Price" means the guidelines for prices of equipment installation services, energy operation and maintenance services and medical examination services under the Zhongdian IRICO Master Purchase Agreement as prescribed in the notices published by Shaanxi Provincial Price Bureau, Shaanxi Provincial Development and Reform Commission and other relevant regulatory authorities from time to time.

## Report of the Board (Continued)

### Connected transactions (Continued)

#### 1. Continuing connected transactions during the year of 2024 (Continued)

##### (2) *Zhongdian IRICO Master Purchase Agreement (Continued)*

To ensure that prices to be charged by Zhongdian IRICO are no less favourable than those available from independent third parties, the designated persons of the Group will make comparison with relevant prices charged by independent third parties in the same or nearby region or the actual costs incurred. In case there is an adjustment to the prices of production line facilities and installation services, kinetic operation and maintenance services and medical examination services as prescribed in the notices published by Shaanxi Provincial Price Bureau, Shaanxi Provincial Development and Reform Commission and other relevant regulatory authorities, the prices will be adjusted correspondingly based on arm's length negotiations between Zhongdian IRICO and the Company. The quotation of production line facilities and installation services, kinetic operation and maintenance services and medical examination services will be reviewed by the procurement department of the Company and submitted to the head of such department for approval.

##### (3) *CEC Internet Master Purchase Agreement*

Date: 26 October 2021

Parties: (i) The Company; and  
(ii) CEC Internet

Term: 1 January 2022 to 31 December 2024, subject to early termination by the Company by giving at least three months' prior written notice to CEC Internet. CEC Internet shall not unilaterally terminate the CEC Internet Master Purchase Agreement without written consent of the Company.

Nature of transactions: The Company shall purchase intelligent facility systems for solar photovoltaic production and ancillary services and others from CEC Internet and its associates.

Pricing policy: The prices for such facilities and services shall be determined in accordance with the "Market Price" (as defined below).

## Report of the Board (Continued)

### Connected transactions (Continued)

#### 1. Continuing connected transactions during the year of 2024 (Continued)

##### (3) CEC Internet Master Purchase Agreement (Continued)

“Market Price” shall be determined in accordance with the following order: (a) the prevailing prices being offered or charged by independent third parties in the ordinary and usual course of business for the sales or purchases of the same or similar type of facilities and services in the selling or purchasing places or its nearby regions; or (b) the prevailing prices being offered or charged by independent third parties in the ordinary and usual course of business for the sales or purchases of the same or similar type of facilities and services in the PRC.

Upon receipt of quotations from CEC Internet, the designated persons of the Group (namely, the business planning executives, who are primarily responsible for the examination and approval of the procurement plans and the execution of purchase contracts) will determine the prices proposed or charged by independent third parties, usually by mail, fax, telephone or by posting a tender notice through various media resources (e.g. local newspapers) to obtain quotations from at least two independent third parties for comparable quantities of the same or similar equipments and services, the average of which is the market price. The selling prices of each category of equipments and services will be reviewed by the procurement department of the Group and submitted to the head of such department for approval.

The Directors are of the view that such pricing policy is fair and reasonable, on normal commercial terms and not prejudicial to the interest of the Shareholders.

## Report of the Board (Continued)

### Connected transactions (Continued)

#### 1. Continuing connected transactions during the year of 2024 (Continued)

##### (4) *IRICO Group Master Sales Agreement*

Date:	26 October 2021
Parties:	(i) the Company; and (ii) IRICO Group
Term:	1 January 2022 to 31 December 2024, subject to early termination by either party by giving at least one month prior written notice to the other party.
Nature of transactions:	The Group shall sell the coated and tempered glass and heating water for power generation by waste heat and others to IRICO Group and its associates.
Pricing policy:	The prices for the coated and tempered glass and heating water for power generation by waste heat shall be determined in accordance with the Market Price (as defined below).

“Market Price” shall be determined in accordance with the following order: (i) the prevailing prices being offered or charged by independent third parties in the ordinary and usual course of business for the sales or purchases of the same or similar type of products in the selling or purchasing places or its nearby regions; or (ii) the prevailing prices being offered or charged by independent third parties in the ordinary and usual course of business for the sales or purchases of the same or similar type of products in the PRC.

Upon receipt of order from IRICO Group, the marketing department and the designated persons of the Company (namely, the business planning executives, who are primarily responsible for the examination and approval of the sales plans and the execution of sales contracts) will determine the prices proposed or charged by independent third parties, usually by mail, fax, telephone or by posting a tender notice through various media resources (e.g. local newspapers) to obtain quotations from at least two independent third parties for comparable quantities of the same or similar products, so that the average of which is taken as the market price. The selling prices of each category of products will be approved by the marketing department of the Company.

The Directors are of the view that such pricing policy is fair and reasonable, on normal commercial terms and not prejudicial to the interest of the Shareholders.



## Report of the Board (Continued)

### Connected transactions (Continued)

#### 1. Continuing connected transactions during the year of 2024 (Continued)

##### (5) *Master Transportation Services Agreement*

Date:	26 October 2021
Parties:	(i) The Company; and (ii) CETIS
Term:	1 January 2022 to 31 December 2024, subject to early termination by either party by giving at least three months' prior written notice to the other party.
Nature of transactions:	CETIS and its associates shall provide transportation services to the Group.
Pricing policy:	The prices for the transportation services shall be determined in accordance with the market price.

Upon receipt of quotations from CETIS, the designated persons of the Group will ascertain the prices offered or charged by independent third parties, generally by way of, obtaining quotations for a comparable volume of same or similar type of transportation services from at least two independent third parties via emails, fax, phone or tenders by publishing tender notice via various media resources (for instance, the local newspapers), and take average of such quotations as the market price.

The Directors are of the view that such pricing policy is fair and reasonable, on normal commercial terms and not prejudicial to the interest of the Shareholders.

##### (6) *CEOVU Master Purchase Agreement*

Date:	31 August 2022
Parties:	(i) the Company; and (ii) CEOVU
Term:	Commencing from the signing date of the CEOVU Master Purchase Agreement and ending on 31 December 2024. Either party shall not unilaterally terminate the CEOVU Master Purchase Agreement without written consent of the other party.

## Report of the Board (Continued)

### Connected transactions (Continued)

#### 1. Continuing connected transactions during the year of 2024 (Continued)

##### (6) CEOVU Master Purchase Agreement (Continued)

Nature of transactions: The Group shall purchase office building and factory renovation services and its related ancillary services from CEOVU, its subsidiaries and/or its associates.

Pricing policy: The prices for office building and factory renovation services and its related ancillary services shall be determined in accordance with the "Market Price" (as defined below).

"Market Price" shall be determined in accordance with the following order: (i) the prevailing prices being offered or charged by independent third parties in the ordinary and usual course of business for the provision or procurement of the same or similar type of services in the provision or procurement places or its nearby regions; or (ii) the prevailing prices being offered or charged by independent third parties in the ordinary and usual course of business for the provision or procurement of the same or similar type of services in the PRC.

Upon receipt of quotations from CEOVU, the designated persons of the Company and its subsidiaries (namely, the business planning executives, who are primarily responsible for the examination and approval of the procurement plans and the execution of purchase agreement) will determine the prices proposed or charged by independent third parties, usually by mail, fax, telephone or by posting a tender notice through various media resources (e.g. local newspapers) to obtain quotations from at least two independent third parties for comparable quantities of the same or similar services, the comprehensive consideration value of which is the market price. The prices of the services will be reviewed by the procurement department of the Company and its subsidiaries and submitted to the head of such department for approval.

The Directors are of the view that such pricing policy is fair and reasonable, on normal commercial terms and not prejudicial to the interest of the Shareholders.

## Report of the Board (Continued)

### Connected transactions (Continued)

#### 1. Continuing connected transactions during the year of 2024 (Continued)

##### (7) CESE3 Master Purchase Agreement

Date:	31 August 2022
Parties:	(i) the Company; and  (ii) CESE3
Term:	Commencing from the signing date of the CESE3 Master Purchase Agreement and ending on 31 December 2024. Either party shall not unilaterally terminate the CESE3 Master Purchase Agreement without written consent of the other party.
Nature of transactions:	The Group shall purchase heating, ventilation and air conditioning facilities and the procurement and installation of facilities and services and related ancillary services for its solar photovoltaic production from CESE3 and/or its associates.
Pricing policy:	<p>The prices for heating, ventilation and air conditioning facilities and the procurement and installation of facilities and services and its related ancillary services for its solar photovoltaic production shall be determined in accordance with the “Market Price” (as defined below).</p> <p>“Market Price” shall be determined in accordance with the following order: (i) the prevailing prices being offered or charged by independent third parties in the ordinary and usual course of business for the provision or procurement of the same or similar type of services in the provision or procurement places or its nearby regions; or (ii) the prevailing prices being offered or charged by independent third parties in the ordinary and usual course of business for the provision or procurement of the same or similar type of services in the PRC.</p>

## Report of the Board (Continued)

### Connected transactions (Continued)

#### 1. Continuing connected transactions during the year of 2024 (Continued)

##### (7) CESE3 Master Purchase Agreement (Continued)

Upon receipt of quotations from CESE3, the designated persons of the Company and its subsidiaries (namely, the business planning executives, who are primarily responsible for the examination and approval of the procurement plans and the execution of purchase agreement) will determine the prices proposed or charged by independent third parties, usually by mail, fax, telephone or by posting a tender notice through various media resources (e.g. local newspapers) to obtain quotations from at least two independent third parties for comparable quantities of the same or similar services, the comprehensive consideration value of which is the market price. The prices of the services will be reviewed by the procurement department of the Company and its subsidiaries and submitted to the head of such department for approval.

The Directors are of the view that such pricing policy is fair and reasonable, on normal commercial terms and not prejudicial to the interests of the Shareholders.

The Company confirms that the prices and terms of these continuing connected transactions entered into during the year 2024 were determined in accordance with the Group's pricing policy.

The independent non-executive Directors had reviewed these continuing connected transactions and confirmed to the Board that these transactions have been entered into:

- (1) in the ordinary and usual course of business of the Group;
- (2) either on normal commercial terms or, if there are not sufficient comparable transactions to judge whether they are on normal commercial terms, on terms no less favourable to the Company than terms available to or from (as appropriate) independent third parties; and
- (3) according to the agreements governing such transactions on terms that are fair and reasonable and in the interests of the Shareholders as a whole.

The auditor of the Company had given a letter to the Board, which sets out the conclusion on the disclosed continuing connected transactions as follows:

- (1) Nothing has come to the attention of the auditor that causes it to believe that the transactions have not been approved by the Board of the Company;
- (2) Nothing has come to the attention of the auditor that causes it to believe that the transactions were not, in all material respects, in accordance with the pricing policies of the Group if the transactions involve the provision of goods or services by the Group;
- (3) Nothing has come to the attention of the auditor that causes it to believe that the transactions were not entered into, in all material respects, in accordance with the relevant agreements governing the transactions; and
- (4) Nothing has come to the attention of the auditor that causes it to believe that the total amount of the continuing connected transactions has exceeded the annual cap which the Company has determined.

## Report of the Board (Continued)

### Connected transactions (Continued)

#### 2. One-off connected transactions

##### (1) *Assets Transfer Agreement with Epilight Industrial*

On 23 October 2024, Hefei Photovoltaic, a wholly-owned subsidiary of the Company entered into the Assets Transfer Agreement with Hefei IRICO Epilight Industry Co., Ltd. (“**Epilight Industry**”), pursuant to which, Epilight Industry has agreed to transfer and Hefei Photovoltaic has agreed to acquire the assets of phase I and II kiln flue gas waste heat power generation and flue gas desulfurization and dust removal system owned by Epilight Industry at a consideration of RMB21,225,800 (exclusive of tax). Upon entering into the Assets Transfer Agreement, the waste heat power generation and flue gas treatment system transitioned to Hefei Photovoltaic’s self-operation, (a) Hefei Photovoltaic can integrate operation resources to better serve current production; (b) the steam pipeline can be operated in parallel with the grid, which will effectively enhance the power generation efficiency of the steam boiler generating units; (c) spare parts, raw materials and others can be procured uniformly, thereby reducing procurement costs and further lowering operating expenses; (d) the management team will be unified, reducing external coordination and communication costs, thereby reducing expenditure; and (e) it can save approximately RMB18,775,000 in external electricity costs each year, potentially increasing Hefei Photovoltaic’s total profits by approximately RMB9,465,300.

On 23 October 2024, Epilight Industry, directly and indirectly owned as to 46.56% by IRICO Group, is an associate of IRICO Group and thus a connected person of the Company under the Listing Rules. Therefore, the transaction contemplated under the Assets Transfer Agreement between Hefei Photovoltaic, a wholly-owned subsidiary of the Company, and Epilight Industry constitutes a connected transaction of the Company. Since the highest applicable percentage ratio for the transaction contemplated under the Assets Transfer Agreement exceeds 0.1% but is less than 5%, the transaction contemplated thereunder is subject to the reporting and announcement requirements, but is exempt from the Independent Shareholders’ approval requirement under Chapter 14A of the Listing Rules.

For details, please refer to the Company’s announcement dated 23 October 2024.

### Connected transactions (Continued)

#### 2. One-off connected transactions (Continued)

##### (2) Power Supply and Distribution Equipment Lease Agreement

On 30 December 2024, Hefei Photovoltaic, a wholly-owned subsidiary of the Company, entered into the Equipment Lease Contract with Shaanxi Rainbow Industrial Intelligent Technology Co., Ltd. (“Industrial Intelligent”), pursuant to which Hefei Photovoltaic agreed to lease the Leased Equipment such as 110kV GIS equipment, main transformers, integrated automation systems, high-voltage switch cabinets, dry-type transformers, ring main units, power cables and complete sets of capacitors, etc. from Industrial Intelligent for a term of three years commencing from 30 December 2024 to 29 December 2027, at a monthly rental of RMB373,946.17 (inclusive of tax). The entering into of the Equipment Lease Contract is necessary for the actual operation of Hefei Photovoltaic, which can effectively guarantee the safe and stable supply of power to Hefei Photovoltaic, and will have a positive effect on the Company in terms of cost reduction and efficiency.

On 30 December 2024, Zhongdian IRICO, which directly holds approximately 14.30% of the issued share capital of the Company, is a substantial Shareholder of the Company, and Industrial Intelligent is a wholly-owned subsidiary of Zhongdian IRICO and is therefore an associate of Zhongdian IRICO and a connected person of the Company under the Listing Rules. Accordingly, the transaction contemplated under the Equipment Lease Contract entered into between Hefei Photovoltaic, a wholly-owned subsidiary of the Company, and Industrial Intelligent constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. As the highest applicable percentage ratio in respect of the transaction contemplated under the Equipment Lease Contract exceeds 0.1% but is less than 5%, the transaction contemplated thereunder is subject to the reporting and announcement requirements but exempt from the independent Shareholders’ approval requirement under Chapter 14A of the Listing Rules.

For details, please refer to the Company’s announcement dated 30 December 2024.

In respect of each related party transaction disclosed in note XII to the financial statements for 2024, the Company confirms that it has complied with the relevant requirements under the Listing Rules.

Save as disclosed above, the other related party transactions as set out in note XII to the financial statements for 2024 do not constitute connected transactions/continuing connected transactions under Chapter 14A of the Listing Rules, or have constituted connected transactions/continuing connected transactions under the Listing Rules, but are exempt from the disclosure and independent shareholders’ approval requirements of the Listing Rules.



## Report of the Board (Continued)

### Plan of the Group for material investment and acquisition of capital assets

During the Reporting Period, the Group had no plan for material investment and acquisition of capital assets.

### Bank loans

As at 31 December 2024, details of bank loans of the Group are set out in note V. (XIX), (XXVII), (XXIX), (XXXI) to the financial statements for 2024.

### Pre-emptive rights

There are no provisions for pre-emptive rights under the Articles of Association or relevant laws and regulations which could oblige the Company to offer new shares on a pro rata basis to existing Shareholders.

### Subsidiaries

Details of the subsidiaries of the Company are set out in note VIII to the financial statements for 2024.

### External guarantee

The Group did not have any external guarantee during the year.

### Material litigation

During the Reporting Period, the Group had no material litigation.

### Contingent liabilities

As at 31 December 2024, the Group had no significant contingent liabilities.

### Corporate Governance Code

The Company's corporate governance practices are based on the principles and code provisions (the "Code Provisions") set out in the Corporate Governance Code (the "CG Code") contained in Appendix C1 of the Listing Rules. The Company has complied with the Code Provisions set out in Part 2 of the CG Code for the financial year ended 31 December 2024.

### Model Code

As to securities transactions by Directors, the Company has adopted the Model Code as the code for securities transactions by Directors. Having made specific enquiries of all Directors, the Company has confirmed that all Directors have fully complied with all the requirements set out in the Model Code.

## Report of the Board (Continued)

### Public float

Based on the information that is publicly available to the Company and within the knowledge of the Directors, as at the date of this report, the Directors believe that the relevant minimum percentage applicable to listed securities was maintained at any time during the Reporting Period.

### Audit committee

The audit committee of the Company (the “**Audit Committee**”) has reviewed the Company's consolidated financial statements for the year ended 31 December 2024, including the accounting principles adopted by the Group.

### Auditor

At the 2021 annual general meeting held on 16 June 2022, the Company appointed BDO China Shu Lun Pan Certified Public Accountants LLP as its auditor for 2022. At the 2022 annual general meeting held on 16 June 2023, the appointment of BDO China Shu Lun Pan Certified Public Accountants LLP was renewed for 2023. At the 2023 annual general meeting held on 6 June 2024, WUYIGE Certified Public Accountants LLP was appointed as the Company's auditor for 2024.

For further details, please refer to the Company's announcements dated 16 June 2022, 16 June 2023, and 6 June 2024.

Save as disclosed above, the Company did not change its auditors during the last three years.

The financial statements of the Company for the year 2024 have been audited by WUYIGE Certified Public Accountants LLP. For further information of the auditors of the Company, please refer to “External auditor and their remunerations” under Corporate Governance Report of this annual report.

By order of the Board  
Yang Hua  
Chairlady

Xianyang, the People's Republic of China  
26 March 2025

## Report of the Supervisory Committee

In 2024, all members of the supervisory committee of the Company (the “**Supervisory Committee**”) complied with the principle of integrity, were responsible to all Shareholders and sincerely performed the duties of supervision to practically safeguard the interests of the Shareholders in strict compliance with relevant provisions under relevant laws and regulations of China and the Articles of Association. They supervised and examined significant operating activities, the financial status of the Company, performance of duties by the Directors and senior management and the compliance with relevant laws and regulations in 2024. I hereby present the work report of 2024 as follows:

During this year, pursuant to the requirement of the Articles of Association, the Supervisory Committee has actively fulfilled its supervisory functions. The Supervisory Committee held two on-site meetings and two written-voting meetings, and reviewed the following proposals: the 2023 work report of the Supervisory Committee, the audited financial report of 2023, the 2023 report of profit distribution plan, the reviewed financial report of the Company for the first half of 2024 and the election of the chairman of the Supervisory Committee. The convening of the above meetings was in compliance with the relevant requirements of the PRC Company Law and the Articles of Association, ensuring the legality and standardization of the meeting procedures..

In addition, the Company’s supervisors attended the meetings of the Board punctually and, in accordance with the PRC Company Law, other applicable laws and regulations, and the Articles of Association, conducted thorough supervision and inspection of the procedures for convening the meetings of the Board and resolutions of the Board, the implementation of resolutions passed by the Shareholders’ meetings by the Board, the performance of duties by senior management, and the establishment, improvement, and implementation of the Company’s internal management systems.

The Supervisory Committee believes that the Company’s Directors and senior management have strictly adhered to the PRC Company Law, the PRC Securities Law, the Listing Rules, and the Articles of Association, as well as a series of laws, regulations, and internal rules, in conducting standardized operations. They have consistently performed their duties with integrity and diligence, and executed the resolutions and authorizations from the Shareholders’ meetings, to ensure that all business activities of the Company are lawful and compliant. Meanwhile, the Company has established a comprehensive system in key areas such as finance, operations, market, auditing, and compliance, to further optimize the risk early warning mechanism and improve the internal management structure. During the inspection of the Company’s financial status and the supervision on the performance of duties by Directors and senior management, the Supervisory Committee did not identify any situations that harmed the interests of the Company or its Shareholders, nor any violations of laws, regulations, the Articles of Association, or internal rules and regulations.

The Supervisory Committee is confident in the prospect of the Company and will proceed to carry out effective supervision on the operation of the Company to safeguard the interests of the Shareholders and the Company as a whole.

By order of the Supervisory Committee  
Zhao Lefei  
*Chairman of the Supervisory Committee*

Xianyang, the People’s Republic of China  
26 March 2025

# Corporate Governance Report

The Company strives to uphold the corporate governance standard in accordance with statutory and regulatory requirements. Through the establishment of a competent Board, a comprehensive internal control system and a stable corporate structure, the Company strives to ensure completeness and transparency in its information disclosure, enhance stable operation and consolidate and increase Shareholders' value and benefit.

## Corporate Governance Practices

Improvement of the internal control system was made by the Company by reviewing the Company's corporate governance practices against the CG Code to cater for the constant development and evolvement of corporate governance.

The Board has reviewed the Company's corporate governance practices. During the Reporting Period, the Company had applied and complied with the principles and code provisions in the CG Code. The code on corporate governance practices adopted by the Company includes but is not limited to the following documents: the Articles of Association, the Terms of Reference and Working Rules of the Board, Terms of Reference and Organisation Rules for the Audit Committee, Terms of Reference and Organisation Rules for the Nomination Committee, Terms of Reference and Organisation Rules for the Strategy Committee and Terms of Reference and Organisation Rules for the Remuneration and Appraisal Committee. The Board also formulated the Management Methods for Information Disclosure, Management Mechanism for Investor Relations, and Management Mechanism for Connected Transactions as relevant working rules of the Company. In addition, the Company has established the Strategy Committee.

## Corporate Purpose and Culture

The Group is principally engaged in the research and development, manufacturing and sales of solar photovoltaic glass. With the initial goal of providing strategic advanced material products and solutions for China, the Group insists on technology leadership and cost leadership under the innovative business model by following the business philosophy of pioneering and innovating in the pursuit of excellence, and continuously enhances its core competitiveness through continuous improvement of its management capabilities.

The Board endeavours to ensure that the corporate purpose and culture are implemented throughout the Group and are fully integrated into the Group's production and operation. Based on the establishment of a sound governance structure, stringent risk management and effective internal control, the Board actively implements the corporate purpose and culture through its daily operation, workplace policies and close communication with business stakeholders, so as to ensure the sustainable development of the Group's business and to bring long-term value to the Shareholders.

## Corporate Governance Report (Continued)

### The Board

#### Duties of the Board

The Board is responsible for leading and monitoring the Company's affairs. All Directors are responsible to act in the best interests of the Company and collectively assume the responsibility for overseeing and monitoring the Company's affairs. The Board makes regular assessment on the management's business objectives and performance as well as exercises a variety of powers in accordance with the Articles of Association, which mainly include:

- convening the general meetings and reporting its performance at the general meetings;
- implementing resolutions adopted at the general meetings;
- making decisions on the Company's business plans and investment schemes;
- formulating the Company's annual financial budget and annual final accounting schemes;
- formulating the Company's profit distribution plan;
- formulating the proposals on the increase or reduction of the Company's registered capital and the issuance of corporate bonds;
- formulating plans for the merger, division, dissolution of the Company;
- determining the establishment of the Company's internal management bodies;
- engaging or dismissing the Company's general manager; engaging or dismissing deputy general manager and other senior management members, as proposed by the general manager, and deciding on matters relating to their remuneration;
- formulating the Company's basic management system;
- formulating proposals for amendments to the Articles of Association.

## Corporate Governance Report (Continued)

### The Board (Continued)

#### Duties of the Board (Continued)

In respect of corporate governance, the Board mainly performed the following duties in the Reporting Period:

- developing and reviewing the corporate governance policies and practices of the Company;
- reviewing and monitoring the training and continuous professional development of Directors and senior management;
- developing, reviewing and monitoring the code of conduct and compliance manual applicable to employees and Directors;
- reviewing and monitoring the Company's policies and practices on compliance with legal and regulatory requirements of the Company;
- reviewing the compliance of the CG Code by the Company and corresponding disclosure in the corporate governance report of the annual report.

#### Composition of the Board and diversity policy

In determining the structure of the Board, the Company considers multiple factors (including but not limited to gender, age, cultural and educational background, race, professional experience, skills, expertise and service term) to achieve the aim of diversity policy. The Board has set measurable objectives (including the aforesaid measurable items) and taken corresponding measures to continuously promote the level of its diversity, and would like to maintain at least one female member in its membership on a continuous basis. The Nomination Committee is responsible for reviewing these objectives from time to time to ensure such objectives are appropriate, monitoring the progress of such objectives and reviewing the policy in due course to ensure the effectiveness.



## Corporate Governance Report (Continued)

### The Board (Continued)

#### Composition of the Board and diversity policy (Continued)

On 31 December 2024, the sixth session of the Board was formed with full consideration of the interests in terms of all dimensions and diversity, including the age, gender, skills, knowledge, culture, experience, expertise, professional qualifications and academic qualifications, background and other personal qualities of the Directors. The Board comprises seven Directors, including two executive Directors, namely Ms. Yang Hua and Mr. Ma Zhibin, two non-executive Directors, namely Mr. Fang Zhongxi and Mr. Wang Dong, and three independent non-executive Directors, namely Mr. Su Kun, Mr. Li Yong and Ms. Hao Meiping. Ms. Yang Hua is the chairlady of the Board. Among them, by gender, there are five males and two females, and by age, there are two Directors aged 35–40, one Director aged 41–50, three Directors aged 51–60, and one Director aged above 60, and by subject, four Directors in engineering, and three Directors in business administration. Members of the Board (including experts who have been involved in the photovoltaic industry for many years, and outstanding managers in finance, business management and other aspects) all have appropriate business and management experience, competence and skills. The Directors' knowledge structure and experience are complementary, and their views and perspectives are independent and diverse, guaranteeing the scientific and effective decision-making of the Board. The biographies of Directors are set out from page 16 to 18 in this annual report.

During the Reporting Period, the Nomination Committee has considered the Board diversity policy and whether the Board has achieved an appropriate balance in the aspects of training, skills, experience and diversity to improve the efficiency of the Board and to maintain high-standard corporate governance. After due consideration, the Nomination Committee believes that the structure of the Board is balanced with diversity, fully takes into account the Company's actual conditions, is appropriate for the Company's business development and complies with the Board diversity policy during the Reporting Period.

Furthermore, as at 31 December 2024, female employees accounted for approximately 27.12% of the Company's workforce (including the senior management). The Group is committed to soundly attracting diversified talents through various channels to provide equal opportunities for more women, as well as establishing an equal employment and career development platform for women. Due consideration is given to ensuring the proportion of female members in staff recruitment, hoping to maintain the proportion of women among all staff members at least at 27% to achieve sustained gender diversity.

The Board members have no financial, business, family or other material/relevant relationships with each other.

## Corporate Governance Report (Continued)

### The Board (Continued)

#### Composition of the Board and diversity policy (Continued)

Directors (including non-executive Directors and independent non-executive Directors) are elected in general meetings with a term of three years from the effective date of their elections until the date of election of the next session of the Board.

All Directors shall, upon their initial appointment, report to the Board in respect of the number and nature of any office assumed by them in other companies or institutions and the term of office, as well as disclose to the Company names of such companies or institutions. If the Board considers a Director has a conflicting interest in any proposal under consideration, such Director shall report his/her interests and abstain from voting and may, when necessary, apply for absence. The Board requires Directors to confirm whether there is any connected transaction between the Directors or their respective associates and the Company or its subsidiaries at each financial Reporting Period. Any material transactions relating to connected persons, which have been confirmed, will be disclosed in notes to the financial statements of an annual report.

There are three independent non-executive Directors, representing over one-third of the Board. The independent non-executive Directors possess extensive professional expertise and experience, and can fully perform their important functions of supervision and balance to protect the interests of the Shareholders and the Company as a whole. In determining the independence of a non-executive Director, the Director is considered independent only after the Board has confirmed that there is no direct or indirect material relationship between the Director and the Company. The Board considers that the independent non-executive Directors are able to make independent judgment effectively and satisfy the guideline on assessing independence as set out in Rule 3.13 of the Listing Rules.

The Company has complied with the requirement concerning the appointment of sufficient independent non-executive Directors, that at least one of them should possess appropriate professional qualification or accounting or relevant financial expertise and that independent non-executive Directors should represent one third or above of the Board as set out in Rules 3.10(1), 3.10(2) and 3.10A of the Listing Rules. The independent non-executive Directors of the Company are able to express their views independently, objectively and fairly.

#### Assessment on Board independence

The Company has established an independence assessment mechanism for the Board, enabling the Board to effectively exercise its independent judgement to better safeguard the interests of Shareholders. During the Reporting Period, the Board has reviewed the implementation and results of the independence assessment mechanism, as well as its independence, both with a satisfactory consequence.

## Corporate Governance Report (Continued)

### The Board (Continued)

#### Directors' training

During the Reporting Period, the Company conducted video trainings for each Director on “Possessors of Inside Information and the Flow of Inside Information 《(內幕信息知情人和內幕信息流轉)》”, “Specifications for the Performance of Duties by Directors, Supervisors, and Senior Management and Requirements for Disclosure of Information 《(董監高履職規範和信息披露要求)》”; and also conducted trainings for each Director on practice of compliance management system construction for state-owned enterprises and compliance guidelines for A+H listed companies by purchasing books or other means; so as to ensure that each Director continues to contribute to the Board in a manner that is fully informed and relevant to the needs of the Board.

In addition, the following Directors also developed and updated their knowledge and skills through attending trainings:

Ma Zhibin attended the Hong Kong Listed Company Governance Practice Seminar (2024 Session 1 – Joint Training for Directors and Board Secretaries) and the 75th Lecture on Enhanced Continuous Professional Development for Governance Professionals, mainly covering new norms in transaction valuation, compliance points and practice techniques for fund structure transactions, information disclosure and regulation for A+H companies, transaction control and information disclosure, digital transformation empowering corporate ESG sustainable development, and the impact of the revised Company Law on domestic and overseas listed companies from a capital market perspective, totaling 16 credit hours.

Su Kun participated in the 2024 Session 3 Follow-up Training for Independent Directors of Listed Companies organized by the Shanghai Stock Exchange. The training focused on changes in the legal responsibilities of independent directors under new circumstances, continuous regulatory rules under the Several Opinions on Further Promoting the Healthy Development of the Capital Market, information disclosure regulation and standardized performance of duties by independent directors, key points of information disclosure for major asset restructuring of listed companies, and case studies on the performance of duties by independent directors, totaling 8 credit hours.

Li Yong attended the 142nd Training Session for Independent Directors of Listed Companies (Follow-up Training) organized by the Shenzhen Stock Exchange. The training primarily covered topics such as the risks and responses to the responsibilities of directors, supervisors, and senior management under the new Company Law, interpretation of corporate governance and standardized operation rules, analysis of regulatory priorities, new challenges in the financial supervision and decision-making functions of independent directors, compliance management of shareholdings by major shareholders, directors, supervisors, and senior management of listed companies, and ESG management and practices of listed companies, totaling 25 credit hours.

## Corporate Governance Report (Continued)

### The Board (Continued)

#### Directors' training (Continued)

Hao Meiping participated in the Independent Director Capacity Building Training (Phase II) organized by the China Association of Listed Companies and the Independent Director Performance Learning Platform Training organized by the Shanghai Stock Exchange. The training primarily covered topics such as the amendments to the Company Law and the obligations and responsibilities of directors, supervisors, and senior management, as well as the performance key points and case interpretation of independent directors of listed companies, totaling 20 credit hours.

The Company has made appropriate arrangement to insure against the possible legal actions that the Directors, supervisors and senior management may be involved.

#### Duties of the management

The management of the Company is responsible for the management of production and operations, organising and implementing resolutions of the Board, organising the implementation of the Company's annual business plans and investment schemes, formulating plans for the establishment of the Company's internal management structure, formulating the basic management system of the Company, and exercising other authorities conferred under the Articles of Association and by the Board. Meanwhile, the information submitted to Directors on the Company's operations and businesses each month through meetings or emails so as to enable the Directors to fully understand the operations and businesses of the Company.

#### The chairman and the general manager

The chairman of the Board is responsible for the operation and management of the Board while the general manager takes charge of the day-to-day management of the Company's business. Under code provision C.2.1 of the CG Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. In order to ensure a balanced distribution of power and authorization, as of 31 December 2024, the chairlady of the Company is Ms. Yang Hua (executive Director), and the general manager is Mr. Ma Zhibin. The roles of the chairlady and the general manager are clearly delineated as they are held by two individuals respectively.

Under the assistance of the deputy general manager, the general manager, as the chief manager of the Company's day-to-day affairs, is responsible for managing the day-to-day affairs of the Company, organising the implementation of resolutions of the Board, organising the implementation of the Company's annual business plans and investment schemes, assuming a direct responsibility for the operation performance of the Company and responsible for the overall operation of the Company to the Board.

## Corporate Governance Report (Continued)

### The Board (Continued)

#### The chairman and the general manager (Continued)

The general manager and the deputy general manager make concerted efforts to collaborate with administrative departments of the Company to ensure the Board and the Board committees can access to complete, reliable and proper information so that the Directors can make decisions with adequate data and to ensure proper implementation of the Board's resolutions. The general manager closely monitors the operation and financial results of the Company based on plans and budgets and makes suggestions to the Board in respect of material events.

#### Company Secretary

The Company Secretary ensures good exchange of information among Board members and compliance with Board policies and procedures.

In 2024, the Company Secretary participated in the Hong Kong Listed Company Governance Practice Seminar (2024 Session 1 – Joint Training for Directors and Board Secretaries) and the 75th Lecture on Enhanced Continuous Professional Development for Governance Professionals, mainly covering new norms in transaction valuation, compliance points and practice techniques for fund structure transactions, information disclosure and regulation for A+H companies, transaction control and information disclosure, digital transformation empowering corporate ESG sustainable development, and the impact of the revised Company Law on domestic and overseas listed companies from a capital market perspective, totaling 16 credit hours.

#### Board meetings

The chairman of the Board is responsible for convening and presiding over the Board meetings. The chairman of the Board seeks to ensure all Directors' proper access to accurate, timely and sufficient data in connection with the proposals to be considered by the Board to enable their wise decisions. While a 14 days' prior notice of a regular Board meeting is given, the agenda of meeting and the meeting documents attached are circulated at least 3 days prior to the holding of a Board meeting or a meeting of any special committee.

The chairman of the Board encourages the Directors to be fully engaged in the Board's affairs and make contributions to the functions of the Board, and the Directors also conduct research at the Company's production bases from time to time. The Board adopts sound corporate governance practices and procedures and takes appropriate steps to encourage the Directors' open and candid communications so as to ensure non-executive Directors may raise queries with and maintain effective communications with each executive Director.

It is expressly provided in the Terms of Reference and Working Rules for the Board that, in the event that a substantial Shareholder or Director has a conflict of interest in the matter to be considered at the Board meeting, such matter shall not be dealt with by Board committees or by way of circulation. Any Director who has a conflict of interest in the matters to be considered shall abstain from voting.

## Corporate Governance Report (Continued)

### The Board (Continued)

#### Board meetings (Continued)

During the Reporting Period, the Company held four on-site Board meetings, passed six written resolutions, and held two Audit Committee meetings, two Remuneration and Appraisal Committee meetings, one Nomination Committee meeting, one Strategy Committee meeting, one annual general meeting, and one extraordinary general meeting. The attendance details of the Directors are as follows:

Number of meetings attended/Number of meetings held during the tenure

Director	Board Meetings	Audit Committee	Remuneration and Appraisal Committee	Nomination Committee	Strategy Committee	Annual General Meeting	Extraordinary General Meeting
Yang Hua	4/4	–	–	–	1/1	1/1	1/1
Ma Zhibin	4/4	–	2/2	1/1	1/1	1/1	1/1
Fang Zhongxi	4/4	–	–	–	1/1	1/1	1/1
Wang Dong	4/4	–	–	1/1	–	1/1	1/1
Su Kun	4/4	2/2	–	1/1	–	1/1	1/1
Li Yong	4/4	2/2	2/2	1/1	1/1	1/1	1/1
Hao Meiping	4/4	2/2	2/2	1/1	1/1	1/1	1/1

In accordance with the Articles of Association, Directors, when necessary, may propose to convene an extraordinary Board meeting. They may also, when they consider necessary, obtain the Company's information and independent expert opinion, where expenses incurred are borne by the Company.

#### Board committees

Four special committees are established under the Board, namely the Nomination Committee, the Audit Committee, the Remuneration and Appraisal Committee and the Strategy Committee, the terms of reference of which are determined in accordance with the principles set out in the CG Code. The Board committees report to the Board. In order to perform their duties, the Board committees have the authority to engage lawyers, accountants or other professionals for professional advice when necessary, the expenses of which are borne by the Company.



## Corporate Governance Report (Continued)

### The Board (Continued)

#### Board committees (Continued)

##### *Nomination Committee*

On 31 December 2024, the Nomination Committee comprises one executive Director, one non-executive Director and three independent non-executive Directors, including Mr. Ma Zhibin (executive Director), Mr. Wang Dong (non-executive Director), Mr. Su Kun (independent non-executive Director), Mr. Li Yong (independent non-executive Director) and Ms. Hao Meiping (independent non-executive Director), and is chaired by Mr. Li Yong. The Nomination Committee shall provide the Board with its advice on appointment of Directors, assessment of the Board's composition and change of Directors in accordance with certain agreed standards. The relevant standards include a Director's proper professional knowledge and work experience, personal integrity and commitment of adequate time. The Nomination Committee is responsible for the selection and recommendation of Director candidates, including consideration of candidates recommended by others and, when necessary, acquired by using public recruitment.

The Nomination Committee gives full consideration to the principle of Board diversity in selecting and recommending Director candidates, mainly including but not limited to gender, age, culture and educational background or professional experience, as well as the Board members' recommendations on the development of the Company in various aspects based on their professional competence in different fields.

With reference to the requirements in code provision B.3.1 of the CG Code, the Board formulated the Terms of Reference and Organisation Rules for the Nomination Committee. The terms of reference of the Nomination Committee are as follows:

- to review the structure, size and composition of the Board at least once annually;
- to identify individuals suitably qualified to become Board members, and select or make recommendations to the Board on the selection of individuals nominated for directorships;
- to assess the independence of the independent non-executive Directors;
- to make recommendations to the Board on the appointment or re-appointment as well as the succession plan of Directors;

During the Reporting Period, all Directors have given sufficient time and attention to the affairs of the Company. Their performance and time commitment were satisfactory.

During the Reporting Period, the Nomination Committee conducted work focusing on the aforesaid terms of reference and discussed on the formulation of policy on the nomination of Directors, nomination procedures adopted for candidates for Directors and the selection and recommendation rules. In 2024, the Nomination Committee convened one meeting to mainly nominate candidates for the sixth session of the Board and Supervisory Committee.

## Corporate Governance Report (Continued)

### The Board (Continued)

#### Board committees (Continued)

##### *Audit Committee*

On 31 December 2024, the Audit Committee comprises three independent non-executive Directors, namely Mr. Su Kun (independent non-executive Director), Mr. Li Yong (independent non-executive Director) and Ms. Hao Meiping (independent non-executive Director) and is chaired by Mr. Su Kun, who has proper professional qualifications and financial experiences. The main role of the Audit Committee is to review the financial reports of the Company, review internal control, appoint auditors and provide advices in respect thereof to the Board.

By reference to the recommendations in A Guide for Effective Audit Committees issued by Hong Kong Institute of Certified Public Accountants and the requirements of code D.3.3 of the CG Code, the Board has formulated the Terms of Reference and Organisation Rules for the Audit Committee of the Company. The major terms of reference of the Audit Committee are as follows:

- to be primarily responsible for making recommendation to the Board about the appointment, re-appointment and removal of external auditors, and assess the external auditors' work and supervise the independence, work procedures, quality and results of the external auditors;
- to review and supervise the Company's financial statements and the integrity of the annual reports and accounts, interim reports and the quarterly reports (if prepared for publication), and review major opinions related with the financial reporting on the statements and reports;
- to review the Company's financial reporting system and internal control system.

During the Reporting Period, the major work of the Audit Committee included:

- Considered the audited financial reports of the Company for 2023 and the reviewed financial reports for the first half of 2024;
- Considered the report in relation to the execution of continuing connected transactions of the Company for 2023;
- Considered the report in relation to the audit fees of the Company for 2023;
- Considered the proposal for appointment of the Company's auditors for 2024;
- Reviewed the effectiveness of the internal audit function;
- Reviewed the risk management and internal control systems.

During the Reporting Period, the Audit Committee convened two meetings with an average attendance rate of 100%. The senior management and external auditor were invited to all meetings.

## Corporate Governance Report (Continued)

### The Board (Continued)

#### Board committees (Continued)

##### *Remuneration and Appraisal Committee*

On 31 December 2024, the Remuneration and Appraisal Committee comprises one executive Director and two independent non-executive Directors, including Mr. Ma Zhibin (executive Director), Mr. Li Yong (independent non-executive Director) and Ms. Hao Meiping (independent non-executive Director), and is chaired by Ms. Hao Meiping.

The Board has formulated the Terms of Reference and Organisation Rules for the Remuneration and Appraisal Committee of the Company. The major terms of reference of the Remuneration and Appraisal Committee are as follows:

- to make proposals to the Board about the remuneration policy and structure for all Directors and senior management personnel of the Company and the establishment of a formal and transparent procedure for formulating remuneration policy;
- to review and approve the proposed remuneration of the management in accordance with the corporate policies and objectives made by the Board;
- to take responsibility to determine the specific remuneration packages for all executive Directors and senior management personnel, and make salary recommendations of non-executive Directors to the Board.

During the Reporting Period, the Remuneration and Appraisal Committee conducted work focusing on the aforesaid terms of reference, evaluated the performance of the executive Directors and approved the terms of service contracts of executive Directors. In 2024, it convened two meetings to consider the proposal in relation to the remuneration status of Directors and supervisors of the Company for 2023, the proposal in relation to the remuneration status of the senior management of the Company for 2023, the proposed authorization by the general meeting to the Board to determine the remuneration of Directors and supervisors of the Company for 2024, and the proposal in relation to the remuneration scheme for the sixth session of the Directors and supervisors of the Company.

Remuneration policy for executive Directors: The remuneration portfolio policy for executive Directors is designed to link executive Directors' remuneration and their performance with corporate goals so as to inspire their better performance and retainment. In accordance with the Articles of Association, the Directors shall not approve their own remunerations.

Remuneration policy for non-executive Directors: Remunerations of non-executive Directors are subject to the approval by general meetings and determined with reference to the complexity of the matters to be handled by them and their duties. Pursuant to the service contracts entered into between the Company and the non-executive Directors, the Company reimburses non-executive Directors for the out-of-pocket expenses incurred in performance of their duties (including attendance at the Company's meetings).

## Corporate Governance Report (Continued)

### The Board (Continued)

#### Board committees (Continued)

##### *Remuneration and Appraisal Committee (Continued)*

Remuneration policy for employees of the Group: Remunerations of employees of the Group are always based on their work performance so as to stimulate their work motives, reward outstanding performance and fully exert the incentive role of remunerations. To ensure fairness, justice and reasonableness, the Company assesses and distributes remunerations in strict accordance with the assessment management authority, assessment contents and standards for all categories of employees to encourage them to create more value to the enterprise by using their greatest potential. Meanwhile, the Company insists providing competitive remunerations to attract talents and enhance the Company's competitiveness in the market.

Pursuant to applicable laws and regulations of China, the Group currently participates in a series of pension schemes organized by provincial and municipal governments, pursuant to which the Group must contribute to such pension funds according to certain proportions of the salaries, bonus and various allowance of the employees. As the production plants are located in different regions, the proportions of contributions to such pension funds amongst the production plants are also different.

##### *Strategy Committee*

On 31 December 2024, the Strategy Committee comprises two executive Directors, one non-executive Director and two independent non-executive Directors, including Mr. Ma Zhibin (executive Director), Ms. Yang Hua (executive Director), Mr. Fang Zhongxi (non-executive Director), Mr. Li Yong (independent non-executive Director) and Ms. Hao Meiping (independent non-executive Director), and is chaired by Mr. Ma Zhibin.

The Board has formulated the Terms of Reference and Composition Rules for the Strategy Committee of the Company. The major terms of reference of the Strategy Committee are as follows:

- to research the Company's medium and long-term development tactics and major investment decisions, and put forward proposals;
- to review the Company's plans on major investment, financing, capital operation, asset operation and other major issues, and put forward proposals to the Board;
- to review the Company's material asset disposals and put forward proposals to the Board.

During the Reporting Period, the Strategy Committee conducted work focusing on the aforesaid terms of reference and convened one meeting with 100% attendance.

## Corporate Governance Report (Continued)

### Statement of financial responsibility of the Board

The Board is responsible for the preparation of the Company's financial reports and takes the responsibility for the completeness and legitimacy of the financial data as well as the effectiveness of the Company's internal control system and risk management process. The general manager of the Company is responsible for the daily management of the operation of the Company. The Board makes periodic review on the functions of and the power delegated to the general manager.

The Directors acknowledge their responsibilities to prepare financial statements of the Company for each financial year, to report truly and fairly on the financial status of the Group, to comply with applicable accounting standards and adopt appropriate accounting policies in the preparation of the financial statements and to disclose the financial status of the Company accurately.

For auditor's reporting responsibilities, please refer to the auditor's report.

### Securities transactions by Directors

The Board has adopted the Model Code as the code of conduct regarding securities transactions by Directors of the Company. The Model Code is also applicable to selected employees who may possess certain inside information of the Company that has been not disclosed, including such employees in the Company's subsidiaries and parent company. Upon appointment, each Director would receive a copy of the Model Code. After that, the Model Code is delivered twice a year, namely, 30 days prior to the Board meeting to approve the Company's interim results and 60 days prior to the Board meeting to approve the Company's annual results, together with an indicative notice to remind the Directors that they may not deal in the Company's shares until the publication of the results announcement.

All Directors confirm that during the Reporting Period, all Directors and the selected employees who may possess certain inside information of the Company that has not been disclosed complied with the Model Code and none of the said persons had interests or short positions which are required to be notified to the Company and the Stock Exchange, or incurred any violation of regulations.

### Internal control system

Internal control and internal audit

#### *Internal control system*

The Board is fully in charge of the Company's internal control system, including its overall financial and operational status, hence avoiding material financial omission or loss and any omission or risk in relation to operation controls. Through its Audit Committee, the Board makes periodic (at least twice per year) review on the effectiveness of the internal control system of the Group, which includes controls over finance, operations, regulation compliance and risk management. Relevant results of 2024 have been reported to the Board through the Audit Committee.

## Corporate Governance Report (Continued)

### Internal control system (Continued)

#### Internal control and internal audit (Continued)

##### *Internal control system (Continued)*

The Company reviews the internal control system in the process of all operations of the Company by questionnaires and systematic evaluations once a year; and also reviews the internal control system in the process of operations of the Company by engaging domestic and foreign lawyers.

The Company has set up procedures and systems for efficient recognition, assessment and management of material operating risks and systems to address significant internal control deficiencies, and has complied with the code provisions relating to internal controls as set out in the CG Code for the year ended 31 December 2024.

##### *Internal audit*

The Company has set up internal audit department, which oversees the internal controls, ensures the achievement of the corporate goals and conducts independent audit.

The audit and legal affairs department gives its prudent opinion as to whether the Company's operations have a comprehensive and efficient risk management system. In 2024, all audit reports and opinions were submitted to the general manager and other executive Directors as well as the senior management of the audit department. The audit department also follows up on issues identified during the audit process and conducts follow-up audit to ensure that such issues have been satisfactorily resolved. In addition, a regular dialogue is maintained between the internal audit and the external auditor so that both are aware of the significant factors that may affect their respective scope of work.

##### *Risk management*

The Board has always attached great importance to the establishment of the Company's operational risk management system and properly implements operation risk management procedures across the Company. The Company reviews the risk management system in the process of all operations of the Company by questionnaires and systematic evaluations once a year. The Board fulfills its oversight role over the Company and its subsidiaries in the following areas:

- establishment of the risk management system and identification of the risk portfolio of the Company;
- identification, assessment and management of the material risks faced by various subsidiaries of the Company;
- review and assessment of the appropriateness of the risk management process, system and internal control;
- review and monitoring the execution of the risk management process, system and internal control, including compliance with requirements of prudence and legality while conducting businesses.



## Corporate Governance Report (Continued)

### Internal control system (Continued)

#### Internal control and internal audit (Continued)

##### *Risk management (Continued)*

The Company appoints personnel with proper experience and skills as directors, supervisors and senior management of the subsidiaries to oversee the operations of those subsidiaries. Monitoring activities include review and approval of business strategies, budgets and plans as well as setting up key business performance indicators. The identification, evaluation and report on the likelihood and potential financial impact of material business risks are issues left to the management personnel of such companies.

During the year 2024, the Company continued its risk management and internal controls, mainly in the areas of financial management, risk control, corporate compliance and financial operations risk control, by holding regular business meetings and reporting the relevant implementation results; and has confirmed that the resources, employees' qualifications and experience in accounting, internal audit and financial reporting functions, as well as the training courses for the employees and the related budgets are adequate. The Company's risk management and internal controls are designed to manage rather than eliminate the risks of failure in achieving business objectives, and to provide only a reasonable, but not absolute, assurance against material misstatements or losses.

The Board is responsible for the risk management and internal control systems, and has responsibility to review such systems as to their effectiveness. During the year 2024, the Board continued to supervise the effectiveness of the Group's risk management and internal control systems, and considered that such risk management and internal control systems were effective and adequate.

In the aspect of information disclosure, the Company's information disclosures are regulated in accordance with the requirements and procedures to ensure compliance with the relevant laws and regulations of the mainland China and Hong Kong, and the rules and requirements of the Listing Rules, so as to correctly fulfill the obligation of information disclosure, which are incorporated into the daily assessment to ensure information disclosures are in sound compliance. In addition, the Company has formulated the Manuals on Information Disclosure Management of IRICO Group New Energy Company Limited (《彩虹集團新能源股份有限公司信息披露管理制度》) in respect of the procedures for and internal control over the handling and publication of inside information, involving scope, compliant disclosure and reporting procedures thereof. All reasonable measures are taken to make sure that external regulation and internal management are fully implemented.

The chairman of the Board is the first responsible person of the Company's information disclosure. The secretary of the Board is responsible for the coordination and organising of the specific matters of information disclosure. The office of the Board is the department responsible for the daily management of information disclosure.

## Corporate Governance Report (Continued)

### Internal control system (Continued)

#### Internal control and internal audit (Continued)

##### *Risk management (Continued)*

The Company has established an information disclosure system with corresponding risk management and internal control related documentation. The relevant process is as follows:

- (I) The person-in-charge of the department that provides the data conscientiously checks the relevant data manuscript to ensure its truthfulness, accuracy and completeness, and upon confirmation that there are no misinterpretations, misleading statements or material omissions;
- (II) The secretary of the Board conducts a compliance review, and if necessary, submits to the Board for approval;
- (III) The chairman or the authorised representatives of the Board signs and approves the issuance of the information.

In 2024, the Company has complied with the above internal systems in relation to information disclosure obligations and made timely announcements of important matters that are to be disclosed. The Company has ensured the truthfulness, accuracy, completeness and timeliness of the disclosed information, and made sure that the investors were able to obtain publicly disclosed information in an open, fair and equitable manner.

##### *External auditor and their remunerations*

As approved at the 2023 annual general meeting of the Company held on 6 June 2024, WUYIGE Certified Public Accountants LLP was appointed as the auditor of the Company for year 2024. The Audit Committee reviewed the letter from WUYIGE Certified Public Accountants LLP to confirm its independence and objectiveness, held meetings with the said auditor to discuss its audit scope and fees.

For the year ended 31 December 2024, the remuneration of the external auditor amounted to RMB1.97 million, all of which was audit service fees. There were no non-audit service fees during the year. The audit fee has been approved by the Audit Committee and the Board.

## Corporate Governance Report (Continued)

### Rights of Shareholders and investor relations

#### General meetings

The Company encourages Shareholders' attendance at annual general meetings and gives a notice not less than 20 days before the annual general meetings and not less than 15 days before the extraordinary general meetings. The chairman of the Board shall attend and preside over the general meetings, and other Directors (especially non-executive Directors and independent non-executive Directors) shall attend the general meetings, including annual general meeting and extraordinary general meeting.

All Shareholders have rights to request the convening of an extraordinary general meeting and put forward proposals for Shareholders' consideration in accordance with the Articles of Association. At the general meetings, each matter is put forward in the form of a separate proposal and voted by way of poll. Voting results of the general meeting are released in the form of announcements and relevant details of the meeting are published on the respective websites of the Stock Exchange and the Company.

On 6 June 2024, the 2023 annual general meeting was held at the conference room at 1st Floor, Office Building, No. 1 Caihong Road, Xianyang, Shaanxi Province, the PRC.

On 12 November 2024, the extraordinary general meeting was held at the conference room on the 2nd Floor at C6, No. 3 Xinghuo Avenue, High-Tech Industrial Development Zone, Xianyang City, Shaanxi Province, the PRC.

On 17 January 2025, the extraordinary general meeting was held at the conference room on the 2nd Floor at C6, No. 3 Xinghuo Avenue, High-Tech Industrial Development Zone, Xianyang City, Shaanxi Province, the PRC.

Details of the above general meetings are set out on the respective websites of the Stock Exchange and the Company.

Investors and the public may also access the Company's website for detailed data of the Company's businesses. The Company's interim and annual results announcements can also be downloaded from the websites of the Stock Exchange and the Company.

According to the information available to the Company and as far as the Directors are aware, over 25% of the Company's total issued share capital has been held by public Shareholders.

## Corporate Governance Report (Continued)

### Rights of Shareholders and investor relations (Continued)

#### Rights of Shareholders

##### *Convening general meetings by Shareholders*

In accordance with the provisions under the Articles of Association, when Shareholders request to convene an extraordinary general meeting or any class meeting, the following procedures shall be followed:

- Two or more Shareholders who collectively hold more than 10 percent (including 10 percent) of the voting shares at the proposed meeting, can sign one or a few copies of written requests with the same format and content, with the agenda of the meeting clearly stated, to be submitted to the Board to convene an extraordinary general meeting or any class meetings. The Board shall, after receipt of the aforementioned written request, convene an extraordinary general meeting or class meeting as soon as possible. The aforementioned number of shares held by Shareholders shall be calculated based on the date of the written request.
- If the Board, within thirty days after receipt of the aforementioned written request, fails to issue a notice to convene meetings, the Shareholders who have made the said request shall have the right to convene the meeting by themselves within four months after the Board receives the request, using the same procedure as the Board shall convene the meeting as possible.

##### *Enquiry by Shareholders and communication*

Shareholders demanding inspection of the relevant information or requesting copies of the materials shall provide the Company with written documents evidencing the class and number of shares of the Company they hold. Shareholders may contact the Company Secretary through the hotline at (8629) 3333 3850 or by email at [chxny@ch.com.cn](mailto:chxny@ch.com.cn). Upon verification of the Shareholder's identity, the Company shall provide such information or handle the enquiries in an appropriate way at the Shareholder's request.

##### *Procedures for Shareholders to put forward proposals and contact information*

In accordance with the provisions under the Articles of Association, at the annual general meetings of the Company, Shareholders either solely or collectively holding more than three percent (including three percent) of the Company's total voting shares, shall have the right to put forward a new proposal in writing to the Board ten days prior to the date of the general meeting, and the Board should inform Shareholders within two days after receiving the proposal of the proposed matters that are within the purview of the general meeting, and should put the new proposal in the agenda of the meeting. Shareholders can contact the Company Secretary by email at [chxny@ch.com.cn](mailto:chxny@ch.com.cn).

## Corporate Governance Report (Continued)

### Rights of Shareholders and investor relations (Continued)

#### Information disclosure and investor relations

The Company is committed to increasing transparency and improving investor relations and has attached great importance to Shareholders' responses in this regard. The Company undertakes that it shall make impartial disclosure and provide full and transparent report. The ultimate duty of the chairman of the Board is to ensure efficient communications with investors and to ensure the Board's understanding of the opinions of substantial Shareholders. After the Company's announcements of its interim and annual results, the Board is committed to providing Shareholders with clear and comprehensive results of the Group by releasing or publishing interim and annual reports. The Company endeavours to maintain a continuous candid communication with institutional investors and analysts, so as to deepen their understanding of the Group's management, financial condition, operation, strategies and plans. The Company's management and Investor Relations Management Department conduct individual and group meetings (online and on-site) with investors from time to time, hold results press conference and non-trading roadshows, and participate in investor forums organised by financial institutions to provide investors with a more comprehensive interpretation and analysis of the Company's business philosophy and operations. Analysts and investors are welcome to visit the Company's plants and business places.

During the Reporting Period, through the above communication measures with investors, the Company has reviewed and considered the effectiveness of its shareholder communication policy, and believes that the Company's shareholder communication policy was implemented fully and effectively. The Company will further improve the investor relation management system to ensure better communication with investors.

#### Articles of Association

During the Reporting Period, there was no amendment to the Articles of Association. The latest version of the Articles of Association is available on the websites of the Stock Exchange and the Company.

By order of the Board  
Yang Hua  
*Chairlady*

Xianyang, the People's Republic of China  
26 March 2025

Da Xin Shen Zi [2025] No. 1-00203

TO THE SHAREHOLDERS OF IRICO GROUP NEW ENERGY COMPANY LIMITED,

## I. Audit Opinion

We have reviewed the financial statements of IRICO Group New Energy Company Limited (the “Company”), which comprise the consolidated and parent balance sheet as at 31 December 2024, the consolidated and parent income statement, the consolidated and parent statement of cash flows, the consolidated and parent statement of changes in owner’s equity for 2024 as well as the notes to the financial statements.

In our opinion, the accompanying financial statements have been prepared in accordance with the Accounting Standards for Business Enterprises in all material aspects, and they fairly present the Company’s consolidated and parent financial position as of 31 December 2024, and the Company’s consolidated and parent operating results and cash flows for 2024.

## II. Basis for Audit Opinion

We conducted our audit in accordance with the Auditing Standards for PRC Certified Public Accountants. Our responsibilities under those standards are further described in the section headed “Certified Public Accountants’ Responsibilities for the Audit of the Financial Statements” in our report. We are independent of the Company in accordance with the Code of Ethics for Chinese Certified Public Accountants (the “Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



## Audit Report (Continued)

### III. Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters identified in our audit are summarised as follows:

#### (I) Recognition of revenue

##### 1. *Description*

Please refer to Note III (XXIX) for accounting policies of revenue recognition; refer to Note V (XXXVIII) for the disclosure of revenue.

In 2024, the consolidated revenue of the Company amounted to RMB3,276 million, mainly sourcing from photovoltaic glass. The general principle for revenue recognition is that the Company recognizes revenue when the performance of obligation in a contract is fulfilled, namely the customer obtains control of relevant goods or services.

Based on the Company's business, the specific method for revenue recognition is as follows: revenue recognition for domestic sales: deliver the products to the customer's designated delivery location, and recognises the sales revenue after the customer's acceptance and signature of relevant documents. Revenue recognition for export sales: according to the contracts or orders and business trading conventions, goods will be issued, and the goods will be recognized as sales revenue after the export declaration formalities have been completed.

As revenue is one of the key performance indicators of the Company, and there is an inherent risk of manipulation of the timing and amount of revenue recognized by management to meet specific targets or expectations, we identified the revenue recognition as a key audit matter.

### III. Key Audit Matters (Continued)

#### (I) Recognition of revenue (Continued)

##### 2. Auditor's response

Our audit procedures for the revenue recognition mainly include:

- (1) Understood and evaluated the design and effectiveness of operation of the key internal control by the management relevant to revenue recognition;
- (2) Selected samples to review the sales contracts and analysed the same via the "five-step method", judged the composition of the contract performance obligations and the timing of transfer of control rights, to assess whether the policy and timing to recognise the Company's sales revenue meet the requirements under the accounting standards;
- (3) Based on procedures of external confirmations for trade receivables and revenue, selected samples of revenue transactions recorded for the current period, checked the supportive documents relevant to revenue recognition, checked the sales contracts, order for goods, invoice, outgoing list, product shipping list, customer's receipt, export documents, etc. in order to check the authenticity of revenue recognised;
- (4) Performed analytical procedures on revenue and cost, including: analysis on fluctuation in revenue, cost, gross profit margin for each month of the current period, and performed analytical procedures on the revenue, cost, gross profit margin of principal products for the current period as compared to that of the comparable companies in the industry in order to check the accuracy of revenue recognised;
- (5) Selected samples of revenue transactions recorded around the balance sheet date and checked the outgoing list, receipt form and other supportive documents, in order to evaluate whether the revenue is recorded in an appropriate accounting period.

## Audit Report (Continued)

### III. Key Audit Matters (Continued)

#### (II) Carry amount of fixed assets and construction in progress

##### 1. Description

Please refer to Note III (XVIII)/(XIX) for the accounting policy for fixed assets and construction in progress; refer to Note V (XI)/(XII) for the disclosure of fixed assets and construction in progress.

The Company has made substantial investment in the construction of production lines for expansion of its photovoltaic glass production capacity and adjustment of product structure. As at 31 December 2024, the total consolidated carrying value of fixed assets and construction in progress of the Company amounted to RMB4,530 million.

The Company's judgement on determining which costs meet the criteria for capitalization, determining the timing for transfer of construction in progress to fixed assets and commencement of provision for depreciation and the estimation of useful economic lives and residual values of corresponding fixed assets will affect the carrying value of fixed assets and construction in progress, and the depreciation policy for fixed assets. We identified the carrying value of fixed assets and construction in progress as a key audit matter because of the major management judgement involved in the evaluation of carrying value of the fixed assets and construction in progress and its significance to the consolidated financial statements.

### III. Key Audit Matters (Continued)

#### (II) Carry amount of fixed assets and construction in progress (Continued)

##### 2. Auditor's response

Our audit procedures for carry amount of fixed assets and construction in progress mainly include:

- (1) Understood, evaluated and tested the design and effectiveness of operation of key internal control (including estimation of useful economic lives and residual values) relevant to the completeness, existence and accuracy of fixed assets and construction in progress;
- (2) Selected samples to check the physical condition of the construction in progress and fixed assets on the spot and to monitor the fixed assets;
- (3) Checked, on a sample basis, the expenditure capitalised incurred during the year by checking the costs capitalised against the relevant supportive documents (including important materials, equipment and construction contracts, order for goods, acceptance report, procurement invoices and bank payment voucher, etc) and assessed whether the costs capitalised in the current year met the relevant criteria for capitalisation;
- (4) Checked, on a sample basis, the acceptance report or project progress report, to judge the accuracy of the timing for the transfer of construction in progress to fixed assets;
- (5) Obtained valuation reports from asset appraisers on fixed assets and construction in progress and reviewed key indicator data;
- (6) Obtained asset valuation reports for major production line asset groups and analyzed the soundness of the review of key assumptions;
- (7) Evaluated management's estimation of useful economic lives and residual values of fixed assets based on our knowledge of the Company's business and practices adopted in the industry.

## Audit Report (Continued)

### IV. Other Information

The management of the Company (the management) is responsible for other information. Other information includes the information included in the Company's 2024 annual report, but excludes the financial statements and our audit report.

Our audit opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit process or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of such other information, we are required to report that fact. We have nothing to report in this regard.

### V. Responsibilities of Management and Governance Layer for the Financial Statements

The management is responsible for preparing financial statements in accordance with Accounting Standards for Business Enterprises, and fairly presenting them; designing, implementing and maintaining necessary internal control to enable that the financial statements are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the management is responsible for assessing the Company's ability to continue as a going concern, disclosing matters in relation to going concern, as appropriate, and applying the going-concern assumption unless the management intends to liquidate the Company, cease operations, or have no realistic alternative but to do so.

The governance layer is responsible for overseeing the financial reporting process of the Company.

### VI. Certified Public Accountants' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether these financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit work in accordance with auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- (I) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (II) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- (III) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- (IV) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in these financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or circumstances may cause the Company to be unable to continue its operations as a going concern.
- (V) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

## Audit Report (Continued)

- (VI) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express audit opinions on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit, and remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

WUYIGE Certified Public Accountants LLP    *Chinese Certified Public Accountant:*    **Zhang Wei**

*Chinese Certified Public Accountant:*    **Han Yanpeng**

Beijing • the PRC

26 March 2025



## Consolidated Balance Sheet

As at 31 December 2024 Unit: RMB Yuan

Item	Note	31 December 2024	31 December 2023
Current Assets:			
Monetary funds	V(I)	423,462,813.52	1,035,062,400.56
Held-for-trading financial assets	V(II)		294,392.40
Derivative financial assets			
Bills receivable	V(III)	872,828,182.12	887,634,064.33
Accounts receivable	V(IV)	608,085,903.10	753,679,637.45
Receivables financing	V(V)	423,850,829.11	347,371,486.41
Prepayments	V(VI)	67,776,169.41	52,169,024.49
Other receivables	V(VII)	28,020,318.24	37,087,079.15
Including: Interest receivable			
Dividend receivable			
Inventories	V(VIII)	539,794,666.65	228,883,514.58
Including: Data resources			
Contract assets			
Held-for-sale assets			
Non-current assets due within one year			
Other current assets	V(IX)	136,403,981.34	77,319,312.51
<b>Total current assets</b>		<b>3,100,222,863.49</b>	<b>3,419,500,911.88</b>

## Consolidated Balance Sheet (Continued)

As at 31 December 2024 Unit: RMB Yuan

Item	Note	31 December 2024	31 December 2023
Non-current assets:			
Debt investment			
Other debt investment			
Long-term receivables			
Long-term equity investments			
Other investments in equity instruments	V(X)	403,069,308.60	349,910,557.70
Other non-current financial assets			
Investment properties			
Fixed assets	V(XI)	3,364,714,104.57	3,080,500,840.33
Construction in progress	V(XII)	1,165,017,463.16	1,240,994,875.00
Productive biological assets			
Oil and gas assets			
Right-of-use assets	V(XIII)	296,121,343.86	322,501,078.01
Intangible assets	V(XIV)	163,456,632.77	166,870,118.08
Including: Data resources			
Development expenditures			
Including: Data resources			
Goodwill			
Long-term deferred expenses	V(XV)	23,588,927.66	19,803,768.42
Deferred tax assets	V(XVI)	437,173.54	11,700,964.90
Other non-current assets	V(XVII)	258,643,018.24	228,613,195.97
<b>Total non-current assets</b>		<b>5,675,047,972.40</b>	<b>5,420,895,398.41</b>
<b>Total assets</b>		<b>8,775,270,835.89</b>	<b>8,840,396,310.29</b>

## Consolidated Balance Sheet (Continued)

As at 31 December 2024 Unit: RMB Yuan

Item	Note	31 December 2024	31 December 2023
Current liabilities:			
Short-term borrowings	V(XIX)	2,508,390,612.71	1,381,369,888.91
Held-for-trading financial liabilities			
Derivative financial liabilities			
Bills payables	V(XX)	498,477,824.98	1,142,449,150.74
Accounts payables	V(XXI)	602,700,193.40	1,012,264,210.04
Prepayments	V(XXII)	28,578.39	5,046.64
Contract liabilities	V(XXIII)	2,311,780.52	4,103,706.49
Employee benefits payable	V(XXIV)	19,661,340.05	24,969,833.86
Tax payables	V(XXV)	6,776,849.31	9,972,155.95
Other payables	V(XXVI)	39,836,814.75	97,663,667.19
Including: Interest receivable			
Dividend receivable			
Held-for-sale liabilities			
Non-current liabilities due within one year	V(XXVII)	951,388,353.45	427,840,936.82
Other current liabilities	V(XXVIII)	648,624,727.45	483,948,617.24
<b>Total current liabilities</b>		<b>5,278,197,075.01</b>	<b>4,584,587,213.88</b>
Non-current liabilities:			
Long-term borrowings	V(XXIX)	1,648,971,583.00	2,015,471,141.03
Bonds payable			
Including: Preference shares			
Perpetual bonds			
Lease liabilities	V(XXX)	246,301,794.11	273,222,781.95
Long-term payables	V(XXXI)		50,000,000.00
Long-term employee benefits payable			
Estimated liabilities			
Deferred income	V(XXXII)	124,010,934.00	116,034,432.98
Deferred tax liabilities	V(XVI)	1,309,254.75	1,805,481.72
Other non-current liabilities			
<b>Total non-current liabilities</b>		<b>2,020,593,565.86</b>	<b>2,456,533,837.68</b>
<b>Total Liabilities</b>		<b>7,298,790,640.87</b>	<b>7,041,121,051.56</b>

## Consolidated Balance Sheet (Continued)

As at 31 December 2024 Unit: RMB Yuan

Item	Note	31 December 2024	31 December 2023
Equity attributable to the shareholders:	V(XXXIII)	176,322,070.00	176,322,070.00
Share capital			
Other equity instruments			
Including: Preference shares			
Perpetual bonds			
Capital reserve	V(XXXIV)	4,281,160,374.64	4,281,160,374.64
Less: Treasury shares			
Other comprehensive income	V(XXXV)	-80,308,435.53	-133,467,186.43
Special reserve			
Surplus reserve	V(XXXVI)	22,477,267.06	22,477,267.06
Undistributed profit	V(XXXVII)	-2,923,171,081.15	-2,547,217,266.54
Total equity attributable to the shareholders' of the parent company		1,476,480,195.02	1,799,275,258.73
Minority interests			
<b>Total equity attributable to the shareholders</b>		<b>1,476,480,195.02</b>	<b>1,799,275,258.73</b>
<b>Total liabilities and equity attributable to the shareholders</b>		<b>8,775,270,835.89</b>	<b>8,840,396,310.29</b>

Legal representative:  
Ma Zhibin

Person in charge of accounting:  
Huang Weihong

Head of accounting department:  
Luo Hongwei

## Parent Balance Sheet

As at 31 December 2024 Unit: RMB Yuan

Item	Note	31 December 2024	31 December 2023
Current Assets:			
Monetary funds		227,537,537.53	639,199,964.02
Held-for-trading financial assets			294,392.40
Derivative financial assets			
Bills receivable		634,993,972.58	740,338,228.78
Accounts receivable	XVI(I)	1,270,654,858.34	1,131,125,415.85
Receivables financing		479,349,726.77	305,207,472.30
Prepayments		41,626,248.24	36,858,910.31
Other receivables	XVI(II)	102,414,981.55	109,359,054.14
Including: Interest receivable			
Dividend receivable			107,462,465.38
Inventories			827,591.82
Including: Data resources			
Contract assets			
Held-for-sale assets			
Non-current assets due within one year			
Other current assets		2,900,167.16	2,900,167.16
<b>Total current assets</b>		<b>2,759,477,492.17</b>	<b>2,966,111,196.78</b>

## Parent Balance Sheet (Continued)

As at 31 December 2024 Unit: RMB Yuan

Item	Note	31 December 2024	31 December 2023
Non-current assets:			
Debt investment			
Other debt investment			
Long-term receivables			
Long-term equity investments	XVI(III)	2,095,000,000.00	1,405,000,000.00
Other investments in equity instruments		403,069,308.60	349,910,557.70
Other non-current financial assets			
Investment properties			
Fixed assets		109,717.11	454,783.75
Construction in progress			
Productive biological assets			
Oil and gas assets			
Right-of-use assets		858,277.01	543,100.09
Intangible assets		1,106.25	5,531.01
Including: Data resources			
Development expenditures			
Including: Data resources			
Long-term deferred expenses			
Deferred tax assets			1,889.92
Other non-current assets		250,277,777.78	200,177,777.78
<b>Total non-current assets</b>		<b>2,749,316,186.75</b>	<b>1,956,093,640.25</b>
<b>Total assets</b>		<b>5,508,793,678.92</b>	<b>4,922,204,837.03</b>

## Parent Balance Sheet (Continued)

As at 31 December 2024 Unit: RMB Yuan

Item	Note	31 December 2024	31 December 2023
Current liabilities:			
Short-term borrowings		565,449,166.66	800,765,680.59
Held-for-trading financial liabilities			
Derivative financial liabilities			
Bills payables		1,418,747,780.40	592,826,741.31
Accounts payables		352,269,522.25	901,765,608.73
Prepayments			
Contract liabilities		1,036,900.87	468,825.99
Employee benefits payable		1,116,382.50	5,166,862.83
Tax payables		2,474,938.72	3,209,083.43
Other payables		44,213,722.05	51,836,990.81
Including: Interest receivable			
Dividend receivable			
Held-for-sale liabilities			
Non-current liabilities due within one year		693,001,055.85	16,433,102.25
Other current liabilities		428,934,684.68	318,566,735.85
<b>Total current liabilities</b>		<b>3,507,244,153.98</b>	<b>2,691,039,631.79</b>



## Parent Balance Sheet (Continued)

As at 31 December 2024 Unit: RMB Yuan

Item	Note	31 December 2024	31 December 2023
Non-current liabilities:			
Long-term borrowings		486,000,000.00	825,000,000.00
Bonds payable			
Including: Preference shares			
Perpetual bonds			
Lease liabilities			
Long-term payables			
Long-term employee benefits payable			
Estimated liabilities			
Deferred income		935,185.18	1,840,000.00
Deferred tax liabilities			
Other non-current liabilities			
<b>Total non-current liabilities</b>		<b>486,935,185.18</b>	<b>826,840,000.00</b>
<b>Total Liabilities</b>		<b>3,994,179,339.16</b>	<b>3,517,879,631.79</b>
Equity attributable to the shareholders:			
Share capital		176,322,070.00	176,322,070.00
Other equity instruments			
Including: Preference shares			
Perpetual bonds			
Capital reserve		4,267,762,218.92	4,267,762,218.92
Less: Treasury shares			
Other comprehensive income		-80,308,435.53	-133,467,186.43
Special reserve			
Surplus reserve		22,477,267.06	22,477,267.06
Undistributed profit		-2,871,638,780.69	-2,928,769,164.31
<b>Total equity attributable to the shareholders</b>		<b>1,514,614,339.76</b>	<b>1,404,325,205.24</b>
<b>Total liabilities and equity attributable to the shareholders</b>		<b>5,508,793,678.92</b>	<b>4,922,204,837.03</b>

Legal representative:  
Ma Zhibin

Person in charge of accounting:  
Huang Weihong

Head of accounting department:  
Luo Hongwei

## Consolidated Income Statement

For the year 2024 Unit: RMB Yuan

Item	Note	For the year 2024	For the year 2023
I. Operating revenue	V(XXXVIII)	3,276,220,087.81	3,145,385,502.34
Less: Operating costs	V(XXXVIII)	3,371,444,090.65	2,927,681,215.66
Taxes and surcharges	V(XXXIX)	24,590,067.21	24,031,789.01
Selling expenses	V(XL)	7,654,256.38	8,094,777.95
Administrative expenses	V(XLI)	76,860,725.44	174,554,714.09
Research and development expenses	V(XLII)	120,809,395.32	102,927,294.67
Finance costs	V(XLIII)	136,401,879.22	88,319,360.16
Including: Interest expenses		155,339,443.71	102,049,205.24
Interest income		20,737,808.67	15,742,087.73
Add: Other income	V(XLIV)	135,933,050.81	42,191,480.50
Investment income			
(loss is represented by "-")	V(XLV)	7,306,285.59	2,571,531.19
Including: Gains from investment in associates and joint ventures			
Income from derecognition of financial asset at the amortized cost			
Gains from net exposure hedges			
(loss is represented by "-")			
Gains from changes in fair value			
(loss is represented by "-")	V(XLVI)	67,825.70	39,685.25
Credit impairment losses			
(loss is represented by "-")	V(XLVII)	2,260,085.63	-4,230,768.31
Impairment losses on assets			
(loss is represented by "-")	V(XLVIII)	-89,666,199.20	-86,551,836.13
Gains from disposal of assets			
(loss is represented by "-")	V(XLIX)	2,667,399.89	992,224.12
II. Operating profit (loss is represented by "-")		-402,971,877.99	-225,211,332.58
Add: Non-operating income	V(L)	44,601,157.21	242,305.99
Less: Non-operating expenses	V(LI)	56,710.54	620,309.85
III. Total profit (total loss is represented by "-")		-358,427,431.32	-225,589,336.44
Less: Income tax expenses	V(LII)	17,526,383.29	5,366,151.36

## Consolidated Income Statement (Continued)

For the year 2024 Unit: RMB Yuan

Item	Note	For the year 2024	For the year 2023
<b>IV. Net profit (net loss is represented by "-")</b>		<b>-375,953,814.61</b>	<b>-230,955,487.80</b>
(I) Classified by continuity of operations:			
1. Net profit from continuing operations (net loss is represented by "-")		-375,953,814.61	-230,955,487.80
2. Net profit from discontinued operations (net loss is represented by "-")			
(II) Classified by ownership of equity:			
1. Net profit attributable to the shareholders of the parent company (net loss is represented by "-")		-375,953,814.61	-230,955,487.80
2. Minority interests (net loss is represented by "-")			
<b>V. Other comprehensive income, net of tax</b>		<b>53,158,750.90</b>	<b>108,264,249.23</b>
(I) Other comprehensive income (net of tax) attributable to the owners of the parent company		53,158,750.90	108,264,249.23
1. Other comprehensive income that cannot be reclassified to profit or loss		53,158,750.90	108,264,249.23
(1) Re-measurement of changes in defined benefit plan			
(2) Other comprehensive income that cannot be reclassified to profit or loss under equity method			
(3) Changes in fair value of other equity instrument investments		53,158,750.90	108,264,249.23
(4) Changes in fair value of enterprise's own credit risk			

## Consolidated Income Statement (Continued)

For the year 2024 Unit: RMB Yuan

Item	Note	For the year 2024	For the year 2023
2. Other comprehensive income that will be reclassified to profit or loss			
(1) Other comprehensive income that may be reclassified to profit or loss under equity method			
(2) Changes in fair value of other debt investments			
(3) The amount of financial assets reclassified into other comprehensive income			
(4) Other debt investment credit impairment provision			
(5) Cash flow hedging reserve			
(6) Exchange differences from translation of foreign currency financial statements			
(7) Others			
(II) Other comprehensive income (net of tax) attributable to minority shareholders			
<b>VI. Total comprehensive income</b>		<b>-322,795,063.71</b>	<b>-122,691,238.57</b>
(I) Total comprehensive income attributable to the owners of the parent company		<b>-322,795,063.71</b>	<b>-122,691,238.57</b>
(II) Total comprehensive income attributable to minority shareholders			
<b>VII. Earnings per share:</b>			
(I) Basic earnings per share (RMB/share)		<b>-2.1322</b>	<b>-1.3099</b>
(II) Diluted earnings per share (RMB/share)		<b>-2.1322</b>	<b>-1.3099</b>

Legal representative:  
Ma Zhibin

Person in charge of accounting:  
Huang Weihong

Head of accounting department:  
Luo Hongwei

## Parent Income Statement

For the year 2024 Unit: RMB Yuan

Item	Note	For the year 2024	For the year 2023
I. Operating revenue	XVI(IV)	4,470,796,625.56	4,153,513,330.67
Less: Operating costs	XVI(IV)	4,456,975,412.94	4,143,110,846.05
Taxes and surcharges		5,010,030.05	4,681,329.97
Selling expenses		4,638,921.31	6,334,344.22
Administrative expenses		21,402,376.63	46,851,787.70
Research and development expenses			
Finance costs		47,711,431.06	44,021,571.35
Including: Interest expenses		65,504,186.69	53,749,391.70
Interest income		19,227,704.18	10,959,750.29
Add: Other income		358,953.20	3,065,399.90
Investment income (loss is represented by "-")	XVI(V)	76,330,570.93	111,265,569.99
Including: Gains from investment in associates and joint ventures			
Income from derecognition of financial asset at the amortized cost			
Gains from net exposure hedges (loss is represented by "-")			
Gains from changes in fair value (loss is represented by "-")		67,825.70	39,685.25
Credit impairment losses (loss is represented by "-")		-443,147.61	-1,571,809.32
Impairment losses on assets (loss is represented by "-")			-9,397,812.95
Gains from disposal of assets (loss is represented by "-")		2,667,399.89	11,895.74
II. Operating profit (loss is represented by "-")		14,040,055.68	11,926,379.99
Add: Non-operating income		43,148,928.40	
Less: Non-operating expenses		56,710.54	
III. Total profit (total loss is represented by "-")		57,132,273.54	11,926,379.99
Less: Income tax expenses		1,889.92	-1,889.92

## Parent Income Statement (Continued)

For the year 2024 Unit: RMB Yuan

Item	Note	For the year 2024	For the year 2023
<b>IV. Net profit (net loss is represented by “-”)</b>		<b>57,130,383.62</b>	<b>11,928,269.91</b>
(I) Net profit from continuing operations (net loss is represented by “-”)		<b>57,130,383.62</b>	<b>11,928,269.91</b>
(II) Net profit from discontinued operations (net loss is represented by “-”)			
<b>V. Other comprehensive income, net of tax</b>		<b>53,158,750.90</b>	<b>108,264,249.23</b>
(I) Other comprehensive income that cannot be reclassified to profit or loss		<b>53,158,750.90</b>	<b>108,264,249.23</b>
1. Re-measurement of changes in defined benefit plan			
2. Other comprehensive income that cannot be reclassified to profit or loss under equity method			
3. Changes in fair value of other equity instrument investments		<b>53,158,750.90</b>	<b>108,264,249.23</b>
4. Changes in fair value of enterprise's own credit risk			
(II) Other comprehensive income that will be reclassified to profit or loss			
1. Other comprehensive income that may be reclassified to profit or loss under equity method			
2. Changes in fair value of other debt investments			
3. The amount of financial assets reclassified into other comprehensive income			
4. Other debt investment credit impairment provision			
5. Cash flow hedging reserve			
6. Exchange differences from translation of foreign currency financial statements			
7. Others			
<b>VI. Total comprehensive income</b>		<b>110,289,134.52</b>	<b>120,192,519.14</b>
<b>VII. Earnings per share:</b>			
(I) Basic earnings per share (RMB/ share)			
(II) Diluted earnings per share (RMB/ share)			

Legal representative:  
Ma Zhibin

Person in charge of accounting:  
Huang Weihong

Head of accounting department:  
Luo Hongwei

## Consolidated Statement of Cash Flows

For the year 2024 Unit: RMB Yuan

Item	Note	For the year 2024	For the year 2023
I. Cash flows from operating activities:			
Cash received from sales of goods or rendering of services		2,455,900,368.57	2,758,202,572.12
Receipts of tax refunds		51,997,302.13	65,053,050.71
Cash received relating to other operating activities	V(LIII)	139,529,014.37	185,059,181.54
Sub-total of cash inflows from operating activities		2,647,426,685.07	3,008,314,804.37
Cash paid for purchasing goods and receiving services		2,770,192,718.06	2,410,459,811.47
Cash paid to and for employees		256,010,318.16	194,871,383.68
Cash paid for taxes and surcharges		63,515,430.33	53,832,529.98
Cash paid relating to other operating activities	V(LIII)	70,958,896.63	72,189,491.09
Sub-total of cash outflows from operating activities		3,160,677,363.18	2,731,353,216.22
Net cash flows from operating activities		-513,250,678.11	276,961,588.15



## Consolidated Statement of Cash Flows (Continued)

For the year 2024 Unit: RMB Yuan

Item	Note	For the year 2024	For the year 2023
<b>II. Cash flows from investing activities:</b>			
Cash received from disposal of investments		366,951.63	67,231.45
Cash received from returns on investments		10,020,816.56	15,586,328.66
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		2,421,000.00	
Net cash received from disposal of subsidiaries and other business entities			
Cash received from other investing activities	V(LIII)	275,000.00	
Sub-total of cash inflows from investing activities		13,083,768.19	15,653,560.11
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets		487,316,176.20	941,301,185.86
Cash paid for investment			67,231.45
Net cash paid for acquisition of subsidiaries and other business entities			
Cash paid relating to other investing activities	V(LIII)	457,667.90	
Sub-total of cash outflows from investing activities		487,773,844.10	941,368,417.31
Net cash flows from investing activities		-474,690,075.91	-925,714,857.20

## Consolidated Statement of Cash Flows (Continued)

For the year 2024 Unit: RMB Yuan

Item	Note	For the year 2024	For the year 2023
III. Cash flows from financing activities:			
Cash received from absorbing investments			
Including: Cash received by subsidiaries			
from minority shareholders' investment			
Cash received from borrowings		3,828,313,297.07	3,043,299,894.06
Cash received relating to other financing activities	V(LIII)		
Sub-total of cash inflows from financing activities		3,828,313,297.07	3,043,299,894.06
Cash paid for repayment of borrowings		3,168,794,726.75	1,708,119,917.78
Cash paid for distribution of dividends and profits or for interest expenses		151,851,150.54	113,100,514.53
Including: Dividends or profits paid to minority shareholders by subsidiaries			
Cash paid relating to other financing activities	V(LIII)	97,993,849.71	31,526,717.14
Sub-total of cash outflows from financing activities		3,418,639,727.00	1,852,747,149.45
Net cash flows from financing activities		409,673,570.07	1,190,552,744.61
IV. Effect of changes in exchange rate on cash and cash equivalents		6,057.37	2,806.12
V. Net increase in cash and cash equivalents		-578,261,126.58	541,802,281.68
Add: Cash and cash equivalents at the beginning of the period		950,634,372.10	408,832,090.42
VI. Cash and cash equivalents at the end of the period		372,373,245.52	950,634,372.10

Legal representative:  
Ma Zhibin

Person in charge of accounting:  
Huang Weihong

Head of accounting department:  
Luo Hongwei

## Parent Statement of Cash Flows

For the year 2024 Unit: RMB Yuan

Item	Note	For the year 2024	For the year 2023
I. Cash flows from operating activities:			
Cash received from sales of goods or rendering of services		6,006,950,958.69	4,031,004,415.75
Receipts of tax refunds			
Cash received relating to other operating activities		440,090,412.86	335,061,234.50
Sub-total of cash inflows from operating activities		6,447,041,371.55	4,366,065,650.25
Cash paid for purchasing goods and receiving services		5,920,008,638.11	4,137,471,403.67
Cash paid to and for employees		21,494,042.32	22,527,970.91
Cash paid for taxes and surcharges		7,058,306.90	4,725,074.51
Cash paid relating to other operating activities		306,641,018.39	225,942,095.45
Sub-total of cash outflows from operating activities		6,255,202,005.72	4,390,666,544.54
Net cash flows from operating activities		191,839,365.83	-24,600,894.29

## Parent Statement of Cash Flows (Continued)

For the year 2024 Unit: RMB Yuan

Item	Note	For the year 2024	For the year 2023
<b>II. Cash flows from investing activities:</b>			
Cash received from disposal of investments		366,951.63	67,231.45
Cash received from returns on investments		100,020,816.56	15,586,328.66
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		2,421,000.00	
Net cash received from disposal of subsidiaries and other business entities			
Cash received from other investing activities			
Sub-total of cash inflows from investing activities		102,808,768.19	15,653,560.11
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets		10,875.00	51,086.65
Cash paid for investment		690,000,000.00	150,067,231.45
Net cash paid for acquisition of subsidiaries and other business entities			
Cash paid relating to other investing activities		17,000,000.00	
Sub-total of cash outflows from investing activities		707,010,875.00	150,118,318.10
Net cash flows from investing activities		-604,202,106.81	-134,464,757.99

## Parent Statement of Cash Flows (Continued)

For the year 2024 Unit: RMB Yuan

Item	Note	For the year 2024	For the year 2023
III. Cash flows from financing activities:			
Cash received from absorbing investments			
Cash received from borrowings		1,345,000,000.00	1,550,000,000.00
Cash received relating to other financing activities			
Sub-total of cash inflows from financing activities		1,345,000,000.00	1,550,000,000.00
Cash paid for repayment of borrowings		1,243,000,000.00	1,017,000,000.00
Cash paid for distribution of dividends and profits or for interest expenses		65,522,693.69	53,385,623.58
Cash paid relating to other financing activities		6,679,382.11	2,332,095.23
Sub-total of cash outflows from financing activities		1,315,202,075.80	1,072,717,718.81
Net cash flows from financing activities		29,797,924.20	477,282,281.19
IV. Effect of changes in exchange rate on cash and cash equivalents		6,057.37	2,806.12
V. Net increase in cash and cash equivalents		-382,558,759.41	318,219,435.03
Add: Cash and cash equivalents at the beginning of the period		589,096,296.94	270,876,861.91
VI. Cash and cash equivalents at the end of the period		206,537,537.53	589,096,296.94

Legal representative:  
Ma Zhibin

Person in charge of accounting:  
Huang Weihong

Head of accounting department:  
Luo Hongwei

# Consolidated Statement of Changes in Owner's Equity

For the year 2024 Unit: RMB Yuan

Item		For the year 2024													
		Equity attributable to the shareholders of the parent company											Total shareholder's equity		
		Share capital	Perpetual shares	Other equity instruments	Preference bonds	Others	Capital reserve	Treasury shares	Less: Other comprehensive income	Special reserve	Surplus reserve	Undistributed profit		Sub-total	Minority interests
I.	Closing balance of the previous year	176,322,070.00					4,281,160,374.64		-133,467,186.43		22,477,267.06	-2,547,217,266.54	1,799,275,258.73		1,799,275,258.73
	Add: Changes in accounting policies														
	Correction for error in previous period														
	Others														
II.	Opening balance for the year	176,322,070.00					4,281,160,374.64		-133,467,186.43		22,477,267.06	-2,547,217,266.54	1,799,275,258.73		1,799,275,258.73
III.	Movements in the period (decrease is represented by "-")								53,158,750.90			-375,953,814.61	-322,795,063.71		-322,795,063.71
	(I) Total comprehensive income								53,158,750.90			-375,953,814.61	-322,795,063.71		-322,795,063.71
	(II) Capital contribution and reduction from shareholders														
	1. Ordinary shares contribution from shareholders														
	2. Capital contribution from shareholders of other equity instruments														
	3. Amount of share-based payment included in shareholders' equity														
	4. Others														
	(III) Profit distribution														
	1. Appropriations of surplus reserve														
	2. Distribution to shareholders														
	3. Others														
	(IV) Transfer of shareholders' equity														
	1. Transfer to share capital from capital reserve														
	2. Transfer to share capital from surplus reserve														
	3. Surplus reserves for making up losses														
	4. Changes in defined benefit plans transferred to retained earnings														
	5. Other comprehensive income transferred to retained earnings														
	6. Others														
	(V) Special reserve														
	1. Appropriations in the period														
	2. Utilization in the period														
	(VI) Others														
IV.	Closing balance for the period	176,322,070.00					4,281,160,374.64		-80,308,435.53		22,477,267.06	-2,923,171,081.15	1,476,480,195.02		1,476,480,195.02

## Consolidated Statement of Changes in Owner's Equity (Continued)

For the year 2024 Unit: RMB Yuan

For the year of 2023														
Item	Equity attributable to the shareholders of the parent company												Total shareholder's equity	
	Share capital	Other equity instruments	Perpetual shares	Preference bonds	Others	Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profit	Sub-total		Minority interests
I. Closing balance of the previous year	176,322,070.00					4,281,160,374.64		-241,731,435.66		22,477,267.06	-2,316,261,778.74	1,921,966,497.30		1,921,966,497.30
Add: Changes in accounting policies														
Correction for error in previous period														
Others														
II. Opening balance for the year	176,322,070.00					4,281,160,374.64		-241,731,435.66		22,477,267.06	-2,316,261,778.74	1,921,966,497.30		1,921,966,497.30
III. Movements in the period (decrease is represented by "-")								108,264,249.23			-230,955,487.80	-122,691,238.57		-122,691,238.57
(I) Total comprehensive income								108,264,249.23			-230,955,487.80	-122,691,238.57		-122,691,238.57
(II) Capital contribution and reduction from shareholders														
1. Ordinary shares contribution from shareholders														
2. Capital contribution from owners of other equity instruments														
3. Amount of share-based payment included in shareholders' equity														
4. Others														
(III) Profit distribution														
1. Appropriations of surplus reserve														
2. Distribution to shareholders														
3. Others														
(IV) Transfer of owners' equity														
1. Transfer to share capital from capital reserve														
2. Transfer to share capital from surplus reserve														
3. Surplus reserves for making up losses														
4. Changes in defined benefit plans transferred to retained earnings														
5. Other comprehensive income transferred to retained earnings														
6. Others														
(V) Special reserve														
1. Appropriations in the period														
2. Utilization in the period														
(VI) Others														
IV. Closing balance for the period	176,322,070.00					4,281,160,374.64		-133,467,186.43		22,477,267.06	-2,547,217,266.54	1,799,275,258.73		1,799,275,258.73

Legal representative:  
Ma Zhibin

Person in charge of accounting:  
Huang Weihong

Head of accounting department:  
Luo Hongwei



# Parent Statement of Changes in Owner's Equity

For the year 2024 Unit: RMB Yuan

		For the year 2024										
		Other equity instruments Preference				Less:	Other				Total	
Item		Share capital	Perpetual shares	bonds	Others	Capital reserve	Treasury shares	comprehensive income	Special reserve	Surplus reserve	Undistributed profit	shareholder's equity
I.	Closing balance of the previous year	176,322,070.00				4,267,762,218.92		-133,467,186.43		22,477,267.06	-2,928,769,164.31	1,404,325,205.24
	Add: Changes in accounting policies											
	Correction for error in previous period											
	Others											
II.	Opening balance for the year	176,322,070.00				4,267,762,218.92		-133,467,186.43		22,477,267.06	-2,928,769,164.31	1,404,325,205.24
III.	Movements in the period (decrease is represented by "-")							53,158,750.90			57,130,383.62	110,289,134.52
	(I) Total comprehensive income							53,158,750.90			57,130,383.62	110,289,134.52
	(II) Capital contribution and reduction from shareholders											
	1. Ordinary shares contribution from shareholders											
	2. Capital contribution from shareholders of other equity instruments											
	3. Amount of share-based payment included in shareholders' equity											
	4. Others											
	(III) Profit distribution											
	1. Appropriations of surplus reserve											
	2. Distribution to shareholders											
	3. Others											
	(IV) Transfer of shareholders' equity											
	1. Transfer to share capital from capital reserve											
	2. Transfer to share capital from surplus reserve											
	3. Surplus reserves for making up losses											
	4. Changes in defined benefit plans transferred to retained earnings											
	5. Other comprehensive income transferred to retained earnings											
	6. Others											
	(V) Special reserve											
	1. Appropriations in the period											
	2. Utilization in the period											
	(VI) Others											
IV.	Closing balance for the period	176,322,070.00				4,267,762,218.92		-80,308,435.53		22,477,267.06	-2,871,638,780.69	1,514,614,339.76

## Parent Statement of Changes in Owner's Equity (Continued)

For the year 2024 Unit: RMB Yuan

		For the year 2023											
		Share capital	Other equity instruments	Preference shares	bonds	Others	Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profit	Total shareholder's equity
I.	Closing balance of the previous year	176,322,070.00					4,267,762,218.92		-241,731,435.66		22,477,267.06	-2,940,697,434.22	1,284,132,686.10
	Add: Changes in accounting policies												
	Correction for error in previous period												
	Others												
II.	Opening balance for the year	176,322,070.00					4,267,762,218.92		-241,731,435.66		22,477,267.06	-2,940,697,434.22	1,284,132,686.10
III.	Movements in the period (decrease is represented by "-")								108,264,249.23			11,928,269.91	120,192,519.14
	(I) Total comprehensive income								108,264,249.23			11,928,269.91	120,192,519.14
	(II) Capital contribution and reduction from shareholders												
	1. Ordinary shares contribution from shareholders												
	2. Capital contribution from owners of other equity instruments												
	3. Amount of share-based payment included in shareholders' equity												
	4. Others												
	(III) Profit distribution												
	1. Appropriations of surplus reserve												
	2. Distribution to shareholders												
	3. Others												
	(IV) Transfer of owners' equity												
	1. Transfer to share capital from capital reserve												
	2. Transfer to share capital from surplus reserve												
	3. Surplus reserves for making up losses												
	4. Changes in defined benefit plans transferred to retained earnings												
	5. Other comprehensive income transferred to retained earnings												
	6. Others												
	(V) Special reserve												
	1. Appropriations in the period												
	2. Utilization in the period												
	(VI) Others												
IV.	Closing balance for the period	176,322,070.00					4,267,762,218.92		-133,467,186.43		22,477,267.06	-2,928,769,164.31	1,404,325,205.24

Legal representative:  
Ma Zhibin

Person in charge of accounting:  
Huang Weihong

Head of accounting department:  
Luo Hongwei

# Notes to the Financial Statements for 2024

(All amounts in RMB Yuan unless otherwise stated)

## I. COMPANY PROFILE

- (I) Place of business registration, form of organization and address of headquarters

IRICO Group New Energy Company Limited\* (the “**Company**”), the former IRICO Group Electronics Company Limited, was established upon approval as a joint stock company (listed) and obtained the business license from the Administration for Industry and Commerce on 10 September 2004.

After the initial issue of overseas-listed foreign shares, the Company’s registered capital was RMB1,941,174,000, with the total number of shares being 1,941,174,000 shares, of which 1,455,880,000 shares were domestic shares, accounting for 75% thereof, and 485,294,000 shares were foreign shares, accounting for 25%. As decided by the extraordinary general meeting of the Company on 28 January 2010, with the capitalization of the capital reserve by 1 share for every 10 shares, the Company’s registered capital was changed to RMB2,135,291,400, and the total number of shares was changed to 2,135,291,400 shares, of which 1,601,468,000 shares were domestic shares, accounting for 75%, and 533,823,400 shares were foreign shares, accounting for 25%. In accordance with the general mandate granted to the Board by the 2009 annual general meeting, the Company completed the placing of 97,058,000 shares of H shares, with the registered capital being changed to RMB2,232,349,400, and the total number of shares being changed to 2,232,349,400 shares, of which 1,601,468,000 shares were domestic shares, accounting for 71.74%, and 630,881,400 shares were foreign shares, accounting for 28.26%.

In accordance with the approval at the extraordinary general meeting and the H share class meeting on 23 January 2019 and 20 January 2020, the Company completed the placing of 1,294,092,000 shares, with the registered capital being changed to RMB3,526,441,400, and the total number of shares being changed to 3,526,441,400 shares, of which 1,601,468,000 shares were domestic shares, accounting for 45.41%, and 1,924,973,400 shares were foreign shares, accounting for 54.59%.

On 28 August 2020, the Company issued 1,294,092,000 H shares on a non-public offering basis at an issue price of HK\$1.12 per share, raising HK\$1,449,383,040.00 (equivalent to RMB1,288,356,584.26).

As at 31 December 2020, the total share capital of the Company was 3,526,441,400 shares and the registered capital was RMB3,526,441,400.

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### I. COMPANY PROFILE (Continued)

#### (I) Place of business registration, form of organization and address of headquarters (Continued)

On 30 March 2021, in accordance with the approval obtained at the extraordinary general meeting, domestic share class meeting and the H share class meeting on 28 December 2020, the Company completed the capital reduction on the basis that every twenty (20) existing shares with a par value of RMB1 each be consolidated to one (1) share with a par value of RMB1 each, and the registered capital of the Company was changed to RMB176,322,070 and the total number of shares was changed to 176,322,070 shares, of which, 80,073,400 shares were domestic shares, accounting for 45.41%, and 96,248,670 were foreign shares, accounting for 54.59%.

As at 31 December 2024, the total share capital of the Company was 176,322,070 shares and the registered capital was RMB176,322,070.

The unified social credit code of the Company was 916100007663066019. The place of registration was the courtyard at C6, No. 3, Xinghuo Avenue, Hi-Tech Industrial Development Zone, Xianyang, Shaanxi Province; its legal representative was Ma Zhibin.

#### (II) Nature of the business and principal activities of the Company

General items: manufacturing of glass; manufacturing of non-metallic mineral products; sales of non-metallic minerals and products; research and experimental development of engineering and technology; mineral washing and processing; mineral concentration; intelligent control system integration; import and export of goods; import and export agents; technology import and export (except for items subject to approvals required by the laws, business activities shall be conducted independently with the business license and in accordance with the laws). Licensed items: mining of mineral resources (non-coal mines); power generation, transmission and supply (distribution) business (for items subject to approval as required by the laws, approvals by the relevant departments should be obtained before carrying out business activities and the specific items of business shall be subject to the approval results).

#### (III) Approved authors of financial reports and approved reporting dates of financial reports

The financial statements have been presented after approval by the Board of the Company on 26 March 2025.

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### I. COMPANY PROFILE (Continued)

#### (IV) Scope of the consolidated financial statements

During the Reporting Period, subsidiaries included in the scope of the consolidated financial statements are set out as below:

No.	Name of subsidiaries	Short name	Level
1	IRICO (Hefei) Photovoltaic Co., Ltd.* (彩虹(合肥)光伏有限公司)	Hefei Photovoltaic	2
2	IRICO Yan'an New Energy Co., Ltd.* (彩虹(延安)新能源有限公司)	Yan'an New Energy	2
3	Xianyang IRICO Photovoltaic Glass Co., Ltd. (咸陽彩虹光伏玻璃有限公司)	Xianyang Photovoltaic	2
4	Jiangxi IRICO Photovoltaic Co., Ltd. (江西彩虹光伏有限公司)	Jiangxi Photovoltaic	2

### II. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

#### (I) Basis of preparation

The financial statements of the Company have been prepared on a going concern basis in respect of actual transactions and matters in accordance with the Accounting Standards for Business Enterprises-Basic Standards and its relevant specific accounting standards and other relevant requirements (together referred to as the "Accounting Standards for Business Enterprises") promulgated by the Ministry of Finance of the PRC, and based on the accounting policies and accounting estimates set out below.

#### (II) Going concern

In 2024, the Company recorded net profit attributable to the shareholders of the parent company of RMB-375.9538 million and net cash flows from operating activities of the Company of RMB-513.2507 million. As at 31 December 2024, the Company had current liabilities of RMB5,278.1971 million, current assets of RMB3,100.2229 million, and net current liabilities of RMB2,177.9742 million. In this regard, the Company will take the following measures to ensure the safety of its funds and improve its business results:

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### II. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (Continued)

#### (II) Going concern (Continued)

1. Along with the commencement of production of the cold maintenance projects of Yan'an New Energy and upon the completion of the second phase of the cold maintenance projects of Hefei Photovoltaic, the future sales income of Company will increase steadily, operating profit will relatively increase, and cash flow will be improved;
2. The commencement of production of the kiln cold maintenance projects of the Company will further expand the production capacity of the photovoltaic glass, the Company will keep up with market changes, and enhance cooperation with its strategic customers. At present, the production-sales ratio of main products is at a relatively high level, coupled with the recent upward trend in glass prices, sales revenue will grow this year;
3. As the industry's leading photovoltaic glass manufacturer, the Company will continue to promote lean production management, and further reduce product costs through technological innovations, improving rate of qualified products, implementing centralized purchase of bulk materials, carrying out comprehensive benchmarking and other measures.

In preparing the financial statements, the management of the Company had conducted a detailed and thorough review of the Company's going-concern ability with reference to the current operational and financial situation of the Company, put forward above improvement measures and obtained a financial support commitment from China Electronics Financial Co., Ltd.\*, as well as a large amount of unutilised credit facilities from the banks still in existence.

The management of the Company has prepared consolidated cash flow projections covering a period of 12 months from 1 January 2025 and is of the opinion that the Company will be able to obtain sufficient sources of working capital and financing to ensure that the Company will be able to settle its debts as they fall due in the next 12 months and to continue as a going concern without any major downsizing of its existing operations.

In view of the foregoing, the Board has no intention to wind up or close the Company and it is confident that the Company will not be forced to enter winding-up or dissolution proceedings in the next accounting period. Therefore, the Company believes that the financial statements for the Reporting Period shall still be prepared on a going concern basis in respect of actual transactions and matters in accordance with the Accounting Standards for Business Enterprises and relevant requirements promulgated by the Ministry of Finance, and based on the accounting policies and estimates set out in Note "III. Significant Accounting Policies and Accounting Estimates".

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

(I) Statement on compliance with the Accounting Standards for Business Enterprises

The financial statements prepared by the Company are in compliance with the requirements of the Accounting Standards for Business Enterprises, reflecting the Company's financial position as at 31 December 2024, and operating results, cash flows for the year 2024 and other relevant information on a true and complete basis.

(II) Accounting period

The Company's accounting year is the calendar year, namely from 1 January to 31 December each year.

(III) Operating cycle

The Company takes 12 months as its operating cycle.

(IV) Functional currency

The functional currency of the Company is Renminbi (RMB).

(V) Basis of accounting and valuation principles

The accounting of the Company is measured on an accrual accounting basis. Except for financial assets/liabilities held for trading, derivative financial instruments, other debt investments, other investments in equity instruments and cash-settled share-based payments, which are measured at fair value, the Group's accounting for these assets and liabilities is based on the historical cost principle. Should an asset be impaired, a corresponding provision for impairment is made in accordance with relevant regulations.

(VI) Accounting treatment of business combinations under common control and not under common control

Business combinations under common control: The assets and liabilities acquired by acquirer through business combination shall be measured at the carrying value of the assets, liabilities (including goodwill arising from the acquisition of the acquiree by ultimate controlling party) of the acquiree in the consolidated financial statements of the ultimate controlling party at the date of combination. The difference between the carrying amount of the net assets obtained and the carrying amount of the consideration paid for the combination (or total nominal value of the issued shares) is adjusted to capital premium in capital reserve. If the capital reserve is not sufficient to absorb the difference, any excess shall be adjusted against retained earnings.



## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

#### (VI) Accounting treatment of business combinations under common control and not under common control (Continued)

Business combinations not under common control: The cost of combination is the assets paid, the liabilities incurred or committed and fair value of the equity securities issued by the acquirer for acquisition of control over the acquiree on the date of acquisition. Where the cost of combination is higher than the fair value of the identifiable net assets acquired from the acquiree in business combination, such difference shall be recognised as goodwill; where the cost of combination is less than the fair value of the identifiable net assets acquired from the acquiree in business combination, such difference shall be charged to current profit or loss. Each of the identifiable assets, liabilities and contingent liabilities of the acquiree, which are acquired in the combination and meet the criteria for recognition, shall be measured at fair value on the date of acquisition.

The direct relevant expenses incurred for the business combinations are recognised as the profit or loss in the period when the costs are incurred; the transaction costs for the equity securities or debt securities issued for business combination shall be recognised as the initial recognition amount of equity securities or debt securities.

#### (VII) Criteria of control and preparation method of consolidated financial statements

##### 1. *Criteria of control*

The scope of consolidation of the consolidated financial statements is determined on the basis of control, and the scope of consolidation comprises the Company and all of its subsidiaries. Control refers to the power of a company over the investee, the rights to enjoy variable returns from its involvement in relevant activities of the investee, and the ability to use its power over the investee to affect the amount of its returns.

##### 2. *Consolidation procedures*

When preparing the consolidated financial statements, the Company considers the entire enterprise group as a single accounting entity and presents the overall financial position, operating results and cash flows of the enterprise group based on the consistent accounting policies. The impact of internal transactions between the Company and its subsidiaries, and among its subsidiaries, shall be offset. If internal transactions indicate impairment losses on relevant assets, such losses shall be recognised in full. Any inconsistent accounting policies and accounting period adopted by a subsidiary will be subject to necessary adjustments to align with those of the Company when preparing the consolidated financial statements.

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

#### (VII) Criteria of control and preparation method of consolidated financial statements (Continued)

##### 2. Consolidation procedures (Continued)

Owners' equity, net profit or loss of the current period and comprehensive income attributable to minority shareholders of the current period of subsidiaries are stated separately under owners' equity in the consolidated balance sheet, net profit in the consolidated income statement and total comprehensive income respectively. Loss of the current period assumed by minority shareholders of a subsidiary in excess of minority shareholders' share of owners' equity in that subsidiary at the beginning of the period is offset against minority interests.

##### (1) Addition of subsidiary or business

During the Reporting Period, if there is an addition of subsidiary or business due to business combination under common control, the operating results and cash flow of the subsidiary or business combination from the beginning of the period to the end of the Reporting Period will be included in the consolidated financial statements, and the amounts at the beginning of the period in the consolidated financial statements and relevant items in the comparative statements will also be adjusted as if the reporting entity after combination had been existing since the control of the ultimate controlling party started.

Where control over the investee under common control is obtained due to reasons such as increase in investments, for equity investment held before the control over the acquiree is obtained, profit or loss, other comprehensive income and other changes in net assets recognised from the later of the acquisition of the original equity interest and the date when the acquirer and the acquiree are placed under common control until the date of combination are offset against retained profit at the beginning of the period of the comparative financial statements or profit or loss of the period respectively.

During the Reporting Period, if there is an addition of subsidiary or business due to business combination not under common control, it shall be included, from the date of purchase, in the consolidated financial statements based on the fair value of each of the identifiable assets, liabilities and contingent liabilities determined on the date of purchase.

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

#### (VII) Criteria of control and preparation method of consolidated financial statements (Continued)

##### 2. Consolidation procedures (Continued)

##### (1) Addition of subsidiary or business (Continued)

Where control over the investee not under common control is obtained due to reasons such as increase in investments, for the equity interest of the acquiree held before the date of purchase, the Company remeasures the equity interest at its fair value as at the date of purchase, and any difference between the fair value and its book value will be accounted for as investment gains of the period. Other comprehensive income that will be reclassified into losses and profits and other changes in owners' equity under equity accounting with respect to the equity interest in the acquiree held before the date of purchase are transferred to investment gains of the period to which the date of purchase belongs.

##### (2) Disposal of subsidiary

##### ① General treatment for disposal

When control over the investee is lost due to the disposal of part of the equity investment or other reasons, the Company re-measures the remaining equity investment after the disposal at fair value as at the date on which control is lost. The difference between the sum of the consideration received from equity disposal and the fair value of the remaining equity interest and the sum of the net assets of the subsidiary proportionate to the original shareholding accumulated from the date of purchase or combination and goodwill is included in investment gains of the period during which the control is lost. Other comprehensive income that will be reclassified into losses and profits and other changes in owners' equity under equity accounting with respect to the equity investment in the original subsidiary are transferred to investment gains of the period during which the control is lost.

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

#### (VII) Criteria of control and preparation method of consolidated financial statements (Continued)

##### 2. Consolidation procedures (Continued)

##### (2) Disposal of subsidiary (Continued)

##### ② Stepwise disposal of subsidiary

In respect of stepwise disposal of equity investment in a subsidiary through multiple transactions until control is lost, if the terms, conditions and economic effects of the transactions of equity investment in the subsidiary satisfy one or more of the following conditions, the transactions are normally accounted for as a package of transactions:

- 1) these transactions are entered into simultaneously or after considering the effects of each other;
- 2) these transactions constitute a complete commercial result as a whole;
- 3) one transaction is conditional upon at least one of the other transactions;
- 4) one transaction is not economical on its own but is economical when considering together with other transactions.

Where the transactions constitute a package of transactions, the Company accounts for the transactions as a transaction of disposal of a subsidiary resulting in the loss of control; the difference between the amount received each time for disposal before control is lost and the net assets of such subsidiary corresponding to the disposal of investment is recognised as other comprehensive income in the consolidated financial statements, and upon loss of control, is transferred to profit or loss of the period during which control is lost.

Where the transactions do not constitute a package of transactions, before the loss of control, the transactions are accounted for based on partial disposal of equity investment in a subsidiary that does not involve loss of control; when control is lost, they are accounted for using the general method for disposal of subsidiaries.

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

#### (VII) Criteria of control and preparation method of consolidated financial statements (Continued)

##### 2. Consolidation procedures (Continued)

##### (3) Purchase of minority interests in subsidiary

For the difference between the long-term equity investment newly acquired due to the purchase of minority interests and the share of net assets of the subsidiary that the Company is entitled to calculated according to the new shareholding accumulated from the date of purchase or date of combination, share premium of the capital reserve in the consolidated balance sheet will be adjusted; where share premium of the capital reserve is insufficient for the write-down, retained profit will be adjusted.

##### (4) Partial disposal of equity investment in subsidiary without loss of control

For the difference between the consideration received from disposal and the net assets of the subsidiary that the Company is entitled to corresponding to the long-term equity investment disposed accumulated from the date of purchase or date of combination, share premium of the capital reserve in the consolidated balance sheet will be adjusted; where share premium of the capital reserve is insufficient for the write-down, retained profit will be adjusted.

#### (VIII) Classification of joint arrangements and accounting treatment for joint operations

Joint arrangements can be classified into joint operations and joint ventures.

Joint operations represent the joint arrangement that a party to a joint arrangement has rights to the assets, and obligations for the liabilities, relating to such arrangement.

The Company recognises the following items in relation to its share of benefits in joint operations:

1. the assets held solely by the Company and those jointly held on a prorate basis;
2. the liabilities assumed solely by the Company and those jointly assumed on a pro-rata basis;
3. the income generated from the sale of the products of the joint operation attributable to the Company;

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

#### (VIII) Classification of joint arrangements and accounting treatment for joint operations (Continued)

4. the income generated by the joint operation from the sale of products on a pro-rata basis;
5. the expenses incurred solely by the Company and those incurred by the joint operation on a pro-rata basis.

Please refer to Note “III. (XVI) Long-term equity investments” for details on the equity method adopted by the Company on investment in joint ventures.

#### (IX) Recognition standard for cash and cash equivalents

Cash represents the Company’s cash on hand and deposits that can be used readily for payments. Cash equivalents represent investments that satisfy four conditions, namely short-term, highly liquid, readily convertible to known amounts of cash, and subject to an insignificant risk of changes in value.

#### (X) Foreign currency transactions and translation of financial statements denominated in foreign currency

##### 1. *Foreign currency transactions*

Foreign currency transactions shall be translated into RMB at the spot exchange rate on the day when the transactions occurred.

Balance sheet date foreign currency monetary items shall be translated using the spot exchange rate at the balance sheet date. The resulting exchange difference are recognised in profit or loss for the current period, except for those differences related to a specific-purpose borrowing denominated in foreign currency for acquisitions and construction of the qualified assets, which should be capitalised as cost of the borrowings.

##### 2. *Translation of financial statements denominated in foreign currency*

The assets and liabilities in the balance sheets are translated at the spot exchange rates on the balance sheet date; except for “Undistributed profit” items, all items under owner’s equity are translated at the spot exchange rates when incurred. The income and expense items in the income statement are translated at the spot exchange rates on the transaction dates.

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

- (X) Foreign currency transactions and translation of financial statements denominated in foreign currency (Continued)

2. *Translation of financial statements denominated in foreign currency (Continued)*

On disposal of foreign operations, exchange differences in financial statements denominated in foreign currencies related to the foreign operation shall be transferred from owner's equity items to profit or loss to profit or loss from disposal for the current period.

- (XI) Financial instruments

One of the financial assets, financial liabilities or equity instruments is recognised when the Company becomes a party to the contract of the financial instruments.

1. *Classification of financial instruments*

According to the business model of the Company for management of financial assets and the contractual cash flow characteristics of financial assets, financial assets are classified at the initial recognition as financial assets measured at amortised cost, or financial assets measured at fair value through other comprehensive income, or other financial assets that are measured at fair value through current profit or loss.

The Company shall classify financial assets that meet the following conditions and are not designated as financial assets at fair value through current profit or loss as financial assets measured at amortised cost:

- (1) the objective of the business model is to collect contractual cash flows;
- (2) the contractual cash flows are solely payment of the principal and the interest based on the outstanding principal amount.

The Company shall classify financial assets that meet the following conditions and are not designated as financial assets at fair value through current profit or loss as financial assets (debt instruments) measured at fair value through other comprehensive income:

- (1) the objective of the business model for managing such financial assets is both to collect contractual cash flows and to dispose of the financial assets;
- (2) the contractual cash flows are solely payment of the principal and the interest based on the outstanding principal amount.



## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

#### (XI) Financial Instruments (Continued)

##### 1. *Classification of financial instruments (Continued)*

For an investment in equity instruments not held for trading purposes, the Company may irrevocably designate it as financial assets (equity instruments) measured at fair value through other comprehensive income at the initial recognition. This designation is made on an investment-by-investment basis and the relevant investment meets the definition of equity instrument from the perspective of the issuer.

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income as described above are measured at fair value through current profit or loss. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at fair value through other comprehensive income as at fair value through current profit or loss if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial liabilities, at initial recognition, are classified into financial liabilities at fair value through current profit or loss and financial liabilities measured at amortised cost.

When meeting any of the following criteria, the Company may, at initial recognition, designate a financial liability as measured at fair value through current profit or loss:

- (1) Such designation would eliminate or significantly reduce a measurement or recognition inconsistency.
- (2) A group of financial liabilities or financial assets and financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to the entity's key management personnel.
- (3) The financial liabilities include embedded derivatives which can be split separately.

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

#### (XI) Financial Instruments (Continued)

##### 2. *Recognition basis and measurement method of financial instruments*

###### (1) Financial assets measured at amortised cost

Financial assets measured at amortised cost, including bills receivable and trade receivables, other receivables, long-term receivables, and debt investments, are initially measured at fair value plus relevant transaction costs. Trade receivables that do not contain significant financing components and trade receivables that the Company has decided not to consider for a financing component of no more than one year are initially measured at the contractual transaction price.

Interest calculated under the effective interest method during the period of holding is included in current profit or loss.

When recovering or disposing, the difference between the price obtained and the book value of the financial asset is included in current profit or loss.

###### (2) Financial assets (debt instruments) measured at fair value through other comprehensive income

Financial assets (debt instruments) measured at fair value through other comprehensive income, including financing receivables and other debt investments, are initially measured at fair value plus relevant transaction costs. These financial assets are subsequently measured at fair value, with changes in fair value are included in other comprehensive income except for interest, impairment losses or gains and exchange gains or losses calculated using the effective interest method.

On derecognition, the accumulated gain or loss previously recognised in other comprehensive income is transferred out from other comprehensive income and recognised in current profit or loss.

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

#### (XI) Financial Instruments (Continued)

##### 2. *Recognition basis and measurement method of financial instruments (Continued)*

- (3) Financial assets (equity instruments) measured at fair value through other comprehensive income

Financial assets (equity instruments) measured by fair value through other comprehensive income, including other equity instruments, are initially measured at fair value plus relevant transaction costs, and subsequently measured at fair value through other comprehensive income. The dividends received are included in current profit or loss.

When derecognised, the accumulated gain or loss previously recognised in other comprehensive income is transferred from other comprehensive income to retained earnings.

- (4) Financial assets measured at fair value through current profit or loss

Financial assets measured at fair value through current profit or loss, including held-for-trading financial assets, derivative financial assets and other non-current financial assets, are initially measured at fair value with relevant transaction costs included in current profit or loss, and subsequently measured at fair value through current profit or loss.

- (5) Financial liabilities measured at fair value through current profit or loss

Financial liabilities measured at fair value through current profit or loss, including held-for-trading financial liabilities, derivative financial liabilities, etc., are initially measured at fair value with relevant transaction costs recognised in current profit or loss. Such financial liabilities are subsequently measured at fair value. Changes in fair value are recognised in current profit or loss.

On derecognition, the difference between the carrying amount and the consideration paid is recognised in current profit or loss.

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

#### (XI) Financial Instruments (Continued)

##### 2. *Recognition basis and measurement method of financial instruments (Continued)*

###### (6) Financial liabilities measured at amortised cost

Financial liabilities measured at amortised cost, including short term borrowings, bills payable, accounts payable, other payables, long-term borrowings, bonds payable and long-term payables, are initially measured at fair value plus relevant transaction costs.

Interest calculated under the effective interest method during the period of holding is included in current profit or loss.

On derecognition, the difference between the consideration paid and the carrying amount of the financial liability is recognised in current profit or loss.

##### 3. *Derecognition of financial assets and recognition basis and measurement method for financial asset transfers*

The Company derecognizes a financial asset if it meets one of the following conditions:

- (1) The contractual rights to receive the cash flows from the financial asset expire;
- (2) The financial asset has been transferred, and substantially all the risks and rewards of ownership of the financial asset have been transferred to the transferee;
- (3) The financial asset has been transferred, and the Company neither transferred nor retained substantially all rewards related to the ownership of the financial assets, but did not retain its control over the said financial assets.

If the Company revises or renegotiates the contract with the counterparty and the modification constitutes substantial modification, the original financial liability is derecognised and the new financial liability is recognised in accordance with the revised terms.

When transferring a financial asset, if the Company retains substantially all risks and rewards of ownership of the financial asset, the Company shall continue to recognize such financial asset.

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

#### (XI) Financial Instruments (Continued)

##### 3. *Derecognition of financial assets and recognition basis and measurement method for financial asset transfers (Continued)*

When judging whether the transfer of a financial asset meets the above criteria for derecognition, the substance-over-form principle shall be applied.

The Company differentiates the transfer of a financial asset as full transfer or partial transfer. If the full transfer of a financial asset meets the criteria for derecognition, then the difference between the following two included in current profit or loss:

- (1) The book value of the financial asset transferred;
- (2) The sum of the consideration received from the transfer and the total amount of the fair value changes that is directly charged or credited to owners' equity (if the financial asset transferred is a financial asset (debt instruments) at fair value through other comprehensive income).

When the partial transfer of a financial asset meets the criteria for derecognition, the entire book value of the financial asset transferred shall be allocated between the part derecognized and the part to be recognized based on their respective fair value, with the difference between the following two included in current profit or loss:

- (1) The book value of the part that is derecognized;
- (2) The sum of the consideration attributable to the part derecognized and the total amount of the fair value changes that is directly charged or credited to owners' equity and attributable to the part derecognized (if the asset transferred is a financial asset (debt instruments) at fair value through other comprehensive income).

If the transfer of a financial asset does not meet the criteria for derecognition, the financial asset shall continue to be recognized and the consideration received is recognized as a financial liability.

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

#### (XI) Financial Instruments (Continued)

##### 4. *Derecognition of financial liabilities*

If all or part of the current obligations of a financial liability have been discharged, the financial liability or part of it will be derecognized; if the Company signs an agreement with the creditor to replace the existing financial liability with new financial liability of substantially different contractual terms, the existing financial liability shall be derecognized while the new financial liability shall be recognized.

If substantial changes are made to the contractual terms (in whole or in part) of the existing financial liability, the existing financial liability (or part of it) shall be derecognized, and the financial liability after the modification of terms shall be recognized as a new financial liability.

When a financial liability is derecognized in whole or in part, the difference between the book value of the financial liability derecognized and the consideration paid (including the non-cash assets transferred out or the new financial liability assumed) shall be included in current profit or loss.

If the Company repurchases part of a financial liability, the book value of the entire financial liability is allocated between the part that continues to be recognized and the part that is derecognized on the repurchase date based on their respective relative fair value. The difference between the book value assigned to the part derecognized and the consideration paid (including the non-cash assets transferred out or the new financial liability assumed) shall be included in current profit or loss.

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

#### (XI) Financial Instruments (Continued)

##### 5. *Determination of fair value of financial assets and financial liabilities*

As for financial instruments with an active market, their fair values are determined by quoted prices in the active market. As for financial instruments without an active market, their fair values are determined by using valuation techniques. At the time of valuation, the Company adopts valuation techniques that are applicable in the current circumstances and sufficiently supported by available data and other information, and selects inputs that are consistent with the characteristics of the assets or liabilities considered by the market participants in the transactions of the relevant assets or liabilities, and prioritizes the use of relevant observable inputs. Unobservable inputs are used only if the relevant observable inputs are unavailable or not reasonably available.

##### 6. *Test and accounting methods for impairment of financial instruments*

The Company performs impairment accounting on the basis of the expected credit losses for financial assets measured at amortized cost financial assets (debt instruments) measured at fair value through other comprehensive income and the financial guarantee contract, etc.

The probability-weighted amount of the difference in present value between the contractual cash flow of receivable from contracts and the cash flow expected to be received, weighted with the risk of default, will be measured by taking into account of reasonable and valid information on, among other things, past events, current status and the forecast of future economic conditions to recognize the expected credit losses.

For trade receivables and contract assets formed by the transactions regulated in the Accounting Standards for Business Enterprises No. 14 – Revenue whether contain significant financing components or otherwise, the Company always measures the loss provision at the amount equal to the lifetime expected credit loss.

For lease receivables formed by the transactions regulated in the Accounting Standards for Business Enterprises No. 21 – Lease, the Company chooses to always measure the loss provisions at the amount equal to the lifetime expected credit loss.

For other financial instruments, the Company assesses at each balance sheet date the changes in the credit risk of the relevant financial instrument since initial recognition.



## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

#### (XI) Financial Instruments (Continued)

##### 6. *Test and accounting methods for impairment of financial instruments (Continued)*

In determining changes in the risk of default during the expected lifetime of a financial instrument and assessing whether the credit risk of a financial instrument has increased significantly since initial recognition, the Company compares the risk of default occurring on the financial instrument assessed at the balance sheet date with that assessed at the date of initial recognition. Usually, if it is overdue for more than 30 days, the Company will consider that the credit risk of the financial instrument has increased significantly, unless there is conclusive evidence to prove that the credit risk on a financial instrument has not increased significantly since initial recognition.

For a financial instrument with lower credit risk on the balance sheet date, the Company assumes that its credit risk on a financial instrument has not increased significantly since the initial recognition.

If the credit risk of a financial instrument has increased significantly since the initial recognition, the Company measures the loss provisions according to the amount of the lifetime expected credit loss of the financial instrument; if the credit risk on a financial instrument has not increased significantly since the initial recognition, the Company measures the loss provisions at an amount equal to the next 12-month expected credit losses of the financial instrument. The resulting increase in or reversal of loss provision shall be included in current profit or loss as impairment losses or gains. For financial assets (debt instruments) measured at fair value through other comprehensive income, the loss provision is recognized in other comprehensive income, and the impairment losses or gains shall be included in current profit or loss, without reducing the book value of the financial asset as stated in the balance sheet.

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

#### (XII) Impairment of receivables

##### 1. Bills receivable and trade receivables

For bills receivable and trade receivables, whether it contains significant financing components, the Company always measures its loss provisions in accordance with the amount of the lifetime expected credit losses, and the increase or reversal of the loss provision resulting therefrom is included in the current profit and loss as an impairment loss or gain.

- (1) Trade receivables that are individual determination and subject to provision for bad debt

If there is objective evidence that it has been impaired, and the bills receivable, trade receivables, other receivables, and receivables financing are applicable to individual evaluation, the impairment test is conducted separately, and expected credit losses will be recognized and provision for individual impairment will be made.

- (2) Trade receivables for which provision for bad debts by portfolio

For the trade receivables and bill receivables without objective evidence of impairment or the expected credit loss cannot be estimated for an individual provision at a reasonable cost, the Company grouped trade receivables and bill receivables in accordance with credit risk characteristics and calculated the expected credit loss based on portfolio. The reasons of choosing the portfolio are as follows:

The reason for choosing recognition portfolio of bills receivables and the method for calculating expected credit losses are as follows:

Items	The reason of choosing the portfolio	Method for calculating expected credit losses
Bills receivables	Bank acceptance bills	Regarding the credit rating of acceptance bank in bank acceptance bills as credit risk characteristics
	Commercial acceptance bills	Regarding the credit rating of acceptance house in commercial acceptance bills as credit risk characteristics

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

#### (XII) Impairment of receivables (Continued)

##### 1. Bills receivable and trade receivables (Continued)

##### (2) Trade receivables for which provision for bad debts by portfolio (Continued)

The reason for choosing recognition portfolio of bills receivables and the method for calculating expected credit losses are as follows:

Items	The reason of choosing the portfolio	Method for calculating expected credit losses
Trade receivables	The portfolio of aging	Taking into account historical credit loss experience, current situation and forecasts of economic conditions, compiling the comparison table between aging and lifetime expected credit loss rates of trade receivables, to calculate the expected credit loss
	Low credit risk portfolio	Taking into account historical credit loss experience, current situation and forecasts of economic conditions, based on default risk exposure and lifetime expected credit loss rates, the expected credit loss rates of such portfolio amounted to zero

The Company combines the receivables with similar credit risk characteristics and the Company estimates the proportion of accruing bad debt provision by aging portfolio based on all reasonable and evidenced information, including forward-looking information:

Aging	Provision ratios for trade receivables (%)
0–6 months (inclusive)	0
7–12 months (inclusive)	1
1–2 years (inclusive)	30
2–3 years (inclusive)	50
over 3 years	100

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

#### (XII) Impairment of receivables (Continued)

##### 1. *Bills receivable and trade receivables (Continued)*

##### (2) Trade receivables for which provision for bad debts by portfolio (Continued)

In the groups, other methods are used to provide for bad debts:

When there is objective evidence that the Company will not be able to recover an account receivable in full with the original terms, the impairment test is carried out separately and the provision for bad debt is made based on the difference between the present value of the future cash flow of the account receivable and its book value.

##### 2. *Receivables financing*

If both bills receivable and trade receivables meet the following conditions: 1) contractual cash flows is for the payment of interest based on the principal and the principal outstanding; 2) the objective of the Company's business model for managing the bills receivable and trade receivables is both to collect contractual cash flows and to dispose of the bills receivable and trade receivables.

The Company classifies it as financial assets at fair value through other comprehensive income. It was presented as a receivables financing on the statement. For the relevant specific accounting treatment, please see the Note "III. (XI) Financial instruments";

When it is unable to assess the information of the expected credit loss at a reasonable cost in accordance with an individual item, the Company shall divide the bill receivables and trade receivables into certain combination based on the credit risk characteristic and estimate the expected credit loss on the basis of the combination. If any objective evidence indicates that a bill receivable and an trade receivables has been credit impaired, the Company shall make individual provision for bad debts and recognize the expected credit losses for the bills receivable and trade receivables. For the bills receivable and trade receivables divided into portfolios, it is treated in accordance with the measurement method of impairment loss of the aforementioned trade receivables.

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

#### (XII) Impairment of receivables (Continued)

##### 2. Receivables financing (Continued)

The reason for recognition portfolio of receivables financing and the method for calculating expected credit losses are as follows:

Items	Items that be reclassified	The reason of choosing the portfolio	Method for calculating expected credit losses
Receivables financing	Bills receivable	Bank acceptance bills	Regarding the credit rating of acceptance bank in bank acceptance bills as credit risk characteristics
		Commercial acceptance bills	Regarding the credit rating of acceptance house in commercial acceptance bills as the credit risk characteristics
		The portfolio of aging	Taking into account historical credit loss experience, current situation and forecasts of economic conditions, compiling the comparison table between aging and lifetime expected credit loss rates of trade receivables, to calculate the expected credit loss
	Trade receivables	Low credit risk portfolio	Taking into account historical credit loss experience, current situation and forecasts of economic conditions, based on default risk exposure and lifetime expected credit loss rates, the expected credit loss rates of such portfolio amounted to zero

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

#### (XII) Impairment of receivables (Continued)

##### 3. Other receivables

The reason for recognition portfolio of other receivables and the method for calculating expected credit losses are as follows:

Item	The reason of choosing the portfolio	Method for calculating expected credit losses
Other receivables	The portfolio of aging	Taking into account historical credit loss experience, current situation and forecasts of economic conditions, compiling the comparison table between aging and lifetime expected credit loss rates of other receivables, to calculate the expected credit loss
	Deposits, margins and reserves	Taking into account historical credit loss experience, current situation and forecasts of economic conditions, based on default risk exposure and lifetime expected credit loss rates, the expected credit loss rates of such portfolio amounted to zero
	Low credit risk portfolio	Taking into account historical credit loss experience, current situation and forecasts of economic conditions, based on default risk exposure and lifetime expected credit loss rates, the expected credit loss rates of such portfolio amounted to zero

##### 4. Others

For other receivables such as interests receivable and long-term receivables, the provision for bad debts is made based on the difference between the present value of future cash flows and its book value.

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

#### (XIII) Inventories

##### 1. *Classification and costs for inventories*

Inventories are classified into raw materials, work in progress, revolving materials, low-value consumables, packaging materials, goods in stock (finished goods), and goods in transit.

Inventories are measured initially at cost. Cost of inventories comprises costs of purchase, costs of processing and other expenditures incurred in bringing the inventories to their present location and condition.

##### 2. *Measurement for inventories delivered*

Upon delivery, inventories are measured with the weighted average method.

##### 3. *Inventory system*

The Company adopts perpetual inventory system.

##### 4. *Amortization of low-value consumables and packaging materials*

(1) Low-value consumables are amortized using one-off write-off method;

(2) Packaging materials are amortized using one-off write-off method.



## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

#### (XIII) Inventories (Continued)

##### 5. *Recognition criteria and provision methods for the provision for impairment of inventories*

On the balance sheet date, inventories are stated at the lower of cost and net realisable value. When the cost of inventories was higher than their net realisable value, the provision decline in value of inventories shall be made. Net realisable value is the estimated selling price of the inventories in the ordinary course of business deducting the estimated costs upon completion, the estimated selling expenses and the related taxes.

Net realizable value of held-for-sale commodity stocks, such as finished goods, goods-in-stock, and held-for-sale raw materials, during the normal course of production and operation, shall be determined by their estimated selling prices less related selling costs and taxes; the net realizable value of inventory materials, which need to be processed, during the normal course of production and operation, shall be determined by the amount after deducting the estimated cost of completion, estimated selling costs and relevant taxes from the estimated selling price of finished goods; the net realizable value of inventories held for execution of sales contracts or labor contracts shall be calculated on the ground of the contracted price. If an enterprise holds more inventories than the quantity stipulated in the sales contract, the net realizable value of the excess part shall be calculated on the ground of general selling price.

After the provision for decline in value of inventories has been made, if the factors resulting in the previously recorded inventory impairment disappeared, as a result of which the net realisable value of the inventories became higher than its book value, it would be written back to the extent of the original provision for decline in value of inventories made, and such written-back amounts would be charged to the current profit or loss.

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

#### (XIV) Contract assets

##### 1. *Recognition and standard of contract assets*

The Company presents contract assets or contract liabilities in the balance sheet based on the relationship between performance obligations and customer payments. The consideration that the Company has the right (and this right depends on factors other than passage of time) to receive for goods transferred to customers is listed as a contract assets. Contract assets and contract liabilities under the same contract shall be shown on a net basis. The right of the Company to charge the customer unconditionally (only depending on the passage of time) is listed as a receivable individually.

##### 2. *Method of determination of expected credit loss of contract assets and accounting treatment methods*

For the method of determination of expected credit loss of contract assets and accounting treatment methods, please refer to Note “III. (XI) 6. Test and accounting methods for impairment of financial instruments”.

#### (XV) Assets classified as held-for-sale

##### 1. *Assets classified as held-for-sale*

A non-current asset or disposal group is classified as asset held-for-sale when the book amount of the asset is recovered principally through a disposal (including an exchange of non-monetary assets with commercial substance) rather than through continuing use.

The Company recognises non-current assets or disposal groups which meet the following conditions as assets held for sale:

- (1) The assets or disposal groups must be available for sale immediately under the current conditions according to the usual terms of the sale of such assets or disposal groups in similar transactions;
- (2) The assets are highly likely to be sold, namely, the Company has been offered a resolution with one disposition of the assets and obtained a firm purchase commitment and the disposition will be completed within 1 year. If regulation needs to be approved by the relevant authorities or supervision department of the Company, such approval has been obtained.

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

#### (XV) Assets classified as held-for-sale (Continued)

##### 1. *Assets classified as held-for-sale (Continued)*

When non-current asset (excluding financial asset, deferred income tax asset, investment properties using the fair value model for subsequent measurement and asset formed by employee benefits) or disposal group which are classified as held-for-sale, if the book value of the non-current asset or disposal group is higher than the net amount after deducting the disposal cost from its fair value, the book value is reduced to the net amount after deducting the disposal cost from its fair value. The reduced amount is recognised as an asset impairment loss and accounted for as profit and loss for the current period, with provision for impairment loss on held-for-sale assets.

#### (XVI) Long-term equity investments

##### 1. *Joint control or significant influence criterion*

Joint control is the contractually agreed sharing of control of an arrangement, and exists only when decisions about the relevant activities of the arrangement require the unanimous consent of the parties sharing control. If the Company together with the other joint venture parties can jointly control over the investee and are entitled to the right of the net assets of the investee, the investee is a joint venture of the Company.

Significant influence refers to the power to participate in making decisions on the financial and operating policies of investee, but not the power to control, or jointly control, the formulation of such policies with other parties. Where the Company can exercise significant influence over an investee, the investee is an associate of the Company.

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

#### (XVI) Long-term equity investments (Continued)

##### 2. *Determination of initial investment cost*

###### (1) Long-term equity investments acquired through business combination

For a long-term equity investment in subsidiaries resulting from a business combination involving entities under common control, the initial investment cost of long-term equity investments are its share of the book value of the owner' equity of the acquiree in the financial statements of the ultimate controlling party on the date of combinations. The difference between initial investment cost of long-term equity investment and the carrying value of paid consideration is to adjust share premium in the capital reserve. If the balance of share premium in the capital reserve is insufficient, any excess is adjusted to retained earnings. In connection with imposing control over the investee under joint control as a result of additional investment and other reasons, the difference between initial investment cost of long-term equity investment according to the aforesaid principle, and the sum of the carrying value of long-term equity investment before combination and the carrying value of newly paid consideration for additional shares acquired on the date of combination is to adjust share premium. If the balance of share premium is insufficient, any excess is adjusted to retained earnings.

For a long-term equity investment in subsidiaries resulting from a business combination involving entities not under common control, the cost of the combination determined on the date of acquisition shall be taken as the initial investment cost of the long-term equity investment. In connection with imposing control over the investee not under joint control as a result of additional investment and other reasons, the initial investment cost shall be the sum of the carrying value of the equity investment originally held and the newly increased investment cost.

###### (2) Long-term equity investments acquired by other means other than business combination

The initial investment cost of a long-term equity investment obtained by the Company by cash payment shall be the purchase cost which is actually paid.

The initial investment cost of a long-term equity investment obtained by the Company by means of issuance of equity securities shall be the fair value of the equity securities issued.

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

#### (XVI) Long-term equity investments (Continued)

##### 3. *Subsequent measurement and recognition of profit or loss*

###### (1) Long-term equity investment accounted for by cost method

Long-term equity investment in a subsidiary is accounted for using cost method unless the investment meets the conditions of held-for-sale. Except for the actual consideration paid for the acquisition of investment or the declared but not yet distributed cash dividends or profits which are included in the consideration, investment gains are recognized as the Company's share of the cash dividends or profits declared by the investee.

###### (2) Long-term equity investment accounted for by equity method

Long-term equity investments in joint ventures and associates are accounted for using equity method. Where the initial investment cost of a long-term equity investment exceeds the Company's share of the fair value of the investee's identifiable net assets at the acquisition date, no adjustment shall be made to the initial investment cost; where the initial investment cost is less than the Company's share of the fair value of the investee's identifiable net assets at the acquisition date, the difference shall be charged to current profit or loss and the cost for long-term equity investment shall be adjusted.

The Company recognizes the investment income and other comprehensive income according to its shares of net profit or loss and other comprehensive income realized by the investee respectively, and simultaneously makes adjustment to the carrying value of long-term equity investments. The carrying value of long-term equity investment shall be reduced by attributable share of the profit or cash dividends for distribution declared by the investee. In relation to other changes of owner's equity (the "Other Changes of Owner's Equity"), except for net profits and losses, other comprehensive income and profit distribution of the investee, the carrying value of long-term equity investment shall be adjusted and included in owner's equity.

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

#### (XVI) Long-term equity investments (Continued)

##### 3. *Subsequent measurement and recognition of profit or loss (Continued)*

##### (2) Long-term equity investment accounted for by equity method (Continued)

The Company's share of net profit or loss, other comprehensive income and Other Changes of Owner's Equity of an investee is determined based on the fair value of identifiable net assets of the investee at the time when the investment is obtained, and according to the accounting policies and accounting period of the Company, recognition shall be made to the net profit of the investee after the adjustment and to other comprehensive income, etc.

The unrealized profit or loss which is attributable to the Company calculated based on its attributable percentage resulting from transactions between the Company and its associates or joint venture shall be eliminated in, based on which investment income shall be recognized, other than those assets consumed or disposed of which constitute business. Any unrealized losses resulting from transactions with the investee, which are attributable to impairment of assets, shall be fully recognized.

The Company discontinues recognising its share of net losses of the investee after the carrying amount of the long-term equity investment and any long-term interest that in substance forms part of the Company's net investment in the associate or the joint venture is reduced to zero, except to the extent that the Company has an obligation to assume additional losses. Where net profits are subsequently made by the associate or joint venture, the Company resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

#### (XVI) Long-term equity investments (Continued)

##### 3. *Subsequent measurement and recognition of profit or loss (Continued)*

##### (3) Disposal of long-term equity investments

For disposal of a long-term equity investment, the difference between the book value and the consideration actually received shall be included in current profit or loss.

For the certain long-term equity investment treated under the equity method, where the remaining equity continues to be accounted for using the equity method, the other comprehensive income previously recognised under the equity method shall be transferred in proportion by using the same basis as the investee used for direct disposal of relevant assets or liabilities. Other Changes of Owner's Equity shall be transferred in proportion into current profit or loss.

When the Group loses the mutual control or material influence over the investee due to disposal of equity investment and other reasons, for other comprehensive income recognized in the original equity investment due to the equity method is adopted, it shall be treated using the same accounting basis as the investee used for direct disposal of relevant assets or liabilities when ceasing to use the equity method. Other Changes of Owner's Equity shall be transferred into the current profit or loss when ceasing to use the equity method.

When the Group loses the control over the investee due to partially disposal of equity investment and other reasons, the remaining equity interest after disposal shall be accounted for under equity method in preparation of separate financial statements provided that joint control or material influence over the investee can be imposed and shall be adjusted as if such remaining equity interest had been accounted for under the equity method since being obtained. The other comprehensive income previously recognised before obtaining the control over the investee shall be transferred in proportion by using the same basis as the investee used for direct disposal of relevant assets or liabilities. Other Changes of Owner's Equity recognized as a result of the adoption of the equity method shall be transferred to the current profit or loss on pro rata basis. Where the remaining equity interest after disposal cannot exercise joint control or exert material influence over the investee, it shall be recognised as financial asset, and the difference between fair value and the carrying value on the date of losing control shall be included in current profit or loss. All the other comprehensive income and Other Changes of Owner's Equity recognised before obtaining the control over the investee shall be transferred.



## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

#### (XVI) Long-term equity investments (Continued)

##### 3. *Subsequent measurement and recognition of profit or loss (Continued)*

##### (3) Disposal of long-term equity investments (Continued)

For disposal of the equity investment in a subsidiary in stages by multiple transactions resulting in the loss of control, where the Company accounts for a package deals, accounting treatment shall be conducted for all transactions as the equity investment for disposal of a subsidiary and the transaction in the loss of control. In the individual financial statements, the differences between the consideration disposed and the corresponding carrying value of long-term equity investment of the disposed equity in each transaction prior to the loss of control shall be recognised in other comprehensive income first and transferred to the current profit or loss when the parent eventually loses control over the subsidiary. Where the Company doesn't account for a package deals, accounting treatment shall be conducted for each transaction individually.

#### (XVII) Investment property

Investment property is held to earn rentals or for capital appreciation or both which include leased land use rights; land use rights held for sale after appreciation; leased buildings (including buildings after self-completion of construction or development for the purpose of leasing and buildings that is being constructed or developed for the purpose of leasing in future).

Subsequent expenses related to the investment property shall be included in the cost of the investment property, if the related economic benefits are likely to flow into the enterprise, and the cost can be reliably measured. Otherwise, they should be included in the current profit and loss upon occurrence.

The Company's existing investment property is measured at cost. Investment property measured at cost – buildings held for leasing shall adopt the same depreciation policy for fixed assets of the Company, land use rights held for leasing shall adopt the same amortisation policy for the intangible assets.

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

#### (XVIII) Fixed assets

##### 1. *Recognition and initial measurement of fixed assets*

Fixed assets are tangible assets that are held for use in production or supply of goods or services, for rental to others, or for administrative purposes, and have a useful life of more than one accounting year. Fixed asset is recognised when it meets the following conditions:

- (1) It is probable that the economic benefits associated with the fixed asset will flow to the enterprise;
- (2) Its cost can be reliably measured.

Fixed assets are initially measured at cost (and taking into account the effect of estimated costs of disposal).

For subsequent expenses related to fixed assets, if the related economic benefits are likely to flow into the enterprise and its cost could be reliably measured, such expenses are included in the cost of the fixed asset; and the carrying amount of the replaced part will be derecognised; all other subsequent expenses are included in current profit or loss upon occurrence.

##### 2. *Methods for depreciation*

Fixed assets of the Company are depreciated by categories using the straight-line method, and the annual depreciation rates are determined by categories based upon their estimated useful lives and their estimated residual values. For fixed assets that have made provision for the impairment, the amount of depreciation of it is determined by carrying value after deducting the provision for the impairment based on useful life during the future period. Where different components of a fixed asset have different useful lives or generate economic benefits for the enterprise in different ways, different depreciation rates or depreciation methods shall apply, and each component is depreciated separately.

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

#### (XVIII) Fixed assets (Continued)

##### 2. Methods for depreciation (Continued)

The depreciation methods, useful life of depreciation, residual value rate and annual depreciation rate of each category of fixed assets are as follows:

Category	Depreciation methods	Useful life (Years)	Residual value rate (%)	Annual depreciation rate (%)
Plant and buildings	Straight-line method	30	3	3.23
Machinery and equipment	Straight-line method	6–18	3	5.39–16.17
Transportation tools	Straight-line method	5	3	19.40
Office equipment and others	Straight-line method	5	3	19.40

##### 3. Disposal of fixed assets

A fixed asset is derecognised on disposal or when no future economic benefits are expected from using or disposal. The amount of proceeds on sale, transfer, retirement or damage of a fixed asset net of its carrying amount and related taxes and expenses is recognised in current profit or loss.

#### (XIX) Construction in progress

Construction in progress is measured at actual cost. Actual cost comprises construction costs, installation costs, borrowing costs that are eligible for capitalisation and other costs necessary to bring the construction in progress ready for their intended use. Construction in progress is transferred to fixed assets when the assets are ready for their intended use, and depreciation begins from the following month.

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

#### (XX) Borrowing costs

##### 1. *Criteria for recognition of capitalised borrowing costs*

The Company's borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised into the cost of relevant assets. Other borrowing costs are recognised as expenses in profit or loss in the period in which they are incurred.

Qualifying assets include fixed assets, investment property and inventories that necessarily take a substantial period of time for acquisition, construction or production to get ready for their intended use or sale.

##### 2. *Capitalisation period of borrowing costs*

The capitalisation period refers to the period beginning from the commencement of capitalising borrowing costs to the date of ceasing capitalisation, excluding the period of suspension of capitalisation.

Capitalisation of borrowing costs begins when the following three conditions are fully satisfied:

- (1) expenditures for the assets (including cash paid, non-currency assets transferred or interest-bearing liabilities assumed for the acquisition, construction or production of qualifying assets) have been incurred;
- (2) borrowing costs have been incurred;
- (3) acquisition, construction or production that are necessary to enable the asset to get ready for their intended use or sale have commenced.

Capitalisation of borrowing costs shall cease when the qualifying asset under acquisition, construction or production gets ready for intended use or sale.

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

#### (XX) Borrowing costs (Continued)

##### 3. *Suspension of capitalisation period*

Capitalisation of borrowing costs shall be suspended during periods in which the acquisition, construction or production of a qualifying asset is interrupted abnormally, and the interruption is for a continuous period of more than 3 months; if the interruption is a necessary step for making the qualifying asset under acquisition, construction or production ready for the intended use or sale, the capitalisation of the borrowing costs shall continue. The borrowing costs incurred during such period of interruption shall be recognised in current profit or loss. When the acquisition, construction or production of the asset resumes, the capitalisation of borrowing costs continues.

##### 4. *Capitalisation rate and calculation of capitalisation amount of borrowing costs*

As to specific borrowings for the acquisition, construction or production of qualifying assets, borrowing costs from the specific borrowings actually incurred in the current period minus the interest income earned on the unused borrowing loans as a deposit in the bank or the investment income earned from temporary investment will be used to determine the amount of borrowing costs for capitalisation.

As to general borrowings for the acquisition, construction or production of qualifying assets, the to-be-capitalised amount of borrowing costs on the general borrowing shall be calculated and determined by multiplying the weighted average asset disbursement of the part of the accumulative asset disbursements minus the specific borrowings and the capitalisation rate of the said general borrowings. The capitalisation rate shall be calculated and determined according to the weighted average actual interest rate of general borrowings.

During the capitalisation period, exchange differences related to the principal and interest on a specific-purpose borrowing denominated in foreign currency are capitalised as part of the cost of the qualifying asset. The exchange differences related to the principal and interest on foreign currency borrowings other than a specific-purpose borrowing are included in the current profits and losses.

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

#### (XXI) Intangible assets

##### 1. *Measurement of intangible assets*

- (1) Intangible assets are initially measured at cost upon acquisition by the Company;

The costs of an externally purchased intangible asset include the purchase price, relevant tax expenses, and other expenditures directly attributable to bringing the asset ready for its intended use.

- (2) Subsequent measurement

The Company shall analyse and judge the useful life of intangible assets upon acquisition.

As for intangible assets with a finite useful life, they are amortised over the term in which economic benefits are brought to the firm; if the term in which economic benefits are brought to the firm by an intangible asset cannot be estimated, the intangible asset shall be taken as an intangible asset with indefinite useful life, and shall not be amortised.

##### 2. *Estimate of useful life for the intangible assets with finite useful life*

Items	Estimated useful lives (Year)	Amortisation method
Land use rights	50	straight-line method
Software	2–5	straight-line method

The useful life for and the amortization method of intangible assets with finite useful life are reviewed at the end of each period.

After review, the useful life for and the amortization method of intangible assets at the end of this period remain the same as the previous period.

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

#### (XXI) Intangible assets (Continued)

3. *Basis for determining intangible assets with indefinite useful life and procedure for reviewing its useful life*

The useful life of intangible assets with indefinite useful life is reviewed at the end of each period.

4. *Scope of the expenditure for research and development*

Expenditures incurred in the process of research and development of the Company include relevant compensation of employees engaged in research and development activities, materials consumed, and relevant depreciation and amortization expenses.

5. *Specific criteria for the division of research phase and development phase*

The expenses for internal research and development projects of the Company are divided into expenses in the research phase and expenses in the development phase.

Research phase: a phase in which innovative and scheduled investigations and research activities are conducted to obtain and understand new scientific or technological knowledge.

Development phase: a phase in which the research outcomes or other knowledge are applied for a plan or a design prior to the commercial production or use in order to produce new or substantially improved materials, devices, products, etc.

6. *Specific conditions for capitalisation of expenditure incurred in development phase*

Expenditures incurred in the research stage are recognised in profit or loss for the period. Expenditures incurred in the development stage are recognised as intangible assets only when all of the following conditions are satisfied, and the expenditures in the development stage that does not meet all of the following conditions are recognised in profit or loss for the period:

- (1) the technical feasibility of completing the intangible asset so that it will be available for use or for sale;
- (2) the intention to complete the intangible asset for use or for sale;



## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

#### (XXI) Intangible assets (Continued)

##### 6. *Specific conditions for capitalisation of expenditure incurred in development phase (Continued)*

- (3) the ways in which the intangible asset generate economic benefits, including there is evidence that the products produced using the intangible asset has a market or the intangible asset itself has a market, or if the intangible asset is for internal use, there is evidence that proves its usefulness;
- (4) the availability of adequate technical, financial and other resources to complete the development and the ability to use or sell the intangible asset;
- (5) the expenditures attributable to the development phase of the intangible asset could be reliably measured.

If the expenditures cannot be distinguished between the research phase and development phase, all of which should be included in the current profit or loss.

#### (XXII) Impairment of long-term assets

Long-term assets such as long-term equity investments, fixed assets, construction in progress, right-to-use assets, intangible assets with a finite useful life and oil and gas assets are tested for impairment if there is any indication that such assets may be impaired at the balance sheet date. If the result of the impairment test indicates that the recoverable amount of the asset is less than its carrying amount, a provision for impairment and an impairment loss are recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and the present value of the future cash flows expected to be derived from the asset. Provision for asset impairment is determined and recognised on the individual asset basis. If it is not possible to estimate the recoverable amount of an individual asset, the recoverable amount of a group of assets to which the asset belongs is determined. A group of assets is the smallest group of assets that is able to generate independent cash inflows.

Goodwill formed by business merger, intangible assets with indefinite useful lives and intangible assets that are not yet ready for use are tested for impairment at least at the end of each year regardless of whether there is any sign of impairment.

When the Company performs impairment test on goodwill, the Company shall, as of the purchase day, allocate on a reasonable basis the carrying value of the goodwill formed by merger of enterprises to the relevant asset groups, or if there is a difficulty in allocation, to allocate it to the set of asset groups. The related asset groups or the set of asset groups refers to these ones that can benefit from the synergies of a business combination.

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

#### (XXII) Impairment of long-term assets (Continued)

For the purpose of impairment test on the relevant asset groups or the set of asset groups containing goodwill, if any evidence shows that the impairment of asset groups or set of asset groups related to goodwill is possible, an impairment test will be made firstly on the asset groups or set of asset groups not containing goodwill, thus calculating the recoverable amount and comparing it with the relevant carrying value so as to recognise the corresponding impairment loss. Then, the Company will conduct impairment tests on the asset groups or set of asset groups that includes goodwill and compare its carrying value against its recoverable amount. If the recoverable amount is lower than its carrying value, the amount of impairment loss is first offset against the carrying value of the goodwill allocated to the asset groups or set of asset groups, then, based on the proportion of the carrying value of other assets in the asset groups or set of asset groups other than goodwill, offset against the carrying value of other assets proportionally.

Once the above asset impairment loss is recognised, it will not be reversed in subsequent accounting periods.

#### (XXIII) Long-term deferred expenses

Long-term deferred expenses are expenses which have occurred but will benefit over 1 year and shall be amortized over the current period and subsequent periods.

The long-term deferred expenses of the Company are measured at actual cost and amortized equally over the expected benefit periods. For long-term deferred expenses that will not benefit the future accounting periods, upon determination their amortized value shall be included in current profit or loss.

#### (XXIV) Contract liabilities

The Company has presented contract assets or contract liabilities in the balance sheet based on the connection between the fulfilment of performance obligations and payment of the customers. A contract liability represents the obligation to transfer goods or services to a customer for which the Company has received a consideration or an amount of consideration that is due from the customer. A contract asset and a contract liability relating to the same contract are accounted for and presented on a net basis.

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

#### (XXV) Employee benefits

##### 1. *Accounting treatment methods of short-term benefits*

In the accounting period in which employees provide service for the Company, short-term benefits actually incurred are recognised as liabilities and charged to current profit or loss or cost of relevant assets.

With regard to the social insurance and housing provident funds contributed and labour union expenses and employee education expenses paid as required by regulations, the Company should calculate and recognise the corresponding employee benefits payables according to the appropriation basis and proportion as stipulated by relevant requirements in the accounting period in which employees provide service.

At the time of actual occurrence, the Company's employee benefits are recorded in the current profit or loss or costs of relevant assets as incurred. The non-currency welfare expenses are measured at fair value.

##### 2. *Accounting treatment methods of post-employment benefits*

###### (1) Defined contribution scheme

The Company will pay basic pension insurance and unemployment insurance for the staff in accordance with the relevant provisions of the local government. During the accounting period when the staff provides service, the Company will calculate the amount payable in accordance with the local stipulated basis and proportions which will be recognised as liabilities, and the liabilities would be charged into current profit or loss or costs of relevant assets.

###### (2) Defined benefit scheme

In respect of the defined benefit scheme, the Company shall attribute the welfare obligations under the defined benefit scheme in accordance with the formula determined by projected unit credit method to the service period of relevant employee, and record the obligation in profit loss for the current period or costs of related assets.

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

#### (XXV) Employee benefits (Continued)

##### 2. Accounting treatment methods of post-employment benefits (Continued)

###### (2) Defined benefit scheme (Continued)

The deficit or surplus generated from the present value of obligations of the defined benefit scheme minus the fair value of the assets of defined benefit scheme is recognised as net liabilities or net assets of a defined benefit scheme. When the defined benefit scheme has surplus, the Company will measure the net assets of the defined benefit scheme at the lower of the surplus of defined benefit scheme and the upper limit of the assets.

All defined benefit plans obligations, including the expected duty of payment within 12 months after the end of annual Reporting Period during which the staff provided service, are discounted based on the market yield of government bonds matching the term and currency of defined benefit plan obligations or corporate bonds of high quality in the active market on the balance sheet date.

The service cost incurred by the defined benefit scheme and the net interest of the net liabilities and net assets of the defined benefit scheme would be charged to current profit or loss or relevant costs of assets. The changes arising from the remeasurement of the net liabilities or net assets of the defined benefit scheme would be included in other comprehensive income and are not reversed to profit or loss in a subsequent accounting period; when the previously defined benefits plan is terminated, such amount previously included in other comprehensive income shall be transferred to undistributed profit.

When the defined benefit scheme is settled, the gain or loss is recognised based on the difference between the present value of obligations under the defined benefit scheme and the settlement price at the balance sheet date.

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

#### (XXV) Employee benefits (Continued)

##### 3. *Accounting treatment of termination benefits*

When the Company provides employees with termination benefits, the staff remuneration liabilities arising from termination benefits are recognised and recorded in current profit or loss whichever of the following is earlier: when the Company cannot unilaterally revoke such termination benefits provided due to dissolution of labour relationship plan or layoff proposal; when the Company recognises such cost or expenses associated with the restructuring involving the payment of termination benefits.

#### (XXVI) Estimated liabilities

The Company shall recognise an obligation related to contingency as the estimated liability when all of the following conditions are satisfied:

1. such obligation is the present obligation of the Company;
2. the performance of such obligation is likely to lead to an outflow of economic benefits of the Company;
3. the amount of such obligation can be reliably measured.

The estimated liabilities are initially measured at the best estimate of expenditure required for the performance of relevant present obligations.

The Company shall take into consideration the risks, uncertainties, time value of money and other factors relating to the contingencies in determining the best estimate. If the time value of money is significant, the best estimates shall be determined after discount of relevant future cash outflows.

If there is a successive range of the required expenditure, and the likelihood of occurrence of various results within the range is the same, the best estimate is determined by the intermediate value of the range. In other cases, the best estimate are handled as follows:

1. Where the contingency is related to individual item, the best estimate should be determined as the most likely amount.
2. Where the contingency is related to a number of items, the best estimate should be calculated and determined according to the various possible results and the relevant probabilities.

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

#### (XXVI) Estimated liabilities (Continued)

3. When all or part of the expenditures necessary for the settlement of an estimated liability is expected to be compensated by a third party, the compensation should be separately recognised as an asset only when it is virtually certain that the compensation will be received. The amount recognised for the compensation should not exceed the carrying amount of estimated liabilities.

The Company reviews the carrying amount of estimated liabilities on balance sheet date. If there is clear evidence that the carrying amount does not reflect the current best estimate, the carrying amount is adjusted to the best estimate.

#### (XXVII) Share-based payments

The Company's share-based payment represents transactions in which the Company receives services from employee or other parties by granting equity instruments or incurring liabilities that are based on the price of the equity instruments. The Company's share-based payments included equity-settled share-based payments and cash-settled share-based payments.

##### 1. *Equity-settled share-based payment and equity instrument*

As to an equity-settled share-based payment in return for services of employees, calculation will be based on the fair value of the equity instrument granted to the employees. If the share-based payment transactions granted to employees vest immediately, the fair value of the share-based payment transactions granted is, on grant date, recognised as relevant cost or expenses with a corresponding increase in capital reserve. If the share-based payment transactions granted to employees do not vest until the completion of services for a vesting period, or until the achievement of specified performance conditions, the Company, on each balance sheet date during the vesting period, according to the best estimate of the number of feasible equity instruments, includes the services received in the current period into the relevant cost or expense on the basis of the fair value on the date of grant, with a corresponding increase in capital reserve.

If the terms of the equity-settled share-based payment are amended, the Company shall recognise the services received at least based on the situation before the amendment was made. In addition, any amendment resulting in the increase of the fair value of the equity instrument granted or changes that are beneficial to the staff on the amendment date, will be recognised as an increase in the service received.

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

#### (XXVII) Share-based payments (Continued)

##### 1. *Equity-settled share-based payment and equity instrument (Continued)*

During the vesting period, where the granted equity instrument is cancelled, the Company shall accelerate the exercise of rights thereunder, recognizing the outstanding amount for the remainder of the vesting period in profit or loss, while recognizing capital reserve. However, if new equity instruments are vested and they are verified at the vesting date of new equity instrument as alternatives vested to the cancelled equity instruments, the treatment on the new equity instrument is in conformity with the modified treatment on disposal of equity instrument with the same terms and conditions.

##### 2. *Cash-settled share-based payments and equity instrument*

A cash-settled share-based payment shall be measured in accordance with the fair value of liability calculated and confirmed based on the shares or other equity instruments undertaken by the Group. If the share-based payment transactions granted to employees vest immediately, the fair value of the liability undertaken by the Company shall, on the date of the grant, be included in the relevant costs or expenses, and the liabilities shall be increased accordingly. If the share-based payment transactions granted to employees do not vest until the completion of services for a vesting period, or until the specified performance conditions are met, at each balance sheet date during the vesting period, the services obtained in the current period shall, based on the best estimate of the information about the exercisable right, be included in the relevant costs or expenses and the corresponding liabilities at the fair value of the liability undertaken by the Company. For each of the balance sheet date and settlement date before the settlement of the relevant liabilities, fair value of the liabilities will be remeasured and the changes will be included in the profit or loss for the current period.

The Company modifies the terms and conditions in a cash-settled share-based payment agreement to make it an equity-settled share-based payment, which shall be measured at the fair value of the equity instrument granted on the date of modification (whether it occurs during or after the end of the vesting period), and the services acquired shall be included in capital surplus, while the liability recognized for the cash-settled share-based payment on the date of modification shall be derecognized, and the difference in between shall be included in profit or loss for the period. If the vesting period is extended or shortened as a result of the modification, the Company shall conduct accounting treatment in accordance the modified vesting period.



## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

#### (XXVIII) Other financial instruments such as preferred shares and perpetual bonds

Such financial instruments or a part thereof are, on initial recognition, classified into financial assets, financial liabilities or equity instruments on the basis of contractual terms for issuance and the economic substance reflected by such terms of the Company's preferred shares/perpetual bonds instead of only on the basis of the legal form.

For financial instruments such as perpetual bonds/preference shares issued by the Company, which meet one of the following conditions, such financial instrument as a whole or a component thereof is classified as a financial liability on initial recognition:

1. there are contractual obligations performed by the delivery of cash or other financial assets that the Company cannot unconditionally avoid;
2. there are contractual obligations that include the delivery of a variable number of own equity instruments for settlement;
3. there are derivatives that are settled with their own equity (such as conversion rights), and the derivatives are not settled with a fixed amount of their own equity instruments for a fixed amount of cash or other financial assets for settlement;
4. there are contractual clauses that indirectly form contractual obligations;
5. when the issuer liquidates, the perpetual bonds are in the same liquidation order as the ordinary bonds and other debts issued by the issuer.

For financial instruments such as perpetual bonds/preference shares that do not meet any of the above conditions, such financial instrument as a whole or a component thereof is classified as an equity instrument on initial recognition.

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

#### (XXIX) Revenue

##### 1. *Accounting policies adopted for revenue recognition and measurement*

The Company recognises revenue when the performance obligation in a contract is fulfilled, namely the customer obtains control of relevant goods or services. Control of a good or service refers to the ability to direct the use of the good or service, and obtain substantially all of the benefits from the goods or services.

If a contract contains two or more performance obligations, at the commencement of the contract, the Company allocates the transaction price into each individual performance obligation according to the relative proportion of each individual selling price of goods or services committed by individual performance obligation, and recognises the revenue according to the transaction price allocated to each individual performance obligation.

The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties and those expected to be refunded to the customer. The Company considers the terms of the contract and its customary business practices to determine the transaction price. When determining the transaction price, the Company considers the effects of variable consideration, the existence of a significant financing component in the contract, non-cash consideration and consideration payable to a customer. The Company determines the transaction price that includes variable considerations based on the amount not exceeding the revenue accumulatively recognised which is not likely to be significantly reversed when the relevant uncertainty disappears. Where there are significant financing elements in the contract, the Company recognises the transaction price at an amount that reflects the price that a customer would have paid for the promised goods or services if the customer had paid in cash when (or as) the customer had obtained control over such goods or services. The difference between the transaction price and the amount of contract consideration is amortised using an effective interest method over the contract term.

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

#### (XXIX) Revenue (Continued)

##### 1. *Accounting policies adopted for revenue recognition and measurement (Continued)*

When one of the following conditions is satisfied, the Company is considered to have fulfilled an obligation within a certain period of time. Otherwise, the Company is considered to have fulfilled an obligation at a certain point in time:

- (1) At the same time when the Company fulfills the obligation, the customer immediately obtains and consumes the economic benefits brought about by the Company's performance.
- (2) The customers can control the goods under construction in the course of the Company's performance.
- (3) Goods produced in the course of the Company's performance are irreplaceable. In addition, during the entire contract period, the Company has the right to collect the payments for the cumulatively completed parts of performance.

Where performance of a single service contract takes place over a certain period of time, revenue should be recognised as performance takes place, except where the stage of performance cannot be determined. The Company considers the nature of the goods or services and adopts the output method or the input method to determine the fulfillment progress of the performance. When the fulfillment progress of the performance cannot be determined reasonably, but is expected to recover the costs incurred, the Company should recognise revenue only to the extent of the cost until a reliable measure of progress can be made.

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

#### (XXIX) Revenue (Continued)

##### 1. *Accounting policies adopted for revenue recognition and measurement (Continued)*

For a performance obligation satisfied at a point in time, the Company shall recognise revenue when the customer obtains control of relevant goods or services. In judging whether customers obtain control of promised goods or services, the Company considers the following indications:

- (1) the Company enjoys the right to collect cash on the goods or services, that is, the customer has the obligation to pay for the goods or services at the present time.
- (2) the Company has transferred the legal ownership of the commodity to the customer, that is, the customer has the legal ownership of the commodity.
- (3) the Company has transferred the goods in kind to the customers, that is, the customers have actually taken possession of the goods.
- (4) the Company has transferred the main risks and rewards in the ownership of the commodity to its customers, that is, the customers have acquired the main risks and rewards in the ownership of the commodity.
- (5) the customer has accepted the goods or services.

The Company assesses whether it controls each specified good or service before that good or service is transferred to the customer to determine whether the Company is a principal or an agent. If the Company controls the specified good or service before that good or service is transferred to a customer, the Company is a principal and recognises revenue in the gross amount of consideration received or receivable. Otherwise, the Company is an agent and recognises revenue in the amount of any fee or commission to which it expects to be entitled.

##### 2. *Specific methods for revenue recognition*

The Company recognises revenue at the point in time when the performance obligation in a contract is fulfilled, namely when the customer obtains control over the relevant goods or services. (1) Revenue recognition for domestic sales: sales revenue is recognised after the Company ships and delivers the products to the delivery place designated by the customer and with customer's verification and signing of the relevant documents; (2) Revenue recognition for export sales: the revenue is recognised after the Company ships and registers customs declaration procedures for good departure based on the Company's contracts or orders and commercial trading practices.

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

#### (XXX) Contract costs

Contract costs comprise contract performance costs and contract acquisition costs.

The costs incurred by the Company for the performance of the contract which do not fall under the scope of the standards relating to inventories, fixed assets and intangible assets are recognised as an asset as contract performance costs when the following conditions are met:

1. This cost is directly related to a current or expected contract.
2. This cost increases the resources of the Company to fulfill its performance obligations in the future.
3. The cost is expected to be recovered.

If the incremental cost incurred by the Company in obtaining the contract can be expected to be recovered, the contract acquisition cost shall be recognised as an asset.

Assets related to the cost of the contract are amortised on the same basis as the revenue recognition of the goods or services related to the asset; however, if the amortisation period of the contract acquisition cost is less than one year, the Company will include it into the current profit or loss when it incurs.

For assets related to contract costs whose carrying amount is higher than the difference between the following two items, the Company will make provision for impairment for the excess and recognise it as asset impairment loss:

1. The remaining consideration expected to be obtained by the transfer of goods or services related to the asset;
2. The cost expected to be incurred for the transfer of the relevant goods or services.

If the above-mentioned excess is higher than the book value of such assets as a result of any subsequent change of impairment factors in the previous period, the provision for impairment of assets previously made shall be reversed and included in profit or loss for the period as incurred to the extent the book value of the reversed asset shall not exceed the book value of the asset on the date of the reverse assuming no provision for impairment is made.

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

#### (XXXI) Government grants

##### 1. *Types*

Government grants are monetary assets or non-monetary assets obtained by the Company from the government for free, and are divided into government grants related to assets and government grants related to income.

Government grants related to assets are those obtained by the Company for the purposes of acquisition, construction or other project that forms a long-term asset. Government grants related to income refer to the government grants other than those related to assets.

##### 2. *Timing for recognition*

Government grants are recognised when the Company can comply with the conditions attached to them and when they can be received.

##### 3. *Accounting treatment*

Asset-related government grants shall be used to offset the carrying amount of relevant asset or recognised as deferred income. The amount recognised as deferred income shall be recorded in current profit or loss by installments in a reasonable and systematic way over the useful life of the relevant assets (the government grants related to the Company's daily activities shall be included in other income; and the government grants unrelated to the Company's daily activities shall be included in non-operating income);

Government grants related to income that are used to compensate relevant costs or losses of the Company in subsequent periods are recognised as deferred income and recorded in current profit or loss when such costs and losses are recognised (government grants related to the Company's daily activities shall be included in other income; government grants unrelated to the Company's daily activities shall be included in non-operating income) or offset relevant costs or losses; and the government grants used to compensate relevant costs or losses that have been incurred by the Company are recorded directly in current profit or loss (government grants related to the Company's daily activities shall be included in other income; government grants unrelated to the Company's daily activities shall be included in non-operating income) or offset relevant costs or losses.

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

#### (XXXI) Government grants (Continued)

##### 3. Accounting treatment (Continued)

The interest subsidies for policy-related preferential loans obtained by the Company are divided into two types and subject to accounting treatment separately:

- (1) Where the interest subsidies are appropriated from the fiscal funds to the lending bank and then the bank provides loans to Company at a policy-based preferential interest rate, the Company will recognize the amount of borrowings received as the initial value and calculate the borrowing costs according to the principal amount and the policy-based preferential interest rate.
- (2) Where the interest subsidies are paid directly to the Company, the Company will use such interest subsidies to offset the corresponding borrowing costs.

#### (XXXII) Deferred income tax assets and deferred income tax liabilities

Income tax comprises current and deferred income tax. Current tax and deferred tax are recognised in current profit or loss except to the extent that they relate to a business combination or items recognised directly in equity (including other comprehensive income).

Deferred tax assets and deferred tax liabilities are calculated and recognised based on the temporary differences between the tax bases and the carrying amounts of assets and liabilities.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profits will be available against which deductible temporary differences can be utilised. For deductible losses and tax credits that can be reversed in the future years, deferred tax assets shall be recognised to the extent that it is probable that taxable profit will be available in the future to offset the deductible losses and tax credits.

Save for exceptions, deferred income tax liabilities shall be recognised for the taxable temporary difference.



## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

#### (XXXII) Deferred income tax assets and deferred income tax liabilities (Continued)

The exceptions for not recognizing deferred income tax assets and liabilities include:

1. the initial recognition of the goodwill;
2. transactions or matters other than business combinations in which neither profit nor taxable income (or deductible loss) will be affected when transactions occur, and the initial recognition of assets and liabilities does not result in an equal amount of taxable temporary differences and deductible temporary differences.

Deferred tax liabilities are recognised for temporary differences arising from investments in subsidiaries, joint ventures and associates, except where the Company is able to control the timing of the reversal of the temporary difference, and it is probable that the temporary difference will not be reversed in the foreseeable future. When it is probable that the temporary differences arising from investments in subsidiaries, joint ventures and associates will be reversed in the foreseeable future and that the taxable profit will be available in the future against which the temporary differences can be utilised, the corresponding deferred tax assets are recognised.

At the balance sheet date, deferred tax assets and deferred tax liabilities are measured at the applicable tax rates during the period when the relevant assets are expected to be recovered or the relevant liabilities are expected to be settled in accordance with the provisions of the tax law.

The carrying amount of a deferred tax asset is reviewed at each balance sheet date, and is reduced to the extent that it is no longer probable that sufficient taxable profit will be available in the future against which the benefits of the deferred tax asset will be utilised. Such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

When the Group has a legally enforceable right to set-off and intends either to settle on a net basis or to acquire the income tax asset and settle the income tax liability simultaneously, current income tax assets and current income tax liabilities shall be presented as the net amount after offsetting.

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

#### (XXXII) Deferred income tax assets and deferred income tax liabilities (Continued)

At the balance sheet date, deferred tax assets and deferred tax liabilities are offset if all of the following conditions are met:

1. When the taxable entity has the legal right to set off current income tax assets and current income tax liabilities on a net basis;
2. When the deferred income tax assets and deferred income tax liabilities are related to income tax to be paid by the same entity liable to pay tax to the same tax authority, or related to different entities liable to pay tax but the relevant entities intend to settle on a net basis or to acquire the income tax assets and settle the income tax liabilities simultaneously in the future period in which significant deferred income tax assets and liabilities would be reversed.

#### (XXXIII) Lease

A lease is a contract that a lessor conveys the right to use an asset to a lessee for a period of time in exchange for consideration. At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of one or more identified asset(s) for a period of time in exchange for consideration.

For a contract that contains multiple separate lease, the Company separates and accounts for each lease component as a lease separately. For a contract that contains lease and non-lease components, the lessee and lessor separates the lease and non-lease components.

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

#### (XXXIII) Lease (Continued)

##### 1. *The Company as a lessee*

###### (1) Right-of-use assets

At the commencement date of lease term, the Company recognises right-of-use assets for leases (excluding short-term leases and leases of low-value assets). Right-of-use assets are measured initially at cost. Such cost comprises:

- ① the amount of the initial measurement of lease liability;
- ② lease payments made at or before the inception of the lease less any lease incentives already received (if there is a lease incentive);
- ③ initial direct costs incurred by the Company;
- ④ the costs of the Company expected to be incurred for dismantling and removing the leased asset, restoring the site on which the leased asset is located or restoring it to the condition as agreed in the terms of the lease, except those incurred for the production of inventories.

The Company accrues depreciation for the right-of-use assets by subsequently adopting straight line method. If there is reasonable certainty that the Company will obtain the ownership of a leased asset at the end of the lease term, the Company depreciates the leased asset in the remaining useful life of the asset; otherwise, the Company depreciates the leased asset in the lease term or in the remaining useful life of the asset (whichever is shorter).

The Company determines whether the right-of-use assets have been impaired in accordance with the principles described in Note “III. (XXII) Impairment of long-term assets” and conducts accounting treatment for impairment loss identified.

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

#### (XXXIII) Lease (Continued)

##### 1. *The Company as a lessee (Continued)*

##### (2) Lease liabilities

At the commencement date of lease term, the Company recognises lease liabilities for leases (excluding short-term leases and leases of low-value assets). Lease liabilities are initially measured based on the present value of outstanding lease payment. Lease payments include:

- ① fixed payments (including in-substance fixed payments), less any lease incentives (if there is a lease incentive);
- ② variable lease payments that are based on an index or a rate;
- ③ amounts expected to be payable under the guaranteed residual value provided by the Company;
- ④ the exercise price of a purchase option if the Company is reasonably certain to exercise that option;
- ⑤ payments of penalties for terminating the lease option, if the lease term reflects that the Company will exercise that option.

The Company adopts the interest rate implicit in the lease as the discount rate. If that rate cannot be determined reasonably, the Company's incremental borrowing rate is used.

The Company shall calculate the interest expenses of lease liabilities in each period of the lease term at the fixed periodic interest rate, and include it into profit or loss in the period or cost of relevant assets.

Variable lease payments not included in the measurement of lease liabilities are charged to profit or loss in the period or cost of relevant assets in which they actually arise.

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

#### (XXXIII) Lease (Continued)

##### 1. *The Company as a lessee (Continued)*

##### (2) Lease liabilities (Continued)

After the commencement date of lease term, if the following circumstances occur, the Company remeasures the lease liability and adjusts the carrying value of the right-of-use asset accordingly. If the carrying value of the right-of-use asset has been reduced to zero and the lease liability still needs to be further reduced, the Company accounts for the difference in the current profit or loss:

- ① when there are changes in assessment results of the purchase, extension or termination option, or the actual exercise condition of the aforementioned options is inconsistent with the original assessment results, the Company remeasures the lease liabilities in accordance with the lease payments after changes and present value calculated based on the revised discount rate;
- ② when in-substance fixed payments, the amount expected to be payable under the guaranteed residual value or the index or rate arising from the confirmation of lease payments changed, the Company remeasures the lease liabilities in accordance with the present value calculated based on the lease payments after changes and the initial discount rate. However, if the lease payments change is due to a change in a floating interest rate, a revised discount rate is used.

##### (3) Short-term leases and leases of low-value assets

The right-of-use asset and lease liability are not recognised by the Company for short-term leases and leases of low-value assets, and the relevant lease payments are included in profit or loss in the period or costs of relevant assets in each period of the lease term on a straight-line basis. Short-term leases are defined as leases with a lease term of not more than 12 months from the commencement date and excluding a purchase option. Leases of low-value assets are defined as leases with underlying low value when new.

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

#### (XXXIII) Lease (Continued)

##### 1. *The Company as a lessee (Continued)*

###### (4) Lease change

The Company will account for the lease change as a separate lease if the lease changes and meets the following conditions:

- ① the lease change expands the scope of lease by increasing the rights to use one or more leased assets;
- ② the increased consideration and the individual price of the expanded part of the lease are equivalent to the amount adjusted for the contract.

If the lease change is not accounted for as a separate lease, the Company shall re-allocate the consideration of a changed contract, re-determine the lease term, and remeasure the lease liabilities by the present value calculated from the changed lease payments and revised discount rate on the effective date of the lease change.

If the lease change results in a narrower lease or a shorter lease term, the Company reduces the carrying amount of the right-of-use asset accordingly, and recognises the related gains or losses from partially or completely terminated leases into the current profit and loss. For other lease change that cause the lease liabilities to be remeasured, the Company adjusts the carrying amount of the right-of-use assets accordingly.

##### 2. *The Company as a lessor*

At the commencement date of lease term, the Company classifies leases as financing leases and operating leases. A financing lease is a lease that transfers substantially all the risks and rewards incidental to ownership of a leased asset, irrespective of whether the ownership of the asset is eventually transferred. An operating lease is a lease other than a financing lease. As a sub-leasing lessor, the Company classifies the sub-leases based on the right-of-use assets of the original leases.

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

#### (XXXIII) Lease (Continued)

##### 2. *The Company as a lessor (Continued)*

###### (1) Accounting treatment of operating leases

The lease payments derived from operating leases are recognised as rental income on a straight-line basis over the respective lease terms. Initial direct costs relating to operating leases to be incurred by the Company shall be capitalised and then allocated and included in the current profit and loss by stages at the same base as the recognition of rental income over the lease term. The variable lease payments not included in the measurement of lease payments shall be recognised in profit or loss in the period in which they are occurred. In case of modification of an operating lease, the Company shall treat it as a new lease from the effective date of modification, and the amount of the advance receipt or receivable related to the lease before the modification shall be regarded as the collection amount of the new lease.

###### (2) Accounting treatment of financing leases

At the commencement date of lease term, the Company recognises financing lease receivable and derecognises the underlying assets. The Company initially measures financing lease receivable in the amount of net investment in the lease. Net investment in the lease is the sum of the unguaranteed residual value and the present value of the lease payments receivable which were not received at the commencement date of lease term, discounted at the interest rate implicit in the lease.

The Company calculates and recognises interest income in each period during the lease term, based on a fixed periodic interest rate. The derecognition and impairment losses of financing lease receivable are accounted for in accordance with the Note “III. (XI) Financial instruments”.

Variable lease payments not included in the measurement of the net investment in the lease are included in profit or loss in the period in which they are occurred.



## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

#### (XXXIII) Lease (Continued)

##### 2. The Company as a lessor (Continued)

##### (2) Accounting treatment of financing leases (Continued)

When a financing lease is changed and the following conditions are simultaneously met, the Company accounts for the lease change as a separate lease:

- ① The change expands the scope of lease by adding the right to use one or more leased assets;
- ② The consideration and the separate price of the expanded scope of lease are equivalent to the amount adjusted according to the contract.

Where a change in a financing lease is not accounted for as a separate lease, the Company deals with the lease after the change according to the following situation:

- ① In case where the lease would have been classified as an operating lease assuming the modification became effective at the commencement date of the lease, the Company accounts for it as a new lease from the effective date of the modification and the net investment in the lease prior to the effective date of the modification is taken as the carrying amount of the leased assets;
- ② In case where the lease would have been classified as a financing lease assuming the modification became effective at the commencement date of the lease, the Company conducts accounting treatment in accordance with the policy regarding the modification or renegotiation of contracts described in this Note “III. (XI) Financial instruments”.

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

#### (XXXIII) Lease (Continued)

##### 3. *After-sale and leaseback transactions*

The Company assesses and determines whether the asset transfer in the after-sale and leaseback transaction is a sale in accordance with principles described in Note “III. (XXIX) Revenue”.

##### (1) As a lessee

If the asset transfer in the after-sale and leaseback transaction is a sale, the Company, as a lessee, measures the right-of-use assets formed by the after-sale and leaseback based on the part of the book value of the original assets related to the use rights obtained from the leaseback, and recognise relevant gains or losses only for the right to transfer to the lessor.

If the transfer of assets in the after-sale and leaseback transaction is not a sale, the Company, as a lessee, continues to recognise the transferred assets and recognises a financial liability equal to the transfer income. For details of accounting treatment for financial liabilities, please see Note “III. (XI) Financial instruments”.

##### (2) As a lessor

If the transfer of assets in the after-sale and leaseback transaction is a sale, the Company, as a lessor, accounts for asset purchase, and accounts for asset lease in accordance with policies in the aforementioned “2. The Company as a lessor”; if the transfer of assets in the after-sale and leaseback transaction is not a sale, the Company, as a lessor, does not recognise the transferred assets, but recognises a financial asset equal to the transfer income. For details of accounting treatment for financial assets, please see Note “III. (XI) Financial instruments”.

#### (XXXIV) Asset backed securities

If the Company securitizes part of the trade receivables and sells it to a special purpose entity, which then issues securities to investors, the transfer of these financial assets meets the conditions for derecognition. For the prerequisites for derecognition of financial assets, please refer to the aforementioned financial asset transfer. During the transfer process, the Company does not retain the rights and interests of the transferred financial assets and only provides collection services in accordance with the agreement. During the securitization process, the difference between the book value of the derecognised financial assets and its consideration is recognised as a securitization gain or loss and included in the current profit and loss.

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

#### (XXXV) Discontinued operation

Discontinued operation refers to a component that meet one of the following conditions and can be distinguished separately and has been disposed of or classified by the Company as held for sale:

1. represents a separate major line of business or geographical area of operations;
2. is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations;
3. is a subsidiary acquired exclusively with a view to resale.

The profits or losses from continuing operations and discontinued operations are presented in the income statement, respectively. The profits or losses from discontinued operations such as impairment losses and reversed amounts and the profits or losses of disposal shall be presented as the profits or losses from discontinued operations. For discontinued operations presented in the current period, the information originally presented as the profits or losses from continuing operations in the current financial statements shall be presented as the profits or losses from discontinued operations during comparable accounting periods again.

#### (XXXVI) Segment reporting

The Company will determine operation segment on the basis of the internal organizational structure, management requirements and internal report system, and determine reporting segment on the basis of operation segment, and disclose such segment information.

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. whose operating results are regularly evaluated by the Company's management to make decisions about resources to be allocated to the segment and to assess its performance;
3. for which the accounting information on financial position, operating results and cash flows 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.

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

#### (XXXVII) Critical accounting estimates and judgements

Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Estimates are evaluated on an ongoing basis and are based on historical experience and other factors, including expectations of future events that are considered reasonable under the circumstances. The estimates and assumptions that have a significant risk of material adjustment to the carrying amounts of assets and liabilities within the next year are described below:

##### 1. *Estimated service life and net residual value of fixed assets*

The management of the Company confirms the estimated service life, net residual value and related depreciation costs based on the historical experience of the actual service life of the buildings, machinery and equipment with similar properties or functions. Management will adjust depreciation costs when previously estimated useful life is different or for obsolete or sold technically-obsolete or non-strategic assets. The actual economic life may differ from the expected useful life, and the actual net residual value may also differ from the expected one. Regular inspection of depreciable life, estimated net residual value may cause changes and changes in depreciation costs for future periods.

##### 2. *Net realizable value of the inventory*

The net realizable value of the inventory is equal to the estimated selling price in the daily business activities minus the estimated cost to occur at completion, the estimated sales expenses, and related taxes and fees. The estimate is based on current market conditions and historical experience of producing and selling products of the same nature, which may change significantly by technological innovation, and the competitors' behavior in response to serious industry cycles. Management will reassess the estimate on the balance sheet date.

##### 3. *Current period and deferred income tax*

The Company shall pay income tax in different jurisdictions and make significant judgments on the provision of income tax in each jurisdiction. In daily operations, the final determined tax involved in some transactions and calculations is uncertain. Considering the long-term nature and complexity of existing provisions, there will be differences between actual results and assumptions, and relevant assumptions will change in the future, thus affecting the determination of current income tax and deferred income tax.

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

#### (XXXVII) Critical accounting estimates and judgements (Continued)

##### 3. *Current period and deferred income tax (Continued)*

When the management believes that it is likely to deduct sufficient temporary difference or income tax loss in the future, the deferred income tax assets related to the temporary difference or income tax loss are recognized. When the expected result is different from that before, the difference will affect the recognition of deferred income tax assets and current income tax expenses, which are included in the current period of the estimated change.

##### 4. *Impairment of financial assets*

The provisions for impairment of financial assets are calculated based on assumptions about the risk of default and expected loss rates. The Company makes assumptions and selects the calculated input values against the past account ages, existing market conditions and forward looking estimates at the end of each reporting period. Note III. (XI) and Note III. (XII) disclose information related to all key assumptions.

##### 5. *Impairment of non-financial assets*

The management of the Company needs to make a judgment on the asset impairment on the balance sheet date, especially when evaluating long-term assets, including fixed assets, projects under construction, intangible assets, etc. The recoverable amount is the higher value between the fair value of the asset minus the disposal expense and the present value of the expected future cash flow. The revaluation recoverable amount can be adjusted at each impairment test. Note III. (XXII) disclose the relevant information.

#### (XXXVIII) Determination method and selection basis for materiality criteria

Item	Materiality criteria
Significant recovery of allowance for bad debts of receivables	Single amount recovered or reversed of more than 10% of the total assets of various types of receivables
Significant construction in progress	Single project with a budget more than RMB100 million
Significant trade payable and other payables	Single trade payable/other payables aged more than 1 year account for more than 10% of the total accounts payable/other payables

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

(XXXIX) Changes in significant accounting policies and accounting estimates

#### 1. *Changes in significant accounting policies*

In December 2024, the Ministry of Finance issued the Notice on the Publication of Interpretation of Accounting Standards for Business Enterprises No. 18, which clarifies that the accounting treatment for quality assurance deposits in the category of guarantees that are not individual performance obligations, in accordance with Interpretation of Accounting Standards for Business Enterprises No. 13 – Contingencies, the relevant amount should be included in operating costs while recognizing the estimated liability and present the estimated liability on the basis of liquidity. This change in accounting policy had no impact on the Company.

In October 2023, the Ministry of Finance issued the Notice on the Publication of Interpretation of Accounting Standards for Business Enterprises No. 17, which clarifies that, for liabilities arising from a loan arrangement, an enterprise's right to defer settlement of the liability for more than one year after the balance sheet date may depend on whether or not the enterprise has followed the conditions specified in the loan arrangement, and that such covenant conditions affect the classification of liquidity at the balance sheet date. A covenant condition that should be followed on or before the balance sheet date, even if compliance with that covenant condition is assessed after the balance sheet date, affects the judgement as to whether the right exists at the balance sheet date, which, in turn, affects the liquidity classification of the liability at the balance sheet date; a covenant condition that should be followed by the enterprise after the balance sheet date does not affect the judgement as to whether the right exists at the balance sheet date and is not relevant to the liquidity classification of the liability at the balance sheet date. The terms of the liability that result in the enterprise settling the liability by delivering its own equity instrument at the option of the counterparty do not affect the liquidity classification of the liability if the option is classified as an equity instrument and recognised separately as an equity component of a compound financial instrument in accordance with the standard. This change in accounting policy has no impact on the Company.

#### 2. *Changes in significant accounting estimates*

None.

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### IV. TAXATION

#### (I) Major tax categories and tax rates

Tax categories	Tax basis	Tax rate (%)
Value-added tax	The VAT payable is the difference between output tax (calculated based on sales of goods and taxable service income under the tax laws) and the deductible input tax of the period	13, 9, 6, 5, 3, 1
Urban maintenance and construction tax	Based on value added tax paid	7, 5
Educational surcharge and local education surcharge	Based on value added tax paid	3, 2
Enterprise income tax	Based on taxable profits	15



## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### IV. TAXATION (Continued)

#### (II) Important tax incentives and approvals

1. Pursuant to the “Notice on Tax Policies in relation to Further Implementation of the Western Development Strategy” (Cai Shui [2011] No. 58)《關於深入實施西部大開發戰略有關稅收政策問題的通知》(財稅[2011]58號)) jointly issued by the Ministry of Finance, the General Administration of Customs and the State Taxation Administration, from 1 January 2011 to 31 December 2020, enterprise income tax imposed upon any enterprises established in western regions which are engaging in the encouraged industries shall be subject to a reduced rate at 15%, with effect from 1 January 2011. On 23 April 2020, the Ministry of Finance, the State Taxation Administration and the National Development and Reform Commission jointly issued the Announcement on the Continuation of the Corporate Income Tax Policy for Western Development (Announcement of the Ministry of Finance, the State Taxation Administration and the National Development and Reform Commission of [2020] No. 23), which specifies that “from 1 January 2021 to 31 December 2030, enterprises in the encouraged industries located in the western regions shall be subject to a reduced corporate income tax rate of 15%. For the purpose of this article, “enterprise in an encouraged industry” means an enterprise whose main business is within the scope of industry projects set out in the Catalogue of Encouraged Industries in western regions and whose revenue from its main business accounts for 60% or more of its gross income. According to the Catalogue of Encouraged Industries in western China (2020 Edition) (Decree No. 40 of the National Development and Reform Commission, which came into force on 1 March 2021), “high-end and high- quality float glass, electronic glass, automobile and photovoltaic glass production and downstream deep processing” belongs to the encouraged industry in western regions. The Company, Xianyang Photovoltaic and Yan’an New Energy, the subsidiaries of the Company, fulfilled the conditions for preferential tax policy of the western development, was entitled to the preferential tax policy of the western development and shall be subject to a reduced corporate income tax rate at 15% during the Reporting Period.
2. Hefei Photovoltaic, a subsidiary of the Company, was once again accredited as a High and New Technology Enterprise (Certificate No. GR202134001668) as approved by the Science and Technology Department of Anhui Province, and the Department of Finance of Anhui Province, Anhui Provincial Tax Service of the State Taxation Administration on 18 September 2021, and has been entitled to a 15% preferential tax treatment for EIT, with a certificate valid for three years; and on 29 October 2024, Hefei Photovoltaic was once again accredited as a High and New Technology Enterprise (Certificate No. GR202434001612) as approved by the Industry and Information Technology Department of Anhui Province, and the Department of Finance of Anhui Province, Anhui Provincial Tax Service of the State Taxation Administration, and has been entitled to a 15% preferential tax treatment for EIT, with a certificate valid for three years.

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### IV. TAXATION (Continued)

#### (II) Important tax incentives and approvals (Continued)

3. Xianyang Photovoltaic, a subsidiary of the Company, was accredited as a High and New Technology Enterprise (Certificate No. GR202261000379) as approved by the Science and Technology Department of Shaanxi Province, the Department of Finance of Shaanxi Province and Shaanxi Provincial Tax Service of the State Taxation Administration on 12 October 2022, and has been entitled to a 15% preferential tax treatment for EIT and the validity period of the certificate is three years.
4. Yan'an New Energy, a subsidiary of the Company, was accredited as a High and New Technology Enterprise (Certificate No. GR202261004763) as approved by the Science and Technology Department of Shaanxi Province, the Department of Finance of Shaanxi Province and Shaanxi Provincial Tax Service of the State Taxation Administration on 14 December 2022, and has been entitled to a 15% preferential tax treatment for EIT and the validity period of the certificate is three years.
5. Jiangxi Photovoltaic, a subsidiary of the Company, was accredited as a High and New Technology Enterprise (Certificate No. GR202336000178) as approved by the Science and Technology Department of Jiangxi Province, the Department of Finance of Jiangxi Province and Jiangxi Provincial Tax Service of the State Taxation Administration on 12 November 2023, and has been entitled to a 15% preferential tax treatment for EIT and the validity period of the certificate is three years.

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### IV. TAXATION (Continued)

#### (II) Preferential tax treatment (Continued)

6. Hefei Photovoltaic, Yan'an New Energy, Xianyang Photovoltaic and Jiangxi Photovoltaic, subsidiaries of the Company, pursuant to the Notice on Further Improvement of the Policy of Weighted Pretax Deduction on Research and Development Expenses (Announcement of the Ministry of Finance and the State Taxation Administration No. 7 of 2023), is required to deduct 100% of the amount actually incurred which shall be deducted before tax payment, in addition to the deduction as prescribed to the extent of the amount actually incurred since 1 January 2023, where the research and development expenses incurred by an enterprise in research and development activities do not form intangible assets and are included in the current period's profit or loss; and make pre-tax amortisation based on 200% of the costs of the intangible assets since 1 January 2023 where intangible assets are formed.
7. According to the Announcement on Further Increasing the Strength of the Implementation of Policy of VAT Ending Withholding Tax Refund (Announcement of the Ministry of Finance and the State Taxation Administration of No. 14 of 2022), Hefei Photovoltaic, Yan'an New Energy and Jiangxi Photovoltaic, subsidiaries of the Company, expands the scope of the policy on full monthly refund of incremental retained tax credits for advanced manufacturing industries to eligible manufacturing industries and other industries, and provide a onetime refund of retained tax credits for enterprises in manufacturing industries and other industries to support the development of small and micro enterprises and manufacturing industries, boost the confidence of market players, stimulate the vitality of market players, and increase the strength of the VAT refund policy for "manufacturing" and other VAT credits at the end of the period. Eligible enterprises in manufacturing and other industries shall apply to the competent tax authorities for refunding the incremental retained tax credits starting from the tax declaration period in April 2022.

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### V. NOTES TO SIGNIFICANT ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

#### (I) Monetary funds

Item	31 December 2024	31 December 2023
Cash on hand		
Bank deposit	372,373,245.52	950,241,506.41
Other monetary funds	51,089,568.00	84,428,028.46
Deposits with finance company		392,865.69
<b>Total</b>	<b>423,462,813.52</b>	<b>1,035,062,400.56</b>

Of which: Total deposits outside the Mainland

Restrictions on the use of monetary funds at the end of the period

Item	31 December 2024	31 December 2023
Pledged certificates of deposit		50,100,000.00
Security deposit for bills and letter of credit and guarantees	51,089,568.00	34,328,028.46
<b>Total</b>	<b>51,089,568.00</b>	<b>84,428,028.46</b>

*Note:* At the end of the period, except for the above-mentioned restrictions on the use of monetary funds, there are no other restrictions on the use and potential recovery risks due to mortgage, pledge or freezing.

#### (II) Financial assets held for trading

Item	31 December 2024	31 December 2023
Financial assets measured at fair value through current profit or loss		294,392.40
Including: investment in equity instruments		294,392.40
<b>Total</b>		<b>294,392.40</b>

*Note:* Investment in equity instruments are publicly issued shares.

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### V. NOTES TO SIGNIFICANT ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### (III) Bills receivable

##### 1. Bills receivable by category

Item	31 December 2024	31 December 2023
Bank acceptance bills	864,586,411.05	883,852,601.09
Finance company acceptance bills		3,781,463.24
Commercial acceptance bills	8,241,771.07	
Subtotal	872,828,182.12	887,634,064.33
Less: provision for bad debts		
Total	872,828,182.12	887,634,064.33

##### 2. Bills receivable pledged at the end of the period

Item	Amount pledged at the end of the period
Bank acceptance bills	39,619,667.37
Commercial acceptance bills	
Total	39,619,667.37

Note: Pledged bills are guarantees provided for the issuance of bank acceptance bills in the bill pool.

##### 3. Bills receivable endorsed or discounted at the end of the period but not yet due on the balance sheet date

Item	Amount derecognized at the end of the period	Amount not derecognized at the end of the period
Bank acceptance bills		648,324,356.04
Commercial acceptance bills		
Total		648,324,356.04

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### V. NOTES TO SIGNIFICANT ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### (III) Bills receivable (Continued)

##### 4. Classified disclosure by provision for bad debt method

Category	31 December 2024			
	Book balance		Provision for bad debts	Carrying amount
	Amount	Proportion (%)	Amount	
			Appropriation proportion (%)	
Bills receivables for which provision for bad debts by individual				
Bills receivables for which provision for bad debts by portfolio	872,828,182.12	100.00		872,828,182.12
Including: Bank acceptance bills portfolio	864,586,411.05	99.06		864,586,411.05
Finance company acceptance bills portfolio				
Commercial acceptance bills portfolio	8,241,771.07	0.94		8,241,771.07
Total	872,828,182.12	100.00		872,828,182.12

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### V. NOTES TO SIGNIFICANT ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### (III) Bills receivable (Continued)

##### 4. Classified disclosure by provision for bad debt method (Continued)

Category	Book balance		31 December 2023		Carrying amount
	Amount	Proportion (%)	Provision for bad debts	Appropriation proportion	
			Amount	proportion (%)	
Bills receivables for which provision for bad debts by individual					
Bills receivables for which provision for bad debts by portfolio	887,634,064.33	100.00			887,634,064.33
Including: Bank acceptance bills portfolio	883,852,601.09	99.57			883,852,601.09
Finance company acceptance bills portfolio	3,781,463.24	0.43			3,781,463.24
Commercial acceptance bills portfolio					
Total	887,634,064.33	100.00			887,634,064.33



## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### V. NOTES TO SIGNIFICANT ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### (III) Bills receivable (Continued)

##### 4. Classified disclosure by provision for bad debt method (Continued)

##### (1) Bills receivables for which provision for bad debts by portfolio

Portfolio	31 December 2024			31 December 2023		
	Book balance	Provision for bad debts	Appropriation proportion (%)	Book balance	Provision for bad debts	Appropriation proportion (%)
Bank acceptance bills portfolio	864,586,411.05			883,852,601.09		
Finance company acceptance bills portfolio				3,781,463.24		
Commercial acceptance bills portfolio	8,241,771.07					
Total	872,828,182.12			887,634,064.33		

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### V. NOTES TO SIGNIFICANT ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### (IV) Trade receivables

##### 1. Shown by aging

Aging	31 December 2024	31 December 2023
Within 1 year	598,186,907.44	736,171,764.51
Including: 0–6 months (inclusive)	593,660,307.89	733,205,891.68
7–12 months (inclusive)	4,526,599.55	2,965,872.83
1–2 years (inclusive)	2,152,537.16	13,649,514.29
2–3 years (inclusive)	4,710,853.80	5,022,914.04
Over 3 years	8,571,937.00	6,631,862.54
Subtotal	613,622,235.40	761,476,055.38
Less: provision for bad debts	5,536,332.30	7,796,417.93
Total	608,085,903.10	753,679,637.45

*Note:* The aging of trade receivables is shown by aging based on the recording date.

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### V. NOTES TO SIGNIFICANT ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### (IV) Trade receivables (Continued)

##### 2. Disclosed according to the method of provision for bad debts

Category	31 December 2024				Carrying amount
	Book balance		Allowance for bad debts		
	Amount	Proportion	Amount	Appropriation proportion	
Trade receivables with allowance for bad debts is made based on individual basis	496,731.45	0.08	496,731.45	100.00	
Trade receivables with allowance for bad debts is made based on group basis	613,125,503.95	99.92	5,039,600.85	0.82	608,085,903.10
Including: By aging	595,509,632.16	97.05	5,039,600.85	0.85	590,470,031.31
By low credit risk portfolio	17,615,871.79	2.87			17,615,871.79
Total	613,622,235.40	100.00	5,536,332.30	0.90	608,085,903.10

Category	31 December 2023				Carrying amount
	Book balance		Allowance for bad debts		
	Amount	Proportion	Amount	Appropriation	
				proportion	
		(%)		(%)	
Trade receivables with allowance for bad debts is made based on individual basis	519,032.00	0.07	519,032.00	100.00	
Trade receivables with allowance for bad debts is made based on group basis	760,957,023.38	99.93	7,277,385.93	0.96	753,679,637.45
Including: By aging	745,336,357.24	97.88	7,277,385.93	0.98	738,058,971.31
By low credit risk portfolio	15,620,666.14	2.05			15,620,666.14
Total	761,476,055.38	100.00	7,796,417.93	1.02	753,679,637.45

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### V. NOTES TO SIGNIFICANT ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### (IV) Trade receivables (Continued)

##### 2. Trade receivables disclosed according to provision for bad debts (Continued)

- (1) Trade receivables that are subject to allowance for bad debts estimated at the end of the period on individual basis:

Name of unit	Book balance	Allowance for bad debts	Appropriation proportion (%)	Reasons
Zhejiang Yuhui Sunshine Energy Co., Ltd. (浙江昱輝陽光能源有限公司)	496,731.45	496,731.45	100.00	Expected to be irrecoverable
Total	496,731.45	496,731.45	100.00	

- (2) Trade receivables that are subject to provision for bad debts on credit risk characteristics

##### ① Group 1: by aging

Aging	31 December 2024			31 December 2023		
	Book balance	Allowance for bad debts	Appropriation proportion (%)	Book balance	Allowance for bad debts	Appropriation proportion (%)
0-6 months (inclusive)	588,626,748.21			730,541,194.25		
7-12 months (inclusive)	1,861,902.12	18,619.02	1.00	813,335.67	8,133.35	1.00
1-2 years (inclusive)				8,938,660.49	2,681,598.16	30.00
2-3 years (inclusive)				911,024.83	455,512.42	50.00
Over 3 years	5,020,981.83	5,020,981.83	100.00	4,132,142.00	4,132,142.00	100.00
Total	595,509,632.16	5,039,600.85	0.85	745,336,357.24	7,277,385.93	0.98

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### V. NOTES TO SIGNIFICANT ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### (IV) Trade receivables (Continued)

##### 2. Trade receivables disclosed according to provision for bad debts (Continued)

(2) Trade receivables that are subject to provision for bad debts on credit risk characteristics (Continued)

##### ② Group 2: by low credit risk portfolio

Portfolio name	31 December 2024			31 December 2023		
	Book balance	Allowance for bad debts	Appropriation proportion (%)	Book balance	Allowance for bad debts	Appropriation proportion (%)
Low credit risk portfolio	17,615,871.79			15,620,666.14		
Total	17,615,871.79			15,620,666.14		

##### 3. Allowances for bad debts

Category	31 December 2023	Provision	Changes during the period		Other changes	31 December 2024
			Recovered or reversed	Written off		
Trade receivables with allowances for bad debts is made based on individual basis	519,032.00		22,300.55			496,731.45
Trade receivables with allowance for bad debts is made based on group basis	7,277,385.93	-2,237,785.08				5,039,600.85
Including: By aging	7,277,385.93	-2,237,785.08				5,039,600.85
Total	7,796,417.93	-2,237,785.08	22,300.55			5,536,332.30

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### V. NOTES TO SIGNIFICANT ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### (IV) Trade receivables (Continued)

##### 4. Top five trade receivables and contract assets according to closing balance of debtors

Name of unit	Balance of 31 December 2024	Closing balance of contract assets	Closing balance of trade receivables and contract assets	Percentage of total closing balance of trade receivables and contract assets (%)	Closing balance of allowance for bad debt
DAS Solar Co., Ltd. (一道新能源科技股份有限公司)	120,069,592.34		120,069,592.34	19.57	
Hefei GCL Integrated Light Energy Technology Co., Ltd. (合肥協鑫集成光能科技有限 公司)	71,303,804.10		71,303,804.10	11.62	
Hefei JA Solar Technology Co., Ltd. (合肥晶澳太陽能科技有限公司)	52,865,596.27		52,865,596.27	8.62	
Zhejiang Aikosolar Technology Co., Ltd. (浙江愛旭太陽能科技有限公司)	37,483,629.34		37,483,629.34	6.11	
DAS Solar (Jingshan) Co., Ltd. (一道新能源科技(京山)有限 公司)	26,264,024.36		26,264,024.36	4.28	
Total	307,986,646.41		307,986,646.41	50.20	

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### V. NOTES TO SIGNIFICANT ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### (IV) Trade receivables (Continued)

##### 5. *The situation of overdue trade receivables at the end of the period*

Items	31 December 2024
Trade receivables not overdue and not impaired	506,500,160.97
Trade receivables overdue and not impaired	99,742,459.03
Trade receivables overdue and impaired	7,379,615.40
Total	613,622,235.40

As of 31 December 2024, the information on the impairment of trade receivables and the Company's exposure to credit risk and foreign currency risk are set out in Note X.

As at 31 December 2024, the carrying amounts of trade receivables approximated their fair values.

The basis of trade receivables aging analysis is set out in Note III. (XII).



## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### V. NOTES TO SIGNIFICANT ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### (V) Receivables financing

##### 1. Receivables financing by category

Item	31 December 2024	31 December 2023
Bills receivable	423,850,829.11	347,371,486.41
Trade receivables		
Total	423,850,829.11	347,371,486.41

##### 2. Receivables financing pledged at the end of the period

Item	Amount pledged at the end of the period
Bank acceptance bills	140,145,632.14
Commercial acceptance bills	
Total	140,145,632.14

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### V. NOTES TO SIGNIFICANT ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### (V) Receivables financing (Continued)

3. *Receivables financing endorsed or discounted at the end of the period but not mature at the balance sheet date*

Item	Amount derecognized at the end of the period	Amount not derecognized at the end of the period
Bank acceptance bills	583,118,870.00	
Commercial acceptance bills		
Total	583,118,870.00	

4. *Changes in receivables financing for the period and changes in fair value*

Item	31 December 2023	New grants for the period	Derecognition for the period	Other changes	31 December 2024	Accumulated allowance for losses recognized in other comprehensive income
Bills receivable	347,371,486.41	2,427,934,790.56	2,351,455,447.86		423,850,829.11	
Trade receivables						
Total	347,371,486.41	2,427,934,790.56	2,351,455,447.86		423,850,829.11	

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### V. NOTES TO SIGNIFICANT ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### (VI) Prepayments

##### 1. Prepayments stated according to aging analysis

Aging	31 December 2024		31 December 2023	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year (inclusive)	61,389,312.23	90.57	52,011,985.60	99.70
1–2 years (inclusive)	6,348,156.48	9.37	20,366.82	0.04
2–3 years (inclusive)	11,956.20	0.02	49,292.00	0.09
Over 3 years	26,744.50	0.04	87,380.07	0.17
Total	67,776,169.41	100.00	52,169,024.49	100.00

Significant prepayments aged over 1 year

Creditor	Debtor	Balance as at		Reason for unsettlement
		31 December 2024	Aging	
Hefei Photovoltaic	Hefei Xincheng Holding Group Co., Ltd.* (合肥鑫城控股集團有限公司)	3,250,000.00	Between 1–2 years	The contract has not been fulfilled
Yan'an New Energy	Yan'an Gas Co., Ltd.* (延安燃氣有限責任公司)	2,635,739.39	Between 1–2 years	The contract has not been fulfilled
Total		5,885,739.39		

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### V. NOTES TO SIGNIFICANT ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### (VI) Prepayments (Continued)

##### 2. Top five entities in terms of prepayments

Name of unit	Balance as at 31 December 2024	Percentage of closing balance of total prepayments (%)
Henan Jindadi Chemical Co., Ltd. (河南金大地化工有限責任公司)	29,849,522.21	44.04
CNSG Anhui Hong Sifang Co., Ltd. (中鹽安徽紅四方股份有限公司)	11,451,103.33	16.90
Hefei Heran Huarun Gas Co., Ltd. (合肥合燃華潤燃氣有限公司)	7,505,966.14	11.07
China Pipe Chenhua Petroleum Engineering Co., Ltd. (中管辰化石油工程有限公司)	5,717,240.46	8.44
Hefei Xincheng Holding Group Co., Ltd.* (合肥鑫城控股集團有限公司)	3,250,000.00	4.80
Total	57,773,832.14	85.25

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### V. NOTES TO SIGNIFICANT ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### (VII) Other receivables

Item	31 December 2024	31 December 2023
Interest receivable		
Dividends receivable		
Other receivables	28,020,318.24	37,087,079.15
Total	28,020,318.24	37,087,079.15

#### 1. Other receivables

##### (1) Disclosed by aging

Aging	31 December 2024	31 December 2023
Within 1 year	11,191,177.08	20,235,204.69
Including: 0–6 months (inclusive)	11,191,177.08	20,235,204.69
7–12 months (inclusive)		
1–2 years (inclusive)	20,000.00	19,360.00
2–3 years (inclusive)	19,360.00	10,103,633.30
Over 3 years	16,799,698.16	6,738,798.16
Subtotal	28,030,235.24	37,096,996.15
Less: provision for bad debts	9,917.00	9,917.00
Total	28,020,318.24	37,087,079.15

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### V. NOTES TO SIGNIFICANT ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### (VII) Other receivables (Continued)

##### 1. Other receivables (Continued)

##### (2) Disclosed according to the nature of amount

Nature of amount	31 December 2024	31 December 2023
By deposits, margins and reserves	27,164,891.16	37,017,016.30
By trading receivables and other receivables	865,344.08	79,979.85
Subtotal	28,030,235.24	37,096,996.15
Less: provision for bad debts	9,917.00	9,917.00
Total	28,020,318.24	37,087,079.15

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### V. NOTES TO SIGNIFICANT ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### (VII) Other receivables (Continued)

##### 1. Other receivables (Continued)

##### (3) Disclosed according to the method of provision for bad debts

31 December 2024					
	Book balance		Allowance for bad debts		
Category	Amount	Proportion	Amount	Appropriation proportion	Carrying amount
		(%)		(%)	
Other receivables with allowance for bad debts is made on the individual basis					
Other receivables with allowance for bad debts is made on group basis	28,030,235.24	100	9,917.00	0.04	28,020,318.24
Including: By aging	865,344.08	3.09	9,917.00	1.15	855,427.08
By deposits, margins and reserves	27,164,891.16	96.91			27,164,891.16
Total	28,030,235.24	100.00	9,917.00	0.04	28,020,318.24

31 December 2023					
	Book balance		Allowance for bad debts		
Category	Amount	Proportion	Amount	Appropriation proportion	Carrying amount
		(%)		(%)	
Other receivables with allowance for bad debts is made on the individual basis					
Other receivables with allowance for bad debts is made on group basis	37,096,996.15	100	9,917.00	0.03	37,087,079.15
Including: By aging	79,979.85	0.22	9,917.00	12.40	70,062.85
By deposits, margins and reserves	37,017,016.30	99.78			37,017,016.30
Total	37,096,996.15	100.00	9,917.00	0.03	37,087,079.15

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### V. NOTES TO SIGNIFICANT ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### (VII) Other receivables (Continued)

##### 1. Other receivables (Continued)

##### (3) Disclosed according to the method of provision for bad debts (Continued)

Other receivables for which provision for bad debts is made according to the combination of credit risk characteristics

##### ① Group 1: by aging

Aging	31 December 2024			31 December 2023		
	Book balance	Allowance for bad debts	Appropriation proportion (%)	Book balance	Allowance for bad debts	Appropriation proportion (%)
0-6 months (inclusive)	855,427.08			70,062.85		
7-12 months (inclusive)						
1-2 years (inclusive)						
2-3 years (inclusive)						
Over 3 years	9,917.00	9,917.00	100.00	9,917.00	9,917.00	100.00
Total	865,344.08	9,917.00	1.15	79,979.85	9,917.00	12.40

##### ② Group 2: by deposits, margins and reserves

Name	31 December 2024			31 December 2023		
	Book balance	Allowance for bad debts	Appropriation proportion (%)	Book balance	Allowance for bad debts	Appropriation proportion (%)
By deposits, margins and reserves	27,164,891.16			37,017,016.30		
Total	27,164,891.16			37,017,016.30		



## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### V. NOTES TO SIGNIFICANT ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### (VII) Other receivables (Continued)

##### 1. Other receivables (Continued)

##### (4) Allowances for bad debts

壞賬準備	Stage I ECL for the following 12 months	Stage II Lifetime ECL (without credit impairment)	Stage III Lifetime ECL (with credit impairment)	Total
Balance as at 31 December 2023	9,917.00			9,917.00
Balance as at 31 December 2023 during the period				
- Transferred to Stage II	-9,917.00	9,917.00		
- Transferred to Stage III				
- Reversed to Stage II				
- Reversed to Stage I				
Made for the period				
Reversed for the period				
Charged off for the period				
Written off for the period				
Other changes				
Balance as at 31 December 2024		9,917.00		9,917.00

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### V. NOTES TO SIGNIFICANT ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### (VII) Other receivables (Continued)

##### 1. Other receivables (Continued)

##### (5) Change in book balance

Book balance	Stage I ECL for the following 12 months	Stage II Lifetime ECL (without credit impairment)	Stage III Lifetime ECL (with credit impairment)	Total
Balance as at 31 December 2023	37,096,996.15			37,096,996.15
Balance as at 31 December 2023 during the period				
- Transferred to Stage II	-9,917.00	9,917.00		
- Transferred to Stage III				
- Reversed to Stage II				
- Reversed to Stage I				
Addition for the period	26,996,642.72			26,996,642.72
Derecognition for the period	36,063,403.63			36,063,403.63
Other changes				
Balance as at 31 December 2024	28,020,318.24	9,917.00		28,030,235.24

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### V. NOTES TO SIGNIFICANT ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### (VII) Other receivables (Continued)

##### 1. Other receivables (Continued)

##### (6) Top five other trade receivables according to closing balance of debtors

Name of unit	Nature of payment	Balance as at 31 December 2024	Aging	Percentage of total closing balance of other receivables (%)	Closing balance of allowance for bad debts
Shangrao Anxin Development Co., Ltd.* (上饒市安信發展有限公司)	Deposits	10,320,000.00	Within 1 year	36.82	
Xianyang City Qindu District State-owned Investment Company* (咸陽市秦都區國有投資公司)	Deposits	10,000,000.00	over 3 years	35.68	
Yan'an Gas Co., Ltd.* (延安燃氣有限責任公司)	Deposits	5,000,000.00	over 3 years	17.84	
Hefei Xincheng Holding Group Co. Ltd.* (合肥鑫城控股集團有限公司)	Deposits	267,000.00	over 3 years	0.95	
Shanxi Jiasheng Tendering Agent Co., Ltd. (山西嘉盛招標代理有限公司)	Deposits	20,000.00	2 to 3 year	0.07	
Total		25,607,000.00		91.36	

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### V. NOTES TO SIGNIFICANT ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### (VIII) Inventories

##### 1. Categories of inventories

Item	31 December 2024			31 December 2023		
	Book balance	Provision for impairment of inventories/ provision for contract performance costs	Carrying amount	Book balance	Provision for impairment of inventories/ provision for contract performance costs	Carrying amount
Raw materials	85,133,528.39	14,670,513.51	70,463,014.88	49,340,844.17	462,476.52	48,878,367.65
Revolving materials and others	5,958,942.35	822,656.52	5,136,285.83	20,487,567.67	3,473,227.18	17,014,340.49
Semi-finished goods and work-in-process	19,733,803.10	3,967,990.35	15,765,812.75	3,121,854.80	1,302,684.57	1,819,170.23
Goods in stock	258,168,754.88	65,042,906.80	193,125,848.08	224,500,350.97	75,402,956.77	149,097,394.20
Goods in transit	313,897,490.29	58,593,785.18	255,303,705.11	12,393,529.00	319,286.99	12,074,242.01
Total	682,892,519.01	143,097,852.36	539,794,666.65	309,844,146.61	80,960,632.03	228,883,514.58

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### V. NOTES TO SIGNIFICANT ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### (VIII) Inventories (Continued)

##### 2. Changes in provision for impairment of inventories and provision for contract performance costs

Item	31 December 2023	Increase for the period		Decrease for the period		31 December 2024
		Accrue	Others	Reversal or Write-off	Others	
Raw materials	462,476.52	24,213,961.32		10,005,924.33		14,670,513.51
Revolving materials and others	3,473,227.18			2,650,570.66		822,656.52
Semi-finished goods and work- in- process	1,302,684.57	2,665,305.78				3,967,990.35
Goods in stock	75,402,956.77	4,193,146.92		14,553,196.89		65,042,906.80
Goods in transit	319,286.99	58,593,785.18		319,286.99		58,593,785.18
Total	80,960,632.03	89,666,199.20		27,528,978.87		143,097,852.36

*Note:* The decrease in the provision for depreciation of goods in stock for the period is written off.

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### V. NOTES TO SIGNIFICANT ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### (IX) Other current assets

Item	31 December 2024	31 December 2023
Input VAT deductible	117,940,272.40	69,900,514.35
Deferred expenses	14,122,692.64	5,756,909.93
Prepaid EIT	4,341,016.30	1,661,888.23
Total	136,403,981.34	77,319,312.51

#### (X) Other investment in equity instruments

##### *Details of other investment in equity instruments*

Item	31 December 2023	Addition of investment	Reduction of investment	Changes for the period		Other	31 December 2024
				Loss recognized income for the period in other comprehensive	Gains recognized in other comprehensive income		
Shaanxi IRICO Electronics Glass Co., Ltd. (陝西彩虹電子玻璃有限公司)	111,124,764.95			1,156,511.59			112,281,276.54
IRICO Display Devices Co., Ltd. (彩虹顯示器件股份有限公司)	238,785,792.75			52,002,239.31			290,788,032.06
Total	349,910,557.70			53,158,750.90			403,069,308.60

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### V. NOTES TO SIGNIFICANT ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### (X) Other investment in equity instruments (Continued)

(Continued)

Item	Dividend income recognized in the current period	Accumulated gains recognized in other comprehensive income	Accumulated loss recognized in other comprehensive income	Reasons for designating as financial assets at fair values through other comprehensive income
Shaanxi IRICO Electronics Glass Co., Ltd. (陝西彩虹電子玻璃有限公司)		9,265,018.73		Investment in equity instrument not held trading purposes
IRICO Display Devices Co., Ltd. (彩虹顯示器件股份有限公司)			89,573,454.26	Investment in equity instrument not held trading purposes
Total		9,265,018.73	89,573,454.26	

Note 1: As at 31 December 2024, the Company held a total of 35,375,673 shares of IRICO Display Devices Co., Ltd..

Note 2: As at 31 December 2024, the Company held a shareholding of 7.2953% in Shaanxi IRICO Electronics Glass Co., Ltd..

#### (XI) Fixed assets

Category	31 December 2024	31 December 2023
Fixed assets	3,364,620,210.88	3,080,180,470.30
Disposal of fixed assets	93,893.69	320,370.03
Total	3,364,714,104.57	3,080,500,840.33

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### V. NOTES TO SIGNIFICANT ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### (XI) Fixed assets (Continued)

##### 1. Fixed assets

##### (1) Details of fixed assets

Item	Buildings and structures	Machinery equipment	Transportation equipment	Office equipment and others	Total
I. Original carrying amount					
1. 31 December 2023	978,736,357.82	2,567,467,089.56	22,152,075.73	6,923,642.57	3,575,279,165.68
2. Increase for the period		875,225,019.54	265,486.72	304,541.60	875,795,047.86
(1) Purchase		22,650,271.32	265,486.72	304,541.60	23,220,299.64
(2) Transferred from construction in Progress		852,574,748.22			852,574,748.22
(3) Increase in business combination					
(4) Other increases					
3. Decrease for the period	192,721,942.09	350,723,211.38	9,448,816.73	2,115,032.86	555,009,003.06
(1) Disposal or retirement		77,318.32			77,318.32
(2) Transferred to other asset items	192,721,942.09	350,645,893.06	9,448,816.73	2,115,032.86	554,931,684.74
(3) Decrease in business disposal					
(4) Other decreases					
4. 31 December 2024	786,014,415.73	3,091,968,897.72	12,968,745.72	5,113,151.31	3,896,065,210.48
II. Accumulated depreciation					
1. 31 December 2023	166,903,619.05	318,592,810.92	6,488,589.69	2,122,574.39	494,107,594.05
2. Increase for the period	31,793,512.59	242,163,974.52	1,329,440.02	727,857.84	276,014,784.97
(1) Provision	31,793,512.59	242,163,974.52	1,329,440.02	727,857.84	276,014,784.97
(2) Increase in business combination					
(3) Transfer from other items					
(4) Other increases					



## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### V. NOTES TO SIGNIFICANT ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### (XI) Fixed assets (Continued)

##### 1. Fixed assets (Continued)

##### (1) Details of fixed assets (Continued)

Item	Buildings and structures	Machinery equipment	Transportation equipment	Office equipment and others	Total
3. Decrease for the period	24,503,708.30	214,519,840.56	312,482.94	332,448.95	239,668,480.75
(1) Disposal or retirement		3,472.16			3,472.16
(2) Transferred to other asset items	24,503,708.30	214,516,368.40	312,482.94	332,448.95	239,665,008.59
(3) Decrease in business disposal					
(4) Other decreases					
4. 31 December 2024	174,193,423.34	346,236,944.88	7,505,546.77	2,517,983.28	530,453,898.27
III. Provision for impairment					
1. 31 December 2023			991,101.33		991,101.33
2. Increase for the period					
(1) Provision					
(2) Increase in business combination					
(3) Transfer from other items					
(4) Other increases					
3. Decrease for the period					
(1) Disposal or retirement					
(2) Decrease in business combination					
(3) Decrease in Business disposal					
(4) Other decreases					
4. 31 December 2024			991,101.33		991,101.33
IV. Carrying amount					
1. 31 December 2024	611,820,992.39	2,745,731,952.84	4,472,097.62	2,595,168.03	3,364,620,210.88
2. 31 December 2023	811,832,738.77	2,248,874,278.64	14,672,384.71	4,801,068.18	3,080,180,470.30

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### V. NOTES TO SIGNIFICANT ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### (XI) Fixed assets (Continued)

##### 1. Fixed assets (Continued)

##### (3) Fixed assets leased out through operating leases as at 31 December 2024

Category	31 December 2024
Buildings and structures	40,868,078.12
Total	40,868,078.12

##### (4) Details of fixed assets of which title of certificates had not been obtained as at 31 December 2024

Item	31 December 2024	Reasons for having not to obtained the title of certificates
Buildings and structures	246,296,914.07	The title of certificate of Hefei Photovoltaic is in progress
Total	246,296,914.07	

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### V. NOTES TO SIGNIFICANT ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### (XI) Fixed assets (Continued)

##### 2. Disposal of fixed assets

Item	31 December 2024	31 December 2023
Machinery equipment	93,893.69	282,500.49
Transportation equipment		33,936.47
Office equipment		3,933.07
Total	93,893.69	320,370.03

##### 3. Other explanation

Located in Mainland China	31 December 2024	31 December 2023
Medium-term (10–50 years)	2,740,378,441.84	2,662,218,533.38
Short-term (within 10 years)	624,241,768.95	417,961,936.92
Total	3,364,620,210.79	3,080,180,470.30

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### V. NOTES TO SIGNIFICANT ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### (XII) Construction in progress

Category	31 December 2024	31 December 2023
Construction in progress	1,165,017,463.16	1,240,994,875.00
Construction materials		
Total	1,165,017,463.16	1,240,994,875.00

#### 1. Construction in progress

##### (1) Construction in progress

Item	31 December 2024			31 December 2023		
	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
Cold repair and remodeling project in Yan'an New Energy (延安新能源冷修改造项目)	806,893,173.31		806,893,173.31	640,449,133.95		640,449,133.95
Cold repair and remodeling project for Phase II in Hefei photovoltaic (合肥光伏二期冷修改造项目)	331,612,929.91		331,612,929.91			
Project for Yan'an New Energy Kiln Flue Gas Control (延安新能源窯爐煙氣治理項目)	13,182,031.92		13,182,031.92			
IRICO Xianyang ultra-thin high-transparency photovoltaic glass production line construction project (彩虹威陽超薄高透光電玻璃生產線建設項目)	4,400,356.83		4,400,356.83	65,413,848.35		65,413,848.35
Jiangxi photovoltaic Shangrao ultra-thin high-transparency photovoltaic glass project (phase I) (江西光伏上饒超薄高透光電玻璃一期項目)				529,182,354.52		529,182,354.52
Other items	8,928,971.19		8,928,971.19	5,949,538.18		5,949,538.18
Total	1,165,017,463.16		1,165,017,463.16	1,240,994,875.00		1,240,994,875.00

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### V. NOTES TO SIGNIFICANT ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### (XII) Construction in progress (Continued)

##### 2. Movements of significant construction in progress

Name of project	Budgeted amount	31 December 2023	Increase for the period	Amount transferred in fixed Assets for the period	Other decreases for the period	31 December 2024
Total		1,235,045,336.82	760,445,082.88	846,374,122.94	6,209,836.71	1,142,906,460.05
Cold repair and remodeling project in Yan'an New Energy (延安新能源冷修改造項目)	941,220,000.00	640,449,133.95	169,533,103.49	3,089,064.13		806,893,173.31
Cold repair and remodeling project for phase II in Hefei photovoltaic (合肥光伏二期冷修改造項目)	480,970,000.00		331,612,929.91			331,612,929.91
IRICO Xianyang ultra-thin high-transparency photovoltaic glass production line construction project (彩虹威陽超薄高透光電玻璃生產線建設項目)	197,150,000.00	65,413,848.35	1,186,261.80	57,881,684.13	4,318,069.19	4,400,356.83
Jiangxi photovoltaic Shangrao ultra-thin high-transparency photovoltaic glass project (phase I) (江西光伏上饒超薄高透光電玻璃一期項目)	3,032,890,000.00	529,182,354.52	258,112,787.68	785,403,374.68	1,891,767.52	

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### V. NOTES TO SIGNIFICANT ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### (XII) Construction in progress (Continued)

##### 2. Movements of significant construction in progress (Continued)

Name of project	Accumulated investment in project as a percentage of total budget (%)	Project progress (%)	Accumulated amount of interest capitalized	Of which: amount of interest capitalized for the period	Interest capitalized rate for the period (%)	Sources of fund
Total			28,511,301.63	6,101,655.79		
Cold repair and remodeling project in Yan'an New Energy (延安新能源冷修改造项目)	86.06	86.06	1,622,200.39	1,622,200.39	3.45	Self-raised funds and loans from financing institution
Cold repair and remodeling project for phase II in Hefei photovoltaic (合肥光伏二期冷修改造项目)	68.95	68.95				Self-raised funds and loans from financing institution
IRICO Xianyang ultra-thin high-transparency photovoltaic glass production line construction project (彩虹威陽超薄高透光電玻璃生產線建設項目)	82.28	82.28	1,644,789.14		3.65~3.75	Self-raised funds and loans from financing institution
Jiangxi photovoltaic Shangrao ultra-thin high-transparency photovoltaic glass project (phase I) (江西光伏上饒超薄高透光電玻璃一期項目)	60.59	100.00	25,244,312.10	4,479,455.40	3.55~4.25	Self-raised funds and loans from financing institution

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### V. NOTES TO SIGNIFICANT ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### (XIII) Right-of-use assets

Item	Buildings and structures	Machinery and equipment	Total
I. Original carrying amount			
1. 31 December 2023	339,110,342.46		339,110,342.46
2. Increase for the period	7,990,235.48	11,412,145.42	19,402,380.90
(1) Additional lease	7,990,235.48	11,412,145.42	19,402,380.90
(2) Increase in business combination			
(3) Revaluation and adjustment			
(4) Other increases			
3. Decrease for the period			
(1) Disposal			
(2) Decrease in business disposal			
(3) Other decreases			
4. Balance as at 31 December 2024	347,100,577.94	11,412,145.42	358,512,723.36
II. Accumulated depreciation			
1. 31 December 2023	16,609,264.45		16,609,264.45
2. Increase for the period	45,782,115.05		45,782,115.05
(1) Provision	45,782,115.05		45,782,115.05
(2) Increase in business combination			
(3) Other increases			
3. Decrease for the period			
(1) Disposal			
(2) Decrease in business disposal			
(3) Other decreases			
4. Balance as at 31 December 2024	62,391,379.50		62,391,379.50
III. Provision for impairment			
1. 31 December 2023			
2. Increase for the period			
(1) Provision			
(2) Increase in business combination			
(3) Other increases			
3. Decrease for the period			
(1) Disposal			
(2) Decrease in business disposal			
(3) Other decreases			
4. Balance as at 31 December 2024			
IV. Carrying amount			
1. 31 December 2024	284,709,198.44	11,412,145.42	296,121,343.86
2. 31 December 2023	322,501,078.01		322,501,078.01

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### V. NOTES TO SIGNIFICANT ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### (XIV) Intangible assets

##### 1. Intangible assets

Item	Land use rights	Software	Total
I. Original carrying amount			
1. 31 December 2023	210,324,156.20	3,955,848.25	214,280,004.45
2. Increase for the period		864,464.79	864,464.79
(1) Purchase		864,464.79	864,464.79
(2) Internal research and development			
(3) Increase in business combination			
(4) Other increases			
3. Decrease for the period			
(1) Disposal			
(2) Invalid and derecognized			
(3) Decrease in business disposal			
(4) Other decreases			
4. 31 December 2024	210,324,156.20	4,820,313.04	215,144,469.24
II. Accumulated depreciation			
1. 31 December 2023	43,484,790.21	3,925,096.16	47,409,886.37
2. Increase for the period	4,224,291.36	53,658.74	4,277,950.10
(1) Provision	4,224,291.36	53,658.74	4,277,950.10
(2) Increase in business combination			
(3) Transfer from other items			
(4) Other increases			
3. Decrease for the period			
(1) Disposal			
(2) Invalid and derecognized			
(3) Decrease in business disposal			
(4) Other decreases			
4. 31 December 2024	47,709,081.57	3,978,754.90	51,687,836.47
III. Provision for impairment			
1. 31 December 2023			
2. Increase for the period			
(1) Provision			
(2) Increase in business combination			
(3) Transfer from other items			
(4) Other increases			
3. Decrease for the period			
(1) Disposal			
(2) Invalid and derecognized			
(3) Decrease in business disposal			
(4) Other decreases			
4. 31 December 2024			
IV. Carrying amount			
1. 31 December 2024	162,615,074.63	841,558.14	163,456,632.77
2. 31 December 2023	166,839,365.99	30,752.09	166,870,118.08



## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### V. NOTES TO SIGNIFICANT ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### (XV) Long-term deferred expenses

Category	31 December 2023	Increase for the period	Amortisation for the period	Other decreases	31 December 2024
Building and other renovation projects	14,420,262.05	9,375,188.65	2,853,510.59		20,941,940.11
Equipment modification item	3,319,827.08		1,133,416.32		2,186,410.76
High reliability backup power supply for 10 kV power supply	2,063,679.29		1,754,127.32		309,551.97
Other items		155,339.81	4,314.99		151,024.82
Total	19,803,768.42	9,530,528.46	5,745,369.22		23,588,927.66

#### (XVI) Deferred income tax assets and deferred income tax liabilities

##### 1. Deferred income tax assets and deferred income tax liabilities which are not offset

Item	31 December 2024		31 December 2023	
	Deferred income tax assets/liabilities	Deductible/Taxable temporary differences	Deferred income tax assets/liabilities	Deductible/Taxable temporary differences
Deferred income tax assets:				
Provision for asset impairment			2,286,928.29	15,246,188.65
Recognition of deferred income tax assets for leases	43,109,079.97	287,393,866.42	49,819,918.03	332,132,786.88
Deductible losses	437,173.54	2,914,490.26	9,084,251.53	60,561,676.90
Subtotal	43,546,253.51	290,308,356.68	61,191,097.85	407,940,652.43
Deferred income tax liabilities:				
Recognition of deferred income tax liabilities for leases	44,418,334.72	296,122,231.47	51,295,614.68	341,970,764.51
Subtotal	44,418,334.72	296,122,231.47	51,295,614.68	341,970,764.51

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### V. NOTES TO SIGNIFICANT ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(XVI) Deferred income tax assets and deferred income tax liabilities (Continued)

2. *Deferred income tax assets and deferred income tax liabilities presented on a net basis after offsetting*

Item	Amount of offsetting between deferred income tax assets and liabilities at the end of period	The balance of deferred income tax assets or liabilities after offsetting at the end of period	Amount of offsetting between deferred income tax assets and liabilities at the beginning of the period	The balance of deferred income tax assets or liabilities after offsetting at the beginning of the period
Deferred income tax assets	43,109,079.97	437,173.54	49,490,132.95	11,700,964.90
Deferred income tax liabilities	43,109,079.97	1,309,254.75	49,490,132.96	1,805,481.72

3. *Breakdown of unrecognised deferred income tax assets*

Item	31 December 2024	31 December 2023
Deductible temporary differences	363,219,591.25	216,047,887.96
Deductible losses	806,606,387.22	417,499,864.09
Total	1,169,825,978.47	633,547,752.05

4. *Deductible losses that are not recognised as deferred income tax assets will expire in the following years*

Year	31 December 2024	31 December 2023	Remarks
2024			
2025			
2026	188,930,958.39	188,930,958.39	
2027	228,568,905.70	228,568,905.70	
2028 and subsequent years	389,106,523.13		
Total	806,606,387.22	417,499,864.09	

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### V. NOTES TO SIGNIFICANT ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### (XVII) Other non-current assets

Item	31 December 2024			31 December 2023		
	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
Fixed deposit receipt	250,277,777.78		250,277,777.78	200,177,777.78		200,177,777.78
Prepayment for equipment	8,365,240.46		8,365,240.46	28,435,418.19		28,435,418.19
Total	258,643,018.24		258,643,018.24	228,613,195.97		228,613,195.97

#### (XVIII) Assets with restricted ownerships or right to use

Item	Book balance	31 December 2024			Book balance	31 December 2023		
		Carry amount	Restricted type	Restricted situation		Carry amount	Restricted type	Restricted situation
Monetary funds	51,089,568.00	51,089,568.00	Notes and margins	Restricted	84,428,028.46	84,428,028.46	Notes and margins, pledged time deposit	Restricted
Bills receivable	687,944,023.41	687,944,023.41	Pledged notes, endorsed but not matured	Restricted	651,640,128.80	651,640,128.80	Pledged notes, endorsed but not matured	Restricted
Receivables financing	140,145,632.14	140,145,632.14	Pledged notes	Restricted	195,306,433.96	195,306,433.96	Pledged notes	Restricted
Fixed assets	1,139,915,201.73	1,139,915,201.73	Secured borrowings	Restricted				
Other non-current assets	250,277,777.78	250,277,777.78	Pledged time deposit	Restricted	200,177,777.78	200,177,777.78	Pledged time deposit	Restricted
Total	2,269,372,203.06	2,269,372,203.06			1,131,552,369.00	1,131,552,369.00		-

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### V. NOTES TO SIGNIFICANT ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### (XIX) Short-term borrowings

##### 1. Categories of short-term borrowings

Conditions of borrowing	31 December 2024	31 December 2023
Not derecognized bills receivable		
Pledged borrowings		
Secured borrowings		
Guaranteed borrowings	10,000,000.00	
Credit borrowings	2,498,390,612.71	1,381,369,888.91
Total	2,508,390,612.71	1,381,369,888.91

#### (XX) Bills payables

Item	31 December 2024	31 December 2023
Bank acceptance bills	498,477,824.98	1,142,449,150.74
Commercial acceptance bills		
Total	498,477,824.98	1,142,449,150.74

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### V. NOTES TO SIGNIFICANT ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### (XXI) Trade payables

##### 1. Trade payables shown by aging

Item	31 December 2024	31 December 2023
Within 1 year (inclusive)	392,428,005.34	858,078,861.09
1 to 2 years (inclusive)	158,044,762.98	127,785,497.38
2 to 3 years (inclusive)	40,232,243.94	2,480,146.05
Over 3 years	11,995,181.14	23,919,705.52
Total	602,700,193.40	1,012,264,210.04

Note: The aging of trade payables is shown by aging based on the recording date.

##### 2. Significant trade payables aged over 1 year

Creditors	Balances as at 31 December 2024	Reasons for outstanding or non-carried forward
Qinhuangdao Glass Industry Research & Design Institute Company Limited (秦皇島玻璃工業研究設計院有限公司)	19,882,718.30	Not settled
Qinhuangdao Tucheng Glass Technology Co., Ltd. (秦皇島圖成玻璃技術有限公司)	14,867,256.62	Not settled
Hangzhou Jinggong Machinery Co., Ltd. (杭州精工機械有限公司)	12,787,610.65	Not settled
Luoyang Mountain Intelligent Equipment Co., Ltd. (洛陽名特智能設備股份有限公司)	12,632,743.36	Not settled
Total	60,170,328.93	

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### V. NOTES TO SIGNIFICANT ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### (XXI) Trade payables (Continued)

##### 3. Trade payables by nature

Item	31 December 2024	31 December 2023
Payables for equipment	340,785,943.61	609,726,834.39
Payables for materials	171,456,992.50	284,107,188.57
Payables for transportation	38,082,431.24	32,151,127.68
Payables for construction	27,966,291.54	46,601,830.40
Payables for services	23,778,811.38	39,277,935.56
Others	629,723.13	399,293.44
Total	602,700,193.40	1,012,264,210.04

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### V. NOTES TO SIGNIFICANT ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### (XXII) Receipts in advance

##### 1. Receipts in advance shown by aging

Item	31 December 2024	31 December 2023
Within 1 year (inclusive)	28,578.39	5,046.64
1 to 2 years (inclusive)		
2 to 3 years (inclusive)		
Over 3 years		
Total	28,578.39	5,046.64

#### (XXIII) Contract liabilities

##### 1. Categories of contract liabilities

Item	31 December 2024	31 December 2023
Payment for goods	2,311,780.52	4,103,706.49
Total	2,311,780.52	4,103,706.49

*Note:* The Company accounts for the advance payment from customers for goods based on goods sales contracts as contract liabilities, and the same contract liabilities are recognised as sales revenue when the control of the goods is transferred to the customer. 100.00% of the advance payment from customers for goods at the beginning of the year have all been recognised as revenue in the current year, and the contract liabilities at the end of the period are expected to be recognised as revenue in 2025.

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### V. NOTES TO SIGNIFICANT ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### (XXIV) Employee benefits payable

##### 1. Categories of employee benefits payable is shown as follows

Item	31 December 2023	Increase for the period	Decrease for the period	31 December 2024
Short-term benefits	24,274,068.88	265,991,351.71	270,681,033.00	19,584,387.59
Post-employment benefits – defined contribution scheme	356,543.52	27,533,577.88	27,890,121.40	
Termination benefits	339,221.46	234,097.97	496,366.97	76,952.46
Other benefits due within one year				
<b>Total</b>	<b>24,969,833.86</b>	<b>293,759,027.56</b>	<b>299,067,521.37</b>	<b>19,661,340.05</b>

##### 2. Short-term benefits is shown as follows

Item	31 December 2023	Increase for the period	Decrease for the period	31 December 2024
Salaries, bonuses, allowance and subsidies	21,868,041.78	210,478,685.75	214,966,117.38	17,380,610.15
Staff welfare	477,726.85	16,679,808.07	16,928,615.73	228,919.19
Social insurance		13,518,210.52	13,518,210.52	
Including: Medical insurance		11,525,165.62	11,525,165.62	
Work-related injury insurance		1,649,885.12	1,649,885.12	
Maternity insurance		343,159.78	343,159.78	
Others				
Housing provident fund		16,589,630.08	16,399,200.08	190,430.00
Labour union expenses and employee education expenses	1,763,318.46	4,532,145.54	4,764,413.99	1,531,050.01
Other short-term benefits	164,981.79	4,192,871.75	4,104,475.30	253,378.24
<b>Total</b>	<b>24,274,068.88</b>	<b>265,991,351.71</b>	<b>270,681,033.00</b>	<b>19,584,387.59</b>



## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### V. NOTES TO SIGNIFICANT ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### (XXIV) Employee benefits payable (Continued)

##### 3. Defined contribution scheme is shown as follows

Item	31 December 2023	Increase for the period	Decrease for the period	31 December 2024
Basic pension insurance	356,543.52	26,582,479.61	26,939,023.13	
Unemployment insurance		951,098.27	951,098.27	
Contributions to enterprise annuities				
Total	356,543.52	27,533,577.88	27,890,121.40	

#### (XXV) Taxes payable

Tax item	31 December 2024	31 December 2023
Value-added tax	976,820.17	1,707,218.11
Enterprise income tax		2,201,245.82
Real estate tax	2,269,831.16	2,239,180.58
Urban maintenance and construction tax	677,775.55	779,938.46
Land use tax	819,627.00	819,627.00
Stamp duty	653,196.61	604,966.02
Individual income tax	883,168.66	769,644.56
Education surcharge	6,013.93	19,787.36
Water conservancy construction funds	223,237.54	404,713.88
Other tax	267,178.69	425,834.16
Total	6,776,849.31	9,972,155.95

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### V. NOTES TO SIGNIFICANT ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### (XXVI) Other payables

Item	31 December 2024	31 December 2023
Interest payable		
Dividends payable		
Other payables	39,836,814.75	97,663,667.19
Total	39,836,814.75	97,663,667.19

#### 1. Other payables

##### (1) Payables classified by nature

Item	31 December 2024	31 December 2023
Retention money and deposits	18,132,611.84	34,185,832.12
Subsidies payable	7,926,303.86	7,525,000.00
Property lease fee	5,581,385.39	11,321,799.19
Advances on behalf	4,744,189.08	5,947,063.08
Interest on borrowings from non-financial institutions		31,092,733.24
Current accounts	1,163,504.44	1,515,821.08
Others	2,288,820.14	6,075,418.48
Total	39,836,814.75	97,663,667.19

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### V. NOTES TO SIGNIFICANT ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### (XXVI) Other payables (Continued)

##### 1. Other payables (Continued)

##### (2) Other major payables aged more than one year

Name of unit	Balance as at 31 December 2024	Reasons for outstanding or non-carried forward
Xianyang Zhongdian IRICO Group Holdings Ltd. (咸陽中電彩虹集團控股有限公司)	5,581,385.39	Not settled
Shaanxi Rainbow Industrial Intelligent Technology Co., Ltd. (陝西彩虹工業智能科技有限公司)	4,068,000.00	Not settled
Total	9,649,385.39	

#### (XXVII) Non-current liabilities due within one year

Item	31 December 2024	31 December 2023
Long-term loans due within one year	904,920,142.91	386,308,882.36
Bonds payables due within one year		
Long-term payables due within one year	976,423.62	2,091,736.11
Lease liabilities due within one year	45,491,786.92	39,440,318.35
Total	951,388,353.45	427,840,936.82

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### V. NOTES TO SIGNIFICANT ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### (XXVII) Non-current liabilities due within one year (Continued)

Explanations on long-term loans due within one year:

Guaranteed loans:

Lender	31 December 2024	Guarantor
Shanghai Pudong Development Bank Co., Ltd. Xianyang Branch (上海浦東發展銀行股份有限公司咸陽分行)	20,187,918.96	IRICO Group New Energy Company Limited (彩虹集團新能源股份有限公司)
Total	20,187,918.96	

Secured loan:

Lender	31 December 2024	Collateral
China Construction Bank Corporation Shangrao Branch (中國建設銀行股份有限公司上饒市分行)	123,031,768.89	Fixed assets
Total	123,031,768.89	

*Note 1:* The remaining long-term borrowings due within one year of RMB761,700,500 are credit borrowings.

*Note 2:* The Guarantor is the Company, which guarantees its subsidiaries.

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### V. NOTES TO SIGNIFICANT ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### (XXVIII) Other current liabilities

Item	31 December 2024	31 December 2023
Bills endorsement	648,324,356.04	483,415,135.38
Pending VAT output	300,371.41	533,481.86
Total	648,624,727.45	483,948,617.24

#### (XXIX) Long-term borrowings

Item	31 December 2024	31 December 2023	Interest rate range
Mortgage borrowings			
Pledged borrowings	608,531,768.89		2.85%–3.45%
Guaranteed borrowings	77,734,501.96	1,350,693,262.27	3.98%
Credit borrowings	1,867,625,455.06	1,051,086,761.12	2.25%–3.65%
Subtotal	2,553,891,725.91	2,401,780,023.39	
Less: Long-term borrowings due within one year	904,920,142.91	386,308,882.36	
Total	1,648,971,583.00	2,015,471,141.03	

Explanations on classification of long-term borrowings:

Guaranteed borrowings:

Lender	31 December 2024	Guarantor
Shanghai Pudong Development Bank Co., Ltd. Xianyang Branch (上海浦東發展銀行股份有限公司咸陽分行)	57,546,583.00	IRICO Group New Energy Company Limited (彩虹集團新能源股份有限公司)
Total	57,546,583.00	

Note: The Guarantor is the Company, which guarantees its subsidiaries.

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### V. NOTES TO SIGNIFICANT ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### (XXIX) Long-term borrowings (Continued)

Secured loan:

Lender	31 December 2024	Collateral
China Construction Bank Corporation Shangrao Branch (中國建設銀行股份有限公司上饒市分行)	485,500,000.00	Fixed assets
Total	485,500,000.00	

#### (XXX) Lease liabilities

Item	31 December 2024	31 December 2023
Lease payments	325,055,819.58	361,862,190.33
Less: Unrecognized financing expenses	33,262,238.55	49,199,090.03
Lease liabilities due within one year	45,491,786.92	39,440,318.35
Total	246,301,794.11	273,222,781.95

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### V. NOTES TO SIGNIFICANT ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### (XXXI) Long-term payables

Item	31 December 2024	31 December 2023
Long-term payables		50,000,000.00
Special payables		
Total		50,000,000.00

#### 1. Classification of long-term payables

Item	31 December 2024	31 December 2023
Borrowings	976,423.62	52,091,736.11
Subtotal	976,423.62	52,091,736.11
Less: Long-term payables due within one year	976,423.62	2,091,736.11
Total		50,000,000.00

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### V. NOTES TO SIGNIFICANT ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### (XXXII) Deferred income

Item	31 December 2023	Increase for the period	Decrease for the period of	31 December 2024	Source
Government grants	116,034,432.98	20,733,533.34	12,757,032.32	124,010,934.00	Appropriation
Total	116,034,432.98	20,733,533.34	12,757,032.32	124,010,934.00	

#### Projects involving government grants:

Item	31 December 2023	New grants during the period	Amount included in other income during the period	Other changes	31 December 2024	Related to assets/related to income
Local incentives fund (地方性獎勵資金)	57,814,921.20		1,550,697.84		56,264,223.36	Related to assets
The first batch of equipment subsidy for IRICO Shangrao Project (彩虹上饒項目第一批設備補貼款)	37,020,416.66		6,438,333.36		30,582,083.30	Related to assets
Plant subsidy for Jiangxi Photovoltaic (江西光伏廠房補貼)		13,771,333.34			13,771,333.34	Related to income
Phase I glass kiln waste gas treatment system upgrade and renovation project (一期玻璃窯爐廢氣處理系統升級改造項目)	10,650,000.00		1,800,000.00		8,850,000.00	Related to assets
Large-size ultra-thin photovoltaic glass production technology renovation project (大尺寸超薄光伏玻璃生產技術改造項目)	5,790,543.06		978,683.28		4,811,859.78	Related to assets
The second batch of equipment subsidy for Jiangxi Photovoltaic (江西光伏第二批設備補貼)		5,000,000.00	1,041,666.60		3,958,333.40	Related to assets
Construction of a smart plant for solar photovoltaic glass manufacture (太陽能光伏玻璃製造智能化工廠建設項目)	2,153,846.14				2,153,846.14	Related to assets
Phase III project of Hefei Photovoltaic regarding industrialization of ultra-thin and high-transmissivity photoelectric glass and research and development for technical equipment (合肥光伏三期超薄高透光電玻璃產業化及工藝裝備研發項目)		1,524,200.00	21,169.76		1,503,030.24	Related to assets



## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### V. NOTES TO SIGNIFICANT ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### (XXXII) Deferred income (Continued)

Item	31 December 2023	New grants during the period	Amount included in other income during the period	Other changes	31 December 2024	Related to assets/related to income
Special project (fund) for guiding technological innovation in Shaanxi Province for 2023 allocated by Science and Technology Department of Shaanxi Province (陝西省科學技術廳撥付2023年陝西省技術創新引導專項(基金))	1,000,000.00		64,814.82		935,185.18	Related to assets
Equipment upgrade project of wide high-transmissivity and ultra-thin photovoltaic glass 18X (寬幅高透超薄光伏玻璃18X設備提升改造項目)	764,705.92				764,705.92	Related to assets
Jiangxi Photovoltaic Shangrao Economic Development Zone Management Committee awards for enterprises for 2023 (江西光伏上饒經開區管委會2023年度企業獎勵)		300,000.00	21,666.66		278,333.34	Related to assets
Fund subsidy for hazardous and waste intelligent equipment from the Management Committee of Xianyang City Introduction of Equipment Intelligent Manufacturing Industrial Park (咸陽市裝備製造產業園管委會危廢智能設備資金補貼)		138,000.00			138,000.00	Related to assets
Government subsidy for solar photovoltaic glass and coated tempered glass production line (太陽能光伏玻璃及鍍膜鋼化玻璃生產線政府補助)	840,000.00			-840,000.00		Related to assets
Total	116,034,432.98	20,733,533.34	11,917,032.32	-840,000.00	124,010,934.00	

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### V. NOTES TO SIGNIFICANT ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### (XXXIII) Share capital

Item	31 December 2023	Issue of new shares	Increase/(decrease)/(+, -) for the period			Subtotal	31 December 2024
			Bonus issue	Shares transferred from reserve	Others		
Total shares	176,322,070.00						176,322,070.00

#### (XXXIV) Capital reserve

Item	Opening balance	Increase for the period	Decrease for the period	Closing balance
Capital premium (share premium)	546,968,390.11			546,968,390.11
Other capital reserve	3,734,191,984.53			3,734,191,984.53
Total	4,281,160,374.64			4,281,160,374.64

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### V. NOTES TO SIGNIFICANT ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### (XXXV) Other comprehensive income

Item	31 December 2023	Amount for the period						31 December 2024
		Amount before income tax for the period	Less: Amount transferred to profit or loss for those previously included in other comprehensive income	Less: Amount transferred to retained profit for those previously included in other comprehensive income	Less: Income tax	Attributable to the parent company after tax	Attributable to minority interests after tax	
I. Other comprehensive income that will not be reclassified to profit or loss	-133,467,186.43	53,158,750.90				53,158,750.90		-80,308,435.53
Including: Changes in fair value of investments in other equity instruments	-133,467,186.43	53,158,750.90				53,158,750.90		-80,308,435.53
Total other comprehensive income	-133,467,186.43	53,158,750.90				53,158,750.90		-80,308,435.53

#### (XXXVI) Surplus reserve

Item	31 December 2023	Increase for the period	Decrease for the period	31 December 2024
Statutory surplus reserve	22,477,267.06			22,477,267.06
Total	22,477,267.06			22,477,267.06

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### V. NOTES TO SIGNIFICANT ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### (XXXVII) Undistributed profits

Item	2024	2023
Undistributed profits at the previous period before adjustment	-2,547,217,266.54	-2,316,261,778.74
Adjustment for undistributed profits at beginning of period (“+” for plus; “-” for less)		
Undistributed profits at beginning of period after adjustment	-2,547,217,266.54	-2,316,261,778.74
Add: Net profit attributable to owners of the parent company during the period	-375,953,814.61	-230,955,487.80
Less: Withdrawal of statutory surplus reserves		
Undistributed profits at end of period	-2,923,171,081.15	-2,547,217,266.54

#### (XXXVIII) Operating revenue and operating costs

##### 1. Information on operating revenue and operating costs

Item	2024		2023	
	Revenue	Costs	Revenue	Costs
Principal businesses	3,246,365,419.77	3,365,704,904.13	3,111,034,859.29	2,911,888,388.20
Other businesses	29,854,668.04	5,739,186.52	34,350,643.05	15,792,827.46
Total	3,276,220,087.81	3,371,444,090.65	3,145,385,502.34	2,927,681,215.66

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### V. NOTES TO SIGNIFICANT ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### (XXXVIII) Operating revenue and operating costs (Continued)

##### 1. Information on operating revenue and operating costs (Continued)

Details of operating revenue:

Item	2024	2023
I. Subtotal from principal businesses	3,246,365,419.77	3,111,034,859.29
Including: Photovoltaic glass	3,246,365,419.77	3,111,034,859.29
II. Subtotal from other businesses	29,854,668.04	34,350,643.05
Including: Revenue from hydropower	10,260,308.24	8,561,607.32
Sales of scrap	11,698,403.11	18,204,008.37
Others	7,895,956.69	7,585,027.36
Total	3,276,220,087.81	3,145,385,502.34

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### V. NOTES TO SIGNIFICANT ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### (XXXVIII) Operating revenue and operating costs (Continued)

##### 2. Revenue from contract

Category	Solar photovoltaic and module business		Others		Intersegment eliminations		Total	
	Operating revenue	Operating costs	Operating revenue	Operating costs	Operating revenue	Operating costs	Operating revenue	Operating costs
Types of business:								
Revenue from principal businesses	3,246,365,419.77	3,365,704,904.13					3,246,365,419.77	3,365,704,904.13
Revenue from other businesses			29,854,668.04	5,739,186.52			29,854,668.04	5,739,186.52
Total	3,246,365,419.77	3,365,704,904.13	29,854,668.04	5,739,186.52			3,276,220,087.81	3,371,444,090.65
Categorized by transfer time of commodities:								
Recognized by a certain point of time	3,246,365,419.77	3,365,704,904.13	21,958,711.35	2,489,260.28			3,268,324,131.12	3,368,194,164.41
Recognized during a certain period			7,888,861.11	3,249,926.24			7,888,861.11	3,249,926.24
Total	3,246,365,419.77	3,365,704,904.13	29,847,572.46	5,739,186.52			3,276,212,992.23	3,371,444,090.65

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### V. NOTES TO SIGNIFICANT ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(XXXVIII) Operating revenue and operating costs (Continued)

#### 3. Revenue from geographical information

Item	2024	2023
The PRC (excluding Hong Kong)	3,275,378,522.37	3,145,385,502.34
Other countries or regions	841,565.44	
Total	3,276,220,087.81	3,145,385,502.34

#### 4. Explanation about major customers

In 2024, the Company has no (2023: one) customer which individually represented over 10% of the Company's total external sales.

The external sales to the major customer during the year are as follows:

Customer	2024	2023
Customer A		384,736,329.56
Total		384,736,329.56

*Note:* Customer A was from products of photovoltaic glass industry.

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### V. NOTES TO SIGNIFICANT ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### (XXXVIII) Operating revenue and operating costs (Continued)

##### 5. Description on performance obligation

When the Company has implemented the performance obligation in the contract, namely, when the customer obtains the right to control relevant assets (goods or services), revenues will be recognized. Whether performance obligations satisfied over time or at a point in time is based on the terms of contracts and related law regulations. The Company satisfies a performance obligation over time, if one of the following criteria is met:

1. the customer simultaneously receives and consumes the economic benefits when the Company perform its obligations.
2. the customer gains control of an asset as the asset is created or enhanced by the Company in the course of performance.
3. the Company's performance does not create an asset with an alternative use to the Company and the Company has an enforceable right to payment for performance completed to date.

If the performance obligations satisfied over time, the Company will recognise revenue via contract performance schedule, otherwise the Company shall recognise revenue at a point in time when customer obtains control of relevant asset. Performance schedule is based on the value of the goods that have been transferred to the customer to determine the contract performance schedule.

#### (XXXIX) Taxes and surcharges

Item	2024	2023
Real estate tax	9,074,895.38	8,560,034.38
Water conservancy construction funds	4,042,106.45	3,596,956.59
Land use tax	3,278,508.00	3,278,508.00
Urban maintenance and construction tax	1,398,793.22	1,320,036.94
Education surcharge	1,058,338.11	962,422.51
Stamp duty and others	5,737,426.05	6,313,830.59
Total	24,590,067.21	24,031,789.01



## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### V. NOTES TO SIGNIFICANT ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### (XL) Selling expenses

Item	2024	2023
Payroll	4,085,958.83	3,039,230.44
Traveling expenses	2,565,201.10	2,173,105.78
Entertainment expenses	440,129.25	402,794.19
Certification test fees	348,451.04	2,240,154.69
Others	214,516.16	239,492.85
Total	7,654,256.38	8,094,777.95

#### (XLI) Administrative expenses

Item	2024	2023
Payroll	40,747,053.33	51,221,700.92
Depreciation and amortization expense	9,977,133.80	37,296,650.01
Agency expenses	4,770,499.94	17,531,813.77
Property rental income	3,745,510.81	4,941,740.62
Cleaning expenses	2,414,611.31	2,239,375.45
Office expenses	2,220,560.42	1,440,808.87
Disabled security fund	2,041,153.24	2,041,153.24
Auditors' remuneration	1,858,490.57	1,858,490.57
Repair maintenance expenses	1,565,689.68	48,798,023.35
Traveling expenses	1,403,770.69	1,716,411.47
Energy charge	721,701.68	797,089.77
Entertainment fees	792,855.67	709,341.45
Depreciation of right-of-use assets	776,792.37	543,100.08
Collecting and paying retirement wages	726,889.50	737,960.00
Insurance	603,402.39	371,809.32
Others	2,494,610.04	2,309,245.20
Total	76,860,725.44	174,554,714.09

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### V. NOTES TO SIGNIFICANT ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### (XLII) Research and development expenses

Item	2024	2023
Materials costs	67,326,968.14	51,913,647.49
Power expenses	28,464,321.14	25,339,801.55
Payroll	22,073,973.32	23,455,181.32
Depreciation	2,524,965.12	1,469,315.50
Others	419,167.60	749,348.81
Total	120,809,395.32	102,927,294.67

#### (XLIII) Finance costs

Item	2024	2023
Interest costs	155,339,443.71	102,049,205.24
Including: Interest expenses for lease liabilities	10,665,994.49	5,300,022.09
Less: Interest income	20,737,808.67	15,742,087.73
Exchange losses or gains	-6,861.30	-2,806.12
Other expense	1,807,105.48	2,015,048.77
Total	136,401,879.22	88,319,360.16

#### (XLIV) Other incomes

Item	2024	2023
Government grants	112,048,434.38	32,460,169.03
VAT input tax deduction	23,842,510.85	9,689,553.79
Handling fee for withholding individual income tax	42,105.58	41,757.68
Total	135,933,050.81	42,191,480.50

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### V. NOTES TO SIGNIFICANT ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### (XLIV) Other incomes (Continued)

Government grants included in other incomes:

Item	2024	2023	Related to assets/Related to income
Rent subsidy for factory of Jiangxi Photovoltaic Economic Development Zone (江西光伏經開區廠房租金補貼)	48,199,666.66		Related to income
Subsidy for utilities of Jiangxi Photovoltaic Economic Development Zone (江西光伏經開區電費補貼)	21,331,000.00		Related to income
Rent subsidy for Xianyang Photovoltaic (咸陽光伏租金補助)	12,213,578.40	12,213,578.40	Related to income
First batch of equipment subsidies for IRICO Shangrao project (彩虹上饒項目第一批設備補貼款)	6,438,333.36	1,609,583.34	Related to assets
Awards for 2022 financial increment of technical improvement from the Economic Development Bureau (Science and Technology Bureau) (District-level) (經濟發展局(科學技術局)2022年技術改造財政增量獎勵(區級配套))	5,000,000.00		Related to income
Awards for 2022 financial incremental contribution of technical improvement from the High-tech Economic Development Bureau (Science and Technology Bureau) of Xinzhan District of Hefei (Municipal level) (合肥新站高新經濟發展局(科學技術局)2022年技術改造財政增量貢獻獎勵資金(市級))	4,970,300.00		Related to income
Quality enhancement and efficiency demonstration project funds for 2023 foreign economic and trade development (central) of Yan'an Economic and Technological Development Zone Finance and Taxation Sub-bureau, Finance Bureau, Yan'an (延安市財政局延安經濟技術開發區財稅分局2023年度外經貿發展(中央)提質增效示範項目資金)	2,700,000.00	4,000,000.00	Related to income
Green and Low-Carbon Upgrade Program Subsidy of the Hefei Municipal Bureau of Industry and Information Technology's Policies for Promoting Economic Development (合肥市工業和信息化局促進經濟發展若干政策綠色低碳升級改造項目補貼)	2,699,700.00		Related to income
Upgrade and renovation project for phase I glass kiln waste gas treatment system (一期玻璃窯爐廢氣處理系統升級改造項目)	1,800,000.00	150,000.00	Related to assets

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### V. NOTES TO SIGNIFICANT ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### (XLIV) Other incomes (Continued)

Item	2024	2023	Related to assets/Related to income
Local incentive funds (地方性獎勵資金)	1,550,697.84	1,550,697.84	Related to assets
The second batch of equipment subsidy for Jiangxi Photovoltaic (江西光伏第二批設備補貼)	1,041,666.60		Related to assets
Technology transformation project for large-size ultra-thin photovoltaic glass production of Hefei Photovoltaic (合肥光伏大尺寸超薄光伏玻璃生產性技術改造項目)	978,683.28		Related to assets
Government subsidy for solar photovoltaic glass and coated tempered glass production line (太陽能光伏玻璃及鍍膜鋼化玻璃生產線政府補助)		200,000.00	Related to assets
Subsidy for stabilizing employment (穩崗補貼)	807,254.36	708,036.30	Related to income
Incentives grants of manufacturing strong province, private economic policy from the Economic and Trade Development Bureau of Xinzhan District of Hefei (合肥新站經貿發展局製造強省、民營經濟政策獎勵資金)	512,000.00	1,000,000.00	Related to income
2023 provincial R&D incentive funds for small and medium-sized manufacturing enterprises under the Qindu District of Xianyang Bureau of Industry and Information Technology (咸陽市秦都區工業和信息化局2023年省級中小製造業企業研發經費獎補資金)	460,000.00		Related to income
2023 incentive funds for newly recognized provincial innovation carriers under the High-tech Zone Branch of the Xianyang Municipal Finance Bureau (咸陽市財政局高新區分局2023年度新認定省級創新載體獎勵資金)	200,000.00		Related to income
Economic and Technological Development Zone Employment, Entrepreneurship, and Social Security Service Center social security subsidy in Shangrao (上饒經濟技術開發區就業創業和社會保障服務中心社保補貼)	136,000.00		Related to income
One-off employment expansion grant at Employment and Entrepreneurship Service Center in Shangrao (上饒市就業創業服務中心一次性擴崗補助)	106,500.00		Related to income

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### V. NOTES TO SIGNIFICANT ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### (XLIV) Other incomes (Continued)

Item	2024	2023	Related to assets/Related to income
Hefei Municipal Bureau of Industry and Information Technology's 2023 annual subsidies for digital, networked, and intelligent transformation and upgrading project (合肥市工業和信息化局2023年度數字化、網絡化、智能化等轉型升級項目補貼)	101,800.00		Related to income
Funds from High-tech Economic Development Bureau (Science and Technology Bureau) of Xinzhan District of Hefei (合肥新站高新經濟發展局(科學技術局)款項)	200,000.00		Related to income
Incentive funds for high-tech enterprises certification under the Science and Technology Department of Shaanxi Province (陝西省科學技術廳高新企業認定獎勵款)	100,000.00	50,000.00	Related to income
Rewards for 2022 high-tech enterprises of Qinchuangyuan (Xianyang) Innovation Promotion Center Co. Ltd. (秦創原(咸陽)創新促進中心有限公司轉22年高企獎補)	100,000.00		Related to income
Funds of 2023 "Specialised, Refined, Differentiated and Innovative" Project at the municipal level from the Industry and Information Bureau of Qindu District, Xianyang (咸陽市秦都區工業和信息化局23年市級"專精特新"項目資金)	100,000.00		Related to income
Photovoltaic power station subsidy in Hefei (合肥市光伏電站度電補貼)		3,027,500.00	Related to income
Provincial key industry chain development project funds in 2023 received from the Industry and Information Bureau of Qindu District, Xianyang (咸陽市秦都區工業和信息化局2023年省級重點產業鏈發展項目資金)		2,200,000.00	Related to income
Subsidy for listed reserve enterprises allocated from the zero balance special account of the High-tech Zone Branch of Xianyang Municipal Finance Bureau (咸陽市財政局高新區分局零餘額專戶撥付的上市後備企業補助)		2,100,000.00	Related to income
Solar photovoltaic glass manufacturing intelligent factory construction project (太陽能光伏玻璃製造智能化工廠建設項目)		753,846.17	Related to assets
Factory subsidy for IRICO Shangrao Project (彩虹上饒項目廠房補貼)		666,666.64	Related to assets

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### V. NOTES TO SIGNIFICANT ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### (XLIV) Other incomes (Continued)

Item	2024	2023	Related to assets/Related to income
Incentive payment for the nine rules granted by Qinchuangyuan (秦創原九條政策獎勵款)		400,000.00	Related to income
The third batch of incentive subsidies for the individual champion of the manufacturing industry in Shaanxi Province allocated from the zero balance special account of the High-tech Zone Branch of the Xianyang Municipal Finance Bureau (咸陽市財政局高新區分局零餘額專戶撥付的第三批陝西省製造業單項冠軍獎補資金)		300,000.00	Related to income
Equipment upgrade project of wide high-transmissivity and ultra-thin photovoltaic glass 18X (寬幅高透超薄光伏玻璃18X設備提升改造項目)		267,647.03	Related to assets
Funds received from Xianyang Municipal Science and Technology Bureau for the transfer of major technological research projects (咸陽市科技局轉重大技術攻關項目經費)		200,000.00	Related to income
Funds received from Maquan Street Office, Qindu District, Xianyang City for the incentive fund for new large-scale industrial enterprises in the fourth quarter of 2022 (咸陽市秦都區馬泉街道辦轉2022年四季度新增規模工業企業獎勵資金)		200,000.00	Related to income
Award for quality benchmarking enterprises in Shaanxi Province for 2022 allocated by Finance Bureau of Xianyang High-tech Zone (咸陽市高新區財政局撥付的2022年陝西省質量標桿企業獎勵)		200,000.00	Related to income
Government subsidy for the "scientist + engineer" team construction project for Qinchuangyuan in Shaanxi Province (陝西省秦創原"科學家+工程師"隊伍建設項目政府補助)		180,000.00	Related to income
Other small sums	301,253.88	482,613.31	Related to income
Total	112,048,434.38	32,460,169.03	

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### V. NOTES TO SIGNIFICANT ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### (XLV) Investment gains

Item	2024	2023
Interest income from certificates of deposit	9,999,999.84	15,514,888.71
Investment income of held-for-trading financial assets during the holding period	20,816.72	19,582.87
Investment income from disposal of held-for-trading financial assets	4,733.53	51,857.08
Bills discounted interest	-2,719,264.50	-13,014,797.47
Total	7,306,285.59	2,571,531.19

#### (XLVI) Gains from changes in fair value

Source of gains from changes in fair value	2024	2023
Held-for-trading financial assets	67,825.70	39,685.25
Including: Financial assets that are measured at fair value through current or loss	67,825.70	39,685.25
Total	67,825.70	39,685.25

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### V. NOTES TO SIGNIFICANT ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### (XLVII) Credit impairment losses

Item	2024	2023
Credit impairment losses of accounts receivables	2,260,085.63	-4,225,809.81
Credit impairment losses of other receivables		-4,958.50
Total	2,260,085.63	-4,230,768.31

#### (XLVIII) Asset impairment losses

Item	2024	2023
Losses on impairment of inventories and losses on impairment of contract performance cost	-89,666,199.20	-78,409,639.00
Impairment loss of fixed assets		-8,142,197.13
Total	-89,666,199.20	-86,551,836.13



## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### V. NOTES TO SIGNIFICANT ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### (XLIX) Gains from disposal of assets

Item	2024	2023	Amount included in non-recurring profit or loss for the period
Gains from disposal of non-current assets	2,667,399.89	992,224.12	2,667,399.89
Total	2,667,399.89	992,224.12	2,667,399.89

#### (L) Non-operating income

##### 1. Non-operating income by item

Item	2024	2023	Amount included in non-recurring profit or loss for the period
Payables that cannot be paid	43,148,926.59		43,148,926.59
Gains from liquidated damages	1,381,782.49	10,000.00	1,381,782.49
Forfeiture and penalty income	67,378.41	115,701.80	67,378.41
Others	3,069.72	116,604.19	3,069.72
Total	44,601,157.21	242,305.99	44,601,157.21

#### (LI) Non-operating expenses

Item	2024	2023	Amount included in non-recurring profit or loss for the period
Losses on destroy or scrap of non-current assets		557,203.05	
Others	56,710.54	63,106.80	56,710.54
Total	56,710.54	620,309.85	56,710.54

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### V. NOTES TO SIGNIFICANT ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### (LII) Income tax expenses

##### 1. Breakdown of income tax expenses

Item	2024	2023
Income tax expenses for the current period calculated according to tax law and related regulations	6,758,818.90	2,184,761.62
Deferred income tax expenses	10,767,564.39	3,181,389.74
Total	17,526,383.29	5,366,151.36

##### 2. Adjustment of accounting profit and income tax expenses for the current period

Item	Amount
Total profit	-358,427,431.32
Income tax expenses calculated based on the statutory or applicable tax rate	-53,764,114.70
Impact of different applicable tax rates to subsidiaries	
Impact of income tax for the period before adjustment	17,526,383.29
Tax effect of non-taxable income	
Impact of cost, expenses and losses not deductible for tax	14,507,371.28
Impact of utilization of deductible loss or deductible temporary differences of deferred income tax assets not recognized for the previous period	-999,476.24
Tax effect of deductible temporary differences or deductible loss of unrecognized deferred income tax assets in the current period	58,365,978.47
Others	-18,109,758.81
Income tax expenses	17,526,383.29

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### V. NOTES TO SIGNIFICANT ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### (LIII) Statement of cash flows

##### 1. Cash relating to operating activities

Item	2024	2023
Cash received relating to other operating activities	139,529,014.37	185,059,181.54
Including: Recovery of accounts receivable, deposits and others	10,602,494.23	98,395,918.68
Government subsidies and income tax handling fee refunds received	108,394,284.75	71,294,129.86
Interest income received	20,532,235.39	15,369,133.00
Cash paid relating to other operating activities	70,958,896.63	72,189,491.09
Including: Payment of accounts payable, deposits and others	52,954,029.84	58,324,821.41
Agency expenses	6,735,551.31	5,401,352.59
Traveling expenses	4,950,492.76	4,755,142.72
Lease and property management fees	3,697,815.76	1,026,945.77
Commission and handling fees	1,041,982.77	948,128.28
Office expenses	822,693.86	1,217,913.08
Insurance	612,644.48	405,557.12
Advertisement fees	143,685.85	109,630.12

##### 2. Cash relating to investing activities

Item	2024	2023
Cash received relating to other investing activities	275,000.00	
Including: Long-term asset margins received	275,000.00	
Cash paid relating to other investing activities	457,667.90	
Including: Long-term asset margins paid	457,667.90	

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### V. NOTES TO SIGNIFICANT ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### (LIII) Statement of cash flows (Continued)

##### 3. Cash received or paid relating to other financing activities

Item	2024	2023
Cash received relating to other financing activities		
Including: Bill discount		
Cash paid relating to other financing activities	97,993,849.71	31,526,717.14
Including: Payment of loan from Shangrao Binjiang Investment Co., Ltd.	50,000,000.00	
Payment of lease liabilities and interest	47,993,849.71	21,239,329.03
Bill discount		8,537,388.11
Payment of listing intermediary fees		1,750,000.00

##### Changes in liabilities arising from financing activities

Item	31 December 2023	Increase in the period		Decrease in the period		31 December 2024
		Cash changes	Non-cash changes	Cash changes	Non-cash changes	
Accounts payable	1,409,622.64					1,409,622.64
Lease liabilities	186,067,151.58		189,947,013.70	38,744,767.30	12,213,578.40	325,055,819.58
Long-term payables			50,000,000.00	50,000,000.00		
Total	187,476,774.22		239,947,013.70	88,744,767.30	12,213,578.40	326,465,442.22

*Note:* The difference of RMB3,486,172.10 and RMB5,762,910.31 from cash paid for other financing activities are respectively due to the VAT portion and the payment of previous rent from other payables.

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### V. NOTES TO SIGNIFICANT ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(LIV) Supplementary information on statement of cash flows

#### 1. Supplementary information on statement of cash flows

Item	2024	2023
1. Reconciliation of net profit as cash flows from operating activities:		
Net profit	-375,953,814.61	-230,955,487.80
Add: Provision for assets impairment	89,666,199.20	86,551,836.13
Credit impairment losses	-2,260,085.63	4,230,768.31
Depreciation of investment property, depreciation of fixed assets, depreciation of oil and gas assets and depreciation of productive biological assets	276,014,784.97	175,071,090.32
Depreciation of right-of-use assets	45,782,115.05	16,609,264.45
Amortisation of intangible assets	4,277,950.10	4,313,671.92
Amortisation of long-term deferred expenses	5,745,369.22	2,448,339.56
Loss on disposal of fixed assets, intangible assets and other long-term assets ("-" denotes gain)	-2,667,399.89	-992,224.12
Loss on retirement of fixed assets ("-" denotes gain)		557,203.05
Losses from net exposure hedges ("-" denotes gain)		
Loss on changes in fair value ("-" denotes gain)	-67,825.70	-39,685.25
Finance expenses ("-" denotes gain)	155,339,443.71	102,046,399.12
Investment losses ("-" denotes gain)	-7,306,285.59	-2,571,531.19
Decrease in deferred income tax assets ("-" denotes increase)	11,263,791.36	1,375,908.02
Increase in deferred income tax liabilities ("-" denotes decrease)	-496,226.97	1,805,481.72
Decrease in inventories ("-" denotes increase)	-373,048,372.40	53,917,036.10
Decrease in operating receivables ("-" denotes increase)	20,555,306.65	-315,751,690.36
Increase in operating payables ("-" denotes decrease)	-360,095,627.58	378,345,208.17
Others		
Net cash flows from operating activities	-513,250,678.11	276,961,588.15

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### V. NOTES TO SIGNIFICANT ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(LIV) Supplementary information on statement of cash flows (Continued)

1. *Supplementary information on statement of cash flows (Continued)*

Item	2024	2023
2. Major investing and financing activities not involving cash settlements: Conversion of debts to capital Convertible corporate bonds due within one year Leased fixed assets		
3. Net changes in cash and cash equivalents:		
Closing balance of cash	372,373,245.52	950,634,372.10
Less: Opening balance of cash	950,634,372.10	408,832,090.42
Add: Closing balance of cash equivalents		
Less: Opening balance of cash equivalents		
Net increase in cash and cash equivalents	-578,261,126.58	541,802,281.68

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### V. NOTES TO SIGNIFICANT ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(LIV) Supplementary information on statement of cash flows (Continued)

#### 2. Cash and cash equivalents

Item	31 December 2024	31 December 2023
I. Cash	372,373,245.52	950,634,372.10
Including: Cash on hand		
Bank deposits readily available for payment	372,373,245.52	950,634,372.10
Other monetary funds readily available for payment		
Deposits with the central bank available for payment		
Deposits with banks and other financial institutions		
Loans from banks and other financial institutions		
II. Cash equivalents		
Including: Bond investment due in three months		
III. Closing balance of cash and cash equivalents	372,373,245.52	950,634,372.10
Including: Restricted cash and cash equivalents of the parent company or subsidiaries within the Group		

(LV) Foreign currency items

#### 1. Foreign currency items

Item	31 December 2024	Exchange rate	Closing balance in RMB
Monetary funds	121,781.78	7.1884	875,416.15
Including: USD	121,781.78	7.1884	875,416.15

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### V. NOTES TO SIGNIFICANT ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### (LVI) Leases

##### 1. As lessee

Item	2024	2023
Interest expenses of lease liabilities	10,665,994.49	5,300,022.09
Total cash outflows for leases	47,993,849.71	21,239,329.03

##### 2. As lessor

###### (1) Operating leases

Item	2024	2023
Revenue from operating leases	7,888,861.11	7,578,121.70

Undiscounted leases receipts to be received after balance sheet date:

Remaining lease period	2024	2023
Within 1 year	1,737,375.00	1,847,550.00
1 to 2 years		
Total	1,737,375.00	1,847,550.00



## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### V. NOTES TO SIGNIFICANT ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(LVII) Trial sale

Item	2024	2023
Operating revenue	44,251,573.45	164,608,621.48
Operating costs	45,789,631.90	142,990,572.97

(LVIII) Supplementary information of income statement by nature of expenses

Operating costs, selling expenses, administrative expenses, research and development expenses and finance costs in income statement classified by nature were as follows:

Item	2024	2023
Materials, fuel and power expenses	2,831,112,537.66	2,612,801,309.21
Depreciation and amortization expenses	331,820,219.34	245,239,057.61
Payroll	256,670,275.20	198,916,694.44
Finance expenses	136,401,879.22	86,863,784.59
Transportation expenses	110,957,318.16	88,319,360.16
Repair maintenance expenses	39,542,575.03	48,798,023.35
Agency expenses	6,665,542.40	19,390,304.34
Loss on shutdown		1,248,828.83
Total	3,713,170,347.01	3,301,577,362.53

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### VI. Research and development expenditures

#### (I) Expenses by nature

Item	2024	2023
Materials costs	67,326,968.14	51,913,647.49
Power expenses	28,464,321.14	25,339,801.55
Payroll	22,073,973.32	23,455,181.32
Depreciation	2,524,965.12	1,469,315.50
Others	419,167.60	749,348.81
Total	120,809,395.32	102,927,294.67
Including: Expensed R&D Expenditure	120,809,395.32	102,927,294.67
Capitalized R&D Expenditure		

### VII. CHANGES ON SCOPE OF COMBINATION

None.

### VIII. INTERESTS IN OTHER ENTITIES

#### (I) Interests in subsidiaries

##### 1. Composition of enterprise group

Name of subsidiary	Principal place of business	Registered capital (RMB'000)	Place of registration	Nature of business	Shareholding ratio (%)		Method for acquisition
					Direct	Indirect	
Hefei Photovoltaic	Hefei, Anhui	115,000.00	Hefei, Anhui	Photovoltaic glass	100.00		Investment in establishment
Yan'an New Energy	Yan'an, Shaanxi	60,000.00	Yan'an, Shaanxi	Photovoltaic glass	100.00		Investment in establishment
Xianyang Photovoltaic	Xianyang, Shaanxi	15,000.00	Xianyang, Shaanxi	Photovoltaic glass	100.00		Investment in establishment
Jiangxi Photovoltaic	Shangrao, Jiangxi	60,000.00	Shangrao, Jiangxi	Photovoltaic glass	100.00		Investment in establishment

Notes: 1. As of 31 December 2024, none of the subsidiaries issued any debt securities as at the end of the year or at any time during the year.

2. The subsidiaries of the Company are all limited liability companies.

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### IX. GOVERNMENT GRANTS

(I) Government grants recognized in the profit or loss during the period

1. *Government grants related to assets*

Items	31 December 2024	Items presented in the balance sheet	Amount recorded in current profit or loss or offsetting relevant costs or losses		Items recorded in current profit or loss or offsetting relevant costs or losses
			2024	2023	
Local incentive funds	56,264,223.36	Deferred income	1,550,697.84	1,550,697.84	Other income
First batch of equipment subsidy for IRICO Shangrao project	30,582,083.30	Deferred income	6,438,333.36	1,609,583.34	Other income
Upgrading project of the first phase of glass kiln waste gas treatment system	8,850,000.00	Deferred income	1,800,000.00	150,000.00	Other income
Upgrading project of large-size ultra-thin photovoltaic glass production technology	4,811,859.78	Deferred income	978,683.28	81,556.94	Other income
Second batch of equipment subsidy for Jiangxi Photovoltaic	3,958,333.40	Deferred income	1,041,666.60		Other income
Construction project for intelligent chemical plant for solar photovoltaic glass manufacturing	2,153,846.14	Deferred income			Other income
Phase III Hefei Photovoltaic ultra- thin high-transparency photovoltaic glass industrialization and R&D project on technology and equipment	1,503,030.24	Deferred income	21,169.76		Other income

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### IX. GOVERNMENT GRANTS (Continued)

#### (I) Government grants recognized in the profit or loss during the period (Continued)

##### 1. Government grants related to assets (Continued)

Items	31 December 2024	Items presented in the balance sheet	Amount recorded in current profit or loss or offsetting relevant costs or losses		Items recorded in current profit or loss or offsetting relevant costs or losses
			2024	2023	
Special project (fund) for guiding technological innovation in Shaanxi Province for 2023 allocated by Science and Technology Department of Shaanxi Province (陝西 省科學技術廳)	935,185.18	Deferred income	64,814.82		Other income
Equipment upgrade project of wide high-transmissivity and ultra-thin photovoltaic glass 18X	764,705.92	Deferred income			Other income
Jiangxi Photovoltaic Shangrao Economic Development Zone Management Committee 2023 Corporate Awards	278,333.34	Deferred income			Other income
Fund subsidy for hazardous and waste intelligent equipment from the Management Committee of Xianyang City Introduction of Equipment Intelligent Manufacturing Industrial Park (咸陽市裝 備製造產業園管委會危廢 智能設備資金補貼)	138,000.00	Deferred income			Other income

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### IX. GOVERNMENT GRANTS (Continued)

#### (I) Government grants recognized in the profit or loss during the period (Continued)

##### 1. Government grants related to assets (Continued)

Items	31 December 2024	Items presented in the balance sheet	Amount recorded in current profit or loss or offsetting relevant costs or losses		Items recorded in current profit or loss or offsetting relevant costs or losses
			2024	2023	
Construction of a smart plant for solar photovoltaic glass manufacture				200,000.00	Other income
Government subsidies for solar photovoltaic glass and coated tempered glass production line (太 陽能光伏玻璃及鍍膜鋼化 玻璃生產線政府補助)				753,846.17	Other income
Jiangxi plant subsidy (江西 廠房補貼)				666,666.64	Other income
Equipment upgrade project of wide high-transmissivity and ultra-thin photovoltaic glass 18X				267,647.03	Other income
Other small sums			21,666.66	40,885.37	Other income
Total	110,239,600.66		11,917,032.32	5,320,883.33	

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### IX. GOVERNMENT GRANTS (Continued)

(I) Government grants recognized in the profit or loss during the period (Continued)

#### 2. Income-related government grants

Items	Amount	Amount recorded in current profit or loss or offsetting relevant costs or losses		Project recorded in current profit or loss or offsetting relevant costs or losses
		2024	2023	
Rent subsidy for factory of Jiangxi Photovoltaic Economic Development Zone (江西光伏經濟區廠房租金補貼)	48,199,666.66	48,199,666.66		Other income
Subsidy for utilities of Jiangxi Photovoltaic Economic Development Zone (江西光伏經濟區電費補貼)	21,331,000.00	21,331,000.00		Other income
Rental subsidy for Xianyang Photovoltaic	24,427,156.80	12,213,578.40	12,213,578.40	Other income
Awards for 2022 financial increment of technical improvement (District Supporting) from the Economic Development Bureau (Science and Technology Bureau)	5,000,000.00	5,000,000.00		Other income
Awards for 2022 financial incremental contribution of technical improvement from the High-tech Economic Development Bureau (Science and Technology Bureau) of Xinzhan District of Hefei (Municipal level) (合肥新站高新經濟發展局(科學技術局)2022年技術改造財政增量貢獻獎勵資金(市級))	4,970,300.00	4,970,300.00		Other income

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### IX. GOVERNMENT GRANTS (Continued)

- (I) Government grants recognized in the profit or loss during the period  
(Continued)

2. *Income-related government grants (Continued)*

Items	Amount	Amount recorded in current profit or loss or offsetting relevant costs or losses		Project recorded in current profit or loss or offsetting relevant costs or losses
		2024	2023	
Quality enhancement and efficiency demonstration project funds for 2023 foreign economic and trade development (central) of Yan'an Economic and Technological Development Zone Finance and Taxation Sub-bureau, Finance Bureau, Yan'an	6,700,000.00	2,700,000.00	4,000,000.00	Other income
Subsidy of Hefei Industry and Information Bureau for Green and Low-Carbon Upgrade Projects under Several Policies to Promote Economic Development	2,699,700.00	2,699,700.00		Other income
Incentive funds for manufacturing province and private economy policies from the Economic and Trade Development Bureau of Xinzhan District, Heifei	1,512,000.00	512,000.00	1,000,000.00	Other income
Subsidy for stabilizing employment	1,515,290.66	807,254.36	708,036.30	Other income
R&D Expenditure incentive funds for 2023 Provincial Small and Medium-sized Manufacturing Enterprises from the Industry and Information Bureau of Qindu District, Xianyang City	460,000.00	460,000.00		Other income
Incentive funds for 2023 Newly Recognized Provincial-Level Innovation Carriers of High-tech Zone Branch of the Xianyang Municipal Finance Bureau	200,000.00	200,000.00		Other income

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### IX. GOVERNMENT GRANTS (Continued)

#### (I) Government grants recognized in the profit or loss during the period (Continued)

##### 2. Income-related government grants (Continued)

Items	Amount	Amount recorded in current profit or loss or offsetting relevant costs or losses		Project recorded in current profit or loss or offsetting relevant costs or losses
		2024	2023	
The social security subsidy by the Employment, Entrepreneurship and Social Security Service Center of the Economic and Technological Development Zone in Shangrao	136,000.00	136,000.00		Other income
One-off employment expansion grant at Employment and Entrepreneurship Service Center in Shangrao (上饒市就業創業服務中心一次性擴崗補助)	106,500.00	106,500.00		Other income
Subsidy for 2023 Digitalization, Networking, and Intelligent Transformation and Upgrading Projects of Hefei Municipal Industry and Information Bureau	101,800.00	101,800.00		Other income
Funds for High-tech Economic Development Bureau (Science and Technology Bureau) of Xinzhan District of Hefei	200,000.00	200,000.00		Other income
Incentive funds from Shaanxi Provincial Department of Science and Technology for high-tech enterprise recognition	150,000.00	100,000.00	50,000.00	Other income
Rewards for 2022 high-tech enterprises of Qinchuangyuan (Xianyang) Innovation Promotion Center Co. Ltd. (秦創原(咸陽)創新促進中心有限公司轉22年高企獎補)	100,000.00	100,000.00		Other income



## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### IX. GOVERNMENT GRANTS (Continued)

- (I) Government grants recognized in the profit or loss during the period  
(Continued)

2. *Income-related government grants (Continued)*

Items	Amount	Amount recorded in current profit or loss or offsetting relevant costs or losses		Project recorded in current profit or loss or offsetting relevant costs or losses
		2024	2023	
Grants of 2023 "Specialised, Refined, Differentiated and Innovative" Project at the provincial level from the Industry and Information Bureau of Qindu District, Xianyang	100,000.00	100,000.00		Other income
PV power station subsidy in Hefei	3,027,500.00		3,027,500.00	Other income
Provincial key industry chain development project funds in 2023 from the Industry and Information Bureau of Qindu District, Xianyang	2,200,000.00		2,200,000.00	Other income
Subsidy for listed reserve enterprises allocated from the zero balance special account of the High-tech Zone Branch of Xianyang Municipal Finance Bureau	2,100,000.00		2,100,000.00	Other income
Incentive payment for the nine rules granted by Qinchuangyuan	400,000.00		400,000.00	Other income

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### IX. GOVERNMENT GRANTS (Continued)

#### (I) Government grants recognized in the profit or loss during the period (Continued)

##### 2. Income-related government grants (Continued)

Items	Amount	Amount recorded in current profit or loss or offsetting relevant costs or losses		Project recorded in current profit or loss or offsetting relevant costs or losses
		2024	2023	
The third batch of incentive subsidies for the individual champion of the manufacturing industry in Shaanxi Province allocated from the zero-value account of the High-tech Zone Branch of the Xianyang Municipal Finance Bureau	300,000.00		300,000.00	Other income
Funds for Xianyang Municipal Science and Technology Bureau for the transfer of major technological research projects	200,000.00		200,000.00	Other income
Funds for Maquan Street Office, Qindu District, Xianyang City for the incentive fund for new large-scale industrial enterprises in the fourth quarter of 2022	200,000.00		200,000.00	Other income
Quality benchmarking enterprise award for 2022 allocated by the Finance Bureau of Xianyang Hi-tech Zone	200,000.00		200,000.00	Other income
Government subsidy for Qingchuangyuan's "Scientist + Engineer" team building project in Shaanxi Province	180,000.00		180,000.00	Other income
Other small sums	553,773.64	193,602.64	360,171.00	Other income
<b>Total</b>	<b>127,270,687.76</b>	<b>100,131,402.06</b>	<b>27,139,285.70</b>	

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### IX. GOVERNMENT GRANTS (Continued)

#### (II) Liabilities involving government subsidies

Items of the financial statements	31 December 2023	Amount included Additional subsidies for the period	in non-operating income for the period	Transfer to other income for the period	Other changes for the period	31 December 2024	Related to assets/revenue
Deferred income	116,034,432.98	20,733,533.34		11,917,032.32	-840,000.00	124,010,934.00	Related to assets, related to revenue
Total	116,034,432.98	20,733,533.34		11,917,032.32	-840,000.00	124,010,934.00	-

### X. RISK RELATING TO FINANCIAL INSTRUMENTS

#### (I) Risk of financial instruments

The Company is confronted with various financial risks in its operation: credit risk, liquidity risk and market risk (including exchange rate risk, interest rate risk and other price risk). The above financial risks and the risk management policies adopted by the Company to minimize such risks are listed as follows:

The overall objective of the Company's risk management is to develop a risk management policy that minimizes risks with undue impact on the Company's competitiveness and resilience.

##### 1. Credit risk

Credit risk refers to the risk that transaction counterparty fails to perform its obligations under the contract and causes financial losses to the Company.

The Company's credit risk mainly arises from cash at bank and on hand, bills receivable, trade receivables, receivables financing, other receivables, etc. as well as the investment in debt instruments at fair value through profit or loss that are not included in the impairment assessment scope.

The Company's cash at bank and on hand is mainly cash at bank deposited at state-owned banks and other large and medium-sized listed banks with good reputation and a higher credit rating. The Company considers that there is no significant credit risk and will rarely cause significant losses due to default by the banks.

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### X. RISK RELATING TO FINANCIAL INSTRUMENTS (Continued)

#### (I) Risk of financial instruments (Continued)

##### 1. Credit risk (Continued)

In addition, the Company develops relevant policies to limit the credit risk exposure on bills receivable, trade receivables, receivables financing, contract assets and other receivables, etc. The Company assesses the credit quality of and sets respective credit periods on its customers by considering their financial position, the availability of guarantee from third parties, their credit record and other factors such as current market conditions. The Company regularly monitors the credit record of the customers. For customers with a poor credit history, the Company will issue written demand to them, or shorten or cancel the credit periods, so as to ensure the overall credit risk of the Company is limited to a controllable extent.

##### 2. Liquidity risk

Liquidity risk is the risk that an enterprise may encounter deficiency of funds in meeting obligations settled with cash or other financial assets delivery.

The Company's policy is to ensure it has sufficient cash to settle the debts when they fall due. The Company's finance department conducts centralized control over liquidity risk. Through monitoring cash balance, readily realizable marketable securities and the rolling forecasts for cash flow for the next 12 months, the finance department will ensure it has sufficient fund to settle its debts under all reasonable foreseeable circumstances. Meanwhile, it continued to monitor whether the Company is in line with the requirements of borrowing agreements, and obtain the undertakings to provide sufficient reserve funds from major financial institutions, so as to meet its short-term and long-term capital needs.

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### X. RISK RELATING TO FINANCIAL INSTRUMENTS (Continued)

#### (I) Risk of financial instruments (Continued)

##### 2. Liquidity risk (Continued)

- (1) The financial liabilities of the Company are analysed by their maturity date below at their undiscounted contractual cash flows:

Items	31 December 2024			Total undiscounted contract amount	Carrying value
	Within 1 year	1–5 years	Over 5 years		
Short-term borrowings	2,507,559,326.18			2,507,559,326.18	2,508,390,612.71
Bills payable	498,477,824.98			498,477,824.98	498,477,824.98
Accounts payable	392,428,005.34	210,272,188.06		602,700,193.40	602,700,193.40
Other payables	13,663,363.46	26,173,451.29		39,836,814.75	39,836,814.75
Non-current liabilities due within one year	957,922,715.24			957,922,715.24	951,388,353.45
Other current liabilities	648,624,727.45			648,624,727.45	648,624,727.45
Long-term borrowings		1,575,275,069.46	73,696,513.54	1,648,971,583.00	1,648,971,583.00
Lease liabilities		210,851,973.84	59,256,399.39	270,108,373.23	246,301,794.11
Long-term payables					
<b>Total</b>	<b>5,018,675,962.65</b>	<b>2,022,572,682.65</b>	<b>132,952,912.93</b>	<b>7,174,201,558.23</b>	<b>7,144,691,903.85</b>

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### X. RISK RELATING TO FINANCIAL INSTRUMENTS (Continued)

#### (I) Risk of financial instruments (Continued)

##### 2. Liquidity risk (Continued)

- (1) The financial liabilities of the Company are analysed by their maturity date below at their undiscounted contractual cash flows (Continued):

Items	31 December 2023			Total undiscounted contract amount	Carrying value
	Within 1 year	1-5 years	Over 5 years		
Short-term borrowings	1,394,599,027.80			1,394,599,027.80	1,381,369,888.91
Bills payable	1,142,449,150.74			1,142,449,150.74	1,142,449,150.74
Accounts payable	1,012,264,210.04			1,012,264,210.04	1,012,264,210.04
Other payables	97,663,667.19			97,663,667.19	97,663,667.19
Non-current liabilities due within one year	436,462,857.07			436,462,857.07	427,840,936.82
Other current liabilities	483,415,135.38			483,415,135.38	483,948,617.24
Long-term borrowings	38,954,413.92	2,057,362,397.10		2,096,316,811.02	2,015,471,141.03
Lease liabilities		182,651,700.59	90,571,081.37	273,222,781.96	273,222,781.95
Long-term payables		56,476,250.00		56,476,250.00	50,000,000.00
<b>Total</b>	<b>4,605,808,462.14</b>	<b>2,296,490,347.69</b>	<b>90,571,081.37</b>	<b>6,992,869,891.20</b>	<b>6,884,230,393.92</b>

- (2) The repayment periods of bank borrowings and other finance are analyzed as follows:

Item	31 December 2024		31 December 2023	
	Bank borrowings	Other finance	Bank borrowings	Other finance
Within 1 year	3,410,002,826.18	54,947,446.35	1,769,770,507.38	
1-2 years	521,751,553.86	54,087,869.40	954,704,767.40	100,116,759.68
2-5 years	1,053,523,515.60	156,764,104.44	808,046,373.63	223,106,022.27
Over 5 years	73,696,513.54	59,256,399.39	252,720,000.00	
<b>Total</b>	<b>5,058,974,409.18</b>	<b>325,055,819.58</b>	<b>3,785,241,648.41</b>	<b>323,222,781.95</b>

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### X. RISK RELATING TO FINANCIAL INSTRUMENTS (Continued)

#### (I) Risk of financial instruments (Continued)

##### 3. Market risk

Market risk of financial instruments is the risk of fluctuation in the fair value of financial instruments or future cash flow arising from changes in market price. Market risk includes exchange rate risk, interest rate risk and other price risk.

##### (1) Interest rate risk

Interest rate risk is the risk of fluctuation in the fair value of financial instruments or future cash flow arising from changes in market interest rate.

Interest-bearing financial instruments at fixed rates and at floating rates expose the Company to fair value interest risk and cash flow interest rate risk, respectively. The Company determines the appropriate weightings of the fixed and floating rate interest-bearing instruments based on the current market conditions and performs regular reviews and monitoring to achieve an appropriate mix of fixed and floating rate instruments. The Company will adopt interest rate swap instruments to hedge interest rate risk when necessary.

As at 31 December 2024, if other variables remain constant and the borrowing rate calculated at floating interest rates increases or decreases by 100 basis points, the Company's net profit will decrease or increase by RMB72,637,000 (31 December 2023: RMB22,735,400). The management believes that 100 basis points reasonably reflect the reasonable range of possible changes in interest rates in the next year.

##### (2) Exchange rate risk

Exchange rate risk refers to the risk that the fair value or future cash flow of a financial instrument will fluctuate due to changes in foreign exchange rates.

The Company may consider entering into forward exchange contract or currency swap contract to mitigate the foreign exchange risk. During the period and the previous period, the Company has not entered into any forward exchange contract or currency swap contract.

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### X. RISK RELATING TO FINANCIAL INSTRUMENTS (Continued)

#### (I) Risk of financial instruments (Continued)

##### 3. Market risk (Continued)

##### (2) Exchange rate risk (Continued)

The exchange rate risk faced by the Company mainly arises from financial assets and financial liabilities denominated in US dollars and Euro. The amount of the financial assets and financial liabilities in foreign currencies converted into RMB is as follows:

Item	31 December 2024			31 December 2023		
	US dollars	Other foreign currency	Total	US dollars	Other foreign currency	Total
Monetary funds	875,416.15		875,416.15	111,352.01		111,352.01
Total	875,416.15		875,416.15	111,352.01		111,352.01

As at 31 December 2024, a 5% increase or decrease in RMB against USD, with all other variables held constant, would have increased or decreased the net profit of the Company by RMB5,594.76 (31 December 2023: RMB4,732.46). The management considers that the 5% reasonably reflected the reasonable range of the possible change in Renminbi against USD for the next year.

##### (3) Other price risk

Other price risk is the risk of fluctuation in the fair value of financial instruments or future cash flow arising from changes in market price other than exchange rate risk and interest rate risk.



## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### XI. FAIR VALUE

Inputs used in the fair value measurement are divided into three levels:

Level 1 inputs refer to quoted prices (unadjusted) in active markets for identical assets or liabilities available on the measurement date.

Level 2 inputs refer to inputs that are directly or indirectly observable for the relevant assets or liabilities other than Level 1 inputs.

Level 3 inputs refer to unobservable inputs of the relevant assets or liabilities.

Levels of the results of fair value measurement are decided by the lowest level of great significance in fair value measurement as a whole.

#### (I) Analysis of assets and liabilities measured at fair value by level of fair value hierarchy

Items	Level 1 fair value measurement	Level 2 fair value measurement	Level 3 fair value measurement	Total
I. Continuing fair value measurement				
(I) Held-for-trading financial assets				
1. Financial assets at fair value through profit and loss				
(1) Investment in equity instruments				
(II) Receivables financing			423,850,829.11	423,850,829.11
(III) Investment in other equity instruments	290,788,032.06		112,281,276.54	403,069,308.60

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### XI. FAIR VALUE (Continued)

- (II) Basis for determining the market price of items persistently and non-persistently measured at fair value at the first level

The Company's investments in equity instruments which are persistently measured at level 1 fair value at the end of the period are publicly issued shares, and the fair value at the end of the period represents the share price as at 31 December 2024, with fair value adjustment based on the share price at the end of the year. The other investments in equity instruments measured at level 1 fair value are publicly issued shares of IRICO Display Devices Co., Ltd. held by the Company not for short-term trading, and the fair value at the end of the period represents the share price as at 31 December 2024.

- (III) Valuation techniques used and the qualitative and quantitative information of key parameters for items persistently and non-persistently measured at fair value at the third level

1. Other investments in equity instruments held by the Company which are measured at level 3 fair value represent 7.2953% equity interest in Shaanxi IRICO Electronics Glass Co., Ltd., which is an unlisted company. According to Zhong Tian Hua Zi Bao Zi (2025) No. 2034 issued by Beijing Zhong Tian Hua Asset Appraisal Company Limited, the valuation reference date is 31 December 2024, the estimates are made using the net asset basis method and fair values are recognised based on appraisals.
2. Receivables financing held by the Company which are measured at level 3 fair value is bill receivable. The fair value of the receivables financing is determined using discounted cash flow methodology, which is equal to the book value.

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### XI. FAIR VALUE (Continued)

(IV) Adjustment information and sensitivity analysis of unobservable parameters between the carrying amount at the beginning of the period and the end of the period for items persistently measured at fair value at the third level

1. *Adjustment information of items persistently measured at fair value at the third level*

Item	31 December 2023	Transfers into level 3	Transfers out of level 3	Total gains or losses recognized in the period		Purchase, issue, selling and settlement				31 December 2024	For assets held at the end of the Reporting Period, the gains or changes are not realised in the current period of profit or loss
				In profits and losses	In other comprehensive income	Purchase	Issue	Selling	Settlement		
Receivables financing	347,371,486.41					2,427,934,790.56		2,351,455,447.86		423,850,829.11	
Other investments in equity instruments	111,124,764.95				1,156,511.59					112,281,276.54	
Total	458,496,251.36				1,156,511.59	2,427,934,790.56		2,351,455,447.86		536,132,105.65	

Including: Profit and loss  
related to  
financial  
assets  
Profit and loss  
related to  
non-financial  
assets

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### XII. RELATIONSHIPS AND TRANSACTIONS WITH RELATED PARTIES

#### (I) Information on the parent company of the Company

Name of the parent company	Place of registration	Nature of Business	Registered Capital (RMB0'000)	Percentage of shareholding in the Company held by the parent company (%)	Percentage of voting rights in the Company held by the parent company (%)
IRICO Group Corporation Limited* (彩虹集團有限公司)	Beijing	Production and sales of electronic components	251,716.70	34.43	34.43

#### Notes:

IRICO Group Corporation Limited\* directly holds 30.15% of the shares of the Company; Rui Bou Electronics (HK) Limited (the “Rui Bou Electronics”) is a wholly-owned subsidiary of IRICO Group Corporation Limited\*, holding 4.28% of the shares of the Company. IRICO Group Corporation Limited\* directly and indirectly holds 34.43% of the shares of the Company.

Xianyang Zhongdian IRICO Group Holdings Ltd.\* is directly held as to 72.08% by China Electronics Corporation and as to 27.92% by IRICO Group Corporation Limited\*, holding 14.30% of the shares of the Company.

CEC Capital Investment (中電金投控股有限公司), a wholly-owned subsidiary of China Electronics Corporation, holds 26.17% of the shares of the Company.

China Electronics Corporation (place of registration: Beijing, the PRC), through IRICO Group Corporation Limited\*, Xianyang Zhongdian IRICO Group Holdings Ltd.\*, Rui Bou Electronics and CEC Capital Investment (中電金投控股有限公司), holds 74.90% of the shares of the Company in aggregate, and is the ultimate controlling party of the Company.

#### (II) Information on the subsidiaries of the Company

Please refer to Note “VIII. Interests in other entities” for details.

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### XII. RELATIONSHIPS AND TRANSACTIONS WITH RELATED PARTIES (Continued)

#### (III) Information on other related parties

Name of other related parties	Relationship with the Company
Xianyang Zhongdian IRICO Group Holdings Ltd.	Shareholder of the Company
IRICO Group Corporation Limited*	Shareholder of the Company
Xianyang IRICO Green Energy Co., Ltd.	Same parent company
Shaanxi Rainbow Industrial Services Co., Ltd. (陝西彩虹工業服務有限公司)	Same parent company
Hefei IRICO Epilight Industry Co., Ltd.	Under the same ultimate control party
Anhui Hongchen New Materials Technology Co., Ltd.	Under the same ultimate control party
China Electronics Financial Co., Ltd.	Under the same ultimate control party
China Elec-Trans Int'l Service Co., Ltd.	Under the same ultimate control party
Shaanxi Rainbow Industrial Intelligent Technology Co., Ltd.	Under the same ultimate control party
Xianyang IRICO Electronic Accessories Co., Ltd.	Under the same ultimate control party
CEC Caihong Intelligent Lighting Technology Co., Ltd.* (中電彩虹智慧照明科技有限公司)	Under the same ultimate control party
Nanjing Zhongdian Panda Property Management Co., Ltd.	Under the same ultimate control party
Xi'an IRICO Information Co., Ltd.	Under the same ultimate control party
CEC Jiutian Intelligent Technology Co., Ltd.* (中電九天智能科技有限公司)	Under the same ultimate control party
China Electronics System Engineering No. 3 Construction Co., Ltd.* (中國電子系統工程第三建設有限公司)	Under the same ultimate control party
China Electronics Commerce (Beijing) Co., Ltd. (中電商務(北京)有限公司)	Under the same ultimate control party
Nanjing Panda Electronics Equipment Co., Ltd. (南京熊貓電子裝備有限公司)	Under the same ultimate control party
Hanzhong IRICO Jiarunze Mining Co., Ltd.* (漢中彩虹佳潤澤礦業有限公司)	Other related relationship
IRICO Group (Shaoyang) Special Glass Co., Ltd. (彩虹集團(邵陽)特種玻璃有限公司)	Other related relationship
Xianyang China Electronics Western Zhigu Industrial Co., Ltd.* (咸陽中電西部智谷實業有限公司)	Other related relationship
IRICO (Hefei) LCD Glass Co., Ltd. (彩虹(合肥)液晶玻璃有限公司)	Other related relationship
Wuhan Lidao Technology Co., Ltd.* (武漢麗島科技有限公司)	Other related relationship
Wuhan Lidao Property Management Co., Ltd.* (武漢麗島物業管理有限公司)	Other related relationship

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### XII. RELATIONSHIPS AND TRANSACTIONS WITH RELATED PARTIES (Continued)

#### (IV) Related party transactions

##### 1. Related party transactions for purchase and sales of goods/provision and receipt of services

Name of related parties	Type	Subject	2024	Whether exceeding the transaction threshold (if applicable)	2023
Purchase of goods and receipt of services:					
Hefei IRICO Epilight Industry Co.,* (合肥彩虹藍光實業有限公司)	Purchase of goods	Purchase of goods	41,158,217.32	No	26,908,529.98
Anhui Hongchen New Materials Technology Co., Ltd.* (安徽虹宸新材料科技有限公司)	Purchase of goods	Purchase of goods	29,782,266.21	No	36,135,991.16
Shaanxi Rainbow Industrial Intelligent Technology Co., Ltd.* (陝西彩虹工業智能科技有限公司)	Purchase of goods/Receipt of services	Purchase of goods/Receipt of services	19,487,552.96	No	130,883,404.41
Nanjing Panda Electronics Equipment Co., Ltd.* (南京熊貓電子裝備有限公司)	Purchase of goods	Purchase of goods	7,123,893.81	No	
China Elec-Trans Int'l Service Co., Ltd* (捷達國際運輸有限公司)	Receipt of services	Receipt of services	1,181,275.07	No	6,069,907.93
Xianyang IRICO Green Energy Co., Ltd.* (咸陽彩虹綠色能源有限公司)	Purchase of goods/Receipt of services	Purchase of goods/Receipt of services	848,419.82	No	862,910.40
Nanjing Zhongdian Panda Property Management Co., Ltd.* (南京中電熊貓物業管理有限公司)	Receipt of services	Receipt of services	492,245.83	No	438,113.25
CEC Caihong Intelligent Lighting Technology Co., Ltd.* (中電影虹智慧照明科技有限公司)	Purchase of goods	Purchase of goods	337,168.14	No	

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### XII. RELATIONSHIPS AND TRANSACTIONS WITH RELATED PARTIES (Continued)

#### (IV) Related party transactions (Continued)

##### 1. Related party transactions for purchase and sales of goods/provision and receipt of services (Continued)

Name of related parties	Type	Subject	2024	Whether exceeding the transaction threshold (if applicable)	2023
Xianyang China Electronics Western Zhigu Industrial Co., Ltd.* (咸陽中電西部智谷實業有限公司)	Purchase of goods	Purchase of goods	336,476.13	No	99,344.25
Wuhan Lidao Property Management Co., Ltd.* Xianyang Branch (武漢麗島物業管理有限公司咸陽分公司)	Receipt of services	Receipt of services	90,210.47	No	
China Electronics Commerce (Beijing) Co., Ltd. (中電商務(北京)有限公司)	Purchase of goods	Purchase of goods	27,098.69	No	
China Electronics System Engineering No. 3 Construction Co., Ltd.* (中國電子系統工程第三建設有限公司)	Purchase of goods	Purchase of goods		No	7,037,946.90
Xianyang Zhongdian IRICO Group Holdings Ltd.* (咸陽中電彩虹集團控股有限公司)	Purchase of goods	Receipt of services		No	8,407,079.65
Wuhan Lidao Technology Co., Ltd.* (武漢麗島科技有限公司)	Receipt of services	Receipt of services		No	6,326,373.50
Subtotal			100,864,824.45		223,169,601.43

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### XII. RELATIONSHIPS AND TRANSACTIONS WITH RELATED PARTIES (Continued)

#### (IV) Related party transactions (Continued)

##### 1. Related party transactions for purchase and sales of goods/provision and receipt of services (Continued)

Name of related parties	Type	Subject	2024	Whether exceeding the transaction threshold (if applicable)	2023
Sale of goods and provision of services:					
Hefei IRICO Epilight Industry Co., Ltd.* (合肥彩虹藍光實業有限公司)	Sale of goods	Sale of goods	4,498,700.00	No	2,008,562.35
IRICO (Hefei) LCD Glass Co., Ltd. (彩虹(合肥)液晶玻璃有限公司)	Sale of goods	Sale of goods	875,945.20	No	948,267.68
IRICO Group (Shaoyang) Special Glass Co., Ltd. (彩虹集團(邵陽)特種玻璃有限公司)	Sale of goods	Sale of goods		No	75,233.33
Subtotal			5,374,645.20		3,032,063.36

##### 2. Leasing with related parties

The Company as the lessor:

Name of lessee	Type of leased assets	2024	2023
IRICO (Hefei) LCD Glass Co., Ltd. (彩虹(合肥)液晶玻璃有限公司)	Plants	7,170,253.53	7,038,285.73
Wuhan Lidao Technology Co., Ltd* (武漢麗島科技有限公司)	Premises		6,142.93



## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### XII. RELATIONSHIPS AND TRANSACTIONS WITH RELATED PARTIES (Continued)

#### (IV) Related party transactions (Continued)

##### 2. Leasing with related parties (Continued)

The Company as the lessee:

Name of lessor	Type of leased assets	2024					2023				
		Simplified short-term lease and low-value assets lease expense	Variable lease payments not included in lease liabilities	Rental paid	Interest expenses on lease liability assumed	Increase of right of use assets	Simplified short-term lease and low value assets lease expense	Variable lease payments not included in lease liabilities	Rental paid	Interest expenses on lease liability assumed	Increase of right of use assets
Shaanxi Rainbow Industrial Intelligent Technology Co., Ltd. (陝西彩虹工業智能科技有 限公司)	Machinery and equipment				887.61	11,412,145.42					
Xianyang China Electronics Western Zhigu Industrial Co., Ltd.* (咸陽中電西部智谷實業有 限公司)	Office			840,799.82	33,349.99	1,091,969.29			582,095.23	51,594.50	

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### XII. RELATIONSHIPS AND TRANSACTIONS WITH RELATED PARTIES (Continued)

#### (IV) Related party transactions (Continued)

##### 3. Guarantee with related parties

##### (1) The Company as a guarantor

Guaranteed party	Amount of guarantee	Commencement date	Maturity date	Whether the guarantee has been executed
Hefei Photovoltaic	40,000,000.00	2022.10.12	2031.9.20	No
Hefei Photovoltaic	35,675,619.71	2022.12.26	2031.9.20	No
Hefei Photovoltaic	13,545,689.62	2023.3.6	2031.9.20	No
Hefei Photovoltaic	10,160,859.46	2023.4.14	2031.9.20	No
Hefei Photovoltaic	26,311,763.90	2023.8.23	2031.9.20	No
Hefei Photovoltaic	100,000,000.00	2021.9.28	2025.9.27	No
Yan'an New Energy	200,000,000.00	2021.12.17	2028.12.17	No
Yan'an New Energy	196,000,000.00	2022.12.8	2029.12.8	No
Xianyang Photovoltaic	79,611,291.70	2022.3.30	2031.3.29	No

*Note* : For the above amount of guarantee, RMB623,665,141.39 has been repaid to the bank by the guaranteed party.

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### XII. RELATIONSHIPS AND TRANSACTIONS WITH RELATED PARTIES (Continued)

#### (IV) Related party transactions (Continued)

##### 3. Guarantee with related parties(Continued)

##### (2) The Company as a guaranteed party

Guarantor	Amount of guarantee	Commencement date	Maturity date	Whether the guarantee has been executed
IRICO Group Corporation Limited	150,000,000.00	2022.4.29	2026.3.20	No
Xianyang Zhongdian IRICO Group Holdings Ltd.	150,000,000.00	2022.4.5	2026.4.24	No
IRICO Group Corporation Limited	100,000,000.00	2022.4.1	2026.3.31	No
IRICO Group Corporation Limited	60,000,000.00	2022.3.11	2026.3.31	No

##### 4. Remuneration of key management personnel

Item	2024	2023
Remuneration of key management personnel	4,102,263.79	4,838,836.45

During the period, the number of key management personnel of the Company, including executives, directors, supervisors, and others, totaled 19, of which 15 received remunerations in the Company.

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### XII. RELATIONSHIPS AND TRANSACTIONS WITH RELATED PARTIES (Continued)

#### (IV) Related party transactions (Continued)

##### 4. Remuneration of key management personnel (Continued)

2024:

Name	Position	Fees	Salary and allowance	Performance bonus	Pension insurance	Other	Total
Yang Hua (Notes 1)	Chairlady						
Ma Zhibin	Executive Director, General Manager		293,140.00	363,000.00	43,766.40	50,654.28	750,560.68
Fang Zhongxi (Note 1)	Non-Executive Director						
Wang Dong (Note 1)	Non-Executive Director						
Su Kun	Independent Non-Executive Director	100,000.00					100,000.00
Li Yong	Independent Non-Executive Director	100,000.00					100,000.00
Hao Meiping	Independent Non-Executive Director	100,000.00					100,000.00
Wu Wenchao	Deputy General Manager		227,140.00	297,000.00	43,766.40	50,654.28	618,560.68
Ni Huadong	Deputy General Manager, Company Secretary		215,140.00	270,000.00	43,766.40	50,654.28	579,560.68
Huang Weihong (Note 2)	Chief Financial Officer, Board Secretary		223,340.00	270,000.00	43,766.40	50,654.28	587,760.68
Gao Feng'an (Note 3)	Deputy general manager		200,535.00		35,668.35	50,885.37	287,088.72
Niu Xinchun (Note 4)	Secretary to the Board		122,385.00		25,530.40	30,405.83	178,321.23
Chen Xiaoning (Notes 1 and 5)	Shareholder Representative Supervisor, Chairman of the Supervisory Committee						
Zhao Lefei (Note 6)	Shareholder Representative Supervisor, Chairman of the Supervisory Committee			270,000.00			270,000.00
Zhang Li (Note 7)	Employee Representative Supervisor			201,874.00			201,874.00
Yao Rui (Note 8)	Employee Representative Supervisor		17,905.00		3,647.20	4,392.69	25,944.89
Luo Hongwei (Note 9)	Employee Representative Supervisor		86,656.00		25,530.40	30,405.83	142,592.23
Jiang A'he	Independent Supervisor	80,000.00					80,000.00
Huang Zhen	Independent Supervisor	80,000.00					80,000.00

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### XII. RELATIONSHIPS AND TRANSACTIONS WITH RELATED PARTIES (Continued)

#### (IV) Related party transactions (Continued)

##### 4. Remuneration of key management personnel (Continued)

Notes:

1. Ms. Yang Hua, Mr. Fang Zhongxi, Mr. Wang Dong and Mr. Chen Xiaoning, key management personnel, do not receive remuneration in the Company. No other directors or supervisors waived or agreed to waive any emoluments. The Company does not pay directors or supervisors any amount as an incentive to join the Company or as compensation for loss of office.
2. Mr. Huang Weihong has ceased to be the Board Secretary of the Company since 13 May 2024.
3. Mr. Gao Feng'an has served as the Deputy General Manager of the Company since 19 March 2024.
4. Mr. Niu Xinchun has served as the Secretary to the Board of the Company since 13 May 2024.
5. Mr. Chen Xiaoning has ceased to be a Shareholder Representative Supervisor, the Chairman of the Supervisory Committee of the Company since 13 May 2024.
6. Mr. Zhao Lefei has ceased to be a Employee Representative Supervisor of the Company since 13 May 2024, and has served as a Shareholder Representative Supervisor, Chairman of the Supervisory Committee of the Company since 6 June 2024.
7. Ms. Zhang Li has ceased to be a Employee Representative Supervisor of the Company since 12 November 2024.
8. Mr. Yao Rui has served as a Employee Representative Supervisor of the Company since 12 November 2024.
9. Mr. Luo Hongwei has served as a Employee Representative Supervisor of the Company since 13 May 2024.

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### XII. RELATIONSHIPS AND TRANSACTIONS WITH RELATED PARTIES (Continued)

#### (IV) Related party transactions (Continued)

##### 4. Remuneration of key management personnel (Continued)

2023:

Name	Position	Fees	Salary and allowance	Performance bonus	Pension insurance	Other	Total
Yang Hua (Notes 1 and 2)	Chairlady						
Ma Zhibin (Note 3)	General Manager, Executive Director		267,980.00	297,000.00	40,485.12	46,391.88	651,857.00
Tong Xiaofei (Note 4)	Chairman, General Manager		251,400.00	528,000.00	24,524.80	39,481.65	843,406.45
Jiang Lei (Note 5)	Executive Director						
Fang Zhongxi (Note 6)	Non-Executive Director						
Wang Dong (Note 7)	Non-Executive Director						
Ni Huadong (Note 8)	Deputy General Manager, Non-Executive Director		239,420.00	240,000.00	40,485.12	46,391.88	566,297.00
Huang Weihong (Note 9)	Chief Financial Officer, Board Secretary, Non-Executive Director		223,580.00	396,000.00	40,485.12	46,391.88	706,457.00
Su Kun	Independent Non-Executive Director	100,000.00					100,000.00
Li Yong	Independent Non-Executive Director	100,000.00					100,000.00
Hao Meiping	Independent Non-Executive Director	100,000.00					100,000.00
Chen Xiaoning (Note 1)	Shareholder Representative Supervisor, Chairman of the Supervisory Committee						
Jiang A'he	Independent Supervisor	80,000.00					80,000.00
Huang Zhen	Independent Supervisor	80,000.00					80,000.00
Zhao Lefei	Employee Representative Supervisor		222,380.00	246,900.00	40,485.12	46,391.88	556,157.00
Zhang Li	Employee Representative Supervisor		149,366.00	209,762.00	40,485.12	46,391.88	446,005.00
Wu Wenchao	Deputy General Manager		224,780.00	297,000.00	40,485.12	46,391.88	608,657.00

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### XII. RELATIONSHIPS AND TRANSACTIONS WITH RELATED PARTIES (Continued)

#### (IV) Related party transactions (Continued)

##### 4. *Remuneration of key management personnel (Continued)*

*Notes:*

1. Ms. Yang Hua, Mr. Chen Xiaoning, Mr. Fang Zhongxi and Mr. Wang Dong, key management personnel, do not receive remuneration in the Company. No other directors or supervisors waived or agreed to waive any emoluments. The Company does not pay directors or supervisors any amount as an incentive to join the Company or as compensation for loss of office.
2. Ms. Yang Hua has served as Chairlady and the Executive Director of the Company since 29 December 2023.
3. Mr. Ma Zhibin has ceased to be the Deputy General Manager of the Company since 27 April 2023, and has served as the General Manager of the Company since 27 April 2023 and served as the Executive Director of the Company since 12 September 2023.
4. Mr. Tong Xiaofei has ceased to be the General Manager of the Company since 27 April 2023, and has resigned as the Executive Director and Chairman of the Board since 21 August 2023.
5. Mr. Jiang Lei has ceased to be the Executive Director of the Company since 29 December 2023.
6. Mr. Fang Zhongxi has served as a Non-Executive Director of the Company since 29 December 2023.
7. Mr. Wang Dong has served as a Non-Executive Director of the Company since 29 December 2023.
8. Mr. Ni Huadong has ceased to be a Non-Executive Director of the Company since 29 December 2023.
9. Mr. Huang Weihong has ceased to be a Non-Executive Director of the Company since 29 December 2023.

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### XII. RELATIONSHIPS AND TRANSACTIONS WITH RELATED PARTIES (Continued)

#### (IV) Related party transactions (Continued)

##### 4. Remuneration of key management personnel (Continued)

Remuneration of the top five highest paid individuals

The five individuals whose remuneration were the highest in the Company for 2024 include one director (2023: four). The aggregate of the remuneration in respect of the other four (2023: one) individuals during the year is as follows:

Unit: RMB0'000

Item	2024	2023
Wages and subsidies	207.30	60.87
Performance bonus		
Pension scheme contributions		
Others		
Total	207.30	60.87

Remuneration Bands	Number 2024	2023
HK\$0–HK\$1,000,000.00	5	5
Over HK\$1,000,000.00	0	0

*Note:* The Company is not required to make, and has not made, any payments as an incentive to the above highest paid individuals to join the Company; and is not required to make, and has not made, any payments to compensate the above highest paid individuals for loss of office.



# Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

## XII. RELATIONSHIPS AND TRANSACTIONS WITH RELATED PARTIES (Continued)

### (IV) Related party transactions (Continued)

#### 5. Other related party transactions

##### (1) Licensing of trademarks

The Company and IRICO Group entered into the Trademark License Contract between IRICO Group Corporation Limited and IRICO Group New Energy Company Limited, pursuant to which, IRICO Group has granted the right to use a total of 9 trademarks registered with the Trademark Office of China National Intellectual Property Administration, namely “992031”, “925645”, “992157”, “1028194”, “1080189”, “40566212”, “40558599”, “40551476” and “40565399”, free of charge to the Company and its subsidiaries for a term commencing from 1 January 2018 to 31 December 2028. Pursuant to the agreement between the Company and IRICO Group, IRICO Group may license the above trademarks to third parties not engaged in the business of photovoltaic glass, and IRICO Group shall not continue to use or license the licensed trademarks to third parties in the field of photovoltaic glass. Within 3 months before the expiry of the above agreement, the Company shall apply for renewal in writing, and the agreement shall be automatically extended for another 10 years.

##### (2) Deposit and loan with China Electronics Financial Co., Ltd.

Related party	Subject	31 December 2024/2024
China Electronics Financial Co., Ltd.	Bank deposit	
China Electronics Financial Co., Ltd.	Receipts from interest	2,722.71

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### XII. RELATIONSHIPS AND TRANSACTIONS WITH RELATED PARTIES (Continued)

#### (V) Receivables from and payables to related parties

##### 1. Receivables from related parties

Item	Related Party	31 December 2024		31 December 2023	
		Book balance	Allowance for bad debts	Book balance	Allowance for bad debts
Monetary funds	China Electronics Financial Co., Ltd.			392,865.69	
Trade receivables	Hefei IRICO Epilight Industry Co., Ltd.			8,936,442.29	2,680,932.69
Trade receivables	IRICO (Hefei) LCD Glass Co., Ltd.			376,138.85	
Other receivables	Shaanxi Rainbow Industrial Intelligent Technology Co., Ltd.	15,750.00		15,750.00	
Prepayments	Shaanxi Rainbow Industrial Services Co., Ltd.			56,710.54	
Prepayments	Wuhan Lidao Property Management Co., Ltd.* (武漢麗島物業管理有限公司)	34,383.92		14,099.10	

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### XII. RELATIONSHIPS AND TRANSACTIONS WITH RELATED PARTIES (Continued)

#### (V) Receivables from and payables to related parties (Continued)

##### 2. Payables to related parties

Item	Related Party	31 December 2024	31 December 2023
Accounts payable	Shaanxi Rainbow Industrial Intelligent Technology Co., Ltd.	30,902,320.53	58,892,952.39
Accounts payable	Anhui Hongchen New Materials Technology Co., Ltd.	6,334,986.45	6,146,785.51
Accounts payable	IRICO Group Company Limited	3,600,630.19	6,450,630.19
Accounts payable	Nanjing Panda Electronics Equipment Co., Ltd.*	3,561,946.89	
Accounts payable	Hefei IRICO Epilight Industry Co., Ltd.	1,638,878.71	1,116,230.27
Accounts payable	Xianyang IRICO Electronic Accessories Co., Ltd.	827,705.60	827,705.60
Accounts payable	China Electronics System Engineering No. 3 Construction Co., Ltd.*	795,288.00	5,000.00
Accounts payable	China Elec-Trans Int'l Service Co., Ltd.	689,135.14	5,264,566.91
Accounts payable	CEC Caihong Intelligent Lighting Technology Co., Ltd.*	337,168.14	
Accounts payable	CEC Jiutian Intelligent Technology Co., Ltd.*	108,000.00	128,000.00
Accounts payable	Xianyang IRICO Green Energy Co., Ltd.	74,925.00	75,000.00
Accounts payable	Hanzhong IRICO Jiarunze Mining Co., Ltd.*	73,201.40	
Accounts payable	Xianyang China Electronics Western Zhigu Industrial Co., Ltd.*		18,777.20
Bills payable	China Elec-Trans Int'l Service Co., Ltd.		100,000.00
Bills payable	Anhui Hongchen New Materials Technology Co., Ltd.*	2,581,000.00	
Other payables	Xianyang Zhongdian IRICO Group Holdings Ltd.*	5,581,385.39	
Other payables	Shaanxi Rainbow Industrial Intelligent Technology Co., Ltd.*	4,068,000.00	38,000.00
Other payables	Xi'an IRICO Information Co., Ltd.	1,259,314.14	1,259,314.14
Other payables	China Elec-Trans Int'l Service Co., Ltd.	400,000.00	400,000.00
Other payables	China Electronics System Engineering No. 3 Construction Co., Ltd.*	51,310.00	51,310.00
Other payables	Hefei IRICO Epilight Industry Co., Ltd.	30,000.00	30,000.00
Other payables	Nanjing Zhongdian Panda Property Management Co., Ltd.	10,000.00	10,000.00

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### XII. RELATIONSHIPS AND TRANSACTIONS WITH RELATED PARTIES (Continued)

#### (VI) Centralized Fund Management

##### 1. Funds transferred by the Company to the Group

Funds deposited directly into Finance Company by the Company which are not transferred to the accounts of the Group's parent company

Item	31 December 2024		31 December 2023	
	Book balance	Provision for bad debts	Book balance	Provision for bad debts
Monetary funds			392,865.69	
Total			392,865.69	

Including: Cash withdrawal restricted due to centralized fund management

##### 2. Funds borrowed by the Company from the parent company or member companies of the Group

Item	31 December 2024	31 December 2023
Other payables	1,259,314.14	1,259,314.14
Total	1,259,314.14	1,259,314.14

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### XIII.COMMITMENTS AND CONTINGENCIES

#### (I) Commitments

Unit: RMB0'000

Project	Contractual investment	Investment recognized	Investment not recognized
Yan'an Photovoltaic Glass Project	94,122.00	80,998.22	13,123.78
Xianyang Photovoltaic Glass Project	19,715.00	16,220.59	3,494.41
Jiangxi Shangrao Glass Project	303,289.00	183,777.11	119,511.89
Total	417,126.00	280,995.92	136,130.08

#### (II) Contingencies

The Group had no contingencies required to be disclosed.

### XIV.POST BALANCE SHEET EVENTS

Pursuant to the profit distribution plan for the year 2024 approved at the Board meeting held on 26 March 2025, the Company will not distribute any dividend for the year 2024.

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### XV. OTHER SIGNIFICANT EVENTS

#### (I) Segment report

Due to the highly integrated business and unified internal organizational structure, in terms of technology and marketing strategy, the management of the Company does not separately manage operating activities and there are no reportable segments.

#### (II) Capital management

Item	31 December 2024	31 December 2023
Total liability	7,298,790,640.87	7,041,121,051.56
Less: cash and cash equivalents	372,373,245.52	950,634,372.10
Adjusted net liability	6,926,417,395.35	6,090,486,679.46
Shareholders' equity	1,476,480,195.02	1,799,275,258.73
Adjusted capital	1,476,480,195.02	1,799,275,258.73
Adjusted liability/capital ratio	4.69	3.38

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### XVI. NOTES TO MAJOR ITEMS OF PARENT COMPANY'S FINANCIAL STATEMENTS

#### (I) Trade receivables

##### 1. Disclosed by aging

Aging	31 December 2024	31 December 2023
Within 1 year	1,270,673,477.36	1,056,642,291.76
Including: 0–6 months (inclusive)	974,018,315.14	824,260,948.76
7–12 months (inclusive)	296,655,162.22	232,381,343.00
1–2 years (inclusive)		74,036,410.50
2–3 years (inclusive)		911,024.83
Over 3 years	5,020,981.83	4,132,142.00
Subtotal	1,275,694,459.19	1,135,721,869.09
Less: provision for bad debts	5,039,600.85	4,596,453.24
Total	1,270,654,858.34	1,131,125,415.85

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### XVI. NOTES TO MAJOR ITEMS OF PARENT COMPANY'S FINANCIAL STATEMENTS (Continued)

#### (I) Trade receivables (Continued)

##### 2. Disclosed according to the method of provision for bad debts

Category	31 December 2024				Carrying amount
	Book balance		Allowance for bad debts		
	Amount	Proportion (%)	Amount	Appropriation proportion (%)	
Trade receivables with allowance for bad debts made on individual basis					
Trade receivables that are subject to allowance for bad debts on group basis	1,275,694,459.19	100.00	5,039,600.85	0.40	1,270,654,858.34
Including: By aging	575,479,162.62	45.11	5,039,600.85	0.88	570,439,561.77
By low credit risk portfolio	700,215,296.57	54.89			700,215,296.57
Total	1,275,694,459.19	100.00	5,039,600.85	0.40	1,270,654,858.34

Category	31 December 2023				Carrying amount
	Book balance		Allowance for bad debts		
	Amount	Proportion (%)	Amount	Appropriation proportion (%)	
Trade receivables with allowance for bad debts made on individual basis					
Trade receivables that are subject to allowance for bad debts on group basis	1,135,721,869.09	100.00	4,596,453.24	0.40	1,131,125,415.85
Including: By aging	735,971,942.64	64.80	4,596,453.24	0.62	731,375,489.40
By low credit risk portfolio	399,749,926.45	35.20			399,749,926.45
Total	1,135,721,869.09	100.00	4,596,453.24	0.40	1,131,125,415.85



## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### XVI. NOTES TO MAJOR ITEMS OF PARENT COMPANY'S FINANCIAL STATEMENTS (Continued)

#### (I) Trade receivables (Continued)

##### 2. Disclosed according to the method of provision for bad debts (Continued)

- (1) Accounts receivables that are subject to provision for bad debts on credit risk characteristics

##### ① Group 1: by aging

Aging	31 December 2024			31 December 2023		
	Book balance	Provision for bad debts	Provision ratio (%)	Book balance	Provision for bad debts	Provision ratio (%)
0-6 months (inclusive)	568,596,278.67			730,113,221.94		
7-12 months (inclusive)	1,861,902.12	18,619.02	1.00	813,335.67	8,133.36	1.00
1-2 years (inclusive)				2,218.20	665.46	30.00
2-3 years (inclusive)				911,024.83	455,512.42	50.00
Over 3 years	5,020,981.83	5,020,981.83	100.00	4,132,142.00	4,132,142.00	100.00
Total	575,479,162.62	5,039,600.85	0.88	735,971,942.64	4,596,453.24	0.62

##### ② Group 2: low credit risk portfolio

Portfolio	31 December 2024			31 December 2023		
	Book balance	Provision for bad debts	Provision ratio (%)	Book balance	Provision for bad debts	Provision ratio (%)
Low credit risk portfolio	700,215,296.57			399,749,926.45		
Total	700,215,296.57			399,749,926.45		

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### XVI. NOTES TO MAJOR ITEMS OF PARENT COMPANY'S FINANCIAL STATEMENTS (Continued)

#### (I) Trade receivables (Continued)

##### 3. Allowances for bad debts

Category	31 December 2023	Provision	Changes during the period		Other changes	31 December 2024
			Recovered or reversed	Written off		
Trade receivables that are subject to allowance for bad debts on group basis	4,596,453.24	443,147.61				5,039,600.85
Including: By aging	4,596,453.24	443,147.61				5,039,600.85
Total	4,596,453.24	443,147.61				5,039,600.85

##### 4. Top five trade receivables and contract assets according to closing balance of debtors

Name	Closing balance of trade receivables	Closing balance of contract assets	Closing balance of trade receivables and contract assets	Percentage of total closing balance of trade receivables and contract assets (%)	Closing balance of allowance for bad debts
Jiangxi IRICO Photovoltaic Co., Ltd.	379,133,896.54		379,133,896.54	29.72	
IRICO (Yan'an) New Energy Co., Ltd.*	294,793,260.10		294,793,260.10	23.11	
DAS Solar Co., Ltd.	120,069,592.34		120,069,592.34	9.41	
Hefei GCL System Integration Solar Technology Co., Ltd.	71,303,804.10		71,303,804.10	5.59	
Hefei JA Solar Technology Co., Ltd.	52,865,596.27		52,865,596.27	4.14	
Total	918,166,149.35		918,166,149.35	71.97	

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### XVI. NOTES TO MAJOR ITEMS OF PARENT COMPANY'S FINANCIAL STATEMENTS (Continued)

#### (II) Other receivables

Item	31 December 2024	31 December 2023
Interest receivable		
Dividends receivable		107,462,465.38
Other receivables	102,414,981.55	1,896,588.76
Total	102,414,981.55	109,359,054.14

#### 1. Dividends receivable

##### (1) Classification of dividends receivable

Item (or investee)	31 December 2024	31 December 2023
Hefei Photovoltaic		107,462,465.38
Total		107,462,465.38

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### XVI. NOTES TO MAJOR ITEMS OF PARENT COMPANY'S FINANCIAL STATEMENTS (Continued)

#### (II) Other receivables (Continued)

##### 2. Other receivables

##### (1) Disclosed by aging

Aging	31 December 2024	31 December 2023
Within 1 year	100,872,200.39	352,074.30
Including: 0–6 months (inclusive)	38,609,704.08	
7–12 months (inclusive)	62,262,496.31	352,074.30
1–2 years (inclusive)	20,000.00	
2–3 years (inclusive)		21,733.30
Over 3 years	1,522,781.16	1,522,781.16
Subtotal	102,414,981.55	1,896,588.76
Less: provision for bad debts		
Total	102,414,981.55	1,896,588.76

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### XVI. NOTES TO MAJOR ITEMS OF PARENT COMPANY'S FINANCIAL STATEMENTS (Continued)

#### (II) Other receivables (Continued)

##### 2. Other receivables (Continued)

##### (2) Disclosure by nature of amount

Nature	31 December 2024	31 December 2023
By trading receivables and other receivables	100,872,200.39	331,658.34
By deposits, margins and reserves	1,542,781.16	1,564,930.42
Subtotal	102,414,981.55	1,896,588.76
Less: provision for bad debts		
Total	102,414,981.55	1,896,588.76

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### XVI.NOTES TO MAJOR ITEMS OF PARENT COMPANY'S FINANCIAL STATEMENTS (Continued)

#### (II) Other receivables (Continued)

##### 2. Other receivables (Continued)

##### (3) Disclosed according to the method of provision for bad debts

Category	Book balance		31 December 2024		Carrying value
	Amount	Proportion (%)	Bad debt provision Amount	Provision ratio (%)	
Other receivables with allowance for bad debts on individual basis					
Other receivables with allowance for bad debts is made on group basis	102,414,981.55	100.00			102,414,981.55
Including: Low credit risk portfolio	100,872,200.39	98.49			100,872,200.39
Deposits, margins and reserves	1,542,781.16	1.51			1,542,781.16
Total	102,414,981.55	100.00			102,414,981.55

Category	Book balance		31 December 2023		Carrying value
	Amount	Proportion (%)	Bad debt provision Amount	Provision ratio (%)	
Other receivables with allowance for bad debts on individual basis					
Other receivables with allowance for bad debts is made on group basis	1,896,588.76	100.00			1,896,588.76
Including: Low credit risk portfolio	331,658.34	17.49			331,658.34
Deposits, margins and reserves	1,564,930.42	82.51			1,564,930.42
Total	1,896,588.76	100.00			1,896,588.76

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### XVI.NOTES TO MAJOR ITEMS OF PARENT COMPANY'S FINANCIAL STATEMENTS (Continued)

#### (II) Other receivables (Continued)

##### 2. Other receivables (Continued)

##### (3) Disclosed according to the method of provision for bad debts (Continued)

Other receivables for which provision for bad debts is made according to the combination of credit risk characteristics

##### ① Group 1: low credit risk portfolio

Portfolio	31 December 2024			31 December 2023		
	Book balance	Allowance for bad debts	Appropriation proportion (%)	Book balance	Allowance for bad debts	Appropriation proportion (%)
Low credit risk portfolio	100,872,200.39			331,658.34		
Total	100,872,200.39			331,658.34		

##### ② Group 2: deposits, margins and reserves

Portfolio	31 December 2024			31 December 2023		
	Book balance	Allowance for bad debts	Appropriation proportion (%)	Book balance	Allowance for bad debts	Appropriation proportion (%)
Deposits, margins and reserves	1,542,781.16			1,564,930.42		
Total	1,542,781.16			1,564,930.42		

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### XVI. NOTES TO MAJOR ITEMS OF PARENT COMPANY'S FINANCIAL STATEMENTS (Continued)

#### (II) Other receivables (Continued)

##### 2. Other receivables (Continued)

##### (4) Change in book balance

Book Balance	Stage I ECL for the following 12 months	Stage II Lifetime ECL (without credit impairment)	Stage III Lifetime ECL (with credit impairment)	Total
Balance at 31 December 2023	1,896,588.76			1,896,588.76
Balance at 31 December 2023 during the period				
– Transferred to Stage II				
– Transferred to Stage III				
– Reversed to Stage II				
– Reversed to Stage I				
Addition in the period	385,790,438.34			385,790,438.34
Derecognition in the period	285,272,045.55			285,272,045.55
Other changes				
Balance at 31 December 2024	102,414,981.55			102,414,981.55

##### (5) Top five other trade receivables according to closing balance of debtors

The total amount of top five other account receivables according to closing balance of other receivables amounted to RMB102,414,981.55, accounted for 100.00% of the total closing balance of other receivables.



## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### XVI. NOTES TO MAJOR ITEMS OF PARENT COMPANY'S FINANCIAL STATEMENTS (Continued)

#### (III) Long-term equity investments

Items	31 December 2024			31 December 2023		
	Book balance	Provision for impairment	Carrying amount (%)	Book balance	Provision for impairment	Carrying amount (%)
Investment in subsidiaries	2,500,000,000.00	405,000,000.00	2,095,000,000.00	1,810,000,000.00	405,000,000.00	1,405,000,000.00
Total	2,500,000,000.00	405,000,000.00	2,095,000,000.00	1,810,000,000.00	405,000,000.00	1,405,000,000.00

#### 1. Investment in subsidiaries

Investee	Opening balance (Carrying value)	Provision for impairment Opening balance	Changes in the period				Closing balance (Carrying value)	Provision for impairment Closing balance
			Addition of investment	Reduction of investment	Provision for impairment	Others		
IRICO (Hefei) Photovoltaic Co., Ltd.*	1,150,000,000.00	405,000,000.00					1,150,000,000.00	405,000,000.00
IRICO (Yan'an) New Energy Co., Ltd.*	300,000,000.00		300,000,000.00				600,000,000.00	
Jiangxi IRICO Photovoltaic Co., Ltd.	300,000,000.00		300,000,000.00				600,000,000.00	
Xianyang IRICO Photovoltaic Glass Co., Ltd.	60,000,000.00		90,000,000.00				150,000,000.00	
Total	1,810,000,000.00	405,000,000.00	690,000,000.00				2,500,000,000.00	405,000,000.00

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### XVI. NOTES TO MAJOR ITEMS OF PARENT COMPANY'S FINANCIAL STATEMENTS (Continued)

#### (IV) Operating revenue and operating costs

##### 1. Information on operating revenue and operating costs

Item	2024		2023	
	Revenue	Costs	Revenue	Costs
Principal businesses	3,158,892,765.21	3,159,318,198.26	3,098,898,217.65	3,098,987,175.51
Other businesses	1,311,903,860.35	1,297,657,214.68	1,054,615,113.02	1,044,123,670.54
Total	4,470,796,625.56	4,456,975,412.94	4,153,513,330.67	4,143,110,846.05

##### 2. Breakdown of operating revenue and operating costs

Item	2024		2023	
	Revenue	Costs	Revenue	Costs
1. Subtotal of principal businesses	3,158,892,765.21	3,159,318,198.26	3,098,898,217.65	3,098,987,175.51
Including: Photovoltaic glass	3,158,892,765.21	3,159,318,198.26	3,098,898,217.65	3,098,987,175.51
2. Subtotal of other businesses	1,311,903,860.35	1,297,657,214.68	1,054,615,113.02	1,044,123,670.54
Including: Sales of materials	1,311,903,860.35	1,297,657,214.68	1,054,615,113.02	1,044,123,670.54
Total	4,470,796,625.56	4,456,975,412.94	4,153,513,330.67	4,143,110,846.05

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### XVI. NOTES TO MAJOR ITEMS OF PARENT COMPANY'S FINANCIAL STATEMENTS (Continued)

#### (V) Investment gains

Item	2024	2023
Income from long-term equity investment accounted for by cost method	90,000,000.00	107,462,465.38
Interest income from certificates of deposit	9,999,999.84	15,514,888.71
Investment income of held-for-trading financial assets during the holding period	20,816.72	19,582.87
Bills discounted interest	-23,694,979.16	-11,783,224.05
Investment income on disposal of held-for- trading financial assets	4,733.53	51,857.08
Total	76,330,570.93	111,265,569.99

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### XVII.SUPPLEMENTAL INFORMATION

#### (I) Breakdown of non-recurring profit or loss

Item	Amount
1. Profit/loss on disposal of non-current assets, including the write-off of the asset impairment provision	2,667,399.89
2. Government grant recognized in current profit or loss (except for government grants that are closely related to the normal operation of the Company, in compliance with national policies and regulations, and in accordance with established standards, and have a continuous impact on the Company's profit or loss)	112,048,434.38
3. Apart from the effective hedging business relating to the normal operations of the Company, gains and losses on changes in fair value arising from financial assets and financial liabilities held by non-financial enterprises and gains and losses arising from the disposal of financial assets and financial liabilities	93,375.95
4. Capital occupation fees charged from the non-financial enterprises and counted into the current profit or loss	
5. Profit or loss from entrusting others to invest or manage assets	
6. Profit or loss from external entrusted loans	
7. Asset losses due to force majeure factors such as natural disasters	
8. Reversal of provision for impairment of receivables tested for impairment on an individual basis	22,300.55
9. Gains when the investment cost of acquiring a subsidiary, an associate and a joint venture is less than the fair value of the identifiable net assets of the invested entity	
10. Current net profit or loss of subsidiaries from the merger of enterprise under common control from the beginning of the period to the date of the merger	
11. Profit or loss from exchange of non-monetary assets	
12. Profit or loss from debt restructuring	
13. One-off costs incurred by the enterprise as a result of the discontinuation of the relevant business activities, e.g. staff settlement expenses, etc.	
14. One-off effect on the current profit or loss due to adjustments according to laws and regulations related to tax and accounting	
15. One-off share-based payment expense recognised as a result of cancellation and modification of the share incentive scheme	

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### XVII.SUPPLEMENTAL INFORMATION (Continued)

#### (I) Breakdown of non-recurring profit or loss (Continued)

Item	Amount
16.Profit or loss from changes in fair value of employee remuneration payable after the date on which the cash settled share-based payments become exercisable	
17.Profit or loss from changes in fair value of investment properties subsequently measured in the fair value model	
18.Gains in transactions with unfair price	
19.Profit or loss arising from contingencies irrelevant to the Company's normal business operations	
20.Entrustment fee income from entrusted operations	
21.Other non-operating income and expenses other than the above	44,544,446.67
22.Other profit or loss items falling within the meaning of non-recurring profit or loss	23,884,616.43
Less: Effect of income tax	
Effect of minority interests (after tax)	
Total	183,260,573.87

Explanation of the Company for "other profit or loss items falling within the meaning of non-recurring profit or loss" and defining items of non-recurring profit or loss as items of recurrent profit or loss according to the nature and characteristics of its normal operation:

Item	Amount	Reason
VAT input tax deduction	23,842,510.85	
Refund of personal income tax service fee	42,105.58	
Total	23,884,616.43	

## Notes to the Financial Statements for 2024 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

### XVII.SUPPLEMENTAL INFORMATION (Continued)

#### (II) Return on net assets and earnings per share

Profit for the Reporting Period	Weighted average return on net assets (%)	Earnings per share (RMB/share)	
		Basic earnings per share	Diluted earnings per share
Net profit attributable to holders of ordinary shares of the Company	-22.95	-2.1322	-2.1322
Net profit attributable to holders of ordinary shares of the Company after deducting non-recurring profit or loss	-34.14	-3.1716	-3.1716

IRICO GROUP NEW ENERGY COMPANY LIMITED

On 26 March 2025

## Five-Year Financial Summary

Unit: RMB0'000

Item	2024	2023	2022 (Restated)	2021 (Restated)	2020 (Restated)
Operating revenue	327,622.01	314,538.55	247,027.75	206,706.27	262,585.27
Total profit (total loss is represented by "-")	-35,842.74	-22,558.93	10,078.87	18,770.73	15,873.72
Income tax expense	1,752.64	536.62	1,155.82	2,327.57	-3,218.00
Net profit (net loss is represented by "-")	-37,595.38	-23,095.55	8,923.05	16,443.16	19,091.72
Including: Net profit attributable to the shareholders of the parent company	-37,595.38	-23,095.55	8,923.05	16,443.16	20,897.00
Minority interests					-1,804.24
Total assets	877,527.08	884,039.63	637,824.41	512,026.46	527,545.00
Total liabilities	729,879.06	704,112.11	445,627.76	320,943.42	353,986.00
Owners' equity	147,648.02	179,927.53	192,196.65	191,083.05	173,559.00
Including: Equity attributable to owners of the parent company	147,648.02	179,927.53	192,196.65	191,083.05	173,559.00
Minority interests					
Basic earnings per share (RMB/share)	-2.1322	-1.3099	0.5061	1.2346	1.5690
Diluted earnings per share (RMB/share)	-2.1322	-1.3099	0.5061	1.2346	1.5690

## Corporate Information

### Executive Directors

Yang Hua  
Ma Zhibin

### Non-executive Directors

Fang Zhongxi  
Wang Dong

### Independent Non-executive Directors

Su Kun  
Li Yong  
Hao Meiping

### Audit Committee

Su Kun  
Li Yong  
Hao Meiping

### Chief Financial Officer

Huang Weihong (*Resigned on 27 March 2025*)  
Li Yunpu (*Appointed on 27 March 2025*)

### Secretary to the Board

Niu Xinchun (*Appointed on 13 May 2024*)  
Huang Weihong (*Ceased to serve on 13 May 2024*)

### Company Secretary

Ni Huadong

### Authorized Representatives

Wang Dong (*Appointed on 16 May 2024*)  
Huang Weihong (*Ceased to serve on 16 May 2024*)  
Ni Huadong



## Corporate Information (Continued)

### Legal address in the PRC

C6, No. 3, Xinghuo Avenue, High-Tech Industrial Development Zone, Xianyang, Shaanxi Province  
Postal code: 712000

### Place of business in Hong Kong

Units 1607–8, 16/F, Citicorp Centre, 18 Whitfield Road, Causeway Bay, Hong Kong

### Company website

[www.irico.com.cn](http://www.irico.com.cn)

### Legal adviser

Baker & McKenzie  
14/F, One Taikoo Place, 979 King's Road, Quarry Bay, Hong Kong

### Auditor

WUYIGE Certified Public Accountants LLP, a Non-Hong Kong Accounting Firm accredited by the Stock Exchange  
Room 2206, 22/F, No. 1 Zhichun Road, Haidian District, Beijing

### Registrar of H Shares in Hong Kong

Computershare Hong Kong Investor Services Limited  
Rooms 1712–1716, 17th Floor, Hopewell Centre,  
183 Queen's Road East, Hong Kong

### Investor and media relations

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