



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

2025 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 directors (the "Directors") 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
According to the audit report issued by Grant Thornton (Special General Partnership), the Company achieved a consolidated net loss of RMB982,732,432.85 for 2025, of which the net loss attributable to owners of the Company was RMB914,340,285.27. The Company realized a net profit of RMB6,675,861.30 for 2025, with a negative undistributed profit (i.e., loss) of RMB647,750,718.87 as at the end of 2025. As considered by the Board, the Company will not distribute profit, nor convert capital reserve into share capital or conduct other form of profit distribution for 2025.
The profit distribution proposal for the Reporting Period is subject to approval by the shareholders' meeting. As of the end of the Reporting Period, the Company has accumulated uncompensated losses and the impact thereof on the Company's profit distribution and other matters.
Pursuant to the audit report issued by Grant Thornton (Special General Partnership), as of 31 December 2025, the Company had accumulated undistributed profit (i.e., loss) of RMB647,750,718.87, representing uncompensated losses. In accordance with relevant laws and regulations and the provisions of the Articles of Association of the Company, the Company is currently not in a position to make profit distributions, and therefore no dividend distribution will be made by the Company for 2025.
- VI. 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.
- VII. Is there any embezzlement of non-operating funds by the controlling shareholder(s) and other related parties
No
- VIII. Is there any decision-making procedure in violation of any provisions for providing external guaranty
No
- IX. Whether more than half of the Directors cannot guarantee the authenticity, accuracy and completeness of the annual report disclosed by the Company
No
- X. 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 "Potential Risks" in 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

CSRC	China Securities Regulatory Commission
SSE	Shanghai Stock Exchange
Stock Exchange	The Stock Exchange of Hong Kong Limited
Hong Kong Listing Rules	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
Shanghai Listing Rules	The Rules Governing the Listing of Stocks on the Shanghai Stock Exchange
Company or Triumph New Energy	Triumph New Energy Company Limited
Group	Triumph New Energy Company Limited and its subsidiaries
CNBMG	China National Building Material Group Co., Ltd.* (中國建材集團有限公司)
Triumph Technology Group	Triumph Science & Technology Group Co., Ltd.* (凱盛科技集團有限公司)
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 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)
International Engineering	China Triumph International Engineering Company Limited
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
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)
Yixing New Energy	CNBM (Yixing) New Energy Resources Co., Ltd.* (中建材(宜興)新能源有限公司)

Section I Definitions

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
Zigong New Energy	Kaisheng (Zigong) New Energy Co., Ltd.* (凱盛(自貢)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)
Jiangsu Triumph	Jiangsu Triumph New Material Co., Ltd.* (江蘇凱盛新材料有限公司)
Triumph Resources	CNBMG Triumph Mineral Resources Group Co. Ltd.
Shuyang Xinda	Shuyang Xinda New Material Co., Ltd.
Jiangsu Guangnian	Jiangsu Guangnian New Material Co., Ltd.* (江蘇光年新材料有限公司)
Shengshi New Energy	Anhui Shengshi New Energy Material Technology Co., Ltd.
Shengshi New Material	Anhui Shengshi New Material Technology Co., Ltd.
CNBM Finance Company	China National Building Material Group Finance Co., Ltd.
Triumph Glass Holding	Triumph Glass Holding Co., Ltd
Reporting Period, Current Period	the financial year ended 31 December 2025

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	2025	2024	Increase/ decrease over the same period last year (%)	2023
Operating revenue	3,243,535,078.58	4,594,447,303.71	-29.40	6,595,249,704.60
Operating revenue net of business revenue not related to principal business and income lacking commercial substance	3,238,426,326.27	4,547,588,888.51	-28.79	6,534,389,316.50
Total profit (loss is represented by "-")	-969,416,051.60	-780,765,544.72	-24.16	501,373,624.88
Net profit attributable to shareholders of the Company (net loss is represented by "-")	-914,340,285.27	-609,930,319.66	-49.91	394,720,559.20
Net profit attributable to shareholders of the Company after deducting non-recurring profit and loss (net loss is represented by "-")	-1,018,001,376.98	-641,525,159.19	-58.68	191,660,805.24
Net cash flows from operating activities	-736,029,327.59	-393,894,521.10	86.86	143,506,267.94
	As at the end of 2025	As at the end of 2024	Increase/ decrease over the same period last year (%)	As at the end of 2023
Net assets attributable to shareholders of the Company	3,102,880,861.62	4,017,221,146.89	-22.76	4,627,151,466.55
Total assets	13,614,568,077.97	12,305,210,394.10	10.64	12,427,698,664.06

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	2025	2024	Increase/ decrease over the same period last year (%)	2023
Basic earnings per share (RMB/share) (loss is represented by "-")	-1.42	-0.94	-51.06	0.61
Diluted earnings per share (RMB/share) (loss is represented by "-")	-1.42	-0.94	-51.06	0.61
Basic earnings per share after deducting non-recurring profit and loss (RMB/share) (loss is represented by "-")	-1.58	-0.99	-59.60	0.30
Weighted average return on net assets (%) (loss is represented by "-")	-25.68	-14.11	Decreased by 11.57 percentage points	8.91
Weighted average return on net assets after deducting non-recurring profit and loss (%) (loss is represented by "-")	-28.60	-14.84	Decreased by 13.76 percentage points	4.33

VIII. MAJOR QUARTERLY FINANCIAL INDICATORS IN 2025

Unit: Yuan Currency: RMB

	Q1 (January- March)	Q2 (April- June)	Q3 (July- September)	Q4 (October- December)
Operating revenue	891,764,438.56	781,629,249.92	1,003,378,573.73	566,762,816.37
Net profit attributable to shareholders of the Company (net loss is represented by "-")	-125,133,008.15	-323,851,113.36	-147,275,842.71	-318,080,321.05
Net profit attributable to shareholders of the Company after deducting non-recurring profit or loss (net loss is represented by "-")	-129,385,431.48	-329,281,555.86	-192,528,925.18	-366,805,464.46
Net cash flows from operating activities	-299,667,428.95	-445,156,600.74	9,013,278.11	-218,576.01

Section II Company Profile and Major Financial Indicators

IX. NON-RECURRING ITEMS AND AMOUNTS

Unit: Yuan Currency: RMB

NON-RECURRING ITEMS	Amount in 2025	Note (If applicable)	Amount in 2024	Amount in 2023
Profit/loss on disposal of non-current assets, including the write-off of provision for impairment on assets	657,336.25		3,391,919.06	45,107,451.69
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	171,724,019.78		37,842,840.36	203,845,070.00
Fund possession fee received from non-financial enterprises attributable to profits and losses for the period	53,350.79			
Reversal of provision for impairment on receivables individually tested for impairment	281,661.17		145,877.93	163,769.00
Income arising from the excess of the Group's share of the fair value of the investee's identifiable net assets over the cost of investments in subsidiaries, associates and joint ventures acquired by the enterprise	108,490.27			
Profit/loss from debt restructuring				9,298.36
Custody fee income from entrusted operation	1,132,075.44		1,132,075.44	4,500,912.95
Other non-operating income and expenses other than the aforesaid items (expense is represented by "-")	1,356,507.15		-73,539.04	503,207.60
Other profit/loss items in line with the definition of non-recurring profit/loss	108,691.16			
Less: Amount of effect on income tax	26,815,520.53		7,444,335.46	38,650,663.94
Amount of effect on minority interest (after tax)	44,836,828.61		3,399,998.76	12,527,982.86
Total	<u>103,661,091.71</u>		<u>31,594,839.53</u>	<u>203,059,753.96</u>

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	168,646,023.76	93,041,792.35	-75,604,231.41	0.00
Total	<u>168,646,023.76</u>	<u>93,041,792.35</u>	<u>-75,604,231.41</u>	<u>0.00</u>

Section III Management Discussion and Analysis

I. BUSINESSES OF THE COMPANY DURING THE REPORTING PERIOD

The Company is principally engaged in the research and development, production and sales of new energy materials. Its principal products include photovoltaic cell encapsulation materials for solar energy equipment such as front sheet glass (ultra-clear patterned glass) used in solar photovoltaic modules and back sheet glass for dual-glass photovoltaic modules. At present, the Company has established eight intelligent photovoltaic glass production bases in East China, Central China, North China and Southwest China, covering eight cities in six provinces, namely Henan, Anhui, Jiangsu, Hebei, Sichuan and Fujian. As of the end of the Reporting Period, the Company's in-production capacity of photovoltaic glass raw sheet was 6,100 tonnes per day, with 55 deep processing production lines. The output of deep processed products was approximately 280 million square meters and the sales volume was approximately 310 million square meters.

II. INDUSTRIAL LANDSCAPE OF THE COMPANY DURING THE REPORTING PERIOD

In 2025, the photovoltaic industry remained in a new round of profound adjustment. Following a brutal price war triggered by a market environment of "strong supply and weak demand" over the past two years, the deep-seated mismatch between supply and demand in the industry has yet to be resolved. Most manufacturing enterprises still face enormous operational challenges, and "anti-involution" has become the core consensus for breaking the dilemma.

On the supply side, the industry has shifted from "incremental expansion" to "stock competition". In 2025, the nominal capacity of the entire PV industry chain exceeded 1,100GW, while global installed demand was only approximately 600GW. As the supplier of 85% of the world's PV capacity, China recorded a capacity utilization rate of less than 60% across all segments, with operating rates for polysilicon and modules dropping to as low as 47% and 48% respectively. Data from the China Photovoltaic Industry Association shows that from January to December 2025, polysilicon output stood at about 1.34 million tonnes, down 26.4% year-on-year; silicon wafer output reached approximately 680GW, down 9.7% year-on-year; and module output amounted to around 620GW, up 5.4% year-on-year.

On the application side, industry scale and end-use applications continued to grow in 2025, with both new and cumulative installed capacity of photovoltaic power hitting record highs. In February 2025, the National Development and Reform Commission and the National Energy Administration jointly issued the Notice on Deepening the Market-Oriented Reform of New Energy On-Grid Tariffs and Promoting the High-Quality Development of New Energy, clarifying that all new energy power should, in principle, enter the electricity market, with on-grid tariffs determined through market transactions. Affected by this policy, domestic PV installed capacity exhibited a trend of "strong start followed by a slowdown". From the beginning of the year to May, PV installed capacity grew rapidly, providing strong support for the full-year installed scale, with new installed capacity in the first five months surging by approximately 150% year-on-year. New installed capacity in May alone rose by 388% year-on-year, becoming a major driver of annual installed growth. In terms of quarterly distribution, installations were concentrated in the second quarter; the third quarter saw a notable decline, falling by more than 50% year-on-year and over 80% quarter-on-quarter; and a slight rebound occurred in the fourth quarter.

Section III Management Discussion and Analysis

II. INDUSTRIAL LANDSCAPE OF THE COMPANY DURING THE REPORTING PERIOD (CONTINUED)

On the policy front, amid the complex market environment, the state introduced a series of multi-dimensional policy documents in 2025 to vigorously promote the deep integration of new energy with digitalization and intelligentization, tackle grid absorption bottlenecks, curb disorderly price competition, and guide the healthy and orderly development of the industry. In April 2025, the National Development and Reform Commission and the National Energy Administration released the Guiding Opinions on Accelerating the Development of Virtual Power Plants. As the first national-level special policy targeting virtual power plants, it will provide important guidance for systematically promoting the standardized, large-scale, market-oriented and regularized development of virtual power plants. In September 2025, the two authorities issued the Notice on Improving the Price Mechanism to Promote the Local Absorption of New Energy Power Generation, specifying rigid requirements that the proportion of annual self-generated and self-consumed new energy power in total available power generation for local absorption projects shall not be less than 60%, and its proportion in total electricity consumption shall not be less than 30% (and no less than 35% for new projects starting from 2030). The Ministry of Industry and Information Technology, the State Administration for Market Regulation and the National Energy Administration issued the Work Plan for Stabilizing Growth in the Power Equipment Industry (2025–2026), which explicitly called for expanding effective domestic demand and accelerating the integrated development of large-scale wind and solar bases and distributed photovoltaics. In October 2025, the National Development and Reform Commission and the State Administration for Market Regulation issued the Announcement on Curbing Disorderly Price Competition and Maintaining a Sound Market Price Order, clarifying that warnings, cost investigations and even legal penalties will be imposed on acts of disorderly price competition.

III. DISCUSSION AND ANALYSIS ON THE COMPANY'S OPERATIONS

2025 was a challenging year in which the Company tackled difficulties and forged ahead under pressure. Faced with multiple challenges including a prominent imbalance between strong supply and weak demand, the coexistence of cyclical and phased overcapacity, and intensifying cutthroat competition, the Company actively responded to industry policies and measures aimed at curbing excessive competition, and fully advanced the “three critical battles” to improve cash flow, reduce costs and tackle losses, achieving new breakthroughs in capacity optimization, operation management and green and low-carbon development. Affected by fluctuations in downstream demand and declining market prices, however, the Group recorded revenue of RMB3.2 billion for the Reporting Period, representing a decrease of approximately 29%; net loss attributable to shareholders of the Company of RMB900 million, representing a wider loss. As at the end of the Reporting Period, the Group's total assets amounted to RMB13.6 billion, representing an increase of approximately 11% from the end of the previous year; net assets attributable to shareholders of the Company were RMB3.1 billion, representing a decrease of approximately 23% from the end of the previous year.

Section III Management Discussion and Analysis

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

In terms of capacity optimization, as at the end of the Reporting Period, the Group's in-production photovoltaic glass capacity stood at 6,100 tonnes per day, with in-production 1,200 t/d furnaces accounting for nearly 80%, further optimizing the capacity layout and production line structure. During the Reporting Period, the Company continued to firmly implement the strategy of phasing out small-capacity lines and building large-capacity lines, raising the proportion of large-tonnage capacity, improving production efficiency and reducing unit manufacturing costs. The Company completed the acquisition of a 74.60% equity interest in Jiangsu Triumph, and pressed ahead with Phase I of Jiangsu Triumph's annual 1.5 million-tonne ultra-thin encapsulation material project for photovoltaic modules, with the first 1,200 t/d ultra-thin rolled photovoltaic glass production line successfully put into operation. To fill the capacity gap in North China, North Glass's 1,200 t/d ultra-thin rolled photovoltaic glass production line was ignited and commissioned in April 2025. At the same time, the Company formulated high-standard plans for a new generation of large-tonnage photovoltaic glass production lines. The preliminary procedures including project approval, filing, demonstration and official approval for Zigong New Energy's 2,000 t/d ultra-thin encapsulation material project for photovoltaic modules have been completed. Upon completion, the project is expected to further enhance the Company's competitive advantages in process technology, production line scale and product categories, enabling it to proactively and effectively address current challenges.

In terms of operation management, in 2025, the comprehensive unit production cost of photovoltaic glass products decreased by 16% year-on-year, and the sales proportion of double-coated high-transmittance products exceeded 60%. During the Reporting Period, the Company focused on developing a benchmarking analysis platform and an intelligent management cockpit. Supported by a sound internal control system, centred on integrated fund management and driven by enhanced business capabilities, the Company strengthened unified and centralized control over "procurement, sales, production and finance", improving operational efficiency and management standards. On the procurement side, the supply chain system was restructured, with the coverage of centralized procurement exceeding 90%, delivering significant cost savings in the procurement of bulk raw materials such as silica sand and soda ash, as well as auxiliary materials and packaging materials. On the sales side, the Company implemented centralized and unified allocation of product orders and promoted local sales to reduce logistics and transportation costs, enabling rapid response and enhancing the product competitiveness of each production base. A unified analysis system covering production, technology and standards was fully established, with all-round and multi-level benchmarking deepened, key indicators tracked in real time, and improvement measures formulated in a timely manner, achieving initial results in the precise control of production costs. The Company actively promoted the informatization and standardization of financial management, with the average financing cost steadily reduced.

In terms of green and low-carbon transformation, during the Reporting Period, the Group added 2 provincial-level green factories, bringing the total number of provincial-level green factories to 5. Annual power generation from photovoltaic and waste heat recovery increased by 30% and 12% year-on-year, respectively. Luoyang New Energy was awarded the title of "Green Manufacturing Demonstration Enterprise in the Bohai Rim Building Materials Industry".

Section III Management Discussion and Analysis

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 system 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. As at the end of the Reporting Period, the Company owned a total of 274 patents, including 50 invention patents and 224 utility model patents. During the Reporting Period, the Company filed a total of 61 patent applications, including 16 invention patents and 45 utility model patents; and obtained a total of 36 granted patents, including 4 invention patents and 32 utility model patents.

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 RMB3,243,535,078.58, representing a year-on-year decrease of RMB1,350,912,225.13; operating loss amounted to RMB970,881,049.02, representing a year-on-year profit decrease of RMB190,189,043.34; net loss attributable to shareholders of the Company amounted to RMB914,340,285.27, representing a year-on-year profit decrease of RMB304,409,965.61; and basic loss per share attributable to shareholders of the Company amounted to RMB1.42. The gearing ratio was 73.33%, representing an increase of 8.88 percentage points from the end of 2024.

(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	3,243,535,078.58	4,594,447,303.71	-29.40
Operating costs	3,642,150,154.57	4,794,427,861.57	-24.03
Selling expenses	10,037,660.17	16,313,029.27	-38.47
Administrative expenses	164,889,429.38	150,956,934.26	9.23
Finance expenses	121,894,253.67	111,115,163.24	9.70
R&D expenses	133,944,033.93	174,176,284.10	-23.10
Other income	174,684,954.59	57,485,781.88	203.88
Impairment losses on credit (loss is represented by "-")	-159,596,699.28	-6,498,534.43	2,355.89
Impairment losses on assets (loss is represented by "-")	-97,869,563.30	-129,477,909.53	-24.41
Income tax expenses (profit is represented by "-")	13,316,381.25	-117,666,564.14	111.32
Net cash flow from operating activities	-736,029,327.59	-393,894,521.10	86.86
Net cash flow from investment activities	-428,312,306.31	-569,345,714.34	-24.77
Net cash flow from financing activities	1,155,059,600.12	862,971,071.63	33.85

Reason for change in operating revenue: During the Reporting Period, supply and demand pressure in the photovoltaic glass market persisted, with photovoltaic glass prices declining further, while sales 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 sales volume also 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)

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, compensation for sales personnel and related expenses decreased year on year;

Reason for change in administrative expenses: During the Reporting Period, severance benefits increased as the Company promoted the optimization of its staffing structure;

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

Reason for change in R&D expenses: During the Reporting Period, the number of newly initiated R&D projects decreased year on year;

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

Reason for change in impairment losses on credit: During the Reporting Period, affected by changes in supply and demand in the photovoltaic industry, the credit risk of certain customers increased, and the Company accordingly increased the provision for bad debts;

Reason for change in impairment losses on assets: In accordance with the relevant provisions of the Accounting Standards for Business Enterprises and the Company's accounting policies, adhering to the principle of prudence, the Company increased impairment provisions for long-term assets on the one hand, and on the other hand, both inventory volume and cost decreased compared with the end of the same period of the previous year, resulting in a year-on-year decrease in inventory write-down provisions;

Reason for change in income tax expenses: During the Reporting Period, current income tax was accrued by profitable subsidiaries, while deferred income tax expenses recognized by loss-making subsidiaries decreased significantly;

Reason for change in net cash flow from operating activities: During the Reporting Period, the scale of operating revenue declined and operating losses widened;

Reason for change in net cash flow from investment activities: During the Reporting Period, as project construction was gradually completed, cash outflows for the purchase and construction of 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 such as additional borrowings increased 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 RMB3,243,535,078.58, representing a decrease of 29.40% as compared with the corresponding period of the previous year, and operating costs of RMB3,642,150,154.57, representing a decrease of 24.03% as compared with the corresponding period of the previous year. During the Reporting Period, the photovoltaic glass industry continued to face an oversupply situation, with prices under pressure and declining significantly as compared with the same period, coupled with insufficient support from end-user demand and a year-on-year decrease in overall sales volume, resulting in a substantial year-on-year drop in operating revenue. Although procurement prices for key bulk raw materials fell year on year during the Reporting Period, bringing down production and selling costs, the cost reduction margin remained narrower than the decline in product selling prices, resulting in a year-on-year decrease in the overall gross profit margin of the Company's main business products.

(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	3,238,426,326.27	3,640,227,865.71	-12.41	-28.79	-23.59	Decreased by 7.64 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	3,238,426,326.27	3,640,227,865.71	-12.41	-28.45	-23.24	Decreased by 7.62 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)	3,224,438,851.98	3,624,567,341.40	-12.41	-27.40	-22.24	Decreased by 7.47 percentage points
Other countries and regions	13,987,474.29	15,660,524.31	-11.96	-86.80	-84.85	Decreased by 14.40 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	188,953,767.82	211,174,631.10	-11.76	-7.25	-5.25	Decreased by 2.36 percentage points
Distributor sales	3,049,472,558.45	3,429,053,234.61	-12.45	-29.80	-24.50	Decreased by 7.90 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

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	29,906	31,186	3,384	-12.56	-8.29	-13.63

(3) Analytical statement of costs

Unit: Yuan Currency: RMB

		By industry					Percentage of changes in amount for the current period over the same period last year (%)	Explanation
By industry	Component of cost	Amount for current period	Percentage over total cost for the current period (%)	Amount for the same period last year	Percentage over total cost for the same period last year (%)			
New materials	Raw materials/energy power/direct labour/manufacturing expenses	3,640,227,865.71	100.00	4,764,370,624.70	100.00	-23.59	None	

		By product					Percentage of changes in amount for the current period over the same period last year (%)	Explanation
By product	Component of cost	Amount for current period	Percentage over total cost for the current period (%)	Amount for the same period last year	Percentage over total cost for the same period last year (%)			
Photovoltaic glass	Raw materials/energy power/direct labour/manufacturing expenses	3,640,227,865.71	100.00	4,764,370,624.70	100.00	-23.59	None	

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

During the Reporting Period, the Company acquired a 74.60% equity interest in Jiangsu Triumph by way of capital increase and merger, and Jiangsu Triumph has been included in the scope of the Company's consolidated financial statements.

(5) *Major sales to customers and major suppliers*

Sales to the top five customers amounted to RMB1,763,130,000.00, accounting for 54% of total annual sales; of which sales to related parties among the top five customers amounted to RMB0.00. All sales figures stated herein are on an exclusive-of-value-added-tax basis.

Purchases from the top five suppliers amounted to RMB1,375,522,000.00, accounting for 45% of total annual purchases; of which purchases from related parties among the top five suppliers amounted to RMB790,320,000.00, accounting for 26% of total annual purchases.

Circumstances where the sales ratio to a single customer exceeded 50% of the total, new customers were present among the top five customers, or there was material reliance on a small number of customers during the Reporting Period.

One new customer was included in the top five customers during the Reporting Period, accounting for 5% of total annual sales.

Save as disclosed above, as of December 31, 2025, none of the directors of the Company or any of their associates, or any shareholders who, to the best knowledge of the directors, own more than 5% of the issued share capital of the Company, had any beneficial interests in the top five customers and suppliers of the Group.

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	2025	2024	Changes (%)	Reasons for changes
Selling expenses	10,037,660.17	16,313,029.27	-38.47	Year-on-year decrease of sales personnel compensation and related expenses during the Reporting Period
Administrative expenses	164,889,429.38	150,956,934.26	9.23	Increase of severance benefits during the Reporting Period due to optimization of staffing structure
R&D expenses	133,944,033.93	174,176,284.10	-23.10	Year-on-year decrease of newly initiated R&D projects during the Reporting Period
Finance expenses	121,894,253.67	111,115,163.24	9.70	Year-on-year increase of the scale of interest-bearing liabilities during the Reporting Period
Income tax expenses (profit is represented by "-")	13,316,381.25	-117,666,564.14	111.32	Accrual of current income tax by profitable subsidiaries and a significant decrease of deferred income tax expenses recognized by loss-making subsidiaries 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	128,888,200.35
Capitalized R&D investment in current period	42,915,739.14
Total of R&D investment	171,803,939.49
Percentage of total R&D investment to operating revenue (%)	5.30
Proportion of capitalization of R&D investment (%)	24.98

(2) R&D staff

Number of the Company's R&D staff	421
Percentage of R&D staff number to the Company's total number of employees (%)	18

Education background of R&D staff

Degree	Number
Doctor's degree	
Postgraduate	6
Undergraduate	145
Associate	154
High school and below	116

Age Structure of R&D staff

Age	Number
Below 30 (exclusive)	120
30-40 years old (including 30 years old, excluding 40 years old)	196
40-50 years old (including 40 years old, excluding 50 years old)	80
50-60 years old (including 50 years old, excluding 60 years old)	25
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)

5. Cash flow

- (1) Net cash flow used in operating activities was a net outflow of RMB736,029,327.59 during the Reporting Period, representing an increase in net outflow of RMB342,134,806.49 as compared with a net outflow of RMB393,894,521.10 in the corresponding period of the previous year, which was mainly attributable to the scale-down of operating revenue coupled with widened operating losses during the Reporting Period.
- (2) Net cash flow used in investment activities was a net outflow of RMB428,312,306.31 during the Reporting Period, representing a decrease in net outflow of RMB141,033,408.03 as compared with a net outflow of RMB569,345,714.34 in the corresponding period of the previous year, which was mainly attributable to the year-on-year decrease in cash outflows from the purchase and construction of fixed assets and other long-term assets as project construction was gradually completed during the Reporting Period.
- (3) Net cash flow from financing activities was a net inflow of RMB1,155,059,600.12 during the Reporting Period, representing an increase in net inflow of RMB292,088,528.49 as compared with a net inflow of RMB862,971,071.63 in the corresponding period of the previous year, which was mainly attributable to the year-on-year increase in financing such as new borrowings 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 changes in closing balance of current period over the closing balance of last period (%)	Explanation
Notes receivable	408,441,651.20	3.00	651,423,089.16	5.29	-37.30	Decrease in revenue scale and corresponding reduction in collections
Receivables financing	93,041,792.35	0.68	168,646,023.76	1.37	-44.83	Decrease in revenue scale and corresponding reduction in collections
Prepayments	50,883,040.49	0.37	161,479,195.21	1.31	-68.49	Write-off of advance payments for raw materials upon receipt of goods
Other receivables	199,408,449.13	1.46	102,179,903.98	0.83	95.15	Increase in receivables including government subsidies
Property, plant and equipment	6,020,670,060.42	44.22	4,646,259,534.90	37.76	29.58	Transfer of new construction projects to fixed assets
Intangible assets	955,368,612.53	7.02	760,055,029.16	6.18	25.70	Purchase of land for planned construction projects and expansion of consolidation scope
Development expenditures	36,616,681.47	0.27	10,469,477.25	0.09	249.75	Increase in capitalized investment in special R&D projects
Other non-current assets	14,824,540.53	0.11	39,580,248.99	0.32	-62.55	Transfer of advance payments for long-term asset purchases to construction in progress based on completion progress
Short-term borrowings	2,454,174,045.98	18.03	1,640,538,722.72	13.33	49.60	Increase in bank borrowings

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 changes in closing balance of current period over the closing balance of last period (%)	Explanation
Notes payable	201,353,533.91	1.48	367,446,043.33	2.99	-45.20	Settlement of notes at maturity
Trade payables	2,604,821,906.53	19.13	1,594,034,225.51	12.95	63.41	Expansion of consolidation scope
Contract liabilities	28,054,908.00	0.21	8,384,812.47	0.07	234.59	Increase in advances from customers
Taxes payable	28,583,880.43	0.21	8,797,215.77	0.07	224.92	Income tax provision for profitable subsidiaries in the Reporting Period, increase in fixed assets, and year-on-year increase in property tax provision
Deferred income	139,820,824.84	1.03	62,438,346.08	0.51	123.93	Expansion of consolidation scope
Retained earnings (loss is represented by "-")	-1,374,978,572.83	-10.10	-460,638,287.56	-3.74	-198.49	Operating losses
Non-controlling interests	527,571,038.29	3.88	356,926,246.82	2.90	47.81	Capital injection by minority shareholders into controlled subsidiaries in 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:

Liquidity and Capital Resources

As at 31 December 2025, the Group's cash and cash equivalents amounted to RMB121,403,386.89, of which RMB47.80 was denominated in US dollars (as at 31 December 2024: RMB662,758.12 denominated in US dollars). The balance of cash and cash equivalents as at the end of the period decreased by RMB9,161,380.71 as compared with the balance of RMB130,564,767.60 as at 31 December 2024.

As at 31 December 2025, the Group's current liabilities amounted to RMB6,635,894,880.42 (31 December 2024: RMB5,101,697,302.17), representing an increase of 30.07% from the end of 2024; non-current liabilities amounted to RMB3,348,221,297.64 (31 December 2024: RMB2,829,365,698.22), representing an increase of 18.34% from the end of 2024; and equity attributable to owners of the Company amounted to RMB3,102,880,861.62 (31 December 2024: RMB4,017,221,146.89), representing a decrease of 22.76% from the end of 2024.

As at 31 December 2025, the Group's liquidity ratio was 0.46 (31 December 2024: 0.65) and quick ratio was 0.31 (31 December 2024: 0.41). The turnover rate of accounts receivable for 2025 was 2.51 times (2024: 3.63 times); and the turnover rate of inventory was 3.80 times (2024: 5.40 times).

Bank Borrowings and Other Indebtedness

As at 31 December 2025, the Group's interest-bearing liabilities amounted to RMB6,395,600,231.70 (31 December 2024: RMB5,306,925,938.88).

The balance of short-term borrowings amounted to RMB2,454,174,045.98, comprising: bank borrowings of RMB2,110,045,192.54, interest accrued on bank borrowings of RMB1,548,524.86, discounted bills not derecognised of RMB321,081,815.92 and discounted letters of credit of RMB21,498,512.66.

The balance of long-term borrowings amounted to RMB3,936,968,598.82 (including long-term borrowings due within one year of RMB762,676,631.80) (31 December 2024: balance of long-term borrowings of RMB3,660,444,547.71).

Capital to Liabilities Ratio

As at 31 December 2025, the Group's total gearing ratio (total liabilities divided by total assets) was 73.33% (31 December 2024: 64.45%), representing an increase of 8.88 percentage points.

The capital to liabilities ratio is calculated as total liabilities at the end of the period less the balance of cash and cash equivalents, divided by equity attributable to owners of the Company. As at 31 December 2025, the Group's capital to liabilities ratio calculated on such basis was 317.86%, as compared with 194.18% as at 31 December 2024, representing an increase of 123.68 percentage points.

Section III Management Discussion and Analysis

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

(II) Analysis of assets and liabilities (Continued)

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

Unit: Yuan Currency: RMB

Item	Book balance	Book value	Restricted type
Monetary funds	24,481,666.39	24,481,666.39	Security deposit for bank acceptance, housing maintenance fund and ETC deposit
Notes receivable	45,484,093.01	45,484,093.01	Pledge of Electronic Accounts Receivable Credentials
Fixed assets	653,313,068.30	584,965,685.02	Mortgage
Construction in progress	348,640,000.00	348,640,000.00	Mortgage
Intangible assets	190,867,234.28	173,928,939.19	Mortgage
Total	1,262,786,061.98	1,177,500,383.61	/

Section III Management Discussion and Analysis

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

(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.

Operational Information Analysis of the Photovoltaic Industry

1. Photovoltaic Product Information

(1) Production and Under-construction Capacity of Photovoltaic Products

Unit: RMB 100,000,000 Currency: RMB

Product Category	Output	Capacity Utilization Rate	Commissioned Production Process Route	Total Investment in Under-construction Production Lines	Current Period Investment in Under-construction Production Lines	(Expected)		Under-construction Process Route
						Designed Capacity	Commissioning Time	
PV Auxiliary Materials and System Components:								
Photovoltaic Glass	299.06 million m ²	60%	Calendering	45.84	5.21	6800t/d	2026-2028	Calendering
Reasons for and Impact Analysis of Material Changes in Capacity Utilization Rate: None								

(2) Key Financial Indicators of Photovoltaic Products

Unit: RMB 10,000 Currency: RMB

Product Category	Sales Rate (%)	Sales Revenue		Gross Profit Margin on Sales (%)	
		Domestic	Overseas	Domestic	Overseas
PV Auxiliary Materials and System Components:					
Photovoltaic Glass	104	322,444	1,399	-12.41	-11.96

Section III Management Discussion and Analysis

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

(III) Analysis on industry operating information (Continued)

Operational Information Analysis of the Photovoltaic Industry (Continued)

1. *Photovoltaic Product Information (Continued)*

(2) Key Financial Indicators of Photovoltaic Products(Continued)

Where Overseas Sales of Photovoltaic Products are Realized, Disclosure Shall be Made by Country or Region

Unit: RMB10,000 Currency: RMB

Overseas Sales of Photovoltaic Glass Products		
Country/Region	Sales Revenue	Gross Profit Margin on Sales (%)
Southeast Asia and Taiwan Region of China	1,399	-11.96

(IV) Analysis of investment

1. *Material equity investments*

During the Reporting Period, the Company acquired a 74.60% equity interest in Jiangsu Triumph by way of capital increase and merger, and Jiangsu Triumph has been included in the scope of the Group's consolidated financial statements. As at the end of the Reporting Period, the Company had paid in capital contribution of RMB373 million. The first 1,200 tonnes per day ultra-thin rolled photovoltaic glass production line of Phase I of Jiangsu Triumph's 1.5 million tonnes per annum ultra-thin encapsulation materials for photovoltaic modules project was successfully put into operation. For details, please refer to the Announcement on External Investment and Discloseable Transaction – Acquisition of the 74.60% Equity Interest in Jiangsu Triumph New Material Co., Ltd. Through Capital Increase disclosed on the websites of the SSE and the Stock Exchange on 30 December 2024, respectively, Poll Results of the 2025 First Extraordinary General Meeting and Poll Results of the 2025 First Extraordinary General Meeting held on 25 April 2025 disclosed on the websites of the SSE and the Stock Exchange on 25 April 2025, respectively, as well as the Announcement on Completion of Industrial and Commercial Registration of Changes in respect of Jiangsu Triumph New Material Co., Ltd. and the Update Announcement on Discloseable Transaction – Completion of Market Supervision Registration Procedures of Acquisition of 74.60% Equity Interest in Jiangsu Triumph New Material Co., Ltd. Through Capital Increase disclosed on the websites of the SSE and the Stock Exchange on 26 May 2025, respectively.

Section III Management Discussion and Analysis

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

(IV) Analysis of investment (Continued)

2. Material non-equity investments

During the Reporting Period, the Board reviewed and approved the 2,000 t/d ultra-thin encapsulation materials for photovoltaic modules project of Zigong New Energy, with a total investment of approximately RMB1,399 million. Meanwhile, the Company and Zigong Jinma Industrial Investment Co., Ltd. (自貢市金馬產業投資有限公司) will jointly increase capital in cash to Zigong New Energy on a pro-rata basis in the aggregate amount of RMB500 million for the construction of the project. Investment of RMB97 million was completed during the Reporting Period, accounting for approximately 0.71% of the total assets of the Company as at the end of the Reporting Period.

The 1,200 t/d ultra-thin rolled photovoltaic glass production line of North Glass was successfully ignited and put into operation. Investment of RMB229 million was completed during the Reporting Period, accounting for approximately 1.67% of the total assets of the Company as at the end of the Reporting Period. As at the end of the Reporting Period, cumulative investment amounted to RMB1,235 million, accounting for approximately 9.07% of the total assets of the Company as at the end of the Reporting Period.

Line A of the 2×1,200 t/d photovoltaic glass production line project of Luoyang New Energy Co., Ltd. has been completed and put into operation, while Line B has been 85% completed and is ready for ignition, which will be ignited and put into operation at an appropriate time in the future according to market conditions. Investment of RMB222 million was completed during the Reporting Period, accounting for approximately 1.63% of the total assets of the Company as at the end of the Reporting Period. As at the end of the Reporting Period, cumulative investment amounted to RMB1,790 million, accounting for approximately 13.15% of the total assets of the Company as at the end of the Reporting Period.

3. Financial assets measured at fair value

Unit: Yuan Currency: RMB

Type of assets	Opening amount	Gains or losses arising			Amount of		Other change	Closing amount
		from changes in fair value during the period	changes in fair value included into equity	Impairment accrued during the period	Amount of purchase during the period	disposal/redemption during the period		
Others	168,646,023.76						-75,604,231.41	93,041,792.35
Total	168,646,023.76						-75,604,231.41	93,041,792.35

Section III Management Discussion and Analysis

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

(V) Analysis of major controlled and investee companies

Information on principal subsidiaries and associates whose impact on the Company's net profit reached 10% or above

Unit: Yuan Currency: RMB

Company name	Company type	Major business	Registered capital	Total assets	Net assets	Operating revenue	Operating revenue (loss is represented by "-")	Net profit (loss is represented by "-")
Hefei New Energy	Subsidiary	Photovoltaic glass production and sales	86,800	186,303	63,435	45,297	-29,453	-29,453
Tongcheng New Energy	Subsidiary	Photovoltaic glass production and sales	93,339	232,233	91,432	112,398	-15,843	-16,116
Yixing New Energy	Subsidiary	Photovoltaic glass production and sales	31,370	233,808	10,117	62,167	-28,457	-29,038
Zigong New Energy	Subsidiary	Photovoltaic glass production and sales	100,000	123,657	82,282	39,221	771	597
Zhangzhou New Energy	Subsidiary	Photovoltaic glass production and sales	55,000	64,903	12,738	20,113	-14,692	-14,664
Luoyang New Energy	Subsidiary	Photovoltaic glass production and sales	80,000	242,730	68,356	65,442	-11,156	-11,232
North Glass	Subsidiary	Photovoltaic glass production and sales	64,390	172,094	36,655	30,781	435	481
Jiangsu Triumph	Subsidiary	Photovoltaic glass production and sales	50,000	172,931	54,067	35,795	6,256	5,307

Information on acquisitions and disposals of subsidiaries during the Reporting Period

Company name	Method of acquisition and disposal of subsidiaries during the Reporting Period	Impact on overall production, operation and performance
Jiangsu Triumph	Acquisition by way of capital increase and merger	Jiangsu Triumph was profitable during the consolidation period in 2025 and made a positive contribution to the Group's performance

Section III Management Discussion and Analysis

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

(VI) Five-year financial highlight

The operating results, assets and liabilities of the Group for the five financial years ended 31 December 2025 are as follows:

Operating results

Unit: Yuan Currency: RMB

Item	2025	2024	2023	2022	2021
Operating income	3,243,535,078.58	4,594,447,303.71	6,595,249,704.60	5,030,111,246.27	3,625,851,456.04
Total profit (total loss is represented by "-")	-969,416,051.60	-780,765,544.72	501,373,624.88	470,266,646.75	351,102,076.99
Income tax (profit is represented by "-")	13,316,381.25	-117,666,564.14	36,556,151.73	11,096,956.38	19,775,344.53
Net profit (net loss is represented by "-")	-982,732,432.85	-663,098,980.58	464,817,473.15	459,169,690.37	331,326,732.46
Net profit attributable to the owners of the Company (net loss is represented by "-")	-914,340,285.27	-609,930,319.66	394,720,559.20	409,038,651.70	255,755,695.03
Minority interests (loss is represented by "-")	-68,392,147.58	-53,168,660.92	70,096,913.95	50,131,038.67	75,571,037.43

Assets, liabilities and interests

Unit: Yuan Currency: RMB

Item	At the end of 2025	At the end of 2024	At the end of 2023	At the end of 2022	At the end of 2021
Monetary funds	145,885,053.28	140,369,169.47	273,462,436.65	689,022,322.44	1,116,571,580.99
Inventory	744,269,231.33	891,337,553.86	686,887,235.96	695,508,197.62	686,161,229.71
Fixed assets	6,020,670,060.42	4,646,259,534.90	4,947,322,586.75	4,021,905,180.15	3,737,837,277.98
Construction in progress	3,355,196,256.65	3,389,274,950.00	1,772,629,520.09	1,158,626,308.86	1,420,340,092.86
Non-current assets	10,535,936,783.42	9,003,495,357.93	8,113,333,811.14	6,496,038,544.97	6,084,421,580.05
Current liabilities	6,635,894,880.42	5,101,697,302.17	4,154,613,359.37	4,147,163,623.26	3,723,340,816.20
Non-current liabilities	3,348,221,297.64	2,829,365,698.22	3,219,838,930.40	1,805,097,022.44	1,190,838,553.88
Share capital	645,674,963.00	645,674,963.00	645,674,963.00	645,674,963.00	645,674,963.00
Equity attributable to owners of the Company	3,102,880,861.62	4,017,221,146.89	4,627,151,466.55	4,232,430,907.35	3,834,809,285.82
Minority interests	527,571,038.29	356,926,246.82	426,094,907.74	381,211,357.37	504,068,363.34

Section III Management Discussion and Analysis

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

(VII) Other

1. *Gearing ratio*

As at the end of the Reporting Period, the Group's asset gearing ratio (total liabilities divided by total assets) was 73.33%, representing an increase of 8.88 percentage points as compared with 64.45% at the end of the corresponding period of last year.

2. *Net Foreign Exchange Loss*

Details in relation to foreign exchange profit and loss during the Reporting Period are set out in Note 38 of Note VII "NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS".

3. *Taxation*

Details in relation to taxation during the Reporting Period are set out in Note 22, Note 34 and Note 46 of Note VII "NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS".

4. *Fixed Assets and Intangible Assets*

Details in relation to fixed assets and intangible assets during the Reporting Period are set out in Note 9 and Note 12 of Note VII "NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS".

5. *Bank and Other Loans*

Details in relation to bank and other loans during the Reporting Period are set out in Note 17, Note 24 and Note 26 of Note VII "NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS".

6. *Capitalization of Interests*

Interests capitalised during the Reporting Period were RMB32,852,423.26.

7. *Land Appreciation Tax*

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

8. *Reserves*

Details about reserves during the Reporting Period are set out in Note 30, Note 31 and Note 32 of Note VII "NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS".

Section III Management Discussion and Analysis

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

(VII) Other (Continued)

9. *Accumulated Losses*

As at 31 December 2025, the accumulated loss of the Company was RMB647,750,718.87.

10. *Retirement Plan*

The Company has participated in the Social Insurance Plan established by the labor and social security authorities in accordance with relevant regulations. Pursuant to such plans, the Company makes monthly contributions to such plans at a certain proportion of employees' salaries or the local average social salary of the previous year, respectively. Save for the aforesaid monthly contributions, the Company has no obligation to pay any other material retirement benefits.

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

(I) Industry Landscape and Trend

During the 14th Five-Year Plan period (2021–2025), China's photovoltaic (PV) industry achieved leapfrog development, with its global leading advantage continuously consolidated. According to data released by the China Photovoltaic Industry Association (CPIA), as of December 2025, China's cumulative installed capacity of photovoltaic power generation exceeded 1,200 GW, representing a year-on-year increase of 35.4%. For three consecutive years from 2023 to 2025, China's annual newly added PV installed capacity exceeded the total cumulative figure recorded during the 13th Five-Year Plan period. In 2025, newly added installed capacity surpassed 300 GW, hitting a record high.

Meanwhile, the industry has entered a new round of profound adjustment. In the short term, the imbalance between robust supply and weak demand has become prominent, placing huge operational pressure on enterprises. However, from a medium- and long-term perspective, broad development prospects remain, supported by the national goal of peaking carbon emissions and achieving carbon neutrality, accelerated breakthroughs in a new round of scientific and technological revolution and industrial transformation, and the overriding trend of green and low-carbon transition in the energy sector.

According to the Analysis and Forecast Report on the National Power Supply and Demand Situation (2025–2026) issued by the China Electricity Council (CEC), China's installed solar power capacity will surpass that of coal-fired power for the first time in 2026. By the end of 2026, the combined installed capacity of wind power and solar power is expected to account for half of the country's total installed power generation capacity. In 2026, China will step up efforts to develop non-fossil energy, raise the share of non-fossil energy consumption, and promote newly added clean energy power generation to gradually cover the incremental electricity demand of the whole society.

Section III Management Discussion and Analysis

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

(I) Industry Landscape and Trend (Continued)

As projected in the China Photovoltaic Industry Development Roadmap (2025–2026) released by CPIA, China's newly added PV installed capacity will range from 180 GW to 240 GW in 2026, representing a moderate decline from 2025, and will return to a growth trajectory after 2027. During the 15th Five-Year Plan period, China's average annual newly added PV installed capacity is expected to reach 238 GW to 287 GW.

At present, the industry is at a critical window of transformation from quantitative expansion to qualitative improvement. Looking ahead, under the guidance of national strategies and joint efforts of the industry, the core theme of development will be shifting from scale-based competition to value-based competition, advancing digital intelligence, green development and integrated development, and opening up new growth areas to foster new competitive advantages.

(II) Development Strategy

The Company actively responds to the national “dual carbon” goals, takes the new energy market as its orientation, and continuously expands application scenarios and optimizes its product mix. Supported by technological innovation, the Company will steadily upgrade its production techniques and equipment capabilities, give full play to its technological advantages in ultra-thin photovoltaic glass, and facilitate the low-carbon transformation of the industry. It is committed to becoming a leading domestic industrial group of key new energy materials, contributing to the national green development strategy.

(III) Operation Plan

2026 is the inaugural year of the 15th Five Year Plan period and a critical year for the Company to comprehensively advance high-quality development. In accordance with the 15th Five Year Plan of China National Building Material Group and the glass new material strategic layout of Triumph Science & Technology Group, the Company will continue to implement the three key campaigns: “cash flow improvement, cost reduction, and loss remediation”, with a focus on enhanced target management, quantified task breakdown, and optimized closed loop control. We will concentrate on enhancing the competitiveness of core regions and superior production lines, strengthen the strategy of partnering with leading major customers, optimize existing assets, control incremental expansion, improve product quality, and elevate resource allocation efficiency and capacity utilization. Profoundly grasping the new requirements of the strategic functional upgrading stage, critical period of in-depth transformation, pressure stage of risk prevention and control, and window period for seizing opportunities, the Company will steadily pursue innovation leadership, capacity upgrading, value enhancement, and market expansion. It will maintain reasonable growth in volume and effective improvement in quality, address market uncertainties with certainty in operation and management, and ensure a strong start and solid foundation for the 15th Five Year Plan.

Section III Management Discussion and Analysis

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

(IV) Potential Risks

(1) Industry Risks

The Specifications for the Photovoltaic Manufacturing Industry issued by the Ministry of Industry and Information Technology have been continuously tightened. A mechanism for capacity replacement, hearings and risk early warning has been adopted for new capacity, and access standards in terms of furnace size, energy consumption and environmental protection have been continuously raised. In the future, outdated production capacity faces the risk of closure, the difficulty of approving new capacity and investment thresholds will increase, the pace of capacity expansion will be constrained by policies, and the supply-demand balance will be vulnerable to industry fluctuations.

Measures: The Company will firmly implement the strategy of optimizing business layout and adjusting production line structure. The Company will accelerate the construction of large-tonnage high-quality production lines under construction, and shut down some small furnaces with high energy consumption. We will also conduct technical research and trials to revitalize idle assets. Through the restoration and renovation of equipment in suspended production lines and process optimization, the Company will develop a low-carbon and efficient photovoltaic glass production process system to empower production lines and improve efficiency.

(2) Risks Arising from Raw and Fuel Material Prices

The main raw and fuel materials for the Company's products include natural gas, soda ash, silica sand and others, and their procurement costs account for a large proportion of product costs. Fluctuations in the prices of raw and fuel materials may pose risks to cost control.

Measures: The Company will fully leverage centralized procurement platform to leverage the advantages of bulk procurement; accurately grasp price trends and conduct timely procurement to reduce procurement costs; and expand supply channels to ensure their stability and effectiveness.

(3) Risks of New Engineering Projects

New engineering projects are subject to constraints such as capital investment, construction progress, subsequent market performance and product introduction periods. Meanwhile, there may be a prolonged production ramp-up stage in the initial period of project commissioning, which entails certain market risks.

Measures: The Company will actively secure funds to ensure project construction progress, strengthen construction management and guarantee project quality; collect market information from various sources to enhance forward-looking market forecasting and analysis; strengthen training and preparation for frontline employees, formulate a sound and reasonable compensation system, improve employee benefits, and stabilize the talent team.

Section III Management Discussion and Analysis

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

(IV) Potential Risks (Continued)

(4) Credit Risks

The Company's credit risks mainly stems from customer default risk associated with unsettled receivables and committed transactions.

Measures: For bills receivable, receivables financing and accounts receivable, the Company evaluates customers' credit quality based on their financial conditions, historical experience and other factors, and conducts regular monitoring. For customers with poor credit records, the Company adopts measures such as written demand for payment, shortening or canceling credit periods to ensure that overall credit risks are kept within a controllable range.

VII. OTHER DISCLOSURES

(I) Service Contracts of Directors

None of the Directors 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.

Section III Management Discussion and Analysis

VII. OTHER DISCLOSURES (CONTINUED)

(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, Environment and Society

I. INTRODUCTION OF CORPORATE GOVERNANCE

During the Reporting Period, the Company strictly complied with the Company Law, the Securities Law, the Guidelines for the Governance of Listed Companies and relevant regulatory requirements of the Shanghai Stock Exchange and the Stock Exchange. It continuously improved its corporate governance structure, strengthened its internal control system, standardized its decision-making and operation mechanisms, enhanced governance efficiency, and safeguarded the high-quality development of the Company.

(I) Development of Governance System

The Company has established a modern governance structure featuring clearly defined powers and responsibilities, effective checks and balances, and scientific decision-making. It has clarified the respective scopes of duties of the shareholders meetings, the Board, the management team and various special committees, forming a governance mechanism under which all parties perform their duties independently and operate in coordination.

1. Operation of the Shareholders Meetings

The shareholders' meetings exercises decision-making power in accordance with the law over matters including profit distribution, major investments, election and replacement of directors, and increase or reduction of registered capital. The state-owned controlling shareholder duly exercises the rights of an investor in accordance with laws, regulations and the Articles of Association of the Company, maintains the independence of the Company, and protects the legitimate rights and interests of minority shareholders.

2. Operation of the Board of Directors

The composition and operation of the Board comply with regulatory requirements. Regular meetings are convened, and extraordinary meetings are held as necessary. As at the end of the Reporting Period, the Board has established four special committees, namely the Audit and Risk Committee, the Remuneration and Assessment Committee, the Nomination Committee and the Strategy Committee. Independent directors account for more than half of the membership of all committees except the Strategy Committee. Each committee operates independently and provides strong professional support for decision-making.

Independent directors perform their duties diligently and proactively offer advice and suggestions on the regulation of internal control, improvement of governance and risk prevention, providing professional support for the scientific decision-making of the Company.

(II) Improvement of Governance Rules and Systems

During the Reporting Period, the Company comprehensively revised and optimized its governance-related rules and systems to make them more complete, standardized, scientific and operable. During the year, a total of 14 governance instruments were revised and improved, including the Articles of Association, the Rules of Procedure for the General Meeting of Shareholders, the Rules of Procedure for the Board of Directors, the Information Disclosure Management System, and the detailed implementation rules of each special committee of the Board.

Section IV Corporate Governance, Environment and Society

I. INTRODUCTION OF CORPORATE GOVERNANCE (CONTINUED)

(II) Improvement of Governance Rules and Systems (Continued)

In the meantime, the Company has formulated targeted policies including the Management System for Resignation of Directors and Senior Executives, the Management System for Securities Held by Directors and Senior Executives and Changes Therein, the Diversity Policy for Board Members and Employees, and the Public Opinion Management System, which further regulate the management of key personnel, promote governance diversity, enhance public opinion response capabilities, and render the institutional system more comprehensive.

(III) Standardized Information Disclosure

The Company strictly adheres to the principles of truthfulness, accuracy, completeness and timeliness in information disclosure, and releases information through designated channels including Shanghai Securities News, China Securities Journal, Securities Daily and the official website of the Shanghai Stock Exchange and the Stock Exchange. It has strengthened the management of inside information and strictly implemented the systems for confidentiality of inside information and registration of insiders, so as to ensure open, fair and impartial disclosure and effectively safeguard the legitimate rights and interests of the Company and all investors, especially minority shareholders.

(IV) Investor Relations Management

The Company has established a diversified investor communication system and strengthened regular communication and interaction with investors through investor briefings, results presentations, online interactive platforms and other channels. The Securities Department assigns dedicated staff to answer inquiry calls, reply to emails, receive on-site visits and research, and respond to investor demands in a timely manner, so as to enhance the transparency of corporate governance and strengthen investor trust and confidence.

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, Environment and Society

III. POSITIONS OF DIRECTORS AND SENIOR MANAGEMENT

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

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 (shares)	Number of Shares held at the end of the year (shares)	Increase/decrease of shares during the Reporting Period (shares)	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 Stock Exchange)
Xie Jun	Chairman	Male	59	2022-05-26	2028-06-26	0	0	0	None	0	Yes
Zhang Rong	Executive Director (resigned after the Reporting Period and before the date of this report)	Male	51	2019-03-04	2026-03-17	0	0	0	None	74.98	No
	President (resigned after the Reporting Period and before the date of this report)			2023-07-21	2026-03-17						
Chen Peng	Executive Director	Male	50	2024-12-30	2028-06-26	0	0	0	None	76.35	No
	Executive Vice President			2024-12-06	2028-06-26						
He Qingbo	Executive Director	Male	57	2025-06-27	2028-06-26	0	0	0	None	0	Yes
Wu Dan	Non-executive Director	Female	39	2024-12-30	2028-06-26	0	0	0	None	0	Yes
Yang Jianqiang	Non-executive Director	Male	54	2025-06-27	2028-06-26	0	0	0	None	0	Yes
Fan Baoqun	Independent Non-executive Director	Male	54	2022-05-26	2028-06-26	0	0	0	None	10	No
Chen Qisuo	Independent Non-executive Director	Male	52	2022-05-26	2028-06-26	0	0	0	None	10	No
Yuan Jian	Independent Non-executive Director	Female	61	2024-06-25	2028-06-26	0	0	0	None	10	No
Chen Hongzhao	Chief Financial Controller	Male	52	2023-07-21	2028-06-26	0	0	0	None	52.67	No
	Secretary to the Board			2024-11-18	2028-06-26						
Wang Gang	Vice President	Male	50	2025-06-27	2028-06-26	0	0	0	None	49.55	No
Zhang Jiayu	Vice President	Male	46	2025-06-27	2028-06-26	0	0	0	None	76.89	No
Zhang Yajuan	Independent Non-executive Director (resigned)	Female	51	2022-05-26	2025-03-03	0	0	0	None	1.67	No
Total	/	/	/	/	/	0	0	0	/	362.11	/

Note 1: The remuneration of senior management presented in the table excludes the portion of 2025 performance-based remuneration payable based on performance evaluation results (accounting for approximately 70% of annual performance remuneration). Such portion of performance remuneration will be determined based on performance evaluation results following the disclosure of this annual report and completion of performance evaluation.

Note 2: The remuneration of senior management presented in the table excludes the portion of 2024 annual performance remuneration. During the Reporting Period, the portion of 2024 annual performance remuneration paid based on performance evaluation results was as follows: Zhang Rong: RMB57,600.00; Chen Hongzhao: RMB88,280.00.

Section IV Corporate Governance, Environment and Society

III. POSITIONS OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

(I) Changes in shareholdings and remuneration of the existing and resigned Directors 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. 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.
Chen Peng	a holder of a bachelor degree, 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

Section IV Corporate Governance, Environment and Society

III. POSITIONS OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

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

Name	Main Working Experience
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.
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 (presiding over work). 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.
Yang Jianqiang	a holder of bachelor's degree, senior engineer. He is currently a deputy chief engineer of CNBM New Material Research Institute Group Co., Ltd., and formerly a deputy general manager of Bengbu China National Building Materials Information Display Materials Co., Ltd., director of the science and technology management department, director of the procurement department of CNBM New Material Research Institute Group Co., Ltd., and director of the science and technology management department of Triumph Technology Group Co., Ltd.
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, Environment and Society

III. POSITIONS OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

(I) Changes in shareholdings and remuneration of the existing and resigned Directors 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 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.
Chen Hongzhao	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.
Wang Gang	a holder of bachelor's degree, senior engineer, vice president of the Company. He is formerly a Party general branch secretary and general manager of Luoyang Longhao Glass Co., Ltd.(洛陽龍昊玻璃有限公司) under Luobo Group, party committee secretary and general manager of Henan Zhonglian Glass Co., Ltd.(河南省中聯玻璃有限責任公司), executive deputy general manager of Yaohua (Qinhuangdao) Special Glass Co., Ltd.(耀華(秦皇島)特種玻璃有限公司), executive deputy general manager of float glass division of China Yaohua Glass Group Co., Ltd.(中國耀華玻璃集團有限公司), and general manager of Qinhuangdao Yaohua Trading Co., Ltd(秦皇島耀華商貿有限公司).
Zhang Jiayu	a holder of bachelor's degree, vice president of the Company and is formerly deputy general manager, general manager and director of Hefei New Energy, and executive deputy general manager, general manager and chairman of Zigong New Energy.

Section IV Corporate Governance, Environment and Society

III. POSITIONS OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

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

Notes:

- (1) Save as disclosed above, as of 31 December 2025, none of the Directors 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 Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers.
- (2) As at 31 December 2025, none of the Directors 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 or senior management of the Company has any of the following relationships with any other Director or senior management: spouse; a person cohabiting with such Director or senior management 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, Mr. Yang Jianqiang was appointed as a Director on 27 June 2025, and obtained the legal opinion referred to in Rule 3.09D of the Hong Kong Listing Rules on 29 June 2025, confirming his understanding of his duties as a Director.

Section IV Corporate Governance, Environment and Society

III. POSITIONS OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

(II) Positions of the existing and resigned Directors 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	-
He Qingbo	CLFG	Deputy secretary of party committee	December 2019	-
	Triumph Technology Group	Vice president of labor union	December 2024	-
		Deputy department head of the legal & compliance department		
Wu Dan	Triumph Technology Group	Vice director of the finance and compliance department	December 2024	-
Yang Jianqiang	CNBM Research Institute	Vice general engineer	May 2025	-

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
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	-
Yuan Jian	Wuhan University of Technology	Professor in the School of Materials Science and Engineering	November 2013	-
Zhang Yajuan	Beijing Tian Yuan Law Firm	Senior partner	July 2018	-

Section IV Corporate Governance, Environment and Society

III. POSITIONS OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

(III) Remuneration of Directors and senior management

Procedure for determining the remuneration of Directors and senior management	Remuneration of Directors is determined by the shareholders' meeting and remuneration of senior management is 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 and senior management expressed by the Remuneration and Review Committee or the special meeting of independent Directors	Following deliberation, the Remuneration and Appraisal Committee is of the view that the remuneration of the Directors and senior management of the Company complies with the relevant remuneration policies and appraisal standards of the Company.
Basis for determination of remuneration of Directors and senior management	Remuneration of Directors is determined in accordance with the remuneration scheme of the eleventh session of the Board approved by the shareholders' meeting. Remuneration of senior management is determined in accordance with the Measures for the Administration of Remuneration of Management Members and the Measures for the Administration of Total Wages of the Company.
Remuneration payable to Directors and senior management	Fixed allowances for independent directors are paid in a lump sum annually. Basic annual salaries for senior management are paid monthly, while performance annual salaries are paid upon verification by the Remuneration and Appraisal Committee based on the results of annual business performance assessments.
Total remuneration actually received by all Directors and senior management at the end of the Reporting Period	RMB3,621,100.00
Basis for assessment and fulfillment of remuneration actually received by all directors and senior management as at the end of the Reporting Period	The remuneration of senior management is reviewed and approved on an annual basis in accordance with the provisions of the Company's Measures for the Assessment of the Business Performance of the Senior Management Team. The business performance assessment shall be organized by the Remuneration and Assessment Committee of the Board after the disclosure of the annual report for the current year.

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III. POSITIONS OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

(III) Remuneration of Directors and senior management (Continued)

Deferred payment arrangements for remuneration actually received by all directors and senior management as at the end of the Reporting Period 15% of the 2025 performance-based remuneration of senior management shall be paid in three annual installments, namely 5% in 2026, 5% in 2027 and 5% in 2028.

Suspension and clawback of remuneration actually received by all directors and senior management as at the end of the Reporting Period There were no cases of remuneration suspension or clawback for all Directors and senior management as at the end of the Reporting Period.

During the Reporting Period, the Company did not pay any housing allowances, other allowances, non-cash benefits or bonuses to Directors and senior management, nor did it make any payments to induce Directors and senior management to join the Company or to compensate Directors for the loss of their positions as Directors, supervisors or senior management. No Director or senior management member of the Company has waived or agreed to waive any remuneration arrangement; nor has the Company provided any loans or guarantees to Directors or senior management. Apart from remuneration, neither the Directors and senior management nor any entities associated with them have derived any other material direct or indirect benefits from other transactions, arrangements or contracts. The Company has not entered into any management or administration contracts relating to all or a material part of its business during the Reporting Period. None of the Directors has entered into a service contract with the Company that restricts the Company from terminating the contract within one year without compensation (other than statutory compensation). None of the Directors or senior management has been subject to any public sanctions imposed by statutory or regulatory authorities.

(IV) Changes in Directors and senior management

Name	Position	Changes	Reasons for changes
Xie Jun	Chairman of the eleventh session of the Board	Elected	Board Succession
Zhang Rong	Director of the eleventh session of the Board, President	Elected, Appointed	Board Succession
Chen Peng	Director of the eleventh session of the Board, Executive Vice President	Elected, Appointed	Board Succession
He Qingbo	Director of the eleventh session of the Board	Elected	Board Succession
Wu Dan	Director of the eleventh session of the Board	Elected	Board Succession
Yang Jianqiang	Director of the eleventh session of the Board	Elected	Board Succession
Fan Baoqun	Independent Director of the eleventh session of the Board	Elected	Board Succession
Chen Qisuo	Independent Director of the eleventh session of the Board	Elected	Board Succession
Yuan Jian	Independent Director of the eleventh session of the Board	Elected	Board Succession
Chen Hongzhao	Chief Financial Officer, Secretary of the Board	Appointed	Appointed as Chief Financial Officer and Secretary of the Board
Wang Gang	Vice President	Appointed	Appointed as Vice President
Zhang Jiayu	Vice President	Appointed	Appointed as Vice President
Zhang Yajuan	Independent Director of the tenth session of the Board	Resigned	Expiry of Term of Office

Section IV Corporate Governance, Environment and Society

III. POSITIONS OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

(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.

IV. PERFORMANCE OF DUTIES BY DIRECTORS

(I) Attendance of Directors at Board meetings and shareholders' meetings

Directors Name	Independent Director or not	Required attendance at Board meetings for the year (times)	Attendance at Board meetings				Absence (times)	Any failure in attending in person for two consecutive meetings	Attendance at shareholders' meetings (times)
			Attendance in person (times)	Attendance by way of communication (times)	Attendance by proxy (times)				
Xie Jun	No	8	8	6	0	0	No	2	
Zhang Rong	No	8	8	6	0	0	No	2	
Chen Peng	No	8	8	6	0	0	No	2	
He Qingbo	No	8	8	6	0	0	No	2	
Wu Dan	No	8	8	8	0	0	No	2	
Yang Jianqiang	No	4	4	4	0	0	No	2	
Fan Baoqun	Yes	8	8	6	0	0	No	2	
Chen Qisuo	Yes	8	8	7	0	0	No	2	
Yuan Jian	Yes	8	8	7	0	0	No	2	
Zhang Yajuan	Yes	1	1	1	0	0	No	0	
Number of Board meetings held in the year								8	
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								1	

Section IV Corporate Governance, Environment and Society

V. SPECIAL COMMITTEES UNDER THE BOARD

- (I) **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 and Risk Committee	Chen Qisuo (Chairperson), Yuan Jian, Wu Dan
Nomination Committee	Fan Baoqun (Chairperson), Chen Qisuo, Wu Dan
Remuneration and Review Committee	Yuan Jian (Chairperson), Fan Baoqun, Xie Jun,
Strategic Committee	Xie Jun (Chairperson), Zhang Rong, Chen Peng, Yang Jianqiang, Fan Baoqun

Note: The Company shall no longer establish a Board Compliance Committee with effect from 27 June 2025, as approved and adopted by the Board of the Company.

(II) **Audit and Risk Committee**

The Audit and Risk Committee is primarily responsible for reviewing the Company's financial position, the implementation and effectiveness of internal control systems, and risk management and control. It is also responsible for communication, supervision and inspection work related to internal and external audit and risk of the Company.

During the Reporting Period, the Audit Committee reviewed the Company's 2024 annual report, 2025 first quarterly report, 2025 interim report, 2025 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 2024 internal control evaluation report, 2024 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 2025 internal audit work plan.

The Audit and Risk Committee held 7 meetings during the Reporting Period, with details as follows:

Date of Convening	Meeting Content	Important Opinions and Suggestions
27 March 2025	Considered and approved the 2024 Annual Report (Full Text and Summary), Resolution on Accrual and Write-off of Assets Impairment Provision for 2024, 2024 Internal Control Evaluation Report of the Company, Risk Assessment Report on the Deposit and Loan Business of the Company with CNBM Finance Company, 2024 Annual Performance Report of the Audit (or Review) Committee, Report on the Supervision of the Accounting Firm by the Audit (or Review) Committee, 2024 Internal Audit Work Report and 2025 Internal Audit Work Plan of the Company and 2024 Comprehensive Risk Management Report of the Company.	All committee members unanimously approved all the resolutions and agreed to submit the 2024 Annual Report (Full Text and Summary), 2024 Internal Control Evaluation Report of the Company and Risk Assessment Report on the Deposit and Loan Business of the Company with CNBM Finance Company to the Board for consideration.

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V. SPECIAL COMMITTEES UNDER THE BOARD (CONTINUED)

(II) Audit and Risk Committee (Continued)

Date of Convening	Meeting Content	Important Opinions and Suggestions
28 April 2025	Considered and approved the 2025 First Quarterly Report of the Company.	All committee members unanimously approved the resolution and agreed to submit it to the Board for consideration.
27 May 2025	Considered and approved the Resolution on the Reappointment of Grant Thornton (Special General Partnership) as the Auditors of the Company for 2025.	All committee members unanimously approved the resolution and agreed to submit it to the Board for consideration.
24 June 2025	Considered and approved the Review Opinion on the Candidate for the Chief Financial Officer of the Company.	All committee members unanimously approved the resolution and agreed to submit it to the Board for consideration.
27 August 2025	Considered and approved the 2025 Interim Report (Full Text and Summary) of the Company and Continuous Risk Assessment Report on the Conduct of Financial Business by the Company with CNBM Finance Company.	All committee members unanimously approved all the resolutions and agreed to submit them to the Board for consideration.
27 October 2025	Considered and approved the 2025 Third Quarterly Report of the Company and Resolution on the Rectification and Implementation Report of Problems Identified in the Economic Responsibility Audit and Internal Control Supervision Evaluation of Triumph New Energy Company Limited by Triumph Science & Technology Group Co., Ltd..	All committee members unanimously approved all the resolutions and agreed to submit them to the Board for consideration.
26 December 2025	Considered and approved the Resolution on the Adjustment of Audit Fees for 2025, 2025 Internal Control Self-evaluation Implementation Plan of the Company and 2024 Internal Audit Work Quality Self-assessment Report of the Company.	All committee members unanimously approved all the resolutions and agreed to submit them to the Board for consideration.

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

Member	Required attendance for the year	Attendance in person	Attendance by proxy
Chen Qisuo (Chairman)	7	7	0
Yuan Jian	7	7	0
Wu Dan (Appointed on 27 June 2025)	3	3	0
Fan Baoqun (Resigned on 27 June 2025)	4	4	0

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V. SPECIAL COMMITTEES UNDER THE BOARD (CONTINUED)

(III) Nomination Committee

The Nomination Committee is responsible for formulating the selection criteria and procedures for Directors and senior management, selecting and reviewing the candidates for Directors and senior management and their qualifications for office, and making recommendations to the Board on the nomination or appointment and dismissal of Directors and the appointment or dismissal of senior management.

During the Reporting Period, the Nomination Committee considered and approved various proposals to nominate nine Directors. 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.

The Nomination Committee held 3 meetings during the Reporting Period, with details as follows:

Date of Convening	Meeting Content	Important Opinions and Suggestions
20 May 2025	Considered and approved the Resolution on the Nomination of Candidates for Independent Directors of the eleventh session of the Board the Company.	All committee members unanimously approved the resolution and agreed to submit it to the Board for consideration.
27 May 2025	Considered and approved the Resolution on the Nomination of Candidates for Non-Independent Directors of the eleventh session of the Board the Company.	All committee members unanimously approved the resolution and agreed to submit it to the Board for consideration.
25 June 2025	Considered and approved the Review Opinion on the Candidates for Senior Management of the Company.	All committee members unanimously approved the resolution and agreed to submit it to the Board for consideration.

Section IV Corporate Governance, Environment and Society

V. SPECIAL COMMITTEES UNDER THE BOARD (CONTINUED)

(III) Nomination Committee (Continued)

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 Assessment Committee

The Remuneration and Assessment Committee is responsible for formulating assessment criteria for directors and senior management and conducting assessments, formulating and reviewing remuneration policies and plans for Directors and senior management including the decision-making mechanism, decision-making process, payment and suspension/clawback arrangements for remuneration, and making recommendations to the Board on matters such as the remuneration of Directors and senior management.

During the Reporting Period, the Remuneration and Review Committee considered the salary distribution and performance evaluation of the Company's Directors and senior management for the year 2024.

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V. SPECIAL COMMITTEES UNDER THE BOARD (CONTINUED)

(IV) Remuneration and Assessment Committee (Continued)

The Remuneration and Assessment Committee held 5 meetings during the Reporting Period, with details as follows:

Date of Convening	Meeting Content	Important Opinions and Suggestions
21 March 2025	Considered and approved the Remuneration of Directors for 2024 and Remuneration of Senior Management for 2024.	All committee members unanimously approved the resolution and agreed to submit it to the Board for consideration.
27 May 2025	Considered and approved the Remuneration Plan for the eleventh session of the Board of the Company.	All committee members unanimously approved the resolution and agreed to submit it to the Board for consideration.
24 June 2025	Considered and approved the Resolution on the Amendment of the Measures for the Remuneration Management of the Senior Management Team, Measures for the Assessment of the Business Performance of the Senior Management Team and Other Systems.	All committee members unanimously approved the resolution and agreed to submit it to the Board for consideration.
26 August 2025	Considered and approved the 2025 Total Salary Budget Plan of the Company, 2024 Total Salary Budget Implementation Report of the Company, Post Appointment Agreements for the Senior Management Team, Term Business Performance Responsibility Letters for the Senior Management Team and 2025 Annual Business Performance Responsibility Letters for the Senior Management Team.	All committee members unanimously approved the resolution and agreed to submit it to the Board for consideration.
4 December 2025	Considered and approved the Plan for the Assessment and Supplementary Payment of 2024 Performance Annual Salary for the Senior Management of the Company.	All committee members unanimously approved the resolution.

Section IV Corporate Governance, Environment and Society

V. SPECIAL COMMITTEES UNDER THE BOARD (CONTINUED)

(IV) Remuneration and Assessment Committee (Continued)

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
Yuan Jian (Chairman)	5	5	0
Xie Jun	5	5	0
Fan Baoqun (Resigned on 27 June 2025)	2	2	0
Chen Qisuo (Appointed on 27 June 2025)	3	3	0

(V) Strategy Committee

The Strategy Committee is responsible for conducting research on the Company's sustainable development strategy and major investment decisions, and making recommendations to the Board on matters such as the Company's development strategy and medium and long-term development plan, major investment and financing plans, major capital operations and asset operation projects that require the approval of the Board.

During the Reporting Period, the Strategic Committee reviewed the Company's 2024 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.

The Strategy Committee held 2 meetings during the Reporting Period, with details as follows:

Date of Convening	Meeting Content	Important Opinions and Suggestions
21 March 2025	Considered the 2024 Environmental, Social and Governance (ESG) Report of the Company.	All committee members unanimously approved the resolution and agreed to submit it to the Board for consideration.
24 June 2025	Considered and approved the Resolution on the Investment and Construction of the 2000t/d Ultra-Thin Encapsulation Material Project for Photovoltaic Modules and the Capital Increase in Kaisheng (Zigong) New Energy Co., Ltd..	All committee members unanimously approved the resolution and agreed to submit it to the Board for consideration.

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V. SPECIAL COMMITTEES UNDER THE BOARD (CONTINUED)

(V) Strategy Committee (Continued)

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)	2	2	0
Zhang Rong	2	2	0
Fan Baoqun	2	2	0

VI. EXPLANATION OF RISKS IDENTIFIED BY THE AUDIT COMMITTEE IN THE COMPANY

The Audit Committee had no objections to the supervision matters during the Reporting Period.

VII. EMPLOYEE INFORMATION OF THE COMPANY AND MAJOR SUBSIDIARIES AS AT THE END OF THE REPORTING PERIOD

(I) Employees

Number of in-service employees of the Company	56
Number of in-service employees of the major subsidiaries	2,280
Total number of in-service employees	2,336
The number of retired employees whose expenses are borne by the Company and its major subsidiaries	1,623

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VII. EMPLOYEE INFORMATION OF THE COMPANY AND MAJOR SUBSIDIARIES AS AT THE END OF THE REPORTING PERIOD (CONTINUED)

(I) Employees (Continued)

Composition of professions	Type of profession	Number of staff in the profession
Production Staff		1,754
Sales Staff		33
Technical Staff		286
Financial Staff		46
Administrative Staff		217
Total		2,336

Educational level	Type of education level	Number of persons (headcount)
Doctor's degree		0
Postgraduate		24
Undergraduate		335
Associate		605
High school and below		1,372
Total		2,336

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VII. EMPLOYEE INFORMATION OF THE COMPANY AND MAJOR SUBSIDIARIES AS AT THE END OF THE REPORTING PERIOD (CONTINUED)

(II) Remuneration policy

The operators of the Company and its subordinate subsidiaries implement the annual salary system, and the Group's employees implement the post performance salary system. At the same time, in accordance with the relevant national, provincial and municipal policies, the Group's employees are entitled to benefits such as the "five insurance payments and housing provident fund", paid annual leave and paid training.

(III) Training Plan

The Company has established a two-level and three-tier training system, and carries out employee training through a combination of internal and external training, and full-time and semi-full-time training, so as to improve employees' on-the-job skills and professional capabilities, and ensure the healthy growth of employees and the sound development of the enterprise.

(IV) Outsourced Labor Services

Total Working Hours of Outsourced Labor Services	Not Applicable
Total Remuneration Paid for Outsourced Labor Services (RMB10,000)	4,436

(V) Composition and configuration of all employees

The Company considers the achievement of the goal of gender diversity of the total workforce from multiple aspects, including but not limited to factors such as employee gender, cultural and educational background, professional experience, knowledge and skills. At the same time, it attaches importance to the operational needs of the Group and the principle of fairness. As at the end of the Reporting Period, the proportion of female employees of the Company was 23.12%. The Company will continue to monitor the composition and allocation of the total workforce, including the status of gender diversity, and strive to achieve a fair and diverse working environment.

VIII. 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.

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

(I) Equity incentive granted to Directors and senior management during the Reporting Period

The Company did not grant any equity incentives to Directors and senior management during the Reporting Period.

(II) Assessment mechanism for senior management and the establishment and implementation of incentive mechanisms during the Reporting Period

Performance assessment of the Company's senior management is mainly conducted under the annual target responsibility system, based on the achievement of annual business objectives. Remuneration of senior management is determined according to the assessment results. The annual salary of senior management is linked to their operational responsibilities, business risks and business performance.

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

Detailed information is set out in the Company's 2025 Internal Control Evaluation Report disclosed on 30 March 2026.

XI. 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 of the Company, 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.

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XII. INFORMATION ABOUT THE INTERNAL CONTROL AUDIT REPORT

Detailed information is set out in the Company's 2025 Internal Control Audit Report disclosed on 30 March 2026.

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

XIII. 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.

XIV. CORPORATE GOVERNANCE REPORT

(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.

(III) Directors and the Board

1. Directors

- (1) Details of the Directors of the eleventh session of the Board of the Company during the Reporting Period are set out in "III. POSITIONS OF DIRECTORS AND SENIOR MANAGEMENT" in this section. As of the end of the Reporting Period, the eleventh 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; two non-executive Directors, i.e. Ms. Wu Dan and Mr. Yang Jianqiang; and three independent non-executive Directors, i.e. Mr. Chen Qisuo, Mr. Fan Baoqun and Yuan Jian.

There is no financial, business, family relationship or other material or related relationship among the Directors and senior management of the Company. The Company has purchased liability insurance for Directors and senior management to safeguard their performance of duties.

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XIV. CORPORATE GOVERNANCE REPORT (CONTINUED)

(III) Directors and the Board (Continued)

1. Directors (Continued)

- (2) Details of the attendance of each Director at meetings of the Board and shareholders' meetings are set out in "IV. PERFORMANCE OF DUTIES BY DIRECTORS" in this section. Details of the attendance of each Director at meetings of the special committees are set out in "V. SPECIAL COMMITTEES UNDER THE BOARD" in this section.
- (3) The Company has consistently attached importance to enhancing the professional capabilities of Directors and senior management, and has arranged for them to participate in various special training programs on performance of duties for Directors and senior management of listed companies organized by the CSRC and the SSE. Such programs include the 2025 Compliance Performance Training for Directors and Senior Management of Listed Companies, Special Training on Hong Kong Capital Market Facilitating Reform and High-Quality Development of State-Owned and Central Enterprises, Special Online Training on Market Value Management of Listed Companies, and Special Training on Sustainable Development (ESG) Reporting – Series Training on High-Quality Development of Listed Companies. Meanwhile, the Company arranged for independent Directors to participate in the Follow-up Training for Independent Directors of Listed Companies organized by the Shanghai Stock Exchange. Through such training and learning, the performance competence of Directors has been comprehensively improved, ensuring that they provide effective support to the decision-making of the Board on the basis of having sufficient information.

2. The Board

The Board is elected by the shareholders' meeting and is accountable to the shareholders' meeting. The Board strictly performs the following core duties in accordance with the Company Law, the Securities Law, the Code of Corporate Governance for Listed Companies, the Listing Rules in both Shanghai and Hong Kong, relevant laws and regulations of the CSRC, as well as the Articles of Association of the Company: formulating the business plans and investment proposals of the Company; formulating and reviewing the corporate governance policies and practices of the Company; formulating the basic management systems of the Company; monitoring the Company's compliance with laws and regulatory requirements; formulating, reviewing and monitoring codes of conduct and compliance manuals for employees and Directors (such as the Internal Control Manual of the Company, etc.); reviewing the Company's compliance with the Corporate Governance Code; and monitoring the training and continuing professional development of Directors and senior management.

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XIV. CORPORATE GOVERNANCE REPORT (CONTINUED)

(III) Directors and the Board (Continued)

2. *The Board (Continued)*

The Board holds regular meetings and convenes extraordinary meetings in a timely manner according to the actual needs of the Company's operation and development. The Company strictly sends meeting materials, operating data and other relevant information to Directors and senior management in a timely manner in accordance with regulatory requirements, facilitating their accurate analysis of the Company's affairs and scientific decision-making. During the Reporting Period, the Board convened a total of 8 meetings, all of which were attended by the then Directors in person or via video. Acting in the best interests of the Company and all shareholders at all times, the Directors diligently performed their duties as Directors.

As at the end of the Reporting Period, the Board has four special committees under it, namely the Audit and Risk Committee, the Strategy Committee, the Nomination Committee and the Remuneration and Appraisal Committee. Among them, independent non-executive Directors account for more than half of the members of the Audit and Risk Committee, Nomination Committee and Remuneration and Appraisal Committee, and each of these committees is chaired by an independent non-executive Director. Each special committee strictly performs its duties in accordance with its implementation rules and assists the Board in effectively performing the Board functions set out in the Corporate Governance Code contained in Appendix C1 to the Listing Rules of the Stock Exchange of Hong Kong Limited.

To ensure that the Board receives independent and objective advice, the Company fully safeguards the independent Directors in exercising their powers effectively and gives full play to their supervisory and decision-making roles. The Company provides convenient conditions for independent Directors to participate in the daily affairs of the Company, conduct on-site work and access operational information, so as to safeguard their independent judgment. The Securities Department is specifically responsible for assisting independent Directors in performing their duties, including introducing the Company's operating conditions, providing relevant materials, regularly reporting operational updates, and arranging on-site inspections by independent Directors when necessary, helping them fully understand the Company's situation.

The composition of the Board emphasizes diversified arrangements, taking comprehensive account of regulatory requirements, gender, age, educational background, professional experience, knowledge and skills, term of office and other factors, balancing checks and balances among different stakeholders to enhance the comprehensiveness and balance of decision-making. As at the end of the Reporting Period, the eleventh session of the Board consists of 9 members, aged between 39 to 61. Their professional backgrounds cover accounting, legal, glass industry, corporate operation and management and other fields, which can provide comprehensive and detailed professional support for the Board's major decisions and ensure scientific and reasonable decision-making. During the Reporting Period and as at the date of this report, the Company has achieved the measurable objectives set out in its Board diversity policy, namely that the Board must include at least one female member. The Board currently comprises two female Directors, in compliance with the relevant provisions of Rule 13.92 of the Listing Rules of the Stock Exchange. The Company will continue to monitor the composition and arrangement of Board members to ensure diversity of the Board.

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XIV. CORPORATE GOVERNANCE REPORT (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 of the Company, 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 shareholders' meetings, convening and presiding over the Board meetings; supervising and examining the implementation of Board resolutions; 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 of the Company 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 maintains close communication with all Directors and promptly keeps them informed of key information such as the Company's business operations and financial conditions, providing strong support for the decision-making of the Board.

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

Pursuant to the Articles of Association of the Company, non-executive Directors are elected by the shareholders' meeting for a term of three years and may be re-elected upon the expiry of their term. Each term of independent non-executive Directors is the same as that of other Directors. They may be re-elected upon the expiry of their term, provided that their consecutive service shall not exceed six years.

During the Reporting Period, the Board of the Company had three independent non-executive Directors. For details of the specific appointments of incumbent and outgoing non-executive Directors during the Reporting Period, please refer to "III. POSITIONS OF DIRECTORS AND SENIOR MANAGEMENT" in this section.

Section IV Corporate Governance, Environment and Society

XIV. CORPORATE GOVERNANCE REPORT (CONTINUED)

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

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 establishing a comprehensive and effective risk management system for the Company, including establishing a clear management structure with defined authority. The Audit and Risk Committee under the Board is responsible for reviewing the Company's financial position, the implementation and effectiveness of internal control systems, and risk management and control, as well as handling communication, supervision and verification with the Company's internal and external auditors. Details of the considerations at meetings of the Board and the Audit and Risk Committee during the Reporting Period are set out in "IV. PERFORMANCE OF DUTIES BY DIRECTORS" and "V. SPECIAL COMMITTEES UNDER THE BOARD" in this section.

Various business departments at the Company's headquarters act as the first line of defense. They are responsible for establishing, improving and implementing internal control systems within their respective business areas, standardizing relevant business processes, guiding subsidiaries in establishing and improving internal control systems and business processes within their scope of responsibilities, and supervising their implementation. The Office acts as the second line of defense, responsible for organizing the establishment and improvement of the Company's internal control system, coordinating various departments and member enterprises in the development and operation of internal controls, conducting daily supervision of internal controls, strengthening routine oversight of the effectiveness of internal control implementation by all departments and member enterprises, and organizing rectification of internal control deficiencies based on internal control evaluation results, tracking and supervising the implementation of rectification measures to ensure the effective operation and continuous improvement of internal controls. The Audit Department acts as the third line of defense, organizing various departments of the Company to conduct internal control evaluations and supervising and assessing internal controls of member enterprises. Each subsidiary formulates, improves and implements its own management systems under the supervision of the Company's headquarters.

Section IV Corporate Governance, Environment and Society

XIV. CORPORATE GOVERNANCE REPORT (CONTINUED)

(VI) Risk management and internal monitoring (Continued)

In respect of environmental, social and governance matters, the Strategy Committee of the Company is responsible for assessing and managing ESG-related risks and opportunities. Details of considerations at meetings of the Strategy Committee during the Reporting Period are set out in “V. SPECIAL COMMITTEES UNDER THE BOARD” in this section.

The internal control system is designed to assist the Company in achieving its business objectives, protecting assets from unauthorized use or disposal, ensuring proper maintenance of accounting records to provide reliable financial information for internal use or disclosure, and ensuring compliance with applicable laws and regulations. The internal control system is intended to provide reasonable, but not absolute, assurance against material misstatement or loss. During the Reporting Period, the Company conducted an internal control assessment on the effectiveness of risk management and internal control systems relating to financial, operational and compliance matters, risk management processes, the scope and quality of risk monitoring by management, and the effectiveness of financial reporting. The Board is of the view that the resources, qualifications, experience, training programs and budgets of personnel in the Company’s accounting and financial reporting functions, as well as those responsible for ESG performance and reporting, are sufficient. The Board concludes that the Company’s risk management and internal control systems are adequate and effective. For further details, please refer to the 2025 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 30 March 2026.

(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 “V. SIGNIFICANT EVENTS” of this report.

(VIII) Directors’ responsibility for the financial statements

The 2025 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 2025, the Company implemented, adopted and applied the applicable accounting policies to ensure the compliance and accuracy of the financial statements.

Section IV Corporate Governance, Environment and Society

XIV. CORPORATE GOVERNANCE REPORT (CONTINUED)

(IX) Company Secretary

The Company Secretary is Mr. Ip Pui Sum (“**Mr. Ip**”) (from Sum, Arthur & Co. in Hong Kong). During the Reporting Period, Mr. Ip diligently performed his duties, provided professional advice on corporate governance to the Board, ensured smooth information flow among Board members, and secured compliance with the Board’s policies and procedures. For the year 2025, Mr. Ip has completed no fewer than 15 hours of relevant professional training, continuously updating his knowledge and skills to ensure his competence meets regulatory requirements and the development needs of the Company.

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 shareholders’ meetings are implemented in strict compliance with relevant laws, the Articles of Association of the Company and the Rules of Procedures of Shareholders’ Meetings of the Company. It is also explicitly stipulated in the Articles of Association of the Company 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 of the Company for detailed inquiry procedures and methods. While convening the shareholders’ 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 shareholders’ 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 shareholders’ meeting for consideration. Contents of the temporary proposal shall fall within the scope of authority of the shareholders’ meeting, and set out specific subject and matters to be resolved.

In the notice of the shareholders’ 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 shareholders’ 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 shareholders’ 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.

Section IV Corporate Governance, Environment and Society

XIV. CORPORATE GOVERNANCE REPORT (CONTINUED)

(XI) Investor relations

The Company has formulated the Investor Relations Management System. By facilitating the exercise of shareholders' rights, regulating information disclosure, strengthening interactive communication and timely handling investor requests, the Company has enhanced communication with investors and potential investors, deepened investors' understanding and recognition of the Company, and improved the Company's corporate governance and overall value. The Securities Department, as the functional department and daily operating body of the Company's investor relations management, is specifically responsible for the implementation and promotion of investor relations management affairs under the leadership of the Secretary of the Board.

The Company has established diversified investor communication channels, mainly including the Company's official website, investor hotline, fax and e-mail. Relying on public welfare network infrastructure platforms such as the website of the Shanghai Stock Exchange, the SSE e-Interaction Platform and securities registration and settlement institutions, the Company conducts in-depth communication with shareholders and investors through various means including convening shareholders' meetings, results presentations, roadshows, analyst meetings, receiving investor visits and holding seminars.

During the Reporting Period, the Company promptly held results presentations following the disclosure of its annual and interim reports, and issued announcements for such results presentations in strict accordance with regulatory requirements. The presentations were open and fair to all investors, analysts, media and other relevant parties both inside and outside the PRC. Held via the SSE Roadshow Center platform in the form of "live video streaming plus online interaction", the presentations fully addressed investors' key concerns and effectively safeguarded investors' right to information and participation.

(XII) Amendments to the Articles of Association

The Company closely monitors changes in regulatory policies. In light of revisions to the Hong Kong Listing Rules and the Shanghai Listing Rules, as well as the Guidelines for the Articles of Association of Listed Companies issued by CSRC, the Company promptly revises and improves relevant provisions of the Articles of Association of the Company to ensure that the contents comply with applicable laws, administrative regulations, regulatory documents and listing rules of both places. Meanwhile, in conjunction with the optimization of the Company's corporate governance structure, the Company considered and approved the Resolution on Cancellation of the Supervisory Committee and Amendments to the Articles of Association during the Reporting Period. The Supervisory Committee was formally abolished, and its functions and powers were specifically assigned to the Audit and Risk Committee of the Board. Relevant provisions of the Articles of Association of the Company were amended accordingly to ensure a smooth transition of functions and powers, providing a solid institutional guarantee for the standardized governance of the Company.

Section IV Corporate Governance, Environment and Society

XIV. CORPORATE GOVERNANCE REPORT (CONTINUED)

(XIII) Dividend Policy

In accordance with the Company’s dividend policy, and on the premise of strictly complying with the relevant provisions of the Articles of Association of the Company, the Board of Directors of the Company will formulate a proposal on dividend distribution based on the annual operating results, financial position and capital requirements of the Company. Such proposal shall be implemented upon approval by resolution of the shareholders' meeting of the Company.

XV. ENVIRONMENTAL INFORMATION OF LISTED COMPANIES AND THEIR MAJOR SUBSIDIARIES INCLUDED IN THE LIST OF ENTERPRISES REQUIRED TO DISCLOSE ENVIRONMENTAL INFORMATION IN ACCORDANCE WITH THE LAW

Number of Enterprises Included in the List of Enterprises Required to Disclose Environmental Information in Accordance with the Law (Unit) 7

No.	Company name	Query Index for the Environmental Information Disclosure Report in Accordance with the Law
1	Zigong New Energy	https://tftb.sczfwf.gov.cn:8085/jmopenpub/jmopen_files/webapp/html5/qyhjxyfpl/index.html#/index/enterprise-more?code=91510300MA67NRDD2F&uniqueCode=025efb3c6aa320e5&date=2025&type=true&isSearch=true
2	Hefei New Energy	https://39.145.37.16:8081/zhhb/yfplpub_html/#/searchPage?keyWord=%E4%B8%AD%E5%BB%BA%E6%9D%90%EF%BC%88%E5%90%88%E8%82%A5%EF%BC%89%E6%96%B0%E8%83%BD%E6%BA%90%E6%9C%89%E9%99%90%E5%85%AC%E5%8F%B8&hy=%5B%5D
3	Tongcheng New Energy	https://39.145.37.16:8081/zhhb/yfplpub_html/#/searchPage?keyWord=%E4%B8%AD%E5%BB%BA%E6%9D%90%EF%BC%88%E5%90%88%E8%82%A5%EF%BC%89%E6%96%B0%E8%83%BD%E6%BA%90%E6%9C%89%E9%99%90%E5%85%AC%E5%8F%B8&hy=%5B%5D
4	Zhangzhou New Energy	http://220.160.52.213:10053/idp-province/#/enterprise-overview?enterName=%E5%87%AF%E7%9B%9B%EF%BC%88%E6%BC%B3%E5%B7%9E%EF%BC%89%E6%96%B0%E8%83%BD%E6%BA%90%E6%9C%89%E9%99%90%E5%85%AC%E5%8F%B8&ifYearReport=1&ifTempReport=0



Section IV Corporate Governance, Environment and Society

XV. ENVIRONMENTAL INFORMATION OF LISTED COMPANIES AND THEIR MAJOR SUBSIDIARIES INCLUDED IN THE LIST OF ENTERPRISES REQUIRED TO DISCLOSE ENVIRONMENTAL INFORMATION IN ACCORDANCE WITH THE LAW (CONTINUED)

No.	Company name	Query Index for the Environmental Information Disclosure Report in Accordance with the Law
5	Yixing New Energy	http://ywxt.sthjt.jiangsu.gov.cn:18181/spsarchive-webapp/web/viewRunner.html?viewId=http%3A%2F%2Fywxt.sthjt.jiangsu.gov.cn%3A18181%2F%2Fspsarchive-webapp%2F%2Fweb%2F%2Fsps%2Fviews%2F%2FfyplEntInfo%2Findex.js&versionId=F38FB D2CCBDC428DABC8C89EAA28D470&spCode=3202820200009866&validate=CN31_J*cGAorrTpCoRwIDhoVrIVwzFDt6.rS6rRldk5fCElvig*_g8rOtB0wNipjkAyg1hRZEyYp05i_BRUZJHxFudjglNoppjTJ510iNhh3JX4LwMQJcwYhADLXvXcgwZ20bFSy5DwwG6kEgY44ATUkN0lqXTlyP0hNaLvZQGAcRZYsA0ryPTTWw.tP0L43Umj6fzNPsmZkfirVyw1b6hA_SrfdqRgHiSQRq9rqmR*4NWMkiZac1qQ4CtJLTLQpJtS69ZQ8UTqGqNwLa*_IXRle5yQIXo6zgnBi_*VDx64lcfC*45nUZ.yJ.vbBNNUY*zKizpAUfzbV013hJMLKCSKp1uBnw3DUKktKWCgApgkTLHWOrdIEw1PDimKtyIEk0HjZAlcdqyCsgNqegrK8w6ITwaSU6B9cdqZdl8h0hR_PyXJH5u_YYB31*U1qeDheyuL8BMhU5hPyXlorp3lXyJzgkSu.cAJAfCJU3n9p52KInGHcqplqU2.*zO6TXbsyMMQRWFaM77_v_i_1&year=2025
6	Luoyang New Energy	http://222.143.24.250:8247/enpInfo/enpOverview?enterId=91410326MA9KFJ3715001V
7	North Glass	http://121.29.48.71:8080/#/fill/list

XVI. PERFORMANCE OF SOCIAL RESPONSIBILITIES

Details can be found in the 2025 Environmental, Social and Governance Report disclosed on the same date by the Company and the Overseas Regulatory Announcement – 2025 Environmental, Social and Governance Report of Triumph New Energy Company Limited disclosed on 30 March 2026 by the Company, which are available for inspection on the website of the Stock Exchange and the Company's website (<http://www.zhglb.com/>).

Section V Significant Events

I. PERFORMANCE OF UNDERTAKINGS

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	Nil	Nil
	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	Nil	Nil

Section V Significant Events

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)

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	Nil	Nil

Section V Significant Events

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.

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.

VI. APPOINTMENT OR DISMISSAL OF ACCOUNTING FIRMS

	Current appointee
Name of the domestic accounting firm	Grant Thornton (Special General Partnership)
Remuneration for the domestic accounting firm	RMB1,500,000.00
Term of the audit services provided by domestic accounting firm	4 years
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	4 years, 4 years

	Name	Remuneration
An accounting firm engaged for internal control audit	Grant Thornton (Special General Partnership)	RMB300,000.00

The Company re-appointed Grant Thornton (Special General Partnership) as its audit firm for the year of 2025, following approval at the Company’s 2024 Annual General Meeting.

VII. MATERIAL LITIGATION AND ARBITRATION MATTERS

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

Section V Significant Events

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

During the Reporting Period, there were no violations of laws or regulations, penalties or rectification situations involving the Company, its Directors, senior management, controlling shareholders and de facto controller.

IX. EXPLANATION OF THE CREDIBILITY OF THE COMPANY, ITS CONTROLLING SHAREHOLDERS AND DE FACTO CONTROLLER DURING THE REPORTING PERIOD

During the Reporting Period, the Company, its controlling shareholders and de facto controller maintained a good record of credibility, and there were no instances of material breach of trust.

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 further development or change in subsequent implementation

Continuing related party (connected) transactions for the year ended 31 December 2025 in accordance with the framework agreement and its transactions approved by the shareholders' meeting

Unit: 0'000 Currency: RMB

No.	Party	Date of transaction	Related party (connected) relationship	Summary of transaction content	Principle of trade pricing	Upper Limit of Estimated Transaction Amount for 2025	Actual Transaction Amount Incurred in 2025
1	CNBMG	27 December 2023	De facto controller	CNBMG 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	2,300	896
2	CNBMG	27 December 2023	De facto controller	CNBMG 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	580,000	2,454

Section V Significant Events

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

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

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

No.	Party	Date of transaction	Related party (connected) relationship	Summary of transaction content	Principle of trade pricing	Upper Limit of Estimated Transaction Amount for 2025	Actual Transaction Amount Incurred in 2025
3	CNBMG	27 December 2023	De facto controller	CNBMG 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	14,000	727
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	35,000	1,164
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	54,000	137
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	520,000	123,197

Section V Significant Events

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

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

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

No.	Party	Date of transaction	Related party (connected) relationship	Summary of transaction content	Principle of trade pricing	Upper Limit of Estimated Transaction Amount for 2025	Actual Transaction Amount Incurred in 2025
7	CNBM Finance Company	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	90,000	21,060
				CNBM Finance Company provided the Company with loan services		95,000	7,181
				CNBM Finance Company provided the Company with other financial services		3,000	1

Section V Significant Events

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

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

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

Each of the above continuing connected transactions constitutes a discloseable continuing connected transaction under Chapter 14A of the Hong Kong Listing Rules, and has been reviewed and approved by 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. The actual transaction amounts incurred during the Reporting Period did not exceed the respective annual caps as disclosed in the relevant announcements.

The Company has appointed Grant Thornton (Special General Partnership) as its auditor. In accordance with China Certified Public Accountants' Standards for Other Assurance Engagements No. 3101 – Assurance Engagements Other Than Audits or Reviews of Historical Financial Information issued by the Ministry of Finance of the People's Republic of China and with reference to Application Guide No. 740 – Auditor's Letter for Ongoing Connected Transactions under the Listing Rules of Hong Kong issued by the Hong Kong Institute of Certified Public Accountants, the auditor has performed the relevant review procedures on the above ongoing connected transactions of the Company for the year ended 31 December 2025, and confirmed that such transactions: (1) have been approved by the Board of Directors; (2) the transactions for the provision of goods and services are in compliance with the pricing policies of the Group; (3) are in compliance with the relevant transaction agreements; and (4) have not exceeded the annual caps disclosed in the previous announcements. The Board also confirms that the Company's auditor has, in accordance with Rule 14A.56 of the Hong Kong Listing Rules, confirmed the above continuing related party (connected) transactions that occurred during the Reporting Period.

Section V Significant Events

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

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

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

The independent non-executive directors have reviewed the above ongoing connected transactions incurred during the year ended 31 December 2025 and confirmed that: (1) the above ongoing connected transactions are all in the ordinary and usual course of business of the Company; (2) such transactions are entered into on normal commercial terms or on terms no less favourable than those provided by or obtained by the Company from independent third parties; and (3) are conducted in accordance with the relevant transaction agreements, on terms that are fair and reasonable, and are in compliance with regulatory requirements and the overall interests of the shareholders of the Company.

2. *Events not disclosed in temporary announcement*

In September 2025, the Company entered into the Contract for Commissioning Services for the Turkey 800t/d Ultra Clear Rolled Glass Project Package with International Engineering. International Engineering engaged the Company to provide commissioning services during the trial production period and on site training for the 800t/d ultra clear rolled glass project in Turkey. The total transaction amount was RMB720,000.00.

Section V 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
<p>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.* (沭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. 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 an extraordinary shareholders' meeting. On 26 May 2025, the Company completed the acquisition of 74.6% equity interest in Jiangsu Kaisheng New Materials Co., Ltd. Jiangsu Kaisheng New Materials Co., Ltd. has been included in the Company's consolidated financial statements since May 2025.</p>	<p>Announcement Lin No. 2024-040 on 30 December 2024 Announcement Lin No. 2025-010 on 26 May 2025 http://www.sse.com.cn, http://www.hkexnews.hk</p>

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 V Significant Events

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

(III) Financial businesses between the Company and related 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	900,000,000.00	0.55%-1.35%	125,657,287.96	8,992,544,454.28	9,004,276,461.05	113,925,281.19
Total	/	/	/	125,657,287.96	8,992,544,454.28	9,004,276,461.05	113,925,281.19

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	300,000,000.00	1.85%-2.5%	2,660,000.00	142,245,192.54	91,600,000.00	53,305,192.54
Total	/	/	/	2,660,000.00	142,245,192.54	91,600,000.00	53,305,192.54

Section V Significant Events

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

(III) Financial businesses between the Company and related 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 (connected) relationship	Business type	Total amounts	Actual amount
CNBM Finance Company	Same ultimate controlling party	Acceptance bill	/	18,500,000.00
CNBM Finance Company	Same ultimate controlling party	Other financial services	30,000,000.00	9,250.00

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 VII "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	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

All of the abovementioned amount of assets in custody refer to the registered capital of the respective company.

Section V Significant Events

XI. MATERIAL CONTRACTS AND IMPLEMENTATION THEREOF (CONTINUED)

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

2. 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.	Yixing New Energy	Warehouse	15,000,000	1 October 2020	30 September 2025	-16,229.75	it shall calculate the 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 RMB1,930,153.81, and interest expense on lease liabilities amounted to RMB16,229.75.	No	
Kingeta Group Co., Ltd.	Zhangzhou New Energy	Machinery and equipment		1 February 2021	31 January 2031	-188,578.91	it shall calculate the 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 RMB188,578.91.	No	

The interest expense on lease liabilities accrued in 2025 amounted to RMB204,808.66, which was recognised in interest expenses under financial expenses in the same amount of RMB204,808.66.

(II) Guarantees

During the Reporting Period, the Company made no guarantees.

XII. DISCLOSURE OF OTHER MATERIAL INFORMATION RELEVANT TO INVESTORS' VALUE JUDGMENT AND INVESTMENT DECISIONS

During the Reporting Period, the Company did not have any other material events that may have a material impact on investors' value judgment and investment decisions.

Section VI Changes in Shareholding of Shares and Information of Shareholders

I. CHANGE IN SHARE CAPITAL

During the Reporting Period, there was no change in the total number of shares of the Company or in its share capital structure.

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)	28,775
Total number of ordinary shareholders at the end of the previous month before the date of disclosure of this report (shareholder)	28,163

(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)						Nature of shareholder
	Increase/ decrease during the Reporting Period	Number of shares at the end of Reporting Period	Ratio (%)	Number of shares held subject to trading moratorium	Pledged or frozen Status	Number	
HKSCC NOMINEES LIMITED	-1,000,000	248,238,789	38.45	0	Unknown		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		State-owned legal person

Section VI 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 (Full name)	Shareholdings of top 10 shareholders (excluding shares lent through securities financing)						Nature of shareholder
	Increase/ decrease during the Reporting Period	Number of shares at the end of Reporting Period	Ratio (%)	Number of shares held subject to trading moratorium	Pledged or frozen Status	Number	
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 投紅土私募股權投資製造業轉 型升級新材料基金(有限合 夥))	0	38,853,812	6.02	0	None		Domestic non state-owned legal person
Triumph Science & Technology Group Co., Ltd.	0	29,515,000	4.57	0	None		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(有限合夥))	0	4,856,726	0.75	0	None		Domestic non- state-owned legal person
Hong Kong Securities Clearing Co., Ltd.	1,142,523	3,087,674	0.48	0	None		Overseas legal person 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		State-owned legal person
Yang Wucheng (楊武成)	0	1,454,472	0.23	0	Pledge	1,454,472	Domestic natural person
Ding Yuhui (丁宇輝)	0	1,414,866	0.22	0	None		Domestic natural person

Section VI 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)

Shareholdings of top 10 shareholders not subject to any selling restrictions (excluding shares lent through securities financing)			
Name of shareholder	Number of circulating shares not subject to trading moratorium	Type and number of shares	
		Category	Number
HKSCC NOMINEES LIMITED	248,238,789	Overseas listed foreign shares	248,238,789
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) (深創投紅土私募股權投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.	3,087,674	Ordinary shares denominated in RMB	3,087,674
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
Ding Yuhui (丁宇輝)	1,414,866	Ordinary shares denominated in RMB	1,414,866
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		

Section VI 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)

Shareholdings of top 10 shareholders not subject to any selling restrictions (excluding shares lent through securities financing)		Number of circulating shares not subject to trading moratorium	Type and number of shares Category	Number
Name of shareholder				
Explanation on related relationship or action acting in concert among the aforesaid shareholders	Among the top ten shareholders of the Company, Luobo Group, CNBM New Material Research Institute and Triumph Technology Group are connected parties and constitute persons acting in concert as stipulated in the Measures for the Administration of Acquisition of Listed Companies. The Company is not aware of whether other tradable shareholders constitute persons acting in concert, nor is it aware of any connected relationship among such other tradable shareholders.			
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.

(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.

Section VI Changes in Shareholding of Shares and Information of Shareholders

IV. CONTROLLING SHAREHOLDER AND DE FACTO CONTROLLER

(I) Controlling shareholders

1. Legal Person

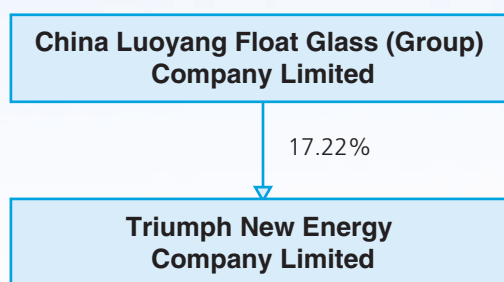
Name	China Luoyang Float Glass (Group) Company
Person in charge of the company or legal representative	Xie Jun
Date of establishment	25 December 1996
Place of establishment	The PRC
Principal activities	Manufacture of glass and related raw materials and complete sets of equipment; exploitation and sale 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

Section VI Changes in Shareholding of Shares and Information of Shareholders

IV. CONTROLLING SHAREHOLDER AND DE FACTO CONTROLLER (CONTINUED)

(I) Controlling shareholders (Continued)

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



(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 VI 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)

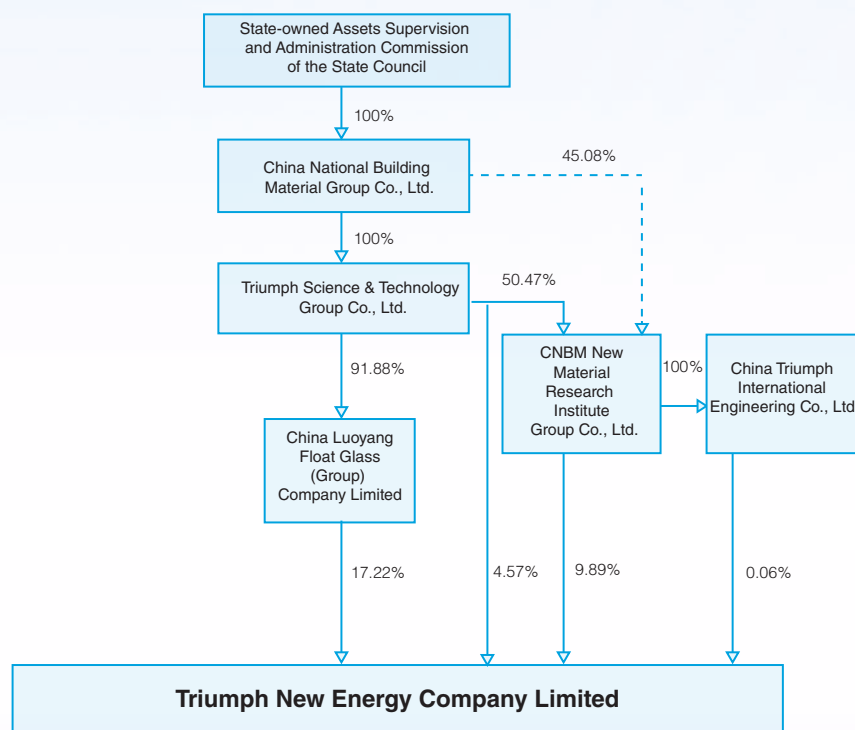
Name	China National Building Materials Group Co., Ltd.
Equity interests in other controlled and invested companies during the Reporting Period	As at 31 December 2025, CNBM directly and through its subsidiaries held an aggregate of 50.01% equity interest in China National Building Material Company Limited (03323. HK); through its subsidiaries held 37.54% equity interest in Beijing New Building Materials Public Limited Company (000786. SZ); through its subsidiaries held 29.22% equity interest in China Jushi Co., Ltd. (600176. SS); through its subsidiaries held 41.28% equity interest in Sinoma International Engineering Co., Ltd. (600970. SS); through its subsidiaries held 49.03% equity interest in Ningxia Building Materials Group Co., Ltd. (600449. SS); through its subsidiaries held 81.14% equity interest in Xinjiang Tianshan Cement Co., Ltd. (000877. SZ); through its subsidiaries held 60.24% equity interest in Sinoma Science & Technology Co., Ltd. (002080. SZ); through its subsidiaries held 29.28% equity interest in Triumph Science & Technology Co., Ltd. (600552. SS); through its subsidiaries held 39.46% equity interest in Ruitai Materials Technology Co., Ltd. (002066. SZ); through its subsidiaries held 64.27% equity interest in China Testing & Certification International 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 held 57.27% equity interest in Zhongfu Shenying Carbon Fiber Co., Ltd. (688295. SS); through its subsidiaries held a 9.04% equity interest in CCCC Design & Consulting Group Co., Ltd. (600720. SS); through its subsidiaries held a 4.31% equity interest in BBMG Corporation (601992. SS); through its subsidiaries held a 12.94% equity interest in China Shanshui Cement Group Limited (00691. HK); through its subsidiaries held a 3.03% equity interest in China Conch Venture Holdings Limited (00586. HK); through its subsidiaries held a 3.01% equity interest in China Conch Environment Protection Holdings Limited (00587. HK); through its subsidiaries held a 0.71% equity interest in H Share of Legend Holdings Corporation (03396. HK); through its subsidiaries held a 4.33% equity interest in Red Star Macalline Group Corporation Ltd. in its H shares (01528. HK); through its subsidiaries held a 9.72% equity interest in Henan City Development Environment Co., Ltd. (000885. SZ); through its subsidiaries held a 14.50% equity interest in Gansu Shangfeng Cement Co., Ltd. (000672. SZ); through its subsidiaries held a 3.08% equity interest in Jilin Yatai (Group) Co., Ltd. (600881. SS); through its subsidiaries held a 0.90% equity interest in Hubei Changyao New Material Co., Ltd. (832814); through its subsidiaries held a 10.53% equity interest in Wuhan Ligong Guangke Co., Ltd. (300557. SZ); through its subsidiaries held an 8.06% equity interest in Shanghai Yaohua Pilkington Glass Group Co., Ltd. (600819. SS); through its subsidiaries held a 4.89% equity interest in Jiangxi Wannianqing Cement Co., Ltd. (000789. SZ); through its subsidiaries held a 1.68% equity interest in Tangshan Jidong Cement Co., Ltd. (000401. SZ); through its subsidiaries held a 22.68% equity interest in China Glass Holdings Limited (03300. HK); through its subsidiaries held a 16.75% equity interest in Singulus Technologies (SNG); and through its subsidiaries held a 0.14% equity interest in SICC Co., Ltd. (688234. SS).
Other explanations	Nil

Section VI Changes in Shareholding of Shares and Information of Shareholders

IV. CONTROLLING SHAREHOLDER AND DE FACTO CONTROLLER (CONTINUED)

(II) De Facto Controller (Continued)

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



3. De facto controller's control of the Company through trust or other asset management methods

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

Section VI 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 2025, the interests and/or short positions of the shareholders, other than the Directors 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股
Triumph Technology Group ³	Beneficial owner/ Interest in controlled corporation	204,932,781 (L)	51.79	31.74	A股
CLFG	Beneficial owner	111,195,912 (L)	28.10	17.22	A股
CNBM Research Institute	Beneficial owner	63,835,499 (L)	16.13	9.89	A股
International Engineering	Beneficial owner	386,370 (L)	0.10	0.06	A股

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.

Section VII Financial Report

I. AUDIT REPORT

AUDIT REPORT

GTSZ (2026) No. 110A006376

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 2025, 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 2025, 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 2025, and the consolidated and the Company’s operating results and cash flows for 2025 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 independence requirements for audits of public interest entities under the Code of Professional Ethics for Chinese Certified Public Accountants and the China Standards on Independence for Certified Public Accountants (where applicable) 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.34 of the financial statements for details of related information disclosures.

Section VII 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 2025, the amount of operating revenue for major businesses was RMB3,238 million, accounting for a decrease of 28.79% 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 as well as conducted site visits to major customers;
- (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.

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 2025, the original value of the notes receivable and accounts receivable of Triumph New Energy was RMB1,868 million, the impairment provision was RMB2,170 million, and the net book value was RMB1,651 million, accounting for 53.63% 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 reasonableness 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 VII 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 2025, the carrying amount of inventories of Triumph New Energy was RMB869 million, representing a decrease of 17.24% as compared with that as at 31 December 2025. 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 the gross profit margin of major products, to examine the adequacy of provision for inventory write-down;
- (5) We analyzed price fluctuations of the Company's products and raw materials;
- (6) 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.

I. AUDIT REPORT (CONTINUED)

III. Key Audit Matters (Continued)

(IV) *Impairment provision for fixed assets and construction in progress*

Please refer to Note III. 17 and 34 and Note V. 9 and 10 of the financial statements for details of related information disclosures.

1. *Description of the matter*

As of 31 December 2025, the net book value of fixed assets and construction in progress of Triumph New Energy was RMB9.376 billion, accounting for 68.87% of total assets. During the Reporting Period, an impairment loss of RMB68 million was recognised for fixed assets and construction in progress. Triumph New Energy performed impairment tests on long-term assets showing signs of impairment and recognised an impairment allowance based on the test results. As the identification of impairment indicators for fixed assets and construction in progress and the measurement of recoverable amounts involve significant accounting estimates and professional judgments by the management, we have identified the impairment provision for fixed assets and construction in progress as a key audit matter.

2. *Response to the audits*

- (1) We understood the internal controls of the management related to fixed assets and construction in progress, evaluated the reasonableness of the design and tested the operating effectiveness of key controls;
- (2) We selected a sample to verify the physical condition of fixed assets, including the usage status, the progress of construction in progress projects, and any idle or suspended operations to identify whether there are any indications of impairment;
- (3) We conducted a sample review of capitalised expenditures and related supporting documentation, recalculated capitalised interest; and verified the accuracy, completeness, and compliance of capitalised expenditures for fixed assets;
- (4) We selected a sample of payment vouchers, settlement statements, invoices, and other documents related to fixed assets and construction in progress, performed confirmation procedures on accounts payable for fixed assets and construction in progress and verified the accuracy and completeness of the recorded amounts;
- (5) We reviewed the trial operation records and the acceptance documentation for capitalised construction in progress projects to determine whether the assets have reached the intended usable condition as defined by accounting standards, and verified the reasonableness and timeliness of the capitalisation date;
- (6) We recalculated the depreciation of fixed assets to verify the accuracy of the book values;

Section VII Financial Report

I. AUDIT REPORT (CONTINUED)

III. Key Audit Matters (Continued)

(IV) Impairment provision for fixed assets and construction in progress (Continued)

2. Response to the audits (Continued)

- (7) We review the management's impairment testing process for fixed assets and construction in progress, evaluated the reasonableness of the impairment testing models, key assumptions, and parameters, where third-party appraisals are involved, discussed with the appraisal firm the reasonableness of relevant calculation metrics and reviewed the impairment testing process.

IV. Other Information

The Management of Triumph New Energy (the "Management") is responsible for other information. Other information includes the information included in the Company's 2025 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 VII 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 VII Financial Report

I. AUDIT REPORT (CONTINUED)

VI. Auditor’s Responsibilities for the Audit of the Financial Statements (Continued)

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)

Zheng Jianli

Chinese Certified Public Accountant:

Fu Junhui

Beijing • the PRC
30 March 2026



Consolidated Balance Sheet

II. FINANCIAL STATEMENTS

Item	Note	31 December 2025	31 December 2024
Current assets:			
Monetary funds	VII. 1	145,885,053.28	140,369,169.47
Notes receivable	VII. 2	408,441,651.20	651,423,089.16
Accounts receivable	VII. 3	1,242,504,331.20	1,027,209,026.78
Accounts receivable financing	VII. 4	93,041,792.35	168,646,023.76
Prepayments	VII. 5	50,883,040.49	161,479,195.21
Other receivables	VII. 6	199,408,449.13	102,179,903.98
Inventories	VII. 7	744,269,231.33	891,337,553.86
Other current assets	VII. 8	194,197,745.57	159,071,073.95
Total current assets		3,078,631,294.55	3,301,715,036.17
Non-current assets:			
Fixed assets	VII. 9	6,020,670,060.42	4,646,259,534.90
Construction in progress	VII. 10	3,355,196,256.65	3,389,274,950.00
Right-of-use assets	VII. 11	3,715,881.68	6,377,028.57
Intangible assets	VII. 12	955,368,612.53	760,055,029.16
Development expenditures	VIII	36,616,681.47	10,469,477.25
Goodwill	VII. 13	15,606,837.23	17,583,473.33
Deferred income tax assets	VII. 14	133,937,912.91	133,895,615.73
Other non-current assets	VII. 15	14,824,540.53	39,580,248.99
Total non-current assets		10,535,936,783.42	9,003,495,357.93
Total assets		13,614,568,077.97	12,305,210,394.10
Current liabilities:			
Short-term borrowings	VII. 17	2,454,174,045.98	1,640,538,722.72
Notes payable	VII. 18	201,353,533.91	367,446,043.33
Accounts payable	VII. 19	2,604,821,906.53	1,594,034,225.51
Payments received in advance			
Contract liabilities	VII. 20	28,054,908.00	8,384,812.47
Employee compensation payable	VII. 21	40,587,772.03	51,703,216.46
Taxes payable	VII. 22	28,583,880.43	8,797,215.77
Other payables	VII. 23	207,603,876.34	197,674,301.52
Non-current liabilities due within one year	VII. 24	763,736,849.98	933,914,466.06
Other current liabilities	VII. 25	306,978,107.22	299,204,298.33
Total current liabilities		6,635,894,880.42	5,101,697,302.17

Consolidated Balance Sheet

31 December 2025
Prepared by: Triumph New Energy Company Limited
Unit: Yuan Currency: RMB

Item	Note	31 December 2025	31 December 2024
Non-current liabilities:			
Insurance contract reserve			
Long-term borrowings	VII. 26	3,174,291,967.02	2,728,799,119.77
Lease liabilities	VII. 27	3,397,368.72	3,673,630.33
Deferred income	VII. 28	139,820,824.84	62,438,346.08
Deferred income tax liabilities	VII. 14	30,711,137.06	34,454,602.04
Total non-current liabilities		<u>3,348,221,297.64</u>	<u>2,829,365,698.22</u>
Total Liabilities		<u>9,984,116,178.06</u>	<u>7,931,063,000.39</u>
Owners' equity (or shareholders' equity):			
Paid-in capital (or share capital)	VII. 29	645,674,963.00	645,674,963.00
Capital reserve	VII. 30	3,780,818,962.41	3,780,818,962.41
Surplus reserve	VII. 31	51,365,509.04	51,365,509.04
Undistributed profit	VII. 32	-1,374,978,572.83	-460,638,287.56
Total equity attributable to owners of the Company (or shareholders' equity)		<u>3,102,880,861.62</u>	<u>4,017,221,146.89</u>
Minority interests		527,571,038.29	356,926,246.82
Total owners' equity (or shareholders' equity)		<u>3,630,451,899.91</u>	<u>4,374,147,393.71</u>
Total liabilities and owners' equity (or shareholders' equity)		<u>13,614,568,077.97</u>	<u>12,305,210,394.10</u>

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

Item	Note	31 December 2025	31 December 2024
Current assets:			
Monetary funds		71,381,536.77	126,273,358.73
Notes receivable		10,909,155.36	44,179,682.34
Accounts receivable	XVIII. 1	162,079,894.20	193,452,354.39
Accounts receivable financing		12,386,664.04	22,590.00
Prepayments		215,475.54	723,018.98
Other receivables	XVIII. 2	874,283,235.08	921,510,453.52
Inventories		15,037.99	24,232.99
Total current assets		1,131,270,998.98	1,286,185,690.95
Non-current assets:			
Long-term equity investments	XVIII. 3	4,587,415,248.62	4,103,415,248.62
Fixed assets		1,241,774.33	1,330,354.72
Construction in progress			638,667.74
Intangible assets		40,938,994.23	46,456,776.35
Other non-current assets		4,393,445.32	
Total non-current assets		4,633,989,462.50	4,151,841,047.43
Total assets		5,765,260,461.48	5,438,026,738.38
Current liabilities:			
Short-term borrowings		359,890,849.53	286,829,910.99
Notes payable		50,000,000.00	20,000,000.00
Accounts payable		59,035,358.66	128,337,157.12
Contract liabilities		5,754.74	
Employee compensation payable		3,565,824.04	3,702,196.09
Taxes payable		480,044.13	364,716.77
Other payables		230,322,687.08	208,509,309.75
Non-current liabilities due within one year		294,191,362.50	219,064,478.37
Other current liabilities		5,822,049.08	29,531,958.87
Total current liabilities		1,003,313,929.76	896,339,727.96
Non-current liabilities:			
Long-term borrowings		855,067,384.47	641,483,724.47
Total non-current liabilities		855,067,384.47	641,483,724.47
Total Liabilities		1,858,381,314.23	1,537,823,452.43

Balance Sheet of the Company

31 December 2025
Prepared by: Triumph New Energy Company Limited
Unit: Yuan Currency: RMB

Item	Note	31 December 2025	31 December 2024
Owners' equity (or shareholders' equity):			
Paid-in capital (or share capital)		645,674,963.00	645,674,963.00
Capital reserve		3,857,589,394.08	3,857,589,394.08
Surplus reserve		51,365,509.04	51,365,509.04
Undistributed profit		-647,750,718.87	-654,426,580.17
Total owners' equity (or shareholders' equity)		<u>3,906,879,147.25</u>	<u>3,900,203,285.95</u>
Total liabilities and owners' equity (or shareholders' equity)		<u>5,765,260,461.48</u>	<u>5,438,026,738.38</u>

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	2025	2024
I. Total operating revenue		3,243,535,078.58	4,594,447,303.71
Including: Operating revenue	VII. 33	3,243,535,078.58	4,594,447,303.71
II. Total operating costs		4,122,312,414.97	5,288,573,810.83
Including: Operating costs	VII. 33	3,642,150,154.57	4,794,427,861.57
Taxes and surcharges	VII. 34	49,396,883.25	41,584,538.39
Selling expenses	VII. 35	10,037,660.17	16,313,029.27
Administrative expenses	VII. 36	164,889,429.38	150,956,934.26
Research and development expenses	VII. 37	133,944,033.93	174,176,284.10
Finance expenses	VII. 38	121,894,253.67	111,115,163.24
Including: Interest expenses		119,030,051.26	112,277,461.24
Interest income		1,999,742.22	3,003,366.72
Add: Other income	VII. 39	174,684,954.59	57,485,781.88
Investment income			
(losses are represented by "-")	VII. 40	-9,979,740.89	-11,466,755.54
Impairment losses on credit			
(losses are represented by "-")	VII. 41	-159,596,699.28	-6,498,534.43
Impairment losses on assets			
(losses are represented by "-")	VII. 42	-97,869,563.30	-129,477,909.53
Gains on disposal of assets			
(losses are represented by "-")	VII. 43	657,336.25	3,391,919.06
III. Operating profit (losses are represented by "-")		-970,881,049.02	-780,692,005.68
Add: Non-operating income	VII. 44	1,730,580.89	478,303.96
Less: Non-operating expense	VII. 45	265,583.47	551,843.00
IV. Total profit (total losses are represented by "-")		-969,416,051.60	-780,765,544.72
Less: Income tax expenses	VII. 46	13,316,381.25	-117,666,564.14

Consolidated Income Statement

January to December 2025
Prepared by: Triumph New Energy Company Limited
Unit: Yuan Currency: RMB

Item	Note	2025	2024
V. Net profit (net losses are represented by "-")		-982,732,432.85	-663,098,980.58
(I) Classified by continuity of operations			
1. Net profit from continuing operation (net losses are represented by "-")		-982,732,432.85	-663,098,980.58
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 "-")		-914,340,285.27	-609,930,319.66
2. Profit or loss attributable to minority shareholders (net losses are represented by "-")		-68,392,147.58	-53,168,660.92
VI. Other comprehensive income, net of tax			
(I) Other comprehensive income attributable to owners of the Company, net of tax			
(II) Other comprehensive income attributable to minority interests, net of tax			
VII. Total comprehensive income		-982,732,432.85	-663,098,980.58
(I) Total comprehensive income attributable to owners of the Company		-914,340,285.27	-609,930,319.66
(II) Total comprehensive income attributable to minority shareholders		-68,392,147.58	-53,168,660.92
VIII. Earnings per share:			
(I) Basic earnings per share (RMB/share)		-1.42	-0.94
(II) Diluted earnings per share (RMB/share)		-1.42	-0.94

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

Item	Note	2025	2024
I. Operating revenue	XVIII.4	3,884,902.75	13,393,579.67
Less: Operating costs	XVIII.4		2,436,599.41
Taxes and surcharges		586,381.85	565,073.95
Selling expenses		990,181.12	
Administrative expenses		22,673,580.09	26,049,848.03
Finance expenses		9,983,383.79	4,923,145.46
Including: Interest expenses		30,863,426.42	29,683,438.77
Interest income		20,910,331.82	25,119,265.80
Add: Other income		16,226.20	67,217.83
Investment income			
(losses are represented by "-")	XVIII.5	40,086,366.65	23,989,079.97
Impairment losses on credit			
(losses are represented by "-")		-2,440,590.15	-1,230,968.00
Impairment losses on assets			
(losses are represented by "-")		-638,667.74	
Gains on disposal of assets			
(losses are represented by "-")		1,150.44	
II. Operating profit (losses are represented by "-")		6,675,861.30	2,244,242.62
Add: Non-operating income			
Less: Non-operating expense			2,125.52
III. Total profit (total losses are represented by "-")		6,675,861.30	2,242,117.10
Less: Income tax expenses			
IV. Net profit (net losses are represented by "-")		6,675,861.30	2,242,117.10
(I) Net profit from continuing operation (net losses are represented by "-")		6,675,861.30	2,242,117.10
(II) Net profit from discontinued operation (net loss is represented by "-")			
V. Other comprehensive income, net of tax			
(I) Other comprehensive income that can not be reclassified into profit and loss			
(II) Other comprehensive income to be reclassified into profit or loss			
VI. Total comprehensive income		6,675,861.30	2,242,117.10
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 2025
Prepared by: Triumph New Energy Company Limited
Unit: Yuan Currency: RMB

Item	Note	2025	2024
I. Cash flows from operating activities:			
Cash received from sale of goods or rendering of services		1,998,138,689.45	3,944,681,003.47
Tax refunds received		21,516,446.40	134,639,765.88
Cash received from other operating related activities	VII. 47	131,808,310.92	164,601,197.91
Sub-total of cash inflows from operating activities		2,151,463,446.77	4,243,921,967.26
Cash paid for purchase of goods and services rendered		2,385,448,008.95	4,097,497,829.19
Cash paid to and on behalf of employees		365,855,097.05	368,712,853.91
Tax payments		69,171,654.91	101,126,252.36
Cash paid for other operating-related activities	VII. 47	67,018,013.45	70,479,552.90
Sub-total of cash outflows from operating activities		2,887,492,774.36	4,637,816,488.36
Net cash flows from operating activities		-736,029,327.59	-393,894,521.10
II. Cash flow from investment activities:			
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		300,498.80	65,712,704.98
Cash received from other activities related to investment		2,249,207.62	
Sub-total of cash inflows from investment activities		2,549,706.42	65,712,704.98
Cash paid for the acquisition and construction of fixed assets, intangible assets and other long-term assets		430,862,012.73	635,058,419.32
Sub-total of cash outflows from investment activities		430,862,012.73	635,058,419.32
Net cash flows from investment activities		-428,312,306.31	-569,345,714.34

Consolidated Cash Flow Statement

Item	Note	2025	2024
III. Cash flows from financing activities:			
Cash received from investments		240,780,000.00	
Including: Proceeds received by subsidiaries from minority shareholders' investment		240,780,000.00	
Proceeds from loans		3,958,502,769.42	2,584,544,261.31
Cash received from other financing related activities	VII. 47	53,106,387.77	70,563,788.60
Sub-total of cash inflows from financing activities		4,252,389,157.19	2,655,108,049.91
Cash paid for repayments of loans		2,916,716,230.17	1,529,812,498.41
Cash paid for dividends, profit, or interest payments		135,093,975.41	131,439,330.95
Including: Dividends and profits paid to minority shareholders by subsidiaries		4,000,000.00	16,000,000.00
Cash paid for other financing-related activities	VII. 47	45,519,351.49	130,885,148.92
Sub-total of cash outflows from financing activities		3,097,329,557.07	1,792,136,978.28
Net cash flows from financing activities		1,155,059,600.12	862,971,071.63
IV. Effects of changes in exchange rate on cash and cash equivalents			
		120,653.07	1,677,186.76
V. Net increase in cash and cash equivalents			
Add: Opening balance of cash and cash equivalents		130,564,767.60	229,156,744.65
VI. Closing balance of cash and cash equivalents			
		121,403,386.89	130,564,767.60

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

January to December 2025
Prepared by: Triumph New Energy Company Limited
Unit: Yuan Currency: RMB

Item	Note	2025	2024
I. Cash flows from operating activities:			
Cash received from sale of goods or rendering of services		210,464,779.82	432,708,655.64
Cash received from other operating related activities		1,603,094.34	131,473,255.83
Sub-total of cash inflows from operating activities		212,067,874.16	564,181,911.47
Cash paid for purchase of goods and services rendered		137,768,762.03	391,874,639.26
Cash paid to and on behalf of employees		14,389,806.39	17,892,157.10
Tax payments		1,687,333.48	1,543,169.26
Cash paid for other operating-related activities		34,654,882.32	42,242,429.02
Sub-total of cash outflows from operating activities		188,500,784.22	453,552,394.64
Net cash flows from operating activities		23,567,089.94	110,629,516.83
II. Cash flow from investment activities:			
Cash received from return of investments		41,000,000.00	24,000,000.00
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		1,300.00	
Sub-total of cash inflows from investment activities		41,001,300.00	24,000,000.00
Cash paid for the acquisition and construction of fixed assets, intangible assets and other long-term assets		225,210.85	35,113.29
Cash paid for investment		484,000,000.00	200,000,000.00
Sub-total of cash outflows from investment activities		484,225,210.85	200,035,113.29
Net cash flows from investment activities		-443,223,910.85	-176,035,113.29

Cash Flow Statement of the Company

Item	Note	2025	2024
III. Cash flows from financing activities:			
Cash received from investments			371,980,000.00
Proceeds from loans		1,013,638,903.38	371,980,000.00
Cash received from other financing related activities		3,181,255,571.47	2,082,367,480.77
Sub-total of cash inflows from financing activities		4,194,894,474.85	2,454,347,480.77
Cash paid for repayments of loans		637,423,089.34	261,353,089.34
Cash paid for dividends, profit, or interest payments		29,365,109.83	27,848,590.24
Cash paid for other financing-related activities		3,163,341,276.73	2,026,645,686.32
Sub-total of cash outflows from financing activities		3,830,129,475.90	2,315,847,365.90
Net cash flows from financing activities		364,764,998.95	138,500,114.87
IV. Effects of changes in exchange rate on cash and cash equivalents			
V. Net increase in cash and cash equivalents		-54,891,821.96	73,094,518.41
Add: Opening balance of cash and cash equivalents		126,272,358.73	53,177,840.32
VI. Closing balance of cash and cash equivalents		71,380,536.77	126,272,358.73

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

January to December 2025
Prepared by: Triumph New Energy Company Limited
Unit: Yuan Currency: RMB

Item	Equity attributable to shareholders of the Company											Total shareholders' equity			
	Other equity instruments				Less:								Minority Interests		
	Paid-in capital (or share capital)	Preferential shares	Perpetual bonds	Others	Capital reserve	Treasury stock	Other comprehensive income	Special reserve	Surplus reserve	General risk provision	Undistributed profit			Others	Subtotal
I. Balance at the end of last year	645,674,963.00				3,780,819,962.41				51,365,509.04		-460,632,287.56		4,017,221,146.89	356,226,246.82	4,374,147,393.71
II. Balance at the beginning of the year	645,674,963.00				3,780,819,962.41				51,365,509.04		-460,632,287.56		4,017,221,146.89	356,226,246.82	4,374,147,393.71
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															
3. Share-based payments credited to owners' equity															
4. Others															
(III) Profit distribution															
1. Appropriation to surplus reserve															
2. Appropriation to general risk reserves															
3. Distribution to owners (or shareholders)															
4. Others															
(IV) Internal carry-forward of owners' equity															
(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				3,780,819,962.41				51,365,509.04		-1,374,978,572.83		3,102,880,861.62	527,571,038.29	3,630,451,899.91

Consolidated Statement of Changes in Owners' Equity

Item	Equity attributable to shareholders of the Company										Total shareholders' equity				
	Other equity instruments				Less:		Total								
	Paid-in capital (or share capital)	Preferential shares	Perpetual bonds	Others	Capital reserve	Treasury stock	Other comprehensive income	Special reserve	Surplus reserve	General risk provision	Undistributed profit	Others	Subtotal	Minority Interests	
I. Balance at the end of last year	645,674,963.00				3,780,819,962.41			51,965,509.04	4,627,151,466.55		149,292,032.10		4,627,151,466.55	426,094,907.74	5,053,246,374.29
II. Balance at the beginning of the year	645,674,963.00				3,780,819,962.41			51,965,509.04	4,627,151,466.55		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															
3. Share-based payments credited to owners' equity															
4. Others															
(III) Profit distribution															
1. Appropriation to surplus reserve															
2. Appropriation to general risk reserves															
3. Distribution to owners (or shareholders)															
4. Others															
(IV) Internal carry-forward of owners' equity															
(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				3,780,819,962.41			51,965,509.04	4,017,221,146.89		-460,639,297.56		4,017,221,146.89	356,926,246.82	4,374,147,393.71

Person in charge of accounting:
Li Xuejiao

Person in charge of accounting:
Chen Hongzhao

Person in charge of the Company:
Xie Jun

Statement of Changes in Owners' Equity of the Company

January to December 2025
Prepared by: Triumph New Energy Company Limited
Unit: Yuan Currency: RMB

2025

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	-654,426,580.17	3,900,203,285.95	
II. Balance at the beginning of the year	645,674,963.00				3,857,589,394.08			51,365,509.04	-654,426,580.17	3,900,203,285.95	
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											
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											
(IV) Internal carry-forward of owners' equity											
(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	-647,750,718.87	3,906,879,147.25	

Statement of Changes in Owners' Equity of the Company

Item	2024						Total shareholders' equity			
	Paid-in capital (or share capital)	Preferential shares	Perpetual bonds	Other equity instruments	Less: Treasury stock	Other comprehensive income		Special reserve	Surplus reserve	Undistributed profit
I. Balance at the end of last year	645,674,963.00							51,365,509.04	-656,668,697.27	3,897,961,168.85
II. Balance at the beginning of the year	645,674,963.00							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										
(II) Owners' contribution and decrease in capital										
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										
(IV) Internal carry-forward of owners' equity										
(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							51,365,509.04	-654,426,580.17	3,900,203,285.95

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

1. Company Overview

The Company was established as a joint stock limited company in Luoyang City, Henan Province, the People's Republic of China 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 RMB-denominated ordinary A shares and was listed on the Shanghai Stock Exchange. The unified social credit code is 914103006148088992, the registered capital is RMB645,674,963.00, and the legal representative is Xie Jun. On 16 February 2023, the Company changed its name from the original Luoyang Glass Company Limited to Triumph New Energy Company Limited. The head office's registered address is No. 9, Tang Gong Zhong Lu, Xigong District, Luoyang, Henan Province.

On 21 June 2021, pursuant to the approval under the document "Zheng Jian Xu Ke [2021] No. 2104" from the China Securities Regulatory Commission, the Reply on Approving the Non-Public Offering of Shares by Luoyang Glass Company Limited, the Company issued a total of 97,134,531 RMB ordinary shares (with a par value of RMB1 each) to specific investors, namely: Shenzhen Capital Group Manufacturing Transformation and Upgrading New Material Fund (Limited Partnership) (深創投製造業轉型升級新材料基金(有限合夥)), Triumph Science & Technology Group Co., Ltd., Ke Gai Ce Yuan (Chongqing) Private Equity Investment Fund Partnership (Limited Partnership) (科改策源(重慶)私募股權投資基金合夥企業(有限合夥)), Jinan Jiangshan Investment Partnership (Limited Partnership) (濟南江山投資合夥企業(有限合夥)), China Galaxy Securities Co., Ltd., Luoyang High-Quality Development Fund for Manufacturing Industry (Limited Partnership) (洛陽製造業高質量發展基金(有限合夥)), UBS AG, Ping An Life Insurance Company of China, Ltd. – Participating – Individual Participating (中國平安人壽保險股份有限公司—投連—個險投連), Ping An Asset – Industrial and Commercial Bank of China – Xin Xiang No.3 Asset Management Product (平安資產—工商銀行—鑫享3號資產管理產品), Guotai Junan Securities Co., Ltd., Ningbo Hongyang Investment Management Partnership (Limited Partnership) – Hongyang Special Fund Phase I Private Securities Investment Fund (波宏陽投資管理合夥企業(有限合夥)-宏陽專項基金一期私募證券投資基金), Shanghai Boshen Investment Center (Limited Partnership) – Boshen 27th Securities Investment Private Fund (上海鉑紳投資中心(有限合夥)-鉑紳二十七號證券投資私募基金), and Nuode Asset Management Co., Ltd., increasing the registered capital by RMB97,134,531.00. Upon completion of this non-public offering, the total number of ordinary shares issued by 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.

III. COMPANY PROFILE (CONTINUED)

2. Scope of Consolidated Financial Statements

Name of subsidiaries	Type of business	Abbreviation
CNBM (Hefei) New Energy Co., Ltd.	Limited liability company (sole proprietorship invested or controlled by non-natural person)	Hefei New Energy
CNBM (Tongcheng) New Energy Materials Co., Ltd.	Limited liability company (sole proprietorship invested or controlled by non-natural person)	Tongcheng New Energy
CNBM (Yixing) New Energy Resources Co., Ltd.	Limited liability company	Yixing New Energy
Triumph (Zigong) New Energy Resources Co., Ltd.	Limited liability company	Zigong New Energy
Kaisheng (Zhangzhou) New Energy Co., Ltd.	Limited liability company (sole proprietorship invested or controlled by non-natural person)	Zhangzhou New Energy
CNBM (Luoyang) New Energy Co., Ltd.	Limited liability company (sole proprietorship invested or controlled by non-natural person)	Luoyang New Energy
Qinhuangdao North Glass Co., Ltd.	Limited liability company (sole proprietorship invested or controlled by non-natural person)	North Glass
Jiangsu Triumph New Material Co., Ltd.	Limited liability company	Jiangsu Triumph

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

The Company recorded losses for the two financial years 2024 and 2025. As at 31 December 2025, the consolidated undistributed profit balance was a deficit of RMB1,374,978,572.83, the gearing ratio (total liabilities/total assets) was 73.33%, and current assets were lower than current liabilities by RMB3,557,263,585.87.

The Board of the Company has adopted the following principal remedial measures in response to the consecutive losses:

(1) Focusing on the "Three Major Campaigns" of improving cash flow, reducing costs, and addressing losses as the main priorities, continue to resolutely advance the strategy of closing small-scale and building large-scale production lines, increase the proportion of large-tonnage production capacity, enhance production efficiency, and reduce Entity manufacturing costs; (2) Strengthen internal control system development as a safeguard, centralised fund management as the core, and enhance business capabilities as a lever, reinforce the unified centralised control of "procurement, sales, production, and finance" to improve operational efficiency and management level; (3) Comprehensively promote international business, systematically carry out maintenance and volume increase of existing overseas customers and market access for overseas markets, and increase the proportion of internationalised products; (4) Strengthen talent team development, further improve job responsibilities, standardise compensation system management, and employee performance appraisal incentives to provide talent support for the Company's sustainable development.

IV. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (CONTINUED)

2. Going concern (Continued)

As at 31 December 2025, the Company's production and operations were normal, and financing channels were unobstructed. The Company's management has assessed that available financing facilities for the next 12 months are expected to exceed RMB3.6 billion. Through implementing measures including enhanced cash flow optimisation and liquidity management, cost reduction and core business improvement, the Company can meet its funding requirements for debt repayment and capital commitments. The Company's management believes that there is no issue regarding the Company's ability to continue as a going concern. Therefore, these financial statements have been prepared on a going concern basis.

V. IMPORTANT ACCOUNTING POLICIES AND ESTIMATES

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.24 and Note V.30 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 2025 and relevant information such as the operating results and cash flows of the consolidated entity and the Company for 2025.

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 and its domestic subsidiaries use Renminbi (RMB) as their functional currency. The currency used in preparing these financial statements by the Company is RMB.

V. IMPORTANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

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

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.

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*

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

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.

V. IMPORTANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

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.

(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 sun 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.

For receivables such as notes receivable, accounts receivable, receivables financing, other receivables, and contract assets, if the credit risk characteristics of a particular customer are significantly different from other customers in the portfolio, or if the customer's credit risk characteristics have significantly changed, the Company provides for bad debt allowances on an individual basis for that receivable. For receivables other than those provided for on an individual basis, the Company classifies receivables into portfolios based on credit risk characteristics and calculates bad debt allowances on a portfolio basis.

V. IMPORTANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

11. Financial instruments (Continued)

(6) Impairment of financial assets (Continued)

Notes receivable, accounts receivable and contract asset

For notes receivable, accounts receivable and contract asset, 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 or contract asset at a reasonable cost, it classifies notes receivable, accounts receivable and contract asset 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

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:

V. IMPORTANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

11. Financial instruments (Continued)

(6) Impairment of financial assets (Continued)

Credit-impaired financial assets (Continued)

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;

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.

V. IMPORTANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

11. Financial instruments (Continued)

(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.

(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.

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 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.

The Company usually provides for inventory write-downs on an individual inventory item basis. For inventory items that are numerous and have low Entity prices, the inventory write-down is provided on a category basis.

At the balance sheet date, if the factors that previously caused the inventory value to be written down no longer exist, the inventory write-down allowance is reversed within the amount originally provided.

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 30. 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.

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.

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)

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 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.

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 25. Long-term asset impairment under V. Important Accounting Policies and Estimates.

20. Investment property

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 25. 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

(1). 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.

(2). 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	32.33-5.28

V. IMPORTANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

21. Fixed assets (Continued)

(2). 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 25. 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 25. 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	10	Straight-line basis	—
Patent right	10	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 25. 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's research and development (R&D) expenses are expenditures directly related to the Company's R&D activities, including staff costs for R&D personnel, direct input costs, depreciation and amortisation expenses, design costs, equipment debugging fees, intangible asset amortisation, external R&D service fees, and other expenses. The salaries of R&D personnel are allocated to R&D expenses based on project hours. Equipment, production lines, and facilities shared between R&D activities and other production or operational activities are allocated to R&D expenses based on the proportion of hours used or area occupied.

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 30. Revenue under V. Important Accounting Policies and Estimates.

28. 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)

(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)

(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

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)

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). 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)

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.

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

Classification criteria and accounting treatment for leases where the Company acts as a lessor

(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.

For short-term leases, the Company selects the simplified treatment method mentioned above for lease items meeting the short-term lease criteria, based on the category of leased assets.

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 finance 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 leases

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. 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 25. 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 receivable*

As described in Note V.11. Financial instruments, the Company calculates the expected credit loss of accounts receivable based on the default exposure and the expected credit loss ratio of accounts receivable and determines the expected credit loss ratio based on the probability 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 flows 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 balance sheet date, or cash generated from continuously using the fixed assets. Such estimates may be subject to adjustment when conducting each 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.33. 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 consolidated income statement for the period in which the reversal occurred.

36. Changes in significant accounting policies and accounting estimates

Refer to the "Analysis and Explanation of Reasons for and Effects of Changes in Accounting Policies, Accounting Estimates, and Corrections of Significant Accounting Errors by the Company" under "Significant Events".

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%
City maintenance and construction tax	Actual turnover tax payable	5%, 7%
Educational surcharges	Actual turnover tax payable	2%, 3%
Enterprise income tax	Income tax payable	25%



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
China National Building Materials (Luoyang) New Energy Co., Ltd.	
Qinhuangdao North Glass Co., Ltd.	15

2. Preferential tax treatment

Hefei New Energy, a wholly-owned subsidiary of the Company, passed its high-tech enterprise qualification review in October 2022 and obtained the High-tech Enterprise Certificate valid for three years, with certificate number GR202234003835. In June 2025, Hefei New Energy submitted a new round of high-tech enterprise qualification review. On 8 December 2025, Hefei New Energy's high-tech enterprise qualification was publicly announced for registration by the Office of the National High-tech Enterprise Recognition Leading Group. The high-tech enterprise certificate is in the process of being issued. For 2025, corporate income tax is payable at the reduced rate of 15%.

Tongcheng New Energy, a wholly-owned subsidiary of the Company, passed its high-tech enterprise qualification review in November 2023 and obtained the High-tech Enterprise Certificate valid for three years, with certificate number GR202334004515. For 2025, corporate income tax is payable at the reduced rate of 15%.

Yixing New Energy, a controlled subsidiary of the Company, passed its high-tech enterprise qualification review in December 2025 and obtained the High-tech Enterprise Certificate valid for three years, with certificate number GR202532017768. For 2025, corporate income tax is payable at the reduced rate of 15%.

Zigong New Energy, a controlled subsidiary of the Company, was accredited as a high-tech enterprise in December 2023 and obtained the High-tech Enterprise Certificate valid for three years, with certificate number GR202351004197. For 2025, corporate income tax is payable at the reduced rate of 15%.

Luoyang New Energy, a wholly-owned subsidiary of the Company, was accredited as a high-tech enterprise in November 2025 and obtained the High-tech Enterprise Certificate valid for three years, with certificate number GR202541001818. For 2025, corporate income tax is payable at the reduced rate of 15%.

North Glass, a wholly-owned subsidiary of the Company, was accredited as a high-tech enterprise in November 2023 and obtained the High-tech Enterprise Certificate valid for three years, with certificate number GR202313003157. For 2025, corporate income tax is payable at the reduced rate of 15%.

According to the Announcement on the Policy of Value-added Tax Credit for Enterprises in Advanced Manufacturing Industries (Ministry of Finance and State Administration of Taxation Announcement No. 43 of 2023): from 1 January 2023 to 31 December 2027, enterprises in advanced manufacturing industries are allowed to deduct VAT payable at 5% based on the creditable input VAT amount for the period. The Company's subsidiaries, Hefei New Energy, Tongcheng New Energy, Yixing New Energy, Zigong New Energy, and North Glass, benefited from the above preferential policy in 2025.

Notes to the Financial Statements

31 December 2025
Prepared by: Triumph New Energy Company Limited
Unit: Yuan Currency: RMB

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

1. Monetary funds

Unit: Yuan Currency: RMB

<u>Item</u>	<u>Closing balance</u>	<u>Opening balance</u>
Cash on hand		
Deposits at banks	7,478,105.70	4,907,479.64
Other monetary funds	24,481,666.39	9,804,401.87
Amount deposited to finance company	113,925,281.19	125,657,287.96
Total	145,885,053.28	140,369,169.47

Other explanation:

At the end of the reporting period, the Company had restricted funds of RMB24,481,666.39. Of which, the deposit of bank acceptance bill is RMB21,300,000.00, the maintenance funds of building is RMB3,180,166.39, the ETC deposits is RMB1,500.00.

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	332,794,958.31	486,103,130.49
Commercial acceptances	76,759,708.66	165,850,680.86
Less: Provision for bad debts	1,113,015.77	530,722.19
Total	408,441,651.20	651,423,089.16

(2). 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	Amount pledged as at the end of the period
Bank acceptances		306,909,709.48
Commercial acceptances		68,090,223.05
Total		374,999,932.53

Notes to the Financial Statements

31 December 2025
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)

(3). 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 ratio (%)	Book value	Amount	Ratio (%)	Amount	Provision ratio (%)	Book value
Provision for bad debts on an individual basis										
Provision for bad debts on group basis	409,554,666.97	100.00	1,113,015.77	0.27	408,441,651.20	651,953,811.35	100.00	530,722.19	0.08	651,423,089.16
Including:										
Bank acceptances	332,794,958.31	81.26			332,794,958.31	486,103,130.49	74.56			486,103,130.49
Commercial acceptances	76,759,708.66	18.74	1,113,015.77	1.45	75,646,692.89	165,850,680.86	25.44	530,722.19	0.32	165,319,958.67
Total	409,554,666.97	100.00	1,113,015.77	0.27	408,441,651.20	651,953,811.35	100.00	530,722.19	0.08	651,423,089.16

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2. Notes receivable (Continued)

(3). 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		
	Carrying balance	Provision for bad debts	Provision ratio (%)	Carrying balance	Provision for bad debts	Provision ratio (%)
Bank acceptances	332,794,958.31	0	0	486,103,130.49	0	0
Total	332,794,958.31	0	0	486,103,130.49	0	0

Provision on group basis: Commercial acceptances

Name	Closing balance			Opening balance		
	Carrying balance	Provision for bad debts	Provision ratio (%)	Carrying balance	Provision for bad debts	Provision ratio (%)
Commercial acceptances	76,759,708.66	1,113,015.77	1.45	165,850,680.86	530,722.19	0.32
Total	76,759,708.66	1,113,015.77	1.45	165,850,680.86	530,722.19	0.32

Notes to the Financial Statements

31 December 2025
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)

(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	530,722.19	582,293.58				1,113,015.77
Total	530,722.19	582,293.58				1,113,015.77

3. Accounts receivable

(1). Disclosure by ageing

Ageing analysis of accounts receivable 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	1,111,721,380.91	76.22	1,014,046,411.03	90.37
Sub-total within 1 year	1,111,721,380.91	76.22	1,014,046,411.03	90.37
1 to 2 years	257,251,751.34	17.63	24,436,460.85	2.18
2 to 3 years	14,071,787.43	0.96	8,630,747.39	0.77
3 to 4 years	7,598,042.14	0.52	9,542.82	0
4 to 5 years	9,542.82	0	3,444,857.69	0.31
Over 5 years	68,174,225.89	4.67	71,454,599.91	6.37
Total	1,458,826,730.53	100.00	1,122,022,619.69	100.00

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 balance		Provision for bad debts		
	Amount	Ratio (%)	Amount	Provision ratio (%)	Book value	Amount	Ratio (%)	Amount	Provision ratio (%)	Book value
Provision for bad debts on an individual basis	280,867,982.25	19.25	145,656,390.57	51.86	135,211,591.68	48,156,944.74	4.29	37,844,965.86	78.59	10,311,978.88
Provision for bad debts on group basis	1,177,958,748.28	80.75	70,666,008.76	6.00	1,107,292,739.52	1,073,865,674.95	95.71	56,968,627.05	5.31	1,016,897,047.90
Including:										
Related party customers	59,274,148.95	4.07	1,185,482.98	2.00	58,088,665.97	56,424,369.02	5.03	1,128,487.38	2.00	55,295,881.64
General customers	1,118,684,599.33	76.68	69,480,525.78	6.21	1,049,204,073.55	1,017,441,305.93	90.68	55,840,139.67	5.49	961,601,166.26
Total	1,458,826,730.53	/	216,322,399.33	/	1,242,504,331.20	1,122,022,619.69	/	94,813,592.91	/	1,027,209,026.78

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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 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	126,392,178.87	37,917,653.66	30.00	Expected to be unrecoverable in full
Entity 2	58,664,148.29	39,809,491.03	67.86	Expected to be unrecoverable in full
Entity 3	19,340,240.88	11,604,144.53	60.00	Expected to be unrecoverable in full
Entity 4	16,792,888.82	6,717,155.53	40.00	Expected to be unrecoverable in full
Entity 5	14,524,097.75	14,524,097.75	100.00	Expected to be unrecoverable
Entity 6	12,769,136.95	12,769,136.95	100.00	Expected to be unrecoverable
Entity 7	9,422,567.77	5,653,540.66	60.00	Expected to be unrecoverable in full
Entity 8	8,135,766.41	5,520,931.09	67.86	Expected to be unrecoverable in full
Entity 9	6,928,736.83	3,464,368.42	50.00	Expected to be unrecoverable in full
Entity 10	3,721,086.44	3,721,086.44	100.00	Expected to be unrecoverable
Entity 11	555,871.83	333,523.10	60.00	Expected to be unrecoverable in full
Others	3,621,261.41	3,621,261.41	100.00	Expected to be unrecoverable
Total	280,867,982.25	145,656,390.57	51.86	/

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 for bad debts on an individual basis: (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	12,769,136.95	7,661,482.17	60.00	Litigation involved
Entity 3	6,928,736.83	2,078,621.05	30.00	Litigation involved
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	Litigation involved
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	/

Provision for bad debts on group basis:

Provision on group basis: related party customers

Unit: Yuan Currency: RMB

Name	Closing balance			Opening balance		
	Carrying balance	Provision for bad debts	Provision ratio (%)	Accounts receivable	Provision for bad debts	Provision ratio (%)
Related party customers	59,274,148.95	1,185,482.98	2.00	56,424,369.02	1,128,487.38	2.00
Total	59,274,148.95	1,185,482.98	2.00	56,424,369.02	1,128,487.38	2.00

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		
	Carrying balance	Provision for bad debts	Provision ratio (%)	Accounts receivable	Provision for bad debts	Provision ratio (%)
Within 1 year	1,046,020,220.19	16,444,560.91	1.57	955,966,151.92	4,493,038.96	0.47
1 to 2 years	25,657,108.19	6,050,145.13	23.58	14,334,813.77	4,227,339.18	29.49
2 to 3 years	32,242.31	16,988.47	52.69	56,062.14	35,783.83	63.83
3 to 4 years	23,356.89	17,727.88	75.90	2,420.63	2,120.23	87.59
4 to 5 years	2,420.63	1,852.27	76.52			
Over 5 years	46,949,251.12	46,949,251.12	100.00	47,081,857.47	47,081,857.47	100.00
Total	1,118,684,599.33	69,480,525.78	6.21	1,017,441,305.93	55,840,139.67	5.49

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 change
			Other increases	Recovery or reversal	Write-off or cancellation	
Bad debt provision for accounts receivable	94,813,592.91	125,418,917.11		281,661.17	3,628,449.52	216,322,399.33
Total	94,813,592.91	125,418,917.11		281,661.17	3,628,449.52	216,322,399.33

(4). Accounts receivable actually written off during the period

Unit: Yuan Currency: RMB

Item	Amount written off
Accounts receivable actually written off	3,628,449.52

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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	Loans from sale of products	2,003,735.65	Bankruptcy liquidation	Board consideration	No
Entity 2	Loans from sale of products	611,590.05	Bankruptcy liquidation	Board consideration	No
Entity 3	Loans from sale of products	554,212.33	Bankruptcy liquidation	Board consideration	No
Total	/	3,169,538.03	/	/	/

(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 RMB444,236,938.20, accounting for 30.45% of the total closing balance of accounts receivable and the corresponding aggregate amount of the closing balance of the bad debt provision was RMB81,898,316.22.

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	16,234,640.10	101,944,495.77
Electronic debenture receivable	76,807,152.25	66,701,527.99
Less: Other comprehensive income – changes in fair value		
Total	93,041,792.35	168,646,023.76

(2). Pledged receivables financing at the end of the period

Unit: Yuan Currency: RMB

Item	Amount pledged at end of period
Electronic debenture receivables	45,484,093.01
Total	45,484,093.01

(3). 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	481,432,322.62	
Electronic debenture receivable	708,373,355.01	
Total	1,189,805,677.63	

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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		Opening balance	
	Amount	Ratio (%)	Amount	Ratio (%)
Within 1 year	46,423,832.46	91.24	158,018,020.37	97.86
1 to 2 years	1,614,850.80	3.17	2,181,697.72	1.35
2 to 3 years	1,849,559.39	3.63	26,384.57	0.02
Over 3 years	994,797.84	1.96	1,253,092.55	0.77
Total	50,883,040.49	100.00	161,479,195.21	100.00

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 RMB30,931,993.01, accounting for 60.79% 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	199,408,449.13	102,179,903.98
Total	199,408,449.13	102,179,903.98

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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	117,284,450.92	43.43	79,954,547.84	57.66
Sub-total within 1 year	117,284,450.92	43.43	79,954,547.84	57.66
1 to 2 years	101,951,031.27	37.75	17,668,987.03	12.74
2 to 3 years	14,920,402.54	5.52	3,977,538.08	2.87
3 to 4 years	1,485,452.99	0.55	3,479,041.44	2.51
4 to 5 years	832,818.75	0.31	2,524,309.83	1.82
Over 5 years	33,579,979.16	12.43	31,062,355.33	22.40
Total	270,054,135.63	100.00	138,666,779.55	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
Security deposit and deposit	36,743,591.76	12,669,863.77
Current accounts	123,446,883.16	93,667,726.10
Photovoltaic subsidies	7,982,201.48	14,640,026.94
Others	101,881,459.23	17,689,162.74
Total	270,054,135.63	138,666,779.55

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 2025	1,463,793.81	4,668,041.43	30,355,040.33	36,486,875.57
Balance at 1 January 2025 in the current period				
– Transfer to Stage 2	-65,472.00	65,472.00		
– Transfer to Stage 3		-7,000.00	7,000.00	
– Transfer back to Stage 2				
– Transfer back to Stage 1				
Provision for the period	24,602,858.13	7,000,493.97	2,555,458.83	34,158,810.93
Reversal for the period				
Write-off for the period				
Cancellation for the period				
Other changes				
Balance as at 31 December 2025	<u>26,001,179.94</u>	<u>11,727,007.40</u>	<u>32,917,499.16</u>	<u>70,645,686.50</u>

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				
Provision for bad debts on group basis	94,450,341.01	0.16	147,936.35	94,302,404.66
Group 1: Photovoltaic subsidies	1,179,046.09	3.00	35,371.38	1,143,674.71
Group 2: Security deposit and deposit	198,391.76	2.00	3,967.84	194,423.92
Group 3: Current accounts with related parties outside the scope of consolidation	2,862,252.00	2.00	57,245.04	2,805,006.96
Group 4: Current accounts with general customers	2,567,604.72	2.00	51,352.09	2,516,252.63
Group 5: Social security and reserve	2,526,749.95			2,526,749.95
Group 6: Others	85,116,296.49			85,116,296.49
Total	94,450,341.01	0.16	147,936.35	94,302,404.66

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 (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	44,190,202.46	30.26	13,370,459.27	30,819,743.19
Provision for bad debts on group basis	68,446,849.70	6.21	4,248,762.32	64,198,087.38
Group 1: Photovoltaic subsidies	6,803,155.39	3.00	204,094.67	6,599,060.72
Group 2: Security deposit and deposit	35,869,200.00	2.00	717,384.00	35,151,816.00
Group 3: Current accounts with related parties outside the scope of consolidation	3,240,382.52	2.00	64,807.65	3,175,574.87
Group 4: Current accounts with general customers	5,258,555.77	62.04	3,262,476.00	1,996,079.77
Group 5: Social security and reserve	510,393.28			510,393.28
Group 6: Others	16,765,162.74			16,765,162.74
Total	112,637,052.16	15.64	17,619,221.59	95,017,830.57

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 (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	29,460,513.30	68.01	20,034,779.40	9,425,733.90
Provision for bad debts on group basis	33,506,229.16	98.02	32,843,749.16	662,480.00
Group 1: Photovoltaic subsidies				
Group 2: Security deposit and deposit	676,000.00	2.00	13,520.00	662,480.00
Group 3: Current accounts with related parties outside the scope of consolidation				
Group 4: Current accounts with general customers	32,830,229.16	100.00	32,830,229.16	
Group 5: Social security and reserve				
Group 6: Others				
Total	62,966,742.46	83.98	52,878,528.56	10,088,213.90

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 (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	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

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 (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	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	<u>27,649,876.38</u>	<u>16.88</u>	<u>4,668,041.43</u>	<u>22,981,834.95</u>

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 (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	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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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	36,486,875.57	34,158,810.93				70,645,686.50
Total	36,486,875.57	34,158,810.93				70,645,686.50



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

Company/Party	Balance (RMB)	% of total	Nature	Aging	Provision
Anhui Shengshi New Energy Material Technology Co., Ltd. (安徽盛世新能源材料科技有限公司)	43,844,008.98	16.24	Current accounts	Within 1 year	13,153,202.69
Management Committee of Yunhe Suqian Port Industrial Park (運河宿遷港產業園管理委員會)	39,000,000.00	14.44	Government grants	Within 1 year	
Management Committee of Yantan High-tech Industrial Park, Zigong City (自貢市沿灘高新技術產業園區管理委員會)	35,666,800.00	13.21	Government grants	Within 1 year	
Hefei He Ran China Resources Gas Co., Ltd. (合肥合燃華潤燃氣有限公司)	35,500,000.00	13.15	Deposit	1 to 2 years	710,000.00
Shuyang Xinda New Material Co., Ltd. (沭陽鑫達新材料有限公司)	29,327,112.30	10.86	Current accounts	Within 1 year; 1 to 2 years	19,901,378.40
Total	183,337,921.28	67.90	/	/	33,764,581.09

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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/ performance cost	Book value	Book balance	Provision for impairment of inventories/ performance cost	Book value
Raw materials	369,079,789.85	23,597,038.70	345,482,751.15	402,435,632.73	25,514,489.08	376,921,143.65
Products in process						
Commodity inventories	498,635,603.96	100,018,751.70	398,616,852.26	643,679,970.52	131,539,576.53	512,140,393.99
Circulation materials	169,627.92		169,627.92	235,080.74		235,080.74
Consumable biological assets						
Contract performance costs						
Products delivered				2,368,716.59	327,781.11	2,040,935.48
Total	867,885,021.73	123,615,790.40	744,269,231.33	1,048,719,400.58	157,381,846.72	891,337,553.86

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. Inventories (Continued)

(2). *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	Increase in acquisition for the period	Others	Reversal or write off	
Raw materials	25,514,489.08	3,898,722.97	3,058,658.06		8,874,831.41	23,597,038.70
Commodity inventories	131,539,576.53	32,122,176.04	371,349.90		64,014,350.77	100,018,751.70
Products delivered	327,781.11				327,781.11	
Total	157,381,846.72	36,020,899.01	3,430,007.96		73,216,963.29	123,615,790.40

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VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

8. Other current assets

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Input VAT to be deducted	193,693,505.79	157,347,829.87
Deferred expenses	439,959.42	294,573.43
Prepaid corporate income tax		1,365,193.75
Prepaid other taxes and fees	64,280.36	63,476.90
Total	194,197,745.57	159,071,073.95

9. Fix asset

Presentation by item

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Fix asset	6,020,670,060.42	4,633,638,530.79
Disposal of fix asset		12,621,004.11
Total	6,020,670,060.42	4,646,259,534.90

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

9. Fix asset (Continued)

Fix asset

(1). Fix asset

Unit: Yuan Currency: RMB

Item	Buildings and structures	Machinery and equipment	Transportation tools	Office, electronic equipment and others	Total
I. Original carrying amount					
1. Opening balance	2,168,264,137.36	3,311,453,540.00	1,679,474.81	39,512,533.71	5,520,909,685.88
2. Increase for the period	524,877,835.42	1,708,899,556.35	286,633.74	20,587,874.34	2,254,651,899.85
(1) Purchases	5,043,043.99	11,197,712.30	4,356.44	7,266,991.36	23,512,104.09
(2) Transfer from construction in progress	519,868,242.84	1,695,857,756.75	3,805.31	12,274,695.90	2,228,004,500.80
(3) Acquisition through business combination		1,810,635.89	278,471.99	1,046,187.08	3,135,294.96
(4) Breakdown reclassification	-33,451.41	33,451.41			
3. Decrease for the period	2,367,048.31	112,425,146.62	34,650.00		114,826,844.93
(1) Disposal or retirement	7,431.05				7,431.05
(2) Sale	2,359,617.26	3,872,671.15	34,650.00		6,266,938.41
(3) Transfer to construction in progress		108,552,475.47			108,552,475.47
4. Closing balance	2,690,774,924.47	4,907,927,949.73	1,931,458.55	60,100,408.05	7,660,734,740.80
II. Accumulated depreciation					
1. Opening balance	271,636,047.59	600,304,754.77	165,167.47	15,165,185.26	887,271,155.09
2. Increase for the period	100,358,914.98	638,787,548.80	269,885.89	6,997,230.47	746,413,580.14
(1) Provision	68,305,726.55	294,670,132.02	269,885.89	6,997,230.47	370,242,974.93
(2) Transfer from construction in progress	32,068,639.73	344,101,965.48			376,170,605.21
(3) Breakdown reclassification	-15,451.30	15,451.30			
3. Decrease for the period	17,763.04	60,428,341.07			60,446,104.11
(1) Disposal or retirement	1,971.64				1,971.64
(2) Sale	15,791.40	2,427,375.80			2,443,167.20

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VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

9. Fix asset (Continued)

Fix asset (Continued)

(1). Fix asset (Continued)

Item	Buildings and structures	Machinery and equipment	Transportation tools	Office, electronic equipment and others	Total
(3) Transfer to construction in progress		58,000,965.27			58,000,965.27
4. Closing balance	371,977,199.53	1,178,663,962.50	435,053.36	22,162,415.73	1,573,238,631.12
III. Impairment provision					
1. Opening balance					
2. Increase for the period	3,703,732.32	63,122,316.94			66,826,049.26
(1) Provision	3,703,732.32	63,122,316.94			66,826,049.26
3. Decrease for the period					
(1) Disposal or retirement					
(2) Sale					
(3) Transfer to construction in progress					
4. Closing balance	3,703,732.32	63,122,316.94			66,826,049.26
IV. Carrying amount					
1. Closing carrying amount	2,315,093,992.62	3,666,141,670.29	1,496,405.19	37,937,992.32	6,020,670,060.42
2. Opening carrying amount	1,896,628,089.77	2,711,148,785.23	1,514,307.34	24,347,348.45	4,633,638,530.79

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

9. Fix asset (Continued)

Fix asset (Continued)

(2). *Temporarily idle property, plant and equipment*

The original carrying amount of property, plant and equipment idle due to shutdown was RMB156,908,720.05, and the carrying amount was RMB58,192,631.65.

(3). *Property, plant and equipment with pending certificates of title*

The carrying amount of property, plant and equipment with pending certificates of title at the end of the period was RMB737,879,515.61, the application for which is currently in process.

(4). *Impairment testing for property, plant and equipment*

At the end of the reporting period, the Company performed impairment testing on assets related to production lines that were shut down. For assets planned to be discontinued, the market approach was used for valuation; for assets that would continue to be used, the future income approach was used for valuation. Based on the test results, the Company recognised an impairment loss on property, plant and equipment of RMB66,826,049.26.

Recoverable amount determined based on fair value less costs of disposal

Unit: Yuan Currency: RMB

Item	Carrying amount	Recoverable amount	Impairment amount	Method for determining fair value less costs of disposal	Key parameters	Basis for determining key parameters
Machinery and equipment, etc.	414,816,459.21	347,990,409.95	66,826,049.26	Market approach	Expected recoverable amount upon disposal	Based on recent quotations from independent counterparties
Total	414,816,459.21	347,990,409.95	66,826,049.26	/	/	/

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

9. Fix asset (Continued)

Fix asset (Continued)

(4). *Impairment testing for property, plant and equipment (Continued)*

Recoverable amount determined based on fair value less costs of disposal (Continued)

Other explanation:

At the end of the period, the original cost of machinery, transportation equipment, electronic equipment, etc. that were fully depreciated but continued to be used was RMB117,837,921.44.

Disposal of fix asset

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Furnace refractory materials		12,621,004.11
Total		12,621,004.11

10. Construction in Progress

Presentation by item

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Construction in progress	3,355,196,256.65	3,389,274,950.00
Total	3,355,196,256.65	3,389,274,950.00

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

10. Construction in Progress (Continued)

Construction in Progress

(1). Construction in progress

Unit: Yuan Currency: RMB

Item	Closing balance			Opening balance		
	Carrying value	Carrying amount	Impairment provision	Carrying value	Carrying amount	Impairment provision
Jiangsu Kaisheng Phase I Project for 1.5 million tons of ultra-thin PV module materials	1,254,404,078.17		1,254,404,078.17			
North Glass Solar Photovoltaic Cell Encapsulating Material Project	1,173,837,131.44		1,173,837,131.44	941,155,196.49		941,155,196.49
Luoyang New Energy Solar Photovoltaic Cell Encapsulating Material Project	720,512,823.69		720,512,823.69	1,471,180,391.61		1,471,180,391.61
Zigong 2000t/d Ultra-thin Encapsulating Materials for PV Modules Project	10,956,372.22		10,956,372.22	6,058,789.12		6,058,789.12
North Solar Phase II Project of Photovoltaic Cell Packaging Materials for Solar Energy Equipment	1,091,250.87		1,091,250.87	1,091,250.87		1,091,250.87
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
Tongcheng 320t/d Solar Photovoltaic Cell Cover Plates Material Production Line Technology Upgrading Project				153,534,857.25		153,534,857.25
Zhangzhou Project of Photovoltaic Cell Packaging Materials				28,032,282.25		28,032,282.25
Other projects	195,207,054.41	812,454.15	194,394,600.26	411,156,923.87		411,156,923.87
Total	3,356,008,710.80	812,454.15	3,355,196,256.65	3,389,274,950.00		3,389,274,950.00

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VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

10. Fix asset (Continued)

Construction in Progress (Continued)

(2). Changes in significant projects under construction during the period+

Project name	Budget	Opening balance	Increase during the period	Transferred to fixed assets during the period	Other decrease during the period	Closing balance	Cumulative investment to budget ratio(%)	Project progress(%)	Cumulative capitalized interest	Of which: capitalized interest for the period (RMB)	Capitalization rate for the period(%)	Source of funds	Unit: Yuan	Currency: RMB
													3,205,750.25	
Luojiang New Energy Solar Photovoltaic Cell Encapsulating Material Project	2,294,160,000.00	1,471,180,391.61	153,060,680.13	903,728,246.05		720,512,823.69	70.80	70.00	32,604,308.24	14,393,311.94	2.17	Self-raised funds, loans from financial institutions		
North Glass Solar Photovoltaic Cell Encapsulating Material Project	1,184,510,000.00	899,843,769.06	253,651,421.78		25,828,449.69	1,127,866,741.15	97.38	95.00	25,940,250.49	15,055,390.97	2.17	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 m2	996,616,400.00	377,065,259.54	2,174,272.77	379,239,531.31			38.99	5.00				Self-raised funds, loans from financial institutions		
Tongcheng 320Wd Solar Photovoltaic Cell Cover Plates Material Production Line Technology Upgrading Project	1,193,020,000.00	153,534,857.25	9,605,005.80	163,139,665.05			13.41	3.00				Self-raised funds, loans from financial institutions		
Zhangzhou Project of Photovoltaic Cell Packaging Materials	1,198,650,000.00	28,032,282.25	62,376.24	28,094,658.49			2.34	2.00				Self-raised funds, loans from financial institutions		
Zigong 200Wd Ultra-thin Encapsulating Materials for PV Modules Project	1,399,220,000.00	6,058,789.12	4,887,583.10			10,956,372.22	0.78					Self-raised funds, loans from financial institutions		
North Solar Phase II Project of Photovoltaic Cell Packaging Materials for Solar Energy Equipment	2,395,360,000.00	1,091,250.87				1,091,250.87	0.05					Self-raised funds, loans from financial institutions		
Jiangsu Kaisheng Phase I Project for 1.5 million tons of ultra-thin PV module materials	2,305,925,000.00		1,312,536,757.08		58,132,678.91	1,254,404,076.17	54.40	66.00	9,577,630.49	3,205,750.25	3.40	Self-raised funds, loans from financial institutions		
Total	12,957,491,400.00	2,938,806,595.70	1,735,988,095.90	1,474,202,300.90	83,761,128.60	3,114,831,266.10	/	/	68,122,187.22	32,630,453.16	/	/		

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

10. Fix asset (Continued)

Construction in Progress (Continued)

(3). Impairment provision for construction in progress provided during the period

Unit: Yuan Currency: RMB

Item	Opening balance	Increase during the period	Decrease during the period	Closing balance	Reason for provision
Other projects		812,454.15		812,454.15	Project stagnation or plan change
Total		812,454.15		812,454.15	/

(4). Impairment testing for construction in progress

At the end of the reporting period, the Company performed impairment testing on construction in progress projects with indicators of impairment. Based on the test results, an impairment loss on construction in progress of RMB812,454.15 was recognised for 2025.

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VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

11. Right-of-use assets

Unit: Yuan Currency: RMB

Item	Buildings and structures	Machinery and equipment	Total
I. Original carrying amount			
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	12,910,111.79		12,910,111.79
4. Closing balance		6,091,609.25	6,091,609.25
II. Accumulated depreciation			
1. Opening balance	10,979,957.98	1,644,734.49	12,624,692.47
2. Increase for the period	1,930,153.81	730,993.08	2,661,146.89
(1) Provision	1,930,153.81	730,993.08	2,661,146.89
3. Decrease for the period	12,910,111.79		12,910,111.79
(1) Disposal			
4. Closing balance		2,375,727.57	2,375,727.57
III. Impairment provision			
1. Opening balance			
2. Increase for the period			
(1) Provision			
3. Decrease for the period			
(1) Disposal			
4. Closing balance			
IV. Carrying amount			
1. Closing carrying amount		3,715,881.68	3,715,881.68
2. Opening carrying amount	1,930,153.81	4,446,874.76	6,377,028.57

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

12. Intangible assets

(1). Intangible assets

Unit: Yuan Currency: RMB

Item	Land use rights	Patent rights	Non-patent technology	Software use rights	Pollution discharge rights	Total
I. Original carrying amount						
1. Opening balance	743,792,032.59	10,531,234.06	150,438,543.99	8,530,002.79	563,374.83	913,855,188.26
2. Increase for the period	217,504,825.31	7,106,370.52	9,681,032.32	914,556.59		235,206,784.74
(1) Purchase	123,526,197.73	18,867.92		150,280.15		123,695,345.80
(2) Internal R&D		4,857,558.55	11,910,976.37			16,768,534.92
(3) Acquisition through business combination	93,978,627.58			145,810.65		94,124,438.23
(4) Transfer from construction in progress				618,465.79		618,465.79
(5) Breakdown reclassification		2,229,944.05	-2,229,944.05			
3. Decrease for the period	9,415,764.88					9,415,764.88
(1) Disposal						
4. Closing balance	951,881,093.02	17,637,604.58	160,119,576.31	9,444,559.38	563,374.83	1,139,646,208.12
II. Accumulated amortization						
1. Opening balance	101,295,891.40	1,445,109.94	47,583,341.05	3,446,590.50	29,226.21	153,800,159.10
2. Increase for the period	18,334,914.44	1,335,345.08	14,298,636.13	829,078.54	116,904.84	34,914,879.03
(1) Provision	18,334,914.44	1,316,762.21	14,317,219.00	829,078.54	116,904.84	34,914,879.03
(2) Breakdown reclassification		18,582.87	-18,582.87			
3. Decrease for the period	4,947,854.40					4,947,854.40
(1) Disposal						
4. Closing balance	114,682,951.44	2,780,455.02	61,881,977.18	4,275,669.04	146,131.05	183,767,183.73
III. Impairment provision						
1. Opening balance						
2. Increase for the period			510,411.86			510,411.86
(1) Provision			510,411.86			510,411.86
3. Decrease for the period						
(1) Disposal						
4. Closing balance			510,411.86			510,411.86
IV. Carrying amount						
1. Closing carrying amount	837,198,141.58	14,857,149.56	97,727,187.27	5,168,890.34	417,243.78	955,368,612.53
2. Opening carrying amount	642,496,141.19	9,086,124.12	102,855,202.94	5,083,412.29	534,148.62	760,055,029.16

Intangible assets from internal research and development of the Company accounted for 1.47% of the balance of intangible assets at the end of the period.

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

12. Intangible assets (Continued)

(2). Impairment testing for intangible assets

At the end of the reporting period, the Company performed impairment testing on intangible assets with indicators of impairment. Based on the test results, the Company recognised an impairment loss on intangible assets of RMB510,411.86.

13. Goodwill

(1). Original carrying amount of goodwill

Unit: Yuan Currency: RMB

Investee or event generating goodwill	Opening balance	Increase during the period	Decrease during 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). Impairment provision for goodwill

Unit: Yuan Currency: RMB

Investee or event generating goodwill	Opening balance	Increase during the period	Decrease during the period	Closing balance
		Provision	Disposal	
Zhangzhou New Energy		1,976,636.10		1,976,636.10
Total		1,976,636.10		1,976,636.10

Explanation: The asset group related to the goodwill generated from the acquisition of Zhangzhou New Energy specifically includes property, plant and equipment, construction in progress, intangible assets, and other non-current assets, along with the net amount of the valuation increment at the time of acquisition and goodwill.

Zhangzhou New Energy uses the present value of future cash flows method to calculate the recoverable amount of the asset group. Cash flows are projected for the next 5 years based on financial budgets approved by management, with a terminal growth rate of 0% assumed for subsequent years, which does not exceed the long-term average growth rate of the asset group's operations. Management prepares these financial budgets based on past performance and expectations of market development. The pre-tax discount rate used to calculate the present value of future cash flows is 11.25%, reflecting the risks associated with the relevant segment. Based on the impairment test results, goodwill impairment of RMB1,976,636.10 was recognised at the end of the current period.

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

14. Deferred income tax assets/Deferred income tax liabilities

(1). Unrecognised deferred income tax assets

Unit: Yuan Currency: RMB

Item	Closing balance		Opening balance	
	Deductible temporary differences	Deferred income tax assets	Deductible temporary differences	Deferred income tax assets
Asset impairment provisions	162,960,534.57	26,580,034.39	158,839,865.74	24,067,431.83
Unrealised profit from internal transactions				
Deductible losses	646,690,883.28	97,003,632.49	657,740,415.41	100,470,302.38
Deferred income	69,028,306.68	10,354,246.03	62,385,876.64	9,357,881.52
Lease liabilities			1,412,341.59	211,851.24
Total	878,679,724.53	133,937,912.91	880,378,499.38	134,107,466.97

(2). Unrecognised deferred income tax liabilities

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 not under common control	141,948,578.75	29,506,610.79	135,733,732.54	33,141,396.71
One-off deduction of fixed assets before tax	8,030,175.08	1,204,526.27	8,754,702.16	1,313,205.33
Right-of-use assets			1,412,341.59	211,851.24
Total	149,978,753.83	30,711,137.06	145,900,776.29	34,666,453.28

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VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

14. Deferred Income tax assets/Deferred income tax liabilities (Continued)

(3). Deferred income tax assets and liabilities presented on a net basis after offsetting

Unit: Yuan Currency: RMB

Item	Closing balance		Opening balance	
	Offset amount between deferred income tax assets and liabilities	Deferred income tax assets or liabilities balance after offsetting	Offset amount between deferred income tax assets and liabilities	Deferred income tax assets or liabilities balance after offsetting
Deferred income tax assets			211,851.24	133,895,615.73
Deferred income tax liabilities			211,851.24	34,454,602.04

(4). Unrecognised deferred income tax assets

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Deductible temporary differences	312,665,755.27	131,706,950.25
Deductible losses	1,420,095,178.82	466,397,468.59
Total	1,732,760,934.09	598,104,418.84

(5). Deductible losses not yet recognised as deferred income tax assets will expire in the following years indicated

Unit: Yuan Currency: RMB

Year	Closing balance	Opening balance
2025		
2026	55,496,051.85	55,566,786.76
2027	265,841,686.85	265,841,686.85
2028	19,099,478.27	19,099,478.27
2029	115,220,384.61	125,889,516.71
2030	964,437,577.24	
Total	1,420,095,178.82	466,397,468.59

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

15. Other non-current assets

Unit: Yuan Currency: RMB

Item	Closing balance			Opening balance		
	Carrying amount	Impairment provision	Carrying value	Carrying amount	Impairment provision	Carrying value
Costs to obtain a contract						
Costs to fulfil a contract						
Costs expected to be recovered from returned goods						
Contract assets						
Prepayments for acquisition of long-term assets	10,431,095.21		10,431,095.21	10,205,248.99		10,205,248.99
Others	4,393,445.32		4,393,445.32	29,375,000.00		29,375,000.00
Total	14,824,540.53		14,824,540.53	39,580,248.99		39,580,248.99

16. Assets with restricted ownership or right of use

Unit: Yuan Currency: RMB

Item	Carrying amount	Closing balance		Restriction situation	Carrying amount	Opening balance		Restriction situation
		Carrying value	Restriction type			Carrying value	Restriction type	
Monetary funds	24,481,666.39	24,481,666.39	Other	Security deposit, building maintenance fund, ETC deposit	9,804,401.87	9,804,401.87	Other	Security deposit, building maintenance fund, ETC deposit, etc.
Notes receivable					20,154,308.38	20,154,308.38	Pledge	Pledge
Inventories								
Including: Data resources								
Receivables financing	45,484,093.01	45,484,093.01	Pledge	Pledge of electronic debenture receivables				
Fixed assets	653,313,068.30	584,965,685.02	Mortgage	Mortgage	625,878,098.15	512,714,948.45	Mortgage	Mortgage
Intangible assets	190,867,234.28	173,928,939.19	Mortgage	Mortgage	225,554,490.95	209,600,748.05	Mortgage	Mortgage
Including: Data resources								
Construction in progress	348,640,000.00	348,640,000.00	Mortgage	Mortgage	200,610,000.00	200,610,000.00	Mortgage	Mortgage
Total	1,262,786,061.98	1,177,500,383.61	/	/	1,082,001,299.35	952,884,406.75	/	/

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VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

17. Short-term borrowings

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Credit loans	2,110,045,192.54	1,452,849,829.07
Discounted notes not yet derecognised	321,081,815.92	186,422,254.49
L/C discount	21,498,512.66	
Interest payable	1,548,524.86	1,266,639.16
Total	2,454,174,045.98	1,640,538,722.72

Explanation of the classification of short-term borrowings:

As at 31 December 2025, the annual interest rates for short-term borrowings ranged from 2.11% to 3.00%.

18. Notes payable

(1). Notes payable

Unit: Yuan Currency: RMB

Category	Closing balance	Opening balance
Commercial acceptances	162,321,006.04	326,761,016.73
Bank acceptances	39,032,527.87	40,685,026.60
Total	201,353,533.91	367,446,043.33

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

19. Accounts payable

(1). Accounts payable

An aging analysis of trade payables based on the recognition date is as follows:

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Within 1 year (including 1 year)	1,755,070,109.63	1,428,937,451.94
1-2 years (including 2 years)	727,839,382.93	130,506,698.62
2-3 years (including 3 years)	92,992,149.22	20,749,755.12
Over 3 years	28,920,264.75	13,840,319.83
Total	2,604,821,906.53	1,594,034,225.51

(2). Significant accounts payable aged over 1 year or overdue

Unit: Yuan Currency: RMB

Party	Closing balance	Reason for outstanding or carrying forward
Entity 1	447,878,802.15	Not yet due or negotiated extension
Entity 2	123,753,828.81	Not yet due or negotiated extension
Entity 3	46,300,000.00	Not yet due or negotiated extension
Entity 4	37,390,622.27	Not yet due or negotiated extension
Entity 5	24,801,523.28	Not yet due or negotiated extension
Entity 6	24,358,515.89	Not yet due or negotiated extension
Entity 7	17,723,575.18	Not yet due or negotiated extension
Entity 8	14,882,595.87	Not yet due or negotiated extension
Entity 9	8,341,556.69	Not yet due or negotiated extension
Entity 10	5,143,415.09	Not yet due or negotiated extension
Total	750,574,435.23	/

Notes to the Financial Statements

31 December 2025
Prepared by: Triumph New Energy Company Limited
Unit: Yuan Currency: RMB

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

20. Contract liabilities

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Advance payments from customers	28,054,908.00	8,384,812.47
Total	28,054,908.00	8,384,812.47

21. Employee compensation payable

(1). Employee compensation payable

Unit: Yuan Currency: RMB

Item	Opening balance	Increase during the period	Decrease during the period	Closing balance
I. Short-term remuneration	51,295,308.13	345,034,872.51	355,888,665.93	40,441,514.71
II. Post-employment benefits – defined contribution plans	407,908.33	24,690,994.12	24,952,645.13	146,257.32
III. Termination benefits		30,232,592.85	30,232,592.85	
IV. Other benefits due within one year				
Total	51,703,216.46	399,958,459.48	411,073,903.91	40,587,772.03

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

21. Employee compensation payable (Continued)

(2). Short-term remuneration

Unit: Yuan Currency: RMB

Item	Opening balance	Increase during the period	Decrease during the period	Closing balance
I. Wages, bonuses, allowances and subsidies	44,643,475.42	252,113,994.41	263,040,861.49	33,716,608.34
II. Staff welfare		15,951,338.82	15,951,338.82	
III. Social insurance premiums	231,621.84	14,491,411.52	14,634,836.48	88,196.88
Of which: Medical insurance	180,256.15	12,162,213.09	12,278,648.58	63,820.66
Work injury insurance	32,750.44	2,003,326.66	2,018,792.86	17,284.24
Maternity insurance	18,615.25	325,871.77	337,395.04	7,091.98
IV. Housing provident fund	473,134.24	13,655,035.64	13,957,174.88	170,995.00
V. Labour union expenses and employee education expenses	2,583,498.38	4,883,848.29	3,945,081.23	3,522,265.44
VI. Short-term paid leave				
VII. Short-term profit sharing plan				
VIII. Labor expenses	<u>3,363,578.25</u>	<u>43,939,243.83</u>	<u>44,359,373.03</u>	<u>2,943,449.05</u>
Total	<u>51,295,308.13</u>	<u>345,034,872.51</u>	<u>355,888,665.93</u>	<u>40,441,514.71</u>

Notes to the Financial Statements

31 December 2025
Prepared by: Triumph New Energy Company Limited
Unit: Yuan Currency: RMB

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

21. Employee compensation payable (Continued)

(3). Defined contribution plans

Unit: Yuan Currency: RMB

Item	Opening balance	Increase during the period	Decrease during the period	Closing balance
Post-employment benefits	407,908.33	24,690,994.12	24,952,645.13	146,257.32
Of which:				
1. Basic pension insurance	395,514.08	23,753,108.30	24,006,797.10	141,825.28
2. Unemployment insurance	12,394.25	868,992.97	876,955.18	4,432.04
3. Enterprise annuity contributions		68,892.85	68,892.85	
Total	407,908.33	24,690,994.12	24,952,645.13	146,257.32

22. Taxes payable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Value-added tax	4,224,964.62	149,136.27
Enterprise income tax	11,857,218.77	
Individual income tax	469,666.64	135,300.01
Urban maintenance and construction tax	34,000.45	36,503.12
Property tax	7,551,612.64	4,914,547.35
Land use tax	2,766,217.51	1,948,265.03
Environmental protection tax	654,367.03	201,367.57
Education surcharges	24,486.00	26,273.63
Other taxes and fees	1,001,346.77	1,385,822.79
Total	28,583,880.43	8,797,215.77

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

23. Other payables

(1) Presentation by items

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Other payables	207,603,876.34	197,674,301.52
Total	207,603,876.34	197,674,301.52

(2) Other payables

Other payables by nature of amounts are shown as follows

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Current accounts	176,361,369.83	182,094,139.28
Security deposits and deposits	29,277,241.05	11,818,441.29
Announcement and intermediary fees	1,965,265.46	3,761,720.95
Total	207,603,876.34	197,674,301.52

Other major payables aged over one year or overdue

Unit: Yuan Currency: RMB

Party	Closing balance	Reason for outstanding or carrying forward
CLFG	150,873,549.16	Not yet due for settlement
Total	150,873,549.16	/

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)

24. Non-current liabilities due within one year

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Long-term borrowings due within one year	762,676,631.80	931,645,427.94
Bonds payable due within one year		
Long-term payables due within one year		
Lease liabilities due within one year	1,060,218.18	2,269,038.12
Total	763,736,849.98	933,914,466.06

Other explanation:

Long-term borrowings due within one year

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Credit loans	600,328,094.26	785,055,316.91
Mortgage loans	162,348,537.54	146,590,111.03
Total	762,676,631.80	931,645,427.94

25. Other current liabilities

Other current liabilities

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Output VAT to be transferred	5,469,553.64	1,031,245.45
Endorsed notes not yet derecognised	301,508,553.58	298,173,052.88
Total	306,978,107.22	299,204,298.33

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

26. Long-term borrowings

(1) Long-term borrowings

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Pledged loan		
Mortgage loans	960,426,588.00	564,184,000.00
Guaranty loan		
Credit loans	2,974,230,219.94	3,093,449,613.81
Interest payable	2,311,790.88	2,810,933.90
Less: Long-term borrowings due within one year	762,676,631.80	931,645,427.94
Total	3,174,291,967.02	2,728,799,119.77

Notes to the category of long-term borrowings:

Repayment period for long-term borrowings with over one year

Unit: Yuan Currency: RMB

Repayment period	Closing balance	Balance at the end of last year
1 to 2 years	1,101,197,938.20	616,662,212.94
2 to 5 years	2,061,227,362.11	1,858,988,517.39
Over 5 years	11,866,666.71	253,148,389.44
Total	3,174,291,967.02	2,728,799,119.77

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

26. Long-term borrowings (Continued)

(1) Long-term borrowings (Continued)

Note: Yixing New Energy, a subsidiary of the Company, for the purpose of constructing the "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. Yixing New Energy obtained an accumulated borrowing of RMB616,800,000.00 from 30 March 2023 to 24 January 2025. As at 31 December 2025, the original book value of the land use rights was RMB79,606,125.00 and the cumulative amortization was RMB6,368,489.80, with a book value of RMB73,237,635.20; the original book value of fixed assets was RMB653,313,068.30, accumulated depreciation was RMB68,347,383.28, and the book value was RMB584,965,685.02; the balance of this long-term borrowings was RMB494,528,903.00, of which the long-term borrowings due within one year was RMB108,802,903.00.

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 square meters and a property value of RMB112,158,100, bearing the title certificate number of Ji [2021] Qin Kai Real Estate Ownership No. 0001563, to the East Sub-branch of Qinhuangdao Economic and Technological Development Zone of China Construction Bank Corporation to obtain a loan. The mortgage term 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. As at 31 December 2025, the original book value of the mortgaged land was RMB111,261,109.28, accumulated amortization was RMB10,569,805.29, and the book value was RMB100,691,303.99. As at 31 December 2025, the balance of this long-term borrowings was RMB204,590,544.08, of which the long-term borrowings due within one year was RMB20,825,838.08. On 18 December 2024, North Glass mortgaged machinery and equipment with a value determined by the Company of RMB200,610,000 as collateral to the Qinhuangdao Economic and Technological Development Zone Sub-branch of Bank of Communications Company Limited to obtain a 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. As at 31 December 2025, the balance of this long-term borrowings was RMB124,979,973.35, of which the long-term borrowings due within one year was RMB23,660,863.47. On 15 May 2025, North Glass mortgaged machinery and equipment valued at RMB47.5 million as collateral to the Qinhuangdao Haigang Sub-branch of Agricultural Bank of China Limited to obtain a loan, and the ownership of the mortgaged assets remains vested in North Glass and can be used normally. North Glass obtained a loan of RMB50,000,000.00 on 16 January 2025, RMB15,000,000.00 on 23 May 2025, and RMB24,000,000.00 on 11 June 2025. As at 31 December 2025, the balance of this long-term borrowings was RMB89,072,933.06, of which the long-term borrowings due within one year was RMB6,006,266.39.

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

26. Long-term borrowings (Continued)

(1) Long-term borrowings (Continued)

On 7 November 2024, Jiangsu Triumph, a subsidiary of the Company, mortgaged construction in progress equipment to the Suqian Branch of Bank of Jiangsu Co., Ltd. to obtain a mortgage loan, with the appraised value of the mortgaged assets of RMB100.53 million, the ownership of the mortgaged assets remains vested in Jiangsu Triumph and can be used normally, and the mortgage term is from 22 November 2024 to 28 October 2027. Jiangsu Triumph obtained a loan of RMB15,000,000.00 on 22 November 2024 and RMB35,000,000.00 on 21 January 2025. As at 31 December 2025, this equipment has not been transferred to fixed assets, with a carrying amount of RMB100,530,000.00, and the balance of this long-term borrowings was RMB48,052,666.60, of which the long-term borrowings due within one year was RMB3,052,666.60.

27. Lease liabilities

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Lease payments	4,803,430.14	6,462,904.03
Less: Unrecognized financing expenses	345,843.24	520,235.58
Less: Lease liabilities due within one year	1,060,218.18	2,269,038.12
Total	3,397,368.72	3,673,630.33

The amount of interest expense accrued for lease liabilities in 2025 was RMB204,808.66, which was included in finance expenses-interest expense for the amount of RMB204,808.66.

Notes to the Financial Statements

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Unit: Yuan Currency: RMB

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

28. Deferred income

Unit: Yuan Currency: RMB

Item	Opening balance	Increase for the period	Decrease for the period	Closing balance	Reason for formation
Government grants	62,438,346.08	85,492,697.00	8,110,218.24	139,820,824.84	Expansion of consolidation scope and increase in grants
Total	<u>62,438,346.08</u>	<u>85,492,697.00</u>	<u>8,110,218.24</u>	<u>139,820,824.84</u>	/

For details of government grants included in deferred income, please refer to Note XI. Government Grants.

29. Share capital

Unit: Yuan Currency: RMB

	Opening balance	Changes in this period (+, -)				Subtotal	Closing balance
		Issue of new shares	Bonus shares	Capital reserve transferred to shares	Others		
Total number of shares	<u>645,674,963.00</u>					<u>645,674,963.00</u>	

30. 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	<u>3,780,818,962.41</u>			<u>3,780,818,962.41</u>

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31. 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
Total	<u>51,365,509.04</u>			<u>51,365,509.04</u>

32. Undistributed profit

Unit: Yuan Currency: RMB

Item	Current period	Previous period
Undistributed profit at the end of the previous year before adjustment	-460,638,287.56	149,292,032.10
Total adjustment of undistributed profit at the beginning of the period (increase expressed with +, decrease expressed with -)		
Undistributed profit at the beginning of the period after adjustment	-460,638,287.56	149,292,032.10
Add: Net profit attributable to owners of the parent company during the period	-914,340,285.27	-609,930,319.66
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	<u>-1,374,978,572.83</u>	<u>-460,638,287.56</u>

Notes to the Financial Statements

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Unit: Yuan Currency: RMB

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

33. Operating revenue and operating costs

(1). Operating revenue and operating costs

Unit: Yuan Currency: RMB

Item	Amount for the current period		Amount for the previous period	
	Revenue	Cost	Revenue	Cost
Principal operations	3,238,426,326.27	3,640,227,865.71	4,547,588,888.51	4,764,370,624.70
Other operations	5,108,752.31	1,922,288.86	46,858,415.20	30,057,236.87
Total	<u>3,243,535,078.58</u>	<u>3,642,150,154.57</u>	<u>4,594,447,303.71</u>	<u>4,794,427,861.57</u>

(2). Information on the breakdown of operating revenues and operating costs

Unit: Yuan Currency: RMB

Major product type	Amount for the current period		Amount for the previous period	
	Revenue	Cost	Revenue	Cost
Principal operations:				
Photovoltaic glass	3,238,426,326.27	3,640,227,865.71	4,525,792,071.25	4,742,622,839.66
Other functional glass			21,796,817.26	21,747,785.04
Subtotal	<u>3,238,426,326.27</u>	<u>3,640,227,865.71</u>	<u>4,547,588,888.51</u>	<u>4,764,370,624.70</u>
Other operations:				
Raw materials, building rental, water, electricity, technical services, etc.	5,108,752.31	1,922,288.86	46,858,415.20	30,057,236.87
Subtotal	<u>5,108,752.31</u>	<u>1,922,288.86</u>	<u>46,858,415.20</u>	<u>30,057,236.87</u>
Total	<u>3,243,535,078.58</u>	<u>3,642,150,154.57</u>	<u>4,594,447,303.71</u>	<u>4,794,427,861.57</u>

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

33. Operating revenue and operating costs (Continued)

(3). Operating revenue by timing of revenue recognition

Timing of revenue recognition	Photovoltaic glass	Other business income
Recognised at a certain point of time	3,238,426,326.27	1,401,205.14
Recognised over time		3,707,547.17
Total	3,238,426,326.27	5,108,752.31

(4). 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.

34. Taxes and surcharges

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the previous period
Property tax	26,862,499.65	21,100,530.26
Land-use tax	14,913,578.14	11,552,824.08
Stamp duty	3,486,413.90	4,523,666.74
Environmental protection tax	2,153,443.56	866,996.54
Others	1,980,948.00	3,540,520.77
Total	49,396,883.25	41,584,538.39

For details of the computation standards of various taxes and surcharges, please refer to Note VI. Taxes.

Notes to the Financial Statements

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Unit: Yuan Currency: RMB

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

35. Selling expenses

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the previous period
Staff remuneration	6,659,840.17	9,462,570.09
Sample and product depletion	1,820,941.70	724,218.14
Travel expenses	813,567.12	211,879.57
Office expenses	54,501.73	729,029.29
Rental fees	30,600.00	3,949,920.34
Depreciation expenses	17,547.96	18,228.15
Other selling expenses	640,661.49	1,217,183.69
Total	10,037,660.17	16,313,029.27

36. Administrative expenses

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the previous period
Staff remuneration	66,479,321.71	65,763,208.19
Termination benefits	30,232,592.85	11,130,652.49
Depreciation of fixed assets	21,557,296.18	22,896,333.31
Amortization of intangible assets	14,201,830.51	13,867,059.73
Intermediary engagement	7,724,086.55	8,924,985.26
Office expenses	2,896,241.32	4,259,128.15
Property management fee	2,485,390.51	1,258,798.49
Labor fee	2,121,761.40	1,032,799.24
Consulting fees	1,884,950.26	976,923.18
Utilities	1,866,935.34	2,636,483.22
Travel expenses	1,818,279.96	1,642,364.12
Business entertainment expenses	1,099,573.16	1,491,343.37
Technical service fee	837,890.09	1,467,277.61
Transportation expenses	263,843.30	548,754.46
Other expenses	9,419,436.24	13,060,823.44
Total	164,889,429.38	150,956,934.26

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

37. Research and development expenses

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the previous period
Labor expense	35,564,850.36	38,024,536.72
Material expense	62,632,424.28	73,505,749.19
Fuel and power expense	30,292,970.59	42,375,881.20
Depreciation expenses	5,055,833.58	7,384,155.46
Other expenses	397,955.12	12,885,961.53
Total	133,944,033.93	174,176,284.10

38. Finance expenses

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the previous period
Interest expenses	151,882,474.52	146,335,025.75
Less: Interest capitalization	32,852,423.26	34,057,564.51
Interest income	1,999,742.22	3,003,366.72
Exchange gains and losses	-47,710.02	-1,705,879.98
Handling charges and others	4,911,654.65	3,546,948.70
Total	121,894,253.67	111,115,163.24

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Unit: Yuan Currency: RMB

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

39. Other income

Unit: Yuan Currency: RMB

Classification by nature	Amount for the current period	Amount for the previous period
Subsidy for production and operation	169,791,638.88	33,953,865.79
Additional deduction of value-added tax	4,337,320.28	17,105,395.36
Photovoltaic power generation subsidy		5,283,491.38
Subsidy for stabilizing employment	456,654.44	1,056,224.57
Refund of individual income tax withholding fees	99,340.99	86,804.78
Total	174,684,954.59	57,485,781.88

For details of specific information on government grants, please refer to Note XI. Government Grants.

40. Investment income

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the previous period
Expense on de-recognition of accounts receivable financing	-9,979,740.89	-11,466,755.54
Total	-9,979,740.89	-11,466,755.54

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

41. Impairment losses on credit (losses are represented by "-")

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the previous period
Bad debt losses of notes receivable	-582,293.58	1,164,053.62
Bad debt losses of accounts receivable	-124,855,594.77	-6,476,711.79
Bad debt losses of other receivables	-34,158,810.93	-1,185,876.26
Impairment losses on debt investment		
Impairment losses on other debt investment		
Bad debt losses of long-term receivable		
Impairment losses on financial guarantees		
Total	-159,596,699.28	-6,498,534.43

42. Impairment losses on assets (losses are represented by "-")

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the previous period
I. Impairment on contract assets		
II. Inventory impairment loss and impairment loss of contract performance costs	-27,744,011.93	-129,477,909.53
III. Impairment loss of long-term equity investment		
IV. Impairment loss of investment properties		
V. Impairment loss of fixed assets	-66,826,049.26	
VI. Impairment loss of construction materials		
VII. Impairment loss of construction in progress	-812,454.15	
VIII. Impairment loss on biological assets for production		
IX. Impairment loss on oil and gas assets		
X. Impairment loss on intangible assets	-510,411.86	
XI. Impairment loss on goodwill	-1,976,636.10	
XII. Others		
Total	-97,869,563.30	-129,477,909.53

Notes to the Financial Statements

31 December 2025
Prepared by: Triumph New Energy Company Limited
Unit: Yuan Currency: RMB

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

43. Gains on disposal of assets (losses are represented by "-")

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the previous period
Gains on disposal of fixed assets	657,336.25	3,394,475.23
Gains on disposal of construction in progress		-2,556.17
Total	657,336.25	3,391,919.06

44. Non-operating income

Non-operating income

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the 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	1,215,397.28	180,260.91	1,215,397.28
Income from disposal of scrapped and damaged assets	248,854.64		248,854.64
Others	266,328.97	298,043.05	266,328.97
Total	1,730,580.89	478,303.96	1,730,580.89

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

45. Non-operating expenses

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the 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	260,124.06	101,257.79	260,124.06
Loss on scrapping and damage of assets	5,459.41	450,585.21	5,459.41
Total	265,583.47	551,843.00	265,583.47

46. Income tax expenses

(1) Income tax expenses table

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the previous period
Current income tax expenses	21,285,428.40	3,117,011.11
Deferred income tax expenses	-7,969,047.15	-120,783,575.25
Total	13,316,381.25	-117,666,564.14

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)

46. Income tax expenses (Continued)

(2). Reconciliation between accounting profit and income tax expenses

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the previous period
Total profit	-969,416,051.60	-780,765,544.72
Income tax expenses calculated at statutory/ applicable tax rates	-242,354,012.90	-195,191,386.18
Effect of different tax rates applicable to subsidiaries	79,541,469.18	64,618,940.14
Effect of adjustment to income tax in previous periods	8,013,637.47	3,117,011.11
Effect of non-taxable income		
Effect of costs, expenses and losses not deductible for tax purposes	488,971.76	238,385.05
Effect of utilization of deductible losses of unrecognised deferred income tax assets in previous periods		
Effect of tax rate change on opening deferred income tax balances	2,917,416.29	
Tax effect of unrecognised deductible losses and deductible temporary differences	185,326,561.66	27,718,226.59
Tax effect of research and development fee deduction (represented by "-")	-21,408,367.83	-18,500,866.67
Others	790,705.62	333,125.82
Income tax expenses	13,316,381.25	-117,666,564.14

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

47. 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 the current period	Amount for the previous period
Government grants	94,085,130.85	101,870,883.94
Current accounts and others	35,524,008.13	54,282,134.94
Interest income	2,199,171.94	2,979,790.14
Financial discount		5,468,388.89
Total	131,808,310.92	164,601,197.91

Other cash paid for activities relating to operation

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the previous period
Consultation and audit, assessment, legal fees, bulletin fees	6,443,769.42	6,180,598.06
Current accounts and others	60,574,244.03	64,298,954.84
Total	67,018,013.45	70,479,552.90

(2). Cash relating to investment activities

Other cash received from activities relating to investment

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the previous period
Cash received from acquisition of subsidiaries	2,249,207.62	
Total	2,249,207.62	

Notes to the Financial Statements

31 December 2025
Prepared by: Triumph New Energy Company Limited
Unit: Yuan Currency: RMB

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

47. Items of cash flow statement (Continued)

(3). Cash relating to financing activities

Other cash received from activities relating to financing

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the previous period
Bill discount	53,106,387.77	70,563,788.60
Total	53,106,387.77	70,563,788.60

Other cash paid for activities relating to financing

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the previous period
Bills matured	44,891,898.80	130,885,148.92
Others	627,452.69	
Total	45,519,351.49	130,885,148.92

(4). Significant activities that do not involve current period cash receipts and payments but affect the financial position of the enterprise or may affect the cash flows of the enterprise in the future, and their financial impact

In 2025, acceptance bills and electronic debentures received from sales of goods and rendering of services that were endorsed and transferred amounted to RMB1,730,872,953.39.

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

48. Supplementary Information to the Cash Flow Statement

(1). Supplementary Information to the Cash Flow Statement

Unit: Yuan Currency: RMB

Supplementary Information	Amount for the Current Period	Amount for the Previous Period
1. Net profit adjusted to cash flow from operating activities:		
Net profit	-982,732,432.85	-663,098,980.58
Add: Provision for impairment of assets	97,869,563.30	129,477,909.53
Impairment losses on credit	159,596,699.28	6,498,534.43
Depreciation of fixed assets, depletion of oil and gas assets, depreciation of productive biological assets	369,614,243.81	332,505,344.95
Amortisation of right-of-use assets	2,661,146.89	3,318,671.52
Amortization of intangible assets	34,914,879.03	28,762,361.99
Amortization of long-term deferred expenses		
Losses on disposal of fixed assets, intangible assets and other long-term assets (gains are represented by "-")	-657,336.25	-3,391,919.06
Losses on scrapping of fixed assets (gains are represented by "-")	-243,395.23	450,585.21
Losses on changes in fair value (gains are represented by "-")		
Finance expenses (gains are represented by "-")	119,030,051.26	112,277,461.24
Investment losses (gains are represented by "-")	9,979,740.89	11,466,755.54
Decrease in deferred income tax assets (increase is represented by "-")	-42,297.18	-117,932,319.98
Increase in deferred income tax liabilities (decrease is represented by "-")	-3,743,464.98	-2,851,255.27
Decrease in inventories (increase is represented by "-")	180,834,378.85	-332,410,622.23
Decrease in operating receivables (increase is represented by "-")	-74,718,608.03	1,072,801,340.01
Increase in operating payables (decrease is represented by "-")	-648,392,496.38	-971,768,388.40
Others		
Net cash flows from operating activities	-736,029,327.59	-393,894,521.10

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

48. Supplementary Information to the Cash Flow Statement (Continued)

(1). *Supplementary Information to the Cash Flow Statement (Continued)*

Supplementary Information	Amount for the Current Period	Amount for the Previous Period
2. Significant investing and financing activities that do not involve cash receipts and payments:		
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	121,403,386.89	130,564,767.60
Less: Opening balance of cash	130,564,767.60	229,156,744.65
Add: Closing balance of cash equivalents		
Less: Opening balance of cash equivalents		
Net increase in cash and cash equivalents	-9,161,380.71	-98,591,977.05

(2). *Net Cash Paid for Acquisition of Subsidiaries in the Current Period*

Unit: Yuan Currency: RMB

	Amount
Cash or cash equivalents paid for business combinations occurring in the current period	373,000,000.00
Less: Cash and cash equivalents held by the acquiree at the acquisition date	2,249,207.62
Add: Cash or cash equivalents paid for business combinations occurring in prior periods during the current period	
Net cash paid for acquisition of subsidiaries	370,750,792.38

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

48. Supplementary Information to the Cash Flow Statement (Continued)

(3). Composition of Cash and Cash Equivalents

Unit: Yuan Currency: RMB

Item	Closing Balance	Opening Balance
I. Cash	121,403,386.89	130,564,767.60
Including: Cash on hand		
Bank deposits available for payment at any time	121,403,386.89	130,564,767.60
Other monetary funds available for payment at any time		
Deposits with central bank available for payment		
Deposits with banks		
Placements with banks		
II. Cash equivalents		
Including: Bond investments due within three months		
III. Closing balance of cash and cash equivalents	121,403,386.89	130,564,767.60
Including: Restricted cash and cash equivalents used by the parent company or subsidiaries within the Group		

Notes to the Financial Statements

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VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

49. Monetary Items in Foreign Currency

Unit: Yuan

Item	Closing Balance of Foreign Currency	Exchange Rate	Closing Balance in RMB
Monetary funds	–	–	47.80
Including: USD	6.80	7.0288	47.80
Accounts receivable	–	–	2,369,764.35
Including: USD	337,150.63	7.0288	2,369,764.35
Accounts payable	–	–	222,662.97
Including: USD	31,678.66	7.0288	222,662.97
Other payables	–	–	1,943,867.89
Including: HKD	2,152,240.63	0.9032	1,943,867.89

50. Leases

(1). As a lessee

Lease expenses for short-term leases or low-value asset leases under simplified approach

Unit: Yuan Currency: RMB

Item	Amount for the Current Period
Short-term lease expenses	14,156,827.13
Low-value asset lease expenses	398,073.19

Total cash outflows related to leases: 13,045,722.00 (Unit: Yuan Currency: RMB)

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

50. Leases (Continued)

(2). As a lessor

Operating leases as lessor

Unit: Yuan Currency: RMB

Item	Lease Income	Including: Income relating to variable lease payments not included in lease receipts
Leases of buildings, sites, etc.	2,384,974.53	
Total	2,384,974.53	

Undiscounted lease receipts in the next five years

Undiscounted lease receipts to be received each year for the five consecutive financial years after the balance sheet date, and the total undiscounted lease receipts for the remaining 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	340,538.52
2nd year		340,538.52
3rd year		
4th year		
5th year		
Total undiscounted lease receipts for next five years		

Notes to the Financial Statements

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Unit: Yuan Currency: RMB

VIII. RESEARCH AND DEVELOPMENT EXPENSES

1. Expenses is presented by nature of fees

Unit: Yuan Currency: RMB

Item	Amount for the Current Period		Amount for the Previous Period	
	Expensed Amount	Capitalized Amount	Expensed Amount	Capitalized Amount
Labor expense	35,564,850.36	3,830,101.79	38,024,536.72	7,795,817.37
Material expense	93,047,131.14	34,693,221.34	115,881,630.39	28,669,335.55
Depreciation expenses	5,055,833.58	3,052,407.32	7,384,155.46	1,733,408.34
Other expenses	276,218.85	1,340,008.69	12,885,961.53	326,699.44
Total	133,944,033.93	42,915,739.14	174,176,284.10	38,525,260.70
Including: Expensed research and development expenditure	133,944,033.93		174,176,284.10	
Capitalized research and development expenditure		42,915,739.14		38,525,260.70

VIII. RESEARCH AND DEVELOPMENT EXPENSES (CONTINUED)

2. R&D project development expenditures eligible for capitalization

Unit: Yuan Currency: RMB

Item	Opening Balance	Increase for the period	Decrease for the period	Closing Balance
		Internal development expenditure	Recognized as intangible assets	
High conversion power rolled glass research and development project	8,354,086.33		8,354,086.33	
Research on the relationship between glass performance and module hidden cracks and breakage		615,193.14	615,193.14	
Research and application of low-antimony/antimony-free clarifying agents for ultra-thin photovoltaic glass		7,586,730.49		7,586,730.49
Research on RD28 high light transmittance photovoltaic glass fabrication technology	2,115,390.92	826,305.98	2,941,696.90	
R&D of RD36 photovoltaic glass four-split plate ultra-wide forming technology		26,361,888.76		26,361,888.76
Study on the causes of black attachments on the lower surface of rolled glass		3,338,503.19	3,338,503.19	
Research on paperless packaging technology		1,519,055.36	1,519,055.36	
Research on fabrication technology of high transmittance ultra-white rolled photovoltaic glass		2,668,062.22		2,668,062.22
Total	10,469,477.25	42,915,739.14	16,768,534.92	36,616,681.47

VIII. RESEARCH AND DEVELOPMENT EXPENSES (CONTINUED)

2. R&D project development expenditures eligible for capitalization (Continued)

Significant 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
High conversion power rolled glass research and development project	100.00%	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).
Research and application of low-antimony/antimony-free clarifying agents for ultra-thin photovoltaic glass	60.67%	June 2026	Meet environmental "dual-carbon" requirements, reduce product costs, enhance product performance, and increase product price	October 2025	It meets the requirements of Article 7 of Accounting Standard for Business Enterprises No.6 – Intangible Assets; an invention patent has been filed: "A low-antimony/antimony-free formula glass batching device" (202522611882.1).
R&D of RD36 photovoltaic glass four-split plate ultra-wide forming technology	85.00%	January 2026	Can improve yield rate and reduce Entity energy consumption	November 2025	It meets the requirements of Article 7 of Accounting Standard for Business Enterprises No.6 – Intangible Assets; mid-term science and technology evaluation report and experimental records.

IX. CHANGES IN THE SCOPE OF CONSOLIDATION

1. Business combinations not under common control

(1). Business combination transactions not under common control occurred in the current period

Unit: Yuan Currency: RMB

Name of acquiree	Date of equity acquisition	Cost of equity acquisition	Equity		Acquisition date	Basis for determining the acquisition date	Revenue of the acquiree from the acquisition date to the end of the period	Net profit of the acquiree from the acquisition date to the end of the period	Cash flow of the acquiree from the acquisition date to the end of the period
			acquisition ratio(%)	Method of equity acquisition					
Jiangsu Triumph	May 2025	373,000,000.00	74.60%	Capital increase	May 2025	Transfer of control	357,946,640.92	53,072,237.15	3,121,230.89

(2). Combination cost and goodwill

Unit: Yuan Currency: RMB

	Jiangsu Triumph New Material Co., Ltd.
Combination cost	
– Cash	373,000,000.00
– Fair value of non-cash assets	
– Fair value of debt issued or assumed	
– Fair value of equity securities issued	
– Fair value of contingent consideration	
– Fair value of equity interests held before the acquisition date at the acquisition date	
– Others	
Total combination cost	<u>373,000,000.00</u>
Less: Fair value share of identifiable net assets acquired	373,108,490.27
Goodwill/Excess of combination cost over the Group's interest in the fair value of the acquiree's identifiable net assets	<u>-108,490.27</u>

Method for determining the fair value of combination cost: valuation.

IX. CHANGES IN THE SCOPE OF CONSOLIDATION (CONTINUED)

1. Business combinations not under common control (Continued)

(3). Identifiable assets and liabilities of the acquiree at the acquisition date

Unit: Yuan Currency: RMB

	Jiangsu Triumph New Material Co., Ltd.	
	Fair value at acquisition date	Carrying amount at acquisition date
Assets:		
Monetary funds	2,249,207.62	2,249,207.62
Notes receivable	25,160,911.83	25,160,911.83
Accounts receivable	8,851,904.40	8,763,385.36
Accounts receivable financing	3,512,575.38	3,512,575.38
Prepayments	3,008,073.09	3,008,073.09
Other receivables	2,020,421.15	1,982,930.30
Inventories	26,680,634.17	26,680,634.17
Other current assets	66,592,132.21	66,592,132.21
Fixed assets	3,135,294.96	3,162,130.06
Construction in progress	1,059,421,921.89	1,047,020,985.17
Intangible assets	94,124,438.23	89,891,409.79
Other non-current assets	234,154.29	234,154.29
Liabilities:		
Short-term borrowings	79,034,087.32	79,034,087.32
Notes payable	98,000,000.00	98,000,000.00
Accounts payable	810,656,408.12	810,656,408.12
Contract liabilities	53,544,703.04	53,544,703.04
Employee compensation payable	1,094,219.84	1,094,219.84
Taxes payable	236,291.34	236,291.34
Other payables	103,944,969.47	103,944,969.47
Non-current liabilities due within one year	3,719,444.42	3,719,444.42
Other current liabilities	18,594,734.36	18,594,734.36
Long-term borrowings	46,500,000.00	46,500,000.00
Deferred income	73,118,097.00	73,118,097.00
Deferred income tax liabilities		
Net assets	6,548,714.31	-10,184,425.64
Less: Minority interests	1,663,373.43	-2,586,844.11
Net assets acquired	4,885,340.88	-7,597,581.53

Method for determining the fair value of identifiable assets and liabilities: valuation.

X. INTERESTS IN OTHER ENTITIES

1. Interests in subsidiaries

(1). Composition of the Group

Unit: Yuan Currency: RMB

Name of subsidiary	Location of principal business	Registered capital	Place of registration	Nature of business	Shareholding ratio(%)		Method of acquisition
					Direct	Indirect	
Hefei New Energy	Hefei City	868,000,000.00	Hefei City	Production and sales	100.00		Business combination under common control
Tongcheng New Energy	Tongcheng City	933,388,980.00	Tongcheng City	Production and sales	100.00		Business combination under common control
Yixing New Energy	Yixing City	313,700,000.00	Yixing City	Production and sales	70.99		Business combination under common control
Zigong New Energy	Zigong City	1,000,000,000.00	Zigong City	Production and sales	60.00		Business combination not under common control
Zhangzhou New Energy	Zhangzhou City	550,000,000.00	Zhangzhou City	Production and sales	100.00		Business combination not under common control
Luoyang New Energy	Luoyang City	800,000,000.00	Luoyang City	Production and sales	100.00		Investment
North Glass	Qinhuangdao City	643,903,700.00	Qinhuangdao City	Production and sales	100.00		Business combination under common control
Jiangsu Triumph	Suqian City	500,000,000.00	Suqian City	Production and sales	74.60		Business combination not under common control

(2). Important non-wholly owned subsidiaries

Unit: Yuan Currency: RMB

Name of subsidiary	Shareholding percentage of non-controlling shareholders(%)	Profit or loss attributable to non-controlling shareholders for the period	Dividends declared and distributed to non-controlling shareholders for the period	Closing balance of equity attributable to non-controlling shareholders
Yixing New Energy	29.01	-84,239,380.39		29,349,076.87
Zigong New Energy	40.00	2,366,884.57	4,000,000.00	357,704,674.13
Jiangsu Triumph	25.40	13,480,348.24		140,517,287.29

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X. INTERESTS IN OTHER ENTITIES (CONTINUED)

1. Interests in subsidiaries (Continued)

(3). Major financial information of 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
Yixing New Energy	622,061,178.08	1,716,019,170.85	2,338,080,348.93	1,831,444,564.43	405,466,956.95	2,236,911,521.38
Zigong New Energy	518,560,551.67	718,009,182.73	1,236,569,734.40	358,335,022.60	55,419,178.34	413,754,200.94
Jiangsu Triumph	386,434,389.50	1,342,879,647.37	1,729,314,036.87	1,070,528,008.36	118,118,097.00	1,188,646,105.36

Name of subsidiary	Amount for the current period				Amount for the previous period			
	Revenue	Net profit	Total comprehensive income	Net cash flows from operating activities	Revenue	Net profit	Total comprehensive income	Net cash flows from operating activities
Yixing New Energy	621,668,626.08	-290,380,490.83	-290,380,490.83	-215,353,461.09	1,190,917,146.51	-188,658,963.07	-188,658,963.07	-698,598,102.93
Zigong New Energy	392,207,801.48	5,974,181.78	5,974,181.78	41,232,774.00	610,379,918.85	4,739,301.66	4,739,301.66	44,439,222.87
Jiangsu Triumph	357,946,640.92	53,072,237.15	53,072,237.15	-153,401,124.32				

Other explanation:

In May 2025, the Company acquired 74.60% equity interest in Jiangsu Triumph New Material Co., Ltd. through a business combination not under common control, and Jiangsu Triumph New Material Co., Ltd. was included in the scope of consolidation.

XI. GOVERNMENT GRANTS

1. Government grants recognized as receivables at the end of the reporting period

Closing balance of receivables amounted to 109,764,164.22 (Unit: Yuan Currency: RMB)

Details of government grants included in other receivables

Type	Closing Balance	Explanation
Hefei New Energy photovoltaic subsidy	7,982,201.48	Accrued according to subsidy policy, to be disbursed by the government in batches
Luoyang New Energy Ruyang County industrial guidance fund	8,450,000.00	According to the government funding plan, this subsidy is scheduled for disbursement in the second quarter of 2026
Zigong New Energy support fund for enterprise accelerated development	13,189,162.74	According to the government funding plan, this subsidy is expected to be disbursed in the third quarter of 2026
Zigong New Energy 2024 policy support funds	3,576,000.00	According to the government funding plan, 9.24 million was received in 2025, and 3.576 million is expected to be disbursed in the fourth quarter of 2026
Jiangsu Triumph Industrial Park Management Committee industrial guidance fund	39,000,000.00	According to the government funding plan, this subsidy is scheduled for disbursement in the second and third quarters of 2026
Zigong New Energy provincial special fund for R&D platform construction of industrial enterprises above designated size	1,900,000.00	According to the government funding plan, this subsidy is scheduled for full disbursement in the first quarter of 2026
Zigong New Energy Yantan High-tech Industrial Park Management Committee award and subsidy fund	29,900,000.00	According to the government funding plan, this subsidy will be disbursed in the fourth quarter of 2026
Zigong New Energy Phase I energy subsidy	5,766,800.00	According to the government funding plan, this subsidy will be disbursed in the fourth quarter of 2026
Total	109,764,164.22	

Notes to the Financial Statements

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Unit: Yuan Currency: RMB

XI. GOVERNMENT GRANTS (CONTINUE)

2. Liabilities involving government subsidies

Unit: Yuan Currency: RMB

Financial statement item	Opening balance	New grants for the period	Amount recognized in non-operating income for the period	Amount transferred to other income for the period	Other changes during the period	Closing balance	Related to assets/ Related to income
Government grants related to assets	62,438,346.08	85,492,697.00		8,110,218.24		139,820,824.84	Related to assets
Total	62,438,346.08	85,492,697.00		8,110,218.24		139,820,824.84	/

Government grants recorded as deferred income and measured at gross amount method subsequently

Type	Opening balance	New grants for the period	Amount transferred to profit or loss for the period	Other changes	Closing balance	Item presented in profit or loss for the period
Government subsidies related to assets:						
Phase II project of photovoltaic cell packaging material for solar equipment	12,202,098.35	589,034.15			11,613,064.20	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	2,732,970.38	131,037.65			2,601,932.73	Other income
Phase I – Joint workshop a1.386MW distributed photovoltaic power station	493,902.45	493,902.45				Other income
Hefei – 650t/d glass production line green upgrading project	7,393,800.00	552,263.52			6,841,536.48	Other income
Subsidy for “Three Major and One Innovative” Award by the NDRC	2,945,163.67	276,109.08			2,669,054.59	Other income
Special grant fund of interest subsidy for financing for manufacturing industry	2,339,263.28			-2,339,263.28		
Industrial award 2020	3,097,089.00		288,101.28		2,808,987.72	Other income

XI. GOVERNMENT GRANTS (CONTINUED)

2. Liabilities involving government subsidies (Continued)

Type	Opening balance	New grants for the period	Amount transferred to profit or loss for the period	Other changes	Closing balance	Item presented in profit or loss for the period
2024 Special fund for the development of manufacturing strong provinces and small and medium-sized enterprises	970,930.25	1,000,000.00	141,623.66		1,829,306.59	Other income
Project grants for the application of new modes of intelligent manufacturing	4,737,273.20		938,949.84		3,798,323.36	Other income
Application of a new intelligent manufacturing model for ultrathin photovoltaic glass substrate materials	1,195,613.30				1,195,613.30	
Project of photovoltaic cell encapsulating material for solar equipment	960,966.96		58,549.56		902,417.40	Other income
Grant for high quality development of the Bureau of Industry and Information Technology in 2021	2,620,388.20		259,049.64		2,361,338.56	Other income
Special funds for transformation and upgrading of industry and informatization	2,700,332.22		286,342.44		2,413,989.78	Other income
2024 Jiangsu province manufacturing power construction special funds	4,924,049.22		455,704.68		4,468,344.54	Other income
Special fund for industrial development of Zigong Province	5,921,222.03		502,550.88		5,418,671.15	Other income
2024 policy support funding	993,690.84		75,709.92		917,980.92	Other income
Investment subsidies and special funds for technological transformation equipment of enterprises-Phase II	1,333,778.60		348,889.92		984,888.68	Other income
Award and subsidy fund for Blue Sky Defense Battle		6,798,000.00			6,798,000.00	
2025 Jiangsu province manufacturing power construction special funds		3,390,000.00	216,218.48		3,173,781.52	Other income
2023 Modern Industry High-Quality Development Award and Subsidy—Intelligent Equipment Project award and subsidy		766,600.00	17,065.14		749,534.86	Other income
Other grants	1,375,814.13	420,000.00	139,852.67	73,118,097.00	1,655,961.46	Other income
Total	62,438,346.08	12,374,600.00	5,770,954.96	70,778,833.72	139,820,824.84	

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

XI. GOVERNMENT GRANTS (CONTINUED)

3. Government grants recognized in profit or loss

Unit: Yuan Currency: RMB

Type	Item	Amount for the current period	Amount for the previous period	Item presented in profit or loss
Related to income	Industrial guidance funds	53,450,000.00	16,223,400.00	Other income
Related to income	Phase I energy subsidy	50,036,800.00		Other income
Related to income	Zigong Yantan High-tech Industrial Park Management Committee award and subsidy fund	49,900,000.00		Other income
Related to income	Key technology development and industrial application of oversized high-reflection backsheets glass	3,892,000.00		Other income
Related to income	Provincial special fund for R&D platform construction of industrial enterprises above designated size	1,900,000.00		Other income
Related to income	2024 Tongcheng City market cultivation main body subsidy	892,500.00		Other income
Related to income	Jiangsu Industrial Internet Benchmarking Factory-Provincial demonstration project supporting award and subsidy	775,000.00		Other income
Related to income	Hefei Economic and Development Bureau government subsidy for national-level specialized and sophisticated "little giant" enterprises	500,000.00	1,000,000.00	Other income
Related to income	Provincial enterprise technology center award	500,000.00		Other income
Related to income	2024 Provincial special fund for industrial energy saving, carbon reduction and resource comprehensive utilization (third batch)	500,000.00		Other income
Related to income	Subsidy for stabilizing employment	456,654.44	1,056,224.57	Other income
Related to income	2023 Modern Industry High-Quality Commercial Development Policy award and subsidy	242,200.00		Other income
Related to income	Fujian provincial specialized and sophisticated enterprise award	200,000.00		Other income
Related to income	Fujian provincial enterprise technology center award and subsidy	150,000.00		Other income

XI. GOVERNMENT GRANTS (CONTINUED)

3. Government grants recognized in profit or loss (Continued)

Type	Item	Amount for the current period	Amount for the previous period	Item presented in profit or loss
Related to income	Solar high-strength, high-transmittance ultra-thin photovoltaic glass intelligent manufacturing process optimization and industrial application	150,000.00		Other income
Related to income	Photovoltaic subsidy		5,283,491.38	Other income
Related to income	2024 policy support funding		2,500,000.00	Other income
Related to income	Demand side response in 2024		1,074,959.39	Other income
Related to income	Zhangzhou 2023 second batch of central air pollution prevention funds		2,290,000.00	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	Other grants	932,183.92	4,157,757.48	Other income
Total		<u>164,477,338.36</u>	<u>35,085,832.82</u>	

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 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

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 Company's bank deposits 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 12months 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 22.57% 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.

XII. RISKS RELATING TO FINANCIAL INSTRUMENTS (CONTINUED)

1. Risks related to financial instruments (Continued)

Risk management objectives and policies (Continued)

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 borrowings	2,476,889,588.10			2,476,889,588.10
Notes payable	201,353,533.91			201,353,533.91
Accounts payable	1,755,070,109.63	844,373,921.83	5,377,875.07	2,604,821,906.53
Other payables	24,342,704.77	174,421,270.42	8,839,901.15	207,603,876.34
Lease liabilities	987,204.57	3,339,074.29	477,151.28	4,803,430.14
Long-term borrowings (including long-term borrowings due within one year)	845,814,393.05	3,239,981,035.51	82,641,751.56	4,168,437,180.12
Total financial liabilities	5,304,457,534.03	4,262,115,302.05	97,336,679.06	9,663,909,515.14

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 73.33% (prior year-end: 64.45%).

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).

(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	Closing fair value			Total
	Level 1 fair value measurement	Level 2 fair value measurement	Level 3 fair value measurement	
I. Recurring fair value measurement				
(I) Trading financial assets				
(II) Other debt investments				
(III) Other equity instrument investments				
(IV) Investment property				
(V) Biological assets				
(VI) Accounts receivable financing			93,041,792.35	93,041,792.35

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 (Continued)

Assets and liabilities measured at fair value at the end of the period using the above three levels are presented below: (Continued)

Item	Closing fair value			Total
	Level 1 fair value measurement	Level 2 fair value measurement	Level 3 fair value measurement	
Total assets measured at fair value on a recurring basis			93,041,792.35	93,041,792.35
(VI) Trading financial liabilities				
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				

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 (%)
CLFG	Luoyang, China	Manufacturing of glass and related raw materials, whole set equipment	1,627,921,337.60	17.22	17.22

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 "X. Interests in Other Entities" under the Financial Report.

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
Guangdong Triumph Photovoltaic Technology Research Institute Co., Ltd.	Common ultimate controller
China Triumph International Engineering Co., Ltd. Jiangsu Branch	Common ultimate controller
Shenzhen Triumph Technology Engineering Co., Ltd.	Common ultimate controller
Shanghai Triumph Energy Saving Engineering Co., Ltd.	Common ultimate controller
Bengbu Triumph Engineering Technology Company Limited Chemical Machinery Branch	Common ultimate controller
Bengbu Triumph Engineering Technology Company Limited	Common ultimate controller
Henan Zhonglian Glass Co., Ltd.	Common ultimate controller
Yaohua (Qinhuangdao) Glass Co., Ltd.	Common ultimate controller
CTIEC Digitalization & Intellectualization (Shanghai) Co., Ltd.	Common ultimate controller
Zhongxin Group Engineering Consulting Group Co., Ltd.	Common ultimate controller
CNBM Research Institute for Intelligent Automation Co., Ltd.	Common ultimate controller
CNBM New Material Research Institute Group Co., Ltd.	Common ultimate controller
Zhongxin Group Engineering Consulting Group Co., Ltd. Bengbu Branch	Common ultimate controller
CNBM Triumph Robotics (Shanghai) Co., Ltd.	Common ultimate controller
Shandong Industrial Ceramics Research & Design Institute Co., Ltd.	Common ultimate controller

XIV. RELATED PARTY AND RELATED PARTY TRANSACTIONS (CONTINUED)

3. Other related parties (Continued)

Name of other related parties	Relationship with the Company
CNBM Environmental Protection Research Institute (Jiangsu) Co., Ltd.	Common ultimate controller
China Building Material Test & Certification Group Co., Ltd.	Common ultimate controller
CNBM Zhuocai Technology (Beijing) Co., Ltd.	Common ultimate controller
BNBM Group Co., Ltd. Procurement Technology Branch	Common ultimate controller
China Building Material Test & Certification Group Qinhuangdao Co., Ltd.	Common ultimate controller
Triumph Quartz Material (Hainan) Co., Ltd.	Common ultimate controller
Bengbu Triumph Glass Co., Ltd	Common ultimate controller
Bengbu Chemical Machinery Manufacturing Company Limited	Common ultimate controller
Anhui Tianzhu Green Energy Sources Technology Co., Ltd.	Common ultimate controller
Sinoma Advanced Materials Co., Ltd.	Common ultimate controller
Yangzhou Zhongke Semiconductor Lighting Co., Ltd.	Common ultimate controller
China National Building Material Group Finance Co., Ltd.	Common ultimate controller
Beijing Zhongqing Heli International Exhibition Co., Ltd.	Common ultimate controller
Triumph Glass Holding Co., Ltd. Shanghai Triumph Glass Branch	Common ultimate controller
Handan Triumph Optoelectronic Materials Co., Ltd.	Common ultimate controller
CNBM Junxin Technology Co., Ltd.	Common ultimate controller
Triumph Photovoltaic Materials Co., Ltd.	Common ultimate controller
China Triumph International Engineering Co., Ltd. Shenzhen Branch	Common ultimate controller
Qinhuangdao Glass Industry Research and Design Institute Company Limited	Common ultimate controller
China National Building Materials Tongliao Silica Sand Industry Co., Ltd.	Common ultimate controller
Yaohua (Luoyang) Glass Co., Ltd.	Common ultimate controller
China Yaohua Glass Group Corporation Co., Ltd.	Common ultimate controller
Anhui Huaguang Photoelectricity Materials Technology Group Co. Ltd. Bengbu Photoelectricity Glass Branch	Common ultimate controller
Triumph Science & Technology Co., Ltd Bengbu Huayi Branch	Common ultimate controller
Bengbu Xingke Glass Co., Ltd.	Common ultimate controller
Triumph Science & Technology Co., Ltd.	Common ultimate controller
CNBM (Suqian) New Energy Co., Ltd.	Other related legal person
CNBM (Suqian) New Material Co., Ltd.	Other related legal person
Shanghai Triumph Haofeng Agricultural Development Co., Ltd.	Other related legal person
Haofeng (Shanghai) Agricultural Technology Co., Ltd.	Other related legal person
Far East Opto-electronics Co., Ltd.	Other related legal person
Anhui Triumph Haofeng Xiaogang Modern Facility Agriculture Co., Ltd.	Other related legal person
Suqian Canal Harbor Area Development Group Co., Ltd.	Other related legal person

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 the current period	Approved transaction cap (if applicable)	Whether exceeding transaction cap (if applicable)	Amount for the previous period
CNBMG Triumph Mineral Resources Group Co., Ltd.	Purchase of raw materials and goods	696,709,852.04			977,276,378.03
China Triumph International Engineering Co., Ltd.	Receiving engineering, technology and maintenance services	289,898,784.59			614,772,613.68
China Triumph International Engineering Co., Ltd. Bengbu Branch	Receiving engineering, technology and maintenance services	103,926,115.52			418,424,723.02
Guangdong Triumph Photovoltaic Technology Research Institute Co., Ltd.	Purchase of raw materials and goods	75,709,738.48			45,109,292.05
China Triumph International Engineering Co., Ltd. Jiangsu Branch	Receiving engineering, technology and maintenance services	14,125,317.69			3,355,565.24
Shenzhen Triumph Technology Engineering Co., Ltd.	Receiving engineering, technology and maintenance services	12,146,447.58			8,336,252.68
China Triumph International Engineering Co., Ltd.	Purchase of raw materials and goods	9,067,467.72			
Shanghai Triumph Energy Saving Engineering Co., Ltd.	Purchase of raw materials and goods	9,006,151.95			
Bengbu Triumph Engineering Technology Company Limited Chemical Machinery Branch	Purchase of assets and spare parts	1,973,451.33			
Bengbu Triumph Engineering Technology Company Limited	Purchase of assets and spare parts	1,146,059.31			2,866,290.21
Henan Zhonglian Glass Co., Ltd.	Purchase of raw materials and goods	1,014,207.04			10,987.27
Yaohua (Qinhuangdao) Glass Co., Ltd.	Purchase of raw materials and goods	939,776.02			
CTIEC Digitalization & Intellectualization (Shanghai) Co., Ltd.	Purchase of assets and spare parts	825,717.99			3,574,790.71

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)

Table of purchase of commodity/receiving of labor service (Continued)

Related party	Content of related party transactions	Amount for the current period	Approved transaction cap (if applicable)	Whether exceeding transaction cap (if applicable)	Amount for the previous period
Zhongxin Group Engineering Consulting Group Co., Ltd.	Receiving engineering, technology and maintenance services	819,066.15			860,933.02
Zhongxin Group Engineering Consulting Group Co., Ltd.	Purchase of raw materials and goods	707,964.60			
CNBM Research Institute for Intelligent Automation Co., Ltd.	Purchase of raw materials and goods	695,382.34			
Triumph Science & Technology Group Co., Ltd.	Receiving engineering, technology and maintenance services	522,222.22			
CNBM New Material Research Institute Group Co., Ltd.	Purchase of raw materials and goods	518,230.10			
Zhongxin Group Engineering Consulting Group Co., Ltd. Bengbu Branch	Receiving engineering, technology and maintenance services	469,026.55			155,339.80
Bengbu Triumph Engineering Technology Company Limited	Receiving engineering, technology and maintenance services	442,477.88			1,129,823.01
Bengbu Triumph Engineering Technology Company Limited	Purchase of raw materials and goods	378,845.14			
CNBM New Material Research Institute Group Co., Ltd.	Receiving engineering, technology and maintenance services	353,645.01			3,582,783.02
CNBM Triumph Robotics (Shanghai) Co., Ltd.	Purchase of raw materials and goods	348,380.51			
Shandong Industrial Ceramics Research & Design Institute Co., Ltd.	Purchase of raw materials and goods	279,221.23			468,212.39
CNBM Triumph Robotics (Shanghai) Co., Ltd.	Purchase of assets and spare parts	277,504.42			227,923.88
CNBM Environmental Protection Research Institute (Jiangsu) Co., Ltd.	Purchase of raw materials and goods	141,592.92			
China Building Material Test & Certification Group Co., Ltd.	Purchase of raw materials and goods	118,031.14			

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)**

Table of purchase of commodity/receiving of labor service (Continued)

Related party	Content of related party transactions	Amount for the current period	Approved transaction cap (if applicable)	Whether exceeding transaction cap (if applicable)	Amount for the previous period
CNBM Triumph Robotics (Shanghai) Co., Ltd.	Receiving engineering, technology and maintenance services	104,070.80			1,996,182.96
CNBM Zhuocai Technology (Beijing) Co., Ltd.	Purchase of raw materials and goods	95,856.84			
CTIEC Digitalization & Intellectualization (Shanghai) Co., Ltd.	Receiving engineering, technology and maintenance services	94,339.62			1,223,602.29
BNBM Group Co., Ltd. Procurement Technology Branch	Purchase of raw materials and goods	42,012.16			
China Building Material Test & Certification Group Qinhuangdao Co., Ltd.	Purchase of assets and spare parts	14,380.54			
CTIEC Digitalization & Intellectualization (Shanghai) Co., Ltd.	Purchase of raw materials and goods	1,238.94			
China National Building Material Group Finance Co., Ltd.	Interest expenses	546,065.79			416,563.39
China Luoyang Float Glass (Group) Company Limited	Interest expenses	4,085,972.22			16,203,416.67
Anhui Tianzhu Green Energy Sources Technology Co., Ltd.	Purchase of assets and spare parts				2,848,774.42
Anhui Tianzhu Green Energy Sources Technology Co., Ltd.	Receiving engineering, technology and maintenance services				1,246,697.25
Bengbu Chemical Machinery Manufacturing Company Limited	Purchase of assets and spare parts				2,888,210.87
Bengbu Chemical Machinery Manufacturing Company Limited	Receiving engineering, technology and maintenance services				261,061.95
Bengbu Triumph Glass Co., Ltd	Purchase of raw materials and goods				4,998,389.68

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)

Table of purchase of commodity/receiving of labor service (Continued)

Related party	Content of related party transactions	Amount for the current period	Approved transaction cap (if applicable)	Whether exceeding transaction cap (if applicable)	Amount for the previous period
Beijing Zhongqing Heli International Exhibition Co., Ltd.	Receiving engineering, technology and maintenance services				397,911.32
BNBM Group Co., Ltd. Procurement Technology Branch	Purchase of assets and spare parts				1,793.91
CNBM (Suqian) New Material Co., Ltd.	Purchase of raw materials and goods				267,953.94
Triumph Quartz Material (Hainan) Co., Ltd.	Purchase of raw materials and goods				10,495,840.60
Shandong Industrial Ceramics Research & Design Institute Co., Ltd.	Purchase of assets and spare parts				471,106.19
Shanghai Triumph Energy Saving Engineering Co., Ltd.	Receiving engineering, technology and maintenance services				789,834.90
CNBM (Suqian) New Energy Co., Ltd.	Purchase of raw materials and goods				8,209,438.10
Yangzhou Zhongke Semiconductor Lighting Co., Ltd.	Purchase of assets and spare parts				17,477.88
Yangzhou Zhongke Semiconductor Lighting Co., Ltd.	Receiving engineering, technology and maintenance services				560,136.39
Sinoma Advanced Materials Co., Ltd.	Purchase of assets and spare parts				622,389.37
China Building Material Test & Certification Group Co., Ltd.	Receiving engineering, technology and maintenance services				186,706.56
China Building Material Test & Certification Group Qinhuangdao Co., Ltd.	Receiving engineering, technology and maintenance services				10,619.47
China Luoyang Float Glass (Group) Company Limited	Receiving engineering, technology and maintenance services				7,735.86

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)*

Table of purchase of commodity/receiving of labor service (Continued)

Related party	Content of related party transactions	Amount for the current period	Approved transaction cap (if applicable)	Whether exceeding transaction cap (if applicable)	Amount for the previous period
CNBM Environmental Protection Research Institute (Jiangsu) Co., Ltd.	Purchase of assets and spare parts				1,153,690.02
CNBM Environmental Protection Research Institute (Jiangsu) Co., Ltd.	Receiving engineering, technology and maintenance services				8,835,105.96
CNBM Research Institute for Intelligent Automation Co., Ltd.	Purchase of assets and spare parts				257,164.60
CNBM Research Institute for Intelligent Automation Co., Ltd.	Receiving engineering, technology and maintenance services				5,547,626.56



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 the current period	Amount for the previous period
China Triumph International Engineering Co., Ltd.	Sales of glass	17,128,963.62	10,355,491.09
Triumph Glass Holding Co., Ltd. Shanghai Triumph Glass Branch	Sales of glass	61,171.68	
China National Building Material Group Finance Co., Ltd.	Interest income	1,453,289.83	1,760,209.96
Handan Triumph Optoelectronic Materials Co., Ltd.	Sales of glass	2,548.67	
Bengbu Triumph Engineering Technology Company Limited Chemical Machinery Branch	Tender fee	265.46	
CNBM Junxin Technology Co., Ltd.	Sales of glass	-456,573.66	396.40
China Triumph International Engineering Co., Ltd.	Provision of services	3,707,547.17	21,216,981.14
Jiangsu Triumph New Material Co., Ltd.	Sales of glass		5,310,386.61
Haofeng (Shanghai) Agricultural Technology Co., Ltd.	Sales of glass		42,825.51
CNBM Triumph Robotics (Shanghai) Co., Ltd.	Other		5,518.05
Far East Opto-electronics Co., Ltd.	Utilities collection on behalf		-7,165.11
Triumph Photovoltaic Materials Co., Ltd.	Sales of glass		-1,089,600.00

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Unit: Yuan Currency: RMB

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

(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	392,223.30	394,032.62
China National Building Materials Tongliao Silica Sand Industry Co., Ltd.	Fixed assets		13,487.12
Yaohua (Qinhuangdao) Glass Co., Ltd.	Fixed assets	1,666,469.74	

XIV. RELATED PARTY AND RELATED PARTY TRANSACTIONS (CONTINUED)

4. Related party transactions (Continued)

(3). Leasing between related parties (Continued)

The Company as the lessee:

Unit: Yuan Currency: RMB

Name of lessor	Type of leasing asset	Amount for the current period					Amount for the previous period				
		Lease expenses for short-term leases and low-value asset leases under simplified approach (if applicable)	Variable lease payments not included in the measurement of lease liabilities (if applicable)	Rental payments	Interest expenses on lease liabilities assumed	Right-of-use assets added	Lease expenses for short-term leases and low-value asset leases under simplified approach (if applicable)	Variable lease payments not included in the measurement of lease liabilities (if applicable)	Rental payments	Interest expenses on lease liabilities assumed	Right-of-use assets added
Suqian Canal Harbor Area Development Group Co., Ltd.	Employee dormitory			6,000.00							
Yaohua (Qinhuangdao) Glass Co., Ltd.	Machinery and equipment			1,061,946.90							

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XIV. RELATED PARTY AND RELATED PARTY TRANSACTIONS (CONTINUED)

4. Related party transactions (Continued)

(4). Borrowings/loans with related parties

From January to December 2025, 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 2025 amounted to RMB150,289,388.89.

Deposits with and loans from related parties

Deposits with related parties

Related party	Deposit balance	Deposit interest rate
China National Building Material Group Finance Co., Ltd.	113,925,281.19	0.55%-1.35%

Loans from related parties

Related party	Loan balance	Loan interest rate
China National Building Material Group Finance Co., Ltd.	71,805,192.54	1.85%-2.50%

Asset transfer and debt restructuring of related parties

Unit: Yuan Currency: RMB

Related party	Content of related party transactions	Amount for the current period	Amount for the previous period
Bengbu Triumph Engineering Technology Company Limited	Disposal of fixed assets	0	5,897,269.00
Shenzhen Triumph Technology Engineering Co., Ltd.	Disposal of fixed assets	0	-51.98

(5). Remuneration of key management personnel

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the previous period
Remuneration of key management personnel	3,621,109.97	4,920,001.78

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	
		Carrying amount	Provision for bad debt	Carrying amount	Provision for bad debt
Notes receivable	CNBM Junxin Technology Co., Ltd.			2,000,000.00	
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.	28,396,319.35	567,926.38	21,852,566.60	437,051.33
Accounts receivable	CNBM Junxin Technology Co., Ltd.	15,503,851.97	310,077.05	17,019,780.21	340,395.60
Accounts receivable	Far East Opto-electronics Co., Ltd.	14,732,448.21	578,594.16	12,449,755.92	532,940.32
Accounts receivable	Shanghai Triumph Haofeng Agricultural Development Co., Ltd.	1,384,956.34	21,882.31		
Accounts receivable	Haofeng (Shanghai) Agricultural Technology Co., Ltd.	931,269.42	18,625.39	931,269.42	18,625.39
Accounts receivable	Jiangsu Triumph New Material Co., Ltd.			4,460,736.87	89,214.74
Prepayment	CNBM (Suqian) New Energy Co., Ltd.	133,331.80		133,331.80	
Prepayment	CNBM New Material Research Institute Group Co., Ltd.	105,859.16		25,859.16	
Prepayment	CTIEC Digitalization & Intellectualization (Shanghai) Co., Ltd.	65,000.00			
Prepayment	China Building Material Test & Certification Group Co., Ltd.	37,145.00			
Prepayment	CNBM (Suqian) New Material Co., Ltd.	4,203.84		4,203.84	
Prepayment	Henan Zhonglian Glass Co., Ltd.	737.09			
Prepayment	Zhongxin Group Engineering Consulting Group Co., Ltd.			321,928.00	
Prepayment	CNBM Environmental Protection Research Institute (Jiangsu) Co., Ltd.			142,000.00	
Other receivables	Bengbu Triumph Engineering Technology Company Limited	2,665,565.59	53,311.31	4,664,739.78	93,294.80
Other receivables	Yaohua (Qinhuangdao) Glass Co., Ltd.	2,391,268.93	47,825.38	574,816.93	11,496.33
Other receivables	China Triumph International Engineering Co., Ltd. Shenzhen Branch	1,003,000.00	20,060.00	623,000.00	12,460.00
Other receivables	Qinhuangdao Glass Industry Research and Design Institute Company Limited	239,350.00	239,350.00	239,350.00	239,350.00

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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)

(1). Receivables (Continued)

Project name	Related party	Closing balance		Opening balance	
		Carrying amount	Provision for bad debt	Carrying amount	Provision for bad debt
Other receivables	Suqian Canal Harbor Area Development Group Co., Ltd.	35,000.00	700.00		
Other receivables	CNBM Zhuocai Technology (Beijing) Co., Ltd.	7,800.00	156.00		
Other receivables	Jiangsu Triumph New Material Co., Ltd.			8,206,915.67	164,138.31
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
Other receivables	China National Building Materials Tongliao Silica Sand Industry Co., Ltd.			14,700.96	294.02
Other non-current assets	China Triumph International Engineering Co., Ltd. Jiangsu Branch	2,888,987.70			
Other non-current assets	CTIEC Digitalization & Intellectualization (Shanghai) Co., Ltd.	570,000.00		148,751.40	
Other non-current assets	CNBM Research Institute for Intelligent Automation Co., Ltd.	425,295.00		1,132,000.00	
Other non-current assets	Bengbu Triumph Engineering Technology Company Limited	324,120.00		279,120.00	
Other non-current assets	CNBM Triumph Robotics (Shanghai) Co., Ltd.	308,000.00		135,000.00	
Other non-current assets	Shenzhen Triumph Technology Engineering Co., Ltd.	165,000.00			
Other non-current assets	Yangzhou Zhongke Semiconductor Lighting Co., Ltd.	100,000.00		100,000.00	
Other non-current assets	China Triumph International Engineering Co., Ltd.			630,046.03	
Other non-current assets	Zhongxin Group Engineering Consulting Group Co., Ltd. Bengbu Branch			530,000.00	
Other non-current assets	Shanghai Triumph Energy Saving Engineering Co., Ltd.			375,000.00	

XIV. RELATED PARTY AND RELATED PARTY TRANSACTIONS (CONTINUED)

5. Unsettled items such as receivables from and payables to related parties (Continued)

(2). Payables

Unit: Yuan Currency: RMB

Project name	Related party	Closing balance	Opening balance
Notes payable	CNBMG Triumph Mineral Resources Group Co., Ltd.	87,369,409.87	60,894,225.14
Notes payable	Triumph Quartz Material (Hainan) Co., Ltd.		3,343,059.91
Notes payable	Guangdong Triumph Photovoltaic Technology Research Institute Co., Ltd.	100,000.00	3,290,000.00
Accounts payable	China Triumph International Engineering Co., Ltd.	1,033,917,735.03	293,418,500.11
Accounts payable	CNBMG Triumph Mineral Resources Group Co., Ltd.	341,764,181.69	290,106,928.88
Accounts payable	China Triumph International Engineering Co., Ltd. Bengbu Branch	267,239,366.52	130,741,494.87
Accounts payable	Guangdong Triumph Photovoltaic Technology Research Institute Co., Ltd.	60,369,840.36	20,467,247.35
Accounts payable	Shenzhen Triumph Technology Engineering Co., Ltd.	59,811,664.12	14,291,200.00
Accounts payable	Shanghai Triumph Energy Saving Engineering Co., Ltd.	27,448,386.50	22,002,650.18
Accounts payable	China Triumph International Engineering Co., Ltd. Jiangsu Branch	24,838,515.89	29,818,555.35
Accounts payable	China Triumph International Engineering Co., Ltd. Shenzhen Branch	24,801,523.28	24,801,523.28
Accounts payable	Triumph Photovoltaic Materials Co., Ltd.	14,882,595.87	14,882,595.87
Accounts payable	CNBM Research Institute for Intelligent Automation Co., Ltd.	4,581,734.81	4,918,358.96
Accounts payable	CNBM Environmental Protection Research Institute (Jiangsu) Co., Ltd.	2,526,464.60	2,686,464.60
Accounts payable	Bengbu Triumph Engineering Technology Company Limited	2,449,858.01	1,960,092.01
Accounts payable	CNBM New Material Research Institute Group Co., Ltd.	2,288,701.63	1,846,754.72
Accounts payable	CTIEC Digitalization & Intellectualization (Shanghai) Co., Ltd.	2,218,374.55	2,491,446.75
Accounts payable	Bengbu Triumph Engineering Technology Company Limited Chemical Machinery Branch	3,056,682.08	888,000.00
Accounts payable	Yaohua (Qinhuangdao) Glass Co., Ltd.	1,061,946.90	
Accounts payable	CNBM Triumph Robotics (Shanghai) Co., Ltd.	867,821.64	1,364,369.64

XIV. RELATED PARTY AND RELATED PARTY TRANSACTIONS (CONTINUED)

5. Unsettled items such as receivables from and payables to related parties (Continued)

(2). Payables (Continued)

Project name	Related party	Closing balance	Opening balance
Accounts payable	Zhongxin Group Engineering Consulting Group Co., Ltd.	656,235.96	
Accounts payable	Shandong Industrial Ceramics Research & Design Institute Co., Ltd.	371,870.00	1,000,562.39
Accounts payable	CNBM Zhuocai Technology (Beijing) Co., Ltd.	66,665.75	
Accounts payable	Yangzhou Zhongke Semiconductor Lighting Co., Ltd.	60,429.65	207,266.63
Accounts payable	Anhui Tianzhu Green Energy Sources Technology Co., Ltd.	50,900.00	3,084,344.08
Accounts payable	Far East Opto-electronics Co., Ltd.	45,876.13	45,876.13
Accounts payable	China Building Material Test & Certification Group Co., Ltd.	20,000.00	
Accounts payable	Bengbu Chemical Machinery Manufacturing Company Limited		1,593,287.04
Accounts payable	Bengbu Triumph Glass Co., Ltd		99,864.81
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
Contract liabilities	Triumph Glass Holding Co., Ltd. Shanghai Triumph Glass Branch	103,291.62	
Contract liabilities	China Triumph International Engineering Co., Ltd.	101,946.90	
Other payables	China Luoyang Float Glass (Group) Company Limited	150,873,549.16	146,490,865.85
Other payables	CNBM New Material Research Institute Group Co., Ltd.	2,457,759.24	3,508,423.21
Other payables	Yaohua (Qinhuangdao) Glass Co., Ltd.	117,754.00	
Other payables	China Triumph International Engineering Co., Ltd. Shenzhen Branch	98,512.75	
Other payables	CNBM Zhuocai Technology (Beijing) Co., Ltd.	58,083.00	
Other payables	China Triumph International Engineering Co., Ltd.	56,478.78	
Other payables	Triumph Science & Technology Group Co., Ltd.	27,222.22	
Other payables	Yaohua (Luoyang) Glass Co., Ltd.	4,595.34	
Other payables	Suqian Canal Harbor Area Development Group Co., Ltd.	963.90	

XIV. RELATED PARTY AND RELATED PARTY TRANSACTIONS (CONTINUED)

5. Unsettled items such as receivables from and payables to related parties (Continued)

(2). Payables (Continued)

Project name	Related party	Closing balance	Opening balance
Other payables	Bengbu Chemical Machinery Manufacturing Company Limited	500.00	500.00
Other payables	CNBM Research Institute for Intelligent Automation Co., Ltd.	200.00	50,200.00
Other payables	Zhongxin Group Engineering Consulting Group Co., Ltd. Bengbu Branch		150,000.00
Other payables	Triumph Science & Technology Co., Ltd. Bengbu Huayi Branch		76,221.49
Other payables	Anhui Tianzhu Green Energy Sources Technology Co., Ltd.		20,000.00
Other payables	Bengbu Xingke Glass Co., Ltd.		11,624.94
Other payables	Triumph Science & Technology Co., Ltd.		0.01
Other payables	China Yaohua Glass Group Corporation Co., Ltd.	3,150.00	
Other current liabilities	CNBMG Triumph Mineral Resources Group Co., Ltd.	75,913,463.83	28,951,076.48
Other current liabilities	China Triumph International Engineering Co., Ltd.	8,091,779.49	24,122,930.92
Other current liabilities	Guangdong Triumph Photovoltaic Technology Research Institute Co., Ltd.	6,640,121.97	6,078,705.33
Other current liabilities	Triumph Quartz Material (Hainan) Co., Ltd.		4,073,537.34
Other current liabilities	CNBM Environmental Protection Research Institute (Jiangsu) Co., Ltd.		1,280,000.00
Other current liabilities	Bengbu Triumph Engineering Technology Company Limited	1,472,000.00	530,531.67
Other current liabilities	CNBM Research Institute for Intelligent Automation Co., Ltd.	2,956,801.30	470,500.00
Other current liabilities	CNBM Triumph Robotics (Shanghai) Co., Ltd.	203,011.48	436,221.11
Other current liabilities	CTIEC Digitalization & Intellectualization (Shanghai) Co., Ltd.	255,000.00	422,554.80
Other current liabilities	Sinoma Advanced Materials Co., Ltd.		382,058.39
Other current liabilities	Anhui Tianzhu Green Energy Sources Technology Co., Ltd.		354,000.00
Other current liabilities	Bengbu Chemical Machinery Manufacturing Company Limited	100,000.00	275,413.43
Other current liabilities	Yangzhou Zhongke Semiconductor Lighting Co., Ltd.		10,800.00

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XV. COMMITMENTS AND CONTINGENCIES

1. Significant commitments

Significant external commitments, nature and amount thereof as at the balance sheet date

(1) Capital commitments

Unit: Yuan Currency: RMB

Capital commitments contracted but not yet recognised in the financial statements	Closing balance	Opening balance of the previous year
Commitments in relation to acquisition and construction of long-term assets	1,382,666,016.55	1,011,995,886.69

(2) Performance of prior period commitments

As of 31 December 2025, the Company had no commitments that should be disclosed.

2. Contingencies

(1). The company has no material contingent events that need to be disclosed, and it should also be explained:

As of 31 December 2025, 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 30 March 2026, the Company has no events after the balance sheet date that should be disclosed.

XVII. OTHER SIGNIFICANT EVENTS

1. Prior period accounting error corrections

See “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” in “Significant Events” .

2. Segment information

(1). *Determination basis and accounting policies of reporting segment*

Before 31 December 2024, the Company had two operating segments:(1) New energy glass; (2) Other functional glass. Since the beginning of 2025, the business of the other functional glass segment has been gradually and fully transferred to the production and sales of photovoltaic glass. The Company reassessed the situation based on the requirements for identifying operating segments. According to the Company’s internal organizational structure, management requirements and internal reporting system, the Company’s operations and strategy operate as a single unit, and the financial information provided to the chief operating decision maker does not contain profit or loss information for each operating activity. Therefore, the Company has only one operating segment and no segment report is required to be prepared.

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.

XVII. OTHER SIGNIFICANT EVENTS (CONTINUED)

2. Segment information (Continued)

(2). Financial information of reporting segment (Continued)

Other segment information

Operating income by customer's geographical location

Unit: Yuan Currency: RMB

Geographical location	Amount for the current period	Amount for the previous period
China (excluding Hong Kong, Macau and Taiwan)	3,229,547,604.29	4,488,486,723.73
Other countries and regions	13,987,474.29	105,960,579.98
Total	3,243,535,078.58	4,594,447,303.71

Non-current assets by its geographical location

Unit: Yuan Currency: RMB

Geographical location	Closing balance	Opening balance of the previous year
China (excluding Hong Kong, Macau and Taiwan)	10,386,392,033.28	8,852,016,268.87

Degree of reliance on major customers

In 2025, the transaction amount of three customers (customers who are controlled by the same controller are deemed to be the same customer) exceeded 10% of the Company's revenue, and the amounts are 568,485,424.31, 495,497,381.57, and 355,856,343.63, respectively.

Auditor remuneration

Unit: Yuan Currency: RMB

Auditor remuneration	Amount for the current period	Amount for the previous period
Total	1,500,000	1,350,000

XVII. OTHER SIGNIFICANT EVENTS (CONTINUED)

2. Segment information (Continued)

(2). Financial information of reporting segment (Continued)

Remuneration of directors and senior management

The remuneration of each director and senior management in 2025 is as follows:

Unit: Yuan Currency: RMB

Name	Position	Salary, allowance and benefit in kind (pre-tax)	Defined contribution plan contribution (pre-tax)	Total (pre-tax)	Explanation of resignation or appointment date
Xie Jun	Chairman				
Zhang Rong	Executive Director, President	581,360.00	168,422.40	749,782.40	
Chen Peng	Executive Director, Executive Vice President	681,180.00	82,279.24	763,459.24	
He Qingbo	Executive Director				
Chen Hongzhao	Chief Financial Controller, Secretary to the Board	444,420.00	82,279.24	526,699.24	
Wang Gang	Vice President	442,900.00	52,644.92	495,544.92	Appointed on 27 June 2025
Zhang Jiayu	Vice President	649,250.00	119,707.50	768,957.50	Appointed on 27 June 2025
Wu Dan	Non-executive Director				
Yang Jianqiang	Non-executive Director				Appointed on 27 June 2025
Fan Baoqun	Independent Director	100,000.00		100,000.00	
Chen Qisuo	Independent Director	100,000.00		100,000.00	
Yuan Jian	Independent Director	100,000.00		100,000.00	
Zhang Yajuan	Independent Director (resigned)	16,666.67		16,666.67	Resigned on 3 March 2025
Total		<u>2,799,110.00</u>	<u>505,333.30</u>	<u>3,621,109.97</u>	

XVII. OTHER SIGNIFICANT EVENTS (CONTINUED)

2. Segment information (Continued)

(2). Financial information of reporting segment (Continued)

Remuneration of directors and senior management (Continued)

The remuneration of each director and senior management in 2024 is as follows:

Unit: Yuan Currency: RMB

Name	Position	Salary, allowance and benefit in kind	Defined contribution plan contribution	Total	Explanation of resignation or appointment date
Directors:					
Xie Jun	Chairman				
Zhang Rong	Executive Director	876,000.00	182,175.21	1,058,175.21	
He Qingbo	Executive Director				
Wang Leilei	Executive Director (resigned)	446,670.00	179,218.12	625,888.12	18 April 2024
	Non-executive Director				
Zhang Chong	(resigned)				6 December 2024
	Non-executive Director				
Sun Shizhong	(resigned)				6 December 2024
	Non-executive Director				
Pan Jingong	(resigned)				6 December 2024
Chen Peng	Executive Director	43,000.00	1,789.50	44,789.50	6 December 2024
					30 December 2024
Wu Dan	Non-executive Director				
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	
	Independent Director				
Yuan Jian	(appointed)	50,000.00		50,000.00	25 June 2024
	Independent Director				
Zhao Hulin	(resigned)	50,000.00		50,000.00	25 June 2024
Total		<u>1,765,670.00</u>	<u>363,182.83</u>	<u>2,128,852.83</u>	

The five individuals whose remuneration were the highest during 2025 included 2 directors(2024 : 5 directors) , whose remuneration is set out above.

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	Closing balance		Opening balance	
	Carrying amount	Proportion (%)	Carrying amount	Proportion (%)
Within 1 year (including 1 year)	104,316,102.91	49.94	193,683,322.39	81.03
Sub-total within 1 year	104,316,102.91	49.94	193,683,322.39	81.03
1 to 2 years	59,239,194.90	28.36		
2 to 3 years				
3 to 4 years				
4 to 5 years				
Over 5 years	45,344,272.31	21.70	45,344,272.31	18.97
Total	208,899,570.12	100.00	239,027,594.70	100.00

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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					
	Carrying amount	Proportion (%)	Provision for bad debts	Provision ratio (%)	Carrying value	Carrying amount	Proportion (%)	Provision for bad debts	Provision ratio (%)	Carrying value
Bad debt provision on individual basis										
Bad debt provision on group basis	208,899,570.12	100.00	46,819,675.92	22.41	162,079,894.20	239,027,594.70	100.00	45,575,240.31	19.07	193,452,354.39
Including: Related party customers	95,846,646.66	45.88	405,606.92	0.42	95,441,039.74	193,683,322.39	81.03	230,968.00	0.12	193,452,354.39
General customers	113,052,923.46	54.12	46,414,069.00	41.06	66,638,854.46	45,344,272.31	18.97	45,344,272.31	100.00	
Total	208,899,570.12	/	46,819,675.92	/	162,079,894.20	239,027,594.70	/	45,575,240.31	/	193,452,354.39

Provision for bad debts on group basis:

Provision on group basis: related party customers

Unit: Yuan Currency: RMB

Name	Closing balance			Opening balance of the previous year		
	Carrying amount	Provision for bad debts	Provision ratio (%)	Carrying amount	Provision for bad debts	Provision ratio (%)
Related party customers	95,846,646.66	405,606.92	0.42	193,683,322.39	230,968.00	0.12
Total	95,846,646.66	405,606.92	0.42	193,683,322.39	230,968.00	0.12

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		
	Carrying amount	Provision for bad debts	Provision ratio (%)	Carrying amount	Provision for bad debts	Provision ratio (%)
Within 1 year	67,708,651.15	1,069,796.69	1.58			
1 to 2 years						
2 to 3 years						
3 to 4 years						
4 to 5 years						
Over 5 years	45,344,272.31	45,344,272.31	100.00	45,344,272.31	45,344,272.31	100.00
Total	113,052,923.46	46,414,069.00	41.06	45,344,272.31	45,344,272.31	100.00

(3). 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	
Bad debt provision for accounts receivable	45,575,240.31	1,244,435.61				46,819,675.92
Total	45,575,240.31	1,244,435.61				46,819,675.92

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XVIII. NOTES TO KEY ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

1. Accounts receivable (Continued)

(4). 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

Name of unit	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
Entity 1	26,254,244.78		26,254,244.78	12.57	
Entity 2	24,640,572.50		24,640,572.50	11.80	389,321.05
Entity 3	20,280,346.20		20,280,346.20	9.71	405,606.92
Entity 4	18,818,878.62		18,818,878.62	9.01	
Entity 5	16,079,644.68		16,079,644.68	7.70	254,058.39
Total	106,073,686.78		106,073,686.78	50.79	1,048,986.36

2. Other receivables

Presentation by item

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Interest receivable		
Dividends receivable		
Other receivables	908,776,194.95	954,807,258.85
Less: Provision for bad debts	34,492,959.87	33,296,805.33
Total	874,283,235.08	921,510,453.52

XVIII. NOTES TO KEY ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

2. 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	Proportion (%)	Book balance at the beginning of the period	Proportion (%)
Within 1 year (including 1 year)	862,296,418.87	94.89	919,658,260.24	96.32
Sub-total within 1 year	862,296,418.87	94.89	919,658,260.24	96.32
1 to 2 years	11,337,463.47	1.25	1,636,393.28	0.17
2 to 3 years	1,636,393.28	0.18	1,200,000.00	0.13
3 to 4 years	1,200,000.00	0.13	800,000.00	0.08
4 to 5 years	800,000.00	0.09	1,200,000.00	0.13
Over 5 years	31,505,919.33	3.47	30,312,605.33	3.17
Total	908,776,194.95	100.00	954,807,258.85	100.00

Notes to the Financial Statements

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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	824,260.96	1,242,831.17
Amounts due from subsidiaries	870,833,987.46	918,231,292.04
Current accounts	37,117,946.53	34,715,302.16
Others		617,833.48
Total	908,776,194.95	954,807,258.85

(3). By provision for bad debts

Unit: Yuan Currency: RMB

Provision for bad debts	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL (non-credit-impaired)	Lifetime ECL (credit-impaired)	
Balance as at 1 January 2025	24,200.00	2,960,000.00	30,312,605.33	33,296,805.33
Balance as at 1 January 2025 in the current period				
- Transferred to Stage 2				
- Transferred to Stage 3				
- Reversed to Stage 2				
- Reversed to Stage 1				
Provision for the period	-159.46	3,000.00	1,193,314.00	1,196,154.54
Reversal for the period				
Write-off for the period				
Cancellation for the period				
Other changes				
Balance as at 31 December 2025	24,040.54	2,963,000.00	31,505,919.33	34,492,959.87

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	Carrying amount	Expected credit loss rate over the next 12 months (%)	Provision for bad debts	Carrying value
Bad debt provision on individual basis				
Bad debt provision on group basis	862,296,418.87		24,040.54	458,407,111.66
Group 1: Photovoltaic subsidies				
Group 2: Security deposit, deposit				
Group 3: Transactions between related parties within the scope of consolidation	860,707,523.99			456,842,257.32
Group 4: Transactions between related parties outside the scope of consolidation				
Group 5: General customers	1,202,027.20	2.00	24,040.54	1,177,986.66
Group 6: Social security and reserve	386,867.68			386,867.68
Group 7: Others				
Total	862,296,418.87		24,040.54	458,407,111.66

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	Carrying amount	Expected credit loss rate over the lifetime (%)	Provision for bad debts	Carrying value
Bad debt provision on individual basis				
Bad debt provision on group basis	14,973,856.75	19.79	2,963,000.00	415,876,123.42
Group 1: Photovoltaic subsidies				
Group 2: Security deposit, deposit				
Group 3: Transactions between related parties within the scope of consolidation	10,126,463.47			413,991,730.14
Group 4: Transactions between related parties outside the scope of consolidation				
Group 5: General customers	4,410,000.00	67.19	2,963,000.00	1,447,000.00
Group 6: Social security and reserve	437,393.28			437,393.28
Group 7: Others				
Total	14,973,856.75	19.79	2,963,000.00	415,876,123.42

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	Carrying amount	Expected credit loss rate over the next 12 months (%)	Provision for bad debts	Carrying value
Bad debt provision on individual basis				
Bad debt provision on group basis	31,505,919.33		31,505,919.33	
Group 1: Photovoltaic subsidies				
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	31,505,919.33		31,505,919.33	
Group 6: Social security and reserve				
Group 7: Others				
Total	<u>31,505,919.33</u>		<u>31,505,919.33</u>	

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	Carrying amount	Expected credit loss rate over the next 12 months (%)	Provision for bad debts	Carrying value
Bad debt provision on individual basis				
Bad debt provision on group basis	919,658,260.24		24,200.00	919,634,060.24
Group 1: Photovoltaic subsidies				
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	<u>919,658,260.24</u>		<u>24,200.00</u>	<u>919,634,060.24</u>

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	Carrying amount	Expected credit loss rate over the lifetime (%)	Provision for bad debts	Carrying value
Bad debt provision on individual basis				
Bad debt provision on group basis	4,836,393.28	61.20	2,960,000.00	1,876,393.28
Group 1: Photovoltaic subsidies				
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

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:

Category	Carrying amount	Expected credit loss rate over the lifetime (%)	Provision for bad debts	Carrying value
Bad debt provision on individual basis				
Bad debt provision on group basis	30,312,605.33	100.00	30,312,605.33	
Group 1: Photovoltaic subsidies				
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	<u>30,312,605.33</u>	<u>100.00</u>	<u>30,312,605.33</u>	

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	
Bad debt provision for other receivables	33,296,805.33	1,196,154.54			34,492,959.87
Total	33,296,805.33	1,196,154.54			34,492,959.87

(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 of unit	Closing balance	Percentage 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
Qinhuangdao North Glass Co., Ltd.	205,955,903.54	22.66	Fund borrowing	Within 1 year; 1-2 years	
CNBM (Hefei) New Energy Co., Ltd.	59,743,316.41	6.57	Fund borrowing	Within 1 year	
CNBM (Luoyang) New Energy Co., Ltd.	58,090,113.28	6.39	Fund borrowing	Within 1 year; 1-2 years	
Triumph (Zhangzhou) New Energy Co., Ltd.	55,308,954.92	6.09	Fund borrowing	Within 1 year	
Total	870,780,445.17	95.81	/	/	

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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		
	Carrying amount	Provision for impairment	Carrying value	Carrying amount	Provision for impairment	Carrying value
Investment in subsidiaries	4,587,415,248.62		4,587,415,248.62	4,103,415,248.62		4,103,415,248.62
Investment in associates and joint ventures						
Total	4,587,415,248.62		4,587,415,248.62	4,103,415,248.62		4,103,415,248.62

(1). Investment in subsidiaries

Unit: Yuan Currency: RMB

Investee	Opening balance		Increase/decrease for the period				Closing balance	
	Opening balance (carrying value)	provision for impairment	Additional investment	Reduction of investment	Provision for impairment	Others	Closing balance (carrying value)	provision for impairment
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		111,000,000.00				411,000,000.00	
CNBM (Luoyang) New Energy Co., Ltd.	80,000,000.00						80,000,000.00	
Qinhuangdao North Glass Co., Ltd.	355,366,851.77						355,366,851.77	
Kaisheng (Zhangzhou) New Energy Co., Ltd.	390,388,352.49						390,388,352.49	
Jiangsu Triumph New Material Co., Ltd.			373,000,000.00				373,000,000.00	
Total	4,103,415,248.62		484,000,000.00				4,587,415,248.62	

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 the current period		Amount for the previous period	
	Income	Cost	Income	Cost
Principal operations	2,354,315.61			
Other operations	1,530,587.14		13,393,579.67	2,436,599.41
Total	3,884,902.75		13,393,579.67	2,436,599.41

Operating revenue by timing of revenue recognition

Timing of revenue recognition	Principal business income	Other business income
Recognised at a certain point of time	2,354,315.61	1,530,587.14
Recognised over time		
Total	2,354,315.61	1,530,587.14

(2). 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

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XVIII. NOTES TO KEY ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

5. Investment income

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the previous period
Income from long-term equity investment based on the cost method	41,000,000.00	24,000,000.00
Expense on de-recognition of accounts receivable financing	-913,633.35	-10,920.03
Total	40,086,366.65	23,989,079.97

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	657,336.25	
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	171,724,019.78	
Fund possession fee received from non-financial enterprises attributable to profits and losses for the period	53,350.79	
Reversal of provision for impairment on receivables individually tested for impairment	281,661.17	
Excess of combination cost over the Group's interest in the fair value of the acquiree's identifiable net assets	108,490.27	
Custody fee income from entrusted operation	1,132,075.44	
Other non-operating income and expenses other than the aforesaid items	1,356,507.15	
Less: Amount of effect on income tax	26,815,520.53	
Amount of effect on minority interest (after tax)	44,836,828.61	
Total	103,661,091.71	

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	-25.68	-1.42	-1.42
Net profit attributable to holders of ordinary shares of the Company after deducting non-recurring profit or loss items	-28.60	-1.58	-1.58

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	-914,340,285.27	-609,930,319.66
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)	-1.42	-0.94

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XIX. SUPPLEMENTARY INFORMATION (CONTINUED)

2. Return on net assets and earnings per share

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: 30 March 2026