



凯盛新能源股份有限公司

Triumph New Energy Company Limited

(a joint stock limited company incorporated in the People's Republic of China with limited liability)

H Share Stock Code: 1108 A Share Stock Code: 600876

2024 ANNUAL REPORT



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Documents Available for Inspection	Financial statements signed and sealed by the Legal Representative, the Chief Financial Controller and the Person in charge of Accounting Department.
	Original copy of the auditors' report stamped by Grant Thornton (Special General Partnership) and signed by PRC certified public accountants.
	All original copies of the Company's documents and the original drafts of the Company's announcements as publicly disclosed in the newspaper designated by the CSRC during the Reporting Period.

IMPORTANT NOTICE

- I. The board of directors (the "Board"), the supervisory committee and the directors (the "Directors"), supervisors and senior management of the Company confirm that the information contained in this report is true, accurate, and complete without any false and misleading statements or material omissions, and severally and jointly accept legal responsibility for the above.
- II. All Directors attended the meeting of the Board.
- III. Grant Thornton (Special General Partnership) has issued an auditors' report with standard unqualified opinions for the Company.
- IV. Xie Jun, the Chairman of the Company, Chen Hongzhao, the Chief Financial Controller and Li Xuejiao, the Person in charge of Accounting Department (the Accounting Manager), warrant the truthfulness, accuracy and completeness of the financial statements set out in the report.
- V. Profit distribution proposal or proposal for conversion of capital reserve to the share capital during the Reporting Period approved by the Board by resolutions
 As considered by Grant Thornton (Special General Partnership), the net profit of the Company for 2024 was RMB2,242,100, together with a negative undistributed profit (i.e., loss) of RMB65,668,700 at the beginning of 2024, there was a negative undistributed profit (i.e., loss) amounting to RMB654,426,600 as at the end of 2024. In view of the negative undistributed profit at the end of 2024, and taking into account the Company's long-term development strategy and short-term operating conditions, combined with the turnover arrangement of operating capital under macroeconomy, and in accordance with the relevant laws and regulations of the Company Law, the Notice on Further Implementation of Matters in Relation to the Cash Dividends of Listed Companies, the Regulatory Guidelines for Listed Companies No. 3 – Cash Dividends of Listed Companies of the PRC, and the relevant provisions of the Articles of Association of the Company, and considering the current actual situation of the Company, the Company will not distribute profit, or convert capital reserve to the share capital or other forms of profit distribution for 2024.
- VI. Dividends
 The Board does not recommend any distribution of dividends for the year ended 31 December 2024.
- VII. Risk statements on forward-looking statements
 Forward-looking statements, including business plan and development strategy, contained in this report do not constitute a real commitment to investors by the Company.
- VIII. Is there any embezzlement of non-operating funds by the controlling shareholder(s) and other related parties
 No
- IX. Is there any decision-making procedure in violation of any provisions for providing external guaranty
 No
- X. Whether more than half of the Directors cannot guarantee the authenticity, accuracy and completeness of the annual report disclosed by the Company
 No
- XI. Notice of significant risks
 During the Reporting Period, there is no material risks that have substantive impact on the production and operation of the Company. The Company has described the potential associated risks in detail in this report. Please refer to the potential risk factors and strategies exposed to the future development of the Company as described in the section headed "(IV) Potential risks" in "VI. DISCUSSION AND ANALYSIS OF THE FUTURE DEVELOPMENT OF THE COMPANY" set out in Section III "Management Discussion and Analysis" to this report.

Section I Definitions

I. DEFINITIONS

Unless otherwise stated in context, the following terms should have the following meanings in this report:

Definitions of frequently-used terms

Chengdu CNBM	CNBM (Chengdu) Optoelectronic Materials Co., Ltd.
CLFG	China Luoyang Float Glass (Group) Company Limited* (中國洛陽浮法玻璃集團有限責任公司)
CNBM Finance Company	China National Building Material Group Finance Co., Ltd.
CNBMG	China National Building Material Group Co., Ltd.* (中國建材集團有限公司)
CNBM Research Institute	CNBM New Material Research Institute Group Co., Ltd.* (中建材玻璃新材料研究院集團有限公司)
Company	Triumph New Energy Company Limited
CSRC	China Securities Regulatory Commission
Far East Opto electronics	Far East Opto electronics Co., Ltd.
Group	Triumph New Energy Company Limited and its subsidiaries
Hefei New Energy	CNBM (Hefei) New Energy Co., Ltd.* (中建材(合肥)新能源有限公司)
Hong Kong	The Hong Kong Special Administrative Region of the PRC
Hong Kong Listing Rules	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
International Engineering	China Triumph International Engineering Company Limited
Jiangsu Guangnian	Jiangsu Guangnian New Material Co., Ltd.* (江蘇光年新材料有限公司)
Jiangsu Triumph	Jiangsu Triumph New Material Co., Ltd.* (江蘇凱盛新材料有限公司)
Luoyang New Energy	CNBM (Luoyang) New Energy Resources Co., Ltd.* (中建材(洛陽)新能源有限公司)
North Glass	Qinhuangdao North Glass Co., Ltd.* (秦皇島北方玻璃有限公司)
PRC	the People's Republic of China, for the purpose of this report, excluding Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan



Section I Definitions

Reporting Period, Current Period	the financial year ended 31 December 2024
Ruichang CNBM	CNBM (Ruichang) Optoelectronic Materials Co., Ltd.
SASAC	State-owned Assets Supervision and Administration Commission
Shanghai Listing Rules	The Rules Governing the Listing of Stocks on the Shanghai Stock Exchange
Shengshi New Energy	Anhui Shengshi New Energy Material Technology Co., Ltd.
Shengshi New Material	Anhui Shengshi New Material Technology Co., Ltd.
Shuyang Xinda	Shuyang Xinda New Material Co., Ltd.
SSE	Shanghai Stock Exchange
Stock Exchange	The Stock Exchange of Hong Kong Limited
Tongcheng New Energy	CNBM (Tongcheng) New Energy Materials Co., Ltd.* (中國建材桐城新能源材料有限公司)
Triumph Glass Holding	Triumph Glass Holding Co., Ltd
Triumph Photovoltaic	Triumph Photovoltaic Materials Co., Ltd.
Triumph Resources	CNBMG Triumph Mineral Resources Group Co. Ltd.
Triumph Technology Group	Triumph Science & Technology Group Co., Ltd. * (凱盛科技集團有限公司)
Yixing New Energy	CNBM (Yixing) New Energy Resources Co., Ltd* (中建材(宜興)新能源有限公司)
Zhangzhou New Energy	Kaisheng (Zhangzhou) New Energy Co., Ltd.* (凱盛(漳州)新能源有限公司)
Zigong New Energy	Kaisheng (Zigong) New Energy Co., Ltd.* (凱盛(自貢)新能源有限公司)

Section II Company Profile and Major Financial Indicators

I. INFORMATION OF THE COMPANY

Chinese name of the Company	凱盛新能源股份有限公司
Chinese abbreviation	凱盛新能
English name of the Company	Triumph New Energy Company Limited
English abbreviation	TRIUMPH NEW EN
Legal representative of the Company	Xie Jun

II. CONTACT PERSONS AND CONTACT METHODS

	Secretary to the Board	Representative of securities affairs
Name	Chen Hongzhao	Zhao Zhiming
Correspondence address	Securities Department of Triumph New Energy Limited, No. 9, Tang Gong Zhong Lu, Xigong District, Luoyang, Henan Province, the PRC	Securities Department of Triumph New Energy Limited, No. 9, Tang Gong Zhong Lu, Xigong District, Luoyang, Henan Province, the PRC
Telephone	86-379-63908858	86-379-63908833
Fax	86-379-63251984	86-379-63251984
Email	tnedm@zhglb.com	ksxnzqb@zhglb.com

III. CHANGES IN BASIC INFORMATION

Registered address	No. 9, Tang Gong Zhong Lu, Xigong District, Luoyang, Henan Province, the PRC
Historical changes of the registered address	None
Office address	No. 9, Tang Gong Zhong Lu, Xigong District, Luoyang, Henan Province, the PRC
Postal code	471009
Website of the Company	http://www.zhglb.com/
Email	ksxn@zhglb.com

IV. CHANGES IN THE PLACES FOR INFORMATION DISCLOSURE AND REFERENCE

Name and website of the media in which the Company discloses its annual reports	China Securities Journal, Shanghai Securities News, Securities Daily
Website of the stock exchange in which the Company discloses its annual report	http://www.sse.com.cn , http://www.hkexnews.hk
Place for inspection of annual reports	Securities Department of Triumph New Energy Company Limited

Section II Company Profile and Major Financial Indicators

V. BASIC INFORMATION OF THE COMPANY'S SHARES

Basic Information of the Company's Shares

Type of shares	Place of listing of the Company's shares	Stock abbreviation	Stock code	Former stock abbreviation
A Share	SSE	TRIUMPH NEW EN	600876	Luoyang Glass
H Share	Stock Exchange	TRIUMPH NEW EN	01108	LUOYANG GLASS

Notes:

On 3 March 2023, the abbreviation of A shares of the Company was changed from "Luoyang Glass" to "TRIUMPH NEW EN".

On 22 March 2023, the abbreviation of H shares of the Company was changed from "LUOYANG GLASS" to "TRIUMPH NEW EN"

VI. OTHER INFORMATION

Accounting firm appointed by the Company (domestic)	Name	Grant Thornton (Special General Partnership)
	Office address	5th Floor, Scitech Place, 22 Jianguomen Wai Avenue, Chaoyang District, Beijing, the PRC
	Names of signing accountants	Zheng Jianli, Fu Junhui
Legal advisor as to PRC laws	Name	Beijing Dentons Law Office, LLP
	Office address	7th Floor, Building D Parkview Green FangCaoDi No. 9 Dongdaqiao Road Chaoyang District, Beijing, the PRC
Legal advisor as to Hong Kong laws	Name	Li & Partners
	Office address	22/F, World Wide House, Central, Hong Kong
Share Registrars for H Shares:	Name	Computershare Hong Kong Investor Services Limited
	Office address	1712-1716, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong

Section II Company Profile and Major Financial Indicators

VII. MAJOR ACCOUNTING DATA AND FINANCIAL INDICATORS OF THE COMPANY FOR THE LAST THREE YEARS

(I) Major accounting data

Unit: Yuan Currency: RMB

Major accounting data	2024	2023	Increase/ decrease over the same period last year (%)	2022
Operating revenue	4,594,447,303.71	6,595,249,704.60	-30.34	5,030,111,246.27
Operating revenue net of business revenue not related to principal business and income lacking commercial substance	4,547,588,888.51	6,534,389,316.50	-30.41	5,006,346,937.18
Net profit attributable to shareholders of the Company (net loss is represented by "-")	-609,930,319.66	394,720,559.20	-254.52	409,038,651.70
Net profit attributable to shareholders of the Company after deducting non-recurring profit and loss (net loss is represented by "-")	-641,525,159.19	191,660,805.24	-434.72	101,741,061.75
Net cash flows from operating activities	-393,894,521.10	143,506,267.94	-374.48	-398,045,232.39
	As at the end of 2024	As at the end of 2023	Increase/ decrease over the same period last year (%)	As at the end of 2022
Net assets attributable to shareholders of the Company	4,017,221,146.89	4,627,151,466.55	-13.18	4,232,430,907.35
Total assets	12,305,210,394.10	12,427,698,664.06	-0.99	10,565,902,910.42

Section II Company Profile and Major Financial Indicators

VII. MAJOR ACCOUNTING DATA AND FINANCIAL INDICATORS OF THE COMPANY FOR THE LAST THREE YEARS (CONTINUED)

(II) Major Financial Indicators

Unit: Yuan Currency: RMB

Major Financial Indicators	2024	2023	Increase/ decrease over the same period last year (%)	2022
Basic earnings per share (RMB/share) (loss is represented by "-")	-0.94	0.61	-254.10	0.63
Diluted earnings per share (RMB/share) (loss is represented by "-")	-0.94	0.61	-254.10	0.63
Basic earnings per share after deducting non- recurring profit and loss (RMB/share) (loss is represented by "-")	-0.99	0.30	-430.00	0.16
Weighted average return on net assets (%) (loss is represented by "-")	-14.11	8.91	Decreased by 23.02 percentage points	10.13
Weighted average return on net assets after deducting non-recurring profit and loss (%) (loss is represented by "-")	-14.84	4.33	Decreased by 19.17 percentage points	2.52

VIII. MAJOR QUARTERLY FINANCIAL INDICATORS IN 2024

Unit: Yuan Currency: RMB

	Q1 (January- March)	Q2 (April-June)	Q3 (July- September)	Q4 (October- December)
Operating revenue	1,437,775,429.95	1,541,047,888.72	715,925,865.68	899,698,119.36
Net profit attributable to shareholders of the Company (net loss is represented by "-")	-6,353,117.41	-48,428,709.52	-192,509,769.63	-362,638,723.10
Net profit attributable to shareholders of the Company after deducting non-recurring profit or loss (net loss is represented by "-")	-9,261,251.99	-56,285,092.96	-205,723,924.35	-370,254,889.89
Net cash flows from operating activities	-74,387,649.98	55,720,899.62	-61,350,384.10	-313,877,386.64

Section II Company Profile and Major Financial Indicators

IX. NON-RECURRING ITEMS AND AMOUNTS

Yuan Currency: RMB

NON-RECURRING ITEMS	Amount in 2024	Note (If applicable)	Amount in 2023	Amount in 2022
Profit/loss on disposal of non-current assets, including the write-off of provision for impairment on assets	3,391,919.06		45,107,451.69	170,343,399.51
Government grants recognized in profit or loss, except for those government grants that are closely related to the normal operation of the Company, in compliance with national policies and in accordance with established criteria, which have a constant impact on the Company's profit or loss	37,842,840.36		203,845,070.00	153,710,406.94
Fund possession fee received from non-financial enterprises attributable to profits and losses for the period				335,364.24
Reversal of provision for impairment on receivables individually tested for impairment	145,877.93		163,769.00	
Profit/loss from debt restructuring			9,298.36	119,700.00
Custody fee income from entrusted operation	1,132,075.44		4,500,912.95	3,311,320.75
Other non-operating income and expenses other than the aforesaid items (net loss is represented by "-")	-73,539.04		503,207.60	3,195,213.91
Other profit/loss items in line with the definition of non-recurring profit/loss			108,691.16	45,045.13
Less: Amount of effect on income tax	7,444,335.46		38,650,663.94	14,553,774.30
Amount of effect on minority interest (after tax)	3,399,998.76		12,527,982.86	9,209,086.23
Total	31,594,839.53		203,059,753.96	307,297,589.95

X. ITEMS MEASURED AT FAIR VALUE

Unit: Yuan Currency: RMB

Project Name	Opening balance	Ending balance	Current period changes	Impact on the profit for the period
Receivables financing	1,413,397,411.65	168,646,023.76	-1,244,751,387.89	0.00
Total	1,413,397,411.65	168,646,023.76	-1,244,751,387.89	0.00

Section III Management Discussion and Analysis

I. DISCUSSION AND ANALYSIS ON THE COMPANY'S OPERATIONS

2024 marked a pivotal year for achieving the goals outlined in the 14th "Five-Year" Plan, as well as an extraordinary and remarkable year in the course of China's economic development. This year has been marked by intertwined global uncertainties, escalating geopolitical conflicts, and an intensifying trend of decoupling and supply chain disruptions, all of which have deepened the adverse impacts of external environmental changes. Amid a complex landscape of increasing external pressures and growing internal challenges, the Chinese economy has persevered under pressure, steadily advancing along the path of high-quality development. Meanwhile, 2024 has been a year of interwoven difficulties and challenges for the Company. Affected by supply-demand imbalances and capacity mismatches, the photovoltaic industry has seen intensified internal competition, with prices across the industrial chain continuing to decline, and the entire sector entering into a period of deep adjustment. In 2024, the Group achieved operating revenue of RMB4,594 million, representing a decrease of approximately 30% as compared with the operating revenue of RMB6,595 million achieved by the Group in the previous year; and had net loss attributable to shareholders of the Company of RMB610 million, turning from profit to loss as compared with the net profit attributable to shareholders of the Company of RMB395 million achieved in the previous year.

Despite the decline in operating performance due to changes in the external environment, the Company remained firmly committed to the new energy materials sector, actively addressing the risks and challenges posed by the industry and market cyclical adjustments. By focusing on quality improvement and efficiency enhancement, as well as strengthening management oversight, the Company successfully withstood the dual pressures of economic downturn and industry internal competition, stabilizing its core business while exploring new growth opportunities.

The Company strengthened its top-level design, clarified its strategic positioning and development direction, and further optimized and adjusted the three-year development plan for its photovoltaic glass business in response to external environmental changes and industry trends. During the Reporting Period, the Phase I project of Luoyang New Energy's solar photovoltaic cell encapsulation materials has accumulated an investment of approximately RMB1,470 million. Line A of the Phase I project has been completed and put into operation, while Line B has met the preliminary conditions for commissioning. The solar photovoltaic cell encapsulation materials project of North Glass has also met the conditions for commissioning and will commence production based on market conditions. In addition, the acquisition of 74.6% equity stake in Jiangsu Triumph through capital increase has been approved by the Board and obtained the relevant state-owned assets regulatory approvals, pending approval at a general meeting of the Company. The successful implementation of these projects will further optimize and enhance the layout of the core business, strengthen and refine the core operations, improve sustainable development capabilities, and consolidate the industry position, of the Company.

The Company implemented a strategy of "closing small ones and building large ones, replacing old ones with new ones", focused on advantageous regions, optimized scales of production and reduced production costs. During the Reporting Period, to actively address risks such as insufficient operating rates in downstream industries and continued price declines in the market, the Company phased out or reduced production of small-tonnage, outdated furnaces in stages. This led to a corresponding increase in the proportion of large-tonnage advanced production capacities, optimizing the scale and structure of production lines and effectively driving a year-on-year decline in overall production costs. By deepening regional market penetration, adopting a localized sales and rapid response strategy, and continuously expanding partnerships with industry-leading customers, the Company maintained growth in sales volume to top-tier downstream photovoltaic module manufacturers and other high-quality clients. The Company also actively promoted the standardization of production line staffing and implemented unified management in sales, procurement, technology, and finance, further optimizing its labor structure, personnel structure, and management structure. Adhering to the philosophy that "all costs can be reduced, and all expenses can be controlled", the Company ensured the effective implementation of its "One Cent Profit Enhancement Plan", achieving loss reduction attributable to the aforesaid measures of approximately RMB125 million for the year.

Section III Management Discussion and Analysis

I. DISCUSSION AND ANALYSIS ON THE COMPANY'S OPERATIONS (CONTINUED)

The Company is building a new development framework characterized by high-end, intelligent, and green practices. Throughout the year, it conducted 54 R&D projects with an R&D investment of nearly RMB200 million, representing an R&D investment to operating revenue proportion of over 4%. 76 patents were applied, of which 15 were invention patents; 35 new patents were authorized, including 17 invention patents. During the Reporting Period, Yixing New Energy was recognized as a national-level 5G smart factory and participated in the drafting of one national standard and one industry standard. Tongcheng New Energy was awarded the title of national-level "Little Giant" professional, refined, specialized and innovative enterprise. Hefei New Energy received a provincial-level outstanding patent award, while Zhangzhou New Energy was recognized as a provincial-level professional, refined, specialized and innovative SME and a provincial leader in energy efficiency for key industries. During the Reporting Period, the Group achieved a year-on-year decrease of 2.73% in comprehensive energy consumption per RMB10,000 of output value. The cumulative power generation of its photovoltaic power generation projects and waste heat power generation projects reached 89.85 million kWh, corresponding to a reduction in carbon dioxide (CO₂) emissions of approximately 51,200 tons. The Group also established 7 intelligent safety and environmental protection platforms, all of which have been put into operation.

II. INDUSTRIAL LANDSCAPE OF THE COMPANY DURING THE REPORTING PERIOD

During the Reporting Period, China's photovoltaic industry continued its rapid growth trajectory. According to data released by the China Photovoltaic Industry Association, all segments of China's photovoltaic manufacturing sector achieved double-digit growth in production in 2024. Specifically, polysilicon production reached 1.82 million tons, representing a year-on-year increase of 23.6%; silicon wafer production reached 753 GW, representing a year-on-year increase of 12.7%; solar cell production reached 654GW, representing a year-on-year increase of 10.6%; and module production reached 588GW, representing a year-on-year increase of 13.5%. In 2024, China's new PV installations exceeded expectations, reaching 277.57GW, representing a year-on-year increase of 28.3%. Notably, monthly installations in December 2024 hit a record high of 71.27GW, the highest single-month installation figure in history.

However, the photovoltaic industry is also facing the dual challenges of intensified internal competition and rising global trade barriers. According to the data released by the China Photovoltaic Industry Association, during the Reporting Period, continued price declines across the industrial chain put pressure on corporate profits, with net profits of main industrial chain companies declining by 72.2% year on year, and net profits of auxiliary materials suppliers falling by 62.9%. Systemic risks in the industry escalated, and accounts receivable risks grew rapidly. On the export front, the export value of photovoltaic modules decreased by approximately 15% year on year. The Asian market share rose to 37.5%, while the European market share fell to 40.7%. The top ten photovoltaic module export markets maintained a 62% market share.

Breaking through the industry's development challenges, the China Photovoltaic Industry Association (CPIA), with active participation from industry leaders, has initiated efforts to promote fair competition and strengthen industry self-regulation. The National Development and Reform Commission of the PRC and the Ministry of Industry and Information Technology of the PRC, in collaboration with relevant departments, are actively implementing industrial regulation measures, addressing both supply and demand to help the industry overcome its challenges as quickly as possible. Looking ahead, China's photovoltaic industry will continue to develop in a greener, more efficient, and more intelligent direction under the guidance of national policies, ushering in even broader development prospects.



Section III Management Discussion and Analysis

III. BUSINESSES OF THE COMPANY DURING THE REPORTING PERIOD

The Company is mainly engaged in research and development, manufacturing and sales of new energy materials. The main products include front glass (super white embossed glass) for solar photovoltaic modules and back glass for photovoltaic double-glass modules. Currently, the Company has established seven intelligent photovoltaic glass production bases in East China, Central China, North China and Southwest China. As of the end of 2024, the Company had a production capacity of 4550 tonnes/day for photovoltaic original glass, and 47 production lines for further processed cover frontsheets and backsheets, with an annual output of approximately 340 million square meters.

IV. ANALYSIS OF CORE COMPETITIVENESS DURING THE REPORTING PERIOD

The Company is one of the famous glass manufacturers in China. After decades of innovation and development, the Company has accumulated leading knowledge and processing experience. The Company possesses a number of proprietary intellectual property rights, and core techniques, and fostered core technology teams in product research and development, processing improvement and quality control, etc.

CNBMG, the de facto controller of the Company, is an enterprise directly under the SASAC, the largest comprehensive building material group corporation in China and an enterprise of Fortune Global 500. Relying on the support of industrial platform and technological innovation from CNBMG and Triumph Technology Group, the Company focuses on the main business of new energy materials, constantly expands application fields, accelerates the cultivation of new drivers for steady growth, creates a new pattern of high-end, intelligent and green business development, and continues to enhance its profitability and overall competitiveness.

Section III Management Discussion and Analysis

V. THE PRINCIPAL OPERATIONS DURING THE REPORTING PERIOD

During the Reporting Period, the Group's operating revenue amounted to RMB4,594,447,303.71, representing a year-on-year decrease of RMB2,000,802,400.89; operating loss amounted to RMB780,692,005.68, representing a year-on-year profit decrease of RMB1,281,562,422.96 from operating profit of RMB500,870,417.28 in the previous year, turning from profit to loss; net loss attributable to shareholders of the Company amounted to RMB609,930,319.66, representing a year-on-year profit decrease of RMB1,004,650,878.86 from net profit attributable to shareholders of the Company of RMB394,720,559.20 in the previous year, turning from profit to loss; and basic loss per share attributable to shareholders of the Company amounted to RMB0.94 per share. The gearing ratio was 64.45%, representing an increase of 5.11 percentage points from the end of 2023.

(I) Analysis of principal operating activities

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

Unit Yuan Currency: RMB

Item	Amount for current period	Amount for the same period last year	Change (%)
Operating revenue	4,594,447,303.71	6,595,249,704.60	-30.34
Operating costs	4,794,427,861.57	5,831,249,729.90	-17.78
Selling expenses	16,313,029.27	19,774,485.40	-17.50
Administrative expenses	150,956,934.26	147,118,075.69	2.61
Finance expenses	111,115,163.24	74,130,669.00	49.89
R&D expenses	174,176,284.10	251,522,948.01	-30.75
Other income	57,485,781.88	235,282,495.33	-75.57
Impairment losses on credit (loss is represented by "-")	-6,498,534.43	6,380,169.95	-201.86
Impairment losses on assets (loss is represented by "-")	-129,477,909.53	302,115.54	-42,957.08
Gains on disposal of assets	3,391,919.06	45,107,451.69	-92.48
Income tax expenses (profit is represented by "-")	-117,666,564.14	36,556,151.73	-421.88
Net cash flow from operating activities	-393,894,521.10	143,506,267.94	-374.48
Net cash flow from investment activities	-569,345,714.34	-1,758,270,241.73	N/A
Net cash flow from financing activities	862,971,071.63	1,356,122,114.77	-36.36

Reason for change in operating revenue: During the Reporting Period, competition in the photovoltaic glass market intensified, market conditions continued to weaken, and prices declined significantly, while shipment volume decreased year on year.

Reason for change in operating costs: During the Reporting Period, procurement prices for key bulk raw materials decreased year on year, reducing production costs, while shipment volume also declined year on year.

Section III Management Discussion and Analysis

V. THE PRINCIPAL OPERATIONS DURING THE REPORTING PERIOD (CONTINUED)

(I) Analysis of principal operating activities (Continued)

1. *Analytical statement of changes in relevant items in the income statement and cash flow statement (Continued)*

Reason for change in selling expenses: During the Reporting Period, sales personnel compensation and related expenses decreased year on year.

Reason for change in administrative expenses: During the Reporting Period, severance benefits increased significantly due to workforce restructuring initiatives.

Reason for change in finance expenses: During the Reporting Period, the outstanding balance of interest-bearing liabilities increased year on year.

Reason for change in R&D expenses: During the Reporting Period, to build a high-end, intelligent, and green development framework, the Company continued to improve the quality and efficiency of R&D projects, and there is a year-on-year decrease in newly initiated R&D projects.

Reason for change in other income: During the Reporting Period, government subsidies and other income decreased year on year.

Reason for change in impairment losses on credit: As at the end of the Reporting Period, provision for bad debts of accounts receivable involved in litigation increased.

Reason for change in impairment losses on assets: During the Reporting Period, the sharp decline in photovoltaic glass prices reduced the expected net realizable value of inventory (including finished goods), resulting in higher inventory write-down provisions.

Reason for change in gains on disposal of assets: During the Reporting Period, the scale of asset disposals decreased year on year.

Reason for change in income tax expenses: During the Reporting Period, deferred tax assets was recognized due to operating loss.

Reason for change in net cash flow from operating activities: During the Reporting Period, declining revenue shifted operations from profit to loss.

Reason for change in net cash flow from investment activities: During the Reporting Period, as projects entered their later stages, cash outflows for purchasing fixed assets and other long-term assets decreased year on year.

Reason for change in net cash flow from financing activities: During the Reporting Period, new financing (including interest-bearing liabilities) decreased year on year.

Section III Management Discussion and Analysis

V. THE PRINCIPAL OPERATIONS DURING THE REPORTING PERIOD (CONTINUED)

(I) Analysis of principal operating activities (Continued)

2. Analysis of revenue and costs

During the Reporting Period, the Group recorded operating revenue of RMB4,594,447,303.71, representing a decrease of 30.34% as compared with RMB6,595,249,704.60 for the corresponding period of the previous year, and operating costs of RMB4,794,427,861.57, representing a decrease of 17.78% as compared with RMB5,831,249,729.90 for the corresponding period of the previous year. During the Reporting Period, intensified competition in the photovoltaic glass market led to persistently weak market conditions, with significant price declines coupled with a year-on-year decrease in overall shipment volume, resulting in a substantial year-on-year drop in operating revenue. Although procurement prices for key bulk raw materials fell year on year, reducing production and selling costs, the cost reduction margin remained narrower than the decline in product selling prices. Consequently, the overall gross profit margin of the Company's core products decreased by over 16 percentage points year on year, turning from profit to loss.

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

Unit: Yuan Currency: RMB

Principal operations by industry						
By industry	Revenue	Operating costs	Gross profit margin (%)	Increase/decrease of operating revenue as compared with last year (%)	Increase/decrease of operating costs as compared with last year (%)	Increase/decrease of gross profit margin as compared with last year (%)
New materials	4,547,588,888.51	4,764,370,624.70	-4.77	-30.41	-17.80	Decreased by 16.07 percentage points

Principal operations by product						
By product	Revenue	Operating costs	Gross profit margin (%)	Increase/decrease of operating revenue as compared with last year (%)	Increase/decrease of operating costs as compared with last year (%)	Increase/decrease of gross profit margin as compared with last year (%)
Photovoltaic glass	4,525,792,071.25	4,742,622,839.66	-4.79	-29.11	-15.87	Decreased by 16.49 percentage points
Other functional glass	21,796,817.26	21,747,785.04	0.22	-85.50	-86.29	Increased by 5.76 percentage points

Section III Management Discussion and Analysis

V. THE PRINCIPAL OPERATIONS DURING THE REPORTING PERIOD (CONTINUED)

(I) Analysis of principal operating activities (Continued)

2. Analysis of revenue and costs (Continued)

(1) Principal operations by industry, by product, by region and by sales model (Continued)

By region	Revenue	Operating costs	Principal operations by region			
			Gross profit margin	Increase/decrease of operating revenue as compared with last year	Increase/decrease of operating costs as compared with last year	Increase/decrease of gross profit margin as compared with last year
			(%)	(%)	(%)	(%)
PRC (excluding Hong Kong, Macau and Taiwan)	4,441,628,308.53	4,660,996,885.64	-4.94	-27.48	-14.26	Decreased by 16.19 percentage points
Other countries and regions	105,960,579.98	103,373,739.06	2.44	-74.12	-71.25	Decreased by 9.72 percentage points

Sales model	Revenue	Operating costs	Principal operations by sales mode			
			Gross profit margin	Increase/decrease of operating revenue as compared with last year	Increase/decrease of operating costs as compared with last year	Increase/decrease of gross profit margin as compared with last year
			(%)	(%)	(%)	(%)
Direct sales	4,343,863,422.41	4,541,503,973.36	-4.55	-28.02	-15.08	Decreased by 15.92 percentage points
Distributor sales	203,725,466.10	222,866,651.34	-9.40	-59.25	-50.23	Decreased by 19.83 percentage points

Section III Management Discussion and Analysis

V. THE PRINCIPAL OPERATIONS DURING THE REPORTING PERIOD (CONTINUED)

(I) Analysis of principal operating activities (Continued)

2. Analysis of revenue and costs (Continued)

(2) Analytical statement of production and sales volume

Unit: Yuan Currency: RMB

Major product	Unit	Production volume	Sales volume	Storage volume	Increase/ decrease of production volume as compared with last year (%)	Increase/ decrease of sales volume as compared with last year (%)	Increase/ decrease of storage volume as compared with last year (%)
Photovoltaic glass	'0,000 square meters	34,203	34,006	3,918	-1.00	-6.65	109.43
Other functional glass	'0,000 weight boxes	0	25	23	-100.00	-85.63	-52.08

(3) Material procurement contracts and material sales contracts and their execution

On 11 October 2022, Yixing New Energy, a non-wholly owned subsidiary of the Company, entered into the Strategic Cooperation Agreement on Photovoltaic Glass with DAS SOLAR (QUZHOU) Co., Ltd.* (一道新能源科技(衢州)有限公司) for a term of two years, with an estimated sales volume of 200 million square meters of photovoltaic glass during the agreement term up to 30 September 2024. During the Reporting Period, the performance amount during the agreement term was approximately RMB180 million.

On 24 October 2022, Trina Solar Co. Ltd.* (天合光能股份有限公司) entered into the Long-term Purchase Contract for Photovoltaic Glass with the Company for a term of two years, with an estimated supply of approximately 30GW of photovoltaic glass during the contract term up to 31 October 2024. During the Reporting Period, the performance amount of the contract for the contract term was approximately RMB820 million.

Save as disclosed above, there were no material sales contracts or material procurement contracts entered into during the Reporting Period.

Section III Management Discussion and Analysis

V. THE PRINCIPAL OPERATIONS DURING THE REPORTING PERIOD (CONTINUED)

(I) Analysis of principal operating activities (Continued)

2. Analysis of revenue and costs (Continued)

(4) Analytical statement of costs

Unit: Yuan Currency: RMB

		By industry				Percentage of changes in
By industry	Component of cost	Amount for current period	Percentage over	Amount for the same period last year	Percentage over	amount for the current period over the same period last year
			total cost for the current period (%)		total cost for the same period last year (%)	
New materials	Raw materials/energy power/direct labour/manufacturing expenses	4,764,370,624.70	100.00	5,795,834,340.31	100.00	-17.80

		By product				Percentage of changes in
By product	Component of cost	Amount for current period	Percentage over	Amount for the same period last year	Percentage over	amount for the current period over the same period last year
			total cost for the current period (%)		total cost for the same period last year (%)	
Photovoltaic glass	Raw materials/energy power/direct labour/manufacturing expenses	4,742,622,839.66	99.54	5,637,215,987.79	97.26	-15.87
Other functional glass	Raw materials/energy power/direct labour/manufacturing expenses	21,747,785.04	0.46	158,618,352.52	2.74	-86.29

Section III Management Discussion and Analysis

V. THE PRINCIPAL OPERATIONS DURING THE REPORTING PERIOD (CONTINUED)

(I) Analysis of principal operating activities (Continued)

2. Analysis of revenue and costs (Continued)

- (5) *Changes in the scope of consolidation due to changes in the equity of major subsidiaries during the Reporting Period*

During the Reporting Period, there were no changes in the scope of consolidation due to changes in the equity of major subsidiaries.

- (6) *Significant changes in or adjustments to the Company's businesses, products or services during the Reporting Period*

During the Reporting Period, there were no significant changes in or adjustments to the Company's businesses, products or services.

- (7) *Major sales to customers and major suppliers*

A. Major sales to customers of the Company

During the Reporting Period, the amount of sales to the top five customers (customers under the control of the same controller are regarded as the same customer) amounted to RMB3,356,350,000 (tax exclusive), representing 73% of the total annual sales revenue of the Group, of which, the largest customer accounted for approximately 18% of the Group's total annual sales revenue.

Among the top five customers, the purchase amount was calculated on a consolidated basis based on the principle that the Company's de facto controller, CNBMG, and its subsidiaries were considered as the same customer, and total annual sales revenue of CNBMG accounted for approximately 0.66% of the Group's total annual sales revenue. All sales revenues in the section are excluded from taxes.

During the Reporting Period, there were no sales to a single customer that accounted for more than 50% of the total amount, nor new customers or significant reliance on a few customers among the top five customers.



Section III Management Discussion and Analysis

V. THE PRINCIPAL OPERATIONS DURING THE REPORTING PERIOD (CONTINUED)

(I) Analysis of principal operating activities (Continued)

2. Analysis of revenue and costs (Continued)

(7) Major sales to customers and major suppliers (Continued)

B. Major suppliers of the Company

During the Reporting Period, the Group's purchases from the top five suppliers (suppliers under the control of the same controller are regarded as the same supplier) amounted to RMB2,120,200,000 (tax exclusive), representing 47% of the total annual purchases of the Group, of which the largest supplier accounted for approximately 23% of the Group's total annual purchase amount.

Among the top five suppliers, the purchase amount was calculated on a consolidated basis based on the principle that the Company's de facto controller, CNBMG, and its subsidiaries were considered as the same supplier, and CNBMG was the largest supplier of the Group. All purchase amounts in the section are excluded from taxes.

During the Reporting Period, there were no purchases from a single supplier which accounted more than 50% of the total amount, nor new suppliers or significant reliance on a few suppliers among the top five suppliers.

Save as disclosed above, during Reporting Period, none of the Directors or any of their associates or any shareholders who, to the best of the Directors' knowledge, owned more than 5% of the issued shares (excluding treasury shares) of the Company had any beneficial interest in the Group's top five largest customers and suppliers.

Section III Management Discussion and Analysis

V. THE PRINCIPAL OPERATIONS DURING THE REPORTING PERIOD (CONTINUED)

(I) Analysis of principal operating activities (Continued)

3. Expenses

Unit: Yuan Currency: RMB

Item	2024	2023	Changes (%)	Reasons for changes
Selling expenses	16,313,029.27	19,774,485.40	-17.50	Year-on-year decrease of sales personnel compensation and related expenses during the Reporting Period
Administrative expenses	150,956,934.26	147,118,075.69	2.61	Significant increase of severance benefits during the Reporting Period due to workforce restructuring initiatives
R&D expenses	174,176,284.10	251,522,948.01	-30.75	Creation of a high-end, intelligent and green development framework with continuous improvement in quality and efficiency of R&D projects and a year-on-year decrease in newly initiated R&D projects during the Reporting Period
Finance expenses	111,115,163.24	74,130,669.00	49.89	Year-on-year increase of outstanding balance of interest-bearing liabilities during the Reporting Period
Income tax expenses (profit is represented by "-")	-117,666,564.14	36,556,151.73	-421.88	Recognition of deferred tax assets due to operating loss during the Reporting Period



Section III Management Discussion and Analysis

V. THE PRINCIPAL OPERATIONS DURING THE REPORTING PERIOD (CONTINUED)

(I) Analysis of principal operating activities (Continued)

4. R&D expenditures

(1) R&D expenditures

Unit: Yuan Currency: RMB

Expensed R&D investment in current period	157,059,870.82
Capitalized R&D investment in current period	38,525,260.70
Total of R&D investment	195,585,131.52
Percentage of total R&D investment to operating revenue (%)	4.26
Proportion of capitalization of R&D investment (%)	19.70

(2) R&D staff

Number of the Company's R&D staff	375
Percentage of R&D staff number to the Company's total number of employees (%)	13.54%

Education background of R&D staff

Degree	Number
Postgraduate	5
Undergraduate	83
Associate	140
High school and below	147

Age Structure of R&D staff

Age	Number
Below 30 (exclusive)	89
30-40 years old (including 30 years old, excluding 40 years old)	183
40-50 years old (including 40 years old, excluding 50 years old)	83
50-60 years old (including 50 years old, excluding 60 years old)	20
60 years old and above	0

Section III Management Discussion and Analysis

V. THE PRINCIPAL OPERATIONS DURING THE REPORTING PERIOD (CONTINUED)

(I) Analysis of principal operating activities (Continued)

4. R&D expenditures (Continued)

- (3) *Reasons for the significant changes in the composition of the R&D workforce and the impact on the future development of the Company*

During the Reporting Period, there was no significant change in R&D staff and its impact on the Company's future development.

5. Cash flow

- (1) Net cash flow from operating activities was a net outflow of RMB393,894,521.10 during the Reporting Period, representing a decrease in net inflow of RMB537,400,789.04 as compared with a net inflow of RMB143,506,267.94 in the corresponding period of the previous year, turning from net inflow to net outflow, which was mainly attributable to the scale-down of operating revenue coupled with the shift from operating profit to operating loss.
- (2) Net cash flow from investment activities was a net outflow of RMB569,345,714.34 during the Reporting Period, representing a decrease of in net outflow RMB1,188,924,527.39 as compared with a net outflow of RMB1,758,270,241.73 in the corresponding period of the previous year, which was mainly attributable to the year-on-year decrease in cash outflows from the purchase of fixed assets and other long-term assets as projects entered their later stages.
- (3) Net cash flow from financing activities was a net inflow of RMB862,971,071.63 during the Reporting Period, representing a decrease in net inflow of RMB493,151,043.14 as compared with a net inflow of RMB1,356,122,114.77 in the corresponding period of the previous year, which was mainly attributable to the year-on-year decrease in financing such as new interest-bearing liabilities during the Reporting Period.

Section III Management Discussion and Analysis

V. THE PRINCIPAL OPERATIONS DURING THE REPORTING PERIOD (CONTINUED)

(II) Analysis of assets and liabilities

1. Assets and liabilities

Unit: Yuan Currency: RMB

Project Name	Closing balance of current period	Closing balance of last period (%)	Closing balance of last period	Percentage of closing balance of last period over the total assets (%)	Percentage of changes in closing balance of current period over the closing balance of last period (%)	Explanation
Monetary funds	140,369,169.47	1.14	273,462,436.65	2.20	-48.67	Improvement of capital turnover efficiency and reduction of cash holdings during the Reporting Period
Notes receivable	651,423,089.16	5.29	187,071,244.67	1.51	248.22	The Company classifies bank acceptance bills with low credit rating into notes receivable for presentation based on the business model of managing financial assets during the Reporting Period
Accounts receivable financing	168,646,023.76	1.37	1,413,397,411.65	11.37	-88.07	Impact of the reclassification of "notes receivable" on the one hand, and the decrease in the balance of electronic debentures on the other hand during the Reporting Period
Other receivables	102,179,903.98	0.83	154,396,647.29	1.24	-33.82	Recovery of current accounts during the Reporting Period
Inventories	891,337,553.86	7.24	686,887,235.96	5.53	29.76	Increase of inventory during the Reporting Period as the photovoltaic industry encounters a temporary supply-demand mismatch
Other current assets	159,071,073.95	1.29	114,962,230.83	0.93	38.37	Increase in input to be deducted of value-added tax during the Reporting Period
Construction in progress	3,389,274,950.00	27.54	1,772,629,520.09	14.26	91.20	Improvement in the completion of new production capacity projects on the one hand, and technical improvements of some production lines on the other hand during the Reporting Period
Right-of-use assets	6,377,028.57	0.05	9,695,700.09	0.08	-34.23	Gradual expiration of lease terms during the Reporting Period

Section III Management Discussion and Analysis

V. THE PRINCIPAL OPERATIONS DURING THE REPORTING PERIOD (CONTINUED)

(II) Analysis of assets and liabilities (Continued)

1. Assets and liabilities (Continued)

Project Name	Closing balance of current period	Closing balance of last period (%)	Closing balance of last period	Percentage of closing balance of last period over the total assets (%)	Percentage of changes in closing balance of current period over the closing balance of last period (%)	Explanation
Development expenditure	10,469,477.25	0.09	14,895,294.06	0.12	-29.71	Capitalized R&D projects was transferred to intangible assets as assets became ready for intended use during the Reporting Period
Deferred income tax assets	133,895,615.73	1.09	15,963,295.75	0.13	738.77	Recognition of deferred income tax assets due to operating loss during the Reporting Period
Other non-current assets	39,580,248.99	0.32	590,128,892.55	4.75	-93.29	Increase in prepayment for acquisition of long-term assets transferred to construction in progress as completion progressed during the Reporting Period
Short-term borrowings	1,640,538,722.72	13.33	760,656,246.99	6.12	115.67	Increase of short-term borrowings during the Reporting Period
Employee compensation payable	51,703,216.46	0.42	84,343,288.15	0.68	-38.70	Decrease in number of employees and decrease in remuneration levels during the Reporting Period
Taxes payable	8,797,215.77	0.07	45,217,814.58	0.36	-80.54	Loss from operations, decrease in enterprise income tax and value-added tax payable, etc. during the Reporting Period
Non-current liabilities due within one year	933,914,466.06	7.59	453,468,886.35	3.65	105.95	Increase of long-term loans due within one year during the Reporting Period
Other current liabilities	299,204,298.33	2.43	606,787,982.57	4.88	-50.69	Decrease of endorsed but untermiated recognised notes receivable during the Reporting Period
Undistributed profit (loss is represented by "-")	-460,638,287.56	-3.74	149,292,032.10	1.20	-408.55	Loss from operations during the Reporting Period

Section III Management Discussion and Analysis

V. THE PRINCIPAL OPERATIONS DURING THE REPORTING PERIOD (CONTINUED)

(II) Analysis of assets and liabilities (Continued)

1. Assets and liabilities (Continued)

Other explanations:

Capital liquidity

As at 31 December 2024, the Group's liquidity ratio was 0.65 (31 December 2023: 1.04) and quick ratio was 0.41 (31 December 2023: 0.80). The turnover rate of accounts receivable for 2024 was 3.63 times (2023: 5.31 times); and the turnover rate of inventory was 5.40 times (2023: 8.03 times).

Financial resources

As at 31 December 2024, the Group's cash and cash equivalents amounted to RMB130,564,767.60, among which 99.49% was denominated in RMB and 0.51% was denominated in USD and other foreign currencies.

As at 31 December 2024, the Group's borrowings from financial institutions amounted to RMB5,300,983,270.43 (31 December 2023: RMB4,334,501,761.60), including short-term borrowings amounting to RMB1,640,538,722.72 (31 December 2023: RMB760,656,246.99) and long-term borrowings amounting to RMB3,660,444,547.71 (31 December 2023: RMB3,573,845,514.61). For further details in relation to the borrowings of the Group, please refer to Note 18 "Short-term borrowings", Note 26 "Non-current liabilities due within one year" and Note 28 "Long-term borrowings" of Note VII "NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS" set out in Section VIII "FINANCIAL REPORT" to this report.

Capital structure

As at 31 December 2024, the Group's current liabilities amounted to RMB5,101,697,302.17 (31 December 2023: RMB4,154,613,359.37), representing an increase of 22.80% from the end of 2023; non-current liabilities amounted to RMB2,829,365,698.22 (31 December 2023: RMB3,219,838,930.40), representing a decrease of 12.13% from the end of 2023; and equity attributable to shareholders of the Company amounted to RMB4,017,221,146.89 (31 December 2023: RMB4,627,151,466.55), representing a decrease of 13.18% from the end of 2023. For further details in relation to current liabilities and non-current liabilities of the Group, please refer to Note 26 "Non-current liabilities due within one year" and Note 27 "Other current liabilities" of Note VII "NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS" set out in Section VIII "FINANCIAL REPORT" to this report.

As at 31 December 2024, the Group's total gearing ratio (total liabilities divided by total assets) was 64.45% (31 December 2023: 59.34%).

Section III Management Discussion and Analysis

V. THE PRINCIPAL OPERATIONS DURING THE REPORTING PERIOD (CONTINUED)

(II) Analysis of assets and liabilities (Continued)

2. Overseas assets

There were no overseas assets during the Reporting Period.

3. Major restricted assets as at the end of the Reporting Period

Unit: Yuan Currency: RMB

Item	Book balance	Book value	Restricted type
Monetary funds	9,804,401.87	9,804,401.87	Security deposit for bank acceptance, housing maintenance fund and ETC deposit
Notes receivable	20,154,308.38	20,154,308.38	Pledge
Fixed assets	625,878,098.15	512,714,948.45	Mortgage
Construction in progress	200,610,000.00	200,610,000.00	Mortgage
Intangible assets	225,554,490.95	209,600,748.05	Mortgage
Total	1,082,001,299.35	952,884,406.75	

(III) Analysis on industry operating information

An analysis of the industry operating information during the Reporting Period is set out in “II. INDUSTRIAL LANDSCAPE OF THE COMPANY DURING THE REPORTING PERIOD” in Section III “MANAGEMENT DISCUSSION AND ANALYSIS” to this report.

Section III Management Discussion and Analysis

V. THE PRINCIPAL OPERATIONS DURING THE REPORTING PERIOD (CONTINUED)

(IV) Analysis of investment

1. *Material equity investments*

During the Reporting Period, the proposed acquisition of 74.60% equity interest in Jiangsu Triumph through capital increase and merger has been reviewed and approved at the twenty-ninth meeting of the tenth session of the Board of the Company and is subject to approval at a shareholders' meeting. For details, please refer to the announcements on the discloseable transaction in respect of the acquisition of 74.60% of the equity interest in Jiangsu Triumph New Material Co., Ltd. through capital increase of the Company disclosed on the websites of the SSE and the Stock Exchange on 30 December 2024, respectively.

2. *Material non-equity investments*

- (1) For the Luoyang New Energy Solar Photovoltaic Cell Encapsulating Material Phase I Project, an actual investment of RMB874 million was completed during the Reporting Period, representing approximately 7.10% of the Company's total assets (on a consolidated basis) as of the end of the Reporting Period; and an accumulative investment of RMB1,471 million was completed as of the end of the Reporting Period, representing approximately 11.95% of the Company's total assets (on a consolidated basis) as of the end of the Reporting Period. The source of capital was mainly from self-financing and loans from financial institutions, and Line A of the Phase I project has been completed and put into operation, and Line B has reached the initial stage for operation.
- (2) For the North Glass Solar Photovoltaic Cell Encapsulating Material Phase I Project, an actual investment of RMB611 million was completed during the Reporting Period, representing approximately 4.97% of the Company's total assets (on a consolidated basis) as of the end of the Reporting Period; and an accumulative investment of RMB900 million was completed as of the end of the Reporting Period, representing approximately 7.31% of the Company's total assets (on a consolidated basis) as of the end of the Reporting Period. The source of capital was mainly from self-financing and loans from financial institutions. The project is currently ready for operation, and will be put into operation at an opportune time depending on the market situation.

Section III Management Discussion and Analysis

V. THE PRINCIPAL OPERATIONS DURING THE REPORTING PERIOD (CONTINUED)

(IV) Analysis of investment (Continued)

3. Financial assets measured at fair value

Unit: Yuan Currency: RMB

Type of assets	Opening amount	Gains or losses arising from changes in fair value during the period	Accumulated changes in fair value included into equity	Impairment accrued during the period	Amount of purchase during the period	Amount of disposal/redemption during the period	Other change	Closing amount
Others	1,413,397,411.65						-1,244,751,387.89	168,646,023.76
Total	1,413,397,411.65						-1,244,751,387.89	168,646,023.76

Section III Management Discussion and Analysis

V. THE PRINCIPAL OPERATIONS DURING THE REPORTING PERIOD (CONTINUED)

(V) Material disposal of assets and equity interests

There was no material disposal of assets and equity interests during the Reporting Period.

(VI) Analysis of major controlled and investee companies

Unit: Yuan Currency: RMB

Company name	Industry	Major products or services	Closing balance of long-term equity investments	Proportion of the closing balance of the period to total assets of the Company (on a non-consolidated basis) (%)	Registered capital	Total assets	Net assets	Operating revenue	Net profit (loss is represented by "-")
Hefei New Energy	New materials	Photovoltaic glass	975,180,001.59	17.93	86,800	234,930	92,888	113,031	-18,632
Tongcheng New Energy	New materials	Photovoltaic glass	1,039,788,106.76	19.12	93,339	237,808	111,048	155,176	-15,269
Yixing New Energy	New materials	Photovoltaic glass	242,691,936.01	4.46	31,370	266,251	39,155	119,092	-18,866
Zigong New Energy	New materials	Photovoltaic glass	300,000,000.00	5.52	50,000	106,180	59,984	61,038	474
Zhangzhou New Energy	New materials	Photovoltaic glass	390,388,352.49	7.18	55,000	75,369	27,402	37,108	-7,638
Luoyang New Energy	New materials	Photovoltaic glass	800,000,000.00	14.71	80,000	203,408	79,589	23,131	-853
North Glass	New materials	Other functional glass	355,366,851.77	6.53	64,390	126,439	36,174	2,314	-2,060

Note: The closing balance of the Company's long-term equity investments in wholly-owned and controlled subsidiaries is accounted for using the cost method.

For further details in relation to the major controlled and investee companies, please refer to Note X "INTERESTS IN OTHER ENTITIES" set out in Section VIII "FINANCIAL REPORT" to this report.

(VII) Structured entities under the control of the Company

There were no structured entities under the control of the Company during the Reporting Period.

(VIII) Five-year financial highlight

The operating results, assets and liabilities of the Group for the five financial years ended 31 December 2024 are as follows:

Operating results

Unit: Yuan Currency: RMB

Item	2024	2023	2022	2021	2020
Operating income	4,594,447,303.71	6,595,249,704.60	5,030,111,246.27	3,625,851,456.04	3,381,105,357.02
Total profit (total loss is represented by "-")	-780,765,544.72	501,373,624.88	470,266,646.75	351,102,076.99	542,435,391.68
Income tax (profit is represented by "-")	-117,666,564.14	36,556,151.73	11,096,956.38	19,775,344.53	70,184,963.12
Net profit (net loss is represented by "-")	-663,098,980.58	464,817,473.15	459,169,690.37	331,326,732.46	472,250,428.56
Net profit attributable to the owners of the Company (net loss is represented by "-")	-609,930,319.66	394,720,559.20	409,038,651.70	255,755,695.03	372,861,545.19
Minority interests (loss is represented by "-")	-53,168,660.92	70,096,913.95	50,131,038.67	75,571,037.43	99,388,883.37

Section III Management Discussion and Analysis

V. THE PRINCIPAL OPERATIONS DURING THE REPORTING PERIOD (CONTINUED)

(VIII) Five-year financial highlight (Continued)

Assets, liabilities and interests

Unit: Yuan Currency: RMB

Item	At the end of 2024	At the end of 2023	At the end of 2022	At the end of 2021	At the end of 2020
Monetary funds	140,369,169.47	273,462,436.65	689,022,322.44	1,116,571,580.99	338,338,105.37
Inventory	891,337,553.86	686,887,235.96	695,508,197.62	686,161,229.71	307,898,221.12
Fixed assets	4,646,259,534.90	4,947,322,586.75	4,021,905,180.15	3,737,837,277.98	3,245,484,257.44
Construction in progress	3,389,274,950.00	1,772,629,520.09	1,158,626,308.86	1,420,340,092.86	83,910,682.05
Non-current assets	9,003,495,357.93	8,113,333,811.14	6,496,038,544.97	6,084,421,580.05	3,913,977,604.59
Current liabilities	5,101,697,302.17	4,154,613,359.37	4,147,163,623.26	3,723,340,816.20	3,655,626,917.42
Non-current liabilities	2,829,365,698.22	3,219,838,930.40	1,805,097,022.44	1,190,838,553.88	790,346,834.62
Share capital	645,674,963.00	645,674,963.00	645,674,963.00	645,674,963.00	548,540,432.00
Equity attributable to owners					
of the Company	4,017,221,146.89	4,627,151,466.55	4,232,430,907.35	3,834,809,285.82	1,767,526,442.24
Minority interests	356,926,246.82	426,094,907.74	381,211,357.37	504,068,363.34	312,429,246.10

(IX) Other

1. *Gearing ratio*

As at the end of the Reporting Period, the gearing ratio (total liabilities divided by total assets) was 64.45%, increasing by 5.11 percentage points from 59.34% at the end of the corresponding period last year.

2. *Gearing ratio*

As at the end of the Reporting Period, the gearing ratio (total liabilities less the balance of cash and cash equivalents and divided by net assets attributable to the Company) was 194.18%, representing an increase of 39.76 percentage points as compared to 154.42% as at the end of the corresponding period last year.

3. *Contingent liabilities*

The Group had no material contingent liabilities as at the end of the Reporting Period.

4. *Risk of exchange rate fluctuations*

The Group's assets, liabilities and transactions are mainly denominated in Renminbi. Therefore, fluctuations in foreign exchange rates do not have any material impact on the Group. For further details in relation to the risk of exchange rate fluctuations during the Reporting Period, please refer to the section headed "(5) Exchange rate risk" of Note 1 "Risks related to financial instruments" of Note XII "RISKS RELATING TO FINANCIAL INSTRUMENTS" set out in Section VIII "FINANCIAL STATEMENTS" to this report.

Section III Management Discussion and Analysis

V. THE PRINCIPAL OPERATIONS DURING THE REPORTING PERIOD (CONTINUED)

(IX) Other (Continued)

5. *Net foreign exchange loss*

Details in relation to foreign exchange profit and loss during the Reporting Period are set out in Note 40 "Finance expenses" of Note VII "NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS" set out in Section VIII "FINANCIAL STATEMENTS" to this report.

6. *Taxation*

Details in relation to taxation during the Reporting Period are set out in Note 24 "Taxes payable", Note 36 "Taxes and surcharges" and Note 48 "Income tax expenses" of Note VII "NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS" set out in Section VIII "FINANCIAL STATEMENTS" to this report.

7. *Fixed assets and intangible assets*

Details in relation to fixed assets and intangible assets during the Reporting Period are set out in Note 10 "Fixed assets" and Note 13 "Intangible assets" of Note VII "NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS" set out in Section VIII "FINANCIAL STATEMENTS" to this report.

8. *Bank and other loans*

Details in relation to bank and other loans during the Reporting Period are set out in Note 18 "Short-term borrowings", Note 26 "Non-current liabilities due within one year" and Note 28 "Long-term borrowings" of Note VII "NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS" set out in Section VIII "FINANCIAL STATEMENTS" to this report.

9. *Capitalization of interests*

Interests capitalised during the Reporting Period were RMB34,057,564.51.

10. *Land appreciation tax*

During the Reporting Period, there was no land appreciation tax payable.

11. *Reserves*

Details about reserves during the Reporting Period are set out in Note 32 "Capital reserve", Note 33 "Surplus reserve" and Note 34 "Undistributed profit" of Note VII "NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS" set out in Section VIII "FINANCIAL STATEMENTS" to this report.

12. *Accumulated losses*

During the Reporting Period, the accumulated loss of the Company (on a consolidated basis) was RMB460,638,287.56.

13. *Retirement plan*

The Company has participated in the Social Insurance Plan established by the labor and social security department for employees according to relevant regulations. Pursuant to the Plan, the Company needs to make pension contributions in proportion to the salary of employees or the local average salary in the previous year. Except as the aforesaid monthly defined contributions, the Company is not obligated to pay any other significant retirement benefits.

Section III Management Discussion and Analysis

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

(I) Industry landscape and trend

Carbon neutrality has become a global consensus, and solar photovoltaic energy is poised to become the core driver of the rapid development of global renewable energy. With continuous technological innovation, efficiency improvements, and cost reductions in the photovoltaic industry, coupled with the implementation of renewable energy policies worldwide, the global cumulative installed photovoltaic capacity is expected to maintain its growth trajectory.

According to the Renewables 2024 Report – Analysis and Forecast to 2030 issued by the International Energy Agency (IEA), global renewable energy will experience significant growth by 2030, reaching a capacity equivalent to the total installed power capacity of the world's major economies today, bringing the world closer to the goal of tripling renewable energy capacity. By 2030, 80% of the projected 5,500GW of new clean energy capacity is expected to come from solar energy.

China's photovoltaic industry ranks first globally in scale and continues to grow rapidly. In 2024, China added approximately 277.57GW of new photovoltaic installations, representing a year-on-year increase of 28.3%, setting another historical record. As of 2024, China's cumulative installed PV capacity reached approximately 885.68GW, far surpassing the growth rates of other energy sources and exceeding the total installed capacity of hydropower, second only to thermal power. China's photovoltaic product exports have exceeded RMB200 billion for four consecutive years, making significant contributions to global climate change mitigation and the green low-carbon transition.

However, despite the strong growth momentum, the photovoltaic industry faces multiple challenges, including intensified competition, accelerated technological iteration, and supply-demand imbalances, leading to significant price declines and ushering the industry into a deep adjustment cycle.

"Riding the tide and seizing opportunities, we will vigorously promote the high-quality development of China's new energy sector, providing a secure and reliable energy foundation for China's modernization and contributing to a cleaner and more beautiful world". Looking ahead to 2025, China's photovoltaic industry will enter a new phase of transitioning from high growth to high-quality development. The government has introduced several policies to support the priority development and utilization of renewable energy while fostering new quality productivity in the new energy sector, accelerating technological innovation and industrial upgrading. Although the growth rate of domestic photovoltaic installations is expected to slow down after years of rapid expansion, the industry's prospects remain positive overall, driven by improved supply-demand dynamics resulting from industry self-regulation against internal competition, supply-side reforms, the phasing out of outdated capacities, and the strengthening of guidance for advanced capacity construction.



Section III Management Discussion and Analysis

VI. DISCUSSION AND ANALYSIS OF THE FUTURE DEVELOPMENT OF THE COMPANY (CONTINUED)

(II) Development strategy

The Company will respond actively to the national dual-carbon policy, expand the fields of application and optimize product structures as guided by the new energy market; continuously improve the production processes and equipment level of relevant products as supported by technological innovation, give full play to the Company's advantages in ultra-thin photovoltaic glass production technology, thereby leading the development of thin-type glass in the industry, and in turn promoting the low-carbon development of the industry, and becoming an industrial group of key new energy materials, which will provide positive contributions to the green development of China.

(III) Operating plan

The year 2025 marks the final year of the 14th "Five-Year" Plan and represents a critical period for the Company to overcome challenges, consolidate its foundation, and enhance quality. Aligned with the 14th "Five-Year Plan" of CNBMG and the "3+1" strategic layout of Triumph Technology Group's glass and new materials business, the Company will focus on strengthening leadership and ensuring support, leveraging high-quality Party building to drive high-quality development. The Company will prioritize strategic planning and robust management to enhance operational control capabilities, promote high-end and digital transformation, and accelerate green and international initiatives. It will also plan high-standard projects for the construction of next-generation large-tonnage photovoltaic glass production lines, continuously increasing the proportion of advanced production capacities and improving production efficiency. Furthermore, the Company is committed to winning the "Three Major Battles" of improving cash flow, reducing costs, and addressing losses to fully achieve its goals of quality improvement and efficiency enhancement.

(IV) Potential risks

(1) *Risks arising from the industry*

The development of the photovoltaic industry exhibits a certain degree of cyclicity, with market demand across various segments of the manufacturing supply chain dependent on global new photovoltaic installations. However, photovoltaic installations are influenced by multiple factors, including the macroeconomic conditions and industrial policies of various countries. Supply-demand imbalances can exacerbate vicious competition, leading to risk fluctuations in the overall development of the industry.

Countermeasures: the Company has a core technical team and has strong technical strength in product R&D, process technology improvement, and quality control. The Company will further improve the level of cost control, enhance product innovation, adjust and optimize the layout of production lines, and actively respond to risks and challenges.

Section III Management Discussion and Analysis

VI. DISCUSSION AND ANALYSIS OF THE FUTURE DEVELOPMENT OF THE COMPANY (CONTINUED)

(IV) Potential risks (Continued)

(2) *Risks arising from price of raw materials and fuel*

The major raw materials and fuel of the Company's products include natural gas, sodium carbonate and silica sands, the procurement costs represent a significant percentage of the product cost. Price fluctuation of raw and fuel materials might bring in certain risks in respect of increase in costs.

Countermeasures: the Company will fully capitalise on its centralized procurement platform and take good advantage of large scale procurement; accurately capture trends in fluctuations of prices to purchase at the right time so as to reduce procurement costs. In addition, the Company will expand supply channels to ensure the stability and efficiency of its supply channels.

(3) *Risks arising from new engineering projects*

New engineering projects are subject to capital input, construction progress, subsequent market operation, product introduction period and other factors. In addition, certain market risks may arise from longer ramp-up period in the initial stage after the projects are put into operation.

Countermeasures: the Company will proactively raise funds to guarantee project construction progress, optimize project construction management to ensure project quality; collect market information from different channels to enhance forward-looking forecast and analysis of the market; enhance training and preparation of front-line staff and formulate comprehensive and reasonable remuneration system to increase staff's welfare and keep a stable team of talents in the Company.

(4) *Credit risk*

The credit risk of the Company mainly comes from credit exposures of customers, including outstanding receivables and committed transactions.

Countermeasures: with regard to notes receivables, accounts receivable financing and account receivables, the Company assesses the credit quality of the customers, taking into account their financial positions, past experience and other factors. The credit quality of the customers is regularly monitored by the Company. In respect of customers with poor credit records, the Company will adopt written payment reminders, shorten or cancel credit periods, to ensure that the overall credit risk of the Company is limited to a controllable extent.

VII. DETAILS OF AND REASONS FOR THE ISSUES NOT DISCLOSED BY THE COMPANY IN ACCORDANCE WITH THE STANDARDS DUE TO INAPPLICABILITY OR OTHER SPECIAL REASONS SUCH AS INVOLVEMENT OF STATE OR COMMERCIAL SECRETS

There were no issues of non-disclosure by the Company in accordance with the standards due to inapplicability or other special reasons such as involvement of state or commercial secrets during the Reporting Period.

Section III Management Discussion and Analysis

VIII. OTHER DISCLOSURES

(I) Service Contracts of Directors and Supervisors

None of the Directors or supervisors of the Company have entered into any service contract with the Company.

(II) 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.

(III) Repurchase, Sale and Redemption of Listed Securities

Neither the Company nor any of its subsidiaries has bought back, sold or redeemed any of the Company's listed securities (including the sale of treasury stock) during the Reporting Period.

(IV) Pre-emptive Rights

Neither the Articles of Association of the Company nor the relevant laws of the PRC contain any provision on pre-emptive rights.

(V) Public Float

Based on public information and the information available to the Company, to the best knowledge of the Directors, the Company has maintained a public float required under the Hong Kong Listing Rules and approved by the Stock Exchange as of the date of this report.

(VI) Tax Deduction for Holders of Listed Securities

Holders of listed securities of the Company were not entitled to any tax relief by reason of their holding of such securities pursuant to the laws of the PRC.

(VII) Compliance with the Corporate Governance Code

During the Reporting Period, the Company had complied strictly with the requirements of Part 2 of the Corporate Governance Code as set out in Appendix C1 to the Hong Kong Listing Rules. The Company regularly reviews its corporate governance practices to ensure its compliance with the Corporate Governance Code.

The Board considered that the Company has adopted and always complied with all the applicable code provisions as set out in the Corporate Governance Code during the Reporting Period.

(VIII) Interests of Directors and Supervisors in Significant Transactions, Arrangement or Contracts

During the Reporting Period, none of the Directors or supervisors of the Company or their connected entities had a material interest, either directly or indirectly, in any transaction, arrangement or contract of significance to which the Company or any of its subsidiaries was a party.

Section IV Corporate Governance

I. INTRODUCTION OF CORPORATE GOVERNANCE

During the Reporting Period, there was no significant difference between corporate governance as well as laws, administrative regulations and the provisions of the CSRC on the governance of listed companies.

During the Reporting Period, the Company strictly adhered to the Company Law, the Securities Law, the Code of Corporate Governance for Listed Companies, as well as the listing rules of both Shanghai and Hong Kong, and relevant laws and regulations issued by the CSRC. The Company continuously improved its corporate governance structure and enhanced its governance standards. The Company has endeavoured to improve its internal management and control system, perform its information disclosure obligations in accordance with the law, regulate the operation of the Company, strengthen investor relations management and promote the steady development of the Company.

In respect of the corporate governance structure, the Company has established a clear delineation of powers and responsibilities among the shareholders' meeting, the Board, the Supervisory Committee and the management level, so as to ensure that each party fulfils its respective roles and responsibilities, mutual checks and balances, scientific decision-making and coordinated operation, and to ensure that the operation of the Company is in order such that the standard of corporate governance is steadily improved. The general meeting exercises its voting rights in accordance with the law in respect of major matters such as the distribution of the profits of the Company, the election and replacement of Directors and supervisors, and the increase or reduction of the registered capital of the Company. The state-owned controlling shareholders have exercised their rights as capitalists in strict accordance with the Company Law and the relevant laws and regulations as well as the Articles of Association of the Company, and have respected the independence of the Company. Number and composition of Directors of the Board of the Company complied with relevant laws and regulations. The Board convened meetings on a regular basis and also called upon irregular meetings depending on actual conditions. Set up under the Board were five special committees: the Audit Committee, Remuneration and Review Committee, Nomination Committee, Strategic Committee and Compliance Committee. Clear rules were set up for both the Board and its subordinate special committees to standardize the rules of procedure, improve efficiency of meetings and rationality of decision making. The Supervisory Committee of the Company supervised and examined behaviors of Directors, the President, other senior executives, routine operation and financial conditions of the Company, and was responsible to and reported to the general meetings.

The Company attaches great importance to the construction of the institutional system, keeps abreast of new regulatory requirements, and comprehensively revises and improves the corporate governance system in light of the actual situation. During the Reporting Period, a total of 16 governance systems including the Articles of Association of the Company, the Rules of Procedure of the General Meeting of Shareholders, the Rules of Procedure of the Board, the Rules of Procedure of the Supervisory Committee, the Work System of the Independent Directors and the Implementation Rules of the Four Specialised Committees of the Board were amended and improved. By clarifying the positioning of independent Directors, optimising the manner in which they perform their duties and strengthening the management of their appointments, we have facilitated the performance of their duties and given full play to their roles as “participants in decision-making, monitoring and checks and balances, and professional advisers” on the Board, so as to further safeguard the legitimate rights and interests of small and medium-sized investors.



Section IV Corporate Governance

I. INTRODUCTION OF CORPORATE GOVERNANCE (CONTINUED)

With regard to information disclosure, the Company discloses periodic reports and interim announcements in strict compliance with statutory requirements to ensure truthfulness, accuracy, completeness, timeliness and fairness of information. In accordance with the relevant regulations of the CSRC and the SSE and the Stock Exchange, we have improved and implemented a system for maintaining the confidentiality of insider information and registration of persons with knowledge of insider information, preventing and controlling insider trading, and supervising the controlling shareholders in the fulfilment of their information disclosure obligations.

The Company proactively builds bridges of communication with investors, strengthens interaction with investors by participating in investor exchange meetings, results presentation meetings, online interactive platforms and other means, endeavours to create good and harmonious investor relations, and responds to questions from investors in a timely manner. The securities department of the Company has dedicated staff responsible for answering investor enquiry calls, receiving e-mails, answering questions and solving problems for investors, and warmly receiving on-site visits and research investors.

II. SPECIFIC MEASURES TAKEN BY THE COMPANY'S CONTROLLING SHAREHOLDER AND DE FACTO CONTROLLER TO ENSURE THE INDEPENDENCE OF THE COMPANY'S ASSETS, PERSONNEL, FINANCE, ORGANIZATION AND BUSINESS, AS WELL AS SOLUTIONS, WORK PROGRESS AND FOLLOW-UP WORK PLANS ADOPTED TO AFFECT THE INDEPENDENCE OF THE COMPANY

During the Reporting Period, there were no circumstances affecting the independence of the Company among the controlling shareholders and de facto controllers.

During the Reporting Period, there were no circumstances of engagement in the same or similar business as the Company among the controlling shareholders, de facto controllers and other entities under their control.

Section IV Corporate Governance

III. INTRODUCTION OF GENERAL MEETINGS

Session	Date of convening	Inquiry index on the website on which the resolutions are publicized	Date of disclosure	Resolutions
2024 First Extraordinary General Meeting	5 February 2024	http://www.sse.com.cn , http://www.hkexnews.hk	6 February 2024	Considered and approved the 2024–2026 Procurement of Raw Materials Framework Agreement, the terms and conditions thereof, its proposed annual caps, the transactions contemplated thereunder and the implementation thereof; considered and approved the 2024–2026 Sale of Products Framework Agreement, the terms and conditions thereof, its proposed annual caps, the transactions contemplated thereunder and the implementation thereof; considered and approved the 2024–2026 Supply of Products Framework Agreement, the terms and conditions thereof, its proposed annual caps, the transactions contemplated thereunder and the implementation thereof; considered and approved the 2024–2026 Engineering Construction Equipment Procurement and Installation Framework Agreement, the terms and conditions thereof, its proposed annual caps, the transactions contemplated thereunder and the implementation thereof; considered and approved the 2024–2026 Technical Services Framework Agreement, the terms and conditions thereof, its proposed annual caps, the transactions contemplated thereunder and the implementation thereof; considered and approved the 2024–2026 Supply of Spare Parts Framework Agreement, the terms and conditions thereof, its proposed annual caps, the transactions contemplated thereunder and the implementation thereof; considered and approved the 2024–2026 Financial Services Framework Agreement, the terms and conditions thereof, its proposed annual caps, the transactions contemplated thereunder and the implementation thereof; and approving, ratifying and confirming any one of the Directors for and on behalf of the Company, among other matters, to sign, execute, complete, deliver or to authorize signing, executing, completing and delivering all such documents and deeds, to do or authorize doing all such acts, matters and things as they may in their discretion consider necessary, expedient or desirable giving effect to and implement the 2024–2026 CCT Agreements.



Section IV Corporate Governance

III. INTRODUCTION OF GENERAL MEETINGS (CONTINUED)

Session	Date of convening	Inquiry index on the website on which the resolutions are publicized	Date of disclosure	Resolutions
2023 Annual General Meeting	25 June 2024	http://www.sse.com.cn , http://www.hkexnews.hk	25 June 2024	To consider and approve the proposed amendments to the Articles of Association; to consider and approve the working report of the Board of the Company for the year 2023; to consider and approve the working report of the Supervisory Committee of the Company for the year 2023; to consider and approve the final accounts report of the Company for the year 2023; to consider and approve the Company's annual report 2023 and its summary; to consider and approve the profit distribution plan for the year 2023; to consider and approve the financial budget report of the Company for the year 2024; to consider and approve the reappointment of Grant Thornton (Special General Partnership) as the auditor of the Company for the year 2024 with total auditing fee of RMB1.60 million in aggregate and in case of material changes in volume of audit work for the year 2024, authorization to the Board of the Company for determining its remunerations according to the actual audit workload by then; to consider and approve the proposed amendments to the Rules of Procedure of the General Meeting of Shareholders; to consider and approve the proposed amendments to the Rules of Procedure of the Board; to consider and approve the proposed amendments to the Rules of Procedure of the Supervisory Committee; and to consider and approve the appointment of Ms. Yuan Jian as an independent non-executive Director of the tenth session of the Board of the Company.
2024 Second Extraordinary General Meeting	11 December 2024	http://www.sse.com.cn , http://www.hkexnews.hk	11 December 2024	Consider and approved the proposed amendments to the Articles of Association; considered and approved the proposed amendments to the Rules of Procedure of the General Meeting of Shareholders; to consider and approve the proposed amendments to the Rules of Procedure of the Board; to consider and approve the proposed amendments to the Rules of Procedure of the Supervisory Committee.
2024 Third Extraordinary General Meeting	30 December 2024	http://www.sse.com.cn , http://www.hkexnews.hk	30 December 2024	To consider and approve the appointment of Dr. Chen Peng as an executive Director of the tenth session of the Board of the Company; to consider and approve the appointment of Ms. Wu Dan as a non-executive Director of the tenth session of the Board of the Company.

Section IV Corporate Governance

IV. POSITIONS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

(I) Changes in shareholdings and remuneration of the existing and resigned Directors, supervisors and senior management during the Reporting Period

Unit: shares

Name	Position	Gender	Age	Starting date of term of office	Expiry date of term of office	Number of Shares held at the beginning of the year	Number of Shares held at the end of the year	Increase/decrease of shares during the period	Reason for change	Total remuneration before tax received from the Company during the period (RMB'0,000)	Whether received remuneration from the Company's related parties (as defined in the Shanghai Listing Rules) or not
Xie Jun	Executive Director (Chairman)	Male	59	2022-05-26	2022-05-26	0	0	0	None	0	Yes
Zhang Rong	Executive Director:	Male	51	2019-03-04	2022-05-26	0	0	0	None	105.81	Nil
	President			2022-05-26	2022-05-26						
He Qingbo	Executive Director:	Male	57	28 June 2023	2022-05-26	0	0	0	None	0	Yes
Chen Peng	Executive Director:	Male	49	30 December 2024	2022-05-26	0	0	0	None	4.47	Yes
	Vice President			2022-05-26	2022-05-26						
Wu Dan	Non-executive Director	Female	39	30 December 2024	2022-05-26	0	0	0	None	0	Yes
Zhang Yajuan	Independent Non-executive Director (resigned after the Reporting Period and before the date of this report)	Female	51	2019-03-04	2025-03-03	0	0	0	None	10	No
Fan Baoqun	Independent Non-executive Director	Male	53	2022-05-26	2022-05-26	0	0	0	None	10	Nil
Chen Qisuo	Independent Non-executive Director	Male	52	2022-05-26	2022-05-26	0	0	0	None	10	Nil
Yuan Jian	Independent Non-executive Director	Female	61	2022-05-26	2022-05-26	0	0	0	None	5	Nil
Li Yang	Chairman of the Supervisory Committee	Male	42	2022-05-26	2022-05-26	2,000	2,000	0	None	0	Yes
Li Ping	Supervisor	Female	44	2022-05-26	2022-05-26	0	0	0	None	0	Yes
Wang Juan	Independent Supervisor	Female	55	2022-05-26	2022-05-26	0	0	0	None	5	Nil
Wang Junqiao	Independent Supervisor	Male	47	2022-05-26	2022-05-26	0	0	0	None	5	Nil
Zhang Pingwei	Employee Supervisor	Male	57	2022-05-26	2022-05-26	0	0	0	None	37.35	Nil
Li Huadong	Employee Supervisor	Male	46	2022-05-26	2022-05-26	0	0	0	None	65.48	Nil
Chen Hongzhao	Chief Financial Controller	Male	52	2023-07-21	5/25/2025	0	0	0	None	69.20	Nil
	Secretary to the Board			11/18/2024	5/25/2025						
	President (resigned)			2023-07-21	2024-10-18						
Ip Pui Sum	Company Secretary (Hong Kong)	Male	65	2008-08-06	-	0	0	0	None	11.19	Nil
Wang Leilei	Executive Director, Secretary to the Board (resigned)	Female	40	5/26/2022	10/18/2024	0	0	0	None	62.58	Yes
Zhang Chong	Non-executive Director (resigned)	Male	62	5/26/2022	12/6/2024	0	0	0	None	0	Yes
Sun Shizhong	Non-executive Director (resigned)	Male	55	5/26/2022	12/6/2024	0	0	0	None	0	Yes
Pan Jingong	Non-executive Director (resigned)	Male	61	5/26/2022	12/6/2024	0	0	0	None	0	Yes
Zhao Hulin	Independent Non-executive Director (resigned)	Male	60	5/26/2022	6/25/2024	0	0	0	None	5	Nil
Yin Xinjian	President (resigned)	Male	57	5/26/2022	12/6/2024	0	0	0	None	88.44	Nil
Yang Bomin	President (resigned)	Male	58	11/21/2018	12/6/2024	0	0	0	None	60.12	Nil
Total	/	/	/	/	/	2,000	2,000	0	/	554.64	/

Section IV Corporate Governance

IV. POSITIONS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT (CONTINUED)

(I) Changes in shareholdings and remuneration of the existing and resigned Directors, supervisors and senior management during the Reporting Period (Continued)

Name	Main Working Experience
Xie Jun	a professor-grade senior engineer with a doctor's degree in engineering, secretary of the party committee of the Company, Chairman of the Company and secretary of the party committee, chairman and general engineer of CLFG. Secretary to the party committee, chairman, general engineer of CLFG. Mr. Xie had served as the vice chairman, the secretary of party committee and deputy general manager of the Company, the party secretary and general manager of Chenzhou Bada Glass Co., Ltd. (郴州八達玻璃有限公司), a party secretary and general manager of the glass processing company of CLFG, a standing member of the party committee and deputy general manager, general engineer, vice secretary of party committee, vice chairman and general manager of CLFG, and also the secretary of party general branch and deputy general manager of Chengdu Zhongguangdian Technology Co., Ltd.* (成都中光電科技有限公司), etc.
Zhang Rong	a holder of a master's degree in engineering, a professor-level senior engineer and an executive Director and president of the Company. He concurrently serves as Chairman of Yixing New Energy and Chairman of Triumph Glass Holding. Mr. Zhang had served as an assistant engineer of the CNBM Research Institute, an engineer, a senior engineer and an assistant of the president of the International Engineering Glass Institute, an executive deputy general manager and a general manager of Hefei New Energy, the chairman and a general manager of North Glass and the chairman and a general manager of Zigong New Energy.
He Qingbo	a holder of a bachelor degree, a senior political engineer, an executive Director, deputy secretary of the party committee, chairman of the labor union of the Company, the vice chairman of the labor union of Triumph Technology Group, and the deputy secretary of the party committee and chairman of the labor union of CLFG. His previous appointments include the secretary of the party committee and manager of CLFG Longfei Glass Company Limited* (洛玻集團龍飛玻璃有限公司), the secretary of the party committee and manager of Luoyang Longxin Glass Co. Ltd.* (洛陽龍新玻璃有限公司), general manager and secretary of the party committee of CLFG Luoyang Longhao Glass Co., Ltd.* (洛玻集團洛陽龍昊玻璃有限公司), general manager and secretary of the party committee of Henan Zhonglian Glass Co., Ltd. (河南省中聯玻璃有限責任公司), deputy general manager of CLFG.

Section IV Corporate Governance

IV. POSITIONS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT (CONTINUED)

(I) Changes in shareholdings and remuneration of the existing and resigned Directors, supervisors and senior management during the Reporting Period (Continued)

Name	Main Working Experience
Chen Peng	engineer and an executive Director, and executive vice president of the Company. He served as the deputy general manager of Tengzhou Branch of Shandong Jinjing Science & Technology Co., Ltd.* (山東金晶科技有限公司), the executive deputy general manager of Henan Zhonglian Glass Co., Ltd. (河南省中聯玻璃有限責任公司), a member of the party committee and the acting executive vice president of China Yaohua Glass Group Corporation Co., Ltd. (中國耀華玻璃集團有限公司), the general manager and deputy secretary of the party committee of Henan Zhonglian Glass Co., Ltd. (河南省中聯玻璃有限責任公司), the deputy general manager and technical director of Triumph Glass Holding, and the deputy secretary of the party committee, director and executive deputy general manager of China Yaohua Glass Group Corporation Co., Ltd. (中國耀華玻璃集團有限公司). On 6 December 2024, upon the nomination by the president of the Company and the review of the nomination committee of the Board, he was appointed by the Board to act as the executive vice president of the Company
Wu Dan	a holder of master's degree and a non-executive Director of the Company. She currently serves as the deputy department head of the Legal & Compliance Department of Triumph Technology. She worked as a lawyer of Beijing Weiji Law Firm (北京偉基律師事務所), a lawyer of Real Long Law Firm (北京潤朗律師事務所) and a general counsel of the Legal & Compliance Department of Triumph Technology Group.
Zhang Yajuan	a holder of Master of Laws, a lawyer and an international internal auditor. Ms. Zhang served as an independent non-executive Director of the Company during the Reporting Period (her term of office was expired on 3 March 2025, details of which can be found in the the announcement of the Company dated 3 March 2025 in relation to the resignation of independent non-executive Director). Ms. Zhang is currently a senior partner at Beijing Tian Yuan Law Firm. Ms. Zhang worked in the legal department, the risk management department, the shareholding transformation department, the office of the board of directors, the compliance audit department and the compliance department of CITIC Bank.
Fan Baoqun	a holder of doctor's degree in management, a visiting scholar at Stanford University and a non-executive Director of the Company. Mr. Fan is currently a Sinar Mas Chair Researcher and assistant dean of the National School of Development at Peking University. He served as a researcher of the Development Research Center of the State Council, etc.
Chen Qisuo	a holder of bachelor's degree and CCPA, is a certified practicing accountant of CPA Australia, a leading national accountant and the non-executive Director of the Company. Mr. Chen is currently a partner in auditing service at Peng Sheng Certified Public Accountants (Special General Partnership).

Section IV Corporate Governance

IV. POSITIONS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT (CONTINUED)

(I) Changes in shareholdings and remuneration of the existing and resigned Directors, supervisors and senior management during the Reporting Period (Continued)

Name	Main Working Experience
Yuan Jian	Doctor of Engineering and an independent non-executive Director of the Company. She currently serves as a professor in the School of Materials Science and Engineering of Wuhan University of Technology, and concurrently serves as the president of Hebei Province Shahe Glass Technology Research Institute, vice president of the Glass Branch of the Chinese Silicate Society, executive director of the Sol-gel Branch of the Chinese Silicate Society, a member of the National Technical Committee on Industrial Glass and Special Glass of Standardization Administration, a member of the Safety Glass Sub-Technical Committee of the National Automotive Standardization Technical Committee, and a technical expert of the Advanced Inorganic Non-metallic Materials Industry Center of the National New Materials Testing and Evaluation Platform.
Li Yang	a senior accountant with a master's degree in Management and the chairman of the Supervisory Committee of the Company. He currently serves as the head of the finance department of Triumph Technology Group. Mr. Li once served as the chairman of Zigong New Energy, the chief financial controller of the Company, the chief financial controller of Southwest branch of Triumph Technology Group, the assistant to the head of the finance department of CNBM Research Institute.
Li Ping	a holder of master's degree and senior economist. Supervisor of the Company Ms. Li currently is vice minister of investment management department of Triumph Technology Group. Ms. Li had served as the assistant to the head of the investment management department of Triumph Technology Group.
Wang Juan	a holder of doctor's degree in accounting, an associate professor of Henan University of Science and Technology, CCPA non-practicing member, expert of comprehensive bid evaluation within the expert database of Henan Province, a supervisor of Henan Institute of Finance, expert in performance evaluation of Luoyang City. Ms. Wang currently serves as the independent supervisor of the Company and the dean of the Department of Accounting of School of Management of Henan University of Science and Technology.
Wang Junqiao	a holder of a bachelor's degree, a certified public accountant, certified tax agent and a senior accountant. He currently serves as a partner of Luoyang Tiancheng Accounting Firm Co., Ltd (洛陽天誠會計師事務所有限公司), a member of the council of Luoyang Institute of Certified Public Accountant (洛陽市註冊會計師協會), the director of Training Committee of Luoyang Institute of Certified Public Accountant (洛陽市註冊會計師協會).

Section IV Corporate Governance

IV. POSITIONS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT (CONTINUED)

(I) Changes in shareholdings and remuneration of the existing and resigned Directors, supervisors and senior management during the Reporting Period (Continued)

Name	Main Working Experience
Zhang Pingwei	a senior engineer with a bachelor's degree and the employee supervisor of the Company. Mr. Zhang is currently the secretary of the Party branch, executive director and general manager of Luoyang New Energy. He was the deputy head of the People's Government of Ruyang County and the general manager of the corporate development department of the Company.
Li Huadong	a senior engineer with a bachelor's degree and the employee supervisor of the Company. Mr. Li is currently the deputy general manager of Zigong New Energy. He was the deputy chief engineer of the Sichuan branch of International Engineering, the vice minister of the environmental protection department of Shenzhen Triumph Technology Engineering Co., Ltd*, and the designer of the Shenzhen branch of International Engineering.
Chen Hongzhao	a holder of a bachelor degree, a senior accountant, a certified public accountant and a certified tax accountant, the chief financial officer and secretary to the Board of the Company. His previous appointments include the head of the finance department of the CLFG Processed Glass Co., Ltd.* (洛玻集團加工玻璃公司), the chief of the finance department of Luoyang Longding Aluminum Co., Ltd, the financial executive of CLFG Luoyang Longhao Glass Co., Ltd.* (洛玻集團洛陽龍昊玻璃有限公司), the deputy general manager and financial executive of Triumph Glass Holding Co., Ltd.* (凱盛玻璃控股有限公司), and the chairman of CNBM (Neijiang) Glass Hi Tech Co., Ltd.* (中建材(內江)玻璃高新技術有限公司) and the vice general manager and financial chief officer of China Yaohua Glass Group Corporation Co., Ltd. From August 2023 to October 2024, he served as the Vice President of the Company.
Ip Pui Sum	a holder of MBA degree and the Company Secretary (Hong Kong). Mr. Ip is a certified public accountant in Hong Kong, a fellow member of the Association of Chartered Certified Accountants, and a member of the Hong Kong Institute of Certified Public Accountants, Chartered Institute of Management Accountants, Institute of Chartered Secretaries and Administrators and The Hong Kong Institute of Chartered Secretaries.

Section IV Corporate Governance

IV. POSITIONS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT (CONTINUED)

(I) Changes in shareholdings and remuneration of the existing and resigned Directors, supervisors and senior management during the Reporting Period (Continued)

Other explanations:

- (1) Save as disclosed above, as of 31 December 2024, none of the Directors, supervisors or senior management of the Company and their connected persons to the knowledge of the Directors had any interest nor short position in the shares, underlying shares or debentures of the Company or its associated corporations which were required to be entered in the register of interest kept by the Company pursuant to section 352 of the Securities and Futures Ordinance, or required to be notified to the Company or the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers.
- (2) As at 31 December 2023, none of the Directors, supervisors or their spouses or children under the age of eighteen was granted rights to purchase shares or debentures of the Company or any of its associated corporations.
- (3) None of the directors, supervisors or senior management personnel of the Company has any of the following relationships with any other director, supervisors or senior management personnel: spouse; a person cohabiting with such director, supervisors or senior management personnel as a spouse; any familial relationship, including children or stepchildren of any age, parents or stepparents, brothers, sisters, stepbrothers or stepsisters, parents of a spouse, spouses of children, spouses of brothers or sisters, or brothers or sisters of a spouse.
- (4) Pursuant to Rule 3.09D of the Listing Rules, (i) Ms. Yuan Jian was appointed as a director on 25 June 2024, and obtained the legal opinion referred to in Rule 3.09D of the Hong Kong Listing Rules on 3 June 2024, confirming her understanding of her duties as a director; and (ii) Mr. Chen Peng and Ms. Wu Dan were appointed as directors on 30 December 2024, and obtained the legal opinion referred to in Rule 3.09D of the Hong Kong Listing Rules on 3 December 2024, confirming their understanding of their duties as directors.

Section IV Corporate Governance

IV. POSITIONS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT (CONTINUED)

(II) Positions of the existing and resigned Directors, supervisors and senior management during the Reporting Period

1. Positions in shareholder entities

Name	Name of shareholder entity	Position held in shareholder entities	Starting date of term of office	Expiry date of term of office
Xie Jun	CLFG	Secretary to the party committee, chairman, general engineer	September 2018	–
Zhang Chong	CNBM Research Institute	Chief expert	December 2023	–
Sun Shizhong	CNBM Research Institute	Vice general engineer	May 2022	–
He Qingbo	CLFG	Deputy secretary of party committee	December 2019	–
Wu Dan	Triumph Technology Group	Deputy department head of the legal & compliance department	December 2024	–
Li Yang	Triumph Technology Group	Head of the finance department	May 2023	–
Li Ping	Triumph Technology Group	Vice president of the investment management department	August 2021	–

Explanation of positions in shareholder entities:

Nil

2. Positions in other entities

Name	Name of entity	Position held in other entities	Starting date of term of office	Expiry date of term of office
Zhang Yajuan	Beijing Tian Yuan Law Firm	Senior partner	July 2018	–
Fan Baoqun	Peking University	Sinar Mas Chair Researcher and assistant dean of the National School of Development at Peking University	September 2016	–
Chen Qisuo	Peng Sheng Certified Public Accountants (Special General Partnership) *	Partner of audit service	February 2023	–
Zhao Hulin	Henan Chainwin Law Firm	Partner, director of the management Committee	November 1996	–
Yuan Jian	Wuhan University of Technology	Professor in the School of Materials Science and Engineering	November 2013	–
Wang Juan	Henan University of Science and Technology	Dean of the School of Accounting	October 2021	–
Wang Junqiao	Luoyang Tiancheng Accounting Firm Co., Ltd *	Partner	June 2007	–

Explanation of positions in other entities:

Nil

Section IV Corporate Governance

IV. POSITIONS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT (CONTINUED)

(III) Remuneration of Directors, Supervisors and senior management

Procedure for determining the remuneration of Directors, supervisors and senior management	After considering other listed companies' remuneration level in the same sector and economic growth in the region, the Board and the supervisory committee shall draft the proposal for the remuneration of Directors and supervisors respectively and submit to the general meeting for consideration. The proposal for the remuneration of senior management shall be determined by the Board.
Whether any Director abstained from Board discussions on his/her own remuneration	Yes
The particulars on recommendations on matters relating to the remuneration of Directors, supervisors and senior management expressed by the Remuneration and Review Committee or the special meeting of independent Directors	N/A
Basis for determination of remuneration of Directors, supervisors and senior management	The Remuneration Plan for the tenth session of the Board, the Remuneration Plan for the tenth session of the Supervisory Committee, the Implementation Measures for the Term System and Contractual Management of Members of the Management Team, the Performance Evaluation Measures for Members of the Management Team, the Remuneration Management Measures for Members of the Management Team, and the Total Wage Management Measures of the Company.
Remuneration payable to Directors, supervisors and senior management	Based on the basic salary standards as set in the remuneration proposal, the Human Resources Department shall distribute in advance 1/12 of such salary on a monthly basis to the senior management members, and effect payment based on the final performance assessment result. The remuneration for external Directors and supervisors shall be paid in one lump sum every year.
Total remuneration actually received by all Directors, supervisors and senior management at the end of the Reporting Period	RMB5,546,400

Section IV Corporate Governance

IV. POSITIONS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT (CONTINUED)

(IV) Changes in Directors, Supervisors and senior management

Name	Position	Changes	Reasons for changes
Chen Peng	Vice President	Appointment	Appointment of president
	Executive Directors:	Election	Election of new Director
Wu Dan	Non-executive Director	Election	Election of new Director
Yuan Jian	Independent Non-executive Director	Election	Election of new Independent Non-executive Director
Chen Hongzhao	Secretary to the Board	Appointment	Appointment of Secretary to the Board
Wang Leilei	Vice President	Resignation	Position adjustment
	Executive Director, Secretary to the Board	Resignation	Work adjustment
Zhang Chong	Non-executive Director	Resignation	Work adjustment
Sun Shizhong	Non-executive Director	Resignation	Work adjustment
Pan Jingong	Non-executive Director	Resignation	Work adjustment
Zhao Hulin	Independent Non-executive Director	Resignation	Resignation as Independent Non-executive Director due to compliance reasons
Yin Xinjian	Vice President	Resignation	Work adjustment
Yang Bomin	Vice President	Resignation	Position adjustment

(V) Particulars of penalties imposed by securities regulatory authorities in recent three years

On 1 November 2024, the Company received the Decision Letter on Administrative Regulatory Measures (No. [2024] 79) issued by the Henan Regulatory Bureau of the CSRC, pursuant to which the Henan Regulatory Bureau of the CSRC had decided to take the administrative regulatory measures of ordering corrections to the Company and issuing warning letters to Mr. Xie Jun, Mr. Ma Yan, Mr. Zhang Rong, Mr. Chen Hongzhao, Mr. Li Yang and Ms. Wang Leilei, which will be recorded in the integrity register of the securities and futures market. Details can be found in the announcement of the Company dated 1 November 2024 in relation to the receipt of decision letter on administrative regulatory measures from the Henan Regulatory Bureau of the China Securities Regulatory Commission.

Section IV Corporate Governance

V. BOARD MEETINGS HELD DURING THE REPORTING PERIOD

Session	Date of convening	Resolutions
Twentieth meeting of the tenth session	28 March 2024	Considered and approved 1. the working report of the Board of the Company for the year 2023. 2. the working report of the President of the Company for the year 2023. 3. the final accounts report of the Company for the year 2023. 4. the Company's annual report 2023 and its summary. 5. the profit distribution plan for the year 2023. 6. the financial budget report of the Company for the year 2024. 7. the report on the Company's continuing connected transactions for the year 2023. 8. the resolution on provision for impairment of assets of the Company and the write-off thereof for the year 2023. 9. the Company's annual internal control evaluation report for 2023. 10. the 2023 Environmental, Social and Governance (ESG) Report. 11. special opinions of the board of directors on the independence of Independent Directors. 12. the Company's risk assessment report on handling the deposit and loan business with CNBM Finance Company. 13. the resolution in relation to the entering into of the Share Custody Agreement with Triumph Technology Group. 14. the resolution in relation to North Glass' disposal of assets and related party transaction. 15. the resolution on convening the 2023 Annual General Meeting.
Twenty-first meeting of the tenth session	29 April 2024	Considered and approved 1. the First Quarterly Report 2024. 2. the resolution on the amendments to the Articles of Association of the Company. 3. the resolution on the Rules of Procedure of the General Meeting of Shareholders. 4. the resolution in relation to the amendments to the Rules of Procedure of Board of Directors. 5. the resolution on the amendments to the Work Rules for Independent Directors. 6. the resolution in relation to the amendments to the Implementation Rules of Part of the Specialized Committees of the Board of Directors. 7. the resolution on the addition of Mr. Yuan Jian as an Independent Non-executive Director of the tenth session of the Board of Directors. 8. the resolution on the reappointment of Grant Thornton LLP* (致同會計師事務所(特殊普通合伙)) as the auditor of the Company for the year 2024.
Twelfth-second meeting of the tenth session	2 July 2024	Considered and approved 1. the resolution on the Measures for the Administration of Connected Transactions. 2. the resolution on the change of members of the Specialized Committee of the Board of Directors. 3. the resolution in relation to the Company's application for bank credit.

Section IV Corporate Governance

V. BOARD MEETINGS HELD DURING THE REPORTING PERIOD (CONTINUED)

Session	Date of convening	Resolutions
Twenty-third meeting of the tenth session	29 August 2024	Considered and approved 1. the full text of the Company's 2024 Interim Report and its summary. 2. the Report on Continuous Risk Assessment for Launching Financial Businesses in CNBM Finance Company.
Twenty-fourth meeting of the tenth session	20 September 2024	Considered and approved 1. the resolution on the amendments to the Work Rules for Secretary to the Board 2. the resolution in relation to the amendments to the Information Disclosure Services Management System. 3. the resolution on the Measures for the Administration of Connected Transactions. 4. the resolution on the amendments to the Work Rules for Annual Report of Independent Directors. 5. the resolution to the Management System for Registration of Persons Informed of Inside Information. 6. the resolution on the amendments to the Work Rules for Independent Directors. 7. the resolution in relation to the Company's application for bank credit.
Twenty-fifth meeting of the tenth session	18 October 2024	A resolution on the resignation of the Secretary of the Board of Directors and the designation of the Chief Financial Officer of the Company to act as the Secretary of the Board of Directors was considered and approved.
Twenty-sixth meeting of the tenth session	30 October 2024	Considered and approved 1. the Third Quarterly Report 2024. 2. the resolution on the amendments to the Articles of Association of the Company. 3. the resolution on the Rules of Procedure of the General Meeting of Shareholders. 4. the resolution in relation to the amendments to the Rules of Procedure of Board of Directors. 5. the resolution in relation to the signing of a contract between the Company and a related party for project personnel training and package production services. 6. the resolution in relation to the 2024 internal control self-evaluation implementation plan; 7. the resolution on convening the 2024 Second Extraordinary General Meeting.



Section IV Corporate Governance

V. BOARD MEETINGS HELD DURING THE REPORTING PERIOD (CONTINUED)

Session	Date of convening	Resolutions
Twenty-seventh meeting of the tenth session	18 November 2024	Considered and approved 1. the resolution on the appointment of the Secretary to the Board of the Company. 2. the resolution on the signing of a project package investment and production service contract between a wholly-owned subsidiary of the Company and a related party.
Twenty-eighth meeting of the tenth session	6 December 2024	1. Considered and approved 1. the resolution in relation to the nomination of candidates for directors of the tenth session of the Board of Directors of the Company. 2. the resolution in relation to the nomination of senior management of the Company. 3. the resolution on the profit distribution plan of Zigong New Energy. 4. the resolution on convening the 2024 Third Extraordinary General Meeting.
Twenty-ninth meeting of the tenth session	30 December 2024	Considered and approved 1. the resolution on the capital increase and acquisition of Jiangsu Triumph. 2. Rectification report on the problems found in the internal control supervision and evaluation of Triumph Technology Group by CNBM Group. 3. the resolution in relation to the renewal of liability insurance for directors, supervisors and senior management; 4. the resolution on convening the 2025 First Extraordinary General Meeting.

Section IV Corporate Governance

VI. PERFORMANCE OF DUTIES BY DIRECTORS

(I) Attendance of Directors at Board meetings and general meetings

Directors Name	Independent Director or not	Attendance at Board meetings					Attendance at General meetings		
		Required attendance at Board meetings for the year (times)	Attendance in person (times)	Attendance by way of communication (times)	Attendance by proxy (times)	Absence (times)	Any failure in attending in person for two consecutive meetings	Required attendance at general meetings for the year (times)	Attendance at general meetings (times)
Xie Jun	No	10	10	6	0	0	No	4	4
Zhang Rong	No	10	10	6	0	0	No	4	4
He Qingbo	No	10	10	6	0	0	No	4	4
Zhang Yajuan	Yes	10	10	6	0	0	No	4	4
Fan Baoqun	Yes	10	10	6	0	0	No	4	4
Chen Qisuo	Yes	10	10	6	0	0	No	4	4
Yuan Jian	Yes	8	8	4	0	0	No	2	2
Wang Leilei	No	5	5	3	0	0	No	2	2
Zhang Chong	No	8	8	8	0	0	No	2	2
Sun Shizhong	No	8	8	8	0	0	No	2	2
Pan Jingong	No	8	8	8	0	0	No	2	2
Zhao Hulin	Yes	2	2	2	0	0	No	2	2

During the Reporting Period, there were no directors who did not attend in person for two consecutive meetings.

Number of Board meetings held in the year	10
Including: Number of on-site meetings	1
Number of meetings held by way of communication	6
Number of meetings held on-site with attendance by way of communication	3

(II) Directors' objections to any matters related to the Company

There were no Directors' objections to any matters related to the Company during the Reporting Period.

Section IV Corporate Governance

VII. SPECIAL COMMITTEES UNDER THE BOARD

(I) The members of special committees under the Board

As of the end of the Reporting Period, the composition of the special committees under the Board is as follows:

Category of special committee	Name of the members
Audit Committee	Chen Qisuo (Chairperson), Yuan Jian, Zhang Yajuan
Nomination Committee	Fan Baoqun (Chairperson), Xie Jun, Chen Qisuo
Remuneration and Review Committee	Yuan Jian (Chairperson), Xie Jun, Zhang Yajuan
Strategic Committee	Xie Jun (Chairperson), Zhang Rong, Fan Baoqun
Compliance Committee	Zhang Yajuan (Chairperson), Zhang Rong

(II) Audit Committee

The Audit Committee is primarily responsible for inspecting the financial condition, the implementation and effectiveness of internal control systems, and risk management and control of the Company. It is also responsible for communicating, supervising, and verifying with internal and external auditors of the Company.

During the Reporting Period, the Audit Committee reviewed the Company's 2023 annual report, 2024 first quarterly report, 2024 interim report, 2024 third quarterly report, and related results announcements, and also reviewed the Company's risk management and internal monitoring system, including reviewing and approving the Company's 2023 internal control evaluation report, 2023 comprehensive risk management report, and other risk assessment reports, and continuously monitored the effectiveness of the Company's internal audit function, including reviewing and approving the Company's 2024 internal audit work plan.

During the Reporting Period, the Audit Committee held 5 meetings, the details of which are as follows:

Date of convening	Contents of meetings	Important comments and suggestions	Other performance of duties
22 March 2024	Considered and approved 1. the annual internal control evaluation report for 2023. 2. the comprehensive risk management report for 2023. 3. the annual internal control evaluation report for 2023. 4. The internal audit work plan for 2024.	All members unanimously agreed to all the resolutions and agreed to submit the Company's Annual Internal Control Evaluation Report for 2023 to the Board of Directors for consideration.	

Section IV Corporate Governance

VII. SPECIAL COMMITTEES UNDER THE BOARD (CONTINUED)

(II) Audit Committee (Continued)

Date of convening	Contents of meetings	Important comments and suggestions	Other performance of duties
27 March 2024	Considered and approved 1. the annual report 2023 and its summary. 2. the risk assessment report on the deposit and loan business with China National Building Material Finance Company. 3. the resolution on provision for impairment of assets of the Company and the write-off thereof for the year 2023. 4. Report on the performance of supervisory duties by accounting firms.	All members unanimously agreed to all the resolutions and agreed to submit the Company's Annual Report 2023 and the Deposit and Loan Business with China National Building Material Finance Company to the Board of Directors for consideration.	
26 April 2024	Considered and approved 1. the First Quarterly Report 2024. 2. the resolution on the reappointment of Grant Thornton LLP* (致同會計師事務所(特殊普通合夥)) as the auditor of the Company for the year 2024.	All members unanimously agreed to all the resolutions and agreed to submit the resolutions to the Board of Directors for consideration.	

Section IV Corporate Governance

VII. SPECIAL COMMITTEES UNDER THE BOARD (CONTINUED)

(II) Audit Committee (Continued)

Date of convening	Contents of meetings	Important comments and suggestions	Other performance of duties
26 August 2024	Considered and approved 1. the semi-annual report 2024 and its summary. 2. the Company's risk assessment report on handling the deposit and loan business with CNBM Finance Group.	All members unanimously agreed to all the resolutions and agreed to submit the resolutions to the Board of Directors for consideration.	
29 October 2024	Considered and approved 1. the Third Quarterly Report 2024. 2. the resolution in relation to the 2024 internal control self-evaluation implementation plan.	All members unanimously agreed to all the resolutions and agreed to submit the resolutions to the Board of Directors for consideration.	

During the Reporting Period, the details of the attendance of each member of the Audit Committee (including those appointed or resigned during the Reporting Period) in the meetings of Audit Committee are as follows:

Member	Required attendance for the year	Attendance in person	Attendance by proxy
Chen Qisuo (Chairman)	5	5	0
Zhang Yajuan	5	5	0
Zhao Hulin (Resigned on 25 June 2024)	3	3	0
Yuan Jian (Appointed on 2 July 2024)	2	2	0

Note: On 25 June 2024, Ms. Yuan Jian was appointed as an independent non-executive Director after consideration and approval by general meeting, and Mr. Zhao Hulin's resignation as an independent non-executive Director took effect on the same day. Following Mr. Zhao Hulin's resignation, the Audit Committee comprised less than three members as required by Rule 3.21 of the Hong Kong Listing Rules. In this regard, the Company sought to identify the suitable candidate to fill the vacancy in the Audit Committee as soon as possible and no later than three months after Mr. Zhao Hulin's resignation took effect, and on 2 July 2024, Ms. Yuan Jian was appointed as a member of the Audit Committee, which re-complied with the requirements of the establishment of audit committees under the Hong Kong Listing Rules.

Section IV Corporate Governance

VII. SPECIAL COMMITTEES UNDER THE BOARD (CONTINUED)

(III) Nomination Committee

The Nomination Committee is mainly responsible for studying the selection criteria and procedures for directors and managers; reviewing the structure, number, and composition of the Board (including skills, knowledge, and experience) annually, and making recommendations on any proposed changes to the Board to align with the Company's development strategy or tactics, as well as the nomination of individuals with suitable qualifications to serve as directors or managers.

During the Reporting Period, the Nomination Committee considered and approved various proposals to nominate three Directors (namely Ms. Yuan Jian, an independent non-executive Director, Mr. Chen Peng, an executive Director, and Ms. Wu Dan, a non-executive Director), one secretary to the Board, and one executive vice president. The committee also reviewed and provided opinions to the Board on whether the candidates were suitable for the relevant positions. In particular, the Nomination Committee considered factors such as their educational background, professional experience, knowledge and skills, and term limits when reviewing whether the candidates were qualified and approving their nomination as directors, in order to ensure that the composition and configuration of the Board members allowed the Board to make more comprehensive and detailed decisions when making major decisions. The Nomination Committee, after considering and approving the nomination of relevant Director candidates, submitted the nomination to the Board for further consideration, and Directors were elected by the shareholders' meeting finally.

During the Reporting Period, the Nomination Committee held 3 meetings, the details of which are as follows:

Date of convening	Contents of meetings	Important comments and suggestions	Other performance of duties
28 March 2024	Considered and approved the resolution on the nomination of Ms. Yuan Jian for Independent Non-executive Director of the tenth session of the Board of Directors of the Company.	All members unanimously agreed to the resolutions on the meetings and agreed to submit the resolutions to the Board of Directors for consideration.	
16 November 2024	Considered and approved the resolution on the nomination of Mr. Chen Hongzhao as Secretary to the Board of the Company.	All members unanimously agreed to the resolutions on the meetings and agreed to submit the resolutions to the Board of Directors for consideration.	

Section IV Corporate Governance

VII. SPECIAL COMMITTEES UNDER THE BOARD (CONTINUED)

(III) Nomination Committee (Continued)

Date of convening	Contents of meetings	Important comments and suggestions	Other performance of duties
3 December 2024	Considered and approved 1. the resolution on the nomination of non-independent directors of the tenth session of the Board of Directors of the Company. 2. the resolution in relation to the nomination of executive vice president of the Company.	All members unanimously agreed to the resolutions on the meetings and agreed to submit the resolutions to the Board of Directors for consideration.	

During the Reporting Period, the details of the attendance of each member of the Nomination Committee (including those appointed or resigned during the Reporting Period) in the meetings of Nomination Committee are as follows:

Member	Required attendance for the year	Attendance in person	Attendance by proxy
Fan Baoqun (Chairman)	3	3	0
Xie Jun	3	3	0
Chen Qisuo	3	3	0

(IV) Remuneration and Review Committee

The Remuneration and Review Committee is responsible for studying the assessment plans for Directors and senior management personnel and making recommendations; responsible for providing recommendations to the Board on compensation policies and plans for Directors and senior management. The Remuneration and Review Committee has the right to review and approve the compensation plans of the Board and the supervisory committee, as well as the tenure system and contractual management measures for management members based on the suggestions and opinions of relevant departments of the Company, and submit the same to the Board and subsequently the shareholders' meeting for consideration according to the procedures.

Section IV Corporate Governance

VII. SPECIAL COMMITTEES UNDER THE BOARD (CONTINUED)

(IV) Remuneration and Review Committee (Continued)

During the Reporting Period, the Remuneration and Review Committee considered the salary distribution and performance evaluation of the Company's Directors, supervisors, and senior management for the year 2023.

During the Reporting Period, the Remuneration and Review Committee held 1 meeting, the details of which are as follows:

Date of convening	Contents of meetings	Important comments and suggestions	Other performance of duties
26 March 2024	Considered and approved the remuneration payment and performance evaluation for directors and senior management for the year 2023.	All members unanimously agreed to the resolutions on the meetings.	

During the Reporting Period, the details of the attendance of each member of the Remuneration and Review Committee (including those appointed or resigned during the Reporting Period) in the meetings of Remuneration and Review Committee are as follows:

Member	Required attendance for the year	Attendance in person	Attendance by proxy
Zhao Hulin (Chairman) (Resigned on 25 June 2024)	1	1	0
Yuan Jian (Chairwoman) (Appointed on 2 July 2024)	0	0	0
Xie Jun	1	1	0
Zhang Yajuan	1	1	0

Note: On 25 June 2024, Ms. Yuan Jian was appointed as an independent non-executive Director after consideration and approval by general meeting, and Mr. Zhao Hulin's resignation as an independent non-executive Director took effect on the same day. Following Mr. Zhao Hulin's resignation, the Remuneration and Review Committee was not chaired by an independent non-executive Director as required by Rule 3.25 of the Hong Kong Listing Rules. In this regard, the Company sought to identify the suitable candidate to fill the vacancy in the Remuneration and Review Committee as soon as possible and no later than three months after Mr. Zhao Hulin's resignation took effect, and on 2 July 2024, Ms. Yuan Jian was appointed as the chairwoman of the Remuneration and Review Committee, which re-complied with the requirements of the establishment of remuneration and review committees under the Hong Kong Listing Rules.

Section IV Corporate Governance

VII. SPECIAL COMMITTEES UNDER THE BOARD (CONTINUED)

(V) Strategic Committee

The Strategic Committee is mainly responsible for evaluating and managing the risks and opportunities related to the Company's environmental, social, and governance (ESG), and researching and formulating the Company's ESG strategic plan, management structure, system, strategy, and implementation rules, ensuring the continuous implementation and execution of the Company's ESG policies, and monitoring environmental, social, and governance (ESG) related matters which may affect the Company's business operations and the stakeholders are concerned about.

During the Reporting Period, the Strategic Committee reviewed the Company's 2023 Environmental, Social, and Governance (ESG) report and continuously monitored the compliance of the Company's functional departments, professional departments, and various subsidiaries with the Company's Environmental, Social, and Governance (ESG) policies.

During the Reporting Period, the Strategic Committee held 1 meeting, the details of which are as follows:

Date of convening	Contents of meetings	Important comments and suggestions	Other performance of duties
26 March 2024	Reviewed the 2023 Environmental, Social and Governance (ESG) Report	All members unanimously agreed to the resolutions on the meetings and agreed to submit the resolutions to the Board of Directors for consideration.	

During the Reporting Period, the details of the attendance of each member of the Strategic Committee (including those appointed or resigned during the Reporting Period) in the meetings of the Strategic Committee are as follows:

Member	Required attendance for the year	Attendance in person	Attendance by proxy
Xie Jun (Chairman)	1	1	0
Zhang Rong	1	1	0
Fan Baoqun	1	1	0
Zhang Chong (Resigned on 6 December 2024)	1	1	0

Section IV Corporate Governance

VII. SPECIAL COMMITTEES UNDER THE BOARD (CONTINUED)

(VI) Compliance Committee

The Compliance Committee is primarily responsible for reviewing and monitoring the policies and practices of the Company in complying with legal and regulatory requirements, including developing and reviewing the Company's corporate governance policies and practices, and reviewing the Company's compliance with the Corporate Governance Code as set out in Appendix C1 of the Stock Exchange Listing Rules, and the disclosures in this chapter (i.e. the Corporate Governance Report prepared as required under the Corporate Governance Code).

During the Reporting Period, the Compliance Committee reviewed the Company's 2023 Compliance Management Report and continuously monitored the Company's compliance work; considered and approved the proposal on the amendments to the Company's Articles of Association to ensure compliance with updated changes as required by Hong Kong and mainland laws, regulations, and normative documents.

During the Reporting Period, the Compliance Committee held 2 meetings, the details of which are as follows:

Date of convening	Contents of meetings	Important comments and suggestions	Other performance of duties
22 March 2024	Considered and approved the 2023 Compliance Management Report.	All members unanimously agreed to the resolutions on the meetings.	
29 October 2024	Considered and approved the resolution on the amendments to the Articles of Association of the Company.	All members unanimously agreed to the resolutions on the meetings and agreed to submit the resolutions to the Board of Directors for consideration.	

During the Reporting Period, the details of the attendance of each member of the Compliance Committee (including those appointed or resigned during the Reporting Period) in the meetings of the Compliance Committee are as follows:

Member	Required attendance for the year	Attendance in person	Attendance by proxy
Zhang Yajuan (Chairwoman)	2	2	0
Zhang Rong	2	2	0
Wang Leilei (Resigned on 18 October 2024)	2	2	0

VIII. RISKS DISCOVERED BY THE SUPERVISORY COMMITTEE

The Supervisory Committee has no objection to the supervision matters during the Reporting Period.

Section IV Corporate Governance

IX. EMPLOYEES OF THE COMPANY AND MAJOR SUBSIDIARIES AS AT THE END OF THE REPORTING PERIOD

(I) Employees

Number of in-service employees of the Company	58
Number of in-service employees of the major subsidiaries	2,711
Total number of in-service employees	2,769
The number of retired employees whose expenses are borne by the Company and its major subsidiaries	1,698

Composition of professions	Type of profession	Number of staff in the profession
Production staff		2,107
Sales staff		43
Technical staff		254
Finance staff		48
Administrative staff		317
Total		2,769

Education level	Type of education level	Number of persons (headcount)
Doctor's degree		0
Postgraduate		23
Undergraduate		406
Associate		709
High school and below		1,631
Total		2,769

(II) Remuneration policy

An annual remuneration system is adopted for the management of the Company and its subsidiaries while a position plus performance salary system is adopted for the employees of the Company. In addition, according to relevant national, provincial and municipal policies, employees of the Company are also entitled to the “five insurance payments and housing provident fund”, paid leave, paid training and other treatments.

Section IV Corporate Governance

XIV. EMPLOYEES OF THE COMPANY AND MAJOR SUBSIDIARIES AS AT THE END OF THE REPORTING PERIOD (CONTINUED)

(III) Training programme

The Company has established a two-layered three-leveled training system, carrying out staff training by way of a combination of internal and external training, off-job and semi-off-job training so as to enhance the work skills and professional ability of the staff and ensure the healthy growth of the staff and development of the enterprise.

(IV) Composition and configuration of all employees

The Company considers achieving the goal of gender diversity for all employees from multiple perspectives, including but not limited to factors such as employee gender, cultural and educational background, professional experience, knowledge and skills. At the same time, it also considers the operational needs of the Group and the principle of fairness. At the end of the Reporting Period, female employees accounted for 26.07% of all employees in the Company. The Company will continue to monitor the composition and configuration of all employees, including gender diversity, in order to achieve a fair and diverse working environment.

X. PROPOSAL FOR PROFIT DISTRIBUTION OR CONVERSION OF CAPITAL RESERVES INTO SHARE CAPITAL

During the Reporting Period, the Company did not have any proposal for profit distribution or conversion of capital reserves into share capital.

XI. EQUITY INCENTIVE PLAN, EMPLOYEE STOCK OWNERSHIP PLAN OR OTHER EMPLOYEE INCENTIVES AND EFFECTS THEREOF

(I) Events disclosed in the temporary announcements and with no progress or change in subsequent implementation

During the Reporting Period, there was no situation where the events disclosed in the temporary announcements and with no progress or change in subsequent implementation.

(II) Events disclosed in the temporary announcements and with progress or change in subsequent implementation

During the Reporting Period, there was no events disclosed in the temporary announcements and with progress or change in subsequent implementation.

(III) Equity Incentive Granted to Directors and Senior Management during the Reporting Period

During the Reporting Period, there was no equity incentive granted to Directors and Senior Management.

(IV) Appraisal mechanism for senior executives as well as the establishment and execution of the incentive mechanism during the Reporting Period

Performance appraisal for senior executives of the Company was primarily conducted according to the annual objective responsibility assessment system based on completion of annual business objectives. Remuneration of senior executives was set according to the result of assessment. Annual salaries of senior executives were directly related to their business responsibilities, risks and performances.

Section IV Corporate Governance

XII. CONSTRUCTION AND IMPLEMENTATION OF INTERNAL CONTROL SYSTEM DURING THE REPORTING PERIOD

Details can be found in the 2024 Internal Control Evaluation Report disclosed by the Company on 28 March 2025.

There were no material weaknesses in the Company's internal control during the Reporting Period.

XIII. MANAGEMENT AND CONTROL OF THE SUBSIDIARIES DURING THE REPORTING PERIOD

During the Reporting Period, the subsidiaries carried out their operations and management under the requirements of the Company's overall strategic planning, business objectives and various standardized operational systems. In accordance with the provisions of the standardized system of enterprise internal control, the Company guided its subsidiaries to establish and improve internal management control systems with effective implementation; mainly including financial statements management system, budget management related system, asset management related system and debt financing management system; and the scope of business covered various business areas such as capital activities, asset management, procurement, sales, production management, research and development. The Company regularly evaluated their effectiveness to ensure the legality and compliance of business activities, safety of assets, authenticity and completeness of financial report and related information and improvement of operating efficiency and management effects. In accordance with the new situation and requirements, the Company has guided the improvement of rules and regulations related to the management of each of its controlled subsidiaries.

The Company has continued to improve its governance mechanism with transparent powers and responsibilities based on the Articles of Association, supported by the rules of procedure of the shareholders' meeting, the Party committee, the Board and the general manager office, as well as the core management system. Supervision of the operation and management or major matters of subsidiaries is realized through the appointment or nomination of directors, supervisors and senior management.

XIV. INFORMATION ABOUT THE INTERNAL CONTROL AUDIT REPORT

Details can be found in the 2024 Internal Control Audit Report disclosed by the Company on 28 March 2025.

Type of opinion on the audit report of internal control: Standard unqualified opinion

XV. SELF-EXAMINATION AND RECTIFICATION OF SPECIAL ACTION FOR GOVERNANCE OF LISTED COMPANY

There was no self-examination and rectification of special action for governance during the Reporting Period.

XVI. OTHER

(I) Corporate governance practices

During the Reporting Period, the Company had complied strictly with all the code provisions of Part 2 of the Corporate Governance Code as set out in Appendix C1 of the Hong Kong Listing Rules. The Company regularly reviews its corporate governance practices to ensure its compliance with the Corporate Governance Code.

(II) Securities transactions by Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers in Appendix C3 of the Hong Kong Listing Rules as its own code of conduct regarding securities transactions by the Directors. During the Reporting Period, all the Directors of the Company had strictly complied with the code of conduct in relation to the securities transactions by the Directors under the Model Code for Securities Transactions by Directors of Listed Issuers.

Section IV Corporate Governance

XVI. OTHER (CONTINUED)

(III) Directors and the Board

1. Directors

- (1) Details of the Directors of the tenth session of the Board of the Company during the Reporting Period are set out in “IV. Directors, Supervisors and Senior Management” in this section. As of the end of the Reporting Period, the tenth session of the Board of the Company was composed of four executive Directors, i.e. Mr. Xie Jun, Mr. Zhang Rong, Mr. He Qingbo and Mr. Chen Peng; one non-executive Director, i.e. Ms. Wu Dan; and four independent non-executive Directors, i.e. Ms. Zhang Yajuan, Mr. Chen Qisuo, Mr. Fan Baoqun and Yuan Jian.

There is no financial, business, family relations or other significant/related relations among Directors, Supervisors members of management. The Company has purchased liability insurance for Directors, Supervisors and senior management.

- (2) Meeting attendance by Directors

During the Reporting Period, details of the attendance of Directors at Board meetings and general meetings are set out in “VI. Performance of Duties by Directors” in this section. Details of the attendance of each Director at the meetings of the special committees are set out in “VII. Special Committees Under the Board” in this section.

- (3) Enhancement of professional skills by Directors

During the Reporting Period, the Company organized multiple training programs for Directors, Supervisors, and senior management, hosted by the CSRC and the SSE, which focused on enhancing the governance capabilities of listed company executives. These programs were designed to strengthen the performance competencies of the Board and management team, ensuring they remain fully informed and adequately equipped to contribute effectively to the Board's decision-making processes under comprehensive information and practical requirements.

In particular, in 2024, the Company actively organized all Directors, supervisors, and senior management to participate in a series of important trainings organized by the Henan Securities Regulatory Bureau, including the “Opinions on Deepening the Market Reform of Mergers and Acquisitions of Listed Companies”, “Market Value Management Special Online Training Phase 1”, “Market Value Management Special Online Training Phase 2”, and “Comprehensive Punishment and Prevention of Financial Fraud in Henan Capital Market”. At the same time, the Company arranged for independent Directors to participate in the “Special Training on Anti-Fraud Performance Points and Suggestions for Independent Directors of Listed Companies” and “Follow-up Training for Independent Directors of Listed Companies” organized by the Shanghai Stock Exchange. Through training and learning, the aim is to fully stimulate the functions of Directors, strengthen their sense of responsibility, ensure that Directors always have comprehensive information, and continuously provide strong support for Board decision-making. During the Reporting Period, all Directors actively participated in the above-mentioned training programs during their term of office.

Section IV Corporate Governance

XVI. OTHER (CONTINUED)

(III) Directors and the Board (Continued)

2. The Board

The Board is elected at the general meeting and responsible to the general meeting. The Board of the Company, in pursuance of relevant provisions of the Company Law, the Securities Law, the Principles of Listed Company Governance, Listing Rules in both Shanghai and Hong Kong, related laws and regulations enacted by CSRC and the Articles of Association of the Company, has set out and reviewed the corporate governance policies and practice of the Company; has set out, examined and approved the development strategy and operating decisions of the Company; has made the yearly budget and final account plan; has been continuously reviewing and perfecting various management systems of the Company; has reviewed and supervised the policies and normal conditions of the Company with respect to compliance with laws and regulations; has made, reviewed and supervised code of conduct of employees and Directors and compliance manual (such as the Internal Control Manual of the Company, etc.); has reviewed the compliance of the Company with the Corporate Governance Code and the disclosures in this section, etc.; has reviewed and supervised Directors, supervisors and senior executives in terms of training and continuing professional development.

The Board convened meetings on a regular basis and also called upon extraordinary meetings depending on actual conditions. The Company sends meeting and operating information to Directors, Supervisors and senior management in a timely manner to assist them in making accurate judgments and scientific decisions regarding the business of the Company. During the Reporting Period, the Company held 10 Board meetings. All the then directors actively participated in person or by video, and were able to diligently perform their duties as directors in the best interests of the Company and its shareholders.

The Board has five specialized committees, namely the Audit Committee, the Strategic Committee, the Nomination Committee, the Remuneration and Review Committee and the Compliance Committee. Among them, all members of the Audit Committee are independent non-executive directors; among the members of the Nomination Committee, the Remuneration and Review Committee and the Compliance Committee, independent non-executive directors constitute the majority and act as the chairman (convenor). Each of the specialised committees performs its duties in accordance with its own terms of reference to assist the Board in performing and fulfilling more effectively the Board's functions as set out in the Corporate Governance Code in Appendix C1 of the Hong Kong Listing Rules. Details of the work of each of the special committees during the Reporting Period are set out in "VII. Special Committees Under the Board" in this section.

Section IV Corporate Governance

XVI. OTHER (CONTINUED)

(III) Directors and the Board (Continued)

2. *The Board (Continued)*

On ensuring that the Board has access to independent advice, the Board has formulated the “Work Rules for Independent Directors” to ensure that independent non-executive directors (independent directors) can effectively exercise their powers and functions, give full play to the supervisory functions and decision-making functions of independent directors, provide facilities for independent directors to participate in the daily affairs of the Company, work on-site and obtain information, so as to give full play to the independent directors’ judgment position. Securities department is responsible for providing assistance to the independent non-executive directors in discharging their duties, such as introducing information and providing materials, etc., regularly informing them of the Company’s operations and organizing site visits by the independent directors when necessary.

In terms of composition and allocation of the Board, the Company considers the goal of diversity of Board members from various aspects, including but not limited to factors such as regulatory requirements, gender, age, cultural and educational background, professional experience, knowledge and skills, and term of office of directors. At the same time, the Company pays attention to the checks and balances of different interests to enhance the balance of decision-making. As of the end of the Reporting Period, the tenth session of the Board of the Company comprised 9 members aged between 39 and 61, including 3 female directors. The Board members possess diverse professional backgrounds spanning accounting, legal affairs, the glass industry, and enterprise management, enabling them to provide comprehensive and meticulous considerations in the Board’s decision-making processes. This diversity ensures robust support for the Board’s scientific and strategic decision-making. The Company will continue to monitor the composition and allocation of the Board to ensure a diverse Board composition.



Section IV Corporate Governance

XVI. OTHER (CONTINUED)

(IV) Chairman and Management

Mr. Xie Jun is the Chairman of the Board and Mr. Zhang Rong is the President of the Company. According to the Articles of Association, the positions of the Chairman and the President are clearly delineated, and their duties are clearly separated.

The main duties of the Chairman are: presiding over general meetings, convening and presiding over the Board meetings; supervising and examining the implementation of Board resolutions and overseeing the day-to-day operation and management of the President's management; signing securities issued by the Company; and other duties and power under authorized by the Board. The Chairman ensures that all Directors receive timely and sufficient information and are fully informed of current matters during Board meetings, thereby facilitating the effective functioning of the Board. The Chairman also ensures that Directors fulfill their fiduciary duties, promptly discuss all significant matters, and contribute effectively to the Board's decision-making processes.

The principal duties of the President are: presiding over production, operation and management of the Company as well as organizing to implement the resolutions of the Board and report to the Board; organizing to implement annual operating plan and investment scheme of the Company as well as drafting the internal management organization setup of the Company; drafting the basic management system of the Company; formulating the basic regulations of the Company; proposing to the Board for appointment or dismissal of vice president, chief financial officer of the Company, as well as the decision on appointment or dismissal of the responsible management members except those supposed to be appointed or dismissed by the Board; decision on rewards and punishments, promotion and demotion, salary increase and decrease, appointment, employment, termination, and dismissal of employees of the Company, and other duties and power authorized by Articles of Association and the Board.

The management of the Company comprises the President, Vice Presidents, Chief Financial Officer, and Secretary to the Board, whose qualifications and responsibilities are explicitly defined in the Company's Articles of Association. The management team maintains close communication with all Directors to ensure they are fully informed of the Company's operational activities, thereby providing strong support for the Company's decision-making processes.

Section IV Corporate Governance

XVI. OTHER (CONTINUED)

(V) **Term of office of non-executive Directors and confirmation of independence of independent non-executive Directors**

Pursuant to the Articles of Association, non-executive Directors shall be elected at the general meetings with a term of office of 3 years. The Directors shall be eligible for re-election and reappointment upon expiry. Independent non-executive directors shall have the same term of office with other directors, and may be re-elected upon the expiry of the term, but shall not serve for a consecutive period of more than 6 years.

During the Reporting Period, the Board of the Company has four independent non-executive directors. Details of the tenure of office of the current and former non-executive directors during the Reporting Period are set out in "IV. POSITIONS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT".

The Company has received annual performance reports from all the independent non-executive Directors and confirmed in written in respect of their respective independence in accordance with Rule 3.13 of the Hong Kong Listing Rules. The Company is in the opinion that, all the independent non-executive Directors are independent individuals, and are in compliance with all requirements in respect of independence in the Hong Kong Listing Rules.

(VI) **Risk management and internal monitoring**

The Board is fully responsible for reviewing and formulating the complete and effective risk management and internal control system of the Company, including establishing a clear management structure with clear authority. The Audit Committee under the Board is responsible for inspecting the financial condition, the implementation and effectiveness of internal control systems, and risk management and control of the Company, and is also responsible for communicating, supervising, and verifying with internal and external auditors of the Company. For details on the work of the Board and the Audit Committee meetings during the Reporting Period, please refer to the section headed "(II) Audit Committee" under "V. BOARD MEETINGS HELD DURING THE REPORTING PERIOD" and "VII. SPECIAL COMMITTEES UNDER THE BOARD" in this section.

At the same time, the Audit Department of the Company is responsible for the specific implementation and supervision of the internal control system. The functional departments of the headquarters are specifically responsible for formulating, improving, and implementing management systems related to departmental business, standardizing corresponding business processes; supervising the corresponding business departments of the subsidiaries to standardize management processes and formulate corresponding management systems; assisting the headquarters auditors in completing inspections and evaluations of the Company's internal controls; each subsidiary, under the supervision of the headquarters, formulates, improves, and implements its various management systems, and establishes corresponding supervision and audit institutions to supervise and inspect the internal control situation, in order to better identify, evaluate, and manage any major risks.

Section IV Corporate Governance

XVI. OTHER (CONTINUED)

(VI) Risk management and internal monitoring (Continued)

In terms of environmental, social, and governance (ESG), the Company has the Strategic Committee responsible for evaluating and managing the risks and opportunities related to environmental, social, and governance ESG. For details on the work of the Strategic Committee meetings during the Reporting Period, please refer to the section headed "(V) Strategic Committee" under "VII. SPECIAL COMMITTEES UNDER THE BOARD" in this section.

The internal control system aims to assist the Company in achieving business objectives, protecting assets from unauthorized use or disposal, ensuring proper custody of accounting records, providing reliable financial resources for internal use or disclosure, and ensuring compliance with relevant laws and regulations. The internal control system aims to provide reasonable but not absolute assurance to prevent material misstatements or losses. During the Reporting Period, the Company conducted an internal control evaluation on the effectiveness of risk management in relation to financial, operational, and compliance issues and internal control systems, risk management processes, scope and quality of risk monitoring by management, and the effectiveness of financial reports. The Board believes that the resources, qualifications, experience, training programs, and budget of the personnel in the accounting and financial reporting functions of the Company as well as the environmental, social, and governance (ESG) performance and reporting personnel of the Company are sufficient. The Board has concluded that the Company's risk management and internal control systems are fully effective. For further details, please refer to the 2024 internal control evaluation report and relevant overseas regulatory announcements disclosed by the Company on the websites of the Shanghai Stock Exchange and the Hong Kong Stock Exchange on 28 March 2025.

(VII) Auditors' remuneration

For details on the remuneration of auditors, please refer to the "VI. Appointment or Dismissal of Accounting Firms" in the section headed "VI. SIGNIFICANT EVENTS" of this section.

(VIII) Directors' responsibility for the financial statements

The 2024 financial report and results announcement of the Company has been reviewed by the Audit Committee. Each of the Directors agreed on and confirmed their several and joint responsibility for the preparation of accounts of the financial statements for this year. The Directors are responsible for preparing the financial statements which gave a true and fair picture of the financial position, operating results and cash flow of the Group during the accounting period in accordance with the applicable statutory and regulatory requirements.

In preparing the financial statements for the year ended 31 December 2024, the Company implemented, adopted and applied the applicable accounting policies.

Section IV Corporate Governance

XVI. OTHER (CONTINUED)

(IX) Company Secretary

The Company Secretary is Mr. Ip Pui Sum ("**Mr. Ip**") (from Sum, Arthur & Co. in Hong Kong). Mr. Ip conscientiously performed his duty during the Reporting Period, offered his opinions to the Board in respect of governance, ensured smooth information exchange among members of the Board, and complied with the policies and procedures of the Board. During the Reporting Period, Mr. Ip had accepted no less than 15 hours of professional training to update his skills and knowledge.

The principal contact person in the Company with the Company Secretary is the Secretary to the Board. For her detailed contact information, please refer to the section headed "II. COMPANY PROFILE AND MAJOR FINANCIAL INDICATORS" in this section.

(X) Rights of shareholders

The Company ensures equal rights of all shareholders, especially minority shareholders and warrants all shareholders can fully exercise their rights on a pro rata basis. The Articles of Association of the Company clearly prescribes that shareholders individually or jointly holding more than 10% shares of the Company, have right to request the Board to convene the extraordinary general meeting. The convening, holding and voting procedures of the Company's general meetings are implemented in strict compliance with relevant laws, the Articles of Association and the Rules of Procedures of General Meetings of the Company. It is also explicitly stipulated in the Articles of Association that shareholders have the right to supervise and manage the business activities of the Company and to put forward proposals and raise inquiries, the right to obtain relevant information and the right to know about and the right to participate in major matters of the Company. Please refer to the Articles of Association for detailed inquiry procedures and methods. While convening the general meeting, the Shareholders alone or in aggregate holding more than 1% (including 1%) of the shares of the Company can make a temporary proposal and submit in writing to the Board 10 days prior to the date of the general meeting. The Board shall issue a supplementary notice of the general meeting within 2 days upon the receipt of the proposal and submit such temporary proposal to the general meeting for consideration. Contents of the temporary proposal shall fall within the scope of authority of the general meeting, and set out specific subject and matters to be resolved.

In the notice of the general meetings, the Board will provide sufficient information and explanations to Shareholders to enable them to make an advisable decision on the matter under discussion as well as the contact information for Shareholders enquiry of relevant issues. During the general meetings, the Shareholders can raise questions or suggestions for the proposals in doubt, and the Directors attending the meeting are responsible for explaining, recording and, if necessary, providing further details. Shareholders may inspect copies of the minutes of the general meetings free of charge during the business hours of the Company. In the event that any Shareholder requests for copies of such minutes, the Company will deliver the copies within 7 days upon receiving payment of reasonable charges.

For details on the convening of the shareholders' meeting during the Reporting Period, please refer to "III. INTRODUCTION OF GENERAL MEETINGS" in this section.

Section IV Corporate Governance

XVI. OTHER (CONTINUED)

(XI) Investor Relations

The Company has formulated the Investor Relations Management System and enhanced communication with investors and potential investors through facilitating the exercise of shareholders' rights, information disclosure, interactive communication and handling of requests, in order to enhance investors' understanding and recognition of the Company and to improve the Company's governance and overall value. The securities Department of the Company is the functional department and daily working body of the Company's investor relations management, and is responsible for the implementation of the Company's investor relations management affairs and activities under the leadership of the Secretary of the Board.

The Company fully communicates and negotiates with its shareholders and investors through various means, including the Company's official website, investor contact telephone, fax and e-mail, etc. The Company's website and new media platforms include the website of the Shanghai Stock Exchange, the SSE e-Interaction Platform and public welfare network infrastructure platforms such as securities registration and settlement institutions, etc. The means of communication include convening shareholders' meetings, results presentations, road shows, analyst meetings and receiving visits and seminars.

During the Reporting Period, the Company held results presentation meetings in a timely manner after the disclosure of its annual and interim reports, and issued results presentation announcements as required, which were open and fair to all investors, analysts, media and other relevant parties both domestic and overseas, and were held in the form of "live video streaming plus E-interaction" using the roadshow platform of SSE. In view of the above, the Board, after reviewing the implementation and effectiveness of the shareholders communication policy during the Reporting Period, considers such implementation to be effective.

(XII) Amendments to the Articles of Association

The Company has promptly amended the relevant provisions of its Articles of Association in accordance with the Hong Kong Listing Rules and the Measures for the Administration of Independent Directors of Listed Companies issued by the CSRC. These amendments reflect the requirements of applicable laws, administrative regulations, normative documents, and relevant listing rules. In particular, the amendments to the Articles of Association of the Company were considered and approved at the shareholders' meetings dated 26 June 2024 and 11 December 2024, respectively. Details can be found in the circulars of the Company dated 24 May 2024 and 19 November 2024 in relation to the proposed amendments to the Articles of Association and the poll results announcements of the general meetings dated 26 June 2024 and 11 December 2024, respectively.

The text of the latest Articles of Association of the Company is available for inspection on the websites of the Company, the SSE and the Stock Exchange.

(XII) Dividend Policy

In accordance with the Company's dividend policy and subject to compliance with the relevant provisions of the Company's Articles of Association, the Board will annually propose recommendations regarding dividend distributions based on the Company's operational performance, financial position, and capital requirements. The proposed dividend distribution is subject to approval by the Shareholders at the general meeting of the Company.

Section V Environmental and Social Responsibility

I. INFORMATION ON ENVIRONMENT

Whether an environmental protection mechanism is in place	Yes
Capital investment in environmental protection during the Reporting Period (Unit: 0,000 Yuan Currency: RMB)	5,922.74

(I) Information on environmental protection of enterprises and its key subsidiaries which were classified as major pollution discharge units published by the environmental protection authorities

1. Information on pollution discharge

During the Reporting Period, six operating subsidiaries of the Company applied for sewage discharge permits in accordance with the law, details of which are set out below:

On 27 June 2024, the change of the sewage discharge permit of Zigong New Energy was approved;

On 18 October 2024, change of the sewage discharge permit of Hefei New Energy was approved;

On 12 June 2023, the change of the sewage discharge permit of Tongcheng New Energy was approved;

On 7 July 2023, the change of the sewage discharge permit of Yixing New Energy was approved;

On 17 July 2024, the change of the sewage discharge permit of Zhangzhou New Energy was approved.

During the Reporting Period, five subsidiaries of the Company fell within the Environmental Information Disclosure Directory or the Directory of Major Pollution Discharge Units published by the environmental protection authorities in the places where they operated. Details are as follows:

Each of Tongcheng New Energy, Hefei New Energy, Yixing New Energy, Zigong New Energy, and Zhangzhou New Energy was listed under the Environmental Information Disclosure Directory for Enterprises and Public Institutions of Anqing City for 2024, the Major Pollution Discharge Units in Atmospheric Category of Hefei City for 2024, the Major Pollution Discharge Units of Wuxi City for 2024, the Major Pollution Discharge Units of Atmospheric Pollution in Zigong City for 2024, and the Major Pollution Discharge Units for Atmospheric Environmental Pollution in Zhangzhou City for 2024, respectively.

Major pollutants generated from the photovoltaic glass production process: atmospheric particulate matters, SO₂, NO_x and wastewater.



Section V Environmental and Social Responsibility

I. INFORMATION ON ENVIRONMENT (CONTINUED)

(I) Information on environmental protection of enterprises and its key subsidiaries which were classified as major pollution discharge units published by the environmental protection authorities (Continued)

1. Information on pollution discharge (Continued)

Table I Pollutant discharge standards currently observed by production-related subsidiaries of the Company include:

Type of pollutants	Pollutant discharge standards	Major pollutants	Discharge concentration
Exhaust	Standard of Air pollutants for Glass Industry (《玻璃工業大氣污染物排放標準》) (GB26453-2022)	Atmospheric particulate	Atmospheric particulates≤30 mg/m ³
		SO ₂	SO ₂ ≤200 mg/m ³
		NOx	NOx≤400 mg/m ³
	Standard of Air pollutants for Glass Industry (《玻璃工業大氣污染物排放標準》) (DB 34-4295-2022) issued by Anhui Province	Atmospheric particulate	Atmospheric particulates≤10 mg/m ³
		SO ₂	SO ₂ ≤200 mg/m ³
		NOx	NOx≤400 mg/m ³
	Work Program for Ultra-low Emission Renovation (Deep Treatment) of Key Facilities of Key Industries in Jiangsu Province (Su Da Qi Ban (2021) No. 4)	Atmospheric particulate	Atmospheric particulates≤15 mg/m ³
		SO ₂	SO ₂ ≤200 mg/m ³
		NOx	NOx≤400 mg/m ³
Wastewater	Integrated Wastewater Discharge Standard (《污水綜合排放標準》) (GB 8978-1996) Class III	pH	pH: 6~9
		COD	COD≤500 mg/L
		SS	SS≤240 mg/L
		BOD ₅	BOD ₅ ≤140 mg/L
		NH ₃ -N	NH ₃ -N≤40 mg/L
		Animal and vegetable oils	Animal and vegetable oils≤100 mg/L

Section V Environmental and Social Responsibility

I. INFORMATION ON ENVIRONMENT (CONTINUED)

(I) Information on environmental protection of enterprises and its key subsidiaries which were classified as major pollution discharge units published by the environmental protection authorities (Continued)

1. Information on pollution discharge (Continued)

Table II Way of discharge and distribution of major pollutants:

Subsidiary	Pollutants Type	Representative pollutant	Way of discharge	Number and distribution of discharge vent and distribution
Yixing New Energy	Exhaust	Atmospheric particulate matters, SO ₂ , NOx	For 650t/d: Emissions by 90m chimney stack to meet the standard after being treated through dry desulfurization + cyclone dust removal + catalytic ceramic filter tube integrated dust removal and denitrification system.	1 chimney, the discharge vent is located in front of the glass melting furnace in the plant
	Wastewater	COD, total phosphorus, total nitrogen, ammonia nitrogen, pH	A portion of the production wastewater is recycled for reuse after undergoing treatment, while concentrated discharge water from reclaimed water systems and domestic sewage are pretreated before being discharged into the municipal sewage treatment plant's pipe network.	1 sewage outlet, located in the plant
Hefei New Energy	Exhaust	Atmospheric particulate matters, SO ₂ , NOx	Line 1: Emission of 650t/d is treated adopting catalytic ceramic filter tube desulfurization, denitrification and dust removal, and then discharged through 68m chimney. Line 2: Emission of 650t/d is treated adopting catalytic ceramic filter tube desulfurization, denitrification and dust removal, and then discharged through 68m chimney.	Shared 1 chimney, the discharge vent is located in front of the glass melting furnace in the plant
	Wastewater	pH, COD, BOD ₅ , NH ₃ -N, SS	Production wastewater was subject to reuse after treatment with a small proportion being discharged into the sewage pipe network; domestic sewage was channeled into the sewage treatment works via urban sewage pipeline after pre-treatment	1 sewage outlet, located in the plant

Section V Environmental and Social Responsibility

I. INFORMATION ON ENVIRONMENT (CONTINUED)

(I) Information on environmental protection of enterprises and its key subsidiaries which were classified as major pollution discharge units published by the environmental protection authorities (Continued)

1. Information on pollution discharge (Continued)

Table II Way of discharge and distribution of major pollutants: (Continued)

Subsidiary	Pollutants Type	Representative pollutant	Way of discharge	Number and distribution of discharge vent and distribution
Tongcheng New Energy	Exhaust	Atmospheric particulate matters, SO ₂ , NO _x	For 320t/d: Emission by 90m-high chimney stack via a desulfuration induced draft fan after being treated through the process of high temperature electrostatic precipitator ESP, the SCR denitration, the R-SDA semi-dry desulfurization system and the dust removal with a bag filter. For 1200t/d: Emission by 120m chimney stack after being treated through catalytic ceramic fibre filter tube integrated dry desulphurization, denitrification and dust removal.	2 chimneys, the discharge vent is located in front of the glass melting furnace in the plant
	Wastewater	pH, COD, BOD ₅ , NH ₃ -N, SS	Production wastewater was subject to reuse after treatment with a small proportion being discharged into the sewage pipe network; domestic sewage was channeled into the sewage treatment works via urban sewage pipeline after pre-treatment.	1 sewage outlet, located in the plant

Section V Environmental and Social Responsibility

I. INFORMATION ON ENVIRONMENT (CONTINUED)

(I) Information on environmental protection of enterprises and its key subsidiaries which were classified as major pollution discharge units published by the environmental protection authorities (Continued)

1. Information on pollution discharge (Continued)

Table II Way of discharge and distribution of major pollutants: (Continued)

Subsidiary	Pollutants Type	Representative pollutant	Way of discharge	Number and distribution of discharge vent and distribution
Zigong New Energy	Exhaust	Atmospheric particulate matters, SO ₂ , NOx	Emission by 90m-high chimney stack after being treated through dry desulfurization, dust removal with catalytic ceramic fiber filter tube.	1 chimneys, the discharge vent is located in front of the glass melting furnace in the plant
	Wastewater	pH, COD, BOD ₅ , NH ₃ -N, SS	Production wastewater was subject to reuse with a small proportion being discharged into the sewage pipe network; domestic sewage entered the sewage treatment plant via the sewage pipe network after pre-treatment.	1 sewage outlet, located in the northeast corner of the plant
Zhangzhou New Energy	Exhaust	Atmospheric particulate matters, SO ₂ , NOx	Emission by the 95m chimney stack after being treated with high temperature electrostatic precipitator, the SCR denitration, residual heat boiler, semi-dry desulfurization, and the dust removal with a bag filter.	1 chimneys, the discharge vent is located in the north side of the glass melting furnace of the production line of the second phase of the plant
	Wastewater	NH ₃ -N	Production wastewater was subject to reuse; domestic sewage was treated by the domestic sewage treatment station and then used for greening the plant and cleaning the roads.	No discharge, no emission outlet set

Section V Environmental and Social Responsibility

I. INFORMATION ON ENVIRONMENT (CONTINUED)

(I) Information on environmental protection of enterprises and its key subsidiaries which were classified as major pollution discharge units published by the environmental protection authorities (Continued)

1. Information on pollution discharge (Continued)

Table III the annual total discharge indicators for major pollutants as determined by the environmental protection authorities and the total discharge during the Reporting Period:

Subsidiaries Abbreviation	Code of discharge permit	Pollutants Type	Total discharge indicators of major pollutants (tonnes per year)	Total discharge during the Reporting Period (tonnes)	Excessive discharge
Yixing New Energy	91320282MA1MXWBJ1H001Q	Exhaust	SO ₂	43.93	Discharge up to standard
			NO _x	173.84	
			Atmospheric particulate	22.077	
Hefei New Energy	91340100570418775Y001P	Exhaust	SO ₂	47.3	Discharge up to standard
			NO _x	215.2	
			Atmospheric particulate	30.87	
Tongcheng New Energy	91340881567507232G001P	Exhaust	SO ₂	260.30	Discharge up to standard
			NO _x	454.83	
			Atmospheric particulate	68.29	
Zigong New Energy	91510300MA67NRDD2F001P	Exhaust	SO ₂	72.40	Discharge up to standard
			NO _x	160.40	
			Atmospheric particulate	22.40	
Zhangzhou New Energy	91350600796053991E001P	Exhaust	SO ₂	93.74	Discharge up to standard

Section V Environmental and Social Responsibility

I. INFORMATION ON ENVIRONMENT (CONTINUED)

(I) Information on environmental protection of enterprises and its key subsidiaries which were classified as major pollution discharge units published by the environmental protection authorities (Continued)

2. Construction and operation of pollution prevention and control facilities

In the ordinary course of production and operation, the Company has formulated well-equipped pollution prevention and control facilities to enhance the construction of environmental protection facilities and the operation and maintenance management thereof on a continuous basis. Each subsidiary reduces energy consumption and pollutant discharges, improves energy utilization efficiency and achieves clean production by virtue of incessant improvement in processing technology. Major measures adopted include: all production lines are fueled by natural gas and further reduction of energy consumption and pollutant discharges are achieved by adopting advanced combustion method, thus implementing clean production. The operation and management of environmental protection facilities for desulphurization, denitration and dedusting are strengthened to ensure sound operation conditions of the environmental protection facilities, guarantee high efficiency of desulphurization, denitration and dedusting and reduce emission of SO₂, NO_x and smoke dust. The Company takes a range of measures including the adoption of oxygen-enriched combustion technology, optimization of combustion process, improvement in maintenance and heat preservation for the furnace and reasonable adjustments of certain parameters in the manufacturing processing, so as to reduce utilization of natural gas, cut the cost of fuel and reduce emission of SO₂ and NO_x.

The Company has strictly implemented the requirements of national and local environmental protection emission standards through the performance of environmental protection responsibilities at all level to ensure the effective operation of environmental protection facilities. When problems are found, timely measures are taken to correct them.

3. Environmental effect assessment of construction projects and other environment protection administrative permits

All subsidiaries of the Company have carried out environmental effect assessment for projects in production lines during the construction period and obtained the approval from the local environmental protection authorities.



Section V Environmental and Social Responsibility

I. INFORMATION ON ENVIRONMENT (CONTINUED)

(I) Information on environmental protection of enterprises and its key subsidiaries which were classified as major pollution discharge units published by the environmental protection authorities (Continued)

4. Contingency plan for environmental emergency

The Company and its subsidiaries formulated their respective Contingency Plan for Environmental Emergency in light of the production process, pollutant generation aspects and environmental risk analysis and in accordance with the relevant provisions under the Administrative Measures on Contingency Plan for Environmental Emergency (《突發環境事件應急預案管理辦法》) and the National Environmental Emergency Plan (《國家突發環境事故應急預案》). They also organized expert reviews over the Contingency Plan and filed the same with local environmental protection authorities as required.

During the Reporting Period, no material contingent environmental events occurred in the Company and its subsidiaries. The subsidiaries organised a total of six emergency drills for environmental contingency.

Zhangzhou New Energy carried out an "Emergency Drill on Ammonia Leakage" on 19 March 2024;

Tongcheng New Energy carried out an "Emergency Drill on Site Disposal of Environmental Emergency of Ammonia Water Leakage" on 11 April 2024;

Yixing New Energy carried out an "Emergency Drill on Chemical Leakage" on 1 July 2024;

Hefei New Energy carried out an "Emergency Drill on Chemical Leakage from Warehouse" on 17 October 2024 and an "Emergency Drill on Hazardous Waste Leakage from Waste" on 20 December 2024;

Zigong New Energy organised and carried out an "Emergency Drill on Diesel Fuel Spill" on 23 December 2024.

5. Environment self-monitoring program

In accordance with Articles 42 and 55 of the Environmental Protection Law, the Sewage Discharge Permit Management Ordinance and the General Rules for Technical Guidance on Self-Monitoring of Pollutant Discharging Organizations (《排污單位自行監測技術指南總則》), and other laws and regulations, the subsidiaries of the Company engaged competent third-party monitoring agencies to monitor the wastewater, exhaust and noise on a regular basis. Relevant production lines have been equipped with on-line pollutant source detection facilities to detect the flow velocity, temperature and pressure of fume, SO₂, NO_x, particulate matters, etc. Tongcheng New Energy has put on LED display at the gateway to immediately publish regular monitoring data concerning its discharge of air pollutants, and Zigong New Energy has published the monitoring data concerning its discharge of pollutants on its official website.

Section V Environmental and Social Responsibility

I. INFORMATION ON ENVIRONMENT (CONTINUED)

(I) Information on environmental protection of enterprises and its key subsidiaries which were classified as major pollution discharge units published by the environmental protection authorities (Continued)

6. Administrative penalties imposed for environmental problems during the Reporting Period

During the Reporting Period, the Company was not subject to administrative penalties imposed for environmental problems.

7. Other disclosable environmental information

During the Reporting Period, the Company was not subject to any other disclosable environmental information.

(II) Description of the environmental protection situation of companies other than key pollutant discharging units

1. Administrative penalties imposed for environmental problems

During the Reporting Period, the Company was not subject to administrative penalties imposed for environmental problems.

2. Disclosure of other environmental information with reference to major pollution discharge units

The photovoltaic cell packaging materials of Solar Energy of Luoyang New Energy and North Glass are in the construction stage. The Environmental Impact Assessment Report for the Solar Photovoltaic Cell Encapsulation Materials Project of Luoyang New Energy was approved by the Henan Provincial Department of Ecology and Environment on August 10, 2022 (Approval No.: Yu Huan Shen [2022] No. 51). Similarly, the Environmental Impact Assessment Report for the Solar Photovoltaic Cell Encapsulation Materials Project of North Glass was approved by the Hebei Provincial Department of Ecology and Environment on October 20, 2023 (Approval No.: Ji Huan Shen [2023] No. 213).

3. Reasons for non-disclosure of other environmental information

During the Reporting Period, the Company was not subject to the non-disclosure of other environmental information.



Section V Environmental and Social Responsibility

I. INFORMATION ON ENVIRONMENT (CONTINUED)

(III) Relevant information conducive to protecting ecology, preventing pollution, and fulfilling environmental responsibilities

During the Reporting Period, to fully implement the Ecological Civilization Thought of General Secretary Xi Jinping and the major decisions and deployments of the Central Committee of the Communist Party of China and the State Council on ecological civilization construction, the Company has taken proactive measures to fulfill its primary responsibility for ecological and environmental protection. These efforts aim to ensure that the Company and its subsidiaries conduct ecological and environmental protection activities in a lawful and standardized manner, thereby minimizing the occurrence of ecological and environmental incidents. In accordance with relevant national laws and regulations, as well as the work plans of China National Building Materials Group, Triumph Technology Group, and the Company, the Company has formulated the 2024 Key Points for Energy Conservation and Ecological Environmental Protection and the Safety and Environmental Protection Training Plan. Additionally, the Company has established 10 ecological and environmental protection-related systems, including the Energy Conservation and Ecological Environmental Protection Responsibility System, the Energy Conservation and Ecological Environmental Protection Supervision and Management Measures, and the Emergency Response Plan Management Measures for Sudden Environmental Incidents.

(IV) Measures taken to reduce carbon emissions during the Reporting Period and the effects thereof

Whether carbon reduction measures were adopted	Yes
Reduction of carbon dioxide equivalent emissions (unit: ton)	51,241.97
Type of carbon reduction measures (e.g. use of clean energy for power generation, use of carbon reduction technologies in the production process, research and development of new products that help reduce carbon emissions, etc.)	Photovoltaic power generation, residual heat generation, and others

Explanations in details:

In response to General Secretary Xi Jinping's important speech on the carbon peaking goals and carbon neutrality vision, the Company has resolutely advanced green development by establishing and improving its energy conservation and ecological environmental protection management system. The Company has formulated and signed the 2024 Ecological Environmental Protection and Energy Conservation Assessment Responsibility Agreement with its subsidiaries, while urging all units to sign target responsibility agreements at various levels to fully implement environmental protection responsibilities. In addition, the Company has issued the 2024 Safety and Environmental Protection Training Plan and the 2024 Key Points for Energy Conservation and Ecological Environmental Protection, identifying 11 key tasks for ecological environmental protection. All production enterprises have obtained Environmental Management System (EMS) certification, and 5 enterprises have achieved Energy Management System (EnMS) certification. Furthermore, all enterprises have standardized their greenhouse gas emission verification processes and actively completed their annual greenhouse gas emission verification reports or self-assessment reports.

Section V Environmental and Social Responsibility

I. INFORMATION ON ENVIRONMENT (CONTINUED)

(IV) Measures taken to reduce carbon emissions during the Reporting Period and the effects thereof (Continued)

The Company comprehensively improved the application capabilities of clean energy such as distributed photovoltaic power generation and furnace high-temperature flue gas residual heat power generation system. In addition, we will actively promote recycling economy and energy conservation. As of the end of the Reporting Period, the Company has built four residual heat power stations and five photovoltaic power stations. In 2024, the cumulative residual heat power generation for the whole year was 53,061,800 kWh, and photovoltaic power generation was 36,789,100 kWh, making the total power generation amounting to 89,850,900 kWh, equivalent to saving 11,042.6756 tonnes of standard coal, and correspondingly reducing the carbon dioxide (CO₂) emissions by approximately 51,241.97 tonnes.

II. PERFORMANCE OF SOCIAL RESPONSIBILITIES

Details can be found in the 2024 Environmental, Social and Governance Report (which forms part of the Annual Report) disclosed on 23 April 2025 by the Company and the Overseas Regulatory Announcement – 2024 Environmental, Social and Governance (ESG) Report of Triumph New Energy Company Limited disclosed on 28 March 2025 by the Company, which are available for inspection on the website of the Stock Exchange and the Company's website (<http://www.zhglb.com/>).

III. DETAILS OF THE WORK ON CONSOLIDATING AND DEVELOPING THE ACHIEVEMENTS IN POVERTY ALLEVIATION, VILLAGE REVITALIZATION AND OTHERS

Poverty alleviation and rural revitalization projects	Number/content	Explanation
Total investment (RMB'0,000)	11.23	Purchase of poverty alleviation agricultural products
Including: funds (RMB'0,000)		
Discounts on supplies (RMB'0,000)	11.23	
Number of persons received benefits (persons)		
Forms of assistance (e.g. industrial poverty alleviation, employment poverty alleviation, education poverty alleviation, and so on)		

Section VI Significant Events

I. PERFORMANCE OF UNDERTAKINGS

(I) Commitments of commitment-relevant parties including the Company's de facto controllers, shareholders, related parties, acquirers and the Company during or until the Reporting Period

Background of commitment	Type of commitment	Party of commitment	Content of commitment	Date of commitment	Whether there is time limit for performance	Term of commitment	Whether commitment is performed strictly in a timely manner	Specific reasons for any delay in performance	Subsequent plan in case of any delay in performance
Commitments on major asset restructuring	Limiting horizontal competition	CLFG, CNBMG, Triumph Resources, CNBM Research Institute, International Engineering and Triumph Technology Group	In terms of the 2017 major asset restructuring, CLFG, CNBMG, Triumph Resources, CNBM Research Institute, International Engineering and Triumph Technology Group undertook that they would not directly or indirectly engage in any business that is the same as or similar to the main business of Triumph New Energy or its wholly-owned or controlled subsidiaries after the completion of the transaction, to avoid possible direct or indirect business competition for the production and operation of Triumph New Energy.	7 February 2017	No	Nil	Yes		
	Limiting related party transaction	CLFG, Triumph Resources, CNBM Research Institute, International Engineering, Triumph Technology Group, Yixing Environmental Technology, GCL System Integration and CNBMG	In terms of the 2017 major asset restructuring, CLFG, Triumph Resources, CNBM Research Institute, International Engineering, Triumph Technology Group, Yixing Environmental Technology, GCL System Integration and CNBMG committed to avoid or minimize related party transactions between the Company (including enterprises controlled by the Company at present or in the future) upon the completion of the transaction. For inevitable related business or transaction, the obligation for information disclosure should be fulfilled in accordance with laws.	7 February 2017	No	Nil	Yes		

Section VI Significant Events

I. PERFORMANCE OF UNDERTAKINGS (CONTINUED)

(I) Commitments of commitment-relevant parties including the Company's de facto controllers, shareholders, related parties, acquirers and the Company during or until the Reporting Period (Continued)

Background of commitment	Type of commitment	Party of commitment	Content of commitment	Date of commitment	Whether there is time limit for performance	Term of commitment	Whether commitment is performed strictly in a timely manner	Specific reasons for any delay in performance	Subsequent plan in case of any delay in performance
Commitments on Refinancing	Other	CNBMG, Triumph Technology Group and CLFG	In terms of the 2020 non-public issuance, CNBMG, Triumph Technology Group and CLFG's commitments on the dilution of current returns and taking remedial measures with respect to the non-public issuance of A shares: 1. not to interfere with the operation and management activities of Triumph New Energy beyond our company's authority, and not to encroach on the interests of Triumph New Energy. 2. If CNBMG, Triumph Technology Group and CLFG violate or refuse to fulfill the above commitments and cause losses to Triumph New Energy or its shareholders, CNBMG, Triumph Technology Group and CLFG agree to bear corresponding legal liabilities according to laws, regulations and relevant provisions of the securities regulatory authorities.	30 December 2020	No	Nil	Yes		

Section VI Significant Events

I. PERFORMANCE OF UNDERTAKINGS (CONTINUED)

(I) Commitments of commitment-relevant parties including the Company's de facto controllers, shareholders, related parties, acquirers and the Company during or until the Reporting Period (Continued)

Background of commitment	Type of commitment	Party of commitment	Content of commitment	Date of commitment	Whether there is time limit for performance	Term of commitment	Whether commitment is performed strictly in a timely manner	Specific reasons for any delay in performance	Subsequent plan in case of any delay in performance
	Restricting share transfer	Triumph Technology Group	In terms of the 2020 non-public issuance, Triumph Technology Group undertakes below in relation to the lockup period of the A shares that: 1. It will not transfer any shares of Triumph New Energy obtained through the non-public issuance in any way within 36 months from the completion of the non- public issuance. 2. It will not in any way dispose of the shares of Triumph New Energy held by it, nor does it have any plan to dispose of the shares of Triumph New Energy, within 18 months from the date of the completion of this non-public issuance. 3. From the completion date of the non-public issuance until the expiry date of the lock-up period, the shares derived and obtained due to the distribution of dividend and conversion of capital reserves to share capital by virtue of the holding of the shares of Triumph New Energy shall also comply with the above arrangement. 4. For any inconsistency between the undertaking letter and the latest regulatory opinions from securities regulatory authorities, it is agreed that respective adjustments of the undertaking based on the regulatory opinions from relevant securities regulatory authorities shall be made. 5. Upon the expiry of the aforesaid lock-up period, the transfer and trading of the aforesaid shares shall be carried out in accordance with the relevant regulations of the China Securities Regulatory Commission and the Shanghai Stock Exchange and shall comply with the undertakings set out in the undertaking letter and the relevant requirements of the PRC laws and regulations in relation to short term trading, insider trading and information disclosure. 6. If Triumph New Energy and other shareholders suffer losses as a result of any breach of the undertakings as set out in the undertaking letter by Triumph Technology Group, it is willing to undertake relevant responsibilities of repayment in accordance with the law.	20 January 2021	Yes	36 months	Yes		

Section VI Significant Events

I. PERFORMANCE OF UNDERTAKINGS (CONTINUED)

- (II) **Explanations as to whether any asset or project of the Company fulfilled its profit forecast, if there is profit forecast for such asset or project, and the Reporting Period is covered by the profit forecast period**

During the Reporting Period, there was no situation where the profit forecast for the asset or project of the Company existed or the Reporting Period still fell within the profit forecast period.

- (III) **Level of fulfillment of performance commitments and its impact on the test of goodwill impairment**

There were no performance commitments fulfilled by the Company during the Reporting Period.

II. EMBEZZLEMENT OF NON-OPERATING FUNDS BY THE CONTROLLING SHAREHOLDERS AND OTHER RELATED PARTIES DURING THE REPORTING PERIOD

During the Reporting Period, the Company was not subject to the embezzlement of non-operating funds by the controlling shareholders and other related parties.



Section VI Significant Events

III. ILLEGAL GUARANTEE

During the Reporting Period, the Company was not subject to the illegal guarantee.

IV. EXPLANATION OF THE BOARD OF THE COMPANY ON THE “MODIFIED AUDIT REPORT” FROM AUDITORS

During the Reporting Period, there was no "modified audit report" from auditors.

V. ANALYSIS AND EXPLANATION OF THE COMPANY ON REASONS FOR AND EFFECTS OF CHANGES OF ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES AND CORRECTIONS OF SIGNIFICANT ACCOUNTING ERRORS

During the Reporting Period, there were no changes in the accounting policies, accounting estimates or corrections of significant accounting errors.



Section VI Significant Events

VI. APPOINTMENT OR DISMISSAL OF ACCOUNTING FIRMS

Unit: 0'000 Currency: RMB

Current appointee	
Name of the domestic accounting firm	Grant Thornton (Special General Partnership)
Remuneration for the domestic accounting firm	135
Term of the audit services provided by domestic accounting firm	3
Name of Certified Public Accountant of the domestic accounting firm	Zheng Jianli, Fu Junhui
Cumulative years of audit services provided by domestic accounting firms as Certified Public Accountant	3 years, 3 years

Name		Remuneration
An accounting firm engaged for internal control audit	Grant Thornton (Special General Partnership)	25

Explanation on appointment or dismissal of accounting firms:

The Company re-appointed Grant Thornton LLP as its audit firm for the year of 2024, following approval at the Company's 2023 Annual General Meeting.

VII. MATERIAL LITIGATION AND ARBITRATION MATTERS

There were no material litigation and arbitrations of the Company during the Reporting Period.

Section VI Significant Events

VIII. PUNISHMENT OR RECTIFICATION ON THE COMPANY AND ITS DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT, CONTROLLING SHAREHOLDERS, AND ACTUAL CONTROLLER

On 1 November 2024, the Company received the Decision Letter on Administrative Regulatory Measures (No. [2024] 79) issued by the Henan Regulatory Bureau of the CSRC, pursuant to which the Henan Regulatory Bureau of the CSRC adopted the administrative regulatory measures of ordering the Company to make corrections and issuing warning letters to Mr. Xie Jun, Mr. Ma Yan, Mr. Zhang Rong, Mr. Chen Hongzhao, Mr. Li Yan and Ms. Wang Leilei on the grounds that the Company's business of purchasing uniformly and then selling at par to its subsidiaries was not accounted for under the net method and the insider registration management system was not properly implemented (for the avoidance of doubt, (i) the aforesaid fact that the Company's business of purchasing uniformly and then selling at par to its subsidiaries was not accounted for under the net method has been fully offset at the level of consolidated statements and did not have any impact on the consolidated financial statements of the Group; and (ii) the aforesaid implementation of the insider registration management system involves the Company's internal notification and record keeping obligations only, and the Company has made timely disclosure of the relevant insider information in accordance with the Hong Kong Listing Rules). Details can be found in the announcement of the Company dated 1 November 2024 in relation to the receipt of decision letter on administrative regulatory measures from the Henan Regulatory Bureau of the China Securities Regulatory Commission.

The Board and management of the Company have taken these matters extremely seriously. A comprehensive self-inspection and self-correction process has been conducted to address the issues in the relevant business segments and management processes. The Company has also implemented corrective measures to ensure that its operational compliance and management effectiveness are significantly improved. As of the date of this report, the Company has completed the required rectification work in accordance with regulatory requirements.

IX. EXPLANATION OF THE CREDIBILITY OF THE COMPANY, ITS CONTROLLING SHAREHOLDERS AND ACTUAL HOLDER DURING THE REPORTING PERIOD

There was no credibility of the Company, its controlling shareholders and de facto controller during the Reporting Period.

X. MATERIAL RELATED PARTY (CONNECTED) TRANSACTIONS

(I) Related party (connected) transactions relating to daily operations

1. *Events which have been disclosed in the temporary announcement with no further development or change in subsequent implementation*

During the Reporting Period, there were no related party (connected) transactions relating to daily operations of the Company which have been disclosed in the temporary announcement with no further development or change in subsequent implementation.

Section VI Significant Events

X. MATERIAL RELATED PARTY (CONNECTED) TRANSACTIONS (CONTINUED)

(I) Related party (connected) transactions relating to daily operations (Continued)

2. Events which have been disclosed in the temporary announcement with further development or change in subsequent implementation

(1) CONTINUING RELATED PARTY (CONNECTED) TRANSACTIONS FOR THE YEAR ENDED 31 DECEMBER 2024 IN ACCORDANCE WITH THE FRAMEWORK AGREEMENT AND ITS TRANSACTIONS APPROVED BY THE GENERAL MEETING

Unit: 0'000 Currency: RMB

No.	Party	Date of transaction	Related party (connected) relationship	Summary of transaction content	Principle of trade pricing	Expected Cap for trade amount for 2024	Trade amount actually incurred for 2024
1	CNBMG	27 December 2023	De facto controller	CNBM and its subsidiaries provided the Company and its subsidiaries with technical service	Transaction price should not be higher than the fee(s) charged or paid (as the case may be) for such similar or same technical service provided by the provider to an independent third party and received by the recipient from an independent third party	3,300	748
2	CNBMG	27 December 2023	De facto controller	CNBM and its subsidiaries provided the Company's subsidiaries with services such as engineering equipment and materials, construction and installation required for engineering projects	Transaction price is determined subject to the market price at that time and should not be higher than the price or fee(s) charged or paid (as the case may be) for such similar or same equipment materials, construction and installation services provided by the supplier to an independent third party and purchased by the purchaser from an independent third party	601,000	1,075

Section VI Significant Events

X. MATERIAL RELATED PARTY (CONNECTED) TRANSACTIONS (CONTINUED)

(I) Related party (connected) transactions relating to daily operations (Continued)

2. Events which have been disclosed in the temporary announcement with further development or change in subsequent implementation (Continued)

(1) CONTINUING RELATED PARTY (CONNECTED) TRANSACTIONS FOR THE YEAR ENDED 31 DECEMBER 2024 IN ACCORDANCE WITH THE FRAMEWORK AGREEMENT AND ITS TRANSACTIONS APPROVED BY THE GENERAL MEETING (CONTINUED)

No.	Party	Date of transaction	Related party (connected) relationship	Summary of transaction content	Principle of trade pricing	Expected Cap for trade amount for 2024	Trade amount actually incurred for 2024
3	CNBMG	27 December 2023	De facto controller	CNBM and its subsidiaries provided the Company's subsidiaries with spare parts for manufacturing equipment	Transaction price is determined subject to the market price at that time and should not be higher than the price of such same or similar products provided by the supplier to an independent third party and purchased by the purchaser from an independent third party	12,000	1,251
4	Triumph Technology Group	27 December 2023	De facto controller	The Company and its subsidiaries sell photovoltaic glass, photovoltaic agricultural glass and further processed products to Triumph Technology Group and its subsidiaries	Transaction price is determined subject to the market price at that time and should not be lower than the price of such same or similar products provided by the supplier to an independent third party	28,000	2,004
5	Triumph Technology Group	27 December 2023	De facto controller	Triumph Technology Group and its subsidiaries provided the Company's subsidiaries with packaging boxes, packaging materials and raw and further processed glass products	Transaction price is determined subject to the market price at that time and should not be higher than the price of such same or similar products provided by the supplier to an independent third party and purchased by the purchaser from an independent third party	51,000	2,121

Section VI Significant Events

X. MATERIAL RELATED PARTY (CONNECTED) TRANSACTIONS (CONTINUED)

(I) Related party (connected) transactions relating to daily operations (Continued)

2. Events which have been disclosed in the temporary announcement with further development or change in subsequent implementation (Continued)

(1) CONTINUING RELATED PARTY (CONNECTED) TRANSACTIONS FOR THE YEAR ENDED 31 DECEMBER 2024 IN ACCORDANCE WITH THE FRAMEWORK AGREEMENT AND ITS TRANSACTIONS APPROVED BY THE GENERAL MEETING (CONTINUED)

No.	Party	Date of transaction	Related party (connected) relationship	Summary of transaction content	Principle of trade pricing	Expected Cap for trade amount for 2024	Trade amount actually incurred for 2024
6	Triumph Technology Group	27 December 2023	De facto controller	The Company and its subsidiaries purchased raw materials such as silkscreen glaze, silica sand and soda ash from Triumph Technology Group and its subsidiaries	Transaction price is determined subject to the market price at that time and should not be higher than the price of such same or similar products provided by the supplier to an independent third party and purchased by the purchaser from an independent third party	240,000	140,542
7	China National Building Material Group Finance Co., Ltd.	27 December 2023	Subsidiaries of de facto controller	CNBM Finance Company provided the Company with deposit service	The interest rates for the deposits shall not be lower than (i) the interest rate specified by the PBOC for the deposit of the same category during the same period; (ii) the interest rate paid by CNBM Finance for deposits of the same type placed by the members of CNBMG (other than the Group) during the same period under the same conditions; and (iii) the interest rate for deposits of the same type offered by the PRC general commercial banks to the Group during the same period under the same conditions	80,000	13,695

Section VI Significant Events

X. MATERIAL RELATED PARTY (CONNECTED) TRANSACTIONS (CONTINUED)

(I) Related party (connected) transactions relating to daily operations (Continued)

2. Events which have been disclosed in the temporary announcement with further development or change in subsequent implementation (Continued)

(1) CONTINUING RELATED PARTY (CONNECTED) TRANSACTIONS FOR THE YEAR ENDED 31 DECEMBER 2024 IN ACCORDANCE WITH THE FRAMEWORK AGREEMENT AND ITS TRANSACTIONS APPROVED BY THE GENERAL MEETING (CONTINUED)

No.	Party	Date of transaction	Related party (connected) relationship	Summary of transaction content	Principle of trade pricing	Expected Cap for trade amount for 2024	Trade amount actually incurred for 2024
				CNBM Finance Company provided the Company with loan service	The interest rates for the loans shall not be higher than (i) the loan prime rate announced by the National Interbank Funding Center during the same period; (ii) the interest rate for similar loans charged by CNBMG Finance to the members of CNBMG (other than the Group) during the same period under the same conditions; and (iii) the interest rate charged by the PRC general commercial banks to the Group for similar loans during the same period under the same conditions	85,000	0
				CNBM Finance Company provided the Company with other financial service	Other financial service fees shall not be higher than (i) the fees charged by CNBMG Finance to members of CNBMG (other than the Group) for providing services of the same type during the same period under the same conditions; and (ii) the fees charged to the Group by the PRC general commercial banks for services of the same type during the same period under the same conditions	2,500	0

Section VI Significant Events

X. MATERIAL RELATED PARTY (CONNECTED) TRANSACTIONS (CONTINUED)

(I) Related party (connected) transactions relating to daily operations (Continued)

2. *Events which have been disclosed in the temporary announcement with further development or change in subsequent implementation (Continued)*

(1) *CONTINUING RELATED PARTY TRANSACTIONS FOR THE YEAR ENDED 31 DECEMBER 2024 IN ACCORDANCE WITH THE FRAMEWORK AGREEMENT AND ITS TRANSACTIONS APPROVED BY THE GENERAL MEETING (CONTINUED)*

The aforementioned continuing related party (connected) transactions constituted discloseable continuing connected transactions under Chapter 14A of the Stock Exchange Listing Rules, and were approved at the 19th meeting of the tenth session of the Board held on 27 December 2023, and the First Extraordinary General Meeting of 2024 held on 5 February 2024 (search index: <http://www.sse.com.cn>, <http://www.hkexnews.hk>). None of the actual transaction amounts during the Reporting Period exceeded the relevant annual caps disclosed in the announcements.

The Company has engaged Grant Thornton LLP as the auditor of the Company to perform related audit procedures as to the continuing related party (connected) transactions of the Company for the year ended 31 December 2024, as set forth in the aforesaid related (connected) transactions in accordance with Chinese Certified Public Accountants Standards on Other Assurance Engagements No. 3101 Assurance Engagements other than Audit or Review of Historical Financial Information promulgated by Ministry of Finance of the PRC and by reference to No.740 of "continuing related party (connected) transactions auditor's correspondence as provided in Hong Kong listing rules" of the Practice Note promulgated by HKICPA, and the auditor confirms transactions as follows: (1) have received the approval from the Board; (2) the transactions in relation to provision of goods and services in accordance with the pricing policies of the Group; (3) have been entered into in accordance with the relevant agreements governing the transactions; and (4) have not exceeded the annual caps disclosed in previous announcements of the Company. The Board also confirmed that the Company's auditor had confirmed the aforesaid continuing related party (connected) transactions that occurred during the Reporting Period in accordance with Rule 14A.56 of the Hong Kong Listing Rules.

The independent non-executive Directors have reviewed the above-mentioned continuing related party (connected) transactions that took place during the year ended 31 December 2024 and confirmed that these related party (connected) transactions were: (1) in the ordinary and usual course of business of the Company; (2) on normal commercial terms or on terms no less favorable to the Company than terms available to or from independent third parties; and (3) conducted in accordance with the relevant transaction agreements, and the terms were fair and reasonable and the interests of the shareholders of the Company as a whole.

Section VI Significant Events

X. MATERIAL RELATED PARTY (CONNECTED) TRANSACTIONS (CONTINUED)

(I) Related party (connected) transactions relating to daily operations (Continued)

2. *Events which have been disclosed in the temporary announcement with further development or change in subsequent implementation (Continued)*

(2) *RELATED PARTY (CONNECTED) TRANSACTIONS APPROVED BY THE BOARD DURING THE REPORTING PERIOD*

On 28 March 2024, as considered and approved at the twentieth meeting of the tenth session of the Board of the Company and the 2024 first special meeting of independent Directors, the Company entered into an Equity Trusteeship Agreement with Triumph Technology Group, the de facto controller of the Company (controlling shareholder), pursuant to which Triumph Technology Group entrusted the Company with the management of its 64.6832% equity interest in Triumph Glass Holding. The annual trusteeship fee for this arrangement is RMB1.00 million, which is payable subject to the achievement of the performance targets of the respective company. With reference to the unaudited financial data of the respective company, the Company has not recognized any income from the trusteeship in 2024. The transaction did not constitute a discloseable connected transaction under Chapter 14A of the Hong Kong Listing Rules but constituted a related party transaction of the Company under the Shanghai Listing Rules.

On 30 October 2024, as approved at the twenty-sixth meeting of the tenth session of the Board of the Company and the 2024 second special meeting of independent Directors, the Company entered into a Personnel Training and Turnkey Commissioning Service Contract with International Engineering for the Phase I Project of Fengyang Conch Photovoltaic Integration, pursuant to which the Company was engaged by International Engineering to provide the staff training, turnkey technical services and technical guidance on the installation and commissioning of production equipment for the Phase I Project of its EPC Contract for Fengyang Conch Photovoltaic Integration. The total transaction amount (tax inclusive) under the contract is RMB15.7820 million. During the Reporting Period, the Company completed the staff training, the training of core process operators and the creation of operation manuals, and provided technical guidance on production line installation and commissioning of equipment and processes, and recognized revenue of RMB10.8192 million in accordance with the contract terms and work progress. The transaction constituted a discloseable connected transaction under Chapter 14A of the Hong Kong Listing Rules.

On 18 November 2024, as approved at the twenty-seventh meeting of the tenth session of the Board of the Company, Tongcheng New Energy, a wholly-owned subsidiary of the Company, entered into a Turnkey Commissioning Service Contract for Phase I, Line A of the Guangxi Beihai Dejin New Materials Industrial Park Project with International Engineering, the de facto controller of the Company (ultimate controlling shareholder), an indirect subsidiary of CNBMG, pursuant to which Tongcheng New Energy was engaged by International Engineering to provide technical training for the staff during the trial production period and on-site package commissioning technical guidance services for Phase I, Line A of the Guangxi Beihai Dejin New Materials Industrial Park Project. The transaction amount (tax inclusive) under the contract is RMB8.0 million. During the Reporting Period, the Company had fully completed the staff training and operation manual establishment work items, and partially completed the on-site equipment installation guidance and process commissioning work items, and recognized revenue of RMB4.4057 million in accordance with the contract terms and work progress. The transaction constituted a discloseable connected transaction under Chapter 14A of the Hong Kong Listing Rules.

Section VI Significant Events

X. MATERIAL RELATED PARTY (CONNECTED) TRANSACTIONS (CONTINUED)

(II) Related party (connected) transactions due to acquisition or disposal of assets or equities

1. Events which have been disclosed in the temporary announcement with no further development or change in subsequent implementation

Overview of Events	Search Index
On 28 March 2024, as considered and approved at the twentieth meeting of the tenth session of the Board of the Company, North Glass, a wholly-owned subsidiary of the Company, entered into the Equipment Transfer Agreement with Bengbu Triumph Engineering Technology Company Limited* (蚌埠凱盛工程技術有限公司), the de facto controller of the Company (ultimate controlling shareholder), a direct subsidiary of CNBMG, and Shenzhen Triumph Technology Engineering Co., Ltd.* (深圳凱盛科技工程有限公司), the de facto controller of the Company (ultimate controlling shareholder), an indirect subsidiary of CNBMG, respectively, pursuant to which North Glass transferred the cold end and annealing kiln equipment and the desulfurization and denitrification equipment to Bengbu Triumph Engineering Technology Company Limited and Shenzhen Triumph Technology Engineering Co., Ltd., respectively, and the transaction amount (tax inclusive) was approximately RMB6,693,900 and RMB39,216,100, respectively. The transaction constituted a discloseable connected transaction under Chapter 14A of the Hong Kong Listing Rules.	Announcement Lin No. 2024-008 on 28 March 2024, Announcement http://www.sse.com.cn , http://www.hkexnews.hk
On 30 December 2024, following the approval of twenty-ninth meeting of tenth session of the Board, the Company, together with Suqian Canal Harbor Area Development Group Co., Ltd.* (宿遷市運河港區開發集團有限公司), Cixi Guangnian New Energy Technology Co., Ltd.* (慈溪市光年新能源科技有限公司), and Shuyang Jingze Electronic Trading Co., Ltd.* (甬陽競澤電子貿易有限公司), entered into a Capital Increase Agreement for Jiangsu Triumph New Materials Co., Ltd. Pursuant to the Agreement, the Company and Suqian Canal Port Zone Development Group Co., Ltd. will make capital contributions to Jiangsu Triumph, with the Company subscribing to newly registered capital of RMB373.0 million and paying a capital contribution of RMB373.0 million. Upon completion of the capital increase, the Company will hold 74.60% of the equity interest in Jiangsu Triumph. The transaction did not constitute a connected transaction under Chapter 14A of the Hong Kong Listing Rules but constituted a related party transaction of the Company under the Shanghai Listing Rules based on the principle of prudence, and is subject to the approval of the shareholders of the Company at a general meeting. Currently, the related party transaction is subject to consideration and approval at a general meeting of the Company.	Announcement Lin No. 2024-040 on 30 December 2024, Announcement http://www.sse.com.cn , http://www.hkexnews.hk

2. Events which have been disclosed in the temporary announcement with further development or change in subsequent implementation

During the Reporting Period, there were no related party (connected) transactions in relation to acquisition or disposal of assets or equities which have been disclosed in the temporary announcement with further development or change in subsequent implementation of the Company.

Section VI Significant Events

X. MATERIAL RELATED PARTY (CONNECTED) TRANSACTIONS (CONTINUED)

(III) Significant related party (connected) transactions on the joint external investment

During the Reporting Period, there were no significant related party (connected) transactions on the joint external investment of the Company.

(IV) Related (connected) claims and liabilities

During the Reporting Period, there were no related (connected) claims and liabilities of the Company.

(V) Financial businesses between the Company and related (connected) financial companies, financial companies held by the Company and related (connected) parties

1. Deposit business

Unit: Yuan Currency: RMB

Related party	Related relationship	Daily maximum deposit limit	Deposit interest rate range	Opening balance	Amount for the current period		Closing balance
					Amount of deposits in total in the current period	Amount of withdrawal in total in the current period	
CNBM Finance Company	Same ultimate controlling party	800,000,000.00	0.55-1.9%	214,247,555.36	7,209,100,278.92	7,297,690,546.32	125,657,287.96
Total	/	/	/	214,247,555.36	7,209,100,278.92	7,297,690,546.32	125,657,287.96

2. Loan business

Unit: Yuan Currency: RMB

Related party	Related relationship	Loan limit	Loan interest rate range	Opening balance	Amount for the current period		Closing balance
					Amount of loans in total in the current period	Amount of repayment in total in the current period	
CNBM Finance Company	Same ultimate controlling party	/	2.3-3.3%	23,260,000.00	0.00	20,600,000.00	2,660,000.00
Total	/	/	/	23,260,000.00	0.00	20,600,000.00	2,660,000.00

Section VI Significant Events

X. MATERIAL RELATED PARTY (CONNECTED) TRANSACTIONS (CONTINUED)

(V) Financial businesses between the Company and related (connected) financial companies, financial companies held by the Company and related (connected) parties (Continued)

3. Credit business or other financial business

Unit: Yuan Currency: RMB

Related (connected) party	Related relationship	Business type	Total amounts	Actual amount
CNBM Finance Company	Same ultimate controlling party	Other financial services	25,000,000.00	0
Total	/	/	25,000,000.00	0

Save as disclosed above, the Group had no other connected transactions or continuing connected transactions that fall under the definition of discloseable connected transactions or continuing connected transactions under Chapter 14A of the Hong Kong Listing Rules. The Group confirms that it has complied with the relevant disclosure requirements under Chapter 14A of the Hong Kong Listing Rules. Details in relation to the Group's related party (connected) transactions are set out in Note XIV "RELATED PARTY AND RELATED PARTY TRANSACTIONS" of Section VIII "FINANCIAL STATEMENTS" to this report.

XI. MATERIAL CONTRACTS AND IMPLEMENTATION THEREOF

(I) Custody, contracting and leasing matters

1. Custody

Unit: Yuan Currency: RMB

Name of principal	Name of trustee	Assets in custody	Amount of assets in custody	Commencement date of custody	End date of custody	Custody income	Recognition basis for custody income	Impact of custody income on the Company	Is it a related party transaction	Related relationship
Shengshi New Energy	the Company	Shengshi New Material	100,000,000	19 January 2022	Variable	566,037.72	According to the principle of marketization, determined by both parties through negotiation	566,037.72	No	
Shuyang Xinda	the Company	Jiangsu Guangnian	150,000,000	19 January 2022	Variable	566,037.72	According to the principle of marketization, determined by both parties through negotiation	566,037.72	No	
Triumph Technology Group	the Company	Triumph Glass Holding	953,879,429	28 March 2024	27 March 2025	0.00	According to the principle of marketization, determined by both parties through negotiation	0.00	Yes	the indirect controlling shareholder

Explanation on the custody: all of the abovementioned amount of assets in custody refer to the registered capital of the respective company.

Section VI Significant Events

XI. MATERIAL CONTRACTS AND IMPLEMENTATION THEREOF (CONTINUED)

(I) Custody, contracting and leasing matters (Continued)

2. Contracting

There was no contracting by the Company during the Reporting Period.

3. Leasing

Unit: Yuan Currency: RMB

Name of lessor	Name of lessee	Leased assets	Amount of leased assets	Date of commencement of lease	Expiry date of lease	Gain on lease (loss is represented by "-")	Basis of determination of gain/loss on lease	Effect of gain/loss on lease on the Company	Is it a related party transaction	Related relationship
Jiangsu Huayuan Cable Co., Ltd.	CNBM (Yixing) New Energy Company Limited*	Warehouse	15,000,000	1 October 2020	30 September 2025	-2,715,681.33	it shall calculate the interest expense of lease liabilities over the lease term at the fixed periodic interest rate, and include it into financial expenses.	depreciation of right-of-use assets corresponding to leases during the Reporting Period amounted to RMB2,587,678.44, and interest expense on lease liabilities amounted to RMB128,002.89.	No	
Kingeta Group Co., Ltd.	Kaisheng (Zhangzhou) New Energy Co., Ltd.	Machinery and equipment		1 February 2021	31 January 2031	-958,422.90	it shall calculate the interest expense of lease liabilities over the lease term at the fixed periodic interest rate, and include it into financial expenses.	depreciation of right-of-use assets corresponding to leases during the Reporting Period amounted to RMB730,993.08, and interest expense on lease liabilities amounted to RMB227,429.82.	No	

Lease explanation: the amount of interest expense on lease liabilities accrued in 2024 amounted to RMB355,432.71, which is included in finance costs - interest expense.

(II) Guarantees

During the Reporting Period, the Company made no guarantees.

(III) Cash asset management entrusted to others

During the Reporting Period, there was no cash asset management entrusted to others.

XII. EXPLANATION OF OTHER SIGNIFICANT EVENTS THAT HAVE A SIGNIFICANT IMPACT ON INVESTORS' VALUE JUDGMENTS AND INVESTMENT DECISIONS

During the Reporting Period, there were no other significant events that have a significant impact on investors' value judgments and investment decisions.

Section VII Changes in Shareholding of Shares and Information of Shareholders

I. CHANGE IN SHARE CAPITAL

(I) Table of Change in Share Capital

1. Table of Change in Share Capital

Unit: shares

	Before the Changes in this period		Changes in this period (+, -)					After the Changes in this period	
	Number	Ratio (%)	Issuance of new shares	Bonus shares	Capital reserve transferred to shares	Other	Sub-total	Number	Ratio (%)
I. Shares held subject to trading moratorium	13,229,724	2.05	0	0	0	-13,229,724	-13,229,724	0	0
1. State shareholding	0	0	0	0	0	0	0	0	0
2. Shareholdings of state-owned legal person	13,229,724	2.05	0	0	0	-13,229,724	-13,229,724	0	0
3. Shareholdings of other domestic shareholders	0	0	0	0	0	0	0	0	0
Of which:									
Shareholdings of domestic non-state-owned legal person	0	0	0	0	0	0	0	0	0
Shareholdings of domestic natural person	0	0	0	0	0	0	0	0	0
4. Shareholdings of overseas shareholders	0	0	0	0	0	0	0	0	0
Of which:									
Shareholdings of overseas legal person	0	0	0	0	0	0	0	0	0
Shareholdings of overseas natural person	0	0	0	0	0	0	0	0	0

Section VII Changes in Shareholding of Shares and Information of Shareholders

I. CHANGE IN SHARE CAPITAL (CONTINUED)

(I) Table of Change in Share Capital (Continued)

1. Table of Change in Share Capital (Continued)

	Before the Changes in this period		Issuance of new shares	Changes in this period (+, -)				After the Changes in this period	
	Number	Ratio (%)		Bonus shares	Capital reserve transferred to shares	Other	Sub-total	Number	Ratio (%)
II. circulating shares not subject to trading moratorium	632,445,239	97.95	0	0	0	+13,229,724	+13,229,724	645,674,963	100
1. Ordinary shares denominated in RMB	382,445,239	59.23	0	0	0	+13,229,724	+13,229,724	395,674,963	61.28
2. Domestic listed foreign shares	0	0	0	0	0	0	0	0	0
3. Overseas listed foreign shares	250,000,000	38.72	0	0	0	0	0	250,000,000	38.72
4. Others	0	0	0	0	0	0	0	0	0
III. Total number of shares	645,674,963	100	0	0	0	0	0	645,674,963	100

2. Explanation of Change in Share Capital

During the Reporting Period, 13,229,724 restricted A shares of the Company held by Triumph Technology Group were allowed circulation as listed shares on 20 August 2024. For detail, please refer to the announcement on the listing and circulation of restricted shares in a private offering and the relevant overseas regulatory announcements disclosed by the Company on the websites of the SSE and the Stock Exchange on 14 August 2024 respectively.

Section VII Changes in Shareholding of Shares and Information of Shareholders

I. CHANGE IN SHARE CAPITAL (CONTINUED)

(II) Change in Share Capital

Unit: shares

Name of shareholder	Number of shares subject to sales restrictions at the beginning of the year	Number of shares released from sales restriction during the year	Increase in the number of shares subject to sales restrictions during the year	Number of shares subject to sales restrictions at the end of the year	Reason for restriction	Date of release from sales restriction
Triumph Technology Group	13,229,724	13,229,724	0	0	Non-transferable within 36 months from the completion date of the issuance	20 August 2024
Total	13,229,724	13,229,724	0	0	/	/

II. ISSUE AND LISTING OF SECURITIES

During the Reporting Period, no securities of the Company were issued or listed.

III. INFORMATION OF SHAREHOLDERS AND DE FACTO CONTROLLERS

(I) Total number of shareholders

Total number of holders of ordinary shares as at the end of the Reporting Period (shareholder)	30,438
Total number of ordinary shareholders at the end of the previous month before the date of disclosure of annual report (shareholder)	29,699
Total number of holders of preferred shares with voting rights as at the end of the Reporting Period (shareholder)	0
Total number of preferred shareholders with voting rights at the end of the previous month before the date of disclosure of annual report (shareholder)	0

Section VII Changes in Shareholding of Shares and Information of Shareholders

III. INFORMATION OF SHAREHOLDERS AND DE FACTO CONTROLLERS (CONTINUED)

(II) Shareholdings of the top 10 shareholders and top 10 circulating shareholders (or holders of shares not subject to trading moratorium) as at the end of the Reporting Period

Unit: shares

Name of shareholder (Full name)	Shareholdings of top 10 shareholders (excluding shares lent through securities financing)							
	Increase/ decrease during the Reporting Period	Number of shares at the end of Reporting Period	Ratio (%)	Number of shares held subject to trading moratorium		Status	Pledged or frozen	Nature of shareholder
							Number	
HKSCC NOMINEES LIMITED	70,000	249,238,789	38.60	0	Unknown		0	Overseas legal person
China Luoyang Float Glass (Group) Company	0	111,195,912	17.22	0	Pledge		55,597,956	State-owned legal person
CNBM New Material Research Institute Group Co., Ltd.	0	63,835,499	9.89	0	None		0	State-owned legal person
Hongtu Private Equity Investment Fund Management (Shenzhen) Co., Ltd. of Shenzhen Capital Group Co., Ltd. – New Materials Fund of Shenzhen Capital Group for Transformation and Upgrading for Manufacturing Sector (Limited Partnership) (深創投紅土私募股權投製造業轉型升級新材料基金(有限合伙))	0	38,853,812	6.02	0	None		0	Domestic non-state-owned legal person
Triumph Science & Technology Group Co., Ltd.	0	29,515,000	4.57	0	None		0	State-owned legal person
Luoyang Venture Investment Co., Ltd. – High Quality Development Fund for Manufacturing Sector in Luoyang (Limited Partnership) (洛陽創業投資有限公司–洛陽製造業高品質發展基金(有限合伙))	0	4,856,726	0.75	0	None		0	Domestic non-state-owned legal person
Hong Kong Securities Clearing Co., Ltd.	-790,144	1,945,151	0.30	0	None		0	Overseas legal person
Lin Xianwei	541,400	1,824,500	0.28	0	None		0	Domestic natural person
Yixing Environmental Technology Innovation and Venture Capital Co., Ltd. (宜興環保科技創新創業投資有限公司)	0	1,542,674	0.24	0	None		0	State-owned legal person
Yang Wucheng (楊武成)	0	1,454,472	0.23	0	Pledge		1,454,472	Domestic natural person

Section VII Changes in Shareholding of Shares and Information of Shareholders

III. INFORMATION OF SHAREHOLDERS AND DE FACTO CONTROLLERS (CONTINUED)

(II) Shareholdings of the top 10 shareholders and top 10 circulating shareholders (or holders of shares not subject to trading moratorium) as at the end of the Reporting Period (Continued)

Name of shareholder	Shareholdings of top 10 shareholders not subject to any selling restrictions (excluding shares lent through securities financing)		Type and number of shares	
	Number of circulating shares not subject to trading moratorium	Category	Number	
HKSCC NOMINEES LIMITED	249,238,789	Overseas listed foreign shares	249,238,789	
China Luoyang Float Glass (Group) Company	111,195,912	Ordinary shares denominated in RMB	111,195,912	
CNBM New Material Research Institute Group Co., Ltd.	63,835,499	Ordinary shares denominated in RMB	63,835,499	
Hongtu Private Equity Investment Fund Management (Shenzhen) Co., Ltd. of Shenzhen Capital Group Co., Ltd. – New Materials Fund of Shenzhen Capital Group for Transformation and Upgrading for Manufacturing Sector (Limited Partnership) (深創投紅土私募基金股權投資製造業轉型升級新材料基金(有限合夥))	38,853,812	Ordinary shares denominated in RMB	38,853,812	
Triumph Science & Technology Group Co., Ltd.	29,515,000	Ordinary shares denominated in RMB	29,515,000	
Luoyang Venture Investment Co., Ltd. – High Quality Development Fund for Manufacturing Sector in Luoyang (Limited Partnership) (洛陽創業投資有限公司–洛 陽製造業高品質發展基金(有限合夥))	4,856,726	Ordinary shares denominated in RMB	4,856,726	
Hong Kong Securities Clearing Co., Ltd.	1,945,151	Ordinary shares denominated in RMB	1,945,151	
Lin Xianwei	1,824,500	Ordinary shares denominated in RMB	1,824,500	
Yixing Environmental Technology Innovation and Venture Capital Co., Ltd. (宜興環保科技創新創業投資有限公司)	1,542,674	Ordinary shares denominated in RMB	1,542,674	
Yang Wucheng (楊武成)	1,454,472	Ordinary shares denominated in RMB	1,454,472	
Explanation on the repurchase accounts among the top ten shareholders	None			
Explanation on voting rights, entrusted by or to or waived by the aforesaid shareholders	None			
Explanation on related relationship or action acting in concert among the aforesaid shareholders	Explanations on holders of preferential shares with restored voting rights and the number of shares held The Company is not aware of any parties acting in concert or any related relationship among other holders of circulating shares.			
Explanations on holders of preferential shares with restored voting rights and the number of shares held	None			

Note: Shares held by HKSCC NOMINEES LIMITED are held on behalf of various customers.

Section VII Changes in Shareholding of Shares and Information of Shareholders

III. INFORMATION OF SHAREHOLDERS AND DE FACTO CONTROLLERS (CONTINUED)

(III) Strategic investors or general legal persons who become the top ten shareholders due to the placement of new shares

During the Reporting Period, no strategic investors or general legal persons became the top ten shareholders of the Company due to the placement of new shares.

IV. CONTROLLING SHAREHOLDER AND DE FACTO CONTROLLER

(I) Controlling shareholders

1. Legal Person

Name	China Luoyang Float Glass (Group) Company
Person in charge of the company or legal representative	Xie Jun
Date of establishment	25 December 1996
Place of establishment	The PRC
Principal activities	Manufacture of glass and related raw materials and complete sets of equipment; exploitation and sale of silica sand used for class, and ore; deep processing of glass; technical services and consulting services for glass processing; complete sets of equipment; exploitation and sale of silica sand used for class, and ore; deep processing of glass; technical services and consulting services for glass processing; export of self-made products and related technologies by the company or member entities of the company; import of the raw and ancillary materials, machinery equipment, instruments and meters, parts and components needed for production and scientific research by the company or member entities of the company as well as related technologies; undertaking business relating to Chinese foreign joint ventures, joint production and "three forms of OEM and compensation trade" of the company; undertaking overseas engineering projects and domestic engineering projects for international bidding in the building materials industry; export of the required equipment and materials for the above overseas engineering projects. (The catalogue for import and export commodities shall be subject to related national regulations). (Items requiring approval in accordance with law shall be operated subject to approval of relevant authorities).
Equity interests in other controlled and invested	Nil
Other explanations	Nil

Section VII Changes in Shareholding of Shares and Information of Shareholders

IV. CONTROLLING SHAREHOLDER AND DE FACTO CONTROLLER (CONTINUED)

(I) Controlling shareholders (Continued)

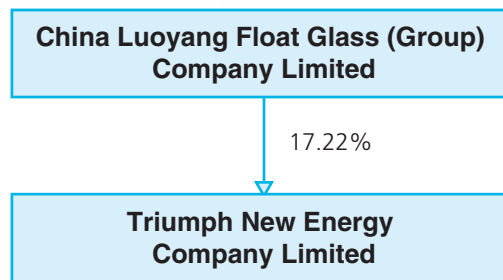
2. Natural Person

During the Reporting Period, there were no controlling shareholders of China Luoyang Float Glass (Group) Company Limited who are natural persons.

3. Explanation on Changes of Controlling Shareholders during the Reporting Period

During the Reporting Period, there was no change of controlling shareholders of China Luoyang Float Glass (Group) Company Limited.

4. Diagram on Equity and Control Relationship between the Company and Controlling Shareholders



Section VII Changes in Shareholding of Shares and Information of Shareholders

IV. CONTROLLING SHAREHOLDER AND DE FACTO CONTROLLER (CONTINUED)

(II) De Facto Controller

1. Legal Person

Name	China National Building Materials Group Co., Ltd.
Person in charge of the company or legal representative	Zhou Yuxian
Date of establishment	28 September 1981
Place of establishment	The PRC
Principal activities	Production and manufacturing of construction materials and relevant raw materials, research, development and sales of production technologies and equipment; design, sales and construction of complete houses in new building material system; sales of decorative materials; design and construction of building engineering; warehousing; investment and assets operations relating to building materials and related sectors; technical consulting and information services and exhibition services relating to the above activities; processing and sales of mineral products; business operation of real estate featured by new building materials, technical consulting and information services relating to principal and auxiliary activities. (The enterprise is allowed to independently select business projects and carry out operating activities in accordance with law. For items requiring approval according to law, the operating activities can be commenced according to the approved content after the approval of the relevant authorities. Operating activities prohibited and restricted by the industrial policies of the local city shall not be engaged)

Section VII Changes in Shareholding of Shares and Information of Shareholders

IV. CONTROLLING SHAREHOLDER AND DE FACTO CONTROLLER (CONTINUED)

(II) De Facto Controller (Continued)

1. Legal Person (Continued)

Name	China National Building Materials Group Co., Ltd.
Equity interests in other controlled and invested	As at 31 December 2024, CNBM directly and through its subsidiaries held 45.02% equity interest in China National Building Material Company Limited (03323.HK) in aggregate; through its subsidiaries held 40.13% equity interest in Ruitai Technology Co., Ltd. (002066.SZ); through its subsidiaries held 29.28% equity interest in Triumph Science & Technology Co., Ltd (600552.SS); through its subsidiaries, held 64.27% equity interest in China Building Material Test & Certification Group Co., Ltd. (603060.SS); directly and through its subsidiaries held 50.94% equity interest in Sinoma Energy Conservation Ltd. (603126.SS); through its subsidiaries holding 57.27% equity interest in Zhongfu Shenying (688295.SS); through its subsidiaries holding 26.99% equity interest in China Jushi Co., Ltd. (600176.SS); through its subsidiaries holding 40.97% equity interest in Sinoma International Engineering Co., Ltd. (600970.SS); through its subsidiaries holding 60.24% equity interest in Sinoma Science & Technology Co., Ltd. (002080.SZ); through its subsidiaries holding 84.14% equity interest in the board of directors of Tianshan Material Co., Ltd. (000877.SZ); through its subsidiaries holding 49.03% equity interest in Ningxia Building Materials Group Co., Ltd. (600449.SS); through its subsidiaries holding 37.83% equity interest in Beijing New Building Materials Public Limited Company (000786.SZ); through its subsidiaries holding 9.04% equity interest in Zhongjiao Design Consultation Group Corporation Ltd. (600720.SS); through its subsidiaries holding 12.94% equity interest in China Shanshui Cement Group Limited (00691.HK); through its subsidiaries holding 3.03% equity interest in China Conch Venture Holdings Limited (00586.HK); through its subsidiaries holding 3.01% equity interest in China Conch Environment Protection Holdings Limited (00587.HK); through its subsidiaries holding 0.38% equity interest in H Share of Legend Holdings Corporation (03396.HK); through its subsidiaries holding 0.74% equity interest in Red Star Macalline Group Corporation Ltd. in its H shares (01528.HK); through its subsidiaries holding 9.72% equity interest in Henan City Development Environment Co., Ltd. (000885.SZ); through its subsidiaries holding 14.50% equity interest in Gansu Shangfeng Cement Co., Ltd. (000672.SZ); through its subsidiaries holding 3.08% equity interest in Jilin Yatai (Group) Co., Ltd. (600881.SS); through its subsidiaries holding 1.06% equity interest in China West Construction Group Co., Ltd. (002302.SZ); through its subsidiaries holding 10.53% equity interest in Wuhan Ligong Guangke Co., Ltd. (300557.SZ); through its subsidiaries holding 12.74% equity interest in Shanghai Yaohua Pilkington Glass Group Co., Ltd. (600819.SS); through its subsidiaries holding 4.31% equity interest in BBMG Corporation (601992.SS); through its subsidiaries holding 4.89% equity interest in Jiangxi Wannianqing Cement Co., Ltd. (000789.SZ); through its subsidiaries holding 1.68% equity interest in Tangshan Jidong Cement Co., Ltd. (000401.SZ); through its subsidiaries holding 22.68% equity interest in China Glass Holdings Limited (03300.HK); through its subsidiaries holding 16.75% equity interest in Singulus Technologies (SNG); and through its subsidiaries holding 0.14% equity interest in SICC Co., Ltd. (688234.SS).
Other explanations	Nil

2. Natural Person

During the Reporting Period, there were no controlling shareholders of China National Building Material Group Co., Ltd. who are natural persons.



Section VII Changes in Shareholding of Shares and Information of Shareholders

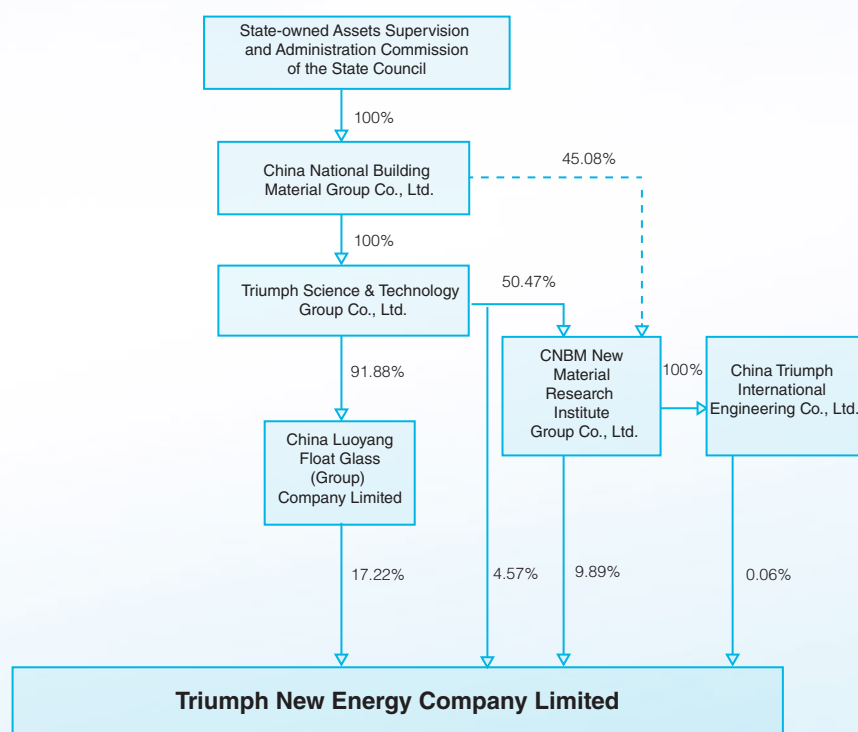
IV. CONTROLLING SHAREHOLDER AND DE FACTO CONTROLLER (CONTINUED)

(II) De Facto Controller (Continued)

3. Explanation on Changes in Control of the Company during the Reporting Period

During the Reporting Period, there were no changes in control of China National Building Material Group Co., Ltd..

4. Diagram on Equity and Control Relationship between the Company and De Facto Controllers



5. Ultimate controller's control of the Company through trust or other asset management methods

During the Reporting Period, there was no ultimate controller's control of the Company through trust or other asset management methods.

Section VII Changes in Shareholding of Shares and Information of Shareholders

V. SUBSTANTIAL SHAREHOLDERS' INTERESTS AND/OR SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

So far as the Directors are aware, as at 31 December 2024, the interests and/or short positions of the shareholders, other than the Directors, supervisors and chief executives of the Company, in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance (the "SFO"), or which were recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Name of shareholder	Capacity	Number of shares held ¹	Percentage in the relevant class of issued shares (%)	Percentage in total issues share capital of the Company (%)	Class of shares
CNBM ²	Interest in controlled corporation	204,932,781 (L)	51.79	31.74	A Share
Triumph Technology Group ³	Beneficial owner/ Interest in controlled corporation	204,932,781 (L)	51.79	31.74	A Share
CLFG	Beneficial owner	111,195,912 (L)	28.10	17.22	A Share
CNBM Research Institute	Beneficial owner	63,835,499 (L)	16.13	9.89	A Share
International Engineering	Beneficial owner	386,370(L)	0.10	0.06	A Share

Note 1: (L)–Long position

Note 2: Triumph Technology Group is a wholly-owned subsidiary of CNBM. Therefore, CNBM is deemed to be interested in the shares held by Triumph Technology Group by virtue of Part XV of the SFO.

Note 3: CLFG is a non-wholly owned subsidiary of Triumph Technology Group, CNBM Research Institute is a non-wholly owned subsidiary of Triumph Technology Group, International Engineering is a non-wholly owned subsidiary of Triumph Technology Group; and Triumph Technology Group directly holds 29,515,000 A shares of the Company. Therefore, Triumph Technology Group is deemed to be interested in the shares held by CLFG, CNBM Research Institute and International Engineering by virtue of Part XV of the SFO.

VI. THE CUMULATIVE NUMBER OF PLEDGED SHARES OF THE CONTROLLING SHAREHOLDERS OR THE LARGEST SHAREHOLDER OF THE COMPANY AND THE PERSON ACTING IN CONCERT WITH THEM ACCOUNTS FOR MORE THAN 80% OF THE SHARES OF THE COMPANY HELD BY THEM

During the Reporting Period, the cumulative number of pledged shares of the controlling shareholders or the largest shareholder of the Company and the person acting in concert with them did not account for more than 80% of the shares of the company held by them.

Section VIII Financial Report

I. AUDIT REPORT

AUDIT REPORT

GTSZ (2025) No. 110A005659

To the Shareholders of Triumph New Energy Company Limited,

I. AUDIT OPINION

We have audited the financial statements of Triumph New Energy Company Limited (hereafter referred to as "Triumph New Energy"), including the consolidated and the Company's balance sheet as of 31 December 2024, the consolidated and the Company's income statement, the consolidated and the Company's cash flow statement and the consolidated and the Company's statement of the changes in equity for 2024, and related 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 consolidated and the Company's financial position as of 31 December 2024, and the consolidated and the Company's operating results and cash flows for 2024 of Triumph New Energy.

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 Certified Public Accountants' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics for Chinese Certified Public Accountants, 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.

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 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.

(I) Accuracy of revenue recognition

Please refer to Note III. 27 and Note V.36 of the financial statements for details of related information disclosures.

Section VIII Financial Report

I. AUDIT REPORT (CONTINUED)

III. Key Audit Matters (Continued)

(I) Accuracy of revenue recognition (Continued)

1. Description of the matter

Triumph New Energy is mainly engaged in the production and sales of new energy glass. In 2024, the amount of operating revenue for major businesses was RMB4,548 million, accounting for a decrease of 30.41% as compared to last year.

The revenue generated from sales of glass products by the Company is recognised when the control of the goods has been transferred to the customer, that is, the delivery of glass products to the customer is usually regarded as the points in time for recognition of revenue. As operating revenue is one of the Company's key performance indicators, and has a significant impact on operating results. Therefore, we will identify the accuracy of revenue recognition as a key audit matter.

2. Response to the audits

Our audit procedures for the accuracy of revenue recognition mainly include:

- (1) We conduct interviews to obtain information on revenue recognition policies, the market environment of the Company, the annual overall sales overview of the Company, and the customer conditions.
- (2) We obtained an understanding of the internal controls related to revenue recognition, evaluated the design of these controls, and tested the effectiveness of key control operations.
- (3) We checked the main sales contract, identified the terms and conditions of contracts related to the transfer of control of goods, and evaluated whether the revenue recognition policy was in line with the requirements of the Accounting Standards for Business Enterprises.
- (4) We implemented analysis procedures for operating revenue and gross profit margin by month, product and customer, identified whether there were significant or abnormal fluctuations, and analyzed the reasons for fluctuations.
- (5) We checked the supporting documents related to revenue recognition on a sample basis, including sales contracts, orders, sales invoices, outbound orders, shipping documents, and customer acceptance receipts.
- (6) We sampled the sales of the period to the major customers with letter based on the accounts receivable confirmations.
- (7) We checked the operating revenue recognised before and after the balance sheet date on a sample basis against the supporting documents such as outbound orders, shipping documents and delivery notes to evaluate whether the operating revenue was recognised in the appropriate period.

Section VIII Financial Report

I. AUDIT REPORT (CONTINUED)

III. Key Audit Matters (Continued)

(II) *Bad debts provision for receivables*

Please refer to Note III.11 and 34 and Note V. 2 and 3 of the financial statements for details of related information disclosures.

1. *Description of the matter*

As at 31 December 2024, the original value of the notes receivable and accounts receivable of Triumph New Energy was RMB1,774 million, the impairment provision was RMB95 million, and the net book value was RMB1,679 million, accounting for 50.84% of its current assets. The impairment provision for the Company's receivables was measured based on the amount of lifetime expected credit losses. As the amount of receivables was significant and the management had made material estimates and judgments in determining the impairment of receivables, we identified the bad debts provision for receivables as a key audit matter.

2. *Response to the audits*

Our audit procedures for the bad debts provision for receivables mainly include:

- (1) We obtained an understanding of the internal controls related to impairment of receivables, evaluated the design of these controls, and tested the effectiveness of key control operations.
- (2) We analyzed whether the aging of receivables is reasonable, and compared, on a sample basis, the items in the aging analysis table with relevant documents to check whether the relevant aging was classified into the appropriate aging category.
- (3) We checked whether the information used by the Company to form relevant judgments was accurate and reasonable, including the reasonability of receivables by different credit risk grades, the accuracy of the information for calculating the historical loss given default, and whether the expected credit loss was properly adjusted according to current economic conditions and forward-looking information.
- (4) We discussed and evaluated with management on the receivables with default or impairment indication, followed the progress of litigation related receivables, assessed the probability of recovery, and reviewed the repayment of receivables after the period and the adequacy and accuracy of bad debts provision.
- (5) We reviewed whether the bad debts provision for receivables had been presented and disclosed by the management in the financial statements in a proper manner.

Section VIII Financial Report

I. AUDIT REPORT (CONTINUED)

III. Key Audit Matters (Continued)

(III) *Impairment provision for inventories*

Please refer to Note III.13 and 34 and Note V. 7 of the financial statements for details of related information disclosures.

1. *Description of the matter*

As at 31 December 2024, the carrying amount of inventories of Triumph New Energy was RMB1,049 million, representing an increase of 46.41% as compared with that as at 31 December 2023. The impairment provision for inventories is subject to the estimation of the net realisable value of inventories by the management of Triumph New Energy, the determination of which requires the management of Triumph New Energy to estimate the selling price of the inventories, costs to be incurred until completion, selling expenses and related taxes, which involves the application of important accounting estimates and judgements by the management, and has a significant impact on the Company's financial position and operating results. Therefore, we identified the impairment provision for inventories as a key audit matter.

2. *Response to the audits*

- (1) We understood the internal controls of Triumph New Energy related to inventory management and impairment provision for inventories, conducted internal control tests to evaluate the reasonableness of the design of the internal control system and the effectiveness of its implementation;
- (2) We implemented inventory monitoring procedures to check the quantity and condition of inventories;
- (3) We obtained inventory aging reports and performed analytical procedures on inventories with long aging periods to evaluate the reasonableness of the provision for inventory impairment;
- (4) We analysed the changes in inventories from period to period and performed valuation tests on major inventories to check the accuracy of the inventory carryover to operating costs;
- (5) We combined the audit of accounts payable with the selection of major suppliers to confirm purchase volumes during the reporting period;
- (6) We analyzed price fluctuations of the Company's products and raw materials;
- (7) We obtained the impairment provision calculation sheet for inventories, evaluated and reviewed the significant assumptions involved in the net realisable value calculated by the management, checked whether it was implemented in accordance with the relevant accounting policies and accounting estimates of Triumph New Energy, and checked the changes in respect of the impairment provision for inventories made in previous years, etc., to verify the adequacy of the impairment provision for inventories.

Section VIII Financial Report

I. AUDIT REPORT (CONTINUED)

IV. Other Information

The Management of the Company 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 this 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 (if applicable) 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.

Those charged with governance are responsible for overseeing the financial reporting process of the Company.

Section VIII Financial Report

I. AUDIT REPORT (CONTINUED)

VI. Auditor's 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 CSAs 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 CSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- (1) 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.
- (2) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- (3) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- (4) 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 conditions may cause the Company to cease to continue as a going concern.
- (5) Evaluate the overall presentation, structure and content of the financial statements, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- (6) Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the 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.



Section VIII Financial Report

I. AUDIT REPORT (CONTINUED)

VI. Auditor's Responsibilities for the Audit of the Financial Statements

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and related safeguards (if applicable).

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Grant Thornton
(Special General Partnership)

Chinese Certified Public Accountant:
(Engagement Partner)

Chinese Certified Public Accountant:

Beijing • the PRC
28 March 2025

Consolidated Balance Sheet

31 December 2024
Prepared by: Triumph New Energy Company Limited
Unit: Yuan Currency: RMB

II. FINANCIAL STATEMENTS

Item	Note	31 December 2024	31 December 2023
Current assets:			
Monetary funds	VII. 1	140,369,169.47	273,462,436.65
Clearing settlement funds			
Placements with banks and other financial institutions			
Financial assets held for trading			
Derivative financial assets			
Notes receivable	VII. 2	651,423,089.16	187,071,244.67
Accounts receivable	VII. 3	1,027,209,026.78	1,290,872,150.78
Accounts receivable financing	VII. 4	168,646,023.76	1,413,397,411.65
Prepayments	VII. 5	161,479,195.21	187,441,429.34
Premiums receivables			
Reinsurance accounts receivables			
Reinsurance contract reserves receivables			
Other receivables	VII. 6	102,179,903.98	154,396,647.29
Including: Interest receivables			
Dividends receivables			
Financial assets purchased under resale agreements			
Inventories	VII. 7	891,337,553.86	686,887,235.96
Of which: Data resources			
Contract assets			
Assets held for sale			5,874,065.75
Non-current assets due within one year			
Other current assets	VII. 9	159,071,073.95	114,962,230.83
Total current assets		3,301,715,036.17	4,314,364,852.92

Consolidated Balance Sheet

Item	Note	31 December 2024	31 December 2023
Non-current assets:			
Loans and advances granted			
Debt investments			
Other debt investments			
Long-term receivables			
Long-term equity investments			
Investments in other equity instruments			
Other non-current financial assets			
Investment properties			
Fixed assets	VII. 10	4,646,259,534.90	4,947,322,586.75
Construction in progress	VII. 11	3,389,274,950.00	1,772,629,520.09
Biological assets for production			
Oil and gas assets			
Right-of-use assets	VII. 12	6,377,028.57	9,695,700.09
Intangible assets	VII. 13	760,055,029.16	745,115,048.52
Of which: Data resources			
Development expenditures	VIII. 2	10,469,477.25	14,895,294.06
Of which: Data resources			
Goodwill	VII. 14	17,583,473.33	17,583,473.33
Long-term deferred expenses			
Deferred income tax assets	VII. 15	133,895,615.73	15,963,295.75
Other non-current assets	VII. 16	39,580,248.99	590,128,892.55
Total non-current assets		9,003,495,357.93	8,113,333,811.14
Total assets		12,305,210,394.10	12,427,698,664.06

Consolidated Balance Sheet

31 December 2024
Prepared by: Triumph New Energy Company Limited
Unit: Yuan Currency: RMB

Item	Note	31 December 2024	31 December 2023
Current liabilities:			
Short-term borrowings	VII. 18	1,640,538,722.72	760,656,246.99
Loans from central bank			
Placements from banks and other financial institutions			
Financial liabilities held for trading			
Derivative financial liabilities			
Notes payable	VII. 19	367,446,043.33	486,886,737.12
Accounts payable	VII. 20	1,594,034,225.51	1,535,170,636.56
Payments received in advance	VII. 21		20,377.36
Contract liabilities	VII. 22	8,384,812.47	8,352,702.13
Disposal of repurchased financial assets			
Absorption of deposits and interbank deposits			
Customer brokerage deposits			
Securities underwriting brokerage deposits			
Employee compensation payable	VII. 23	51,703,216.46	84,343,288.15
Taxes payable	VII. 24	8,797,215.77	45,217,814.58
Other payables	VII. 25	197,674,301.52	173,708,687.56
Including: Interest payables			
Dividends payables			
Handling charges and commissions payables			
Reinsurance accounts payables			
Liabilities held for sale			
Non-current liabilities due within one year	VII. 26	933,914,466.06	453,468,886.35
Other current liabilities	VII. 27	299,204,298.33	606,787,982.57
Total current liabilities		5,101,697,302.17	4,154,613,359.37

Consolidated Balance Sheet

Item	Note	31 December 2024	31 December 2023
Non-current liabilities:			
Insurance contract reserve			
Long-term borrowings	VII. 28	2,728,799,119.77	3,123,923,613.81
Bonds payable			
Including: Preferential shares			
Perpetual bonds			
Lease liabilities	VII. 29	3,673,630.33	5,857,164.28
Long-term payables			
Long-term employee remuneration payables			
Estimated liabilities			
Deferred income	VII. 30	62,438,346.08	52,752,295.00
Deferred income tax liabilities	VII. 15	34,454,602.04	37,305,857.31
Other non-current liabilities			
Total non-current liabilities		2,829,365,698.22	3,219,838,930.40
Total Liabilities		7,931,063,000.39	7,374,452,289.77
Owners' equity (or shareholders' equity):			
Paid-in capital (or share capital)	VII. 31	645,674,963.00	645,674,963.00
Other equity instruments			
Including: Preferential shares			
Perpetual bonds			
Capital reserve	VII. 32	3,780,818,962.41	3,780,818,962.41
Less: Treasury stock			
Other comprehensive income			
Special reserve			
Surplus reserve	VII. 33	51,365,509.04	51,365,509.04
General risk provision			
Undistributed profit	VII. 34	-460,638,287.56	149,292,032.10
Total equity attributable to owners of the Company (or shareholders' equity)		4,017,221,146.89	4,627,151,466.55
Minority interests		356,926,246.82	426,094,907.74
Total owners' equity (or shareholders' equity)		4,374,147,393.71	5,053,246,374.29
Total liabilities and owners' equity (or shareholders' equity)		12,305,210,394.10	12,427,698,664.06

Person in charge of the Company:

Xie Jun

Person in charge of accounting:

Chen Hongzhao

Person in charge of accounting department:

Li Xuejiao

Balance Sheet of the Company

31 December 2024
Prepared by: Triumph New Energy Company Limited
Unit: Yuan Currency: RMB

Item	Note	31 December 2024	31 December 2023
Current assets:			
Monetary funds		126,273,358.73	53,177,840.32
Financial assets held for trading			
Derivative financial assets			
Notes receivable		44,179,682.34	
Accounts receivable	XVIII. 1	193,452,354.39	89,691,502.93
Accounts receivable financing		22,590.00	149,183,816.17
Prepayments		723,018.98	122,593.67
Other receivables	XVIII. 2	921,510,453.52	904,521,378.82
Including: Interest receivables			
Dividends receivables			
Inventories		24,232.99	8,100.00
Of which: Data resources			
Contract assets			
Assets held for sale			
Non-current assets due within one year			
Other current assets			
Total current assets		1,286,185,690.95	1,196,705,231.91
Non-current assets:			
Debt investments			
Other debt investments			
Long-term receivables			
Long-term equity investments	XVIII. 3	4,103,415,248.62	3,903,415,248.62
Investments in other equity instruments			
Other non-current financial assets			
Investment properties			
Fixed assets		1,330,354.72	1,598,445.25
Construction in progress		638,667.74	544,608.33
Biological assets for production			
Oil and gas assets			
Right-of-use assets			
Intangible assets		46,456,776.35	47,612,927.51
Of which: Data resources			
Development expenditures			
Of which: Data resources			
Goodwill			
Long-term deferred expenses			
Deferred income tax assets			
Other non-current assets			
Total non-current assets		4,151,841,047.43	3,953,171,229.71
Total assets		5,438,026,738.38	5,149,876,461.62

Balance Sheet of the Company

Item	Note	31 December 2024	31 December 2023
Current liabilities:			
Short-term borrowings		286,829,910.99	100,063,326.16
Financial liabilities held for trading			
Derivative financial liabilities			
Notes payable		20,000,000.00	
Accounts payable		128,337,157.12	74,652,326.75
Payments received in advance			
Contract liabilities			
Employee compensation payable		3,702,196.09	5,626,986.40
Taxes payable		364,716.77	398,247.30
Other payables		208,509,309.75	7,915,823.80
Including: Interest payables			
Dividends payables			
Liabilities held for sale			
Non-current liabilities due within one year		219,064,478.37	34,108,009.04
Other current liabilities		29,531,958.87	141,223,759.51
Total current liabilities		896,339,727.96	363,988,478.96
Non-current liabilities:			
Long-term borrowings		641,483,724.47	887,926,813.81
Bonds payable			
Including: Preferential shares			
Perpetual bonds			
Lease liabilities			
Long-term payables			
Long-term employee remuneration payables			
Estimated liabilities			
Deferred income			
Deferred income tax liabilities			
Other non-current liabilities			
Total non-current liabilities		641,483,724.47	887,926,813.81
Total Liabilities		1,537,823,452.43	1,251,915,292.77

Balance Sheet of the Company

31 December 2024
Prepared by: Triumph New Energy Company Limited
Unit: Yuan Currency: RMB

Item	Note	31 December 2024	31 December 2023
Owners' equity (or shareholders' equity):			
Paid-in capital (or share capital)		645,674,963.00	645,674,963.00
Other equity instruments			
Including: Preferential shares			
Perpetual bonds			
Capital reserve		3,857,589,394.08	3,857,589,394.08
Less: Treasury stock			
Other comprehensive income			
Special reserve			
Surplus reserve		51,365,509.04	51,365,509.04
Undistributed profit		-654,426,580.17	-656,668,697.27
Total owners' equity (or shareholders' equity)		3,900,203,285.95	3,897,961,168.85
Total liabilities and owners' equity (or shareholders' equity)		5,438,026,738.38	5,149,876,461.62

Person in charge of the Company:
Xie Jun

Person in charge of accounting:
Chen Hongzhao

Person in charge of accounting department:
Li Xuejiao

Consolidated Income Statement

Item	Note	2024	2023
I. Total operating revenue		4,594,447,303.71	6,595,249,704.60
Including: Operating revenue	VII. 35	4,594,447,303.71	6,595,249,704.60
Interest income			
Premiums earned			
Handling charges and commission income			
II. Total operating costs		5,288,573,810.83	6,368,245,782.51
Including: Operating costs	VII. 35	4,794,427,861.57	5,831,249,729.90
Interest expenses			
Handling charges and commission expenses			
Surrender payment			
Net expenditure for compensation payments			
Net provision for insurance contracts			
Policy holder dividend expenses			
Reinsurance costs			
Taxes and surcharges	VII. 36	41,584,538.39	44,449,874.51
Selling expenses	VII. 37	16,313,029.27	19,774,485.40
Administrative expenses	VII. 38	150,956,934.26	147,118,075.69
Research and development expenses	VII. 39	174,176,284.10	251,522,948.01
Finance expenses	VII. 40	111,115,163.24	74,130,669.00
Including: Interest expenses		112,277,461.24	83,663,235.87
Interest income		3,003,366.72	7,614,286.41
Add: Other income	VII. 41	57,485,781.88	235,282,495.33
Investment income			
(losses are represented by "-")	VII. 42	-11,466,755.54	-13,205,737.32
Including: Gains from investment in associates and joint ventures			
Gains on derecognition of financial assets measured in amortized cost			
Gains from currency exchange			
(losses are represented by "-")			
Gains from net exposure hedges			
(loss is represented by "-")			
Gains from changes in fair value			
(losses are represented by "-")			
Impairment losses on credit			
(losses are represented by "-")	VII. 43	-6,498,534.43	6,380,169.95
Impairment losses on assets			
(losses are represented by "-")	VII. 44	-129,477,909.53	302,115.54
Gains on disposal of assets			
(losses are represented by "-")	VII. 45	3,391,919.06	45,107,451.69

Consolidated Income Statement

January to December 2024
Prepared by: Triumph New Energy Company Limited
Unit: Yuan Currency: RMB

Item	Note	2024	2023
III. Operating profit (losses are represented by "-")		-780,692,005.68	500,870,417.28
Add: Non-operating income	VII. 46	478,303.96	699,596.38
Less: Non-operating expense	VII. 47	551,843.00	196,388.78
IV. Total profit (total losses are represented by "-")		-780,765,544.72	501,373,624.88
Less: Income tax expenses	VII. 48	-117,666,564.14	36,556,151.73
V. Net profit (net losses are represented by "-")		-663,098,980.58	464,817,473.15
(I) Classified by continuity of operations			
1. Net profit from continuing operation (net losses are represented by "-")		-663,098,980.58	464,817,473.15
2. Net profit from discontinued operation (net loss is represented by "-")			
(II) Classified by ownership			
1. Net profit attributable to the shareholders of the Company (net losses are represented by "-")		-609,930,319.66	394,720,559.20
2. Profit or loss attributable to minority shareholders (net losses are represented by "-")		-53,168,660.92	70,096,913.95
VI. Other comprehensive income, net of tax			
(I) Other comprehensive income attributable to owners of the Company, net of tax			
1. Other comprehensive income that can not be reclassified into profit and loss			
(1) Changes arising from re-measurement of the defined benefit plans			
(2) Other comprehensive income which cannot be converted into profit or loss under equity method			
(3) Changes in fair value of investments in other equity instruments			
(4) Change in fair value of credit risks of the Company			



Consolidated Income Statement

Item	Note	2024	2023
2. Other comprehensive income to be reclassified into profit or loss			
(1) Other comprehensive income which can be converted into profit or loss under equity method			
(2) Changes in fair value of other debt investments			
(3) Financial assets reclassified into other comprehensive income			
(4) Provision of credit impairment of other debt investment			
(5) Cash flow hedge reserve			
(6) Translation difference of foreign currency financial statements			
(7) Others			
(II) Other comprehensive income attributable to minority interests, net of tax			
VII. Total comprehensive income		-663,098,980.58	464,817,473.15
(I) Total comprehensive income attributable to owners of the Company		-609,930,319.66	394,720,559.20
(II) Total comprehensive income attributable to minority shareholders		-53,168,660.92	70,096,913.95
VIII. Earnings per share:			
(I) Basic earnings per share (RMB/share)		-0.94	0.61
(II) Diluted earnings per share (RMB/share)		-0.94	0.61

Person in charge of the Company:

Xie Jun

Person in charge of accounting:

Chen Hongzhao

Person in charge of accounting department:

Li Xuejiao

Income Statement of the Company

January to December 2024
Prepared by: Triumph New Energy Company Limited
Unit: Yuan Currency: RMB

Item	Note	2024	2023
I. Operating revenue	XVIII.4	13,393,579.67	7,423,558.70
Less: Operating costs	XVIII.4	2,436,599.41	
Taxes and surcharges		565,073.95	1,096,437.44
Selling expenses			
Administrative expenses		26,049,848.03	25,683,847.82
Research and development expenses			
Finance expenses		4,923,145.46	6,164,695.81
Including: Interest expenses		29,683,438.77	29,736,309.73
Interest income		25,119,265.80	23,594,691.44
Add: Other income		67,217.83	15,298,717.25
Investment income			
(losses are represented by "-")	XVIII.5	23,989,079.97	69,677,283.76
Including: Gains from investment in			
associates and joint ventures			
Gains on derecognition of financial			
assets measured in amortized			
cost			
Gains from net exposure hedges			
(loss is represented by "-")			
Gains from changes in fair value			
(losses are represented by "-")			
Impairment losses on credit			
(losses are represented by "-")		-1,230,968.00	-457,518.65
Impairment losses on assets			
(losses are represented by "-")			
Gains on disposal of assets			
(losses are represented by "-")			11,315,700.00
II. Operating profit (losses are represented by "-")		2,244,242.62	70,312,759.99
Add: Non-operating income			583,902.14
Less: Non-operating expense		2,125.52	
III. Total profit (total losses are represented by "-")		2,242,117.10	70,896,662.13
Less: Income tax expenses			
IV. Net profit (net losses are represented by "-")		2,242,117.10	70,896,662.13
(I) Net profit from continuing operation (net losses			
are represented by "-")		2,242,117.10	70,896,662.13
(II) Net profit from discontinued operation (net loss is			
represented by "-")			



Income Statement of the Company

Item	Note	2024	2023
V. Other comprehensive income, net of tax			
(I) Other comprehensive income that can not be reclassified into profit and loss			
1.Changes arising from re-measurement of the defined benefit plans			
2.Other comprehensive income which cannot be converted into profit or loss under equity method			
3.Changes in fair value of investments in other equity instruments			
4.Change in fair value of credit risks of the Company			
(II) Other comprehensive income to be reclassified into profit or loss			
1.Other comprehensive income which can be converted into profit or loss under equity method			
2.Changes in fair value of other debt investments			
3.Financial assets reclassified into other comprehensive income			
4.Provision of credit impairment of other debt investment			
5.Cash flow hedge reserve			
6.Translation difference of foreign currency financial statements			
7.Others			
VI. Total comprehensive income		2,242,117.10	70,896,662.13
VII. Earnings per share:			
(I) Basic earnings per share (RMB/share)			
(II) Diluted earnings per share (RMB/share)			

Person in charge of the Company:

Xie Jun

Person in charge of accounting:

Chen Hongzhao

Person in charge of accounting department:

Li Xuejiao

Consolidated Cash Flow Statement

January to December 2024
Prepared by: Triumph New Energy Company Limited
Unit: Yuan Currency: RMB

Item	Note	2024	2023
I. Cash flows from operating activities:			
Cash received from sale of goods or rendering of services		3,944,681,003.47	4,769,347,179.83
Net increase in customer and interbank deposits			
Net increase in loans from central bank			
Net increase in loans from other financial institutions			
Cash received from premiums under original insurance contract			
Net cash received from reinsurance business			
Net increase in deposits of policy holders and investment			
Cash received from interest, handling charges and commissions			
Net increase in placements from banks and other financial institutions			
Net increase in income from repurchase business			
Net cash received on behalf of brokerage customers			
Tax refunds received		134,639,765.88	177,376,537.75
Cash received from other operating related activities	VII. 49	164,601,197.91	182,004,319.13
Sub-total of cash inflows from operating activities		4,243,921,967.26	5,128,728,036.71
Cash paid for purchase of goods and services rendered		4,097,497,829.19	4,361,253,815.59
Net increase in loans and advances to customers			
Net increase in deposits with central bank and interbank deposits			
Cash paid for compensation payments under original insurance contracts			
Net increase in placements with banks and other financial institutions			
Cash paid for interest, handling charges and commissions			
Cash paid for insurance policy dividend		368,712,853.91	387,995,741.51
Cash paid to and on behalf of employees		101,126,252.36	163,617,444.56
Tax payments		70,479,552.90	72,354,767.11
Cash paid for other operating-related activities	VII. 49		
Sub-total of cash outflows from operating activities		4,637,816,488.36	4,985,221,768.77
Net cash flows from operating activities		-393,894,521.10	143,506,267.94

Consolidated Cash Flow Statement

Item	Note	2024	2023
II. Cash flow from investment activities:			
Cash received from disposal of investment			
Cash received from return of investments			
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		65,712,704.98	79,278,267.67
Net cash received from disposal of subsidiaries and other operating entities			160,173,650.00
Cash received from other activities related to investment			
Sub-total of cash inflows from investment activities		65,712,704.98	239,451,917.67
Cash paid for the acquisition and construction of fixed assets, intangible assets and other long-term assets		635,058,419.32	1,864,752,946.91
Cash paid for investment			
Net increase in pledged loans			
Net cash paid for acquisition of subsidiaries and other operating entities			132,969,212.49
Cash paid for other activities related to investment			
Sub-total of cash outflows from investment activities		635,058,419.32	1,997,722,159.40
Net cash flows from investment activities		-569,345,714.34	-1,758,270,241.73

Consolidated Cash Flow Statement

January to December 2024
Prepared by: Triumph New Energy Company Limited
Unit: Yuan Currency: RMB

Item	Note	2024	2023
III. Cash flows from financing activities:			
Cash received from investments			
Including: Proceeds received by subsidiaries			
from minority shareholders' investment			
Proceeds from loans		2,584,544,261.31	2,988,994,035.16
Cash received from other financing related activities	VII. 49	70,563,788.60	130,885,148.92
Sub-total of cash inflows from financing activities		2,655,108,049.91	3,119,879,184.08
Cash paid for repayments of loans		1,529,812,498.41	1,554,163,189.34
Cash paid for dividends, profit, or interest payments		131,439,330.95	136,353,507.16
Including: Dividends and profits paid to minority shareholders by subsidiaries		16,000,000.00	25,213,363.58
Cash paid for other financing-related activities	VII. 49	130,885,148.92	73,240,372.81
Sub-total of cash outflows from financing activities		1,792,136,978.28	1,763,757,069.31
Net cash flows from financing activities		862,971,071.63	1,356,122,114.77
IV. Effects of changes in exchange rate on cash and cash equivalents		1,677,186.76	2,250,787.56
V. Net increase in cash and cash equivalents		-98,591,977.05	-256,391,071.46
Add: Opening balance of cash and cash equivalents		229,156,744.65	485,547,816.11
VI. Closing balance of cash and cash equivalents		130,564,767.60	229,156,744.65

Person in charge of the Company:

Xie Jun

Person in charge of accounting:

Chen Hongzhao

Person in charge of accounting department:

Li Xuejiao

Cash Flow Statement of the Company

Item	Note	2024	2023
I. Cash flows from operating activities:			
Cash received from sale of goods or rendering of services		432,708,655.64	726,345,818.85
Tax refunds received			
Cash received from other operating related activities		131,473,255.83	60,603,945.18
Sub-total of cash inflows from operating activities		564,181,911.47	786,949,764.03
Cash paid for purchase of goods and services rendered		391,874,639.26	645,093,887.73
Cash paid to and on behalf of employees		17,892,157.10	21,151,113.26
Tax payments		1,543,169.26	2,924,545.38
Cash paid for other operating-related activities		42,242,429.02	17,911,089.61
Sub-total of cash outflows from operating activities		453,552,394.64	687,080,635.98
Net cash flows from operating activities		110,629,516.83	99,869,128.05
II. Cash flow from investment activities:			
Cash received from disposal of investment			160,173,650.00
Cash received from return of investments		24,000,000.00	65,334,253.05
Net cash received from disposal of fixed assets, intangible assets and other long-term assets			66,315,700.00
Net cash received from disposal of subsidiaries and other operating entities			
Cash received from other activities related to investment			
Sub-total of cash inflows from investment activities		24,000,000.00	291,823,603.05
Cash paid for the acquisition and construction of fixed assets, intangible assets and other long-term assets		35,113.29	1,946,050.00
Cash paid for investment		200,000,000.00	332,969,212.49
Net increase in pledged loans			
Net cash paid for acquisition of subsidiaries and other operating entities			
Cash paid for other activities related to investment		200,035,113.29	334,915,262.49
Sub-total of cash outflows from investment activities		-176,035,113.29	-43,091,659.44

Cash Flow Statement of the Company

January to December 2024
Prepared by: Triumph New Energy Company Limited
Unit: Yuan Currency: RMB

Item	Note	2024	2023
III. Cash flows from financing activities:			
Cash received from investments			
Proceeds from loans		371,980,000.00	482,807,632.49
Cash received from other financing related activities		2,082,367,480.77	2,982,320,932.14
Sub-total of cash inflows from financing activities		2,454,347,480.77	3,465,128,564.63
Cash paid for repayments of loans		261,353,089.34	556,313,089.34
Cash paid for dividends, profit, or interest payments		27,848,590.24	28,380,667.37
Cash paid for other financing-related activities		2,026,645,686.32	3,188,159,310.56
Sub-total of cash outflows from financing activities		2,315,847,365.90	3,772,853,067.27
Net cash flows from financing activities		138,500,114.87	-307,724,502.64
IV. Effects of changes in exchange rate on cash and cash equivalents			
			146.45
V. Net increase in cash and cash equivalents		73,094,518.41	-250,946,887.58
Add: Opening balance of cash and cash equivalents		53,177,840.32	304,124,727.90
VI. Closing balance of cash and cash equivalents		126,272,358.73	53,177,840.32

Person in charge of the Company:

Xie Jun

Person in charge of accounting:

Chen Hongzhao

Person in charge of accounting department:

Li Xuejiao

Consolidated Statement of Changes in Owners' Equity

2024															
Equity attributable to shareholders of the Company															
Item	Other equity instruments				Capital reserve	Less:			Surplus reserve	General risk provision	Undistributed profit	Others	Subtotal	Minority interests	Total shareholders' equity
	Paid-in capital (or share capital)	Preferential shares	Perpetual bonds	Others		Treasury stock	Other comprehensive income	Special reserve							
I. Balance at the end of last year	645,674,963.00				3,780,818,962.41			51,365,509.04		149,292,032.10		4,627,151,466.55	426,094,907.74	5,053,246,374.29	
Add: Effects of changes in accounting policies															
Effects of correction of prior year errors															
Others															
II. Balance at the beginning of the year	645,674,963.00				3,780,818,962.41			51,365,509.04		149,292,032.10		4,627,151,466.55	426,094,907.74	5,053,246,374.29	
III. Change for the period (decrease is indicated by "-")															
(I) Total comprehensive income															
(II) Owners' contribution and decrease in capital															
1. Ordinary shares contribution from owners															
2. Capital contribution from owners of other equity instruments										-609,930,319.66		-609,930,319.66	-69,168,660.92	-679,098,980.58	
3. Share-based payments credited to owners' equity										-609,930,319.66		-609,930,319.66	-63,168,660.92	-663,098,980.58	
4. Others															
(III) Profit distribution															
1. Appropriation to surplus reserve															
2. Appropriation to general risk reserves															
3. Distribution to owners (or shareholders)															
4. Others															
														-16,000,000.00	-16,000,000.00
														-16,000,000.00	-16,000,000.00

Consolidated Statement of Changes in Owners' Equity

January to December 2024
Prepared by: Triumph New Energy Company Limited
Unit: Yuan Currency: RMB

2024															
Equity attributable to shareholders of the Company															
Item	Other equity instruments					Less:					Total shareholders' equity				
	Paid-in capital (or share capital)	Preferred shares	Perpetual bonds	Others	Capital reserve	Treasury stock	Other comprehensive income	Special reserve	Surplus reserve	General risk provision		Undistributed profit	Others	Subtotal	Minority interests
(IV) Internal carry-forward of owners' equity															
1.	Conversion of capital reserve into capital (or share capital)														
2.	Conversion of surplus reserve into capital (or share capital)														
3.	Making good of loss with surplus reserve														
4.	Changes in defined benefit plans transferred to retained earnings														
5.	Other comprehensive income transferred to retained earnings														
6.	Others														
(V) Special reserve															
1.	Appropriation in the current period														
2.	Utilized in the current period														
(VI) Others															
IV. Balance at the end of the period	645,674,963.00				3,780,818,962.41				51,365,509.04		-460,638,287.56		4,017,221,146.89	356,926,246.82	4,374,147,393.71



Consolidated Statement of Changes in Owners' Equity

January to December 2024
Prepared by: Triumph New Energy Company Limited
Unit: Yuan Currency: RMB

2023												
Equity attributable to shareholders of the Company												
Item	Other equity instruments				Less:			Undistributed profit	Others	Subtotal	Minority Interests	Total shareholders' equity
	Paid-in capital (or share capital)	Preferential shares	Perpetual bonds	Others	Capital reserve	Treasury stock	Other comprehensive income					
(IV) Internal carry-forward of owners' equity												
1. Conversion of capital reserve into capital (or share capital)												
2. Conversion of surplus reserve into capital (or share capital)												
3. Making good of loss with surplus reserve												
4. Changes in defined benefit plans transferred to retained earnings												
5. Other comprehensive income transferred to retained earnings												
6. Others												
(V) Special reserve												
1. Appropriation in the current period												
2. Utilized in the current period												
(VI) Others												
IV. Balance at the end of the period	645,674,963.00				3,780,818,982.41			51,365,509.04	149,292,032.10	4,627,151,466.55	426,094,907.74	5,053,246,374.29

Person in charge of accounting department:
Li Xuejiao

Person in charge of accounting:
Chen Hongzhao

Person in charge of the Company:
Xie Jun

January to December 2024

Prepared by: Triumph New Energy Company Limited

Unit: Yuan Currency: RMB

Statement of Changes in Owners' Equity of the Company

2024											
Item	Other equity instruments						Less:		Total shareholders' equity		
	Paid-in capital (or share capital)	Preferential shares	Perpetual bonds	Others	Capital reserve	Treasury stock	Other comprehensive income	Special reserve		Surplus reserve	Undistributed profit
I. Balance at the end of last year	645,674,963.00				3,857,589,394.08				51,365,509.04	-656,668,697.27	3,897,961,168.85
Add: Effects of changes in accounting policies											
Effects of correction of prior year errors											
Others											
II. Balance at the beginning of the year	645,674,963.00				3,857,589,394.08				51,365,509.04	-656,668,697.27	3,897,961,168.85
III. Change for the period (decrease is indicated by "-")											
(I) Total comprehensive income										2,242,117.10	2,242,117.10
(II) Owners' contribution and decrease in capital										2,242,117.10	2,242,117.10
1. Ordinary shares contribution from owners											
2. Capital contribution from owners of other equity instruments											
3. Share-based payments credited to owners' equity											
4. Others											
(III) Profit distribution											
1. Appropriation to surplus reserve											
2. Distribution to owners (or shareholders)											
3. Others											

Statement of Changes in Owners' Equity of the Company

January to December 2024
Prepared by: Triumph New Energy Company Limited
Unit: Yuan Currency: RMB

Item	2024					
	Other equity instruments					
	Paid-in capital (or share capital)	Preferential shares	Perpetual bonds	Others	Capital reserve	Less: Treasury stock
					Other comprehensive income	Special reserve
					Surplus reserve	Undistributed profit
						Total shareholders' equity
(IV) Internal carry-forward of owners' equity						
1. Conversion of capital reserve into capital (or share capital)						
2. Conversion of surplus reserve into capital (or share capital)						
3. Making good of loss with surplus reserve						
4. Changes in defined benefit plans transferred to retained earnings						
5. Other comprehensive income transferred to retained earnings						
6. Others						
(V) Special reserve						
1. Appropriation in the current period						
2. Utilized in the current period						
(VI) Others						
IV. Balance at the end of the period	645,674,963.00			3,857,589,394.08	51,365,509.04	-654,426,580.17
						3,900,203,285.95



January to December 2024

Prepared by: Triumph New Energy Company Limited

Unit: Yuan Currency: RMB

Statement of Changes in Owners' Equity of the Company

2023											
Item	Other equity instruments					Less: Treasury stock	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profit	Total shareholders' equity
	Paid-in capital (or share capital)	Preferential shares	Perpetual bonds	Others	Capital reserve						
I. Balance at the end of last year	645,674,963.00				3,857,589,394.08				51,365,509.04	-727,565,359.40	3,827,064,506.72
Add: Effects of changes in accounting policies											
Effects of correction of prior year errors											
Others											
II. Balance at the beginning of the year	645,674,963.00				3,857,589,394.08				51,365,509.04	-727,565,359.40	3,827,064,506.72
III. Change for the period (decrease is indicated by "-")											
(I) Total comprehensive income										70,896,662.13	70,896,662.13
(II) Owners' contribution and decrease in capital										70,896,662.13	70,896,662.13
1. Ordinary shares contribution from owners											
2. Capital contribution from owners of other equity instruments											
3. Share-based payments credited to owners' equity											
4. Others											
(III) Profit distribution											
1. Appropriation to surplus reserve											
2. Distribution to owners (or shareholders)											
3. Others											

Statement of Changes in Owners' Equity of the Company

January to December 2024
Prepared by: Triumph New Energy Company Limited
Unit: Yuan Currency: RMB

Item	Other equity instruments					Less: Treasury stock	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profit	Total shareholders' equity
	Paid-in capital (or share capital)	Preferential shares	Perpetual bonds	Others	Capital reserve						
(IV) Internal carry-forward of owners' equity											
1. Conversion of capital reserve into capital (or share capital)											
2. Conversion of surplus reserve into capital (or share capital)											
3. Making good of loss with surplus reserve											
4. Changes in defined benefit plans transferred to retained earnings											
5. Other comprehensive income transferred to retained earnings											
6. Others											
(V) Special reserve											
1. Appropriation in the current period											
2. Utilized in the current period											
(VI) Others											
IV. Balance at the end of the period	645,674,963.00				3,857,589,394.08				51,365,509.04	-656,668,697.27	3,897,961,168.85
Person in charge of the Company: Xie Jun											
Person in charge of accounting: Chen Hongzhao											
Person in charge of accounting department: Li Xuejiao											

Person in charge of the Company:
Xie Jun

Person in charge of accounting:
Chen Hongzhao

Person in charge of accounting department:
Li Xuejiao

III. COMPANY PROFILE (CONTINUED)

1. Company Overview

Triumph New Energy Company Limited was incorporated in Henan Province of the People's Republic of China as a joint stock limited company on 6 April 1994. On 29 June 1994, the Company issued overseas-listed foreign invested H shares and was listed on The Stock Exchange of Hong Kong Limited; on 29 September 1995, the Company issued ordinary A shares dominated in RMB and was listed the Shanghai Stock Exchange. On 16 February 2023, the Company changed the name of the Company from "Luoyang Glass Company Limited" to "Triumph New Energy Company Limited". The business licence registration number of the Company is 914103006148088992 and the registered address of the headquarter is No. 9, Tang Gong Zhong Lu, Xigong District, Luoyang, Henan.

The total number of issued ordinary shares of the Company was 645,674,963.

The Company is a glass manufacturing enterprise, which is mainly engaged in the production and sales of new energy glass and other functional glass. Its scope of business includes manufacturing and sales of photovoltaic equipment and components; manufacturing of glass; manufacturing of non-metallic mineral products; sales of non-metallic minerals and its products; manufacturing and sales of technical glass products; technical services for solar power generation; research and development of new materials technology and emerging energy technologies; manufacturing of machinery for the production of building materials; procurement and agency services; technical services, technical development, technical consultation, technical exchange, technology transfer, and technology promotion (except for items which are subject to approval in accordance with the law, business activities shall be carried out independently according to the law with the business license).

This financial statement is reported upon the approval of the Board of the Company.

Notes to the Financial Statements

31 December 2024
Prepared by: Triumph New Energy Company Limited
Unit: Yuan Currency: RMB

III. COMPANY PROFILE (CONTINUED)

2. Scope of Consolidated Financial Statements

Name of subsidiaries	Type of business	Registered Capital (RMB)	Location of principal business	Place of registration	Shareholding ratio %		Obtained by
					Direct	Indirect	
CNBM (Hefei) New Energy Co., Ltd.	Limited liability company (sole proprietorship invested or controlled by non-natural person)	868,000,000.00	Hefei City	Hefei City	100.00		Business combination under common control
CNBM (Tongcheng) New Energy Materials Co., Ltd.	Limited liability company (sole proprietorship invested or controlled by non-natural person)	933,388,980.00	Tongcheng City	Tongcheng City	100.00		Business combination under common control
CNBM (Yixing) New Energy Resources Co., Ltd.	Limited liability company	313,700,000.00	Yixing City	Yixing City	70.99		Business combination under common control
Triumph (Zigong) New Energy Resources Co., Ltd.	Limited liability company	500,000,000.00	Zigong City	Zigong City	60.00		Business combination not under common control
Kaisheng (Zhangzhou) New Energy Co., Ltd.	Limited liability company (sole proprietorship invested or controlled by non-natural person)	550,000,000.00	Zhangzhou City	Zhangzhou City	100.00		Business combination not under common control
CNBM (Luoyang) New Energy Co., Ltd.	Limited liability company (sole proprietorship invested or controlled by non-natural person)	800,000,000.00	Luoyang City	Luoyang City	100.00		Investment
Qinhuangdao North Glass Co., Ltd.	Limited liability company (sole proprietorship invested or controlled by non-natural person)	643,903,700.00	Qinhuangdao City	Qinhuangdao City	100.00		Business combination under common control

IV. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

1. Basis of preparation

The financial statements are prepared in accordance with the "China Accounting Standards for Business Enterprises" and their application guidelines, interpretations and other relevant requirements (collectively, CASBE) issued by the Ministry of Finance of the PRC ("MOF"). In addition, the Company also disclosed relevant financial information in accordance with the Preparation Rules for Information Disclosure by Companies Offering Securities to the Public No. 15 – General Provisions on Financial Reports (2023 Amendments) issued by CSRC.

The financial statements of the Company are presented on a going concern basis.

The Company's accounting is measured on an accrual accounting basis. Except for certain financial instruments, the financial statements are measured based on historical cost. In case of asset impairment, impairment provisions shall be made accordingly under relevant regulations.

2. Going concern

As at 31 December 2024, the business operations of the Company were in normal condition with smooth financing channels and its gearing ratio (i.e. total liabilities/total assets) was 64.45%. The current asset of the Group was lower than the current liabilities by RMB1,799,982,266.00. The management of the Company has assessed that the available credit facilities in the next 12 months are expected to exceed RMB5 billion, and through implementing measures including enhanced cash flow optimization, liquidity management, cost reduction, and core business improvement, the Company can meet its funding requirements for debt repayment and capital commitments. The management of the Company believes that there is no problem about the Company's ability to continue operation. Therefore, the Company has prepared the financial statement based on continuing operations.

V. IMPORTANT ACCOUNTING POLICIES AND ESTIMATES

The Company had no specific accounting policies and accounting estimates.

The Company determines its own policies on depreciation of fixed assets, amortization of intangible assets, R&D expenses capitalization as well as its revenue recognition as per the relevant provisions of the Accounting Standards for Business Enterprises and other relevant regulations, in light of its own production and operation features. See Note V.21, Note V.26 and Note V.34 for the specific accounting policies.

1. Declaration on compliance with Accounting Standards for Business Enterprises

These financial statements were prepared in conformity with the ASBEs, which truly and fully reflect the financial position of the consolidated entity and the Company as at 31 December 2024 and relevant information such as the operating results and cash flows of the consolidated entity and the Company for 2024.

2. Accounting period

The accounting period of the Company is from 1 January to 31 December of each calendar year.

3. Operating cycle

The operating cycle of the Company is 12 months.

4. Measurement currency

The Company's reporting currency is the Renminbi ("RMB").

5. Determination of materiality criteria and basis of selection

Item	Criteria of significance
Receivables and other receivables with significant individual bad debt provisions	Amount \geq RMB1.00 million
Write-off of significant receivables and other receivables during the period	Amount \geq RMB500,000
Significant prepayments aged over 1 year	Amount \geq RMB5.00 million
Significant construction in progress	Project estimate \geq RMB500 million
Significant accounts payable aged over 1 year	Amount \geq RMB5.00 million
Significant other payables aged over 1 year	Amount \geq RMB5.00 million
Significant non-wholly owned subsidiaries	Net assets of subsidiaries accounted for 5% or more of the consolidated net assets, or net profit of subsidiaries accounted for 10% or more of the consolidated net profit
Significant capitalised R&D projects	Accumulated capitalised amount \geq RMB5.00 million

V. IMPORTANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

6. The accounting treatment of business combination under common control and not under common control

(1) *Business combination under common control*

For the business combination involving entities under common control, the assets and liabilities of the party being merged that are obtained in the business combination by the absorbing party shall be measured at the carrying amounts as recorded by the ultimate controlling party in the consolidated financial statements at the combination date. The difference between the carrying amount of the consideration paid for the combination and the carrying amount of the net assets obtained in the combination is charged to the capital reserve. If the capital reserve is not sufficient to absorb the difference, any excess shall be adjusted against retained earnings.

Business combinations involving entities under common control and achieved in stages

The assets and liabilities of the party being merged that are obtained at the combination by the absorbing party shall be measured at the carrying value as recorded by the ultimate controlling party in the consolidated financial statements at combination date. The difference between the sum of the carrying value from original shareholding portion and the new investment cost incurred at combination date and the carrying value of net assets obtained at combination date shall be adjusted to capital reserve, if the balance of capital reserve is not sufficient to absorb the differences, any excess is adjusted to retained earnings. The long-term investment prior to the absorbing party obtaining the control of the party being merged, the recognised profit or loss, comprehensive income and other change of owners' equity at the closer date of the acquisition date and combination date under common control shall separately offset the opening balance of retained earnings and profit or loss during comparative statements.

(2) *Business combination not under common control*

For business combinations involving entities not under common control, the cost for each combination is measured at the aggregate fair value at acquisition date, of assets given, liabilities incurred or assumed, and equity securities issued by the acquirer in exchange for control of the acquiree. At acquisition date, the acquired assets, liabilities or contingent liabilities of acquiree are measured at their fair value.

Where the cost of combination exceeds the acquirer's interest in the fair value of the acquiree's identifiable net assets, the difference is recognised as goodwill, and subsequently measured on the basis of its cost minus accumulative impairment provision; Where the cost of combination is less than the acquirer's interest in the fair value of the acquiree's identifiable net assets, the difference is recognised in profit or loss for the current period after reassessment.



V. IMPORTANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

6. The accounting treatment of business combination under common control and not under common control (Continued)

(2) Business combination not under common control (Continued)

Business combinations involving entities not under common control and achieved in stages

The combination cost is the sum of consideration paid at acquisition date and fair value of the acquiree's equity investment held prior to acquisition date; the cost of equity of the acquiree held prior to acquisition date shall be remeasured at the fair value at acquisition date, the difference between the fair value and carrying amount shall be recognised as investment income or loss for the current period. Other comprehensive income and changes of investment equity related with acquiree's equity held prior to acquisition date shall be transferred to investment profit or loss for current period at acquisition date, except for the other comprehensive income incurred by the changes of net assets or net liabilities due to the remeasurement of defined benefit plans and other comprehensive income related to investments in non-trading equity instruments that were initially designated as at fair value through other comprehensive income.

(3) Transaction fees attribution during business combination

The audit, legal, valuation advisory and other intermediary fees and other relevant administrative expenses arising from business combinations are recognised in profit or loss when incurred. Transaction costs of equity or debt securities issued as the considerations of business combination are included in the initial recognition amounts.

7. Criteria for judging control and preparation of consolidated financial statements

(1) Criteria for judging control

The scope of consolidation of the consolidated financial statements is determined on the basis of control. The term "control" refers to the fact that the Company has power over the investee and is entitled to variable returns from its involvement with the investee and the ability to use its power over the investee to affect the amount of those returns. The Company re-evaluates when changes in relevant facts and circumstances result in changes to the relevant elements involved in the definition of control.

In determining whether to include a structured entity in the scope of consolidation, the Company evaluates whether to control the structured entity on the basis of a combination of all the facts and circumstances, which includes an assessment of the purpose for which the structured entity was established and its design, an identification of the type of variable returns, and whether it has assumed part or all of the return variability through its participation in its related activities.

V. IMPORTANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

7. Criteria for judging control and preparation of consolidated financial statements (Continued)

(2) *Basis for preparation of the consolidated financial statements*

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

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

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

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



V. IMPORTANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

7. Criteria for judging control and preparation of consolidated financial statements (Continued)

(3) *Acquisition of non-controlling interests in subsidiaries*

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

(4) *Accounting treatment for loss of control over subsidiaries*

For the loss of control over a subsidiary due to disposal of a portion of the equity investment or other reasons, the remaining equity is measured at fair value on the date when the control is lost. The difference arising from the sum of consideration received for disposal of equity interest and the fair value of remaining equity interest over the sum of the share of the carrying amount of net assets of the former subsidiary calculated continuously from the purchase date based on the shareholding percentage before disposal and the goodwill is recognised as investment income in the period when the control is lost.

Other comprehensive income relating to equity investments in the original subsidiaries shall be accounted for at the time of loss of control on the same basis as the direct disposal of the related assets or liabilities by the original subsidiaries. The other changes in ownership interests relating to the original subsidiaries involving changes in ownership interests under the equity method of accounting shall be transferred to profit or loss at the time of loss of control.

V. IMPORTANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

8. Classification of joint arrangements and accounting treatment for joint ventures

A joint arrangement refers to an arrangement of two or more parties have joint control. The joint arrangements of the Company comprise joint operations and joint ventures.

(1) *Joint operations*

Joint operations refer to a joint arrangement during which the Company is entitled to relevant assets and obligations of this arrangement.

The Company recognises the following items in relation to its interest in a joint operation and accounts for them in accordance with the relevant ASBEs:

- A. the assets held solely by it and assets held jointly according to its share;
- B. the liabilities assumed solely by it and liabilities assumed jointly according to its share;
- C. the revenue from sale of output from joint operations;
- D. the revenue from sale of output from joint operations according to its share;
- E. the fees solely incurred by it and fees incurred from joint operations according to its share.

(2) *Joint ventures*

Joint ventures refer to a joint arrangement during which the Company only is entitled to net assets of this arrangement.

The Company accounts for its investments in joint ventures in accordance with the requirements relating to accounting treatment using equity method for long-term equity investments.

9. Standards for recognising cash and cash equivalents

Cash refers to cash on hand and deposits readily available for payment purpose. Cash equivalents refer to short-term and highly liquid investments held by the Company which are readily convertible into known amount of cash and which are subject to insignificant risk of value change.



V. IMPORTANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

10. Foreign currency operations and translation of statements denominated in foreign currency

The foreign currency operations of the Company are translated into the functional currency at the prevailing spot exchange rate on the date of exchange.

On the balance sheet date, foreign currency monetary items shall be translated at the spot exchange rate on the balance sheet date. The exchange difference arising from the difference between the spot exchange rate on the balance sheet date and the spot exchange rate upon initial recognition or the last balance sheet date will be recognised in profit or loss for the period. The foreign currency non-monetary items measured at historical cost shall still be measured by the functional currency translated at the spot exchange rate on the date of the transaction. Foreign currency non-monetary items measured at fair value are translated at the spot exchange rate on the date of determination of the fair value. The difference between the amounts of the functional currency before and after the translation will be recognised in profit or loss or other comprehensive income for the period based on the nature of the non-monetary items.

11. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(1) Recognition and derecognition of financial instruments

Financial asset or financial liability will be recognised when the Company became one of the parties under a financial instrument contract.

Financial asset that satisfied any of the following criteria shall be derecognised:

- ① the contract right to receive the cash flows of the financial asset has terminated;
- ② the financial asset has been transferred and meets the derecognition criteria for the transfer of financial asset as described below.

A financial liability (or a part thereof) is derecognised only when the present obligation is discharged in full or in part. If an agreement is entered between the Company (debtor) and a creditor to replace the existing financial liabilities with new financial liabilities, and the contractual terms of the new financial liabilities are substantially different from those of the existing financial liabilities, the existing financial liabilities shall be derecognised and the new financial liabilities shall be recognised.

Conventionally traded financial assets shall be recognised and derecognised at the trading date.

V. IMPORTANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

11. Financial instruments (Continued)

(2) Classification and measurement of financial assets

The Company classifies the financial assets according to the business model for managing the financial assets and characteristics of the contractual cash flows into three categories as follows: financial assets measured at amortised cost, financial assets measured at fair value through other comprehensive income, and financial assets measured at fair value through profit or loss.

Financial assets are measured at fair value on initial recognition. For financial assets at fair value through profit or loss, the related transaction costs are recognized directly in profit or loss. For other categories of financial assets, the related transaction costs are included in the initial recognition amount. For receivables arising from the sale of products or provision of services that do not contain or give rise to a significant financing element, the Company shall take the consideration amount expected to be entitled to receive as the initial recognition amount.

Financial assets measured at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated at fair value through other comprehensive income:

- The Company's business model for managing such financial assets is to collect contractual cash flows;
- The contractual terms of the financial asset stipulate that cash flows generated on specific dates are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, such financial assets are measured at amortised cost using the effective interest method. A gain or loss on a financial asset that is measured at amortised cost and is not part of a hedging relationship shall be recognised in profit or loss for the current period when the financial asset is derecognised, amortised using the effective interest method or with impairment recognised.

Financial assets measured at fair value through other comprehensive income

A financial asset is classified as measured at fair value through other comprehensive income if it meets both of the following conditions and is not designated at fair value through profit or loss:

- The Company's business model for managing such financial assets is achieved both by collecting collect contractual cash flows and selling such financial assets;
- The contractual terms of the financial asset stipulate that cash flows generated on specific dates are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, such financial assets are subsequently measured at fair value. Interest calculated using the effective interest method, impairment losses or gains and foreign exchange gains and losses are recognised in profit or loss for the current period, and other gains or losses are recognised in other comprehensive income. On derecognition, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from other comprehensive income to profit or loss.



V. IMPORTANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

11. Financial instruments (Continued)

(2) Classification and measurement of financial assets (Continued)

Financial assets measured at fair value through profit or loss

The Company classifies the financial assets other than those measured at amortised cost and measured at fair value through other comprehensive income as financial assets measured at fair value through profit or loss. During initial recognition, the Company irrevocably designates certain financial assets that are required to be measured at amortised cost or at fair value through other comprehensive income as financial assets measured at fair value through profit or loss in order to eliminate or significantly reduce accounting mismatch.

Upon initial recognition, such financial assets are measured at fair value. Except for those held for hedging purposes, gains or losses (including interests and dividend income) arising from such financial assets are recognised in the profit or loss for the current period.

However, with respect to non-trading equity instrument investments, the Company may irrevocably designate them as financial assets measured at fair value through other comprehensive income at initial recognition. The designation is made on the basis of individual investment, and the relevant investment conforms to the definition of equity instruments from the issuer's point of view.

After initial recognition, financial assets are subsequently measured at fair value. Dividend income that meets the requirements is recognised in profit and loss, and other gains or losses and changes in fair value are recognised in other comprehensive income. When derecognised, the accumulated gains or losses previously recognised in other comprehensive income are transferred from other comprehensive income to retained earnings.

The business model for managing financial assets refers to how the Company manages its financial assets in order to generate cash flows. That is, the Company's business model determines whether cash flows will result from collecting contractual cash flows, selling financial assets or both. The Company determines the business model for managing financial assets on the basis of objective facts and specific business objectives for managing financial assets determined by key management personnel.

The Company assesses the characteristics of the contractual cash flows of financial assets to determine whether the contractual cash flows generated by the relevant financial assets on a specific date are solely payments of principal and interest on the principal amount outstanding. The principal refers to the fair value of the financial assets at the initial recognition. Interest includes consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks, costs and profits. In addition, the Company evaluates the contractual terms that may result in a change in the time distribution or amount of contractual cash flows from a financial asset to determine whether it meets the requirements of the above contractual cash flow characteristics.

V. IMPORTANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

11. Financial instruments (Continued)

(2) Classification and measurement of financial assets (Continued)

Financial assets measured at fair value through profit or loss (Continued)

All affected financial assets are reclassified on the first day of the first reporting period following the change in the business model where the Company changes its business model for managing financial assets; otherwise, financial assets shall not be reclassified after initial recognition.

Financial assets are measured at fair value upon initial recognition. For financial assets measured at fair value through profit or loss, relevant transaction costs are directly recognised in profit or loss for the current period. For other categories of financial assets, relevant transaction costs are included in the amount initially recognised. Accounts receivable arising from sales of goods or rendering services, without significant financing component are initially recognised based on the transaction price expected to be entitled by the Company.

(3) Classification and measurement of financial liabilities

At initial recognition, financial liabilities of the Company are classified as financial liabilities measured at fair value through profit or loss and financial liabilities measured at amortised cost. For financial liabilities not classified as measured at fair value through profit or loss, relevant transaction costs are included in the amount initially recognised.

Financial liabilities measured at fair value through profit or loss

Financial liabilities measured at fair value through profit or loss comprise held-for-trading financial liabilities and financial liabilities designated at fair value through profit or loss upon initial recognition. Such financial liabilities are subsequently measured at fair value, and the gains or losses from the change in fair value and the dividend or interest expenses related to the financial liabilities are included in the profit or loss of the current period.

Financial liabilities measured at amortised cost

Other financial liabilities are subsequently measured at amortised cost using the effective interest rate method, and the gains or losses arising from derecognition or amortisation are recognised in profit or loss for the current period.

Classification between financial liabilities and equity instruments

A financial liability is a liability if:

- ① it has a contractual obligation to pay in cash or other financial assets to other parties.
- ② it has a contractual obligation to exchange financial assets or financial liabilities under potential adverse condition with other parties.



V. IMPORTANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

11. Financial instruments (Continued)

(3) Classification and measurement of financial liabilities (Continued)

Classification between financial liabilities and equity instruments (Continued)

- ③ it is a non-derivative instrument contract which will or may be settled with the entity's own equity instruments, and the entity will deliver a variable number of its own equity instruments according to such contract.
- ④ it is a derivative instrument contract which will or may be settled with the entity's own equity instruments, except for a derivative instrument contract that exchanges a fixed amount of cash or other financial asset with a fixed number of its own equity instruments.

Equity instruments are any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

If the Company cannot unconditionally avoid the performance of a contractual obligation by paying cash or delivering other financial assets, the contractual obligation meets the definition of financial liabilities.

Where a financial instrument must or may be settled with the Company's own equity instruments, the Company's own equity instruments used to settle such instrument should be considered as to whether it is as a substitute for cash or other financial assets or for the purpose of enabling the holder of the instrument to be entitled to the remaining interest in the assets of the issuer after deducting all of its liabilities. For the former, it is a financial liability of the Company; for the latter, it is the Company's own equity instruments.

(4) Derivative financial instruments and embedded derivatives

The derivative financial instruments include forward foreign exchange contract, currency swap contract, interest rate swap contract and foreign exchange option contract. It is initially measured at the fair value as at the signing date of the derivative transaction contract and subsequently measured according to its fair value. The derivative financial instrument with positive fair value is recognised as an asset, while the derivative financial instrument with negative fair value is recognised as a liability. The profit or loss from the change of fair value which does not comply with the hedging accounting rules is directly recorded into the profit and loss for the current period.

For the hybrid instrument which includes embedded derivatives, where the host contract is a financial asset, requirements in relation to the classification of financial assets shall apply to the hybrid instrument as a whole. Where the host contract is not a financial asset, and the hybrid instrument is not measured at fair value and its changes are included in the profit and loss for the current period for accounting purposes, there is no close relation between the embedded derivatives and the host contract in terms of economic features and risks, and the instrument that has the same condition with the embedded derivatives and exists independently meets the definition of derivatives, the embedded derivatives shall be separated from the hybrid instrument and treated as a separate derivative financial instrument. If it is unable to separately measure the embedded derivatives upon acquisition or on the subsequent balance sheet date, the hybrid instrument shall be entirely designated as the financial assets or financial liabilities measured at fair value and whose movements are included in the profit and loss of the current period.

V. IMPORTANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

11. Financial instruments (Continued)

(5) Fair value of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Company measures the relevant asset and liability at fair value, based on the presumption that the orderly transaction to sell the asset or transfer the liability takes place either in the principal market for the relevant asset or liability, or in the absence of a principal market, in the most advantageous market for relevant the asset or liability. The principal or the most advantageous market must be a trading market accessible by the Company at the measurement date. The Company adopts the presumption that market participants would use when pricing the asset or liability in their best economic interest.

If there exists an active market for a financial asset or financial liability, the Company uses the quotation on the active market as its fair value. If the market for a financial instrument is inactive, the Company uses valuation technique to recognise its fair value.

Fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its best use or by selling it to another market participant that would use the asset in its best use.

The Company adopts valuation techniques that are appropriate in the current circumstance and for which sufficient data and other information are available, prioritises the use of relevant observable inputs and uses unobservable inputs only under the circumstances where such relevant observable inputs cannot be obtained or practicably obtained.

Assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole. Level 1: based on quoted prices (unadjusted) in active markets for identical assets or liabilities obtainable at the measurement date. Level 2: observable inputs for the relevant asset or liability, either directly or indirectly, except for Level 1 input. Level 3: unobservable inputs for the relevant assets or liability.

At each balance sheet date, the Company reassesses assets and liabilities measured at fair value that are recognised in the financial statements on a recurring basis to determine whether transfers have occurred between fair value measurement hierarchy levels.



V. IMPORTANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

11. Financial instruments (Continued)

(6) Impairment of financial assets

The Company makes provision for impairment based on expected credit losses (ECLs) on the following items:

- Financial assets measured at amortised cost;
- Receivables and debt instrument investments measured at fair value through other comprehensive income;
- Contract assets as defined in the Accounting Standards for Business Enterprises No. 14 – Revenue;
- Lease receivables;
- Financial guarantee contracts (except those measured at fair value through profit or loss or formed by continuing involvement of transferred financial assets or the transfer does not qualify for derecognition).

Measurement of ECLs

ECLs are the weighted average of credit losses of financial instruments weighted by the risk of default. Credit losses refer to the difference between all contractual cash flows receivable according to the contract and discounted according to the original effective interest rate and all cash flows expected to be received, i.e. the present value of all cash shortages.

The Company takes into account reasonable and well-founded information such as past events, current conditions and forecasts of future economic conditions, and calculates the probability-weighted amount of the present value of the difference between the cash flows receivable from the contract and the cash flows expected to be received weighted by the risk of default to confirm expected credit losses.

The Company measures ECLs of financial instruments at different stages. If the credit risk of the financial instrument did not increase significantly upon initial recognition, it is at the first stage, and the Company makes provision for impairment based on the ECLs within the next 12 months; if the credit risk of a financial instrument increased significantly upon initial recognition but has not yet incurred credit impairment, it is at the second stage, and the Company makes provision for impairment based on the lifetime ECLs of the instrument; if the financial instrument incurred credit impairment upon initial recognition, it is at the third stage, and the Company makes provision for impairment based on the lifetime ECLs of the instrument.

For financial instruments with low credit risk on the balance sheet date, the Company assumes that the credit risk did not increase significantly upon initial recognition, and makes provision for impairment based on the ECLs within the next 12 months.

V. IMPORTANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

11. Financial instruments (Continued)

(6) Impairment of financial assets (Continued)

Measurement of ECLs (Continued)

Lifetime ECLs represent the ECLs resulting from all possible default events over the expected life of a financial instrument. The 12-month ECLs are the ECLs resulting from possible default events on a financial instrument within 12 months (or a shorter period if the expected life of the financial instrument is less than 12 months) after the balance sheet date, and is a portion of lifetime ECLs.

The maximum period to be considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk, including renewal options.

For the financial instruments at the first and second stages and with low credit risks, the Company calculates the interest income based on the book balance and the effective interest rate before deducting the impairment provisions. For financial instruments at the third stage, interest income is calculated based on the amortised cost after deducting impairment provisions made from the book balance and the effective interest rate.

Notes receivable, accounts receivable and contract asset

For notes receivable and accounts receivable, regardless of whether there is a significant financing component, the Company always makes provision for impairment at an amount equal to lifetime ECLs.

When the Company is unable to assess the information of ECLs for an individual financial asset at a reasonable cost, it classifies notes receivable and accounts receivable into portfolios based on the credit risk characteristics, and calculates the ECLs on a portfolio basis. The basis for determining the portfolios is as follows:

A. Notes receivable

- Notes receivable portfolio 1: Bank acceptances
- Notes receivable portfolio 2: Commercial acceptances

B. Accounts receivable

- Accounts receivable portfolio 1: Related party customers (de facto controller and its subsidiaries)
- Accounts receivable portfolio 2: General customers



V. IMPORTANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

11. Financial instruments (Continued)

(6) Impairment of financial assets (Continued)

Notes receivable, accounts receivable and contract asset (Continued)

For accounts receivable and notes receivable that are classified into general customer grouping and commercial acceptances, respectively, by making reference to the experience of historical credit losses and giving consideration to the current situation and the forecast of the future economic situation, the Company uses exposure at default ("EAD") and lifetime ECL rate to calculate the ECL.

For accounts receivable that are classified into related party grouping, by making reference to the experience of historical credit losses and giving consideration to the current situation and the forecast of the future economic situation, the Company prepares a comparison table specifying the aging and the lifetime ECL rates of such receivables to calculate the ECL.

Other receivables

The Company classifies other receivables into portfolios based on credit risk characteristics, and calculates the ECLs on a portfolio basis. The basis for determining the portfolios is as follows:

- Other receivables portfolio 1: Photovoltaic subsidies
- Other receivables portfolio 2: Security deposit and deposit
- Other receivables portfolio 3: Current accounts with related parties outside the scope of consolidation
- Other receivables portfolio 4: Current accounts with general customers
- Other receivables portfolio 5: Social security and reserve
- Other receivables portfolio 6: Others

For other receivables classified as a portfolio, the Company calculates the ECLs based on EAD and the ECL rate over the next 12 months or the entire lifetime.

Debt investments and other debt investments

For debt investments and other debt investments, the Company measures the ECLs based on the nature of the investment, the types of counterparty and risk exposure, and EAD and ECL rate within the next 12 months or the entire lifetime.

V. IMPORTANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

11. Financial instruments (Continued)

(6) Impairment of financial assets (Continued)

Assessment of significant increase in credit risk

In assessing whether the credit risk of a financial instrument has increased significantly upon initial recognition, the Company compares the risk of default of the financial instrument at the balance sheet date with that at the date of initial recognition to determine the relative change in risk of default within the expected lifetime of the financial instrument.

In determining whether the credit risk has increased significantly upon initial recognition, the Company considers reasonable and well-founded information, including forward-looking information, which can be obtained without unnecessary extra costs or efforts. Information considered by the Company includes:

- The debtor's failure to make payments of principal and interest on their contractually due dates;
- An actual or expected significant deterioration in a financial instrument's external or internal credit rating (if any);
- An actual or expected significant deterioration in the operating results of the debtor;
- Existing or expected changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Company.

Depending on the nature of the financial instruments, the Company assesses whether there has been a significant increase in credit risk on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on their common credit risk characteristics, such as past due information and credit risk ratings.

Credit-impaired financial assets

At balance sheet date, the Company assesses whether financial assets measured at amortised cost and debt investments measured at fair value through other comprehensive income are credit-impaired. A financial asset is credit-impaired when one or more events that have an adverse effect on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable events:

- Significant financial difficulty of the issuer or debtor;
- A breach of contract by the debtor, such as a default or delinquency in interest or principal payments;
- For economic or contractual reasons relating to the debtor's financial difficulty, the Company having granted to the debtor a concession that would not otherwise consider;



V. IMPORTANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

11. Financial instruments (Continued)

(6) Impairment of financial assets (Continued)

Credit-impaired financial assets (Continued)

- It becoming probable that the debtor will enter bankruptcy or other financial reorganisation;
- The disappearance of an active market for that financial asset because of financial difficulties of the issuer or debtor.

Presentation of provisions for ECLs

ECLs are remeasured at each balance sheet date to reflect changes in the financial instrument's credit risk upon initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss for the current period. For financial assets measured at amortised cost, the provisions of impairment is deducted from the carrying amount of the financial assets presented in the balance sheet; for debt investments at fair value through other comprehensive income, the Company makes provisions of impairment in other comprehensive income without reducing the carrying amount of the financial asset.

Write-offs

The book balance of a financial asset is directly written off to the extent that there is no realistic prospect of recovery of the contractual cash flows of the financial asset (either partially or in full). Such write-off constitutes derecognition of such financial asset. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

If a write-off of financial assets is subsequently recovered, the recovery is credited to profit or loss in the period in which the recovery occurs.

(7) Transfer of financial assets

Transfer of financial assets refers to the transfer or delivery of financial assets to another party other than the issuer of such financial assets (the transferee).

If the Company transfers substantially all the risks and rewards of ownership of the financial asset to the transferee, the financial asset shall be derecognised. If the Company retains substantially all the risks and rewards of ownership of a financial asset, the financial asset shall not be derecognised.

If the Company neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset, it accounts for the transaction as follows: if the Company does not retain control, it derecognises the financial asset and recognises any resulting assets or liabilities; if the control over the financial asset is not waived, the relevant financial asset is recognised according to the extent of its continuing involvement in the transferred financial asset and the relevant liability is recognised accordingly.

V. IMPORTANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

11. Financial instruments (Continued)

(8) *Offset of financial assets and financial liabilities*

If the Company owns the legitimate rights of offsetting the recognised financial assets and financial liabilities, which are enforceable currently, and the Company plans to realise the financial assets or to clear off the financial liabilities on a net amount basis or simultaneously, the net amount of financial assets and financial liabilities shall be presented in the balance sheet upon offsetting. Otherwise, financial assets and financial liabilities are presented separately in the balance sheet without offsetting.

12. Notes receivable

Categories of portfolios and basis of determination of bad debt provisions based on the portfolios of credit risk characteristics

Details of the determination and accounting treatment of the ECL of notes receivable are set forth in 11. Financial instruments under V. Important Accounting Policies and Estimates.

V. IMPORTANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

13. Accounts receivable

Categories of portfolios and basis of determination of bad debt provisions based on the portfolios of credit risk characteristics

Details of the determination and accounting treatment of the ECL of accounts receivable are set forth in 11. Financial instruments under V. Important Accounting Policies and Estimates.

14. Accounts receivable financing

Categories of portfolios and basis of determination of bad debt provisions based on the portfolios of credit risk characteristics

Details of the determination and accounting treatment of the ECL of accounts receivable financing are set forth in 11. Financial instruments under V. Important Accounting Policies and Estimates.

V. IMPORTANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

15. Other receivables

Categories of portfolios and basis of determination of bad debt provisions based on the portfolios of credit risk characteristics

Details of the determination and accounting treatment of the ECL of other receivables are set forth in 11. Financial instruments under V. Important Accounting Policies and Estimates.

16. Inventories

Classification of inventories, measurement, inventory system, low value consumables and packaging amortization methods

(1) Classification

The inventories of the Company are classified as raw materials, revolving materials, commodity inventories, external processing materials and products delivered.

(2) Measurement for delivered inventories

Inventories of the Company are measured at their actual cost when obtained. Cost of raw materials, goods in stock and others will be calculated with weighted average method when being dispatched.



V. IMPORTANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

16. Inventories (Continued)

(3) *Inventory system*

The Company adopts perpetual inventory system.

(4) *Amortisation of low-value consumables and packaging materials*

Low-value consumables and packaging materials of the Company are amortised using one-off write-off method.

Criteria for recognition and provision for inventory impairment

At the balance sheet date, inventories are measured at the lower of cost or net realizable value. Provision for inventory impairment is made when the net realizable value is lower than the cost.

Net realisable value of inventories refers to the amount of the estimated price of inventories less the estimated cost incurred upon completion, estimated sales expenses and taxes and levies. The realisable value of inventories shall be determined on the basis of definite evidence, purpose of holding the inventories and effect of events after the balance sheet date.

At the balance sheet date, provision for inventory impairment is made when the cost is higher than the net realisable value. The Company usually make provision for inventory impairment based on individuals or categories of inventories. At the balance sheet date, in case the factors causing inventory impairment no longer exists, the original provision for inventory impairment shall be reversed.

V. IMPORTANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

17. Contract assets

Recognition and standards of contract assets

Details of the recognition and standards of contract assets are set forth in 34. Revenue under V. Important Accounting Policies and Estimates.

Categories of portfolios and basis of determination of bad debt provisions based on the portfolios of credit risk characteristics

Details of the determination and accounting treatment of the ECL of contract assets are set forth in 11. Financial instruments under V. Important Accounting Policies and Estimates.



V. IMPORTANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

18. Non-current assets or disposal groups held for sale

Held for sale

Criteria for recognition and accounting treatment of non-current assets or disposal groups classified as held for sale

Non-current assets and disposal groups are classified as held for sale if the Company recovers its book value mainly by selling (including the exchange of non-monetary assets with commercial substance) rather than continuing to use it.

The aforesaid non-current assets do not include investment property measured with the basis of fair value; the biological assets measured with the basis of fair value less selling costs; the assets formed by employee benefits; financial assets and the right arising from deferred income tax assets and insurance contracts.

A disposal group is a group of assets to be disposed through sale or other means as a whole in a single transaction, and liabilities directly associated with those assets that will be transferred in the transaction. In certain circumstance, disposal groups include the goodwill obtained through business combination.

Non-current assets and disposal groups that meet the following conditions are classified as held for sale: according to the practice of disposing of this type of assets or disposal groups in a similar transaction, a non-current asset or disposal group is available for immediate sale at its present condition; the sale is likely to occur, that is, a decision has been made on a sale plan and a determined purchase commitment is made, and the sale is expected to be completed within one year. Where the loss of control over the subsidiaries is due to the sales of investment in subsidiaries, no matter whether the Company retains part of the equity investment after selling or not, the investment in subsidiaries shall be classified as held for sale in the separate financial statements when it satisfies the conditions for category of held for sale; all assets and liabilities of subsidiaries shall be classified as held for sale in the consolidated financial statements.

The difference between carrying amount of non-current assets or disposal groups classified as held for sale and the net amount of fair value less selling costs shall be recognised as impairment loss on assets upon initial measurement or when such non-current assets or disposal groups are remeasured at the balance sheet date. For the amount of impairment loss on assets recognised in disposal groups, the carrying amount of disposal groups' goodwill shall be offset against first, and then offset against the carrying amount of non-current assets according to the proportion of carrying amount of the individual non-current assets in the disposal groups.

V. IMPORTANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

18. Non-current assets or disposal groups held for sale (Continued)

Held for sale (Continued)

Criteria for recognition and accounting treatment of non-current assets or disposal groups classified as held for sale (Continued)

If on a subsequent balance sheet date, the net amount of the fair value of a held-for-sale non-current asset or disposal group less its selling costs increases, the amount reduced previously shall be recovered, and reversed in the asset impairment loss recognised on the non-current asset after the non-current asset is classified into held-for-sale category. The reversed amount is recognised in current profit or loss. The carrying value of goodwill which has been offset cannot be reversed.

No depreciation or amortisation is provided for the non-current assets in the held-for-sale and the assets in the disposal group held for sale. The interest on the liabilities and other costs in the disposal group held for sale is recognised continuously. As far as all or part of investment in the associates and joint ventures is concerned, for the part classified into the held-for-sale category, the accounting with equity method shall be ceased, while the remaining part (which is not classified into the held-for-sale category) shall still be accounted for using the equity method. When the Company loses the significant influence on the associates and joint venture due to the sale, the use of equity method shall be ceased.

When certain non-current asset or disposal group classified into the held-for-sale category no longer meets the classification criteria for held-for-sale category, the Company shall stop classifying it into the held-for-sale category and measure it according to the lower of the following two amounts:

- ① The carrying amount of the asset of disposal group before it was classified into the held-for-sale category after being adjusted with the depreciation, amortization or impairment that could have been be recognised if it was not classified into the held-for-sale category;
- ② The recoverable amount.

Presentation

The Company presents the non-current assets held for sale and the assets in the disposal group held for sale under "assets held for sale", and the liabilities in the disposal group held for sale under "liabilities held for sale" in the balance sheet.

The Company presents the profit and loss for continuing operation and profit and loss for discontinued operation in the income statement, respectively. The impairment loss and reversal amount and disposal profit and loss of the non-current assets held for sale or disposal group not meeting the definition of discontinued operation will be presented as the profit and loss of continuing operation. The operating profit and loss (such as impairment loss and reversal amount) and disposal profit and loss of the discontinued operation will be presented as the profit and loss of the discontinued operation.

The disposal group proposed for retirement rather than sale and meeting the condition about the relevant component in the definition of the discontinued operation will be presented as discontinued operation from the date of retirement.

V. IMPORTANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

18. Non-current assets or disposal groups held for sale (Continued)

Presentation (Continued)

Criteria for recognition and presentation of discontinued operations

Discontinued operation refers to the component meeting one of the following conditions that has been disposed of by the Company or classified by the Company into the held-for-sale type and can be identified separately:

- ① The component represents an independent principal business or a separate principal business place.
- ② The component is a part of the related plan for the contemplated disposal of an independent principal business or a separate principal business place.
- ③ The component is a subsidiary acquired exclusively for the purpose of resale.

The Company presents the profit and loss for continuing operation and profit and loss for discontinued operation in the income statement, respectively. The impairment loss and reversal amount and disposal profit and loss of the non – current assets held for sale or disposal group not meeting the definition of discontinued operation will be presented as the profit and loss of continuing operation. The operating profit and loss (such as impairment loss and reversal amount) and disposal profit and loss of the discontinued operation will be presented as the profit and loss of the discontinued operation.

The disposal group proposed for retirement rather than sale and meeting the condition about the relevant component in the definition of the discontinued operation will be presented as discontinued operation from the date of retirement.

For the discontinued operation reported in the current period, the information formerly presented as profit and loss of continuing operation will be presented as the profit and loss of discontinued operation for the comparable accounting period in the financial statement of the current period. If the discontinued operation no longer meets the classification criteria for held-for-sale category, the information formerly presented as profit and loss of discontinued operation will be presented as the profit and loss of continuing operation for the comparable accounting period in the financial statement of the current period.

V. IMPORTANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

19. Long-term equity investments

Long-term equity investments include the equity investments in subsidiaries, joint ventures and associates. Associates of the Company are those investees that the Company imposes significant influence over.

(1) *Determination of initial investment cost*

Long-term equity investments acquired through business combinations: for a long-term equity investment acquired through a business combination involving enterprises under common control, the investment cost shall be the absorbing party's share of the carrying amount of the owners' equity under the consolidated financial statements of the ultimate controlling party on the date of combination. For a long-term equity investment acquired through a business combination involving enterprises not under common control, the investment cost of the long-term equity investment shall be the cost of combination.

Long-term equity investments acquired through other means: for a long-term equity investment acquired by cash payment, the initial investment cost shall be the purchase cost actually paid; for a long-term equity investment acquired by issuing equity securities, the initial investment cost shall be the fair value of equity securities issued.

(2) *Subsequent measurement and method for profit or loss recognition*

Investments in subsidiaries shall be accounted for using the cost method, except for the investments which meet the conditions of holding for sale. Investment in associates and joint ventures shall be accounted for using the equity method.

For a long-term equity investment accounted for using the cost method, the cash dividends or profits declared by the investees for distribution shall be recognised as investment gains and included in profit or loss for the current period, except the case of receiving the actual consideration paid for the investment or the declared but not yet distributed cash dividends or profits which is included in the consideration.

For a long-term equity investment accounted for using the equity method, where the initial investment cost exceeds the investor's interest in the fair value of the investee's identifiable net assets at the acquisition date, no adjustment shall be made to the investment cost of the long-term equity investment. Where the initial investment cost is less than the investor's interest in the fair value of the investee's identifiable net assets at the acquisition date, adjustment shall be made to the carrying amount of the long-term equity investment, and the difference shall be charged to profit or loss for the current period.



V. IMPORTANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

19. Long-term equity investments (Continued)

(2) Subsequent measurement and method for profit or loss recognition (Continued)

Under the equity method, investment gain and other comprehensive income shall be recognised based on the Company's share of the net profits or losses and other comprehensive income made by the investee, respectively. Meanwhile, the carrying amount of long-term equity investment shall be adjusted. The carrying amount of long-term equity investment shall be reduced based on the Group's share of profit or cash dividend distributed by the investee. In respect of the other movement of net profit or loss, other comprehensive income and profit distribution of investee, the carrying amount of long-term equity investment shall be adjusted and included in the capital reserves (other capital reserves). The Group shall recognise its share of the investee's net profits or losses based on the fair values of the investee's individual separately identifiable assets at the time of acquisition, after making appropriate adjustments thereto according to the accounting policies and accounting periods of the Company.

For additional equity investment made in order to obtain significant influence or common control over investee without resulted in control, the initial investment cost under the equity method shall be the aggregate of fair value of previously held equity investment and additional investment cost on the date of transfer. For investments in non-trading equity instruments that were previously classified as at fair value through other comprehensive income, the cumulative fair value changes associated with them that were previously included in other comprehensive income are transferred to retained earnings upon the change to the equity method of accounting.

In the event of loss of common control or significant influence over investee due to partial disposal of equity investment, the remaining equity interest after disposal shall be accounted for according to the Accounting Standard for Business Enterprises No. 22 – Recognition and measurement of Financial Instruments. The difference between its fair value and carrying amount shall be included in profit or loss for the current period. In respect of other comprehensive income recognised under previous equity investment using equity method, it shall be accounted for in accordance with the same accounting treatment for direct disposal of relevant asset or liability by investee at the time when equity method was ceased to be used. Movement of other owners' equity related to the previous equity investment shall be transferred to profit or loss for the current period.

In the event of loss of control over investee due to partial disposal of equity investment, the remaining equity interest which can apply common control or impose significant influence over the investee after disposal shall be accounted for using equity method. Such remaining equity interest shall be treated as accounting for using equity method since it is obtained and adjustment was made accordingly. For the remaining equity interest which cannot apply common control or impose significant influence over the investee after disposal, it shall be accounted for using the Accounting Standard for Business Enterprises No. 22 – Recognition and measurement of Financial Instruments. The difference between its fair value and carrying amount as at the date of losing control shall be included in profit or loss for the current period.

V. IMPORTANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

19. Long-term equity investments (Continued)

(2) *Subsequent measurement and method for profit or loss recognition (Continued)*

If the shareholding ratio of the Company is reduced due to the capital increase of other investors, and as a result, the Company loses the control of but still can apply common control or impose significant influence over the investee, the net asset increase due to the capital increase of the investee attributable to the Company shall be recognised according to the new shareholding ratio, and the difference with the original carrying amount of the long-term equity investment corresponding to the shareholding ratio reduction part that should be carried forward shall be recorded in the profit or loss for the current period; and then it shall be adjusted according to the new shareholding ratio as if equity method is used for accounting when acquiring the investment.

In respect of the transactions between the Company and its associates and joint ventures, the share of unrealised gain or loss arising from internal transactions shall be eliminated by the portion attributable to the Company. Investment gain or loss shall be recognised accordingly. However, any unrealised loss arising from internal transactions between the Company and an investee is not eliminated to the extent that the loss is impairment loss of the transferred assets.

(3) *Basis for determining the common control and significant influence on the investee*

Common control is the contractually agreed sharing of control over an arrangement, which relevant activities of such arrangement must be decided by unanimously agreement from parties who share control. When determining if there is any common control, it should first be identified if the arrangement is controlled by all the participants or the group consisting of the participants, and then determined if the decision on the arranged activity can be made only with the unanimous consent of the participants sharing the control. If all the participants or a group of participants can only decide the relevant activities of certain arrangement through concerted action, it can be considered that all the participants or a group of participants share common control on the arrangement. If there are two or more participant groups that can collectively control certain arrangement, it does not constitute common control. When determining if there is any common control, the relevant protection rights will not be taken into account.

Significant influence is the power of the investor to participate in the financial and operating policy decisions of an investee, but to fail to control or joint control the formulation of such policies together with other parties. When determining if there is any significant influence on the investee, the influence of the voting shares of the investee held by the investor directly and indirectly and the potential voting rights held by the investor and other parties which are exercisable in the current period and converted to the equity of the investee, including the warrants, stock options and convertible bonds that are issued by the investee and can be converted in the current period, shall be taken into account.



V. IMPORTANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

19. Long-term equity investments (Continued)

(3) *Basis for determining the common control and significant influence on the investee (Continued)*

When the Company holds directly or indirectly through the subsidiary 20% (inclusive) to 50% of the voting shares of the investee, it is generally considered to have significant influence on the investee, unless there is concrete evidence to prove that it cannot participate in the production and operation decision-making of the investee and cannot pose significant influence in this situation. When the Company owns less than 20% (exclusive) of the voting shares of the investee, it is generally considered that it has not significantly influenced on the investee, unless there is concrete evidence to prove that it can participate in the production and operation decision-making of the investee and cannot pose significant influence in this situation.

(4) *Held-for-sale equity investments*

Details of the equity investments to associates or joint ventures are all or partially classified as assets held for sale are set forth in 18. Non-current assets held for sale and the assets in the disposal group under V. Important Accounting Policies and Estimates.

The remaining equity investments that are not classified as assets held for sale shall be accounted for using equity method.

The equity investments to associates or joint ventures already classified as held for sale no longer meet the conditions of assets held for sale shall be adjusted retroactively using equity method from the date of being classified as assets held for sale.

(5) *Impairment test method and Impairment provision*

Details of the method for making impairment provision for the investment in subsidiaries, associates and joint ventures are set forth 27. Long-term asset impairment under V. Important Accounting Policies and Estimates.

20. Investment property

Investment properties measured at cost:

Depreciation or amortisation method

Investment property refers to real estate held to earn rentals or for capital appreciation, or both. The investment property of the Company includes leased land use rights, land use rights held for sale after appreciation, and leased buildings.

The investment property of the Company is measured initially at cost upon acquisition, and subject to depreciation or amortisation in the relevant periods according to the relevant provisions on fixed assets or intangible assets.

V. IMPORTANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

20. Investment property (Continued)

Details of the method for making impairment provision for the investment property measured at cost subsequently are set forth in 27. Long-term asset impairment under V. Important Accounting Policies and Estimates.

When an investment property is sold, transferred, retired or damaged, the amount of proceeds on disposal of the property net of the carrying amount and related tax and surcharges is recognised in profit or loss for the current period.

21. Fixed assets

Conditions for recognition

Fixed assets represent the tangible assets held by the Company using in the production of goods, rendering of services and for operation and administrative purposes with useful life over one year.

Fixed assets are recognised when it is probable that the related economic benefits will flow to the Company and the costs can be reliably measured.

The Company's fixed assets are initially measured at the actual cost at the time of acquisition.

Subsequent expenditures incurred for a fixed asset are included in the cost of the fixed asset when it is probable that the associated economic benefits will flow to the Company and the related cost can be reliably measured. The cost of routine repairs of fixed assets that do not qualify as capitalised subsequent expenditure is charged to current profit or loss or included in the cost of the related assets in accordance with the beneficiary object when incurred. The carrying amount of the replaced part is derecognised.

Depreciation method

Category	Depreciation method	Depreciable life (year)	Residual value rate	Annual depreciation rate
Buildings and structures	Straight-line method	5-40	3-5	19.40-2.38
Machine and equipment	Straight-line method	3-15	5	31.67-6.33
Transportation tools	Straight-line method	3-10	5	31.67-9.50
Others	Straight-line method	3-18	3-5	32.33-5.38

V. IMPORTANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

21. Fixed assets (Continued)

Depreciation method (Continued)

The Company adopts the straight-line method for depreciation. Provision for depreciation will be started when the fixed asset reaches its expected usable state, and stopped when the fixed asset is derecognised or classified as a non-current asset held for sale. Without regard to the depreciation provision, the Company determines the annual depreciation rate by category, estimated useful lives and estimated residual value of the fixed assets as shown in the table above. Where, for the fixed assets for which impairment provision is made, to determine the depreciation rate, the accumulated amount of the fixed asset impairment provision that has been made shall be deducted.

Details of the impairment test method and impairment provision method of the fixed assets are set forth in 27. Long-term asset impairment under V. Important Accounting Policies and Estimates.

The Company will re-check the useful lives, estimated net residual value and depreciation method of the fixed assets at the end of each year.

When there is any difference between the useful lives estimate and the originally estimated value, the useful lives of the fixed asset shall be adjusted. When there is any difference between the estimated net residual value estimate and the originally estimated value, the estimated net residual value shall be adjusted.

Disposal of fixed assets

A fixed asset is derecognised on disposal or when it is expected that there shall be no economic benefit arising from using or after disposal. Where the fixed assets are sold, transferred, retired or damaged, the income received after disposal after deducting the carrying amount and related taxes are recognised in profit or loss for the current period.

22. Construction in progress

Construction in progress is recognised based on the actual construction expenditures incurred. It consists of all types of expenditures necessarily to be incurred, capitalised borrowing costs on related borrowed funds before the asset is ready for its intended use, and other related expenditures during the period of construction.

Construction in progress is transferred to fixed assets when the asset is ready for intended use.

Provision for impairment of construction in progress is set forth in 27. Long-term asset impairment under V. Important Accounting Policies and Estimates.

V. IMPORTANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

22. Construction in progress (Continued)

Construction materials

The Company's construction materials refer to various materials prepared for construction in progress, including engineering materials, equipment not yet installed, and tools for production.

The purchased construction materials are measured at cost, and the planning construction materials are transferred to the construction in progress. After the completion of the project, the remaining construction materials are transferred to inventory.

Provision for impairment of construction materials is set forth in 27. Long-term asset impairment under V. Important Accounting Policies and Estimates.

The ending balance of construction materials is presented as "Construction in Progress" project in the balance sheet.

23. Borrowing costs

(1) Basis for capitalization of borrowing costs

The Company's borrowing costs that are directly attributable to the acquisition or production of a qualifying asset are capitalised into the cost of relevant assets. Other borrowing costs are recognised as expenses in profit and loss for the current period when incurred. Capitalization of such borrowing costs can commence only when all of the following conditions are satisfied:

- ① Expenditures for the asset incurred, capital expenditure includes the expenditure in the form of cash payment, transfer of non-cash assets or the interest bearing liabilities for the purpose of acquiring or constructing assets eligible for capitalization;
- ② Borrowing costs incurred;
- ③ Activities relating to the acquisition, construction or production of the asset that are necessary to prepare the asset for its intended use or sale have commenced.

(2) Capitalization period of borrowing costs

Capitalization of such borrowing costs ceases when the qualifying assets being acquired, constructed or produced become ready for their intended use or sale. The borrowing cost incurred after that is recognised as an expense in the period in which they are incurred and included in profit or loss for the current period.

Capitalization of borrowing costs is suspended during periods in which the acquisition, construction or production of a qualifying asset is interrupted abnormally and when the interruption is for a continuous period of more than 3 months; the borrowing costs in the normally interrupted period continue to capitalize.



V. IMPORTANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

23. Borrowing costs (Continued)

(3) Calculation of the capitalization rate and amount of borrowing costs

The interest expense of the specific borrowings incurred at the current period, deducting any interest income earned from depositing the unused specific borrowings in bank or the investment income arising from temporary investment, shall be capitalised. The capitalization rate of the general borrowing is determined by applying the weighted average effective interest rate of general borrowings, to the weighted average of the excess amount of cumulative expenditures on the asset over the amount of specific borrowings.

During the capitalization period, exchange differences on foreign currency special borrowings shall be capitalised; exchange differences on foreign currency special borrowings shall be recognised as current profits or losses.

24. Intangible assets

(1). Useful life and the basis for its determination, estimation, amortization method or review procedure

The Company's intangible assets include land use rights, non-patent, patent and software license rights.

Intangible assets initially measured at cost and their useful lives are analyzed and judged at the time of acquisition. An intangible asset with finite useful life shall be amortized over the expected useful life using method which can reflect the expected realization of the economic benefits related to the assets from when the intangible asset is available for use. An intangible asset whose expected realization can't be reliably determined is amortized using straight-line amortization; an intangible asset with indefinite useful life shall not be amortized.

Amortization of an intangible asset with finite useful life is as follows:

Category	Useful life (year)	Amortization	Remark
Land use rights	37-53	Straight-line basis	—
Non-patent right, proprietary technology	9	Straight-line basis	—
Patent right	9	Straight-line basis	—
Software use rights	3-10	Straight-line basis	—
Pollution discharge rights	3-10	Straight-line basis	—

V. IMPORTANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

24. Intangible assets (Continued)

(1). *Useful life and the basis for its determination, estimation, amortization method or review procedure (Continued)*

For an intangible asset with a finite useful life, the Company reviews the useful life and amortization method at the end of each financial year, if it is different from the previous estimates, adjust the previous estimates and deal with it according to changes in accounting estimates.

If it is estimated on the balance sheet date that certain intangible asset can no longer bring future economic benefit to the company, the book value of the intangible asset will be entirely transferred into the profit or loss for the current period.

The impairment method for the intangible assets is set forth in 27. Long-term asset impairment under V. Important Accounting Policies and Estimates.

(2). *Scope of attribution of R&D expenditure and the underlying accounting*

The Company divides expenses for internal R&D projects into expenses in the research phase and expenses in the development phase.

Expenditure incurred in the research phase is recognised in profit or loss in the period as incurred.

Expenses incurred in the development stage are capitalised if all of the following conditions are met: the technical feasibility of completing the intangible asset so that it will be available for use or for sale; the intention to complete the intangible asset for use or for sale; how the intangible asset will 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; if the intangible asset is for internal use, there is evidence that there exists usage for the intangible asset; the availability of adequate technical, financial and other resources to complete the development and the ability to use or sell the intangible asset; the expenditures attributable to the development of the intangible asset could be reliably measured. Development expenditures that do not meet the above conditions are recognised in profit or loss for the current period.

The Company's R&D projects enter the development stage after being established upon meeting the above conditions and passing the technical feasibility and economic feasibility studies.

Capitalized expenditure on the development phase are shown as development costs in the balance sheet and transferred to intangible asset from the date on which it reaches the conditions for intended use.



V. IMPORTANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

24. Intangible assets (Continued)

(2). *Scope of attribution of R&D expenditure and the underlying accounting (Continued)*

Capitalization conditions for specific R&D projects:

Expenditure on the research phase, such as expenditure on planned research, assessment and selection for manufacturing technique, is recognised in profit or loss in the period in which it is incurred. Before mass production, expenditure on the development phase, such as expenditure on design and test for finalised application, is capitalised only if all of the following conditions are satisfied:

- (1) The development of the production process has been sufficiently proved by the technical team;
- (2) The budget relating to development of the production process has been approved by the management, and the management has the intention to complete the intangible asset for use or for sale;
- (3) Research and analysis of market survey from previous periods show that the products produced under the production process have market promotion potential;
- (4) There are sufficient technical and financial resources for development activities of the production process and subsequent large-scale production; and the expenditures attributable to the development of the production process can be collected and calculated reliably.

Other development expenditures that do not meet the conditions above are recognised in profit or loss in the period in which they are incurred. Development costs previously recognised as expenses are not recognised as an asset in a subsequent period. Capitalised expenditure on the development phase is presented as development costs in the balance sheet and transferred to intangible assets at the date that the asset is ready for its intended use.

V. IMPORTANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

25. Long-term asset impairment

Impairment of long-term equity investments in subsidiaries, associates and joint ventures, asset impairment on investment property, fixed assets, construction in progress, materials for project, right-of-use assets, intangible assets, goodwill and others (excluding inventories, deferred income tax assets and financial assets) subsequently measured at cost is determined as follows:

The Company determines if there is any indication of asset impairment as at the balance sheet date. If there is any evidence indicating that an asset may be impaired, recoverable amount shall be estimated for impairment test. Goodwill arising from business combinations, intangible assets with an indefinite useful life and intangible assets not ready for use will be tested for impairment annually, regardless of whether there is any indication of impairment.

The recoverable amount of an asset is the higher of its fair value less costs of disposal and the present value of the future cash flows expected to be derived from the asset. The Company estimates the recoverable amount of an individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the Company shall determine the recoverable amount of the asset group to which the asset belongs. The determination of an asset group is based on whether major cash inflows generated by the asset group are independent of the cash inflows from other assets or asset groups.

When the recoverable amount of an asset or an asset group is less than its book value, the book value is reduced to its recoverable amount. The reduction amount is charged to profit or loss and an impairment provision is made accordingly.

For the purpose of impairment test of goodwill, the book value of goodwill acquired in a business combination is allocated to the relevant asset groups on a reasonable basis from the acquisition date; where it is difficult to allocate to the related asset groups, it is allocated to the combination of related asset groups. The related asset groups or combination of asset groups are those which can benefit from the synergies of the business combination and are not larger than the reportable segments identified by the Company.

In the impairment test, if there is any indication that an asset group or a combination of asset groups related to goodwill may be impaired, the Group first tests the asset group or set of asset groups excluding goodwill for impairment, calculates the recoverable amount and recognises the corresponding impairment loss. An impairment test is then carried out on the asset group or combination of asset groups containing goodwill by comparing its book value with its recoverable amount. If the recoverable amount is lower than the book value, an impairment loss is recognised for goodwill.

An impairment loss recognised shall not be reversed in a subsequent period.



V. IMPORTANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

26. Long-term deferred expenses

Long-term deferred expenses of the Company are amortized over the benefit period. If a long-term deferred expense cannot benefit the future accounting period, the residue value of such project not amortized yet shall be transferred to the profit or loss in the period.

27. Contract liabilities

Details of the recognition of contract liabilities are set forth in 34. Revenue under V. Important Accounting Policies and Estimates.

28. Employees' wages

Scope of employees' wages

Employees' wages refer to remuneration or indemnification in various forms given to employees for the company's obtaining of service provided by employees or for termination of employment with employees. Employees' wages shall include short-term wages, after-service welfare, dismissal welfare and other long-term employees' welfare. Employees' wages include benefits provided to employees' spouses, children, other dependants, survivors of the deceased employees and other beneficiaries.

Employees' wages are presented as "employees' wages payable" and "long-term employees' wages payable" in the balance sheet, respectively, according to liquidity.

(1). Accounting treatment of short-termed wages

The Company will recognize the employee salary, bonus, social security contributions (such as medical insurance premium, work injury insurance premium and birth insurance premium) and housing fund paid for the employees according to the prescribed standards and proportions incurred in the accounting period in which the employees provide service as liabilities and record into the profit and loss for the current period or the relevant asset cost.

(2). Accounting treatment of off-service welfare

Off-service welfare plans include defined contribution schemes and defined benefit schemes. A defined contribution scheme is an off-service welfare plan under which the Company pays fixed contributions into a separate fund and the Company has no further obligations for payment. A defined benefit scheme is an off-service welfare plan other than a defined contribution scheme.

V. IMPORTANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

28. Employees' wages (Continued)

Scope of employees' wages (Continued)

(2). Accounting treatment of off-service welfare (Continued)

Defined contribution schemes

Defined contribution schemes include basic pension insurance, unemployment insurance and pension plan.

During the accounting period in which an employee provides service, the amount of pension insurance calculated under defined contribution scheme shall be recognised as a liability and recorded in profit and loss of the period or in the cost of relevant assets.

Defined benefit schemes

The defined benefit schemes obligation is calculated annually at the balance sheet date by independent actuaries using the projected accumulated benefit units method to determine the cost of providing the benefit. The Company's defined benefit schemes include the following components:

- ① Service cost include current year service cost, past-service cost and settlement gain or loss. Current year service cost means the increase of the value of defined benefit schemes resulted from the current year service offered by employee. Past-service cost means the increase or decrease of the value of defined benefit schemes resulted from the revision of the defined benefit schemes related to the prior year service offered by employee.
- ② Interest costs of defined benefit schemes payable, including interest income of planned assets, interest expenses of defined benefit scheme liabilities and effect of asset ceiling.
- ③ Changes related to the revaluation of defined benefit schemes liabilities.

Unless other accounting standards require or permit to charge the employee benefits into assets cost, the Group charges ① and ② mentioned above into profits or losses of the current year; and recognize ③ mentioned above as other comprehensive income without charging into profits or losses in later accounting periods. When the previously defined benefits scheme is terminated, such amount previously included in other comprehensive income shall be transferred to undistributed profit.

V. IMPORTANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

28. Employees' wages (Continued)

Scope of employees' wages (Continued)

(3). Accounting treatment of dismissal welfare

The Company recognises a liability and expenses in the current profit or loss for termination benefits at the earlier of the following dates: when the Company can no longer withdraw the offer of those benefits due to dissolution of labor relationship plan or suggested redundancy; and when the Company recognises costs or fee for restructuring involving the payment of termination costs.

For the early retirement plans, economic compensations before the actual retirement date were classified as termination benefits. During the period from the date of cease of render of services to the actual retirement date, relevant wages and contribution to social insurance for the employees proposed to be paid are recognised in profit or loss on a one-off basis. Economic compensation after the official retirement date, such as normal pension, is accounted for as post-employment benefits.

(4). Accounting treatment of other long-term employees' welfare

The Company provides other long-term employee benefits to its employees. For those falling within the scope of defined contribution scheme, the Company shall account for them according to relevant requirements of the defined contribution scheme. For those falling within the scope of defined benefit scheme, the Company shall account for them according to relevant requirements of the defined benefit scheme, except that the "changes in the net liability or net asset of the remeasurement of the defined benefit scheme" in the employee compensation cost is recognised in profit or loss or the related asset cost.

V. IMPORTANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

29. Estimated liabilities

The Company recognises the obligation related to contingencies meeting the following conditions at the same time as liabilities:

- (1) The obligation is a present obligation of the Company;
- (2) The performance of such obligation is likely to result in outflow of economic benefits from the Company;
- (3) The amount of the obligation can be measured reliably.

Estimated liabilities of the Company are initially measured as the best estimate of expenses required for the performance of the relevant present obligations. The Company has had a comprehensive consideration of risks with respect to contingencies, uncertainties and the time value of money. If the time value of money is significant, the best estimate shall be determined after discounting the relevant future outflow of cash. The Company reviews the book value of the expected liabilities on the balance sheet date, and adjust the book value to reflect the current best estimate.

If all or some expenses incurred for settlement of recognised provisions are expected to be borne by the third party, the compensation amount shall, on a recoverable basis, be recognised as asset separately, and compensation amount recognised shall not be more than the book value of provisions.



V. IMPORTANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

30. Revenue

(1). *Disclosure of accounting policies adopted for revenue recognition and measurement by type of business*

(1) *General principles*

When the Company has implemented the performance obligation in the contract, namely, when the customer obtains the right to control relevant goods or services, revenues will be recognised.

Where a contract has two or more performance obligations, the Company allocates the transaction price to each performance obligation based on the percentage of respective unit price of goods or services guaranteed by each performance obligation, and recognises as revenue based on the transaction price that is allocated to each performance obligation.

If one of the following conditions is fulfilled, the Company performs its performance obligation within a certain period; otherwise, it performs its performance obligation at a point of time:

- ① when the customer simultaneously receives and consumes the benefits provided by the Company when the Company performs its obligations under the contract.
- ② when the customer is able to control the goods in progress in the course of performance by the Company under the contract.
- ③ when the goods produced by the Company under the contract are irreplaceable and the Company has the right to payment for performance completed to date during the whole contract term.

For performance obligations performed within a certain period, the Company recognises revenue by measuring the progress towards complete of that performance obligation within that certain period. When the progress of performance cannot be reasonably determined, if the costs incurred by the Company are expected to be compensated, the revenue shall be recognised at the amount of costs incurred until the progress of performance can be reasonably determined.

V. IMPORTANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

30. Revenue (Continued)

(1). *Disclosure of accounting policies adopted for revenue recognition and measurement by type of business (Continued)*

(1) *General principles (Continued)*

For performance obligation performed at a point of time, the Company recognises revenue at the point of time at which the customer obtains control of relevant goods or services. To determine whether a customer has obtained control of goods or services, the Company considers the following indications:

- ① The Company has the current right to receive payment for the goods, which is when the customer has the current payment obligations for the goods.
- ② The Company has transferred the legal title of the goods to the customer, which is when the client possesses the legal title of the goods.
- ③ The Company has transferred the physical possession of goods to the customer, which is when the customer obtains physical possession of the goods.
- ④ The Company has transferred all of the substantial risks and rewards of ownership of the goods to the customer, which is when the customer obtain all of the substantial risks and rewards of ownership of the goods to the customer.
- ⑤ The customer has accepted the goods.
- ⑥ Other information indicates that the customer has obtained control of the goods.

For performance obligation performed at a point of time, the Company's right to consideration in exchange for goods or services that the Company has transferred to customers (and such right depends on factors other than passage of time) is accounted for as contract assets, and contract assets are subject to impairment based on ECLs (refer to Note 11. Financial instrument). The Company's unconditional right to receive consideration from customers (only depends on passage of time) is accounted for as accounts receivable. The Company's obligation to transfer goods or services to customers for which the Company has received or should receive consideration from customers is accounted for as contract liabilities.

Contract assets and contract liabilities under the same contract are presented on a net basis. Where the net amount has a debit balance, it is presented in "contract assets" or "other non-current assets" according to its liquidity. Where the net amount has a credit balance, it is presented in "contract liabilities" or "other non-current liabilities" according to its liquidity.



V. IMPORTANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

30. Revenue (Continued)

(1). *Disclosure of accounting policies adopted for revenue recognition and measurement by type of business (Continued)*

(2) *Specific methods*

The Company's revenue is mainly derived from sales of products, and the specific accounting policies related to sales of products are described as follows:

Sales revenue is recognised when the Company has already transferred the control of the products to the customer, retained neither continuing managerial involvement nor control over the products, and the related costs can be reliably measured, the realization of sales revenue is recognised. The Company delivers the products to the designated location in accordance with the sales contract or the customer picks up the goods at the warehouse location designated by the Company. Revenue is recognised when the products are delivered to the customers by the Company and accepted by the customers.

The credit period granted by the Company to customers is determined according to the customer's credit risk characteristics, which is consistent with industry practices, and there is no major financing component. The Company's obligation to transfer goods to customers for consideration received or receivable from customers is listed as contract liabilities.

(2). *Differences in revenue recognition and measurement methods due to adoption of various operating models for the same type of business*

Not applicable

31. Contract costs

Contract costs are either the incremental costs of obtaining a contract with a customer or the costs to fulfil a contract with a customer.

Incremental costs of obtaining a contract are those costs (e.g., sales commissions, etc.) that the Company incurs to obtain a contract with a customer. The Company recognises as an asset the incremental costs of obtaining a contract with a customer if it is expected to recover those costs. Other expenses incurred by the Company for obtaining the contract, except for the incremental costs expected to be recovered, are recognised in the current profit and loss when incurred.

If the costs of the Company to fulfil a contract with a customer are not within the scope of inventories or other accounting standards, the Company recognises an asset from the costs incurred to fulfil a contract only if those costs meet all of the following criteria:

- ① the costs relate directly to an existing contract or to a specifically identifiable anticipated contract, including direct labour, direct materials, allocations of overheads (or similar costs), costs that are explicitly chargeable to the customer and other costs that are incurred only because the Company entered into the contract;
- ② the costs generate or enhance resources of the Company that will be used in satisfying (or in continuing to satisfy) performance obligations in the future;
- ③ the costs are expected to be recovered.

V. IMPORTANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

31. Contract costs (Continued)

Assets recognised for the Incremental Costs of obtaining a contract and the costs to fulfil a contract (the “assets related to contract costs”) are amortised on a systematic basis that is consistent with the transfer to the customer of the goods to which the assets relate and recognised in profit or loss for the period.

The Company makes impairment provision and recognises an impairment loss on the asset for the exceeding part to the extent that the carrying amount of an asset related to contract costs exceeds:

- ① remaining amount of consideration that the Company expects to receive in exchange for the goods to which the asset relates;
- ② the costs that relate directly to providing those goods that have not yet been recognised as expenses.

32. Government grants

Government grants are recognized when the conditions attached to the government grants are met and the grant can be received.

Government grants in respect of monetary assets are measured at the amount received or receivable. Government grants for non-monetary assets are measured at fair value or, if the fair value cannot be reliably obtained, at the nominal amount of RMB1.

Asset-related government grants are government grants obtained by the Company for the purpose of acquiring or otherwise forming long-term assets; otherwise, they are treated as revenue-related government grants.

For government grants that do not have a specific target in government documents and are able to form long-term assets, the portion of government grants that corresponds to the value of the assets is recognized as asset-related government grants, and the remaining portion is recognized as revenue-related government grants; if it is difficult to distinguish between the two types of government grants, the entire amount of government grants is recognized as revenue-related government grants.

Government grants related to assets are recognized as deferred income and recognized in profit or loss on a rational and systematic basis over the useful lives of the related assets. Government grants related to revenues are recognized in profit or loss when they are used to compensate for costs or losses that have been incurred, and in deferred income when they are used to compensate for costs or losses that will be incurred in future periods, and are recognized in profit or loss in the period in which the costs or losses are recognized. Government grants that are measured at nominal amounts are recognized directly in profit or loss. The Company applies a consistent approach to the same or similar government grants.

V. IMPORTANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

32. Government grants (Continued)

Government grants related to ordinary activities are recognized in other income based on the nature of the economic activity. Government grants that are not related to ordinary activities are included in non-operating income.

When government grants are to be refunded, the carrying amount of the asset is adjusted if the initial recognition of the grant reduces the carrying amount of the asset; if there is a deferred revenue balance, the book balance of deferred revenue is deducted, and the excess is credited to profit or loss for the current period; in other cases, the excess is credited to profit or loss directly for the current period.

If the financial institutions allocate the subsidised interest rate to the lending banks, the actual amount of the loan received will be used as the book value of the loan, and the borrowing costs will be calculated in line with the principal amount of the loan and the policy preferential interest rate. If the financial institutions allocate the funds for interest subsidy directly to the Company, the interest subsidy is offset against the borrowing costs.

33. Deferred income tax assets/Deferred income tax liabilities

Income tax comprises current income tax expense and deferred income tax expense, which are included in profit or loss for the current period as income tax expenses, except for deferred income tax related to transactions or events that are directly recognised in owners' equity which are recognised in owners' equity, and deferred income tax arising from a business combination, which is adjusted against the carrying amount of goodwill.

Temporary differences arising from the difference between the carrying amount of an asset or liability and its tax base at the balance sheet date of the Company shall be recognised as deferred income tax using the balance sheet liability method.

All the taxable temporary differences are recognised as deferred income tax liabilities except for those incurred in the following transactions:

- (1) The initial recognition of goodwill, and the initial recognition of an asset or liability in a transaction which is neither a business combination nor affects accounting profit or taxable profit (or deductible loss) when the transaction occurs (other than single transactions where the initial recognition of assets and liabilities results in the creation of equivalent taxable temporary differences and deductible temporary differences);

V. IMPORTANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

33. Deferred income tax assets/Deferred income tax liabilities (Continued)

- (2) The taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, and 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 reverse in the foreseeable future.

The Company recognises a deferred income tax asset for the carry forward of deductible temporary differences, deductible losses and tax credits to subsequent periods, to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, deductible losses and tax credits can be utilised, except for those incurred in the following transactions:

- (1) The transaction is neither a business combination nor affects accounting profit or taxable profit (or deductible loss) when the transaction occurs (other than single transactions where the initial recognition of assets and liabilities results in the creation of equivalent taxable temporary differences and deductible temporary differences);
- (2) The deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, the corresponding deferred income tax asset is recognised when both of the following conditions are satisfied: it is probable that the temporary difference will reverse in the foreseeable future, and it is probable that taxable profits will be available in the future, against which the temporary difference can be utilised.

At the balance sheet date, deferred income tax assets and deferred income tax liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, and their tax effect is reflected accordingly.

At the balance sheet date, the Company reviews the book value of a deferred income tax asset. If it is probable that sufficient taxable profits will not be available in future periods to allow the benefit of the deferred income tax asset to be utilised, the book value of the deferred income tax asset is reduced. Any such reduction in amount is reversed when it becomes probable that sufficient taxable profits will be available.

At the balance sheet date, deferred income tax assets and deferred income tax liabilities are presented on a net basis upon offsetting when both of the following conditions are met:

- (1) The taxable entity within the Company has the legal right to settle current income tax assets and current income tax liabilities on a net basis;
- (2) the deferred income tax assets and deferred income tax liabilities relate to income taxes levied by the same taxing authority on the same taxable entity within the Company.



V. IMPORTANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

34. Lease

(1) Identification of leases

On the beginning date of the contract, the Company (as a lessee or lessor) assesses whether the customer in the contract has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use and has the right to direct the use of the identified asset throughout the period of use. If a party of the contract conveys the right to control the use of an identified asset and multiple identified assets for a period of time in exchange for consideration, the Company identifies such contract is, or contains, a lease.

(2) The Company as lessee

On the beginning date of the lease, the Company recognises right-of-use assets and lease liabilities for all leases, except for short-term lease and low-value asset lease with simplified approach.

The accounting policy for right-of-use assets is set out below.

The lease liability is initially measured at the present value of the lease payments that are not paid at the beginning date of the lease using the interest rate implicit in the lease. Where the interest rate implicit in the lease cannot be determined, the incremental borrowing rate is used as the discount rate. Lease payments include fixed payments and in-substance fixed payments, less any lease incentives receivable; variable lease payments that are based on an index or a rate; the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; payments for terminating the lease, if the lease term reflects the lessee exercising that option of terminating; and amounts expected to be payable by the lessee under residual value guarantees. Subsequently, the interest expense on the lease liability for each period during the lease term is calculated using a constant periodic rate of interest and is recognised in profit or loss for the current period. Variable lease payments not included in the measurement of lease liabilities are charged to profit or loss in the period in which they actually arise.

V. IMPORTANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

34. Lease (Continued)

(2) The Company as lessee (Continued)

Short-term lease

Short-term leases refer to leases with a lease term of less than 12 months from the commencement date, except for those with a purchase option.

Lease payments on short-term leases are recognised in the cost of related assets or current profit or loss on a straight-line basis over the lease term.

Low-value asset lease

A low-value asset lease is a lease that the value of a single leased asset is below RMB40,000 when it is a new asset.

Lease payments on low-value asset leases are recognised on a straight-line basis over the lease term, and either included in the cost of the related asset or charged to profit or loss for the current period.

For a low-value asset lease, the Company chooses the above simplified approach based on the specific circumstances of each lease.

Lease modification

The Company accounts for a lease modification as a separate lease when the modification occurs and the following conditions are met: ① the lease modification expands the scope of lease by adding the right to use one or more of the leased assets; and ② the increase in consideration is equivalent to the separate price for the expanded scope of lease adjusted for that contractual situation.

Where a lease modification is not accounted for as a separate lease, at the effective date of the lease modification, the Company reallocates the consideration of the modified contract, redetermines the lease term and remeasures the lease liability based on the present value of the lease payments after the modification and the revised discount rate.

If a lease modification results in a reduction in the scope of the lease or a shortening of the lease term, the Company reduces the book value of the right-of-use asset accordingly and includes in the profit or loss for the period the gain or loss associated with the partial or complete termination of the lease.

Where other lease modifications result in a remeasurement of the lease liability, the Company adjusts the book value of the right-of-use asset accordingly.

V. IMPORTANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

34. Lease (Continued)

(3) *The Company as lessor*

When the Company is a lessor, a lease is classified as a finance lease whenever the terms of the lease transfer substantially all the risks and rewards of asset ownership to the lessee. All leases other than financial leases are classified as operating leases.

Finance leases

Under finance leases, the Company accounts for finance lease receivables at the beginning of the lease term at the net lease investment, which is the sum of the unsecured residual value and the present value of the lease receipts outstanding at the commencement date of the lease, discounted at the interest rate implicit in the lease. The Company as lessor calculates and recognises interest income for each period of the lease term based on a fixed periodic interest rate. Variable lease payments acquired by the Company as lessor that are not included in the net measurement of lease investments are included in profit or loss for the period when they are actually incurred.

Derecognition and impairment of finance lease receivables are accounted for in accordance with the requirements under the Accounting Standard for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments and the Accounting Standards for Business Enterprises No. 23 – Transfer of Financial Assets.

Operating lease

Lease payments under operating leases are recognised in profit or loss on a straight-line basis over the lease term. Initial direct costs incurred in relation to operating leases are capitalised and amortised over the lease term on the same basis as rental income and recognised in profit or loss for the current period. The variable lease payments obtained in relation to operating leases that are not included in the lease payments are recognised in profit or loss in the period in which they actually incurred.

Lease modification

The Company accounts for a modification in an operating lease as a new lease from the effective date of the modification and the amount of lease receipts received in advance or receivable in respect of the lease prior to the modification is treated as a receipt under the new lease.

V. IMPORTANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

34. Lease (Continued)

(3) The Company as lessor (Continued)

Lease modification (Continued)

The Company accounts for a modification in a finance lease as a separate lease when the change occurs and the following conditions are met: ① the modification expands the scope of lease by adding the right to use one or more of the leased assets; and ② the increase in consideration is equivalent to the separate price for the expanded scope of lease adjusted for that contractual situation.

Where a finance lease is modified and not accounted for as a separate lease, the Company accounts for the modified lease in the following circumstances: ① If the modification takes effect on the lease commencement date, the lease will be classified as an operating lease, the Company will account for it as a new lease from the effective date of the lease modification, and use the net lease investment before the effective date of the lease modification; ② If the modification takes effect on the lease commencement date, the lease will be classified as a finance lease, and the Company will conduct accounting treatment in accordance with the Accounting Standards for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments on modifying or renegotiating contracts.

Right-of-use assets

(1) Conditions for recognition of right-of-use assets

A right-of-use asset is the right of the Company, as lessee, to use the leased asset during the lease term.

At the commencement date of the lease term, the right-of-use asset is measured initially at cost, which includes: the initial measurement of the lease liability; lease payments made on or before the commencement date of the lease term, net of amounts related to lease incentives received, if any; initial direct costs incurred by the Company as lessee; and costs that the Company, as lessee, expects to incur in dismantling and removing the leased asset, restoring the leased asset to its original location, or returning the leased asset to its condition as specified in the terms of the lease. Costs. The Company, as lessee, recognizes and measures costs such as dismantling and restoring in accordance with Accounting Standard for Business Enterprises 13 – Contingencies. Subsequent adjustments are made for any remeasurement of the lease liability.

(2) Depreciation method for right-of-use assets

The Company uses the straight-line method of depreciation. Depreciation is provided over the remaining useful life of the leased asset if the Company, as lessee, is reasonably certain that it will obtain ownership of the leased asset by the end of the lease term. If it is not reasonably certain that the Company will obtain ownership of the leased assets by the end of the lease term, then depreciation is provided over the shorter of the lease term or the remaining useful life of the leased assets.

(3) For the methods of impairment testing and provision for impairment on right-of-use assets, please refer to V. Important Accounting Policies and Estimates 27. Long-term asset impairment.

V. IMPORTANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

35. Other significant accounting policies and accounting estimates

Debt restructuring

(1) The Company as debtor

Debt is derecognized when the present obligation of the debt is discharged, specifically, when the uncertainty of the execution process and the result of the debt restructuring agreement is eliminated, the profit or loss related to the debt restructuring is recognized.

For debt restructuring by way of settlement of debt by assets, the Company derecognizes the related assets and liabilities settled when the conditions for derecognition are met, and the difference between the carrying amount of the liabilities settled and the carrying amount of the assets transferred is recognized in profit or loss for the current period.

If a restructuring is carried out by converting debt into equity instruments, the Company derecognizes the debt when the conditions for derecognition of the debt settled are met. Upon initial recognition of an equity instrument, the Company measures the equity instrument at its fair value. If the fair value of an equity instrument cannot be reliably measured, it is measured at the fair value of the debt settled. The difference between the carrying amount of the debt settled and the amount recognized for the equity instrument is included in profit or loss for the period.

When debt restructuring is carried out by modifying other terms, the Company recognizes and measures the restructured debt in accordance with the requirements of Accounting Standard for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments and Accounting Standard for Business Enterprises No. 37 – Presentation of Financial Instruments.

Where debt restructuring is carried out by way of settlement of debts by multiple assets or by a combination of assets, the Company recognizes and measures equity instruments and restructured debts in accordance with the aforesaid methods, and the difference between the carrying amount of debts settled and the sum of the carrying amount of assets transferred and the recognized amounts of equity instruments and restructured debts is recognized in profit or loss for the current period.

V. IMPORTANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

35. Other significant accounting policies and accounting estimates (Continued)

Debt restructuring (Continued)

(2) The Company as a creditor

A debt is derecognized when the contractual right to receive cash flows from the debt ceases. Specifically, gains and losses related to debt restructuring are recognized when uncertainty about the process and outcome relating to the execution of the debt restructuring agreement is removed.

In the case of debt restructuring by way of settlement of debts by assets, the Company initially recognizes assets other than transferred financial assets at cost, of which the cost of inventories, including the fair value of the relinquished rights and other costs directly attributable to the asset, such as taxes, transportation, loading and unloading fees, insurance premiums that are incurred to bring the asset to its present location and condition. The cost of investments in associates or joint ventures includes the fair value of the renounced rights and other costs directly attributable to the asset, such as taxes. The cost of investment properties includes the fair value of the abandoned right and other costs directly attributable to the asset, such as taxes, transportation, loading and unloading, installation, and professional fees. The cost of fixed assets includes the fair value of the abandoned right and other costs directly attributable to the asset, such as taxes, transportation, loading and unloading, installation, and professional fees that are incurred before the asset reaches its intended useable condition. The cost of an intangible asset includes the fair value of the renounced right and other costs directly attributable to bringing the asset to its intended use, such as taxes. The difference between the fair value and the carrying amount of the renounced rights is recognized in profit or loss.

If a debt restructuring by way of conversion of debt into equity instruments results in the Company converting the debt into an equity investment in an associate or joint venture, the Company measures the initial investment cost of the debt at the fair value of the renounced right and at other costs, such as taxes, that are directly attributable to the asset. The difference between the fair value and the carrying amount of the renounced right is recognized in profit or loss.

When debt restructuring is carried out by modifying other terms, the Company recognizes and measures the restructured debt in accordance with the requirements of Accounting Standard for Business Enterprises No. 22, Recognition and Measurement of Financial Instruments.

If debt restructuring is carried out by using multiple assets to settle debts or a combination of assets, the transferred financial assets and restructured debts are first recognized and measured in accordance with the requirements of Accounting Standard for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments, and the fair value of the renounced debts is allocated to the net amount upon deducting the recognized amounts of the transferred financial assets and restructured debts based on the proportion of fair value for each asset other than transferred financial assets, and the cost of each asset is determined separately on this basis in accordance with the aforementioned method. Then, the fair value of the renounced debt is allocated to the net amount after deducting the recognized amounts of the transferred financial assets and restructured debt based on the proportion of the fair value of each asset other than the transferred financial assets, and the cost of each asset is determined on this basis in accordance with the aforementioned method. The difference between the fair value and the carrying amount of the renounced credits is recognized in profit or loss.

V. IMPORTANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

35. Other significant accounting policies and accounting estimates (Continued)

Critical accounting judgements and estimates

The Company constantly evaluates critical accounting estimates and key assumptions used based on historical experience and other factors, including reasonable expectations of future events. The critical accounting estimates and key assumptions that have a significant risk that the carrying amounts of assets and liabilities will be materially adjusted in the next fiscal year are listed below:

(1) *Measurement of expected credit loss of accounts receivables*

As described in Note V.11. Financial instruments, the Company calculates the expected credit loss of accounts receivables based on the default exposure and the expected credit loss ratio of accounts receivables and determines the expected credit loss ratio based on the possibility of default and the default loss ratio. In determining the expected credit loss ratio, the Company uses the internal historical credit loss experience and other data and makes adjustments to the historical data based on the current conditions and forward-looking information. The indicators used by the Company in considering the forward-looking information include the risks on economic decline the external market environment, the industry risks and the changes in the customers.

(2) *Inventory impairment provisions*

As described in Note V.16. Inventories, the inventory of the Company is measured at the lower of the cost and net realizable value of inventories. The net realizable value is the amount after deducting the estimated cost of completion, estimated selling expenses and relevant taxes from the estimated selling price of inventories. The estimation is based on the current market conditions and the historical experience in the production and sale of products with same nature. Where the management of the Company revises the estimated selling price and the estimated cost of completion and the estimated selling expenses, it will affect the estimation on the net realizable value of inventories, which will affect the inventory impairment provisions made.

(3) *The estimated useful life and estimated net residual value of fixed assets*

As described in Note V.21. Fixed assets, the Company determines the estimated useful life and estimated net residual value of fixed assets based on its historical experience on actual useful life of fixed assets with similar nature or function. Technological innovation or intense industry competition may have a significant impact on the useful life of fixed assets and the actual net residual value may also be inconsistent with the estimated net residual value. If the estimates of the useful life and the net residual value of fixed asset are different from the original estimates, the Company will adjust it.

V. IMPORTANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

35. Other significant accounting policies and accounting estimates (Continued)

Critical accounting judgements and estimates (Continued)

(4) Impairment of fixed assets

The management of the Company assessed whether the fixed assets had been impaired as at the balance sheet date. The recoverable amount is the higher of the present value of expected future cash flow of fixed assets and the net amount derived from deducting the disposal fee from the fair value, which is estimated based on the best information available to reflect the amount (after deducting the costs to disposal) that is obtainable from the disposal of the fixed asset in an arm's length transaction by knowledgeable willing parties as at each of the balance sheet date, or cash generated from continuously using the fixed assets. Such estimates may be subject to adjustment when conducting each of impairment test. If the re-estimated recoverable amount is higher than the original estimate by the management of the Company, the Company shall not reverse the provision for impairment loss of the fixed assets that has been made.

(5) Deferred income tax assets

As described in Note V.37. Deferred income tax assets/Deferred income tax liabilities, the realization of deferred income tax assets mainly depends on the actual income in future and the actual tax rate of temporary difference in future utilization year. If the actual income in future is less than those expected, or the actual tax rate is lower than those expected, the recognized deferred income tax assets shall be reversed, and be recognized in combined income statement for the period in which the reversal occurred.

36. Changes in significant accounting policies and accounting estimates

(1). Changes in significant accounting policies

Changes in significant accounting policies

① Interim Provisions on Accounting Treatment of Enterprise Data Resources

On 21 August 2023, the Ministry of Finance issued the Notice on the the Publication of Interim Provisions on Accounting Treatment of Enterprise Data Resources (Cai Kuai [2023] No. 11).

The provisions apply to the accounting treatment of data resources that are recognized as assets such as intangible assets or inventories in accordance with the relevant Accounting Standards for Business Enterprises, as well as data resources legally owned or controlled by enterprises which are expected to generate economic benefits but fail to meet the relevant asset recognition criteria under the Accounting Standards for Business Enterprises and therefore are not recognized as assets.

The adoption of these provisions has no significant impact on the financial position and operating results of the Company.

V. IMPORTANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

36. Changes in significant accounting policies and accounting estimates (Continued)

(1). Changes in significant accounting policies (Continued)

Changes in significant accounting policies (Continued)

② Interpretation No. 17 of the Accounting Standards for Business Enterprises

In November 2023, the Ministry of Finance issued the Interpretation No. 17 of the Accounting Standards for Business Enterprises (Cai Kuai [2023] No. 21) ("Interpretation No. 17").

Classification of current liabilities and non-current liabilities

As specified by Interpretation No. 17, for liabilities arising from corporate loan arrangements, the right of a corporation to defer settlement of liabilities for more than one year after the balance sheet date may depend on whether the corporation has complied with the conditions stipulated in the loan arrangement (the "Covenants"). The Covenants that the company shall comply with on or before the balance sheet date, even if the performance of Covenants is being assessed after the balance sheet date (in some cases, the Covenants provide for an assessment after the balance sheet date based on the financial conditions on the balance sheet date), affects the judgment as to whether such right exists on the balance sheet date, which in turn affects the classification of liabilities as current or non-current on the balance sheet date. The Covenants that the company shall comply with after the balance sheet date (in some cases, the Covenants provide for an assessment based on the financial conditions at six months after the balance sheet date), will not affect the judgment as to whether such right exists on the balance sheet date, and is not related to the classification of liabilities as current or non-current on the balance sheet date.

If a term of the liability results in the settlement of the liability through the delivery of the enterprise's own equity instruments at the discretion of the counterparty, and if this option is classified as an equity instrument in accordance with the requirements of the standards and recognized separately as an equity component of a compound financial instrument, the term does not affect the liquidity classification of the liability.

Disclosure of Supplier Financing Arrangements

Interpretation No. 17 provides that for supplier financing arrangements, the following shall be disclosed: (1) the terms and conditions of supplier financing arrangements (such as deferred payment terms and provision of guarantees, etc.). (2) ① the presentation items and carrying amount of financial liabilities under supplier financing arrangements in the balance sheet; ② if the supplier has received funds from the financing provider, the presentation items and carrying amount of the corresponding financial liabilities shall be disclosed; ③ and the payment due date range of the related financial liabilities, as well as the payment due date range of comparable accounts payable that are not a part of the supplier financing arrangements. If the range of the payment due date is large, the enterprise shall also disclose explanatory information or additional range information related to these ranges; (3) the types and impacts of current changes in the carrying amount of related financial liabilities that do not involve cash receipts and payments (including business combinations, changes in exchange rates and other transactions or matters that do not require the use of cash or cash equivalents).

V. IMPORTANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

36. Changes in significant accounting policies and accounting estimates (Continued)

(1). Changes in significant accounting policies (Continued)

Changes in significant accounting policies (Continued)

② Interpretation No. 17 of the Accounting Standards for Business Enterprises (Continued)

Disclosure of Supplier Financing Arrangements (Continued)

When disclosing liquidity risk information in accordance with the requirements of Accounting Standards for Business Enterprises No. 37 – Presentation of Financial Instruments (《企業會計準則第37號—金融工具列報》), an enterprise shall consider whether has obtained or has access to obtain credit for the deferred payment to the enterprise or early payment to its suppliers through supplier financing arrangements. When identifying liquidity risk concentration in accordance with requirements of the relevant standards, an enterprise shall consider the factor that supplier financing arrangements lead to the concentration of a part of the financial liabilities originally payable to suppliers with the financing providers.

Accounting treatment of sale and leaseback transactions

Interpretation 17 provides that for sale and leaseback transactions in which the transfer of an asset is a sale, the subsequent measurement of right-of-use assets and lease liabilities shall carried out in accordance with the relevant provisions of the Accounting Standards for Business Enterprises No. 21– Leases (《企業會計準則第21號—租賃》). In the subsequent measurement of lease liabilities arising from sale and leasebacks, the lessee determines the lease payments or changes the lease payments in a manner that does not result in the recognition of a gain or loss relating to the right of use acquired by the lessee in the leaseback. Where a lease change results in a reduction in the scope of the lease or a shortening of the lease term, the lessee shall still recognise the gain or loss associated with the partial termination or complete termination of the lease in profit or loss for the current period in accordance with the provisions of the Accounting Standards for Business Enterprises No. 21– Leases, and shall not be subject to the limitations set out in the preceding paragraph.

The adoption of Interpretation No.17 has no significant impact on the financial position and operating results of the Company.

③ Interpretation No. 18 of the Accounting Standards for Business Enterprises

On 31 December 2024, the Ministry of Finance issued the Interpretation No. 18 of the Accounting Standards for Business Enterprises (Cai Kuai [2024] No. 24) ("Interpretation No. 18").

Interpretation No. 18 stipulates that when accounting for the estimated liabilities for warranty-type quality guarantee that is not a separate performance obligation, an enterprise shall, in accordance with the relevant provisions of the Accounting Standards for Business Enterprises No. 13 – Contingencies (《企業會計準則第13號—或有事項》), debit the items such as "principal business cost" and "other business cost" based on the determined amount of estimated liabilities, and credit the item of "estimated liabilities". These items shall be correspondingly presented in the "operating costs" of the income statement and in items such as "other current liabilities," "non-current liabilities due within one year," and "estimated liabilities" in the balance sheet.

The implementation of Interpretation No.18 has no significant impact on the financial position and operating results of the Company.

Other explanation:

Nil

V. IMPORTANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

36. Changes in significant accounting policies and accounting estimates (Continued)

(2). Changes in significant accounting estimates

Not applicable

(3). Adjustments to financial statements at the beginning of the year upon initial adoption of new accounting standards or interpretation of standards since 2024

Not applicable

VI. TAXES

1. Major categories of taxes and tax rates

Major categories of taxes and tax rates

Category	Tax basis	Tax rate
Value added tax	Taxable value-added (tax payable is calculated by multiplying the taxable sales by the applicable tax rate less current allowable input tax credits)	6%, 9%, 13%
Consumption tax		
City maintenance and construction tax	Actual turnover tax payable	5%, 7%
Enterprise income tax	Income tax payable	25%
Educational surcharges	Actual turnover tax payable	2%, 3%

VI. TAXES (CONTINUED)

1. Major categories of taxes and tax rates (Continued)

Companies subject to different income tax rates are disclosed as follows

Name of entity paying taxes	Income tax rate (%)
CNBM (Hefei) New Energy Co., Ltd.	15
CNBM (Tongcheng) New Energy Materials Co., Ltd.	15
CNBM (Yixing) New Energy Resources Co., Ltd.	15
Triumph (Zigong) New Energy Resources Co., Ltd.	15
Qinhuangdao North Glass Co., Ltd.	15

2. Preferential tax treatment

Hefei New Energy, a wholly-owned subsidiary of the Company, passed the review of the qualification of high-tech enterprise in October 2022, and obtained the High-tech Enterprise Certificate with a term of 3 years. The high-tech enterprise certificate number is GR202234003835 and paid corporate income tax at a reduced rate of 15% in 2024.

Tongcheng New Energy, a wholly-owned subsidiary of the Company, passed the review of the qualification of high-tech enterprise in November 2023, and obtained the High-tech Enterprise Certificate with a term of 3 years. The high-tech enterprise certificate number is GR202334004515 and paid corporate income tax at a reduced rate of 15% in 2024.

Yixing New Energy, a controlling subsidiary of the Company, passed the review of the qualification of high-tech enterprise in October 2022, and obtained the High-tech Enterprise Certificate with a term of 3 years. The high-tech enterprise certificate number is GR202232000762 and paid corporate income tax at a reduced rate of 15% in 2024.

Zigong New Energy, a controlling subsidiary of the Company, has been approved as a high-tech enterprise in December 2023, and obtained the High-tech Enterprise Certificate with a term of 3 years. The high-tech enterprise certificate number is GR202351004197 and paid corporate income tax at a reduced rate of 15% in 2024.

North Glass, a wholly-owned subsidiary of the Company, has been approved as a high-tech enterprise in November 2023, and obtained the High-tech Enterprise Certificate with a term of 3 years. The high-tech enterprise certificate number is GR202313003157 and paid corporate income tax at a reduced rate of 15% in 2024.

Pursuant to the Announcement on the Policy of Value-added Tax Credit for Enterprises in Advanced Manufacturing Industries (MOF and SAT Announcement No. 43 in 2023), from 1 January 2023 to 31 December 2027, enterprises in advanced manufacturing industries are allowed to deduct VAT payable at 5% in accordance with the deductible input tax amount for the period. Hefei New Energy, Tongcheng New Energy, Yixing New Energy and Zigong New Energy, subsidiaries of the Company, are entitled to the above preferential policies in 2024.

Notes to the Financial Statements

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

1. Monetary funds

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Cash on hand		2,065.90
Deposits at banks	4,907,479.64	14,907,123.39
Other monetary funds	9,804,401.87	44,305,692.00
Amount deposited to finance company	125,657,287.96	214,247,555.36
Total	140,369,169.47	273,462,436.65
Including: Amount deposited abroad	0.00	0.00

Other explanation:

At the end of the reporting period, our Company had restricted funds of RMB9,804,401.87. Of which, the deposit of bank acceptance bill is RMB6,622,178.69, the maintenance funds of building is RMB3,180,166.39, the ETC deposits is RMB1,500.00, the restricted amount due to the change in corporate seal is RMB556.41, and interest on security deposit is RMB0.38.

Notes to the Financial Statements

31 December 2024
Prepared by: Triumph New Energy Company Limited
Unit: Yuan Currency: RMB

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2. Notes receivable

(1). Notes receivable by category

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Bank acceptances	486,103,130.49	
Commercial acceptances	165,850,680.86	188,766,020.48
Less: Provision for bad debts	530,722.19	1,694,775.81
Total	651,423,089.16	187,071,244.67

Note: The Company's objective regarding bank acceptances with lower credit ratings is to collect contractual cash flows over the holding period of these financial assets, rather than generating aggregate returns through holding and selling the financial assets. Accordingly, such bank acceptances with lower credit ratings are classified as notes receivable.

(2). Notes receivable pledged as at the end of the period

Unit: Yuan Currency: RMB

Item	Amount pledged as at the end of the period
Bank acceptances	20,154,308.38
Commercial acceptances	
Total	20,154,308.38

Notes to the Financial Statements

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2. Notes receivable (Continued)

(3). Notes receivable which were endorsed and discounted by the Company at the end of the period but were not due as of the date of the balance sheet

Unit: Yuan Currency: RMB

Item	Derecognized amount at the end of the period	Not-yet derecognized amount at the end of the period
Bank acceptances		401,166,572.54
Commercial acceptances		38,255,892.86
Total		439,422,465.40

(4). Classified disclosure by the method of bad debt provision

Unit: Yuan Currency: RMB

Category	Closing balance					Opening balance				
	Book balance		Provision for bad debts		Book value	Book balance		Provision for bad debts		Book value
	Amount	Ratio (%)	Amount	Provision ratio (%)		Amount	Ratio (%)	Amount	Provision ratio (%)	
Provision for bad debts on an individual basis										
Including:										
Provision for bad debts on group basis	651,953,811.35	100.00	530,722.19	0.08	651,423,089.16	188,766,020.48	100.00	1,694,775.81	0.90	187,071,244.67
Including:										
Bank acceptances	486,103,130.49	74.56			486,103,130.49					
Commercial acceptances	165,850,680.86	25.44	530,722.19	0.32	165,319,958.67	188,766,020.48	100.00	1,694,775.81	0.90	187,071,244.67
Total	651,953,811.35	/	530,722.19	/	651,423,089.16	188,766,020.48	/	1,694,775.81	/	187,071,244.67

Notes to the Financial Statements

31 December 2024
Prepared by: Triumph New Energy Company Limited
Unit: Yuan Currency: RMB

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2. Notes receivable (Continued)

(4). Classified disclosure by the method of bad debt provision (Continued)

Provision for bad debts on group basis:

Provision on group basis: bank acceptances

Unit: Yuan Currency: RMB

Name	Closing balance			Opening balance		
	Notes receivable	Provision for bad debts	Provision ratio (%)	Notes receivable	Provision for bad debts	Provision ratio (%)
Bank acceptances	486,103,130.49	0	0	0	0	0
Total	486,103,130.49	0	0	0	0	0

Provision on group basis: Commercial acceptances

Unit: Yuan Currency: RMB

Name	Closing balance			Opening balance		
	Notes receivable	Provision for bad debts	Provision ratio (%)	Notes receivable	Provision for bad debts	Provision ratio (%)
Commercial acceptances	165,850,680.86	530,722.19	0.32	188,766,020.48	1,694,775.81	0.90
Total	165,850,680.86	530,722.19	0.32	188,766,020.48	1,694,775.81	0.90

Notes to the Financial Statements

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2. Notes receivable (Continued)

(5). Provision for bad debts

Unit: Yuan Currency: RMB

Category	Opening balance	Provision	Increase/decrease for the period			Closing balance
			Recovery or reversal	Write-off or cancellation	Other change	
Bad debt provision for notes receivable	1,694,775.81	-1,164,053.62				530,722.19
Total	1,694,775.81	-1,164,053.62				530,722.19

Notes to the Financial Statements

31 December 2024
Prepared by: Triumph New Energy Company Limited
Unit: Yuan Currency: RMB

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

3. Accounts receivable

(1). Disclosure by ageing

Ageing analysis of accounts receivables by date of entry as follows:

Unit: Yuan Currency: RMB

Ageing	Book balance at the end of the period	Ratio (%)	Book balance at the beginning of the period	Ratio (%)
Within 1 year	1,014,046,411.03	90.37	1,275,825,464.37	92.44
Sub-total within 1 year	1,014,046,411.03	90.37	1,275,825,464.37	92.44
1 to 2 years	24,436,460.85	2.18	26,198,706.51	1.90
2 to 3 years	8,630,747.39	0.77	2,100,410.48	0.15
3 to 4 years	9,542.82	0.00	3,488,385.20	0.25
4 to 5 years	3,444,857.69	0.31	4,944,998.86	0.36
Over 5 years	71,454,599.91	6.37	67,661,815.80	4.90
Total	1,122,022,619.69	100.00	1,380,219,781.22	100.00

Notes to the Financial Statements

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

3. Accounts receivable (Continued)

(2). Classified disclosure by the method of bad debt provision

Unit: Yuan Currency: RMB

Category	Closing balance					Opening balance				
	Book balance		Provision for bad debts		Book value	Book balance		Provision for bad debts		Book value
	Amount	Ratio (%)	Amount	Provision ratio (%)		Amount	Ratio (%)	Amount	Provision ratio (%)	
Provision for bad debts on an individual basis	48,156,944.74	4.29	37,844,965.86	78.59	10,311,978.88	27,555,052.70	2.00	27,555,052.70	100.00	0
Provision for bad debts on group basis	1,073,865,674.95	95.71	56,968,627.05	5.31	1,016,897,047.90	1,352,664,728.52	98.00	61,792,577.74	4.57	1,290,872,150.78
Including:										
Related party customers	56,424,369.02	5.03	1,128,487.38	2.00	55,295,881.64	49,797,714.80	3.60	995,954.30	2.00	48,801,760.50
General customers	1,017,441,305.93	90.68	55,840,139.67	5.49	961,601,166.26	1,302,867,013.72	94.40	60,796,623.44	4.67	1,242,070,390.28
Total	1,122,022,619.69	/	94,813,592.91	/	1,027,209,026.78	1,380,219,781.22	/	89,347,630.44	/	1,290,872,150.78

Provision for bad debts on an individual basis:

Unit: Yuan Currency: RMB

Name	Book balance	Closing balance		Reason for provision
		Provision for bad debts	Provision ratio (%)	
Entity 1	14,524,097.75	14,524,097.75	100.00	Expected to be unrecoverable
Entity 2	12,769,136.95	7,661,482.17	60.00	Relating to litigation
Entity 3	6,928,736.83	2,078,621.05	30.00	Relating to litigation
Entity 4	3,721,086.44	3,721,086.44	100.00	Expected to be unrecoverable
Entity 5	3,071,978.69	3,071,978.69	100.00	Expected to be unrecoverable
Entity 6	2,003,735.65	2,003,735.65	100.00	Expected to be unrecoverable
Entity 7	1,000,543.91	1,000,543.91	100.00	Expected to be unrecoverable
Entity 8	885,520.80	531,312.48	60.00	Relating to litigation
Others	3,252,107.72	3,252,107.72	100.00	Expected to be unrecoverable
Total	48,156,944.74	37,844,965.86	78.59	/

Notes to the Financial Statements

31 December 2024
Prepared by: Triumph New Energy Company Limited
Unit: Yuan Currency: RMB

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

3. Accounts receivable (Continued)

(2). Classified disclosure by the method of bad debt provision (Continued)

Name	Book balance	Opening balance		Reason for provision
		Provision for bad debts	Provision ratio (%)	
Entity 1	14,524,097.75	14,524,097.75	100.00	Expected to be unrecoverable
Entity 2	3,721,086.44	3,721,086.44	100.00	Expected to be unrecoverable
Entity 3	3,071,978.69	3,071,978.69	100.00	Expected to be unrecoverable
Entity 4	2,003,735.65	2,003,735.65	100.00	Expected to be unrecoverable
Others	4,234,154.17	4,234,154.17	100.00	Expected to be unrecoverable
Total	27,555,052.70	27,555,052.70	100.00	/

Provision for bad debts on group basis:

Provision on group basis: related party customers

Unit: Yuan Currency: RMB

Name	Accounts receivable	Closing balance		Accounts receivable	Opening balance	
		Provision for bad debts	Provision ratio (%)		Provision for bad debts	Provision ratio (%)
Related party customers	56,424,369.02	1,128,487.38	2.00	49,797,714.80	995,954.30	2.00
Total	56,424,369.02	1,128,487.38	2.00	49,797,714.80	995,954.30	2.00

Notes to the Financial Statements

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

3. Accounts receivable (Continued)

(2). Classified disclosure by the method of bad debt provision (Continued)

Provision on group basis: general customers

Unit: Yuan Currency: RMB

Name	Closing balance			Opening balance		
	Accounts receivable	Provision for bad debts	Provision ratio (%)	Accounts receivable	Provision for bad debts	Provision ratio (%)
Within 1 year	955,966,151.92	4,493,038.96	0.47	1,252,085,248.84	11,268,767.22	0.90
1 to 2 years	14,334,813.77	4,227,339.18	29.49	2,338,020.81	1,150,072.43	49.19
2 to 3 years	56,062.14	35,783.83	63.83	147,646.88	121,572.44	82.34
3 to 4 years	2,420.63	2,120.23	87.59	43,527.51	37,951.64	87.19
4 to 5 years				1,191,318.33	1,157,008.36	97.12
Over 5 years	47,081,857.47	47,081,857.47	100.00	47,061,251.35	47,061,251.35	100.00
Total	1,017,441,305.93	55,840,139.67	5.49	1,302,867,013.72	60,796,623.44	4.67

Notes to the Financial Statements

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VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

3. Accounts receivable (Continued)

(3). Provision for bad debts

Unit: Yuan Currency: RMB

Category	Opening balance	Provision	Increase/decrease for the period			
			Other increases	Recovery or reversal	Write-off or cancellation	Other change
Bad debt provision for accounts receivable	89,347,630.44	6,622,589.72	145,877.93	145,877.93	1,156,627.25	94,813,592.91
Total	89,347,630.44	6,622,589.72	145,877.93	145,877.93	1,156,627.25	94,813,592.91

Note: Accounts receivable of RMB145,877.93 which were actually written off were recovered through the administrator's account during the period.

(4). Accounts receivable actually written off during the period

Unit: Yuan Currency: RMB

Item	Amount written off
Accounts receivable actually written off	1,156,627.25

Notes to the Financial Statements

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

3. Accounts receivable (Continued)

(4). Accounts receivable actually written off during the period (Continued)

Writing-off of important accounts receivable

Unit: Yuan Currency: RMB

Name	Nature of accounts receivable	Amount written off	Reason for write-off	Underwriting procedures performed	Whether the amount arises from a related party transaction
Entity 1	Current account	603,685.87	Cancellation	Consideration by the Board	No
Total	/	603,685.87	/	/	/

(5). The top five largest accounts receivable and contract assets at the end of the period by the balance collected regarding the party in default

The total amount of the top five largest accounts receivable at the end of the period by the balance collected regarding the party in default during the reporting period is RMB376,131,679.98, accounting for 33.52% of the total closing balance of accounts receivable and the corresponding aggregate amount of the closing balance of the bad debt provision was RMB1,767,818.90.

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VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. Accounts receivable financing

(1). Presentation of accounts receivable financing by category

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Bank acceptances	101,944,495.77	824,006,594.24
Electronic debenture receivable	66,701,527.99	589,390,817.41
Less: Other comprehensive income – changes in fair value		
Total	168,646,023.76	1,413,397,411.65

(2). Accounts receivable financing that has been endorsed or discounted and is not yet due at the balance sheet date at the end of the period

Unit: Yuan Currency: RMB

Item	Derecognized amount at the end of the period	Not-yet derecognized amount at the end of the period
Bank acceptances	958,565,072.96	
Electronic debenture receivable	163,964,605.84	
Total	1,122,529,678.80	

Notes to the Financial Statements

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. Prepayments

(1). Aging analysis of prepayments

Ageing analysis of prepayments by date of entry as follows:

Unit: Yuan Currency: RMB

Ageing	Closing balance Amount	Ratio (%)	Opening balance Amount	Ratio (%)
Within 1 year	158,018,020.37	97.85	180,637,023.27	96.37
1 to 2 years	2,181,697.72	1.35	4,993,320.68	2.66
2 to 3 years	26,384.57	0.02	932,664.75	0.50
Over 3 years	1,253,092.55	0.78	878,420.64	0.47
Total	161,479,195.21	100.00	187,441,429.34	100.00

Explanation on the reasons for significant advances to suppliers over 1 year and not settled in time:

Nil

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VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. Prepayments (Continued)

(2). *Top five largest prepayments at the end of the period by the balance collected regarding the party paying prepayments*

The total amount of the top five largest prepayments at the end of the reporting period by the balance collected regarding the party paying prepayments during the period is RMB119,958,764.50, accounting for 74.29% of the total amount of prepayments.

6. Other receivables

Presentation by item

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Interest receivables		
Dividends receivables		
Other receivables	138,666,779.55	189,697,646.60
Less: Provision for bad debts	36,486,875.57	35,300,999.31
Total	102,179,903.98	154,396,647.29

Notes to the Financial Statements

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

6. Other receivables (Continued)

Other receivables

(1). Disclosure by ageing

Ageing analysis of other receivables by date of entry as follows:

Unit: Yuan Currency: RMB

Ageing	Book balance at the end of the period	Ratio (%)	Book balance at the beginning of the period	Ratio (%)
Within 1 year	79,954,547.84	57.66	142,592,075.17	75.17
Sub-total within 1 year	79,954,547.84	57.66	142,592,075.17	75.17
1 to 2 years	17,668,987.03	12.74	4,025,634.08	2.12
2 to 3 years	3,977,538.08	2.87	5,984,858.44	3.15
3 to 4 years	3,479,041.44	2.51	3,289,215.51	1.73
4 to 5 years	2,524,309.83	1.82	1,470,204.51	0.78
Over 5 years	31,062,355.33	22.40	32,335,658.89	17.05
Total	138,666,779.55	100.00	189,697,646.60	100.00

(2). By nature of amount

Unit: Yuan Currency: RMB

Nature of amount	Book balance at the end of the period	Book balance at the beginning of the period
Photovoltaic subsidies	14,640,026.94	11,136,095.40
Security deposit and deposit	12,669,863.77	7,073,095.34
Current accounts	93,667,726.10	87,712,905.63
Others	17,689,162.74	83,775,550.23
Less: Provision for bad debts	36,486,875.57	35,300,999.31
Total	102,179,903.98	154,396,647.29

Notes to the Financial Statements

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Prepared by: Triumph New Energy Company Limited
Unit: Yuan Currency: RMB

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

6. Other receivables (Continued)

Other receivables (Continued)

(3). By provision for bad debts

Unit: Yuan Currency: RMB

Provision for bad debts	Stage 1 12-month ECL	Stage 2 Lifetime ECL (non-credit- impaired)	Stage 3 Lifetime ECL (credit- impaired)	Total
Balance as at 1 January 2024	1,000,413.59	3,549,727.11	30,750,858.61	35,300,999.31
Balance at 1 January 2024 in the current period				
– Transfer to Stage 2	-80,545.81	80,545.81		
– Transfer to Stage 3		-13,520.00	13,520.00	
– Transfer back to Stage 2				
– Transfer back to Stage 1				
Provision for the period	543,926.03	1,051,288.51	-409,338.28	1,185,876.26
Reversal for the period				
Write-off for the period				
Cancellation for the period				
Other changes				
Balance as at 31 December 2024	1,463,793.81	4,668,041.43	30,355,040.33	36,486,875.57

Notes to the Financial Statements

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

6. Other receivables (Continued)

Other receivables (Continued)

(3). By provision for bad debts (Continued)

Basis of segregation and bad debt provisioning ratio by stages

At the end of the period, the provision for bad debts in Stage 1

Unit: Yuan Currency: RMB

Category	Book balance	Expected credit loss rate over the next 12 months (%)	Provision for bad debts	Book value
Provision for bad debts on an individual basis	161,280.00	41.10	66,279.30	95,000.70
Provision for bad debts on group basis	79,793,267.84	1.75	1,397,514.51	78,395,753.33
Group 1: Photovoltaic subsidies	5,342,762.29	3.00	160,282.87	5,182,479.42
Group 2: Security deposit and deposit	10,521,957.66	2.00	210,439.15	10,311,518.51
Group 3: Current accounts with related parties outside the scope of consolidation	14,130,886.68	2.00	282,617.73	13,848,268.95
Group 4: Current accounts with general customers	37,208,737.84	2.00	744,174.76	36,464,563.08
Group 5: Social security and reserve	5,292,321.97			5,292,321.97
Group 6: Others	7,296,601.40			7,296,601.40
Total	79,954,547.84	1.83	1,463,793.81	78,490,754.03

Notes to the Financial Statements

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Unit: Yuan Currency: RMB

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

6. Other receivables (Continued)

Other receivables (Continued)

(3). By provision for bad debts (Continued)

At the end of the period, the provision for bad debts in Stage 2

Unit: Yuan Currency: RMB

Category	Book balance	Expected credit loss rate over the lifetime (%)	Provision for bad debts	Book value
Provision for bad debts on an individual basis				
Provision for bad debts on group basis	27,649,876.38	16.88	4,668,041.43	22,981,834.95
Group 1: Photovoltaic subsidies	9,297,264.65	3.00	278,917.94	9,018,346.71
Group 2: Security deposit and deposit	1,426,156.11	2.00	28,523.12	1,397,632.99
Group 3: Current accounts with related parties outside the scope of consolidation				
Group 4: Current accounts with general customers	5,978,611.64	72.94	4,360,600.37	1,618,011.27
Group 5: Social security and reserve	555,282.64			555,282.64
Group 6: Others	10,392,561.34			10,392,561.34
Total	27,649,876.38	16.88	4,668,041.43	22,981,834.95

Notes to the Financial Statements

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

6. Other receivables (Continued)

Other receivables (Continued)

(3). *By provision for bad debts (Continued)*

At the end of the period, the provision for bad debts in Stage 3

Unit: Yuan Currency: RMB

Category	Book balance	Expected credit loss rate over the lifetime (%)	Provision for bad debts	Book value
Provision for bad debts on an individual basis	28,000.00	100.00	28,000.00	
Provision for bad debts on group basis	31,034,355.33	97.72	30,327,040.33	707,315.00
Group 1: Photovoltaic subsidies				
Group 2: Security deposit and deposit	721,750.00	2.00	14,435.00	707,315.00
Group 3: Current accounts with related parties outside the scope of consolidation	281,200.00	100.00	281,200.00	
Group 4: Current accounts with general customers	29,991,288.92	100.00	29,991,288.92	
Group 5: Social security and reserve	40,116.41	100.00	40,116.41	
Group 6: Others				
Total	31,062,355.33	97.72	30,355,040.33	707,315.00

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Unit: Yuan Currency: RMB

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

6. Other receivables (Continued)

Other receivables (Continued)

(3). By provision for bad debts (Continued)

At the end of the previous year, the provision for bad debt in Stage 1

Unit: Yuan Currency: RMB

Category	Book balance	Expected credit loss rate over the next 12 months (%)	Provision for bad debts	Book value
Provision for bad debts on an individual basis				
Provision for bad debts on group basis	142,592,075.17	0.70	1,000,413.59	141,591,661.58
Group 1: Photovoltaic subsidies	4,873,852.13	3.00	146,215.56	4,727,636.57
Group 2: Security deposit and deposit	643,389.00	2.00	12,867.78	630,521.22
Group 3: Current accounts with related parties outside the scope of consolidation	43,322,589.38	1.83	794,451.79	42,528,137.59
Group 4: Current accounts with general customers	2,343,922.99	2.00	46,878.46	2,297,044.53
Group 5: Social security and reserve	7,632,771.44			7,632,771.44
Group 6: Others	83,775,550.23			83,775,550.23
Total	142,592,075.17	0.70	1,000,413.59	141,591,661.58

Notes to the Financial Statements

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

6. Other receivables (Continued)

Other receivables (Continued)

(3). By provision for bad debts (Continued)

At the end of the previous year, the provision for bad debt in Stage 2

Unit: Yuan Currency: RMB

Category	Book balance	Expected credit loss rate over the lifetime (%)	Provision for bad debts	Book value
Provision for bad debts on an individual basis				
Provision for bad debts on group basis	14,769,912.54	24.03	3,549,727.11	11,220,185.43
Group 1: Photovoltaic subsidies	6,050,522.71	3.00	181,515.68	5,869,007.03
Group 2: Security deposit and deposit	4,163,384.00	2.00	83,267.68	4,080,116.32
Group 3: Current accounts with related parties outside the scope of consolidation	31,696.00	2.00	633.92	31,062.08
Group 4: Current accounts with general customers	4,524,309.83	72.59	3,284,309.83	1,240,000.00
Group 5: Social security and reserve				
Group 6: Others				
Total	14,769,912.54	24.03	3,549,727.11	11,220,185.43

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Unit: Yuan Currency: RMB

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

6. Other receivables (Continued)

Other receivables (Continued)

(3). By provision for bad debts (Continued)

At the end of the previous year, the provision for bad debt in Stage 3

Unit: Yuan Currency: RMB

Category	Book balance	Expected credit loss rate over the lifetime (%)	Provision for bad debts	Book value
Provision for bad debts on an individual basis	358,000.00	100.00	358,000.00	
Provision for bad debts on group basis	31,977,658.89	95.04	30,392,858.61	1,584,800.28
Group 1: Photovoltaic subsidies	211,720.56	3.00	6,351.61	205,368.95
Group 2: Security deposit and deposit	1,407,583.00	2.00	28,151.67	1,379,431.33
Group 3: Current accounts with related parties outside the scope of consolidation	281,200.00	100.00	281,200.00	
Group 4: Current accounts with general customers	29,986,263.42	100.00	29,986,263.42	
Group 5: Social security and reserve	90,891.91	100.00	90,891.91	
Group 6: Others				
Total	32,335,658.89	95.10	30,750,858.61	1,584,800.28

Notes to the Financial Statements

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

6. Other receivables (Continued)

Other receivables (Continued)

(4). Provision for bad debts

Unit: Yuan Currency: RMB

Category	Opening balance	Provision	Increase/decrease for the period			Closing balance
			Recovery or reversal	Write-off or cancellation	Other change	
Bad debt provision for other receivables	35,300,999.31	1,185,876.26				36,486,875.57
Total	35,300,999.31	1,185,876.26				36,486,875.57

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VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

6. Other receivables (Continued)

Other receivables (Continued)

(5). The top five largest other receivables at the end of the period by the balance collected regarding the party in default

Unit: Yuan Currency: RMB

Name	Closing balance	Proportion in total balance of other receivables at the end of the period (%)	Nature of amount	Ageing	Balance of provision for bad debts at the end of the period
Entity 1	35,500,000.00	25.60	Current accounts	Within 1 year	710,000.00
Entity 2	13,189,162.74	9.51	Others	Within 1 year, 1 to 2 years	
Entity 3	10,808,704.00	7.79	Current accounts	Over 5 years	10,808,704.00
Entity 4	8,521,533.28	6.15	Photovoltaic subsidies	1 to 4 years	255,646.00
Entity 5	8,206,915.67	5.92	Current accounts	Within 1 year	164,138.31
Total	76,226,315.69	54.97	/	/	11,938,488.31

Notes to the Financial Statements

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. Inventories

(1). Category of inventories

Unit: Yuan Currency: RMB

Item	Closing balance			Opening balance		
	Book balance	Provision for impairment of inventories/ provision for impairment of contract performance cost	Book value	Book balance	Provision for impairment of inventories/ provision for impairment of contract performance cost	Book value
Raw materials	402,435,632.73	25,514,489.08	376,921,143.65	333,005,209.44	21,622.39	332,983,587.05
Products in process						
Commodity inventories	643,679,970.52	131,539,576.53	512,140,393.99	380,551,539.85	29,399,920.00	351,151,619.85
Circulation materials	235,080.74		235,080.74	185,558.61		185,558.61
Consumable biological assets						
Contract performance costs						
External processing materials				30,680.71		30,680.71
Products delivered	2,368,716.59	327,781.11	2,040,935.48	2,535,789.74		2,535,789.74
Total	1,048,719,400.58	157,381,846.72	891,337,553.86	716,308,778.35	29,421,542.39	686,887,235.96

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Unit: Yuan Currency: RMB

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. Inventories (Continued)

(3). Provision for impairment of inventories and provision for impairment of contract performance cost

Unit: Yuan Currency: RMB

Item	Opening balance	Increase for the period		Decrease for the period		Closing balance
		Provision	Others	Reversal or write off	Others	
Raw materials	21,622.39	25,492,866.69				25,514,489.08
Products in process						
Commodity inventories	29,399,920.00	103,657,261.73		1,517,605.20		131,539,576.53
Circulation materials						
Consumable biological assets						
Contract performance costs						
Products delivered		327,781.11				327,781.11
Total	29,421,542.39	129,477,909.53		1,517,605.20		157,381,846.72

Notes to the Financial Statements

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

8. Assets held for sale

Unit: Yuan Currency: RMB

Item	Closing balance			Opening balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
(I) Non-current assets held for sale						
Including: Fixed assets				3,795,599.65		3,795,599.65
Construction in progress				2,078,466.10		2,078,466.10
Total				5,874,065.75		5,874,065.75

Notes to the Financial Statements

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Unit: Yuan Currency: RMB

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

9. Other current assets

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Costs of obtaining a contract		
Return cost receivable		
Input tax to be deducted	157,347,829.87	110,395,248.09
Taxes paid in advance	1,365,193.75	3,594,868.71
Deferred expenses	294,573.43	970,935.00
Other taxes and fees paid in advance	63,476.90	1,179.03
Total	159,071,073.95	114,962,230.83



Notes to the Financial Statements

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

10. Fixed assets

Presentation by item

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Fixed Assets	4,633,638,530.79	4,947,322,586.75
Fixed assets liquidation	12,621,004.11	
Total	4,646,259,534.90	4,947,322,586.75

Fixed assets

(1). Fixed assets

Unit: Yuan Currency: RMB

Item	Buildings and structures	Machinery and equipment	Transportation tools	Office, electronic equipment and others	Total
I. Original book value:					
1. Opening balance	1,978,008,391.90	4,043,539,469.50	4,012,124.75	29,643,565.46	6,055,203,551.61
2. Increase for the period	367,200,837.05	399,881,901.42	1,718,725.66	16,212,826.41	785,014,290.54
(1) Purchase	3,218.90	17,694,144.98	1,718,725.66	16,181,192.16	35,597,281.70
(2) Transfer from construction in progress	367,197,618.15	379,929,791.87		31,634.25	747,159,044.27
(3) Increase in business combination					
(4) Breakdown reclassified		2,257,964.57			2,257,964.57
3. Decrease for the period	176,945,091.59	1,131,967,830.92	4,051,375.60	6,343,858.16	1,319,308,156.27
(1) Disposal or retirement		5,322,447.64		503,264.16	5,825,711.80
(2) Sale	793,181.62	77,082,746.81	1,793,411.03	5,840,594.00	85,509,933.46
(3) Transfer to construction in progress and fixed assets liquidation	176,151,909.97	1,049,562,636.47			1,225,714,546.44
(4) Breakdown reclassified			2,257,964.57		2,257,964.57
4. Closing balance	2,168,264,137.36	3,311,453,540.00	1,679,474.81	39,512,533.71	5,520,909,685.88

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Unit: Yuan Currency: RMB

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

10. Fixed assets (Continued)

Fixed assets (Continued)

(1). Fixed assets (Continued)

Item	Buildings and structures	Machinery and equipment	Transportation tools	Office, electronic equipment and others	Total
II. Accumulated depreciation					
1. Opening balance	245,769,166.11	838,224,842.58	1,412,124.48	16,538,931.43	1,101,945,064.60
2. Increase for the period	58,487,861.49	270,483,157.11	376,200.67	3,980,124.58	333,327,343.85
(1) Provision	58,487,861.49	269,661,158.21	376,200.67	3,980,124.58	332,505,344.95
(2) Breakdown reclassified		821,998.90			821,998.90
3. Decrease for the period	32,620,980.01	508,403,244.92	1,623,157.68	5,353,870.75	548,001,253.36
(1) Disposal or retirement		1,876,546.40		479,259.65	2,355,806.05
(2) Sale	552,340.28	62,972,170.15	801,158.78	4,874,611.10	69,200,280.31
(3) Transfer to construction in progress and fixed assets liquidation	32,068,639.73	443,554,528.37	475,623,168.10		
(4) Breakdown reclassified			821,998.90		821,998.90
4. Closing balance	271,636,047.59	600,304,754.77	165,167.47	15,165,185.26	887,271,155.09
III. Provision for impairment					
1. Opening balance		5,935,900.26			5,935,900.26
2. Increase for the period					
3. Decrease for the period		5,935,900.26			5,935,900.26
(1) Disposal or retirement		3,024,455.17			3,024,455.17
(2) Sale		2,911,445.09			2,911,445.09
4. Closing balance					
IV. Book value					
1. Book value at the end of the period	1,896,628,089.77	2,711,148,785.23	1,514,307.34	24,347,348.45	4,633,638,530.79
2. Book value at the beginning of the period	1,732,239,225.79	3,199,378,726.66	2,600,000.27	13,104,634.03	4,947,322,586.75

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

10. Fixed assets (Continued)

Fixed assets (Continued)

(2). Temporarily idle fixed assets

Original value and book value of the idle assets due to shut down, were RMB296,777,106.31 and RMB238,996,730.30, respectively.

(3). Fixed assets leased out under operating leases

The fixed assets leased out under operating leases during the reporting period mainly consisted of buildings and structures with a book value of RMB4,735,762.90 as at the end of the reporting period.

(4). Fixed assets with pending certificates of title

At the end of the reporting period, the book value of fixed assets without certificate of title was RMB677,748,472.56, which is currently in the process of application.

(5). Impairment testing for fixed assets

At the end of the reporting period, the Company used the future income approach to estimate the future cash flows of the assets related to the discontinued production lines and estimated the recoverable amounts of the assets on that basis, and the results of the impairment test indicated that the recoverable amounts of the assets were higher than the carrying amounts of the related assets at the end of the reporting period.

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VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

10. Fixed assets (Continued)

Fixed assets (Continued)

(5). Impairment testing for fixed assets (Continued)

Original value of the fixed assets, including machine and equipment, transportation tools and electronic equipment which continued to be used upon full provision for depreciation at the end of the period, was RMB82,305,757.15.

Fixed assets liquidation

Unit: Yuan Currency: RMB

Item	Closing balance	Reasons for transfer to liquidation	Opening balance
Refractory materials for furnaces	12,621,004.11	Proposed disposal	

11. Construction in progress

Presentation by item

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Construction in progress	3,389,274,950.00	1,772,629,520.09
Construction materials		
Total	3,389,274,950.00	1,772,629,520.09

Notes to the Financial Statements

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

11. Construction in progress (Continued)

Construction in progress

(1). Construction in progress

Unit: Yuan Currency: RMB

Item	Closing balance		Opening balance	
	Book balance	Provision for impairment	Book balance	Provision for impairment
	Book value		Book value	
Luoyang solar photovoltaic cell packaging materials project	1,471,180,391.61	1,471,180,391.61	597,377,154.68	597,377,154.68
North Glass Solar Photovoltaic Cell Encapsulating Material Project	941,155,196.49	941,155,196.49	288,817,422.78	288,817,422.78
Yixing technical renovation project on cold repair of the solar coating glass production line with annual capacity of 48 million m ²	377,065,258.54	377,065,258.54		
Hefei technical renovation project on cold repair of the solar cell cover plates production line – Phase I	224,023,369.87	224,023,369.87		
320t/d solar photovoltaic cell cover plates material production line technology upgrading project in Tongcheng	153,534,857.25	153,534,857.25	2,554,595.03	2,554,595.03
Tongcheng project of photovoltaic cell packaging material for solar equipment – Phase II	55,349,812.65	55,349,812.65	51,356,049.43	51,356,049.43
8MW distributed photovoltaic power plant in Yixing	36,517,103.69	36,517,103.69	26,381,358.51	26,381,358.51
Hefei carbon dioxide capture and purification green emission reduction demonstration project supporting for project of photovoltaic cell packaging material for solar equipment	36,100,637.39	36,100,637.39	36,602,731.32	36,602,731.32
4.5MW residual heat power generation in Yixing	31,238,414.21	31,238,414.21	26,737,808.35	26,737,808.35
Project of photovoltaic cell packaging materials in Zhangzhou	28,032,282.25	28,032,282.25	27,637,911.93	27,637,911.93
Curtain wall power generation project in Zhangzhou	15,356,458.88	15,356,458.88	14,882,595.87	14,882,595.87
Intelligent factory network communication and digitalized management system in Yixing	8,307,963.52	8,307,963.52	6,593,172.30	6,593,172.30
2000t/d ultra-thin encapsulating materials for PV modules project in Zigong	6,058,789.12	6,058,789.12	2,358,218.09	2,358,218.09
500T cold repair project in North Glass			12,056,682.63	4,915,966.06
Phase I cold repair and renovation project of ultra-white solar glass production line in Zhangzhou	2,523,145.10	2,523,145.10	2,041,771.29	2,041,771.29

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VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

11. Construction in progress (Continued)

Construction in progress (Continued)

(1). Construction in progress (Continued)

Unit: Yuan Currency: RMB

Item	Closing balance		Opening balance	
	Book balance	Provision for impairment Book value	Book balance	Provision for impairment Book value
Phase II project of photovoltaic cell packaging materials for solar energy equipment of North Solar Energy	1,091,250.87	1,091,250.87	740,886.58	740,886.58
Share innovation center project	638,667.74	638,667.74	544,608.33	544,608.33
Phase I project of photovoltaic cell packaging materials for solar energy equipment of Yixing			670,593,494.19	670,593,494.19
Phrase II overhaul of glass tempering 5-line and 7-line robots in Zhangzhou			2,961,060.90	2,961,060.90
Hefei further processed project of solar cell cover plates material with annual production of 36 million m ² of full-oxygen combustion – Phase I			2,814,159.29	2,814,159.29
Tongcheng project of photovoltaic cell packaging material for solar equipment – Phase I			1,555,649.52	1,555,649.52
9MW residual heat power generation project in Zhangzhou			168,932.03	168,932.03
Construction of shift dormitories and canteens in Yixing			37,735.85	37,735.85
Other projects	1,101,350.82	1,101,350.82	2,731,487.25	2,731,487.25
Total	3,389,274,950.00	3,389,274,950.00	1,777,545,486.15	4,915,966.06 1,772,629,520.09

Notes to the Financial Statements

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

11. Construction in progress (Continued)

Construction in progress (Continued)

(2). Change in the important engineering projects in construction for the current period

Unit: Yuan Currency: RMB

Project name	Budget	Opening Balance	Increase for the period	Fixed assets amount transferred for the current period	Other decreased amount for the period	Closing Balance	Ratio accounted by accumulated contribution towards engineering with respect to the budget (%)	Progress of engineering	Amount of accumulated capitalized interest	Including: the amount of capitalized interest for the current period	Interest capitalized rate for the current period (%)	Source of funds
Phase I project of photovoltaic cell packaging materials for solar energy equipment of Yixing	797,340,000.00	670,593,494.19	57,106,498.72	727,699,992.91			116.63	100.00	14,668,420.75	4,824,703.80	2.84	Self-raised funds, loans from financial institutions
Luojiang solar photovoltaic cell packaging materials project	2,294,160,000.00	597,377,154.68	873,803,236.93			1,471,180,391.61	94.56	93.00	18,234,994.30	17,906,909.10	2.60	Self-raised funds, loans from financial institutions
Solar photovoltaic cell packaging material project of Qinhuangdao North Glass Co., Ltd.	1,184,510,000.00	288,817,422.78	611,026,346.28			899,843,769.06	79.78	86.00	10,884,859.52	10,479,750.74	2.35	Self-raised funds, loans from financial institutions
Project of photovoltaic cell packaging materials in Zhangzhou	1,198,650,000.00	27,637,911.93	394,370.32			28,032,282.25	2.34	2.00				Self-raised funds, loans from financial institutions
2000W ultra-thin encapsulating materials for PV modules project in Zigong	1,399,220,000.00	2,358,218.09	3,700,571.03			6,058,789.12	0.43	0.00				Self-raised funds, loans from financial institutions
320W solar photovoltaic cell cover plates material production line technology upgrading project in Tongcheng	1,193,020,000.00	2,554,595.03	150,980,262.22			153,534,857.25	13.31	3.00				Self-raised funds, loans from financial institutions
Phase I project of photovoltaic cell packaging materials for solar energy equipment of North Solar Energy	2,395,380,000.00	740,886.58	350,364.29			1,091,250.87	0.05	0.00				Self-raised funds, loans from financial institutions
Yixing technical renovation project on cold repair of the solar coating glass production line with annual capacity of 48 million m ²	986,616,400.00		377,065,258.54			377,065,258.54	38.77	5.00				Self-raised funds, loans from financial institutions
Total	11,448,898,400.00	1,580,079,683.28	2,074,426,508.33	727,699,992.91		2,356,806,598.70	/	/	43,808,274.57	33,211,363.64	/	/

Notes to the Financial Statements

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VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

11. Construction in progress (Continued)

Construction in progress (Continued)

(3). Provision for impairment of construction in progress for the period

Unit: Yuan Currency: RMB

Item	Opening balance	Increase for the period	Decrease for the period	Closing balance	Reason for provision
500T cold repair project in North Glass	4,915,966.06		4,915,966.06		
Total	4,915,966.06		4,915,966.06		/

Notes to the Financial Statements

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

12. Right-of-use assets

(1) Right-of-use assets

Unit: Yuan Currency: RMB

Item	Buildings and structures	Machinery and equipment	Total
I. Original book value			
1. Opening balance	12,910,111.79	6,091,609.25	19,001,721.04
2. Increase for the period			
3. Decrease for the period			
4. Closing balance	12,910,111.79	6,091,609.25	19,001,721.04
II. Accumulated depreciation			
1. Opening balance	8,392,279.54	913,741.41	9,306,020.95
2. Increase for the period	2,587,678.44	730,993.08	3,318,671.52
(1) Provision	2,587,678.44	730,993.08	3,318,671.52
3. Decrease for the period			
(1) Disposal			
4. Closing balance	10,979,957.98	1,644,734.49	12,624,692.47
III. Provision for impairment			
1. Opening balance			
2. Increase for the period			
(1) Provision			
3. Decrease for the period			
(1) Disposal			
4. Closing balance			
IV. Book value			
1. Book value at the end of the period	1,930,153.81	4,446,874.76	6,377,028.57
2. Book value at the beginning of the period	4,517,832.25	5,177,867.84	9,695,700.09

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VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

13. Intangible assets

(1). Intangible assets

Unit: Yuan Currency: RMB

Item	Land use rights	Patent right	Non-patent technology	Software use rights	Pollution discharge rights	Total
I. Original book value						
1. Opening balance	743,792,032.59	3,122,749.18	114,895,951.36	8,342,112.50		870,152,845.63
2. Increase for the period		7,408,484.88	35,542,592.63	187,890.29	563,374.83	43,702,342.63
(1) Purchase				187,890.29	563,374.83	751,265.12
(2) Internal research and development		7,408,484.88	35,542,592.63			42,951,077.51
(3) Increase in business combination						
3. Decrease for the period						
(1) Disposal						
4. Closing balance	743,792,032.59	10,531,234.06	150,438,543.99	8,530,002.79	563,374.83	913,855,188.26
II. Accumulated amortization						
1. Opening balance	85,128,120.52	577,198.65	36,692,557.24	2,639,920.70		125,037,797.11
2. Increase for the period	16,167,770.88	867,911.29	10,890,783.81	806,669.80	29,226.21	28,762,361.99
(1) Provision	16,167,770.88	867,911.29	10,890,783.81	806,669.80	29,226.21	28,762,361.99
3. Decrease for the period						
(1) Disposal						
4. Closing balance	101,295,891.40	1,445,109.94	47,583,341.05	3,446,590.50	29,226.21	153,800,159.10
III. Provision for impairment						
1. Opening balance						
2. Increase for the period						
(1) Provision						
3. Decrease for the period						
(1) Disposal						
4. Closing balance						
IV. Book value						
1. Book value at the end of the period	642,496,141.19	9,086,124.12	102,855,202.94	5,083,412.29	534,148.62	760,055,029.16
2. Book value at the beginning of the period	658,663,912.07	2,545,550.53	78,203,394.12	5,702,191.80		745,115,048.52

Intangible assets from internal research and development of the Company accounted for 4.7% of the balance of intangible assets for the period.

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

13. Intangible assets (Continued)

(2). Land use rights with pending certificates of title

Among the intangible assets of the Company, the title registration process of the land use rights located in the development zone of Luoyang city with an original value of RMB9,415,764.88 could not be completed in accordance with the regular process due to historical reasons.

14. Goodwill

(1). The original carrying value of goodwill

Unit: Yuan Currency: RMB

Name of investee or event generating goodwill	Opening balance	Increase for the period	Decrease for the period	Closing balance
		Formed by business combination	Disposal	
Zhangzhou New Energy	17,583,473.33			17,583,473.33
Total	17,583,473.33			17,583,473.33

(2). Provision for goodwill impairment

The Company uses the present value of estimated future cash flows to calculate the recoverable amount of the asset group. Based on the results of impairment testing performed by the management, goodwill was not impaired at the end of the period (no impairment occurred at the end of the previous period).

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VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

15. Deferred income tax assets/Deferred income tax liabilities

(1). Deferred income tax assets not being offset

Unit: Yuan Currency: RMB

Item	Closing balance		Opening balance	
	Deductible temporary differences	Deferred income tax assets	Deductible temporary differences	Deferred income tax assets
Provision for impairment of assets	158,839,865.74	24,067,431.83	52,882,345.07	7,932,351.76
Unrealised profits from internal transactions				
Deductible losses	657,740,415.41	100,470,302.38		
Deferred income	62,385,876.64	9,357,881.52	53,539,626.60	8,030,943.99
Lease liabilities	1,412,341.59	211,851.24	4,141,481.56	621,222.23
Total	880,378,499.38	134,107,466.97	110,563,453.23	16,584,517.98

(2). Deferred income tax liabilities not being offset

Unit: Yuan Currency: RMB

Item	Closing balance		Opening balance	
	Taxable temporary differences	Deferred income tax liabilities	Taxable temporary differences	Deferred income tax liabilities
Asset valuation increment from business combinations involving entities not under common control	135,733,732.54	33,141,396.71	148,621,693.70	35,883,972.92
Changes in fair value of other debt investments				
Changes in fair value of investments in other equity instruments				
One-off deduction of fixed assets before tax	8,754,702.16	1,313,205.33	9,479,229.27	1,421,884.39
Right-of-use assets	1,412,341.59	211,851.24	4,141,481.56	621,222.23
Total	145,900,776.29	34,666,453.28	162,242,404.53	37,927,079.54

Notes to the Financial Statements

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

15. Deferred income tax assets/Deferred income tax liabilities (Continued)

(3). *Deferred income tax assets and deferred income tax liabilities presented on a net basis after offsetting*

Unit: Yuan Currency: RMB

Item	Closing amount of offsetting between deferred income tax assets and liabilities	The closing balance of deferred income tax assets or liabilities after offsetting	Opening amount of offsetting between deferred income tax assets and liabilities	The opening balance of deferred income tax assets or liabilities after offsetting
Deferred income tax assets	211,851.24	133,895,615.73	621,222.23	15,963,295.75
Deferred income tax liabilities	211,851.24	34,454,602.04	621,222.23	37,305,857.31

(4). *Breakdown of unrecognised deferred income tax assets*

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Deductible temporary differences	131,706,950.25	115,417,137.62
Deductible losses	466,397,468.59	217,066,170.89
Total	598,104,418.84	332,483,308.51

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VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

15. Deferred income tax assets/Deferred income tax liabilities (Continued)

(5). *Deductible losses not yet recognised as deferred income tax assets will expire in the following years indicated*

Unit: Yuan Currency: RMB

Year	Amount at the end of the period	Amount at the beginning of the period	Note
2024		59,624,964.91	
2025			
2026	55,566,786.76	55,669,772.62	
2027	265,841,686.85	96,786,465.32	
2028	19,099,478.27	4,984,968.04	
2029	125,889,516.71		
Total	466,397,468.59	217,066,170.89	/

16. Other non-current assets

Unit: Yuan Currency: RMB

Item	Closing balance			Opening balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Costs of obtaining a contract						
Costs to fulfil a contract						
Return cost receivable						
Contract assets						
Prepayment for acquisition of long-term asset	10,205,248.99		10,205,248.99	590,128,892.55		590,128,892.55
Others	29,375,000.00		29,375,000.00			
Total	39,580,248.99		39,580,248.99	590,128,892.55		590,128,892.55

Notes to the Financial Statements

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

17. Assets with restricted ownership or right of use

Unit: Yuan Currency: RMB

Item	Closing				Opening			
	Book balance	Book value	Restriction type	Restriction	Book balance	Book value	Restriction type	Restriction
Monetary funds	9,804,401.87	9,804,401.87	Other	Security deposit for the bank acceptance, maintenance funds of building and ETC deposits	44,305,692.00	44,305,692.00	Other	Security deposit for the bank acceptance, L/C guarantee deposit, maintenance funds of building and payment for specific project
Notes receivable	20,154,308.38	20,154,308.38	Pledge					
Inventories								
Fixed assets	625,878,098.15	512,714,948.45	Mortgage		625,878,098.15	547,539,188.58	Mortgage	
Intangible assets	225,554,490.95	209,600,748.05	Mortgage		114,293,381.67	108,970,089.42	Mortgage	
Construction in progress	200,610,000.00	200,610,000.00	Mortgage					
Accounts receivable financing					10,000,000.00	10,000,000.00	Pledge	
Total	1,082,001,299.35	952,884,406.75	/	/	794,477,171.82	710,814,970.00	/	/

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VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

18. Short-term borrowings

(1). Classification of short-term loans

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Pledged loan		
Mortgage loan		
Guaranty loan		
Credit loan	1,452,849,829.07	721,396,339.61
Interest payable	1,266,639.16	368,921.26
Notes discounted but not derecognised	186,422,254.49	38,890,986.12
Total	1,640,538,722.72	760,656,246.99

Explanation of the classification of short-term loans:

As of 31 December 2024, annual interest rate of short-term loans was 2.27%–2.90%.

Notes to the Financial Statements

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

19. Notes payable

(1). Notes payable is shown as follows

Unit: Yuan Currency: RMB

Category	Closing balance	Opening balance
Commercial acceptances	40,685,026.60	111,265,210.00
Bank acceptances	326,761,016.73	375,621,527.12
Total	367,446,043.33	486,886,737.12

20. Accounts payable

(1). Accounts payable is shown as follows

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Within 1 year (including 1 year)	1,428,937,451.94	1,327,096,444.34
1-2 years (including 2 years)	130,506,698.62	192,843,850.10
2-3 years (including 3 years)	20,749,755.12	3,023,473.65
More than 3 years	13,840,319.83	12,206,868.47
Total	1,594,034,225.51	1,535,170,636.56

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VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

20. Accounts payable (Continued)

(2). Significant accounts payable aged over 1 year or overdue

Unit: Yuan Currency: RMB

Item	Closing balance	Reason for outstanding or carrying forward
Entity 1	28,112,777.90	Has not reached the settlement period
Entity 2	24,801,523.28	Has not reached the settlement period
Entity 3	21,723,575.18	Has not reached the settlement period
Entity 4	19,718,012.08	Has not reached the settlement period
Entity 5	17,435,029.45	Has not reached the settlement period
Entity 6	14,882,595.87	Has not reached the settlement period
Entity 7	10,700,000.00	Has not reached the settlement period
Entity 8	7,558,236.07	Has not reached the settlement period
Total	144,931,749.83	/

21. Payments received in advance

(1). Payments received in advance is shown as follows

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Rental received in advance		20,377.36
Total		20,377.36

Notes to the Financial Statements

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

22. Contract liabilities

(1). Contract liabilities

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Payment for goods in advance	8,384,812.47	8,352,702.13
Total	8,384,812.47	8,352,702.13

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VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

23. Employee compensation payable

(1). Employee compensation payable is shown as follows

Unit: Yuan Currency: RMB

Item	Opening balance	Increase for the period	Decrease for the period	Closing balance
I. Short-term remuneration	83,610,995.46	350,870,639.16	383,186,326.49	51,295,308.13
II. Post-employment benefits – defined provision plan	732,292.69	26,349,441.34	26,673,825.70	407,908.33
III. Termination benefits		11,130,652.49	11,130,652.49	
IV. Other benefits due within one year				
Total	<u>84,343,288.15</u>	<u>388,350,732.99</u>	<u>420,990,804.68</u>	<u>51,703,216.46</u>

Notes to the Financial Statements

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

23. Employee compensation payable (Continued)

(2). Short-term remuneration is shown as follows

Unit: Yuan Currency: RMB

Item	Opening balance	Increase for the period	Decrease for the period	Closing balance
I. Salary, bonus, allowance and subsidy	78,809,787.41	256,008,901.50	290,175,213.49	44,643,475.42
II. Staff's welfare		21,160,169.83	21,160,169.83	
III. Social insurance premium	336,206.87	14,865,602.48	14,970,187.51	231,621.84
Including: Medical insurance	248,941.23	12,907,916.25	12,976,601.33	180,256.15
Labour injury insurance	55,863.64	1,584,235.67	1,607,348.87	32,750.44
Maternity insurance	31,402.00	373,450.56	386,237.31	18,615.25
IV. Housing provident fund	451,283.60	14,782,822.48	14,760,971.84	473,134.24
V. Labour union expenses and employee education expenses	2,030,717.58	6,231,662.61	5,678,881.81	2,583,498.38
VI. Short-period paid leave				
VII. Short-term profit sharing plan				
VIII. Labor expenses	1,983,000.00	37,821,480.26	36,440,902.01	3,363,578.25
Total	83,610,995.46	350,870,639.16	383,186,326.49	51,295,308.13

Notes to the Financial Statements

31 December 2024
Prepared by: Triumph New Energy Company Limited
Unit: Yuan Currency: RMB

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

23. Employee compensation payable (Continued)

(3). Defined provision plan is shown as follows

Unit: Yuan Currency: RMB

Item	Opening balance	Increase for the period	Decrease for the period	Closing balance
Post-employment benefits	732,292.69	26,349,441.34	26,673,825.70	407,908.33
Including:				
1. Basic pension insurance	710,070.31	25,390,384.51	25,704,940.74	395,514.08
2. Unemployment insurance		60,686.19	60,686.19	
3. Enterprise annuity	22,222.38	898,370.64	908,198.77	12,394.25
Total	732,292.69	26,349,441.34	26,673,825.70	407,908.33

24. Taxes payable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Value-added tax	149,136.27	9,611,774.11
Consumption tax		
Business tax		
Enterprise income tax		26,915,631.43
Individual income tax	135,300.01	130,725.28
Urban maintenance and construction tax	36,503.12	59,828.06
Property tax	4,914,547.35	3,869,795.97
Land-use tax	1,948,265.03	1,948,272.85
Environmental protection tax	201,367.57	635,962.60
Education surcharges	26,273.63	48,851.36
Other tax and charges	1,385,822.79	1,996,972.92
Total	8,797,215.77	45,217,814.58

Notes to the Financial Statements

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

25. Other payables

(1). Presentation by item

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Interest payable		
Dividends payables		
Other payables	197,674,301.52	173,708,687.56
Total	197,674,301.52	173,708,687.56

Notes to the Financial Statements

31 December 2024
Prepared by: Triumph New Energy Company Limited
Unit: Yuan Currency: RMB

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

25. Other payables (Continued)

(2). Other payables

Other payables by nature of amounts are shown as follows

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Announcement and intermediary fee	3,761,720.95	2,821,048.29
Security deposit and deposit	11,818,441.29	9,117,494.38
Current accounts	182,094,139.28	161,770,144.89
Total	197,674,301.52	173,708,687.56

Other major payables aged over one year or overdue

Unit: Yuan Currency: RMB

Item	Closing balance	Reason for outstanding or carrying forward
China Luoyang Float Glass (Group) Company Limited*	146,203,416.67	Has not reached the settlement period
Total	146,203,416.67	/

Notes to the Financial Statements

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

26. Non-current liabilities due within one year

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Long-term borrowings due within one year	931,645,427.94	449,921,900.80
Bonds payable due within one year		
Long-term payables due within one year		
Lease liabilities due within one year	2,269,038.12	3,546,985.55
Total	933,914,466.06	453,468,886.35

Other explanation:

Long-term borrowings due within one year

Item	Closing balance	Balance at the end of last year
Mortgage loan	146,590,111.03	134,826,033.89
Credit loan	785,055,316.91	315,095,866.91
Total	931,645,427.94	449,921,900.80

Notes to the Financial Statements

31 December 2024
Prepared by: Triumph New Energy Company Limited
Unit: Yuan Currency: RMB

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

27. Other current liabilities

Other current liabilities

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Short-term bonds payable		
Payable return payment		
Ending balance of output VAT	1,031,245.45	1,036,792.57
Endorsed untermiated recognised notes receivable	298,173,052.88	605,751,190.00
Total	299,204,298.33	606,787,982.57

Notes to the Financial Statements

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

28. Long-term borrowings

(1). Category of long-term borrowings

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Pledged loan		
Mortgage loan	564,184,000.00	728,200,000.00
Guaranty loan		
Credit loan	3,093,449,613.81	2,842,452,703.15
Interest payable	2,810,933.90	3,192,811.46
Less: Long-term borrowings due within one year	931,645,427.94	449,921,900.80
Total	2,728,799,119.77	3,123,923,613.81

Notes to the category of long-term borrowings: At the end of 2024, the interest rate range of the Company's long-term borrowings was 1.95% to 3.25%.

Repayment period for long-term borrowings with over one year

Repayment period	Closing balance	Balance at the end of last year
1 to 2 years	616,662,212.94	925,944,989.34
2 to 5 years	1,858,988,517.39	1,290,687,775.32
Over 5 years	253,148,389.44	907,290,849.15
Total	2,728,799,119.77	3,123,923,613.81

Notes: Zigong New Energy, a subsidiary of the Company, pledged the premises (including attached parcels of land), machinery and equipment to Bank of Communications Co., Ltd. Zigong Branch for obtaining mortgage loan on 16 May 2022, with the appraised value of the mortgaged assets of RMB395,940,900 for a term from 16 May 2022 to 15 May 2025. Zigong New Energy obtained a loan of RMB100,000,000.00 on 31 May 2022 and a loan of RMB100,000,000.00 on 19 July 2022. The ownership of the mortgaged assets still belongs to Zigong New Energy and can be used normally. As of 31 December 2024, the original carrying value of premises (including attached parcels of land), machinery and equipment was RMB660,565,354.82 with an accumulated depreciation of RMB115,995,942.11 and a book value of RMB544,569,412.71. The balance of the long-term borrowings was RMB58,055,442.19, of which the long-term borrowings due within one year was RMB58,055,442.19.

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

28. Long-term borrowings (Continued)

(1). Category of long-term borrowings (Continued)

Yixing New Energy, a subsidiary of the Company, for the purpose of constructing the project of "Phase I Project of Photovoltaic Cell Packaging Materials for Solar Energy Equipment", entered into the "Phase I of Photovoltaic Cell Packaging Materials for Solar Energy Equipment" Syndicated Loan Agreement under the serial number of JK023323000705 ("Syndicated Loan Agreement") with the lending bank, Wuxi Branch of Bank of Jiangsu Co. Ltd., Wuxi Branch of Bank of Communications Co. Ltd. and the agent bank, Yixing Sub-branch of Bank of Jiangsu Co. Ltd., obtaining a borrowing amount of RMB750 million, with a project budget of RMB797.3400 million. On 30 March 2023, Yixing New Energy signed the Property Mortgage Contract with Yixing Sub-branch of Jiangsu Bank Co., Ltd. and mortgaged the land use right with an area of 268,202 square meters under the serial number of "Su 2022 Yixing Immovable Property Right No. 0007007", an appraised value of the land use right of RMB77.2400 million and the ownership of the mortgaged assets to be vested in Yixing New Energy, and the mortgage term is from 30 March 2023 to 16 March 2030. Pursuant to the Syndicated Loan Agreement, Yixing New Energy shall mortgage the property and equipment formed upon the completion of the project within 20 business days following the completion of the project to meet the mortgage conditions. The project reached its intended useable condition in April 2024 and was converted to a fixed asset. The necessary supporting documents, such as property rights certificates, are in the process of being completed and have not yet been completed, and as of 31 December 2024, no mortgage has yet been filed. Yixing New Energy obtained a loan of RMB167,000,000.00 on 30 March 2023, RMB83,500,000.00 on 19 April 2023, RMB33,300,000.00 on 30 June 2023, RMB66,600,000.00 on 3 July 2023, RMB33,300,000.00 on 27 September 2023, RMB66,600,000.00 on 7 October 2023, RMB66,600,000.00 on 11 December 2023 and RMB33,300,000.00 on 19 December 2023, respectively. As of 31 December 2024, the original book value of the land use rights was RMB79,606,125.00 and the cumulative amortization was RMB4,776,367.36, with a book value of RMB74,829,757.64; the balance of the long-term borrowings was RMB506,686,668.84, of which the long-term borrowings due within one year was RMB88,534,668.84.

On 28 February 2024, North Glass, a subsidiary of the Company, mortgaged an additional piece of industrial land with an area of 237,623.17 m² and a property value of RMB112,158,100, bearing the title certificate number of Ji [2021] Qin Kai Real Estate Ownership No. 0001563 (冀(2021)秦開不動產權第0001563號), to the East Sub-branch of Qinhuangdao Economic and Technological Development Zone of China Construction Bank Corporation to obtain a loan. The nature of the loan remains a credit loan and the ownership of the mortgaged assets remains vested in North Glass and can be used normally. The term of the mortgage is from 28 February 2024 to 7 September 2031. North Glass obtained a loan of RMB100,000,000.00 on 7 December 2023, RMB90,000,000.00 on 24 April 2024 and RMB30,000,000.00 on 17 June 2024, respectively. As at 31 December 2024, the original book value of the mortgaged land was RMB111,261,109.28, the accumulated amortization was RMB8,344,583.13, the book value was RMB102,916,526.15, and the balance of this long-term borrowings was RMB220,135,688.83, of which the long-term borrowings due within one year was RMB15,665,193.53. On 18 December 2024, machinery and equipment of the Company with an appraised value of RMB200,610,000 was additionally mortgaged as collateral to the Sub-branch of Qinhuangdao Economic and Technological Development Zone of Bank of Communications Company Limited to obtain the loan, and the ownership of the mortgaged assets remains vested in North Glass and can be used normally. North Glass obtained a loan of RMB70,000,000.00 on 26 December 2023, RMB13,000,000.00 on 27 December 2023, RMB30,000,000.00 on 31 January 2024, and RMB30,000,000.00 on 25 June 2024, respectively. As at 31 December 2024, the balance of this long-term borrowings was RMB143,114,479.39, of which the long-term borrowings due within one year was RMB18,234,479.39.

Notes to the Financial Statements

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

29. Lease liabilities

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Lease payment	6,462,904.03	10,296,047.96
Less: Unrecognized financing expenses	520,235.58	891,898.13
Less: Lease liabilities due within one year	2,269,038.12	3,546,985.55
Total	3,673,630.33	5,857,164.28

Other explanation:

The amount of interest expense accrued for lease liabilities in 2024 was RMB355,432.71, which was included in finance expenses-interest expense.

Notes to the Financial Statements

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Prepared by: Triumph New Energy Company Limited
Unit: Yuan Currency: RMB

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

30. Deferred income

Deferred income

Unit: Yuan Currency: RMB

Item	Opening balance	Increase for the period	Decrease for the period	Closing balance	Reason of formation
Government grants	52,752,295.00	14,893,800.00	5,207,748.92	62,438,346.08	Asset-related government grants
Total	52,752,295.00	14,893,800.00	5,207,748.92	62,438,346.08	/

Other explanation:

For details of government grants included in deferred income, please refer to Note XI. Government Grants.

31. Share capital

Unit: Yuan Currency: RMB

	Opening balance	New shares	Bonus shares	Changes in this period (+, -)		Others	Subtotal	Closing balance
				Capital reserve transferred to shares				
Total number of shares	645,674,963.00							645,674,963.00

Notes to the Financial Statements

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

32. Capital reserve

Unit: Yuan Currency: RMB

Item	Opening balance	Increase for the period	Decrease for the period	Closing balance
Capital premium (share capital premium)	3,538,238,816.69			3,538,238,816.69
Other capital reserves	242,580,145.72			242,580,145.72
Total	3,780,818,962.41			3,780,818,962.41

Notes to the Financial Statements

31 December 2024
Prepared by: Triumph New Energy Company Limited
Unit: Yuan Currency: RMB

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

33. Surplus reserve

Unit: Yuan Currency: RMB

Item	Opening balance	Increase for the period	Decrease for the period	Closing balance
Statutory surplus reserve	51,365,509.04			51,365,509.04
Discretionary surplus reserve				
Reserve fund				
Enterprise development fund				
Other				
Total	51,365,509.04			51,365,509.04

Notes to the Financial Statements

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

34. Undistributed profit

Unit: Yuan Currency: RMB

Item	The period	The previous period
Undistributed profit at the end of the previous year before adjustment	149,292,032.10	-245,428,527.10
Total of adjustment of undistributed profit at the beginning of the period (increase expressed with +, and decrease expressed with -)		
Undistributed profit at the beginning of the period after adjustment	149,292,032.10	-245,428,527.10
Add: Net profit attributable to owners of the parent company during the period	-609,930,319.66	394,720,559.20
Less: Appropriation to statutory surplus reserve		
Appropriation to discretionary surplus reserve		
Appropriation to general risk reserves		
Dividends payable to ordinary shares		
Dividends of ordinary shares capitalised		
Undistributed profit at the end of the period	-460,638,287.56	149,292,032.10

35. Operating revenue and operating costs

(1). Operating revenue and operating costs

Unit: Yuan Currency: RMB

Item	Amount for current period		Amount for previous period	
	Income	Cost	Income	Cost
Principal operations	4,547,588,888.51	4,764,370,624.70	6,534,389,316.50	5,795,834,340.31
– Photovoltaic glass	4,525,792,071.25	4,742,622,839.66	6,384,095,724.08	5,637,215,987.79
– Other functional glass	21,796,817.26	21,747,785.04	150,293,592.42	158,618,352.52
Other operations	46,858,415.20	30,057,236.87	60,860,388.10	35,415,389.59
– Raw materials, water, electricity and technical service, etc.	46,858,415.20	30,057,236.87	60,860,388.10	35,415,389.59
Total	4,594,447,303.71	4,794,427,861.57	6,595,249,704.60	5,831,249,729.90

Notes to the Financial Statements

31 December 2024
Prepared by: Triumph New Energy Company Limited
Unit: Yuan Currency: RMB

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

35. Operating revenue and operating costs (Continued)

(2). Deductions of operating revenue

Unit: Yuan Currency: RMB

Item	Current year	Specific deductions	Previous year	Specific deductions
Amount of operating revenue	4,594,447,303.71		6,595,249,704.60	
Total amount of deductions	46,858,415.20		60,860,388.10	
Proportion of total amount of deductions in operating revenue (%)		/		/
I. Business revenue irrelevant to main business				
1. Other business revenues beyond normal operation Revenues obtained by renting fixed assets, intangible assets, packaging, sales of materials, exchange of non-monetary assets with materials, and operation of trusted management businesses, as well as income that is included in the main business income but is beyond the normal operation of the listed company.	46,858,415.20	The specific deductions for the year were RMB23,644,100 for income from sales of materials, etc., RMB21,579,800 for income from technical service fees, RMB1,132,100 for income from custody fees and RMB502,400 for income from leasing of fixed assets	60,860,388.10	The specific deductions in 2023 are RMB49.004 million for income from sales of materials, etc., RMB6,393,900 for income from technical service fees, RMB4,500,900 for income from custody fees, RMB659,300 for income from leasing of fixed assets and RMB302,300 for labor income
2. Income from non-qualified financial business activities, such as interests income from funds borrowed; income generated from non-qualified financial businesses introduced in the current and previous fiscal years, such as guarantee, factoring, micro loans, finance leasing, pawnbroking, etc., excluding finance leasing activities conducted for the purpose of selling main products.				
3. Income generated from new trade business in the current and previous fiscal years.				
4. Income generated from related party transactions unrelated to the Company's existing normal business operations.				
5. Income of subsidiary companies consolidated under the same control from the beginning of the period to the consolidation date.				
6. Income generated from business activities that have not formed or have difficulty forming a stable business model.				
Subtotal of business revenue irrelevant to main business	46,858,415.20		60,860,388.10	

Notes to the Financial Statements

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

35. Operating revenue and operating costs (Continued)

(2). Deductions of operating revenue (Continued)

Unit: Yuan Currency: RMB

Item	Current year	Specific deductions	Previous year	Specific deductions
II. Revenue without commercial substance				
1. Income generated from transactions or events that do not significantly change the future cash flow of the company in terms of risk, timing, or amount.				
2. Income generated from transactions without genuine business activities, such as false income realized through self-trading, and false income generated through the use of internet technology or other methods to construct transactions.				
3. Income generated from business activities with unfair transaction prices.				
4. Income generated from subsidiary companies or businesses acquired during the current fiscal year at unfair consideration or non-transaction methods.				
5. Income involved in non-standard audit opinions in the audit report.				
6. Income generated from other transactions or events without commercial rationality.				
Subtotal of revenue without commercial substance				
III. Other revenue irrelevant to the main business or without commercial substance				
Amount of operating revenues after deductions	4,547,588,888.51		6,534,389,316.50	

Operating revenue for the current period by time of revenue recognition

Timing of revenue recognition	New energy glass	Other functional glass	Revenue from other operations
Recognised at a certain point of time	4,525,792,071.25	21,796,817.26	25,641,434.06
Recognised over time			21,216,981.14
Total	4,525,792,071.25	21,796,817.26	46,858,415.20

Notes to the Financial Statements

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Prepared by: Triumph New Energy Company Limited
Unit: Yuan Currency: RMB

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

35. Operating revenue and operating costs (Continued)

(3). Description of performance obligations

Generally, there is only one performance obligation in the contracts of sales of goods related to sales of glass products to customers by the Company, and the consideration for sales of products is determined according to the fixed price agreed in the sales contract or temporary pricing arrangement. The Company recognises revenue when the control over related goods is transferred to customers.

36. Taxes and surcharges

Unit: Yuan Currency: RMB

Item	Amount for current period	Amount for previous period
Consumption tax		
Business tax		
Urban construction and maintenance tax	212,328.69	1,251,974.81
Education surcharges	201,300.94	1,150,956.17
Resource tax		
Property tax	21,100,530.26	16,976,568.36
Land-use tax	11,552,824.08	11,227,491.48
Vehicle and boat use tax		
Stamp duty	4,523,666.74	6,541,394.00
Environmental protection tax	866,996.54	2,183,452.77
Others	3,126,891.14	5,118,036.92
Total	41,584,538.39	44,449,874.51

Other explanations:

For details of the computation standards of various taxes and surcharges, please refer to Note VI. Taxes.

37. Selling expenses

Unit: Yuan Currency: RMB

Item	Amount for current period	Amount for previous period
Staff remuneration	9,462,570.09	13,554,632.73
Rental fees	3,949,920.34	3,599,651.65
Office expenses	729,029.29	178,193.12
Sample and product depletion	724,218.14	554,347.95
Travel expenses	211,879.57	287,696.08
Property insurance premiums	142,248.00	605,871.89
Depreciation expenses	18,228.15	20,010.77
Other selling expenses	1,074,935.69	974,081.21
Total	16,313,029.27	19,774,485.40

Notes to the Financial Statements

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

38. Administrative expenses

Unit: Yuan Currency: RMB

Item	Amount for current period	Amount for previous period
Staff remuneration	65,763,208.19	73,397,496.95
Depreciation of fixed assets	22,896,333.31	22,631,615.23
Amortization of intangible asset	13,867,059.73	12,674,660.00
Termination benefits	11,130,652.49	56,845.00
Intermediary engagement	8,924,985.26	7,974,126.26
Office expenses	4,259,128.15	5,671,467.21
Utilities	2,636,483.22	2,258,776.78
Travel expenses	1,642,364.12	1,906,363.52
Business entertainment expenses	1,491,343.37	1,837,035.39
Technical service fee	1,467,277.61	1,973,801.18
Labor fee	1,032,799.24	2,679,104.78
Property management fee	1,258,798.49	1,071,222.47
Consulting fees	976,923.18	488,426.17
Transportation expenses	548,754.46	608,247.19
Other expenses	13,060,823.44	11,888,887.56
Total	150,956,934.26	147,118,075.69

39. Research and development expenses

Unit: Yuan Currency: RMB

Item	Amount for current period	Amount for previous period
Labor expense	38,024,536.72	45,951,880.51
Material expense	115,881,630.39	187,692,215.01
Depreciation expenses	7,384,155.46	7,275,218.76
Other expenses	12,885,961.53	10,603,633.73
Total	174,176,284.10	251,522,948.01

Notes to the Financial Statements

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Prepared by: Triumph New Energy Company Limited
Unit: Yuan Currency: RMB

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

40. Finance expenses

Unit: Yuan Currency: RMB

Item	Amount for current period	Amount for previous period
Interest expense	146,335,025.75	102,839,339.12
Less: Interest capitalization	34,057,564.51	19,176,103.25
Interest income	3,003,366.72	7,614,286.41
Exchange gains and losses	-1,705,879.98	-4,081,185.71
Handling charges and other expenses	3,546,948.70	2,162,905.25
Total	111,115,163.24	74,130,669.00

Other explanations:

Nil

41. Other income

Unit: Yuan Currency: RMB

Classification by nature	Amount for current period	Amount for previous period
Subsidy for production and operation	33,953,865.79	189,765,712.13
Additional deduction of value-added tax	17,105,395.36	38,634,295.08
Subsidy for photovoltaic power generation	5,283,491.38	4,933,468.50
Subsidy for stabilizing employment	1,056,224.57	1,491,730.10
R&D, technological renovation subsidy		339,300.00
Refund of individual income tax withholding fees	86,804.78	108,691.16
Gains on debt restructuring		9,298.36
Total	57,485,781.88	235,282,495.33

Other explanations:

For details of specific information on government grants, please refer to Note XI. Government Grants.

Notes to the Financial Statements

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

42. Investment income

Unit: Yuan Currency: RMB

Item	Amount for current period	Amount for previous period
Investment income from long-term equity investment accounted for by the equity method		
Investment income from disposal of long-term equity investment		
Investment income of trading financial assets during the holding period		
Dividend income received from investments in other equity instruments during the holding period		
Interest income from debt investments during the holding period		
Interest income from other debt investments during the holding period		
Investment income from disposal of trading financial assets		
Investment income from disposal of investments in other equity instruments		
Investment income from disposal of debt investments		
Investment income from disposal of other debt investments		
Gains on debt restructuring		
Expense on de-recognition of accounts receivable financing	-11,466,755.54	-13,205,737.32
Total	-11,466,755.54	-13,205,737.32

Notes to the Financial Statements

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Prepared by: Triumph New Energy Company Limited
Unit: Yuan Currency: RMB

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

43. Impairment losses of credit

Unit: Yuan Currency: RMB

Item	Amount for current period	Amount for previous period
Bad debt losses of notes receivable	1,164,053.62	7,308,288.27
Bad debt losses of accounts receivable	-6,476,711.79	1,382,085.66
Bad debt losses of other receivables	-1,185,876.26	-2,310,203.98
Impairment losses on debt investment		
Impairment losses on other debt investment		
Bad debt losses of long-term receivable		
Impairment losses on financial guarantees		
Total	-6,498,534.43	6,380,169.95

Other explanations:

Nil

44. Impairment losses of assets

Unit: Yuan Currency: RMB

Item	Amount for current period	Amount for previous period
I. Impairment on contract assets		
II. Inventory impairment loss and impairment loss of contract performance costs	-129,477,909.53	302,115.54
III. Impairment loss of long-term equity investment		
IV. Impairment loss of investment properties		
V. Impairment loss of fixed assets		
VI. Impairment loss of construction materials		
VII. Impairment loss of construction in progress		
VIII. Impairment loss on biological assets for production		
IX. Impairment loss on oil and gas assets		
X. Impairment loss on intangible assets		
XI. Impairment loss on goodwill		
XII. Others		
Total	-129,477,909.53	302,115.54

Notes to the Financial Statements

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

45. Gains on disposal of assets

Unit: Yuan Currency: RMB

Item	Amount for current period	Amount for previous period
Gains on disposal of fixed assets (loss is represented by "-")	3,394,475.23	29,650,265.45
Gains on disposal of construction in progress (loss is represented by "-")	-2,556.17	1,983,584.59
Gains on disposal of intangible assets (loss is represented by "-")		2,157,901.65
Gains on disposal of other non-current assets (loss is represented by "-")		11,315,700.00
Total	3,391,919.06	45,107,451.69

46. Non-operating income

Non-operating income

Unit: Yuan Currency: RMB

Item	Amount for current period	Amount for previous period	Amount recognized as non-recurring gain or loss for the period
Total gains on disposal of non-current assets			
Including: Gains on disposal of fixed assets			
Gains on disposal of intangible assets			
Gains on exchanging non-monetary assets			
Receiving of donations			
Government grants			
Payables approved but not being payable	180,260.91	667,068.05	180,260.91
Others	298,043.05	32,528.33	298,043.05
Total	478,303.96	699,596.38	478,303.96

Notes to the Financial Statements

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Prepared by: Triumph New Energy Company Limited
Unit: Yuan Currency: RMB

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

47. Non-operating expenses

Unit: Yuan Currency: RMB

Item	Amount for current period	Amount for previous period	Amount recognized as non-recurring gain or loss for the period
Total losses on disposal of non-current assets			
Including: Losses on disposal of fixed assets			
Losses on disposal of intangible assets			
Losses on exchanging non-monetary assets			
External donations			
Penalties and overdue fine	101,257.79	132,655.55	101,257.79
Loss on retirement and damage of assets	450,585.21	63,733.23	450,585.21
Total	551,843.00	196,388.78	551,843.00

48. Income tax expenses

(1). The table for income tax expenses

Unit: Yuan Currency: RMB

Item	Amount for current period	Amount for previous period
Income tax expenses for the current period	3,117,011.11	38,946,216.56
Deferred income tax expenses	-120,783,575.25	-2,390,064.83
Total	-117,666,564.14	36,556,151.73

Notes to the Financial Statements

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

48. Income tax expenses (Continued)

(2). Reconciliation between accounting profit and income tax expenses

Unit: Yuan Currency: RMB

Item	Amount for current period	Amount for previous period
Total profit	-780,765,544.72	501,373,624.88
Income tax expenses calculated at statutory/ applicable tax rates	-195,191,386.18	125,343,406.22
Effect of different tax rates applicable to subsidiaries	64,618,940.14	-43,185,858.85
Effect of adjustment to income tax in previous periods	3,117,011.11	-1,316,277.45
Effect of non-taxable income		
Effect of costs, expenses and losses not deductible for tax purposes	238,385.05	267,739.08
Effect of utilization of deductible losses of unrecognised deferred income tax assets in previous periods		-16,788,169.92
Effect of current deductible temporary differences or deductible loss of unrecognised deferred income tax assets	27,718,226.59	1,986,850.84
Tax effect of research and development fee deduction (represented by "-")	-18,500,866.67	-29,751,538.19
Other	333,125.82	
Income tax expenses	-117,666,564.14	36,556,151.73

Notes to the Financial Statements

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Unit: Yuan Currency: RMB

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

49. Items of cash flow statement

(1). Cash relating to operating activities

Other cash received from activities relating to operation

Unit: Yuan Currency: RMB

Item	Amount for current period	Amount for previous period
Interest income	2,979,790.14	7,218,118.51
Government grants	101,870,883.94	128,824,380.05
Financial discount	5,468,388.89	4,757,900.00
Current accounts and others	54,282,134.94	41,203,920.57
Total	164,601,197.91	182,004,319.13

Other cash paid for activities relating to operation

Unit: Yuan Currency: RMB

Item	Amount for current period	Amount for previous period
Consultation and audit, assessment, legal fees, bulletin fees	6,180,598.06	5,785,622.57
Current accounts and others	64,298,954.84	66,569,144.54
Total	70,479,552.90	72,354,767.11

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

49. Items of cash flow statement (Continued)

(2). Cash relating to financing activities

Other cash received from activities relating to financing

Unit: Yuan Currency: RMB

Item	Amount for current period	Amount for previous period
Bill discount	70,563,788.60	130,885,148.92
Total	70,563,788.60	130,885,148.92

Notes to the Financial Statements

31 December 2024
Prepared by: Triumph New Energy Company Limited
Unit: Yuan Currency: RMB

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

49. Items of cash flow statement (Continued)

(2). Cash relating to financing activities (Continued)

Other cash paid for activities relating to financing

Unit: Yuan Currency: RMB

Item	Amount for current period	Amount for previous period
Bills matured	130,885,148.92	73,240,372.81
Total	130,885,148.92	73,240,372.81

Notes to the Financial Statements

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

50. Supplementary information of cash flow statement

(1). Supplementary information of cash flow statement

Unit: Yuan Currency: RMB

Supplementary information	Amount for current period	Amount for previous period
1. Net profit adjusted to cash flow of operating activities:		
Net profit	-663,098,980.58	464,817,473.15
Add: Provision for impairment of assets	129,477,909.53	-302,115.54
Impairment losses of credit	6,498,534.43	-6,380,169.95
Depreciation of fixed assets, depletion of oil and gas assets, depreciation of productive biological assets	332,505,344.95	320,940,198.50
Amortisation of right-of-use assets	3,318,671.52	3,311,601.41
Amortization of intangible asset	28,762,361.99	24,804,137.00
Amortization of long-term deferred expenses		
Losses from disposal of fixed assets, intangible assets and other long-term assets ("-" for gains)	-3,391,919.06	-45,107,451.69
Losses on scraping of fixed assets ("-" for gains)	450,585.21	63,733.23
Losses on fair value changes ("-" for gain)		
Finance expenses ("-" for gains)	112,277,461.24	83,663,235.87
Investment losses ("-" for gains)	11,466,755.54	13,205,737.32
Decrease in deferred income tax assets("-" for increase)	-117,932,319.98	872,795.77
Increase in deferred income tax liabilities ("-" for decrease)	-2,851,255.27	-3,262,860.60
Decrease in inventories ("-" for increase)	-332,410,622.23	10,257,821.57
Decrease in operating receivables ("-" for increase)	1,072,801,340.01	-644,895,696.62
Increase in operating payables ("-" for decrease)	-971,768,388.40	-78,482,171.48
Others		
Net cash flows from operating activities	-393,894,521.10	143,506,267.94

Notes to the Financial Statements

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Unit: Yuan Currency: RMB

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

50. Supplementary information of cash flow statement (Continued)

(1). Supplementary information of cash flow statement (Continued)

Supplementary information	Amount for current period	Amount for previous period
2. Significant investing and financing activities that do not involve cash receipts and payment:		
Conversion from debt to capital		
Convertible corporate bonds due within one year		
Fixed assets under finance lease		
3. Net changes in cash and cash equivalents:		
Closing balance of cash	130,564,767.60	229,156,744.65
Less: Opening balance of cash	229,156,744.65	485,547,816.11
Add: Closing balance of cash equivalents		
Less: Opening balance of cash equivalents		
Net increase in cash and cash equivalents	-98,591,977.05	-256,391,071.46

Notes to the Financial Statements

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

50. Supplementary information of cash flow statement (Continued)

(2). Constitution of cash and cash equivalents

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
I. Cash	130,564,767.60	229,156,744.65
Including: Cash on hand		2,065.90
Bank deposit available for payment at any time	130,564,767.60	229,154,678.75
Other monetary available for payment at any time		
Deposit with central bank available for payment		
Deposits with banks		
Placements with banks		
II. Cash equivalents		
Including: Bond investment due within three months		
III. Closing balance of cash and cash equivalents	130,564,767.60	229,156,744.65
Including: Use of restricted cash and cash equivalents by the parent company or subsidiaries within the Group		

Notes to the Financial Statements

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Unit: Yuan Currency: RMB

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

51. Monetary item in foreign currency

(1). Monetary item in foreign currency

Unit: Yuan

Item	Balance of foreign currency at the end of the period	Exchange rate	Balance of RMB converted at the end of the period
Monetary funds	–	–	662,758.12
Including: USD	92,198.28	7.1884	662,758.12
EURO			
HKD			
Accounts receivable	–	–	12,239,538.50
Including: USD	1,702,679.11	7.1884	12,239,538.50
EURO			
HKD			
Long-term borrowings	–	–	
Including: USD			
EURO			
HKD			
Accounts payable	–	–	235,700.90
Including: USD	32,789.06	7.1884	235,700.90
Other payables			2,023,845.80
Including: USD	281,543.29	7.1884	2,023,845.80

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

52. Lease

(1) As lessee

Rental fees of short-term lease or low-value asset with simplified approach

Item	Amount for current period
Short-term rental fees	1,419,587.95

Total cash outflows related to leasing: RMB4,143,280.53 (Unit: Yuan Currency: RMB)

(2) As lessor

Operating leases as lessor

Unit: Yuan Currency: RMB

Item	Rental income	Including: Revenue relating to variable lease payments not included in lease receipts
Building lease	457,519.74	
Total	457,519.74	

Notes to the Financial Statements

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Prepared by: Triumph New Energy Company Limited
Unit: Yuan Currency: RMB

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

52. Lease (Continued)

(2) As lessor (Continued)

Undiscounted leasing receipts in the next five years

Unit: Yuan Currency: RMB

Item	Undiscounted lease receipts each year	
	Amount at end of period	Amount at beginning of period
1st year	340,538.52	360,915.88
2nd year	340,538.52	340,538.52
3rd year		340,538.52
4th year		
5th year		
Total undiscounted lease receipts for next five years	681,077.04	1,041,992.92

Notes to the Financial Statements

VIII. RESEARCH AND DEVELOPMENT EXPENSES

1. Expenses is presented by nature of fees as follows

Unit: Yuan Currency: RMB

Item	Amount for current period		Amount for previous period	
	Expensed amount	Capitalized amount	Expensed amount	Capitalized amount
Labor expense	38,024,536.72	7,795,817.37	45,951,880.51	4,953,446.57
Material expense	115,881,630.39	28,669,335.55	187,692,215.01	18,934,801.48
Depreciation expenses	7,384,155.46	1,733,408.34	7,275,218.76	877,007.58
Other expenses	12,885,961.53	326,699.44	10,603,633.73	1,656,030.35
Total	174,176,284.10	38,525,260.70	251,522,948.01	26,421,285.98
Including: Expensed research and development expenditure	174,176,284.10		251,522,948.01	
Capitalized research and development expenditure		38,525,260.70		26,421,285.98

Notes to the Financial Statements

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Unit: Yuan Currency: RMB

VIII. RESEARCH AND DEVELOPMENT EXPENSES (CONTINUED)

2. R&D project development expenditures eligible for capitalization

Unit: Yuan Currency: RMB

Item	Opening balance	Increase during current period Internal development expenditure	Other	Decrease during current period Recognized as intangible assets	Transfer to profit or loss	Closing balance
R&D and application of intelligent connecting technology for one kiln and eight lines of substrate glass line and deep processing line	12,719,439.33	9,844,567.66		22,564,006.99		
High conversion power rolled glass research and development project		8,354,086.33				8,354,086.33
Research on phase rotation technique for RD20 transported photovoltaic glass	2,175,854.73	1,446,447.94		3,622,302.67		
Research on RD28 high light transmittance photovoltaic glass fabrication technology		2,115,390.92				2,115,390.92
Development of online glass integrity inspection technology		3,452,265.36		3,452,265.36		
R&D of online roller cleaning technology for patterned glass		3,674,073.56		3,674,073.56		
Formulation and manufacturing method of 1.5mm ultra-clear, ultra-thin, ultra-wide, lightweight, high-strength photovoltaic glass		7,408,484.88		7,408,484.88		
Technical breakthrough in ultra-thin, high-transmittance, high-strength photovoltaic glass		2,229,944.05		2,229,944.05		
Total	14,895,294.06	38,525,260.70		42,951,077.51		10,469,477.25



Notes to the Financial Statements

VIII. RESEARCH AND DEVELOPMENT EXPENSES (CONTINUED)

2. R&D project development expenditures eligible for capitalization (Continued)

Major capitalized R&D projects

Project	R&D progress	Estimated completion time	Mode of economic benefits expected to be generated	Point of time for commencing capitalization	Specified basis
R&D and application of intelligent connecting technology for one kiln and eight lines of substrate glass line and deep processing line	100.00%	August 2024	Increase production efficiency	April 2023	It meets the requirements of Article 7 of Accounting Standard for Business Enterprises No. 6 – Intangible Assets; the project has undergone research and development, validated its technical feasibility, resulting in the physical implementation of an intelligent linkage system for a "one-kiln-eight-line" photovoltaic encapsulation material substrate and deep-processing production line; three utility model patents were applied for, with two currently granted.
High conversion power rolled glass research and development project	98.00%	March 2025	Enhance product performance and increase product price	July 2024	It meets the requirements of Article 7 of Accounting Standard for Business Enterprises No. 6 – Intangible Assets; an invention patent has been filed: "A High-Gain, High-Conversion Efficiency Photovoltaic Cover Glass Production Process" (202410023602.2).
Formulation and manufacturing method of 1.5mm ultra-clear, ultra-thin, ultra-wide, lightweight, high-strength photovoltaic glass	100.00%	March 2024	Solve existing glass defects, meet market demand for new types of photovoltaic glass, and enhance the Company's competitiveness	January 2024	It meets the requirements of Article 7 of Accounting Standards for Business Enterprises No. 6 – Intangible Assets; an invention patent has been granted for: "Development of 1.5mm Ultra-Clear, Ultra-Thin, Ultra-Wide, Lightweight and High-Strength Photovoltaic Glass".

IX. CHANGE IN THE SCOPE OF CONSOLIDATION

During the Reporting Period, there were no changes in the scope of consolidation of the Company.

Notes to the Financial Statements

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Unit: Yuan Currency: RMB

X. INTERESTS IN OTHER ENTITIES

1. Interests in subsidiaries

(1). The constitution of the Group

Unit: Yuan Currency: RMB

Name of subsidiaries	Location of principal business	Registered capital	Place of Registration	Nature of business	Shareholding ratio (%)		Obtained by
					Direct	Indirect	
Hefei New Energy	Hefei City	868,000,000.00	Hefei City	Producing and selling	100.00		Business combination under common control
Tongcheng New Energy	Tongcheng City	933,388,980.00	Tongcheng City	Producing and selling	100.00		Business combination under common control
Yixing New Energy	Yixing City	313,700,000.00	Yixing City	Producing and selling	70.99		Business combination under common control
Zigong New Energy	Zigong City	500,000,000.00	Zigong City	Producing and selling	60.00		Business combination not under common control
Zhangzhou New Energy	Zhangzhou City	550,000,000.00	Zhangzhou City	Producing and selling	100.00		Business combination not under common control
Luoyang New Energy	Luoyang City	800,000,000.00	Luoyang City	Producing and selling	100.00		Investment
North Glass	Qinhuangdao City	643,903,700.00	Qinhuangdao City	Producing and selling	100.00		Business combination under common control

Notes to the Financial Statements

X. INTERESTS IN OTHER ENTITIES (CONTINUED)

1. Interests in subsidiaries (Continued)

(2). Important non-wholly owned subsidiary

Unit: Yuan Currency: RMB

Name of subsidiaries	Percentage of shareholdings of non-controlling shareholders (%)	Profit and loss attributable to non-controlling shareholders for the period	Dividend paid to non-controlling shareholders for the period	Equity balance for non-controlling shareholders by the end of the period
Yixing New Energy	29.01	-54,729,965.19		113,588,457.26
Zigong New Energy	40.00	1,561,304.27	16,000,000.00	243,337,789.56

Notes to the Financial Statements

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Unit: Yuan Currency: RMB

X. INTERESTS IN OTHER ENTITIES (CONTINUED)

1. Interests in subsidiaries (Continued)

(3). Major accounting information on important non-wholly owned subsidiaries

Unit: Yuan Currency: RMB

Name of subsidiary	Closing balance						Opening balance					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Yixing New Energy	891,904,934.78	1,770,605,820.31	2,662,510,755.09	1,834,919,278.54	436,042,158.17	2,270,961,436.71	1,138,373,851.58	1,712,376,932.07	2,850,750,783.65	1,748,239,675.97	522,302,826.23	2,270,542,502.20
Zigong New Energy	418,721,443.41	643,081,398.54	1,061,802,841.95	437,458,372.07	24,503,118.20	461,961,490.27	484,627,966.97	668,959,700.66	1,153,587,667.63	420,169,960.31	98,315,657.30	518,485,617.61

Name of subsidiary	Amount for current period				Amount for previous period			
	Revenue	Net profit	Total comprehensive income	Cash flow for operating activities	Revenue	Net profit	Total comprehensive income	Cash flow for operating activities
Yixing New Energy	1,190,917,146.51	-188,658,963.07	-188,658,963.07	-698,598,102.93	2,451,831,146.18	108,274,595.34	108,274,595.34	215,885,149.09
Zigong New Energy	610,379,918.85	4,739,301.66	4,739,301.66	44,439,222.87	771,549,915.26	97,552,175.57	97,552,175.57	137,451,271.43

Notes to the Financial Statements

XI. GOVERNMENT GRANTS

1. Government grants recognized as receivables at the end of the Reporting Period

The closing balance of receivables amounted to RMB32,329,189.68 (Unit: Yuan Currency: RMB)

The reasons for not receiving the expected amount of government subsidies at the anticipated time

Grant item	Closing balance	Reasons for not receiving the government subsidy at the expected time point
Photovoltaic subsidy of Hefei New Energy	14,640,026.94	Enterprises accrue photovoltaic subsidies, with disbursement subject to government approval
Supporting fund for accelerated development of enterprises of Zigong New Energy	13,189,162.74	As per government funding programme, the subsidy will be fully disbursed by 2025
Zigong New Energy 2024 policy support funds	4,500,000.00	Under government funding programme, the subsidy is scheduled for disbursement of RMB2,000,000.00 in Q2 2025 and RMB2,500,000.00 in Q4 2025
Total	32,329,189.68	

2. Liabilities involving government subsidies

Unit: Yuan Currency: RMB

Item	Opening balance	New grants for the period	Amounts recognized in non-operating income for the period	Transfer to other income for the period	Other changes during the period	Closing balance	Related to assets/ Related to income
Deferred income	52,604,991.76	14,893,800.00		5,060,445.68		62,438,346.08	Related to assets
Deferred income	147,303.24			147,303.24			Related to income
Total	52,752,295.00	14,893,800.00		5,207,748.92		62,438,346.08	/

Notes to the Financial Statements

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XI. GOVERNMENT GRANTS (CONTINUED)

2. Liabilities involving government subsidies (Continued)

Government grants recorded as deferred income and measured at gross amount method subsequently

Item	Opening balance	Additions during the year	Amount recognized in profit or loss in the year	Other changes	Closing balance	Item presented in profit or loss in the year
Government subsidies related to assets:						
Phase II project of photovoltaic cell packaging material for solar equipment	13,637,639.63		1,435,541.28		12,202,098.35	Other income
Subsidy for carbon dioxide capture and purification green emission reduction demonstration project supporting for project of photovoltaic cell encapsulating material for solar equipment with annual output of 50,000 tonnes	3,500,000.00				3,500,000.00	
Solar backsheet glass deep processing project with annual production capacity of 11.00 million square meters	2,987,200.10		254,229.72		2,732,970.38	Other income
Hefei – Phase I – Joint workshop a1.386MW distributed photovoltaic power station		500,000.00	6,097.55		493,902.45	Other income
650t/d glass production line green upgrading project		7,393,800.00			7,393,800.00	
Subsidy for "Three Major and One Innovative" Award by the NDRC	3,221,272.75		276,109.08		2,945,163.67	Other income
Special grant fund of interest subsidy for financing for manufacturing industry	2,519,206.64		179,943.36		2,339,263.28	Other income
Industrial award 2020	3,385,190.28		288,101.28		3,097,089.00	Other income
2024 Special fund for the development of manufacturing strong provinces and small and medium-sized enterprises		1,000,000.00	29,069.75		970,930.25	Other income

Notes to the Financial Statements

XI. GOVERNMENT GRANTS (CONTINUED)

2. Liabilities involving government subsidies (Continued)

Item	Opening balance	Additions during the year	Amount recognized in profit or loss in the year	Other changes	Closing balance	Item presented in profit or loss in the year
Project grants for the application of new modes of intelligent manufacturing	5,452,871.24		715,598.04		4,737,273.20	Other income
Application of a new intelligent manufacturing model for ultrathin photovoltaic glass substrate materials	1,418,965.10		223,351.80		1,195,613.30	Other income
Project of photovoltaic cell encapsulating material for solar equipment	1,000,000.00		39,033.04		960,966.96	Other income
Grant for high quality development of the Bureau of Industry and Information Technology in 2021	2,879,437.84		259,049.64		2,620,388.20	Other income
Special funds for transformation and upgrading of industry and informatization	2,982,450.66		282,118.44		2,700,332.22	Other income
2024 Jiangsu province manufacturing power construction special funds		5,000,000.00	75,950.78		4,924,049.22	Other income
Special fund for industrial development of Zigong Province	6,423,772.91		502,550.88		5,921,222.03	Other income
2024 policy support funding		1,000,000.00	6,309.16		993,690.84	Other income
Investment subsidies and special funds for technological transformation equipment of enterprises-Phase II	1,682,668.52		348,889.92		1,333,778.60	Other income
Other grants	1,514,316.09		138,501.96		1,375,814.13	Other income
Subtotal	52,604,991.76	14,893,800.00	5,060,445.68		62,438,346.08	
Government subsidies related to income:						
Affordable rental housing project	147,303.24		147,303.24			Other income
Subtotal	147,303.24		147,303.24			
Total	52,752,295.00	14,893,800.00	5,207,748.92		62,438,346.08	

Notes to the Financial Statements

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Unit: Yuan Currency: RMB

XI. GOVERNMENT GRANTS (CONTINUED)

3. Government grants recognized in profit or loss

Unit: Yuan Currency: RMB

Type	Item	Amount for current period	Amount for previous period	Reported items included in profit or loss
Related to income				
Related to income	Industry guiding funds	16,223,400.00	20,176,600.00	Other income
Related to income	Photovoltaic subsidy	5,283,491.38	4,933,468.50	Other income
Related to income	Subsidy for stabilizing employment	1,056,224.57	1,491,730.10	Other income
Related to income	2024 policy support funding	2,500,000.00		Other income
Related to income	Zhangzhou 2023 second batch of central air pollution prevention funds	2,290,000.00		Other income
Related to income	Demand side response in 2024	1,074,959.39		Other income
Related to income	Hefei Economic and Development Bureau government subsidy for national-level specialized and sophisticated "little giant" enterprises	1,000,000.00		Other income
Related to income	Hefei Economic and Development Bureau's government subsidy for encouraging specialized and sophisticated SME development	500,000.00		Other income
Related to income	Hefei Economic Development Bureau 2024 Third Policy Implementation – Inclusive Policy Funding Disbursement	500,000.00		Other income
Related to income	Municipal Bureau of Industry and Information Technology 2023 accelerated development incentive subsidy for leading enterprises	500,000.00		Other income
Related to income	Industrial supporting funds of Tongcheng Economic and Technological Development Zone Finance Bureau		72,038,750.00	Other income
Related to income	Industrial supporting funds of the North Glass		51,000,000.00	Other income
Related to income	Industrial supporting grants for Zigong New Energy Hi-Tech Zone		13,037,560.00	Other income
Related to income	Industrial supporting funds		11,143,900.00	Other income
Related to income	Supporting fund for accelerated development of enterprises of Zigong New Energy		6,508,522.46	Other income
Related to income	Yixing Huankeyuan high-quality development policy award		1,115,500.00	Other income
Related to income	First batch of provincial transfer payment funds for technical renovation of enterprises and production incentive funds in 2022		719,900.00	Other income
Related to income	Specialized guidance for the development of emerging industries in the province in 2023		705,300.00	Other income
Related to income	Corporate R&D post-investment grants for 2023		339,300.00	Other income
Related to income	Other grants	4,157,757.48	5,232,833.00	Other income
Total		35,085,832.82	188,443,364.06	

XII. RISKS RELATING TO FINANCIAL INSTRUMENTS

1. Risks related to financial instruments

The Company's major financial instruments include monetary funds, notes receivable, accounts receivable, accounts receivable financing, other receivables, other current assets, notes payable, accounts payable, other payables, short-term borrowings, non-current liabilities due within one year, long-term borrowings, bonds payable and lease liabilities. Details of each financial instrument are disclosed in the respective notes. The risks associated with these financial instruments and the risk management policies adopted by the Company to mitigate these risks are described below. The management of the Company manages and monitors these exposures to ensure that the above risks are contained within limits.

Risk management objectives and policies

(1) Credit risk

Credit risk is the risk of financial loss to the Company arising from the failure of a counterparty to perform its contractual obligations.

The Company manages credit risk on a portfolio basis. Credit risk arises mainly from bank deposits, notes receivable, accounts receivable and other receivables.

The bank deposits of the Company are mainly placed with reputable financial institutions with high credit ratings, and the Company does not expect that the bank deposits will be exposed to significant credit risk.

With regard to notes receivables, accounts receivable financing and account receivables as well as other receivables, the Company assesses the credit quality of the customers, taking into account their financial positions, past experience and other factors. The credit quality of the customers is regularly monitored by the Company. In respect of customers with a poor credit history, the Company will use written payment reminders, or shorten or cancel credit periods, to ensure the overall credit risk of the Company is limited to a controllable extent.

For ECLs measurement, based upon whether credit risk has significantly increased or impaired, the Company measures impairment provision for different assets upon the ECLs during 12 months or entire lifetime. The Company takes into account the quantitative analysis of historical statistics and forward-looking information.

Credit risks concentration is managed by customers and industries. Therefore, the concentration of credit risks is mainly due to the large account receivable of the Company payable by individual client. As of the balance sheet date, the account receivable of the Company payable by the top five clients (clients who are controlled by the same controller are deemed to be the same customer) has accounted for 45.56% of the total amount of account receivable of the Company (without deducting bad debt reserve). The Company does not have any other collateral or credit enhancement arrangements for the outstanding receivables.

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XII. RISKS RELATING TO FINANCIAL INSTRUMENTS (CONTINUED)

1. Risks related to financial instruments (Continued)

Risk management objectives and policies (Continued)

(2) Liquidity risk

Liquidity risk is the risk that the Company will encounter a shortage of funds to fulfil its obligations that are settled by the delivery of cash or other financial assets.

In managing liquidity risk, the Company maintains and monitors cash and cash equivalents as deemed adequate by management to meet the operational needs of the Company and to mitigate the effects of fluctuations in cash flows. The management of the Company monitors the utilization of bank borrowings and ensures compliance with the borrowing agreements. Commitments are also obtained from major financial institutions to provide adequate standby funds to meet both short-term and long-term funding requirements.

Financial liabilities held by the Company are analyzed dependent on maturity date of the undiscounted remaining contractual obligations:

Item	Within 1 year	1 to 5 years	Over 5 years	Total
Short-term loans	1,657,979,799.50			1,657,979,799.50
Notes payable	367,446,043.33			367,446,043.33
Accounts payable	1,428,937,451.94	160,645,376.88	4,451,396.69	1,594,034,225.51
Other payables	37,107,361.24	148,573,574.52	11,993,365.76	197,674,301.52
Lease liabilities	2,559,351.02	3,527,804.57	391,978.19	6,479,133.78
Long-term loans (including long-term loans due within one year)	1,766,231,345.90	2,653,528,128.36	122,696,146.16	4,542,455,620.42
Total financial liability	5,260,261,352.93	2,966,274,884.33	139,532,886.80	8,366,069,124.06

The amounts of financial liabilities disclosed in the above table are undiscounted contractual cash flows and may therefore differ from the carrying amounts in the balance sheet.

(3) Market risk

Market risk of a financial instrument is the risk that the fair value or future cash flows of the financial instrument will fluctuate due to changes in market prices, including interest rate risk, exchange rate risk and other price risks.

XII. RISKS RELATING TO FINANCIAL INSTRUMENTS (CONTINUED)

1. Risks related to financial instruments (Continued)

Risk management objectives and policies (Continued)

(4) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. Interest rate risk can arise from both recognized interest-bearing financial instruments and unrecognized financial instruments such as ascertain loan commitments.

The interest rate risk of the Company arises mainly from bank and other borrowings and bank deposits. Fixed rate bank borrowings are not sensitive to changes in market interest rates as most of the expenses and operating cash flows of the Company are not significantly related to changes in market interest rates. The Company has not previously used any financial instruments to hedge against potential interest rate fluctuations.

The risk of changes in the fair value of the financial instruments due to changes in interest rates is mainly related to the floating-rate bank borrowings. For variable-rate borrowings, the objective of the Company is to maintain their floating interest rates to eliminate the fair value risk of interstate changes.

(5) Exchange rate risk

Exchange rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Exchange rate risk can arise from financial instruments denominated in foreign currencies other than the local currency in which the instruments are denominated.

The foreign exchange risk of the Company arises mainly from bank deposits, accounts receivable and other payables denominated in currencies other than the local currency of the accounts. The currencies that give rise to the risk are mainly U. S. dollars and Hong Kong dollars.

From January to December 2024, the Company had fewer foreign exchange transactions. Accordingly, the management of the Company does not anticipate any future commercial transactions that would give rise to significant foreign exchange risk.

Capital Management

The objectives of the capital management policy of the Company are to ensure that it can continue as a going concern in order to provide returns for its shareholders and benefits for other stakeholders, while maintaining an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the method of financing, adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares and other equity instruments or sell assets to reduce debt.

The Company monitors its capital structure on the basis of the gearing ratio (i.e., total liabilities divided by total assets). At the end of the period, the gearing ratio of the Company was 64.45%(prior year-end: 59.34%).

XIII. DISCLOSURE OF FAIR VALUE

1. Closing fair value of assets and liabilities measured at fair value

The fair value hierarchy is classified based on the lowest level of inputs in the fair value measurement which are significant to the measurement as a whole:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: observable inputs other than quoted market prices for assets or liabilities within Level 1 that are used either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: assets or liabilities are measured using any inputs that are not based on observable market data (unobservable inputs).



Notes to the Financial Statements

XIII. DISCLOSURE OF FAIR VALUE (CONTINUED)

1. Closing fair value of assets and liabilities measured at fair value (Continued)

(1) Items and amounts measured at fair value

Assets and liabilities measured at fair value at the end of the period using the above three levels are presented below:

Unit: Yuan Currency: RMB

Item	Fair value at the end of period			Total
	Level one fair value measurement	Level two fair value measurement	Level three fair value measurement	
I. Recurring fair value measurement				
(I) Financial assets held for trading				
1. Financial assets at fair value through profit or loss				
(1) Debt instrument investment				
(2) Equity instrument investment				
(3) Derivative financial assets				
2. Financial assets designated at fair value through profit or loss				
(1) Debt instrument investment				
(2) Equity instrument investment				
(II) Other debt investments				
(III) Other equity instrument investments				
(IV) Investment property				
1. The right to use land for lease				
2. Buildings for lease				
3. Land use right held and transferred after preparation for increment				
(V) Biological assets				
1. Consumable biological assets				
2. Biological assets for production				
(VI) Accounts receivable financing			168,646,023.76	168,646,023.76
Total assets measured at fair value on a recurring basis			168,646,023.76	168,646,023.76
(VI) Financial liabilities held for trading				
1. Financial liabilities at fair value through profit or loss				
Including: Exchangeable bonds issued				
Derivative financial liabilities				
Others				
2. Financial liabilities designated at fair value through profit or loss				
Total liabilities measured at fair value on a recurring basis				
II. Non-recurring fair value measurement				
(I) Assets held for sale				
Total assets measured at fair value on a non-recurring basis				
Total liabilities measured at fair value on a non-recurring basis				

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XIII. DISCLOSURE OF FAIR VALUE (CONTINUED)

2. Qualitative and quantitative information of valuation techniques and important parameters used in continuous and non-continuous Level-3 fair value measurement items

The fair value of receivable financing at the end of period is determined based on the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

XIV. RELATED PARTY AND RELATED PARTY TRANSACTIONS

1. Parent company of the Company

Unit: Yuan Currency: RMB

Name of parent company	Place of registration	Nature of business	Registered capital	Shareholding ratio in the Company by the parent company (%)	Ratio of voting rights of the parent company in the Company (%)
China Luoyang Float Glass (Group) Company Limited	Luoyang, China	Manufacturing of glass and related raw materials, wholeset equipment	1,627,921,337.60	17.22	17.22

Description of the parent company of the Company

The ultimate controlling party of the Company is China National Building Materials Group Co., Ltd..

2. Subsidiaries of the Company

Details of the Company's subsidiaries are set out in the notes

For details, please refer to Note "X. Interests in Other Entities" under X. Financial Report.

Notes to the Financial Statements

XIV. RELATED PARTY AND RELATED PARTY TRANSACTIONS (CONTINUED)

3. Other related parties

Name of other related parties	Relationship with the Company
Triumph Science & Technology Group Co., Ltd.	Controlling shareholder of the parent company
CNBMG Triumph Mineral Resources Group Co., Ltd.	Common ultimate controller
China Triumph International Engineering Co., Ltd.	Common ultimate controller
China Triumph International Engineering Co., Ltd. Bengbu Branch	Common ultimate controller
China Triumph International Engineering Co., Ltd. Jiangsu Branch	Common ultimate controller
China Triumph International Engineering Co., Ltd. Shenzhen Branch	Common ultimate controller
China Triumph International Engineering Co., Ltd. Sichuan Branch	Common ultimate controller
China Triumph International Engineering Co., Ltd. Hainan Branch	Common ultimate controller
Shanghai Triumph Energy Saving Engineering Co., Ltd.	Common ultimate controller
Shenzhen Triumph Technology Engineering Co., Ltd.	Common ultimate controller
Guangdong Triumph Photovoltaic Technology Research Institute Co., Ltd.*	Common ultimate controller
Bengbu Chemical Machinery Manufacturing Company Limited	Common ultimate controller
CNBM Research Institute for Intelligent Automation Co., Ltd.	Common ultimate controller
CNBM Environmental Protection Research Institute (Jiangsu) Co., Ltd.	Common ultimate controller
CNBM New Material Research Institute Group Co., Ltd.*	Common ultimate controller
Anhui Tianzhu Green Energy Sources Technology Co., Ltd.	Common ultimate controller
Yangzhou Zhongke Semiconductor Lighting Co., Ltd.	Common ultimate controller
Henan Zhonglian Glass Co., Ltd.*	Common ultimate controller
CNBM (Chengdu) Optoelectronic Materials Co., Ltd.	Common ultimate controller
Bengbu Triumph Engineering Technology Company Limited	Common ultimate controller
CNBM Triumph Robotics (Shanghai) Co., Ltd.	Common ultimate controller
Sinoma Advanced Materials Co., Ltd.	Common ultimate controller
Nanjing Light Industrial Packaging Machinery Co., Ltd.	Common ultimate controller
China Yaohua Glass Group Corporation Co., Ltd.	Common ultimate controller
Zhongxin Group Engineering Consulting Group Co., Ltd. Bengbu Branch	Common ultimate controller
Qinhuangdao Glass Industry Research and Design Institute Company Limited	Common ultimate controller
Triumph Quartz Material (Hainan) Co., Ltd.	Common ultimate controller
Ruitai Technology Co., Ltd.	Common ultimate controller
Ruitai Technology Co., Ltd. Xiangtan Branch	Common ultimate controller
Triumph Science & Technology Co., Ltd.	Common ultimate controller
Triumph Science & Technology Co., Ltd. Bengbu Huayi Branch	Common ultimate controller
Triumph Heavy Industry Co., Ltd.	Common ultimate controller
Anhui Huaguang Photoelectricity Materials Technology Group Co. Ltd.	Common ultimate controller
Bengbu Photoelectricity Glass Branch	
Bengbu Xingke Glass Co., Ltd.	Common ultimate controller
CTIEC Digitalization & Intellectualization (Shanghai) Co., Ltd.	Common ultimate controller
China Building Material Test & Certification Group Co., Ltd.	Common ultimate controller
Zhongxin Group Engineering Consulting Group Co., Ltd.	Common ultimate controller
CNBM New Energy Engineering Co., Ltd.	Common ultimate controller

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XIV. RELATED PARTY AND RELATED PARTY TRANSACTIONS (CONTINUED)

3. Other related parties (Continued)

Name of other related parties	Relationship with the Company
Yaohua (Qinhuangdao) Glass Co., Ltd.*	Common ultimate controller
China Building Material Test & Certification Group Qinhuangdao Co., Ltd.	Common ultimate controller
China National Building Material Group Finance Co., Ltd.	Common ultimate controller
CNBM Junxin Technology Co., Ltd.	Common ultimate controller
Puyang China National Building Materials Photovoltaic Materials Company Limited	Common ultimate controller
Triumph Photovoltaic Materials Co., Ltd.	Common ultimate controller
Yaohua (Yibin) Glass Co., Ltd.*	Common ultimate controller
Yaohua (Luoyang) Glass Co., Ltd.*	Common ultimate controller
Triumph Bengbu Glass Co., Ltd	Common ultimate controller
China National Building Materials Tongliao Silica Sand Industry Co., Ltd.*	Common ultimate controller
Bengbu Triumph Engineering Technology Co., Ltd. Chemical Machinery Branch*	Common ultimate controller
Shandong Industrial Ceramics Research & Design Institute Co., Ltd.	Common ultimate controller
Beijing Zhongqing Heli International Exhibition Co., Ltd.*	Common ultimate controller
BNBM Group Co., Ltd. Procurement Technology Branch*	Common ultimate controller
China National Building Material Technology & Equipment Corporation Limited*	Common ultimate controller
Haofeng (Shanghai) Agricultural Technology Co., Ltd.	Others
Anhui Triumph Haofeng Xiaogang Modern Facility Agriculture Co., Ltd.*	Others
Far East Opto-electronics Co., Ltd.	Others
Jiangsu Suhuada New Materials Co., Ltd.	Others
Jiangsu Triumph New Material Co., Ltd.	Others
Suqian CNG New Energy Co., Ltd.*	Others



Notes to the Financial Statements

XIV. RELATED PARTY AND RELATED PARTY TRANSACTIONS (CONTINUED)

4. Related party transactions

(1). Related party transactions regarding purchase and sales of commodity, provision and receiving of labor service

Table of purchase of commodity/receiving of labor service

Unit: Yuan Currency: RMB

Related party	Content of related party transactions	Amount for current period	Transaction cap approved (if applicable)	Whether exceeding transaction cap (if applicable)	Amount for previous period
CNBMG Triumph Mineral Resources Group Co., Ltd.	Purchase of commodity	977,276,378.03			1,303,839,957.58
China Triumph International Engineering Co., Ltd.	Engineering services	614,772,613.68			899,304,536.38
China Triumph International Engineering Co., Ltd. Bengbu Branch	Engineering services	418,424,723.02			502,460,245.76
Guangdong Triumph Photovoltaic Technology Research Institute Co., Ltd.*	Purchase of commodity	45,109,292.05			49,915,765.01
China Luoyang Float Glass (Group) Company Limited	Interest expenses	16,203,416.67			
Triumph Quartz Material (Hainan) Co., Ltd.	Purchase of raw materials	10,495,840.60			
CNBM Environmental Protection Research Institute (Jiangsu) Co., Ltd.	Engineering services	8,407,079.65			1,696,029.88
Shenzhen Triumph Technology Engineering Co., Ltd.	Engineering services	8,336,252.68			28,011,585.66
Suqian CNG New Energy Co., Ltd.*	Purchase of commodity	8,209,438.10			
CNBM Research Institute for Intelligent Automation Co., Ltd.	Technical services	5,339,838.96			669,039.91
Triumph Bengbu Glass Co., Ltd	Purchase of commodity	4,998,389.68			
CTIEC Digitalization & Intellectualization (Shanghai) Co., Ltd.	Fixed assets	3,574,790.71			
China Triumph International Engineering Co., Ltd. Jiangsu Branch	Engineering services	3,355,565.24			167,871,822.82
Bengbu Chemical Machinery Manufacturing Company Limited	Fixed assets	2,888,210.87			12,597,345.13
Bengbu Triumph Engineering Technology Company Limited	Purchase of spare parts	2,866,290.21			1,177,761.04
Anhui Tianzhu Green Energy Sources Technology Co., Ltd.	Fixed assets	2,848,774.42			

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XIV. RELATED PARTY AND RELATED PARTY TRANSACTIONS (CONTINUED)

4. Related party transactions (Continued)

(1). Related party transactions regarding purchase and sales of commodity, provision and receiving of labor service (Continued)

Related party	Content of related party transactions	Amount for current period	Transaction cap approved (if applicable)	Whether exceeding transaction cap (if applicable)	Amount for previous period
CNBM Triumph Robotics (Shanghai) Co., Ltd.	Engineering services	1,912,377.65			4,761,061.94
CNBM New Material Research Institute Group Co., Ltd.*	Engineering services	1,880,896.22			5,828,301.87
CNBM New Material Research Institute Group Co., Ltd.*	Technical services	1,701,886.80			2,243,366.06
Anhui Tianzhu Green Energy Sources Technology Co., Ltd.	Equipment maintenance	1,172,477.07			
CNBM Environmental Protection Research Institute (Jiangsu) Co., Ltd.	Fixed assets	1,153,690.02			
Bengbu Chemical Machinery Manufacturing Company Limited	Purchase of spare parts				66,876.10
Bengbu Triumph Engineering Technology Company Limited	Engineering services	995,575.22			
Shanghai Triumph Energy Saving Engineering Co., Ltd.	Engineering services	789,834.90			3,485,244.04
Zhongxin Group Engineering Consulting Group Co., Ltd.	Engineering services	754,716.98			
CTIEC Digitalization & Intellectualization (Shanghai) Co., Ltd.	Engineering services	637,752.57			
Sinoma Advanced Materials Co., Ltd.	Purchase of spare parts	622,389.37			412,522.12
CTIEC Digitalization & Intellectualization (Shanghai) Co., Ltd.	Technical services	585,849.72			279,245.29
Yangzhou Zhongke Semiconductor Lighting Co., Ltd.	Engineering services	560,136.39			2,411,470.21
Shandong Industrial Ceramics Research & Design Institute Co., Ltd.	Purchase of spare parts	471,106.19			
Shandong Industrial Ceramics Research & Design Institute Co., Ltd.	Purchase of commodity	468,212.39			
CNBM Environmental Protection Research Institute (Jiangsu) Co., Ltd.	Equipment maintenance	428,026.31			
Beijing Zhongqing Heli International Exhibition Co., Ltd.*	Technical services	397,911.32			
China National Building Material Group Finance Co., Ltd.	Interest expenses	416,563.39			389,752.80

Notes to the Financial Statements

XIV. RELATED PARTY AND RELATED PARTY TRANSACTIONS (CONTINUED)

4. Related party transactions (Continued)

(1). Related party transactions regarding purchase and sales of commodity, provision and receiving of labor service (Continued)

Related party	Content of related party transactions	Amount for current period	Transaction cap approved (if applicable)	Whether exceeding transaction cap (if applicable)	Amount for previous period
Jiangsu Suhuada New Materials Co., Ltd.	Purchase of commodity	267,953.94			12,330,653.54
Bengbu Chemical Machinery Manufacturing Company Limited	Engineering services	261,061.95			
CNBM Triumph Robotics (Shanghai) Co., Ltd.	Purchase of spare parts	227,923.88			83,345.11
CNBM Research Institute for Intelligent Automation Co., Ltd.	Equipment maintenance	199,823.00			
Zhongxin Group Engineering Consulting Group Co., Ltd. Bengbu Branch	Engineering services	155,339.80			135,922.33
China Building Material Test & Certification Group Co., Ltd.	Technical services	146,581.70			174,483.99
CNBM Research Institute for Intelligent Automation Co., Ltd.	Fixed assets	141,858.40			69,115.05
Bengbu Triumph Engineering Technology Company Limited	Equipment maintenance	134,247.79			286,725.66
CNBM Research Institute for Intelligent Automation Co., Ltd.	Purchase of spare parts	115,306.20			31,817.70
Zhongxin Group Engineering Consulting Group Co., Ltd.	Technical services	106,216.04			697,750.13
CNBM Triumph Robotics (Shanghai) Co., Ltd.	Technical services	83,805.31			18,867.93
Anhui Tianzhu Green Energy Sources Technology Co., Ltd.	Engineering services	74,220.18			-369,006.55
China Building Material Test & Certification Group Co., Ltd.	Engineering services	40,124.86			
Yangzhou Zhongke Semiconductor Lighting Co., Ltd.	Purchase of spare parts	17,477.88			17,610.61
Henan Zhonglian Glass Co., Ltd.*	Purchase of commodity	10,987.27			
China Building Material Test & Certification Group Qinhuangdao Co., Ltd.	Technical services	10,619.47			21,698.12
CNBM Research Institute for Intelligent Automation Co., Ltd.	Engineering services	7,964.60			7,979,292.19
China Luoyang Float Glass (Group) Company Limited	Technical services	7,735.86			

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XIV. RELATED PARTY AND RELATED PARTY TRANSACTIONS (CONTINUED)

4. Related party transactions (Continued)

(1). Related party transactions regarding purchase and sales of commodity, provision and receiving of labor service (Continued)

Related party	Content of related party transactions	Amount for current period	Transaction cap approved (if applicable)	Whether exceeding transaction cap (if applicable)	Amount for previous period
BNBM Group Co., Ltd. Procurement Technology Branch*	Purchase of spare parts	1,793.91			
CNBM New Energy Engineering Co., Ltd.	Engineering services				20,787,222.62
Henan Zhonglian Glass Co., Ltd.*	Purchase of materials				10,994,048.83
Bengbu Chemical Machinery Manufacturing Company Limited	Purchase of materials				8,081,337.88
Bengbu Triumph Engineering Technology Company Limited	Fixed assets				7,668,274.37
China Triumph International Engineering Co., Ltd. Shenzhen Branch	Engineering services				4,587,155.95
Yaohua (Qinhuangdao) Glass Co., Ltd.*	Rental fee				2,290,753.82
CNBM (Chengdu) Optoelectronic Materials Co., Ltd.	Fixed assets				1,834,820.81
Sinoma Advanced Materials Co., Ltd.	Purchase of materials				1,706,929.20
Triumph Quartz Material (Hainan) Co., Ltd.	Purchase of materials				1,351,274.34
Shanghai Triumph Energy Saving Engineering Co., Ltd.	Technical services				1,053,113.20
CTIEC Digitalization & Intellectualization (Shanghai) Co., Ltd.	Engineering services				1,008,849.56
Yangzhou Zhongke Semiconductor Lighting Co., Ltd.	Purchase of materials				730,640.57
Shenzhen Triumph Technology Engineering Co., Ltd.	Fixed assets				605,504.59
Bengbu Triumph Engineering Technology Company Limited	Purchase of materials				569,867.23
CNBM Triumph Robotics (Shanghai) Co., Ltd.	Fixed assets				551,194.69
China Triumph International Engineering Co., Ltd. Sichuan Branch	Engineering services				457,798.15
Nanjing Light Industrial Packaging Machinery Co., Ltd.	Fixed assets				433,628.32
Yangzhou Zhongke Semiconductor Lighting Co., Ltd.	Fixed assets				330,275.23

Notes to the Financial Statements

XIV. RELATED PARTY AND RELATED PARTY TRANSACTIONS (CONTINUED)

4. Related party transactions (Continued)

(1). *Related party transactions regarding purchase and sales of commodity, provision and receiving of labor service (Continued)*

Related party	Content of related party transactions	Amount for current period	Transaction cap approved (if applicable)	Whether exceeding transaction cap (if applicable)	Amount for previous period
Bengbu Triumph Engineering Technology Company Limited	Technical services				326,902.65
Zhongxin Group Engineering Consulting Group Co., Ltd. Bengbu Branch	Technical services				291,262.14
CNBM Triumph Robotics (Shanghai) Co., Ltd.	Purchase of materials				53,840.71
China Triumph International Engineering Co., Ltd. Hainan Branch	Purchase of materials				37,137.17
CNBM Research Institute for Intelligent Automation Co., Ltd.	Purchase of materials				22,639.39
China Building Material Test & Certification Group Co., Ltd.	Fixed assets				5,752.21
CNBM Research Institute for Intelligent Automation Co., Ltd.	Maintenance service				3,632.75

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XIV. RELATED PARTY AND RELATED PARTY TRANSACTIONS (CONTINUED)

4. Related party transactions (Continued)

(1). Related party transactions regarding purchase and sales of commodity, provision and receiving of labor service (Continued)

Sales of goods/provision of services

Unit: Yuan Currency: RMB

Related party	Content of related party transactions	Amount for current period	Amount for previous period
China Triumph International Engineering Co., Ltd.	Provision of services	21,216,981.14	5,660,377.36
China Triumph International Engineering Co., Ltd.	Sales of glass	10,355,491.09	5,325,594.16
Jiangsu Triumph New Material Co., Ltd.	Sales of glass	5,310,386.61	
China National Building Material Group Finance Co., Ltd.	Interest income	1,760,209.96	3,715,494.24
Haofeng (Shanghai) Agricultural Technology Co., Ltd.	Sales of glass	42,825.51	2,703,883.70
CNBM Triumph Robotics (Shanghai) Co., Ltd.	Other	5,518.05	
CNBM Junxin Technology Co., Ltd.	Sales of glass	396.40	16,537,262.12
Far East Opto-electronics Co., Ltd.	Utilities collection on behalf	-7,165.11	-4,523.07
Triumph Photovoltaic Materials Co., Ltd.	Sales of glass	-1,089,600.00	13,624,601.78
CNBMG Triumph Mineral Resources Group Co., Ltd.	Sales of raw materials		20,958,713.71
Puyang China National Building Materials Photovoltaic Materials Company Limited	Sales of raw materials		14,013,544.42
Yaohua (Qinhuangdao) Glass Co., Ltd.*	Sales of raw materials		5,062,839.23
Triumph Science & Technology Group Co., Ltd.	Custody fee		3,368,837.51
CNBM New Energy Engineering Co., Ltd.	Sales of solar photovoltaic modules		961,569.39
Bengbu Triumph Engineering Technology Company Limited	Labor fee		76,190.48
Guangdong Triumph Photovoltaic Technology Research Institute Co., Ltd.*	Other		13,207.55
CNBM Research Institute for Intelligent Automation Co., Ltd.	Tender fee		377.36
CNBM Triumph Robotics (Shanghai) Co., Ltd.	Tender fee		1,886.80

Notes to the Financial Statements

XIV. RELATED PARTY AND RELATED PARTY TRANSACTIONS (CONTINUED)

4. Related party transactions (Continued)

(2). Related entrusted management/contracting and entrusted management/outsourcing

Statement on entrusted management/contracting by the Company:

Unit: Yuan Currency: RMB

Name of entrusting party/ contracting-out party	Name of entrusted party/ contracting party	Type of entrustment/ contracting	Date of the commencement of the trusteeship/ contract	Date of the termination of the trusteeship/ contract	The basis of pricing for custody income/ contracting income	Custody income/ contracting income recognised during the period
Triumph Science & Technology Group Co., Ltd.	The Company	Equity custody	2024/3/28	2025/3/27	Determined by the two parties through negotiation in accordance with the principle of marketization	0

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XIV. RELATED PARTY AND RELATED PARTY TRANSACTIONS (CONTINUED)

4. Related party transactions (Continued)

(3). Leasing between related parties

The Company as the lessor:

Unit: Yuan Currency: RMB

Name of lessee	Type of leasing asset	Leasing revenue recognised in the current period	Leasing revenue recognised in the previous period
Far East Opto-electronics Co., Ltd.	Fixed assets	394,032.62	370,245.31
China National Building Materials Tongliao Silica Sand Industry Co., Ltd.*	Fixed assets	13,487.12	

Notes to the Financial Statements

XIV. RELATED PARTY AND RELATED PARTY TRANSACTIONS (CONTINUED)

4. Related party transactions (Continued)

(4). Borrowings/loans with related parties

From January to December 2024, China National Building Material Group Co., Ltd.* and its subsidiaries directly provided financial assistance to the Company with an accumulated amount of RMB0.00, and the balance of the funding grant as of 31 December 2024 amounted to RMB146,203,416.67.

(5). Asset transfer and debt restructuring of related parties

Unit: Yuan Currency: RMB

Related party	Content of related party transactions	Amount for current period	Amount for previous period
Bengbu Triumph Engineering Technology Company Limited	Disposal of fixed assets	5,897,269.00	
Shenzhen Triumph Technology Engineering Co., Ltd.	Disposal of fixed assets	-51.98	34,704,546.00

(6). Remuneration of key management personnel

Unit: Yuan Currency: RMB

Item	Amount for current period	Amount for previous period
Remuneration of key management personnel	4,920,001.78	7,827,668.10

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XIV. RELATED PARTY AND RELATED PARTY TRANSACTIONS (CONTINUED)

4. Related party transactions (Continued)

(7). Other related party transactions

① Deposits with related parties

Unit: Yuan Currency: RMB

Related party	Balance of deposits	Deposit interest rate
China National Building Material Group Finance Co., Ltd.	125,657,287.96	0.55%-1.90%

② Loans from related parties

Unit: Yuan Currency: RMB

Related party	Loan amount	Loan interest rate
China National Building Material Group Finance Co., Ltd.	2,660,000.00	2.30%

Notes to the Financial Statements

XIV. RELATED PARTY AND RELATED PARTY TRANSACTIONS (CONTINUED)

5. Unsettled items such as receivables from and payables to related parties

(1). Receivables

Unit: Yuan Currency: RMB

Project name	Related party	Closing balance		Opening balance	
		Book balance	Provision for bad debt	Book balance	Provision for bad debt
Notes receivable	CNBM Junxin Technology Co., Ltd.	2,000,000.00		10,000,000.00	90,000.00
Notes receivable	Bengbu Triumph Engineering Technology Company Limited	1,999,174.19			
Notes receivable	China Triumph International Engineering Co., Ltd.	1,113,933.33			
Accounts receivable	China Triumph International Engineering Co., Ltd.	21,852,566.60	437,051.33	15,647,687.69	312,953.75
Accounts receivable	CNBM Junxin Technology Co., Ltd.	17,019,780.21	340,395.60	16,019,780.21	320,395.60
Accounts receivable	Far East Opto-electronics Co., Ltd.	12,449,755.92	532,940.32	11,529,660.85	514,538.43
Accounts receivable	Jiangsu Triumph New Material Co., Ltd.	4,460,736.87	89,214.74		
Accounts receivable	Haofeng (Shanghai) Agricultural Technology Co., Ltd.	931,269.42	18,625.39	2,116,339.59	42,326.79
Accounts receivable	Triumph Photovoltaic Materials Co., Ltd.			1,089,600.00	21,792.00
Accounts receivable	Yaohua (Qinhuangdao) Glass Co., Ltd.*			3,684,386.46	73,687.73
Accounts receivable	Triumph Photovoltaic Materials Co., Ltd.			5,000,000.00	
financing					
Accounts receivable	Bengbu Chemical Machinery			4,000,000.00	
financing	Manufacturing Company Limited				
Accounts receivable	Bengbu Triumph Engineering			2,635,000.00	
financing	Technology Company Limited				
Accounts receivable	China Triumph International Engineering			1,800,000.00	
financing	Co., Ltd.				
Accounts receivable	China Triumph International Engineering			1,000,000.00	
financing	Co., Ltd. Jiangsu Branch				
Prepayment	Zhongxin Group Engineering Consulting Group Co., Ltd.	321,928.00			
Prepayment	CNBM Environmental Protection Research Institute (Jiangsu) Co., Ltd.	142,000.00			
Prepayment	Suqian CNG New Energy Co., Ltd.*	133,331.80			
Prepayment	CNBM New Material Research Institute Group Co., Ltd.*	25,859.16		85,859.16	

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XIV. RELATED PARTY AND RELATED PARTY TRANSACTIONS (CONTINUED)

5. Unsettled items such as receivables from and payables to related parties (Continued)

(1). Receivables (Continued)

Project name	Related party	Closing balance		Opening balance	
		Book balance	Provision for bad debt	Book balance	Provision for bad debt
Prepayment	Jiangsu Suhuada New Materials Co., Ltd.	4,203.84		5,991.63	
Prepayment	China Triumph International Engineering Co., Ltd.			630,046.03	
Prepayment	Ruitai Technology Co., Ltd. Xiangtan Branch			380,167.50	
Prepayment	Bengbu Triumph Engineering Technology Company Limited			279,120.00	
Prepayment	China Building Material Test & Certification Group Co., Ltd.			25,145.00	
Prepayment	CNBM Triumph Robotics (Shanghai) Co., Ltd.			22,846.02	
Prepayment	Henan Zhonglian Glass Co., Ltd.*			8,057.41	
Other receivables	Jiangsu Triumph New Material Co., Ltd.	8,206,915.67	164,138.31		
Other receivables	Triumph Bengbu Glass Co., Ltd.	4,664,739.78	93,294.80	30,001.41	600.03
Other receivables	China Triumph International Engineering Co., Ltd. Shenzhen Branch	623,000.00	12,460.00		
Other receivables	Yaohua (Qinhuangdao) Glass Co., Ltd.*	574,816.93	11,496.33		
Other receivables	Qinhuangdao Glass Industry Research and Design Institute Company Limited	239,350.00	239,350.00	239,350.00	239,350.00
Other receivables	Anhui Triumph Haofeng Xiaogang Modern Facility Agriculture Co., Ltd. *	46,713.34	934.27		
Other receivables	China National Building Material Technology & Equipment Corporation Limited*	41,850.00	41,850.00	41,850.00	41,850.00
Other receivables	China National Building Materials Tongliao Silica Sand Industry Co., Ltd.*	14,700.96	294.02		
Other receivables	Shenzhen Triumph Technology Engineering Co., Ltd.			39,216,136.98	784,322.74
Other receivables	Triumph Science & Technology Group Co., Ltd.			3,600,000.00	
Other receivables	Yaohua (Yibin) Glass Co., Ltd.*			438,075.25	8,761.51
Other receivables	Yaohua (Luoyang) Glass Co., Ltd.*			38,375.74	767.51

Notes to the Financial Statements

XIV. RELATED PARTY AND RELATED PARTY TRANSACTIONS (CONTINUED)

5. Unsettled items such as receivables from and payables to related parties (Continued)

(1). Receivables (Continued)

Project name	Related party	Closing balance		Opening balance	
		Book balance	Provision for bad debt	Book balance	Provision for bad debt
Other receivables	China Triumph International Engineering Co., Ltd. Jiangsu Branch			31,696.00	633.92
Other non-current assets	CNBM Research Institute for Intelligent Automation Co., Ltd.	1,132,000.00		498,300.00	
Other non-current assets	China Triumph International Engineering Co., Ltd.	630,046.03		81,304,720.64	
Other non-current assets	Zhongxin Group Engineering Consulting Group Co., Ltd. Bengbu Branch	530,000.00		530,000.00	
Other non-current assets	Shanghai Triumph Energy Saving Engineering Co., Ltd.	375,000.00		375,000.00	
Other non-current assets	Bengbu Triumph Engineering Technology Company Limited	279,120.00		668,000.00	
Other non-current assets	CTIEC Digitalization & Intellectualization (Shanghai) Co., Ltd.	148,751.40			
Other non-current assets	CNBM Triumph Robotics (Shanghai) Co., Ltd.	135,000.00		441,202.60	
Other non-current assets	Yangzhou Zhongke Semiconductor Lighting Co., Ltd.	100,000.00			
Other non-current assets	China Triumph International Engineering Co., Ltd. Bengbu Branch			490,276,838.24	
Other non-current assets	CNBM Environmental Protection Research Institute (Jiangsu) Co., Ltd.			6,633,535.40	
Other non-current assets	China Triumph International Engineering Co., Ltd. Jiangsu Branch			1,228,295.00	
Other non-current assets	CNBM New Material Research Institute Group Co., Ltd.*			100,000.00	

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XIV. RELATED PARTY AND RELATED PARTY TRANSACTIONS (CONTINUED)

5. Unsettled items such as receivables from and payables to related parties (Continued)

(2). Payable

Unit: Yuan Currency: RMB

Project name	Related party	Book balance at the end of the period	Book balance at the beginning of the period
Notes payable	CNBMG Triumph Mineral Resources Group Co., Ltd.	60,894,225.14	66,345,017.62
Notes payable	Triumph Quartz Material (Hainan) Co., Ltd.	3,343,059.91	
Notes payable	Guangdong Triumph Photovoltaic Technology Research Institute Co., Ltd.*	3,290,000.00	6,520,500.00
Notes payable	Bengbu Chemical Machinery Manufacturing Company Limited		6,943,300.00
Notes payable	CNBM Research Institute for Intelligent Automation Co., Ltd.		4,213,890.00
Notes payable	CNBM Environmental Protection Research Institute (Jiangsu) Co., Ltd.		3,800,000.00
Notes payable	Sinoma Advanced Materials Co., Ltd.		560,430.00
Notes payable	Henan Zhonglian Glass Co., Ltd.*		280,413.35
Notes payable	CNBM Triumph Robotics (Shanghai) Co., Ltd.		147,000.00
Notes payable	CNBM New Material Research Institute Group Co., Ltd.*		60,000.00
Notes payable	Bengbu Triumph Engineering Technology Company Limited		38,000.00
Accounts payable	China Triumph International Engineering Co., Ltd.	293,418,500.11	84,373,709.05
Accounts payable	CNBMG Triumph Mineral Resources Group Co., Ltd.	290,106,928.88	357,395,685.93
Accounts payable	China Triumph International Engineering Co., Ltd. Bengbu Branch	130,741,494.87	156,716,338.36
Accounts payable	China Triumph International Engineering Co., Ltd. Jiangsu Branch	29,818,555.35	53,711,689.56
Accounts payable	China Triumph International Engineering Co., Ltd. Shenzhen Branch	24,801,523.28	24,801,523.28
Accounts payable	Shanghai Triumph Energy Saving Engineering Co., Ltd.	22,002,650.18	31,062,857.32
Accounts payable	Guangdong Triumph Photovoltaic Technology Research Institute Co., Ltd.*	20,467,247.35	21,907,331.41
Accounts payable	Triumph Photovoltaic Materials Co., Ltd.	14,882,595.87	14,882,595.87

Notes to the Financial Statements

XIV. RELATED PARTY AND RELATED PARTY TRANSACTIONS (CONTINUED)

5. Unsettled items such as receivables from and payables to related parties (Continued)

(2). Payable (Continued)

Project name	Related party	Book balance at the end of the period	Book balance at the beginning of the period
Accounts payable	Shenzhen Triumph Technology Engineering Co., Ltd.	14,291,200.00	30,033,000.00
Accounts payable	CNBM Research Institute for Intelligent Automation Co., Ltd.	4,918,358.96	4,289,392.50
Accounts payable	Anhui Tianzhu Green Energy Sources Technology Co., Ltd.	3,084,344.08	2,898,279.96
Accounts payable	CNBM Environmental Protection Research Institute (Jiangsu) Co., Ltd.	2,686,464.60	190,000.00
Accounts payable	CTIEC Digitalization & Intellectualization (Shanghai) Co., Ltd.	2,491,446.75	
Accounts payable	Bengbu Triumph Engineering Technology Company Limited	1,960,092.01	1,729,812.81
Accounts payable	CNBM New Material Research Institute Group Co., Ltd.*	1,846,754.72	2,402,000.00
Accounts payable	Bengbu Chemical Machinery Manufacturing Company Limited	1,593,287.04	5,508,650.01
Accounts payable	CNBM Triumph Robotics (Shanghai) Co., Ltd.	1,364,369.64	1,202,172.24
Accounts payable	Shandong Industrial Ceramics Research & Design Institute Co., Ltd.	1,000,562.39	
Accounts payable	Bengbu Triumph Engineering Technology Co., Ltd. Chemical Machinery Branch*	888,000.00	
Accounts payable	Yangzhou Zhongke Semiconductor Lighting Co., Ltd.	207,266.63	249,126.63
Accounts payable	Triumph Bengbu Glass Co., Ltd	99,864.81	
Accounts payable	Far East Opto-electronics Co., Ltd.	45,876.13	
Accounts payable	Anhui Huaguang Photoelectricity Materials Technology Group Co. Ltd. Bengbu Photoelectricity Glass Branch	25,043.63	25,043.63
Accounts payable	Triumph Quartz Material (Hainan) Co., Ltd.	7,813.22	
Accounts payable	BNBM Group Co., Ltd. Procurement Technology Branch*	2,027.12	
Accounts payable	Sinoma Advanced Materials Co., Ltd.		915,160.00

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XIV. RELATED PARTY AND RELATED PARTY TRANSACTIONS (CONTINUED)

5. Unsettled items such as receivables from and payables to related parties (Continued)

(2). Payable (Continued)

Project name	Related party	Book balance at the end of the period	Book balance at the beginning of the period
Accounts payable	Suqian CNG New Energy Co., Ltd.*		640,772.69
Accounts payable	Nanjing Light Industrial Packaging Machinery Co., Ltd.		245,000.00
Accounts payable	Qinhuangdao Glass Industry Research and Design Institute Company Limited		148,000.00
Accounts payable	Far East Opto-electronics Co., Ltd.		45,876.13
Accounts payable	Triumph Heavy Industry Co., Ltd.		29,600.00
Accounts payable	China Triumph International Engineering Co., Ltd. Sichuan Branch		14,970.00
Other payables	China Luoyang Float Glass (Group) Company Limited	146,490,865.85	130,000,000.00
Other payables	CNBM New Material Research Institute Group Co., Ltd.*	3,508,423.21	3,338,423.21
Other payables	Zhongxin Group Engineering Consulting Group Co., Ltd. Bengbu Branch	150,000.00	150,000.00
Other payables	Triumph Science & Technology Co., Ltd Bengbu Huayi Branch	76,221.49	76,221.49
Other payables	CNBM Research Institute for Intelligent Automation Co., Ltd.	50,200.00	50,200.00
Other payables	Anhui Tianzhu Green Energy Sources Technology Co., Ltd.	20,000.00	
Other payables	Bengbu Xingke Glass Co., Ltd.	11,624.94	11,624.94
Other payables	Bengbu Chemical Machinery Manufacturing Company Limited	500.00	500.00
Other payables	Triumph Science & Technology Co., Ltd.	0.01	0.01
Other payables	China Yaohua Glass Group Corporation Co., Ltd.		155,416.50
Other payables	China Triumph International Engineering Co., Ltd. Shenzhen Branch		65,242.15
Other payables	Nanjing Light Industrial Packaging Machinery Co., Ltd.		50,000.00
Other payables	CNBM Triumph Robotics (Shanghai) Co., Ltd.		50,000.00
Other payables	CNBMG Triumph Mineral Resources Group Co., Ltd.		11,236.10

Notes to the Financial Statements

XIV. RELATED PARTY AND RELATED PARTY TRANSACTIONS (CONTINUED)

5. Unsettled items such as receivables from and payables to related parties (Continued)

(2). Payable (Continued)

Project name	Related party	Book balance at the end of the period	Book balance at the beginning of the period
Other current liabilities	CNBMG Triumph Mineral Resources Group Co., Ltd.	28,951,076.48	126,884,109.67
Other current liabilities	China Triumph International Engineering Co., Ltd.	24,122,930.92	9,734,312.41
Other current liabilities	Guangdong Triumph Photovoltaic Technology Research Institute Co., Ltd.*	6,078,705.33	4,410,000.00
Other current liabilities	Triumph Quartz Material (Hainan) Co., Ltd.	4,073,537.34	105,412.00
Other current liabilities	CNBM Environmental Protection Research Institute (Jiangsu) Co., Ltd.	1,280,000.00	3,455,365.92
Other current liabilities	Bengbu Triumph Engineering Technology Company Limited	530,531.67	813,355.00
Other current liabilities	CNBM Research Institute for Intelligent Automation Co., Ltd.	470,500.00	2,070,000.00
Other current liabilities	CNBM Triumph Robotics (Shanghai) Co., Ltd.	436,221.11	690,305.92
Other current liabilities	CTIEC Digitalization & Intellectualization (Shanghai) Co., Ltd.	422,554.80	
Other current liabilities	Sinoma Advanced Materials Co., Ltd.	382,058.39	260,000.00
Other current liabilities	Anhui Tianzhu Green Energy Sources Technology Co., Ltd.	354,000.00	2,000,000.00
Other current liabilities	Bengbu Chemical Machinery Manufacturing Company Limited	275,413.43	5,020,000.00
Other current liabilities	Yangzhou Zhongke Semiconductor Lighting Co., Ltd.	10,800.00	2,698,738.00

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XIV. RELATED PARTY AND RELATED PARTY TRANSACTIONS (CONTINUED)

5. Unsettled items such as receivables from and payables to related parties (Continued)

(2). Payable (Continued)

Project name	Related party	Book balance at the end of the period	Book balance at the beginning of the period
Other current liabilities	China Triumph International Engineering Co., Ltd. Bengbu Branch		146,104,650.84
Other current liabilities	Suqian CNG New Energy Co., Ltd.*		4,133,120.21
Other current liabilities	Shenzhen Triumph Technology Engineering Co., Ltd.		2,941,857.52
Other current liabilities	CNBM New Material Research Institute Group Co., Ltd.*		2,250,000.00
Other current liabilities	Henan Zhonglian Glass Co., Ltd.*		2,239,720.00
Other current liabilities	CNBM (Chengdu) Optoelectronic Materials Co., Ltd.		2,000,000.00
Other current liabilities	China Triumph International Engineering Co., Ltd. Jiangsu Branch		2,000,000.00
Other current liabilities	China Triumph International Engineering Co., Ltd. Shenzhen Branch		648,881.20
Other current liabilities	Shanghai Triumph Energy Saving Engineering Co., Ltd.		500,000.00
Other current liabilities	Jiangsu Suhuada New Materials Co., Ltd.		412,807.04
Other current liabilities	Ruitai Technology Co., Ltd.		100,000.00



Notes to the Financial Statements

XV. COMMITMENTS AND CONTINGENCIES

1. Significant commitments

Significant external commitments, nature and amount thereof as at the balance sheet date

Capital commitments

Unit: Yuan Currency: RMB

Capital commitments contracted but not yet recognised in the financial statements	Closing balance	Balance at the end of the previous year
Commitments in relation to acquisition and construction of long-term assets	1,011,995,886.69	1,546,624,275.11

2. Contingencies

As of 31 December 2024, the Company had no contingent items such as outstanding litigation and external guarantees that should be disclosed.

XVI. SUBSEQUENT EVENTS AFTER THE DATE OF BALANCE SHEET

As of 28 March 2025, the Company has no other events that should be disclosed after the balance sheet date.

XVII. OTHER SIGNIFICANT EVENTS

Segment information

(1). *Determination basis and accounting policies of reporting segment*

Segment report

In accordance with the Company's internal organizational structure, management requirements and internal reporting system, the Company's operations are divided into two reporting segments, which are identified on the basis of financial information required by the Company's daily internal management. The management of the Group regularly evaluates the operating results of these reporting segments to make decisions about resources to be allocated to the segment and to assess its performance.

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

- (1) the component is able to generate revenues and incur expenses from its ordinary activities;
- (2) 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 relevant accounting information such as 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.

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

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

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



Notes to the Financial Statements

XVII. OTHER SIGNIFICANT EVENTS (CONTINUED)

Segment information (Continued)

(2). Financial information of reporting segment

Unit: Yuan Currency: RMB

Item	Photovoltaic glass	Other functional glass	Unallocated items	Inter-segment offset	Total
Revenue	4,568,841,280.97	23,141,451.96	13,393,579.67	-10,929,008.89	4,594,447,303.71
Including: Revenue from principal operations	4,536,277,966.93	21,796,817.26		-10,485,895.68	4,547,588,888.51
Operating costs	4,779,004,913.90	22,594,092.49	2,436,599.41	-9,607,744.23	4,794,427,861.57
Including: Cost of principal activities	4,752,230,583.89	21,747,785.04		-9,607,744.23	4,764,370,624.70
Impairment losses of credit	-6,018,390.91	750,824.48	-1,230,968.00		-6,498,534.43
Impairment losses of assets	-124,702,366.67	-4,775,542.86			-129,477,909.53
Depreciation expenses and amortization expenses	351,085,726.19	9,757,084.89	1,457,229.46	2,286,337.92	364,586,378.46
Total profit	-759,167,162.88	-20,342,762.77	2,242,117.10	-3,497,736.17	-780,765,544.72
Income tax expenses	-115,283,291.44	257,297.19		-2,640,569.89	-117,666,564.14
Net profit	-614,409,579.51	-20,600,059.96	2,242,117.10	-30,331,458.21	-663,098,980.58
Total assets	10,818,876,794.66	1,264,391,757.62	5,438,026,738.38	-5,216,084,896.56	12,305,210,394.10
Total liabilities	6,042,123,589.62	902,652,119.44	1,537,823,452.43	-551,536,161.10	7,931,063,000.39

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XVII. OTHER SIGNIFICANT EVENTS (CONTINUED)

Segment information (Continued)

(3). Other explanations

Other segment information

① Operating income by customer's geographical location

Unit: Yuan Currency: RMB

Geographical location	Amount for current period	Amount for previous period
China (excluding Hong Kong, Macau and Taiwan)	4,488,486,723.73	6,185,892,780.43
Other countries and regions	105,960,579.98	409,356,924.17
Total	4,594,447,303.71	6,595,249,704.60

② Non-current assets by its geographical location

Unit: Yuan Currency: RMB

Geographical location	Closing balance	Balance at the end of the previous year
China (excluding Hong Kong, Macau and Taiwan)	8,852,016,268.87	8,079,787,042.06

XVII. OTHER SIGNIFICANT EVENTS (CONTINUED)

Segment information (Continued)

(3). Other explanations (Continued)

③ Degree of reliance on major customers

In 2024, the transaction amount of four customers (customers who are controlled by the same controller are deemed to be the same customer) from new energy reporting segment exceeds 10% of the Company's revenue, and the amounts are RMB828,971,853.15, RMB812,382,545.12, RMB763,194,375.45 and RMB514,550,568.30, respectively.

④ Auditor remuneration

Unit: Yuan Currency: RMB

Auditor remuneration	Amount for current period	Amount for previous period
Total	1,350,000	1,350,000

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XVII. OTHER SIGNIFICANT EVENTS (CONTINUED)

Segment information (Continued)

(3). Other explanations (Continued)

⑤ Remuneration of directors, supervisors and staff

The remuneration of each director and supervisor in 2024 is as follows:

Unit: Yuan Currency: RMB

Name	Position	Fees	Bonus	Salary, allowance and benefit in kind	Defined contribution, plan contribution	Total	Date of resignation or appointment
Directors:							
Xie Jun	Chairman						
Zhang Rong	Executive director/President			876,000.00	182,175.21	1,058,175.21	
He Qingbo	Executive director						
Wang Leilei	Executive director (retired)			446,670.00	179,218.12	625,888.12	2024-10-18
Zhang Chong	Non-executive director (retired)						2024-12-6
Sun Shizhong	Non-executive director (retired)						2024-12-6
Pan Jingong	Non-executive director (retired)						2024-12-6
Chen Peng	Executive director/Vice President (appointed)			43,000.00	1,789.50	44,789.50	2024-12-6 (as Vice President)
Wu Dan	Non-executive director (appointed)						2024-12-30
Independent directors:							
Zhang Yajuan	Independent director			100,000.00		100,000.00	
Fan Baoqun	Independent director			100,000.00		100,000.00	
Chen Qisuo	Independent director			100,000.00		100,000.00	
Yuan Jian	Independent director (appointed)			50,000.00		50,000.00	2024-6-25
Zhao Hulin	Independent director (retired)			50,000.00		50,000.00	2024-6-25
Supervisors:							
Li Yang	Chairman of the Supervisory Committee						
Li Ping	Supervisor						
Zhang Pingwei	Employee supervisor			287,381.10	86,132.14	373,513.24	
Li Huadong	Employee supervisor			560,000.00	94,852.00	654,852.00	
Independent supervisors:							
Wang Juan	Independent supervisor			50,000.00		50,000.00	
Wang Junqiao	Independent supervisor			50,000.00		50,000.00	
Total				2,713,051.10	544,166.97	3,257,218.07	

Notes to the Financial Statements

XVII. OTHER SIGNIFICANT EVENTS (CONTINUED)

Segment information (Continued)

(3). Other explanations (Continued)

⑤ Remuneration of directors, supervisors and staff (Continued)

The remuneration of each director and supervisor in 2023 is as follows:

Unit: Yuan Currency: RMB

Name	Position	Fees	Bonus	Salary, allowance and benefit in kind	Defined contribution, plan contribution	Total	Date of resignation or appointment
Executive directors:							
Xie Jun	Chairman			325,002.00	36,010.48	361,012.48	
Zhang Rong	Executive director			1,200,000.00	259,347.98	1,459,347.98	
He Qingbo	Executive director						
Wang Leilei	Executive director			654,100.00	128,946.60	783,046.60	
Ma Yan	Executive director (retired)			561,100.00	60,717.52	621,817.52	2023-07-21
Liu Yuquan	Executive director (retired)			234,100.00	27,524.68	261,624.68	2023-05-23
Independent directors:							
Chen Qisuo	Independent director				75,000.00	75,000.00	
Fan Baoqun	Independent director				75,000.00	75,000.00	
Zhang Yajuan	Independent director				75,000.00	75,000.00	
Zhao Hulin	Independent director (already tendered resignation, but not officially resigned)				75,000.00	75,000.00	officially resigned on 25 June 2024
Supervisors:							
Li Yang	Chairman of the Supervisory Committee			288,600.00	36,096.45	324,696.45	
Jiao Jiajia	Chairman of the Supervisory Committee (retired)						2023-07-21
Li Ping	Supervisor						
Zhang Pingwei	Employee supervisor			400,000.00	70,874.50	470,874.50	
Li Huadong	Employee supervisor			700,000.00	94,652.64	794,652.64	
Independent supervisors:							
Wang Juan	Independent supervisor			40,000.00		40,000.00	
Wang Junqiao	Independent supervisor			40,000.00		40,000.00	
Total				4,442,902.00	1,014,170.85	5,457,072.85	

The five individuals whose remuneration were the highest during 2024, included 5 directors (2023: three directors), whose remuneration was set out as above.

Notes to the Financial Statements

31 December 2024
Prepared by: Triumph New Energy Company Limited
Unit: Yuan Currency: RMB

XVIII. NOTES TO KEY ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS

1. Accounts receivable

(1). Disclosure by aging

Ageing analysis of accounts receivables by date of entry as follows:

Unit: Yuan Currency: RMB

Ageing	Book balance at the end of the period	Ratio (%)	Book balance at the beginning of the period	Ratio (%)
Within 1 year	193,683,322.39	81.03	89,691,502.93	65.86
Sub-total within 1 year	193,683,322.39	81.03	89,691,502.93	65.86
1 to 2 years				
2 to 3 years				
3 to 4 years				
4 to 5 years				
Over 5 years	45,344,272.31	18.97	46,500,899.56	34.14
Total	239,027,594.70	100.00	136,192,402.49	100.00

Notes to the Financial Statements

XVIII. NOTES TO KEY ITEMS OF THE PARENT COMPANY' S FINANCIAL STATEMENTS (CONTINUED)

1. Accounts receivable (Continued)

(2). Classified disclosure by the method of bad debt provision

Unit: Yuan Currency: RMB

Category	Closing balance					Opening balance				
	Book balance		Provision for bad debts			Book balance		Provision for bad debts		
	Amount	Ratio	Amount	Provision	Book value	Amount	Ratio	Amount	Provision	Book value
				ratio					ratio	
		(%)		(%)			(%)		(%)	
Bad debt provision on individual										
Including:										
Bad debt provision on group	239,027,594.70	100.00	45,575,240.31	19.07	193,452,354.39	136,192,402.49	100.00	46,500,899.56	34.14	89,691,502.93
Including:										
related party customers	193,683,322.39	81.03	230,968.00	0.12	193,452,354.39	89,691,502.93	65.86			89,691,502.93
general customers	45,344,272.31	18.97	45,344,272.31	100.00	0	46,500,899.56	34.14	46,500,899.56	100.00	0
Total	239,027,594.70	/	45,575,240.31	/	193,452,354.39	136,192,402.49	/	46,500,899.56	/	89,691,502.93

Notes to the Financial Statements

31 December 2024
Prepared by: Triumph New Energy Company Limited
Unit: Yuan Currency: RMB

XVIII. NOTES TO KEY ITEMS OF THE PARENT COMPANY' S FINANCIAL STATEMENTS (CONTINUED)

1. Accounts receivable (Continued)

(2). Classified disclosure by the method of bad debt provision (Continued)

Bad debt provision on group:

Provision on group basis: related party customers

Unit: Yuan Currency: RMB

Name	Closing balance			Opening balance		
	Accounts receivable	Provision for bad debts	Provision ratio (%)	Accounts receivable	Provision for bad debts	Provision ratio (%)
Related party customers	193,683,322.39	230,968.00	0.12	89,691,502.93		
Total	193,683,322.39	230,968.00	0.12	89,691,502.93		

Notes to the Financial Statements

XVIII. NOTES TO KEY ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

1. Accounts receivable (Continued)

(2). Classified disclosure by the method of bad debt provision (Continued)

Provision on group basis: general customers

Unit: Yuan Currency: RMB

Name	Closing balance			Opening balance		
	Accounts receivable	Provision for bad debts	Provision ratio (%)	Accounts receivable	Provision for bad debts	Provision ratio (%)
Over 5 years	<u>45,344,272.31</u>	<u>45,344,272.31</u>	<u>100.00</u>	<u>46,500,899.56</u>	<u>46,500,899.56</u>	<u>100.00</u>
Total	<u><u>45,344,272.31</u></u>	<u><u>45,344,272.31</u></u>	<u><u>100.00</u></u>	<u><u>46,500,899.56</u></u>	<u><u>46,500,899.56</u></u>	<u><u>100.00</u></u>

Notes to the Financial Statements

31 December 2024
Prepared by: Triumph New Energy Company Limited
Unit: Yuan Currency: RMB

XVIII. NOTES TO KEY ITEMS OF THE PARENT COMPANY' S FINANCIAL STATEMENTS (CONTINUED)

1. Accounts receivable (Continued)

(3). Provision for bad debts

Unit: Yuan Currency: RMB

Category	Opening balance	Increase/decrease for the period			Other changes	Closing balance
		Provision	Recovery or reversal	Write-off or cancellation		
Provision for bad debts of accounts receivable	46,500,899.56	230,968.00		1,156,627.25		45,575,240.31
Total	46,500,899.56	230,968.00		1,156,627.25		45,575,240.31

(4). Accounts receivable actually written off during the period

Unit: Yuan Currency: RMB

Item	Amount written off
Accounts receivable actually written off	1,156,627.25

Notes to the Financial Statements

XVIII. NOTES TO KEY ITEMS OF THE PARENT COMPANY' S FINANCIAL STATEMENTS (CONTINUED)

1. Accounts receivable (Continued)

(4). Accounts receivable actually written off during the period (Continued)

Writing-off of important accounts receivable

Unit: Yuan Currency: RMB

Unit name	Nature of accounts receivable	Write-off amount	Reason for write-off	Underwriting procedures performed	Whether the amount arises from a related party transaction
Entity 1	Current accounts	603,685.87	Cancellation	Consideration by the Board	No
Total	/	603,685.87	/	/	/

Notes to the Financial Statements

31 December 2024
Prepared by: Triumph New Energy Company Limited
Unit: Yuan Currency: RMB

XVIII. NOTES TO KEY ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

1. Accounts receivable (Continued)

(5). Top five largest accounts receivable and contract assets at the end of the period by the balance collected regarding the party in default

Unit: Yuan Currency: RMB

Unit name	Closing balance of accounts receivable	Closing balance of contract assets	Closing balance of accounts receivable and contract assets	Percentage of total ending balance of accounts receivable and contract assets (%)	Closing balance of bad debt provision
CNBM (Luoyang) New Energy Co., Ltd.*	55,544,873.83		55,544,873.83	23.24	0
CNBM (Hefei) New Energy Co., Ltd.	32,305,097.82		32,305,097.82	13.52	0
CNBM (Yixing) New Energy Resources Co., Ltd.	23,959,282.92		23,959,282.92	10.02	0
Qinhuangdao North Glass Co., Ltd.	25,296,751.10		25,296,751.10	10.58	0
Kaisheng (Zhangzhou) New Energy Co., Ltd.	17,470,015.03		17,470,015.03	7.31	0
Total	154,576,020.70		154,576,020.70	64.67	0

Notes to the Financial Statements

XVIII. NOTES TO KEY ITEMS OF THE PARENT COMPANY' S FINANCIAL STATEMENTS (CONTINUED)

2. Other receivables

Presentation by item

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Interest receivable		
Dividends receivable		
Other receivables	954,807,258.85	936,818,184.15
Less: provision for bad debts	33,296,805.33	32,296,805.33
Total	921,510,453.52	904,521,378.82

Notes to the Financial Statements

31 December 2024
Prepared by: Triumph New Energy Company Limited
Unit: Yuan Currency: RMB

XVIII. NOTES TO KEY ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

2. Other receivables (Continued)

Other receivables

(1). Disclosure by ageing

An aging analysis of other receivables, based on the recognition date, is as follows:

Unit: Yuan Currency: RMB

Ageing	Book balance at the end of the period	Ratio (%)	Book balance at the beginning of the period	Ratio (%)
Within 1 year	919,658,260.24	96.32	886,133,281.61	94.59
Sub-total within 1 year	919,658,260.24	96.32	886,133,281.61	94.59
1 to 2 years	1,636,393.28	0.17	18,372,297.21	1.96
2 to 3 years	1,200,000.00	0.13	800,000.00	0.08
3 to 4 years	800,000.00	0.08	1,200,000.00	0.13
4 to 5 years	1,200,000.00	0.13		
Over 5 years	30,312,605.33	3.17	30,312,605.33	3.24
Total	954,807,258.85	100.00	936,818,184.15	100.00

Notes to the Financial Statements

XVIII. NOTES TO KEY ITEMS OF THE PARENT COMPANY' S FINANCIAL STATEMENTS (CONTINUED)

2. Other receivables (Continued)

Other receivables (Continued)

(2). By nature of amount

Unit: Yuan Currency: RMB

Nature of amount	Book balance at the end of the period	Book balance at the beginning of the period
Reserve, security deposit, deposit	1,242,831.17	97,891.91
Amounts due from subsidiaries	918,231,292.04	880,869,896.08
Current accounts	34,715,302.16	42,073,796.16
Others	617,833.48	13,776,600.00
Total	954,807,258.85	936,818,184.15

Notes to the Financial Statements

31 December 2024
Prepared by: Triumph New Energy Company Limited
Unit: Yuan Currency: RMB

XVIII. NOTES TO KEY ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

2. Other receivables (Continued)

Other receivables (Continued)

(3). By provision for bad debts

Unit: Yuan Currency: RMB

Provision for bad debts	Stage 1 12-month ECL	Stage 2 Lifetime ECL (non-credit- impaired)	Stage 3 Lifetime ECL (credit- impaired)	Total
Balance as at 1 January 2024	24,200.00	1,960,000.00	30,312,605.33	32,296,805.33
Balance as at 1 January 2024 for the period				
– Transferred to Stage 2				
– Transferred to Stage 3				
– Reversed to Stage 2				
– Reversed to Stage 1				
Provision for the current period		1,000,000.00		1,000,000.00
Reversed for the current period				
Write-off for the current period				
Cancellation for the current period				
Other changes				
Balance as at 31 December 2024	24,200.00	2,960,000.00	30,312,605.33	33,296,805.33

Notes to the Financial Statements

XVIII. NOTES TO KEY ITEMS OF THE PARENT COMPANY' S FINANCIAL STATEMENTS (CONTINUED)

2. Other receivables (Continued)

Other receivables (Continued)

(3). By provision for bad debts (Continued)

Provision for bad debts in the first stage at the end of the period:

Category	Book balance	Expected credit loss rate over the next 12 months (%)	Provision for bad debt	Book value
Provision for bad debt on individual basis				
Provision for bad debt on group basis	919,648,260.24	0.00	24,200.00	919,634,060.24
Group 1: Photovoltaic subsidies basis				
Group 2: Security deposit, deposit				
Group 3: Transactions between related parties within the scope of consolidation	918,231,292.04			918,231,292.04
Group 4: Transactions between related parties outside the scope of consolidation				
Group 5: General customers	1,210,000.00	2.00	24,200.00	1,185,800.00
Group 6: Social security and reserve	35,528.00			35,528.00
Group 7: Others	181,440.20			181,440.20
Total	919,658,260.24	0.00	24,200.00	919,634,060.24

Notes to the Financial Statements

31 December 2024
Prepared by: Triumph New Energy Company Limited
Unit: Yuan Currency: RMB

XVIII. NOTES TO KEY ITEMS OF THE PARENT COMPANY' S FINANCIAL STATEMENTS (CONTINUED)

2. Other receivables (Continued)

Other receivables (Continued)

(3). By provision for bad debts (Continued)

At the end of the Period, the provision for bad debt in Stage 2:

Category	Book balance	Expected credit loss rate over the next 12 months (%)	Provision for bad debt	Book value
Provision for bad debt on individual basis				
Provision for bad debt on group basis	4,836,393.28	61.20	2,960,000.00	1,876,393.28
Group 1: Photovoltaic subsidies basis				
Group 2: Security deposit, deposit				
Group 3: Transactions between related parties within the scope of consolidation				
Group 4: Transactions between related parties outside the scope of consolidation				
Group 5: General customers	4,400,000.00	67.27	2,960,000.00	1,440,000.00
Group 6: Social security and reserve				
Group 7: Others	436,393.28			436,393.28
Total	4,836,393.28	61.20	2,960,000.00	1,876,393.28

Notes to the Financial Statements

XVIII. NOTES TO KEY ITEMS OF THE PARENT COMPANY' S FINANCIAL STATEMENTS (CONTINUED)

2. Other receivables (Continued)

Other receivables (Continued)

(3). By provision for bad debts (Continued)

At the end of the Period, the provision for bad debt in Stage 3:

Category	Book balance	Expected credit loss rate over the next 12 months (%)	Provision for bad debt	Book value
Provision for bad debt on individual basis				
Provision for bad debt on group basis	30,312,605.33	100.00	30,312,605.33	
Group 1: Photovoltaic subsidies basis				
Group 2: Security deposit, deposit				
Group 3: Transactions between related parties within the scope of consolidation				
Group 4: Transactions between related parties outside the scope of consolidation	281,200.00	100.00	281,200.00	
Group 5: General customers	28,824,102.16	100.00	28,824,102.16	
Group 6: Social security and reserve	1,207,303.17	100.00	1,207,303.17	
Group 7: Others				
Total	30,312,605.33	100.00	30,312,605.33	

Notes to the Financial Statements

31 December 2024
Prepared by: Triumph New Energy Company Limited
Unit: Yuan Currency: RMB

XVIII. NOTES TO KEY ITEMS OF THE PARENT COMPANY' S FINANCIAL STATEMENTS (CONTINUED)

2. Other receivables (Continued)

Other receivables (Continued)

(3). By provision for bad debts (Continued)

At the end of the previous year, the provision for bad debt in Step 1 was as follows

Category	Book balance	Expected credit loss rate over the next 12 months (%)	Provision for bad debt	Book value
Provision for bad debt on individual basis				
Provision for bad debt on group basis	886,133,281.61	0.00	24,200.00	886,109,081.61
Group 1: Photovoltaic subsidies basis				
Group 2: Security deposit, deposit				
Group 3: Transactions between related parties within the scope of consolidation	866,851,877.74			866,851,877.74
Group 4: Transactions between related parties outside the scope of consolidation	3,600,000.00			3,600,000.00
Group 5: Current accounts of general customers	1,210,000.00	2.00	24,200.00	1,185,800.00
Group 6: Social security and reserve	694,803.87			694,803.87
Group 7: Others	13,776,600.00			13,776,600.00
Total	886,133,281.61	0.00	24,200.00	886,109,081.61

Notes to the Financial Statements

XVIII. NOTES TO KEY ITEMS OF THE PARENT COMPANY' S FINANCIAL STATEMENTS (CONTINUED)

2. Other receivables (Continued)

Other receivables (Continued)

(3). By provision for bad debts (Continued)

At the end of the previous year, the provision for bad debt in Step 2 was as follows

Category	Book balance	Expected credit loss rate over the lifetime (%)	Provision for bad debt	Book value
Provision for bad debt on individual basis				
Provision for bad debt on group basis	20,372,297.21	9.62	1,960,000.00	18,412,297.21
Group 1: Photovoltaic subsidies basis				
Group 2: Security deposit, deposit				
Group 3: Transactions between related parties within the scope of consolidation				
Group 4: Transactions between related parties outside the scope of consolidation				
Group 5: Current accounts of general customers	20,372,297.21	9.62	1,960,000.00	18,412,297.21
Group 6: Social security and reserve				
Group 7: Others				
Total	20,372,297.21	9.62	1,960,000.00	18,412,297.21

Notes to the Financial Statements

31 December 2024
Prepared by: Triumph New Energy Company Limited
Unit: Yuan Currency: RMB

XVIII. NOTES TO KEY ITEMS OF THE PARENT COMPANY' S FINANCIAL STATEMENTS (CONTINUED)

2. Other receivables (Continued)

Other receivables (Continued)

(3). By provision for bad debts (Continued)

At the end of the previous year, the provision for bad debt in Step 3 was as follows

Category	Book balance	Expected credit loss rate over the lifetime (%)	Provision for bad debt	Book value
Provision for bad debt on individual basis				
Provision for bad debt on group basis	30,312,605.33	100.00	30,312,605.33	
Group 1: Photovoltaic subsidies basis				
Group 2: Security deposit, deposit				
Group 3: Transactions between related parties within the scope of consolidation				
Group 4: Transactions between related parties outside the scope of consolidation	281,200.00	100.00	281,200.00	
Group 5: Current accounts of general customers	29,940,513.42	100.00	29,940,513.42	
Group 6: Social security and reserve	90,891.91	100.00	90,891.91	
Group 7: Others				
Total	30,312,605.33	100.00	30,312,605.33	

Notes to the Financial Statements

XVIII. NOTES TO KEY ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

2. Other receivables (Continued)

Other receivables (Continued)

(4). Provision for bad debts

Unit: Yuan Currency: RMB

Category	Opening balance	Increase/decrease for the period				Closing balance
		Provision	Recovery or reversal	Write-off or cancellation	Other changes	
Provision for bad debts of other receivables	32,296,805.33	1,000,000.00				33,296,805.33
Total	32,296,805.33	1,000,000.00				33,296,805.33

Notes to the Financial Statements

31 December 2024
Prepared by: Triumph New Energy Company Limited
Unit: Yuan Currency: RMB

XVIII. NOTES TO KEY ITEMS OF THE PARENT COMPANY' S FINANCIAL STATEMENTS (CONTINUED)

2. Other receivables (Continued)

Other receivables (Continued)

(5). The top five largest other receivables at the end of the period by the balance collected regarding the party in default

Unit: Yuan Currency: RMB

Unit name	Closing balance	Proportion in total balance of other receivables at the end of the period (%)	Nature of amount	Aging	Balance of provision for bad debts at the end of the period
CNBM (Yixing) New Energy Resources Co., Ltd.	403,865,266.67	42.30	Fund borrowing	Within 1 year	
Qinhuangdao North Glass Co., Ltd.	210,115,673.60	22.01	Fund borrowing	Within 1 year	
CNBM (Hefei) New Energy Co., Ltd.	208,998,097.02	21.89	Fund borrowing	Within 1 year	
CNBM (Luoyang) New Energy Co., Ltd.*	95,252,254.75	9.98	Fund borrowing	Within 1 year	
Entity 5	10,808,704.00	1.13	Current accounts	Over 5 years	10,808,704.00
Total	929,039,996.04	97.31	/	/	10,808,704.00

Notes to the Financial Statements

XVIII. NOTES TO KEY ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

3. Long-term equity investment

Unit: Yuan Currency: RMB

Item	Closing balance			Opening balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Investment in subsidiaries	4,103,415,248.62		4,103,415,248.62	3,903,415,248.62		3,903,415,248.62
Investment in associates and joint ventures						
Total	4,103,415,248.62		4,103,415,248.62	3,903,415,248.62		3,903,415,248.62

(1). Investment in subsidiaries

Unit: Yuan Currency: RMB

Investee	Opening balance (Book value)	Increase/decrease for the period					Closing balance (Book value)
		Opening balance of provision for impairment	Additional investment	Reduction of Provision for impairment			
				Investment	Others		
CNBM (Hefei) New Energy Co., Ltd.	975,180,001.59						975,180,001.59
CNBM (Tongcheng) New Energy Materials Co., Ltd.	1,039,788,106.76						1,039,788,106.76
CNBM (Yixing) New Energy Resources Co., Ltd.	242,691,936.01						242,691,936.01
Triumph (Zigong) New Energy Resources Co., Ltd.	300,000,000.00						300,000,000.00
Kaisheng (Zhangzhou) New Energy Co., Ltd.	390,388,352.49						390,388,352.49
CNBM (Luoyang) New Energy Co., Ltd.*	600,000,000.00		200,000,000.00				800,000,000.00
Qinhuangdao North Glass Co., Ltd.	355,366,851.77						355,366,851.77
Total	3,903,415,248.62		200,000,000.00				4,103,415,248.62

Notes to the Financial Statements

31 December 2024
Prepared by: Triumph New Energy Company Limited
Unit: Yuan Currency: RMB

XVIII. NOTES TO KEY ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

4. Operating revenue and operating costs

(1). Operating revenue and operating costs

Unit: Yuan Currency: RMB

Item	Amount for current period		Amount for previous period	
	Income	Cost	Income	Cost
Principal operations				
Other operations	13,393,579.67	2,436,599.41	7,423,558.70	
– Raw materials and technical service, etc.	13,393,579.67	2,436,599.41	7,423,558.70	
Total	13,393,579.67	2,436,599.41	7,423,558.70	

XVIII. NOTES TO KEY ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

4. Operating revenue and operating costs (Continued)

(1). Operating revenue and operating costs (Continued)

On November 1, 2024, the Company received a Decision Letter on Administrative Regulatory Measures ([2024] No. 79) (the "Decision Letter") issued by the Henan Regulatory Bureau of the China Securities Regulatory Commission ("Henan Regulatory Bureau"). The Decision Letter stated that the parent company's business of purchasing uniformly and then selling at par to its subsidiaries (the "Centralised Procurement Business") was not accounted for under the net method. Such matter affected the accuracy of the disclosure in the parent company's separate accounting statements for the years 2022 and 2023, and violated the provisions of Article 34 of the Accounting Standards for Business Enterprises No. 14 – Revenue (《企業會計準則第14號–收入》), and Article 3(1) of the Administrative Measures for Information Disclosure by Listed Companies (Zheng Jian Hui Ling No. 182) (《上市公司信息披露管理辦法》(證監會令第182號)).

The Board and management of the Company attach great importance to this matter. In response to the financial accounting issues related to the Centralised Procurement Business, the finance and business departments jointly conducted a comprehensive review of the entire business process. Based on the principle of prudence and in strict compliance with the Accounting Standards for Business Enterprises, in particular, No. 14 – Revenue, the Company rigorously assessed its role in the transactions as an agent by examining the business process and contractual terms. Accordingly, the revenue recognition method for this portion of the business was adjusted from the gross method to the net method. For the year 2024, the parent company recognized revenue based on the amount of the expected agency fee it was entitled to receive.

The Company has retrospectively restated the standalone financial statements of the parent company for the years 2022 and 2023. The specific impacts of these corrections on the financial statement items are as follows:

Parent Company Income Statement Items

Unit: Yuan Currency: RMB

Item	2023			2022		
	Before correction	Impact figure	After correction	Before correction	Impact figure	After correction
Operating revenue	851,747,680.78	844,324,122.08	7,423,558.70	813,585,949.34	809,523,960.85	4,061,988.49
of which: other						
operating revenue	851,747,680.78	844,324,122.08	7,423,558.70	813,585,949.34	809,523,960.85	4,061,988.49
Operating costs	844,324,122.08	844,324,122.08	0.00	809,523,960.85	809,523,960.85	0.00
of which: other						
operating costs	844,324,122.08	844,324,122.08	0.00	809,523,960.85	809,523,960.85	0.00

Notes to the Financial Statements

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Prepared by: Triumph New Energy Company Limited
Unit: Yuan Currency: RMB

XVIII. NOTES TO KEY ITEMS OF THE PARENT COMPANY' S FINANCIAL STATEMENTS (CONTINUED)

4. Operating revenue and operating costs (Continued)

(2). Information on the breakdown of operating revenues and operating costs

Operating revenue by timing of revenue recognition

Timing of revenue recognition	Revenue from principal activities	Other business income
Recognised at a certain point of time		2,574,334.38
Recognised over time		10,819,245.29
Total		13,393,579.67

(3). Description of performance obligations

Generally, there is only one performance obligation in the contracts of sales of goods related to sales of glass products to customers by the Company, and the consideration for sales of products is determined according to the fixed price agreed in the sales contract or temporary pricing arrangement. The Company recognises revenue when the control over related goods is transferred to customers.

Notes to the Financial Statements

XVIII. NOTES TO KEY ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

5. Investment income

Unit: Yuan Currency: RMB

Item	Amount for current period	Amount for previous period
Income from long-term equity investment based on the cost method	24,000,000.00	70,334,253.05
Investment income from long-term equity investment accounted for by the equity method		
Investment income from disposal of long-term equity investment		
Investment income earned during the holding period of financial assets held for trading		
Dividend income generated from other equity instrument investments during the holding period		
Interest income from debt investment during the holding period		
Interest income from other debt investment during the holding period		
Investment income from disposal of held-for trading financial assets		
Investment income from disposal of investment in other equity instruments		
Investment income from disposal of debt investment		
Investment income from disposal of other debt investment		
Gains on debt restructuring		
Expense on de-recognition of accounts receivable financing	-10,920.03	-656,969.29
Total	23,989,079.97	69,677,283.76

Notes to the Financial Statements

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XIX. SUPPLEMENTARY INFORMATION

1. Breakdown of non-recurring profit or loss for the period

Unit: Yuan Currency: RMB

Item	Amount	Explanation
Profit/loss on disposal of non-current assets, including the write-off of provision for impairment on assets	3,391,919.06	
Government grants recognized in profit or loss, except for those government grants that are closely related to the normal operation of the Company, in compliance with national policies and in accordance with established criteria, which have a constant impact on the Company's profit or loss	37,842,840.36	
Except for effective hedging transactions related to the Company's normal business operations, gains or losses arising from changes in the fair value of financial assets and financial liabilities held by non-financial enterprises, as well as gains or losses from the disposal of financial assets and financial liabilities		
Funds occupancy fees from non-financial enterprises recognised in profit or loss		
Gains or losses from entrusted investments or asset management		
Gains or losses from externally entrusted loans		
Asset losses due to force majeure events, such as natural disasters		
Reversal of impairment provision for receivables individually tested for impairment	145,877.93	
Gain from acquiring a subsidiary, associate, or joint venture at a cost lower than the fair value of its identifiable net assets		
Net profit or loss of a subsidiary from the beginning of the period to the merger date in a business combination under common control		
Gains or losses from non-monetary asset exchanges		
Gains or losses from debt restructuring		
One-time expenses due to discontinued business operations, such as employee resettlement costs		
One-time impact on current profits or losses due to changes in tax, accounting, or other laws and regulations		
One-time share-based payment expenses due to the cancellation or modification of an equity incentive plan		
Gains or losses from fair value changes in payable employee compensation for cash-settled share-based payments after the vesting date		



Notes to the Financial Statements

XIX. SUPPLEMENTARY INFORMATION (CONTINUED)

1. Breakdown of non-recurring profit or loss for the period (Continued)

Item	Amount	Explanation
Gains or losses from fair value changes in investment property measured at fair value		
Gains from transactions with significantly unfair pricing		
Gains or losses from contingencies unrelated to core business operations		
Custody fee income from entrusted operation	1,132,075.44	
Other non-operating income and expenses other than the aforesaid items	-73,539.04	
Other profit and loss items in line with the definition of non-recurring profits and losses		
Less: Amount of effect on income tax	7,444,335.46	
Amount of effect on minority interest (after tax)	3,399,998.76	
Total	31,594,839.53	

Notes to the Financial Statements

31 December 2024
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Unit: Yuan Currency: RMB

XIX. SUPPLEMENTARY INFORMATION (CONTINUED)

2. Return on net assets and earnings per share

Profit for the reporting period	Weighted average return on net assets (%)	Earnings per share	
		Basic earnings per share	Diluted earnings per share
Net profit attributable to holders of ordinary shares of the Company	-14.11	-0.94	-0.94
Net profit attributable to holders of ordinary shares of the Company after deducting non-recurring profit or loss items	-14.84	-0.99	-0.99

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

Item	Current period	Previous period
Net profit attributable to ordinary shareholders of the Company	-609,930,319.66	394,720,559.20
The weighted average number of the outstanding ordinary shares of the Company	645,674,963.00	645,674,963.00
Basic earnings per share (RMB/share)	-0.94	0.61

The weighted average number of ordinary shares is calculated as follows:

Item	Current period	Previous period
Number of ordinary shares issued at the beginning of the period	645,674,963.00	645,674,963.00
Weighted average number of outstanding ordinary shares of the Company	645,674,963.00	645,674,963.00

During the reporting period, the Company does not have diluted potential ordinary shares, and diluted earnings per share and basic earnings per share are the same.

Chairman: Xie Jun

Reporting date as approved by the Board: 28 March 2025