



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



2022

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.
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IMPORTANT NOTICE

- I. The board of directors (the "Board"), the supervisory committee and the directors (the "Directors"), supervisors and senior management of the Company confirm that the information contained in this annual 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 of the Company attended the Board meeting.
- 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, Li Yang, 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 annual report.
- V. Profit distribution proposal or proposal for conversion of capital reserve to the share capital during the reporting period approved by the Board by resolutions
As considered by Grant Thornton (Special General Partnership), the net profit attributable to shareholders of listed companies in the Company's consolidated statement for the year 2022 was RMB409,038,700, plus the undistributed profit at the beginning of the year of RMB-654,467,200, and the undistributed profit in the consolidated statement at the end of 2022 was RMB245,428,500.
The net profit of the Company for 2022 was RMB416,109,100, together with the undistributed profit RMB-1,143,674,500 at the beginning of the year, the undistributed profit amounted to RMB-727,565,400 as at the end of 2022.
The Company will not distribute profit or convert capital reserve to the share capital for 2022.
- VI. Dividends
The Board of the Company does not recommend any distribution of dividends for the year ended 31 December 2022.
- VII. Risk statements on forward-looking statements
Forward-looking statements, including business plan and development strategy, contained in this report do not constitute a real commitment to investors by the Company. Investors should be reminded of such investment risks.
- VIII. Is there any embezzlement of non-operating funds by the controlling shareholder(s) and other related parties
No
- IX. Is there any decision-making procedure in violation of any provisions for providing external guaranty
No
- X. Whether more than half of the Directors cannot guarantee the authenticity, accuracy and completeness of the annual report disclosed by the Company
No
- XI. Notice of Significant Risks
During the reporting period, there is no material risks that have substantive impact on the production and operation of the Company. The Company has described in detail the potential relevant risk factors in this report. Please refer to the potential risk factors and strategies exposed to the future development of the Company as described in Possible Risks in Section III MANAGEMENT DISCUSSION AND ANALYSIS.

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
SASAC	State-owned Assets Supervision and Administration 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, Triumph New Energy	Triumph New Energy Company Limited
Group	Triumph New Energy Company Limited and its subsidiaries
Longhai Glass	CLFG Longhai Electronic Glass Limited
Longmen Glass	CLFG Longmen Glass Co. Ltd.
Bengbu CNBM Information Display	Bengbu China National Building Materials Information Display Materials Company Limited
Puyang CNBM Photovoltaic Materials	Puyang China National Building Materials Photovoltaic Materials Company Limited
Hefei New Energy	CNBM (Hefei) New Energy Company Limited*
Tongcheng New Energy	CNBM (Tongcheng) New Energy Materials Company Limited*
Yixing New Energy	CNBM (Yixing) New Energy Company Limited*
Luoyang New Energy	CNBM (Luoyang) New Energy Resources Co., Ltd.
North Glass	Qinhuangdao North Glass Co., Ltd.
Zigong New Energy	Kaisheng (Zigong) New Energy Co., Ltd.*
CNBMG	China National Building Materials Group Corporation
Triumph Technology Group	Triumph Technology Group Co., Ltd.*



Section I Definitions

CLFG	China Luoyang Float Glass (Group) Company Limited*
CNBM Research Institute	CNBM New Material Research Institute Group Co., Ltd.*
International Engineering	China Triumph International Engineering Co., Ltd.
Triumph Technology	Triumph Science & Technology Co., Ltd.
Triumph Mineral	CNBMG Triumph Mineral Resources Group Co., Ltd.*
Far East Opto-Electronics	Far East Opto-Electronics Co.,Ltd.
Yaohua Group	China Yaohua Glass Group Corporation Co., Ltd.
Taiwan Glass China Holdings	Taiwan Glass China Holdings Co., Ltd.
Zhangzhou New Energy	Kaisheng (Zhangzhou) New Energy Co., Ltd.*
Shuyang Xinda	Shuyang Xinda New Material Co., Ltd.
Jiangsu Guangnian	Jiangsu Guangnian New Material Co., Ltd.
Shengshi New Energy	Anhui Shengshi New Energy Material Technology Co., Ltd.
Shengshi New Material	Anhui Shengshi New Material Technology Co., Ltd.
Chengdu CNBM	CNBM (Chengdu) Optoelectronic Materials Co., Ltd.
Ruichang CNBM	CNBM (Ruichang) Optoelectronic Materials Co., Ltd.
Triumph Photovoltaic	Triumph Photovoltaic Materials Ltd.
CNBM Finance Company	China National Building Material Group Finance Co., Ltd.
Triumph Glass Holding	Triumph Glass Holding Co., Ltd



Section II Company Profile and Major Financial Indicators

I. INFORMATION OF THE COMPANY

Chinese name of the Company	凯盛新能源股份有限公司
Chinese abbreviation	凯盛新能
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	Wang Leilei	Zhao Zhiming
Correspondence address	Secretary Office of the Board of Triumph New Energy Limited, No. 9, Tang Gong Zhong Lu, Xigong District, Luoyang, Henan Province, the PRC	Secretary Office of the Board of Triumph New Energy Limited, No. 9, Tang Gong Zhong Lu, Xigong District, Luoyang, Henan Province, the PRC
Telephone	86-379-63908961	86-379-63908833
Fax	86-379-63251984	86-379-63251984
Email	19268606@qq.com	lybl600876@163.com

III. CHANGES IN BASIC INFORMATION

Registered address	No. 9, Tang Gong Zhong Lu, Xigong District, Luoyang, Henan Province, the People's Republic of China (the "PRC")
Historical changes of the registered address	Nil
Office address	No. 9, Tang Gong Zhong Lu, Xigong District, Luoyang, Henan Province, the People's Republic of China (the "PRC")
Postal code	471009
Website of the Company	http://www.zhglb.com/
Email	lybl600876@163.com

IV. CHANGES IN THE PLACES FOR INFORMATION DISCLOSURE AND REFERENCE

Name and website of the media in which Company discloses its annual reports	China Securities Journal, Shanghai Securities News, Securities Daily
Website of the stock exchange in which Company discloses its annual report	http://www.sse.com.cn , http://www.hkexnews.hk
Place for inspection of annual reports	Secretary Office of the Board of Triumph New Energy 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	Stock abbreviation before changes
A Share	Shanghai Stock Exchange	TRIUMPH NEW EN	600876	Luoyang Glass
H Share	The Stock Exchange of Hong Kong Limited	TRIUMPH NEW EN	01108	LUOYANG GLASS

Explanations:

On March 3, 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, PRC
	Names of signing accountants	Zheng Jianli, Fu Junhui
Sponsor performing continuous supervision duties during the reporting period	Name	CITIC Securities Co., Ltd.
	Office address	North Tower, Excellence Times Square (Phase II), No. 8, Zhongxin 3rd Road, Futian District, Shenzhen, Guangdong Province
	Signing representative of sponsor	Ling Tao, Ge Weijie
	Period of continuous supervision	2021-8-18 to 2022-12-31

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	2022	2021		Increase/ decrease over the same period last year (%)	2020	
		After adjustment	Before adjustment		After adjustment	Before adjustment
Operating revenue	5,030,111,246.27	3,625,851,456.04	3,605,601,992.64	38.73	3,381,105,357.02	3,045,614,913.68
Operating revenue net of business revenue not related to principal business and income lacking commercial substance	5,006,346,937.18	3,616,946,743.08	3,596,697,279.68	38.41	3,328,564,533.56	3,011,793,501.29
Net profit attributable to shareholders of the Company	409,038,651.70	255,755,695.03	264,595,142.78	59.93	372,861,545.19	327,361,858.49
Net profit attributable to shareholders of the Company after deducting non-recurring profit and loss	101,741,061.75	183,260,611.72	192,100,059.47	-44.48	302,894,302.07	302,894,302.07
Net cash flow from operating activities	-398,045,232.39	136,314,148.15	136,314,148.15	-392.01	470,552,220.97	354,080,797.78

	As at the end of 2022	As at the end of 2021		Increase/ decrease over the same period last year (%)	As at the end of 2020	
		After adjustment	Before adjustment		After adjustment	Before adjustment
Net assets attributable to shareholders of the Company	4,232,430,907.35	3,834,809,285.82	3,843,648,733.57	10.37	1,767,526,442.24	1,626,578,221.81
Total assets	10,565,902,910.42	9,253,057,019.24	9,267,756,778.49	14.19	6,525,929,440.38	5,604,575,811.17



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

Major Financial Indicators	2022	2021		Increase/ decrease over the same period last year (%)	2020	
		After adjustment	Before adjustment		After adjustment	Before adjustment
Basic earnings per share (RMB/share)	0.63	0.44	0.46	43.18	0.68	0.59
Diluted earnings per share (RMB/share)	0.63	0.44	0.46	43.18	0.68	0.59
Basic earnings per share after deducting non-recurring profit and loss (RMB/share)	0.16	0.32	0.33	-50.00	0.55	0.55
Weighted average return on net assets (%)	10.13	10.59	10.63	Decreased by 0.46 percentage point	24.32	22.38
Weighted average return on net assets after deducting non- recurring profit and loss (%)	2.52	7.57	7.93	Decreased by 5.05 percentage points	20.88	20.71

Explanations of the Company's major accounting data and financial indicators of the Company for the last three years at the end of the reporting period

1. The Company has retrospectively adjusted the trial operation sales in 2021 in accordance with the provisions of Interpretation No. 15 "Accounting treatment for the external sale of products or by-products produced by enterprises before the fixed assets reach the expected usable status or in the process of research and development" of Accounting Standards for Business Enterprises.
2. In 2021, the Company obtained 60% equity interests in Qinhuangdao North Glass Co., Ltd. through business combination under common control of a corporation, and retrospectively adjusted the financial data for the year 2022 according to the principle of "the reporting entity formed after the merger should be deemed to subsist as an integrated part of the ultimate controller since the ultimate controller started to exercise effective control".

Section II Company Profile and Major Financial Indicators

VIII. MAJOR QUARTERLY FINANCIAL INDICATORS IN 2022

Unit: Yuan Currency: RMB

	Q1 (January-March)	Q2 (April-June)	Q3 (July-September)	Q4 (October-December)
Operating revenue	1,006,273,081.19	1,350,205,480.78	1,016,477,871.57	1,657,154,812.73
Net profit attributable to shareholders of the listed company	112,035,584.54	135,850,190.37	13,096,746.64	148,056,130.15
Net profit attributable to shareholders of the listed company after deducting non-recurring profit or loss	4,097,158.83	18,969,027.78	862,840.99	77,812,034.15
Net cash flow from operating activities	-230,032,055.79	37,856,811.34	-78,122,066.98	-127,747,920.96

IX. NON-RECURRING ITEMS AND AMOUNTS

Unit: Yuan Currency: RMB

Non-recurring items	2022	Note (If applicable)	2021	2020
Profit/loss on disposal of non-current assets	170,343,399.51		-373,666.85	-259,318.91
Government subsidies (except for the grants which are closely related to the Company's business and have the standard amount and quantities in accordance with the national standard) attributable to profits and losses for the period	153,710,406.94		30,067,249.74	19,573,163.77
Fund possession fee received from non-financial enterprises attributable to profits and losses for the period	335,364.24			394,509.03
Profit/loss from debt restructuring	119,700.00		84,843.06	
The current net profit and loss of subsidiary resulting from combination under common control from the beginning of the period to consolidation date			71,103,489.62	80,076,886.13
Reversal of provision made for impairment of receivables and contract assets that are individually tested for impairment			120,000.00	8,903,971.47
Custody fee income from entrusted operation	3,311,320.75		1,201,257.94	1,132,075.49
Other non-operating income and expenses excluding the aforesaid items	3,195,213.91		3,244,589.23	1,391,821.75
Other profit/loss items that meet the definition of non-recurring profit/loss	45,045.13		689,700.90	
Less: Effect of income tax	14,553,774.30		4,205,716.59	6,084,660.13
Effect of minority interests (after tax)	9,209,086.23		29,436,663.74	35,161,205.48
Total	307,297,589.95		72,495,083.31	69,967,243.12



Section II Company Profile and Major Financial Indicators

X. ITEMS MEASURED AT FAIR VALUE

Unit: Yuan Currency: RMB

Project Name	Opening balance	Closing balance	Current period changes	Impact on the profit for the period
Receivables financing	369,857,635.69	754,316,996.75	384,459,361.06	0.00
Total	369,857,635.69	754,316,996.75	384,459,361.06	0.00

XI. OTHERS

(I) Legal Advisors

Legal advisor as to PRC laws: Beijing Dentons Law Office, LLP

Address: 7th Floor, Building D Parkview Green FangCaoDi No. 9 Dongdaqiao Road Chaoyang District, Beijing, the PRC

Legal advisor as to Hong Kong laws: Li & Partners (李偉斌律師行)

Address: 22/F, World Wide House, Central, Hong Kong

(II) Share Registrars for H Shares:

Hong Kong Registrars Limited

Address: 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong

Section III Management Discussion and Analysis

I. DISCUSSION AND ANALYSIS ON THE COMPANY'S OPERATIONS

In 2022, confronting with the triple pressures of shrinking demand, supply shock, weakening expectations and the impact of unexpected factors, China's economy stabilized and improved in the midst of fluctuations, and the total economic volume continued to improve, surpassing 120 trillion yuan, still being an important engine of world economic growth and a stable force. The output of major industrial products continued to rank among the top in the world, and the status of the manufacturing industry as the largest country was more consolidated.

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

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

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



Section III Management Discussion and Analysis

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

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

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

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

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



Section III Management Discussion and Analysis

II. INDUSTRIAL PRACTICES OF THE COMPANY DURING THE REPORTING PERIOD

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

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

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

III. BUSINESSES OF THE COMPANY DURING THE REPORTING PERIOD

The Company is mainly engaged in research and development, manufacturing and sales of new energy materials. The Company's main products include glass for double-glass modules, AR photovoltaic coating glass, high transparent photovoltaic toughened glass and other photovoltaic cell packaging materials for solar equipment.

In recent years, relying on the continuous and rapid development of photovoltaic industry in China, the Company has focused on the field of new energy materials, accelerated the adjustment of business structure and optimization of regional layout, and successively established seven intelligent photovoltaic glass production bases in East China, Central China, North China and Southwest China. As of the end of 2022, the Company had a production capacity of 4,650 tonnes/day for photovoltaic original glass, and 34 production lines for further processed cover plates and backsheets, with an aggregate annual output of approximately 180 million square meters.



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 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.

The Company insists on innovation guidance to promote business transformation and upgrade, and takes the lead in the industry to realize the comprehensive transformation from traditional flat glass to information display glass and from information display glass to new energy materials. The Company has industry-leading level equipment in photovoltaic glass production line, advanced carbon and emission reduction facilities, rich product structure and obvious location advantages. Closely following the technological development trend and product development direction of the photovoltaic industry, the Company's photovoltaic glass products maintained its competitive advantages in terms of flakiness and large size.

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.

V. THE PRINCIPAL OPERATIONS DURING THE REPORTING PERIOD

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



Section III Management Discussion and Analysis

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

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

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

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

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



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)*

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

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

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

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

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

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

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

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

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

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

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

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



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

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

Unit: Yuan Currency: RMB

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

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



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

By sales model	Operating revenue	Operating costs	Principal operations by sales mode			
			Gross profit margin (%)	Increase/decrease of operating revenue as compared with last year (%)	Increase/decrease of operating costs as compared with last year (%)	Increase/decrease of gross profit margin as compared with last year (%)
Direct sales	4,701,407,603.26	4,148,379,779.06	11.76	67.97	87.77	Decreased by 9.31 percentage points
Distribution	304,939,333.92	277,299,010.58	9.06	-62.72	-50.16	Decreased by 22.92 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	Outsourcing		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 (%)
			production volume	Sales volume				
Information display glass	'0,000 square meters	226.05	0	141.59	N/A	N/A	N/A	N/A
New energy glass	'0,000 square meters	20,474.41	2,295.08	22,913.82	1,334.40	50.81	81.92	-14.98
Other functional Glass	'0,000 square meters	1,346.38	0	1,215.86	248.61	-3.11	-14.97	156.86

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

Execution of significant sales contracts entered into as of the reporting period

On 11 October 2022, Yixing New Energy, a holding subsidiary, entered into the Strategic Cooperation Agreement on Photovoltaic Glass with DAS SOLAR (QUZHOU) Co., Ltd.* (一道新能源科技(衢州)有限公司) for a term of two years, with an estimated sales volume of 200 million square meters of photovoltaic glass during the Agreement period up to 30 September 2024. During the reporting period, the performance amount of the Agreement was approximately RMB230 million, and the current Agreement is normally performed as agreed.

On 24 October 2022, Trina Solar Co. Ltd. *(天合光能股份有限公司) entered into the Long-term Purchase Contract for Photovoltaic Glass with the Company for a term of two years, with an estimated supply of approximately 30GW of photovoltaic glass during the Contract period up to 31 October 2024. The performance amount of the Contract for the reporting period is approximately RMB290 million, and the Contract is being performed normally according to the agreement.

There were no material procurement contracts entered into during the reporting period.



Section III Management Discussion and Analysis

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

(I) Analysis of principal operating activities (Continued)

2. Analysis of revenue and costs (Continued)

(4). Analytical statement of costs

Unit: Yuan Currency: RMB

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

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

Section III Management Discussion and Analysis

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

(I) Analysis of principal operating activities (Continued)

2. Analysis of revenue and costs (Continued)

(4). Analytical statement of costs (Continued)

Other explanation of cost analysis

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

(5). 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 completed the acquisition of 100% equity interests in Longhai Glass, Longmen Glass, Bengbu CNBM Information Display and Puyang CNBM Photovoltaic Materials, which were no longer included in the scope of the Company's consolidation.

During the reporting period, the Company completed the acquisition of 100% equity interests in TG Fujian Photovoltaic Glass Co., Ltd. and changed its name to Kaisheng (Zhangzhou) New Energy Co., Ltd.*, which became a wholly-owned subsidiary and was included in the scope of the Company's consolidation.

During the reporting period, the Company completed the acquisition of the remaining 40% equity interests in North Glass, a holding subsidiary of the Company, which became a wholly-owned subsidiary of the Company.

(6). Significant changes in or adjustments to the Company's businesses, products or services during the reporting period

During the reporting period, the Company successively completed the overall disposal of the information display glass segment business and managed the relevant equity interest in the thinfilm solar cell business of Triumph Technology Group Company* on trusteeship. The main business of the Company was changed from new energy glass and information display glass to new energy materials.

On 16 February 2023, the Company was officially renamed as Triumph New Energy Company Limited.



Section III Management Discussion and Analysis

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

(I) Analysis of principal operating activities (Continued)

2. Analysis of revenue and costs (Continued)

(7). Major sales to customers and major suppliers

A. Major sales to customers of the Company

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

During the reporting period, there were no sales to a single customer that accounted for more than 50% of the total amount, and there were no new customers or significant reliance on a few customers among the top five customers.

B. Major suppliers of the Company

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

During the reporting period, there were no single suppliers whose purchase ratio accounted more than 50% of the total amount, and there were no new suppliers or significant reliance on a few suppliers among the top five suppliers.

Other explanation

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



Section III Management Discussion and Analysis

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

(I) Analysis of principal operating activities (Continued)

3. Expenses

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

4. R&D expenditures

(1). R&D expenditures

Unit: Yuan Currency: RMB

Expensed R&D investment in current period	161,401,420.64
Capitalized R&D investment in current period	38,463,619.11
Total of R&D investment	199,865,039.75
Percentage of total R&D investment to operating revenue (%)	3.97
Proportion of capitalization of R&D investment (%)	19.24



Section III Management Discussion and Analysis

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

(I) Analysis of principal operating activities (Continued)

4. R&D expenditures (Continued)

(2). R&D staff

Number of the Company's R&D staff	376
Percentage of R&D staff number to the Company's total number of employees (%)	11.00
Education background of R&D staff	
Degree	Number
Doctor's degree	0
Postgraduate	6
Undergraduate	72
Associate	159
High school and below	139
Age Structure of R&D staff	
Age	Number
Below 30 (exclusive)	105
30–40 years old (including 30 years old, excluding 40 years old)	126
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)	65
60 years old and above	0

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

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



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) The net cash flow from operating activities amounted to RMB-398,045,232.39, representing a decrease of RMB534,359,380.54 as compared with RMB136,314,148.15 for the same period last year, mainly due to the increase in cash outflows due to increase in purchase of commodities, the rise in the raw material and fuel prices on the one hand and the collection of notes receivable from customers and discounting those did not meet the conditions for derecognition on the other hand during the reporting period.
- (2) The net cash outflow from investing activities amounted to RMB661,818,579.92, representing a decrease of RMB1,048,764,716.08 as compared with the net outflow of RMB1,710,583,296.00 for the same period last year, mainly due to the receipt of payments for the disposal of the equity interests in subsidiaries on the one hand and the decrease in cash outflows for the purchase of long-term assets such as fixed assets on the other hand during the reporting period.
- (3) The net cash inflow from financing activities amounted to RMB582,527,880.92, representing a decrease of RMB1,802,091,387.95 in the net inflow as compared with the net inflow of RMB2,384,619,268.87 for the same period last year, which was mainly due to the year-on-year decrease in the overall increment of financing during the reporting period.



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

Item	Closing balance of current period	Percentage of	Closing balance of last period	Percentage of	Percentage of	Explanation
		closing balance of current period over the total assets (%)		closing balance of last period over the total assets (%)	closing balance of current period over the closing balance of previous period (%)	
Monetary funds	689,022,322.44	6.52	1,116,571,580.99	12.07	-38.29	due to the utilization of the special fund raised by the non-public offering of shares during the reporting period
Notes receivable	607,645,160.15	5.75	204,999,510.62	2.22	196.41	due to the increase in selling revenue on the one hand, restoration of the bills not meeting the derecognition conditions on the other hand during the reporting period
Accounts receivable	981,111,286.02	9.29	438,504,721.48	4.74	123.74	due to the increase in selling revenue during the reporting period
Accounts receivable financing	754,316,996.75	7.14	369,857,635.69	4.00	103.95	due to the increase in selling revenue on the one hand, restoration of the bills not meeting the derecognition conditions on the other hand during the reporting period
Prepayments	176,309,507.09	1.67	127,452,119.00	1.38	38.33	due to the increase in prepayments for raw materials and fuel during the reporting period.
Other receivables	106,661,629.98	1.01	35,054,042.55	0.38	204.28	due to the increase in equity disposal receivables from related parties during the reporting period
Other current assets	59,289,265.40	0.56	190,034,599.15	2.05	-68.80	due to the decrease in the amount of input tax to be deducted after the VAT rebate during the reporting period
Right-of-use assets	13,007,301.50	0.12	9,679,048.81	0.10	34.39	due to the increase resulting from acquisition of subsidiaries during the reporting period
Goodwill	17,583,473.33	0.17			100.00	due to the acquisition of subsidiaries during the reporting period
Other non-current assets	559,257,426.12	5.29	185,935,267.61	2.01	200.78	due to the increase in prepayments for construction and equipment during the reporting period
Notes payable	429,242,468.26	4.06	650,930,930.94	7.03	-34.06	due to the increase in bills payables due for payment during the reporting period

Section III Management Discussion and Analysis

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

(II) Analysis of assets and liabilities (Continued)

1. Assets and liabilities (Continued)

Unit: Yuan Currency: RMB

Item	Closing balance of current period	Percentage of closing balance over the total assets (%)	Closing balance of last period	Percentage of closing balance over the total assets (%)	Percentage of changes in closing balance of current period over the closing balance of previous period (%)	Explanation
Accounts payable	1,728,154,819.46	16.36	645,516,087.58	6.98	167.72	due to the expansion of production capacity and business scale and increase in amount of the outstanding purchase during the reporting period
Contract liabilities	18,314,969.87	0.17	46,718,841.37	0.50	-60.80	due to the performance on amounts received in advance from customers during the reporting period
Taxes payable	19,546,491.47	0.18	12,827,698.25	0.14	52.38	due to the increase in corporate income tax payable at the end of the reporting period
Other payables	232,485,514.56	2.20	701,248,471.31	7.58	-66.85	due to the repayments of transactions during the reporting period
Non-current liabilities due within one year	57,813,133.81	0.55	258,656,910.02	2.80	-77.65	due to the decrease in long-term borrowings due for repayment within one year during the reporting period
Other current liabilities	514,209,429.62	4.87	20,064,405.18	0.22	2,462.79	due to the reclassification and restoration of bills not meeting the derecognition conditions during the reporting period
Long-term borrowings	1,703,779,270.66	16.13	1,032,800,000.00	11.16	64.97	due to the adjustment of financing structure and increase in long-term borrowings during the reporting period
Lease liabilities	9,405,001.94	0.09	6,771,924.40	0.07	38.88	due to the increase resulting from acquisition of subsidiaries during the reporting period
Deferred income	51,344,031.93	0.49	132,719,249.92	1.43	-61.31	due to the decrease in disposal of subsidiaries' equity interests during the reporting period
Deferred income tax liabilities	40,568,717.91	0.38	18,547,379.56	0.20	118.73	due to the increase resulting from acquisition of subsidiaries during the reporting period



Section III Management Discussion and Analysis

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

(II) Analysis of assets and liabilities (Continued)

1. Assets and liabilities (Continued)

Other explanations

Capital liquidity

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

Financial resources

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

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

Capital structure

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

As at 31 December 2022, the Group's total gearing ratio (total liabilities divided by total assets) was 56.33% (31 December 2021: 53.11%).

2. Overseas assets

There were no overseas assets during the reporting period.

Section III Management Discussion and Analysis

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

(II) Analysis of assets and liabilities (Continued)

3. Major restricted assets as at the end of the reporting period

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

(III) Analysis on industry operating information

The photovoltaic industry, as one of the strategic emerging industries in the country, continues to maintain rapid development under the dual role of industrial policy guidance and market demand-driven

Driven by the high growth in demand for photovoltaic installations, the photovoltaic industry chain as a whole ushered in a period of expansion. In 2022, the photovoltaic glass industry experienced a significant increase in production and low-price fluctuations.

In 2022, with the downstream application side recognizing the power generation gain of double-sided components, the market share of double-sided components reached 40.4%, which is predicted that by 2024, double-sided components will surpass single-sided components, becoming the mainstream of the market. At present, the thickness of photovoltaic glass in the market is mainly 1.6mm, 2.0mm, 3.2mm and other specifications, among which 2.0mm thick glass is mainly used for double glass components. In 2022, the market shares of front cover glass with a thickness of 2.0mm reached 39.7%, while the market share of front cover glass with a thickness of 3.2mm dropped to 59.3%. At the same time, the trial of 1.6mm thick glass was started for the double glass components, and its market share was approximately 0.5% in 2022. With the continuous development of lightweight components, double-glass components and new technologies, the cover glass will develop into sheets, and the market share of front cover glass with thickness of 2.0mm and 1.6mm will gradually increase.



Section III Management Discussion and Analysis

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

(IV) Analysis of investment

1. Material equity investments

- (1) On 14 September 2022, at the 6th meeting of the tenth session of the Board, the “Resolution on the Acquisition of the Equity Interest in TG Fujian Photovoltaic Glass Co., Ltd.” was considered and approved. Pursuant to the entering into of the Share Transfer Agreement in relation to TG Fujian Photovoltaic Glass Co., Ltd. (台玻福建光伏玻璃有限公司) between the Company and TG Donghai, the Company acquired 100% equity interests in TG Fujian held by TG Donghai in cash. The transfer benchmark consideration of the Target Equity Interest is RMB421,963,400. According to the audit report issued by Grant Thornton (Special General Partnership) up to the closing benchmark date (30 September 2022), after deducting the loss amount of TG Fujian during the transition period, the final price of this equity transfer was RMB390,388,352.49. On 13 October 2022, TG Fujian completed the registration of transfer of equity interest and change of company name (now renamed as Kaisheng (Zhangzhou) New Energy Co., Ltd.*) for industrial and commercial change, and obtained the Business License renewed by Zhangpu County Market Supervision and Administration Bureau. After the completion of this acquisition, the Company holds 100% equity interests in Kaisheng (Zhangzhou) New Energy Co., Ltd.*. During the reporting period, the Company has paid the total equity transfer price of RMB337,570,720 as agreed in this Agreement.
- (2) On 30 December 2022, the Resolution in the Share Transfer Agreement of Qinhuangdao North Glass Co.,Ltd., the Terms and Conditions Thereof, the Transactions Contemplated Thereunder and the Implementation Thereof at the 2022 Third Extraordinary General Meeting was considered and approved. Pursuant to the entering into of the Resolution in the Share Transfer Agreement of Qinhuangdao North Glass Co., Ltd. between the Company and Yaohua Group on 23 November 2022, the Company acquired 40% equity interests in North Glass held by Yaohua Group in cash at a transfer price of RMB163,868,200. On 30 December 2022, North Glass completed the industrial and commercial registration of changes for the changes in the shareholders and obtained the business license from the Branch of Qinhuangdao Economic & Technological Development Zone of Qinhuangdao Administration of Market Regulation. Upon completion of the Acquisition, the Company held 100% equity interests in North Glass. During the reporting period, the Company has paid the total equity transfer price of RMB83,572,800 as agreed in this Agreement.

Section III Management Discussion and Analysis

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

(IV) Analysis of investment

2. Material non-equity investments

- (1) The Tongcheng New Energy Phase I of the Project of Photovoltaic Cell Packaging Material for Solar Equipment has a total planned investment of RMB1,098.3 million, of which RMB800 million will be invested with the raised funds. As of December 31, 2022, the project has reached its intended serviceable condition.
- (2) The Hefei New Energy Project of Photovoltaic Cell Packaging Material for Solar Equipment has a total planned investment of RMB783.34 million, of which RMB600 million will be invested with the raised funds. As of December 31, 2022, the project operated on a trial basis.
- (3) The Luoyang New Energy Phase I of the Project of Photovoltaic Cell Packaging Material for Solar Equipment has a total planned investment of RMB2,294.16 million, which is progressing as planned.
- (4) The Yixing New Energy Phase I of the Project of Photovoltaic Cell Packaging Material for Solar Equipment has a total planned investment of RMB797.34 million, which is progressing as planned.

(V). Material disposal of assets and equity interests

The Company disposed of 100% equity interests in Longhai Glass, Longmen Glass and Bengbu CNBM Information Display, wholly-owned subsidiaries of the Company. On 25 January 2022, the Company considered and approved at the 2022 First Extraordinary General Meeting the Resolution on the Transfer of the Entire Equity Interests in CLFG Luoyang Longhai Electronic Glass Company Limited* (洛玻集團洛陽龍海電子玻璃有限公司), CLFG Longmen Glass Co. Ltd.* (洛玻集團龍門玻璃有限責任公司) and Bengbu China National Building Materials Information Display Materials Company Limited* (蚌埠中建材信息顯示材料有限公司) from the Company to Triumph Technology Group Co., Ltd.* (凱盛科技集團有限公司), including the entering into of the Equity Transfer Agreements and the Transactions Contemplated Thereunder. As of 28 January 2022, Longhai Glass, Longmen Glass and Bengbu CNBM Information Display completed the industrial and commercial change registration procedures for this equity transfer and were no longer included in the scope of the Company's consolidation.

The Company disposed of 100% equity interests in Puyang CNBM Photovoltaic Materials, a wholly-owned subsidiary of the Company. On 30 December 2022, the Resolution in the Share Transfer Agreement of Puyang China National Building Materials Photovoltaic Materials Company Limited, the terms and conditions thereof, the transactions contemplated thereunder and the implementation thereof at the 2022 Third Extraordinary General Meeting was considered and approved. On 3 January 2023, Puyang CNBM Photovoltaic Materials completed the industrial and commercial change registration procedures for this equity transfer and were no longer included in the scope of the Company's consolidation.



Section III Management Discussion and Analysis

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

(VI) Analysis of major controlled and investee companies

Unit: 0'000 Currency: RMB

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

(VII) Structured entities under the control of the Company

There were no structured entities under the control of the Company during the reporting period.

Section III Management Discussion and Analysis

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

(VIII) Five-year financial highlight

The operating results, assets and liabilities of the Group for the five years ended 31 December 2022

Operating results

Unit: Yuan Currency: RMB

Item	2022	2021	2020	2019	2018
Operating income	5,030,111,246.27	3,625,851,456.04	3,381,105,357.02	1,854,842,208.09	1,402,748,187.74
Total profit	470,266,646.75	351,102,076.99	542,435,391.68	86,805,383.78	32,146,544.91
Income tax	11,096,956.38	19,775,344.53	70,184,963.12	18,203,965.20	8,960,304.34
Net profit	459,169,690.37	331,326,732.46	472,250,428.56	68,601,418.58	23,186,240.57
Net profit attributable to the owners of the Company	409,038,651.70	255,755,695.03	372,861,545.19	53,999,883.71	15,645,310.47
Minority interests	50,131,038.67	75,571,037.43	99,388,883.37	14,601,534.87	7,540,930.10

Assets and liabilities

Unit: Yuan Currency: RMB

Item	At the end of 2022	At the end of 2021	At the end of 2020	At the end of 2019	At the end of 2018
Monetary funds	689,022,322.44	1,116,571,580.99	338,338,105.37	432,871,497.66	276,132,689.62
Inventory	695,508,197.62	686,161,229.71	307,898,221.12	281,882,687.59	245,395,799.98
Fixed assets	4,021,905,180.15	3,737,837,277.98	3,245,484,257.44	2,343,435,561.00	1,915,114,403.91
Construction in progress	1,158,626,308.86	1,420,340,092.86	83,910,682.05	603,637,921.26	680,485,100.59
Non-current assets	6,496,038,544.97	6,084,421,580.05	3,913,977,604.59	3,421,335,462.33	3,038,792,641.97
Current liabilities	4,147,163,623.26	3,723,340,816.20	3,655,626,917.42	3,176,527,786.58	2,530,476,027.00
Non-current liabilities	1,805,097,022.44	1,190,838,553.88	790,346,834.62	650,569,574.58	628,364,792.15
Share capital	645,674,963.00	645,674,963.00	548,540,432.00	552,396,509.00	559,797,391.00
Equity attributable to owners of the Company	4,232,430,907.35	3,834,809,285.82	1,767,526,442.24	1,299,216,365.32	1,245,216,484.61
Minority interests	381,211,357.37	504,068,363.34	312,429,246.10	114,726,151.47	100,124,616.60



Section III Management Discussion and Analysis

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

(IX) Others

1. *Gearing ratio*

As at the end of the reporting period, the gearing ratio was 56.33% increasing by 3.22 percentage points as compared with the corresponding period last year.

2. *Net foreign exchange loss*

Details about foreign exchange profit and loss during the reporting period are set out in Note VII (note 41) to the financial statements.

3. *Taxation*

Details about taxation during the reporting period are set out in Note VII (notes 25, 37 and 49) to the financial statements.

4. *Fixed assets and intangible assets*

Details about fixed assets and intangible assets during the reporting period are set out in Note VII (notes 10 and 13) to the financial statements.

5. *Bank and other loans*

Details of bank and other loans during the reporting period are set out in Note VII (notes 19, 27 and 29) to the financial statements.

6. *Capitalization of interests*

Interests capitalised during the reporting period were RMB16,519,825.14.

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 VII (notes 33, 34 and 35) to the financial statements.

Section III Management Discussion and Analysis

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

(IX) Others (Continued)

9. Accumulated losses

As of 31 December 2021, the accumulated loss of the Company was RMB245,428,527.10.

10. Retirement plan

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

IV DISCUSSION AND ANALYSIS OF THE FUTURE DEVELOPMENT OF THE COMPANY

(I) Industry landscape and Trend

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

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



Section III Management Discussion and Analysis

IV DISCUSSION AND ANALYSIS OF THE FUTURE DEVELOPMENT OF THE COMPANY (CONTINUED)

(II) Development strategy

The Company actively responded to the national dual-carbon policy, guided by the new energy market, expanded the application fields and optimized the product structure; supported by technological innovation, continuously improved the production process level and equipment level of relevant products, gave full play to the Company's advantages in ultra-thin photovoltaic glass production technology, led the development trend of thin-type glass in the industry, thus to promote the low-carbon development of the industry to an industrial group of key new energy materials, which will provide positive contributions to the national green development.

(III) Operating Plan

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

(IV) Potential risks

(1) *Risks arising from the industry*

Risks arising from the industry are mainly reflected in the following aspects: photovoltaic glass has entered a period of accelerated production capacity, the market homogenization competition has intensified, and there may be the risk of overcapacity.

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



Section III Management Discussion and Analysis

IV DISCUSSION AND ANALYSIS OF THE FUTURE DEVELOPMENT OF THE COMPANY (CONTINUED)

(IV) Potential risks (Continued)

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

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

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

(3) *Risks arising from new engineering projects*

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

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

(4) *Financial risks*

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

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

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

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



Section III Management Discussion and Analysis

VIII. OTHER DISCLOSURES

(I) Service contracts of directors and supervisors

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

(II) Management Contracts

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

(III) Repurchase, Sale and Redemption of Shares

The Company did not repurchase, sell or redeem any its shares 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 Listing Rules and approved by The Stock Exchange of Hong Kong Limited as of the date of this report.

(VI) Tax Deduction for Holders of Listed Securities

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

(VII) Compliance with the Corporate Governance Code

During the reporting period, the Company has strictly complied with all the requirements of the Code on Corporate Governance Practices and Report on Corporate Governance set out in Appendix 14 to the Listing Rules of the Hong Kong Stock Exchange.

(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.

(IX) Raising funds from the non-public issuance of A Shares

As approved by CSRC, the Company issued 97,134,531 RMB ordinary shares to specific subscribers by way of non-public issuance in 2021, and raised total proceeds of RMB1,999,999,993.29. After deducting the sponsor and underwriting fees of RMB15,999,999.95 for the non-public issuance (including VAT), the net proceeds raised amounted to RMB1,983,999,993.34.



Section III Management Discussion and Analysis

VIII. OTHER DISCLOSURES (CONTINUED)

(IX) Raising funds from the non-public issuance of A Shares (Continued)

As of the end of this reporting period, the above-mentioned raised funds have been fully utilized. As of 4 January 2023, seven special accounts opened by the Company, Tongcheng New Energy and Hefei New Energy for the management and use of the raised funds have been cancelled. The specific usage is as follows:

Unit: Yuan Currency: RMB

Net raised funds	1,983,999,993.34		
Total raised funds which changed purpose during the reporting period	N/A	Total raised funds invested during the period	302,119,913.66
Total accumulatively raised funds which changed purpose	N/A	Total raised funds invested accumulatively	1,988,718,983.98

Committed investment projects	Total committed investment of raised funds	The amount invested during the reporting period	Accumulated amount invested as of the end of the period	Investment progress as of the end of the period (%)	Whether there are significant changes on the feasibility of the project
1. CNBM (Tongcheng) New Energy Materials Company Limited* (中國建材桐城新能源材料有限公司) Phase I of the Project of Photovoltaic Cell Packaging Material for Solar Equipment	800,000,000.00	240,346,868.23	803,430,139.23	100.43	No
2. CNBM (Hefei) New Energy Company Limited* (中建材(合肥)新能源有限公司) Project of Photovoltaic Cell Packaging Material for Solar Equipment	600,000,000.00	61,773,045.43	601,288,851.41	100.21	No
3. Repayment of interest-bearing liabilities and replenishment of working capital	583,999,993.34	0.00	583,999,993.34	100	No
Committed investment projects					
Sub-total	<u>1,983,999,993.34</u>	<u>302,119,913.66</u>	<u>1,988,718,983.98</u>	<u>-</u>	<u>-</u>

Note: The excess of the accumulated investment in Items 1 and 2 over the total committed investment is the interest generated from the temporary idle deposits of raised funds. For details, please refer to the Company's "Special Report on Depositing and Actual Use of Raised Funds of Triumph New Energy Company Limited in 2022" disclosed on 29 March 2023.



Section III Management Discussion and Analysis

VIII. OTHER DISCLOSURES (CONTINUED)

(IX) Raising funds from the non-public issuance of A Shares (Continued)

Grant Thornton (Special General Partnership) verified the deposit and actual use of the company's raised funds for the year 2022, and issued the "Appraisal Report on the Deposit and Actual Use of the Raised Funds of Triumph New Energy Company Limited in 2022", which is considered that the 2022 Special Report prepared by the board of directors of Triumph New Energy complied with the relevant provisions and relevant format guidelines of the Regulatory Guide for Listed Companies No.2-Regulatory Requirements for the Management and Use of Funds Raised by Listed Companies (Revised in 2022) and the Self-regulatory Guide for Listed Companies No.1-Standardized Operation of Shanghai Stock Exchange, and truthfully reflected the deposit and actual use of the raised funds of Triumph New Energy in 2022 in all material aspects.

CITIC Securities Company Limited, a sponsor institution, conducted a special inspection on the deposit and use of the Company's 2022 non-public offering raised funds, and issued a Special Inspection Opinion on the Deposit and Use of the Company's 2022 Non-public Offering Raised Funds, which is considered that the deposit and use of the 2021 Company's non-public offering raised funds in 2022 complied with the Measures for the Administration of the Sponsorship of Securities Offering and Listing (《證券發行上市保薦業務管理辦法》) and Listing, Regulation Guide for Listed Companies No.2-Regulatory Requirements for the Management and Use of the Funds Raised by Listed Companies (Revised in 2022) (CSRC Announcement [2022] No.15), relevant laws and regulations, such as the Shanghai Stock Exchange's Guidelines for Self-regulation and Supervision of Listed Companies No.1-Standardized Operation, and the Company's Measures for the Administration of Raised Funds, providing raised funds with the special deposit and special use. There is no change in the use of raised funds in disguised form, harm to the interests of shareholders, or use of the raised funds in violation of regulations.

Section IV Corporate Governance

I. INTRODUCTION OF CORPORATE GOVERNANCE

The Company has been operating in strict compliance with the requirements in the relevant laws and regulations such as the Company Law, the Securities Law, the Standards on Corporate Governance of Listed Companies, the Listing Rules of the stock exchanges in Shanghai and Hong Kong and the regulations of the CSRC, by proactively carrying out corporate governance campaigns, constantly improving its corporate governance structure, establishing and optimizing internal management and control systems, and strengthening information disclosure in a bid to further standardize the operation of the Company and enhance the corporate governance level. Relevant details are as follow:

1. Improving the structure of corporate governance

Based on the requirements in the relevant laws and regulations such as the Company Law, the Standards on Corporate Governance of Listed Companies, the Company further defined power and responsibility of the General Meetings, the Board of Directors, the Supervisory Committee and management to ensure each of them performed their own duties on the basis of mutual restriction and coordination, aiming at enhancing normalized operation of the Company and improved governance skills.

The Company adhered to the principles of marketization and legalization. The General Meetings legally exercised the voting rights to major matters of the Company including operating guidelines, fund raising, profit distribution, etc. State-owned controlling shareholders strictly abided by the Company Law, relevant laws, regulations and Articles of Associations to exercise the rights of an investor and fully respected the independency of the listed company. Medium and small shareholders of the Company enjoyed equal status as controlling shareholders. All shareholders could fully exercise their own rights according to the proportion of shares.

The construction of the Board of Directors was standardized. Number and composition of directors of the Board of Directors of the Company complied with relevant laws and regulations. The Board of Directors convened meetings on a regular basis and also called upon irregular meetings depending on actual conditions. During the reporting period, after the Company completed the general election of the Board of Directors on 26 May 2022, the 10th Board of Directors consisted of 11 members, including 5 executive directors, 2 non-executive directors and 4 independent non-executive directors. Under the Board of Directors were set up five special committees: the Audit Committee, Remuneration and Review Committee, Nomination Committee, Strategic Committee and Compliance Committee. Among which, the chairmen of the Audit Committee, Remuneration and Review Committee, Nomination Committee and Compliance Committee were assumed by independent non-executive directors. Clear rules were set up for both the Board of Directors and its subordinate special committees to standardize the rules of procedure, improve efficiency of meetings and rationality of decision making.



Section IV Corporate Governance

I. INTRODUCTION OF CORPORATE GOVERNANCE (CONTINUED)

1. Improving the structure of corporate governance (Continued)

The supervising role of the Supervisory Committee was fully played. The Supervisory Committee of the Company supervised and examined behaviors of directors, the General Manager, other senior executives, routine operation and financial conditions of the Company, and was responsible to and reported to the General Meetings. During the reporting period, after the Company completed the general election of the Supervisory Committee on 26 May 2022, the 10th Supervisory Committee consisted of 6 supervisors, including 2 employee supervisors and 2 independent supervisors. The Supervisory Committee adhered to provisions of the Company Law and Articles of Associations to fulfill its supervising obligations and played the proper role in safeguarding the Company's interest and legal rights of shareholders, carrying out corporate governance by corporate legal persons as well as establishing and improving management systems of the Company. Supervisors attended annual meetings of the Board of Directors and General Meetings, and implemented effective supervision on legality of the meetings and protection of rights of shareholders, and supervised financial status as well as legality and compliance of duty performance of directors and senior management of the Company. The Supervisory Committee paid close attention to important matters of the Company including business, investment decision-making, etc. and offered proposals.

The Chairman and the General Manager of the Company are clearly divided into two different positions. Their duties are clearly divided and specified in the Articles of Association, and are held by different persons. The General Manager had the right to conduct business management over each subsidiary and functional department, and was responsible for daily operation and business activities of the Company.

2. Improving the level of information disclosure and strengthening registration and management of insiders

The Company strictly abided by the requirement in the relevant laws and regulations to duly disclose regular reports, provisional announcements and important matters and disclose information to its investors in an authentic, accurate, complete, timely and faire manner. The level of information disclosure was continued to be improved, together with improved transparency and standardization.

The Company, according to provisions of CSRC and relevant stock exchanges, completed and implemented the systems for confidentiality of inside information and registration for insiders of internal information, who requested for registration and abide by relevant provisions to prevent insider dealings. Meanwhile, controlling shareholders and actual controllers were supervised to cooperate with the listed company in fulfilling the obligation of disclosing information, and ensure proper information disclosure.

Section IV Corporate Governance

I. INTRODUCTION OF CORPORATE GOVERNANCE (CONTINUED)

3. Maintaining the independency of the listed company

As clearly specified in Articles of Associations, shareholders shall participate in major decision-making of the Company by exercising the voting rights during the General Meetings. The Company operates independently, has sole decision-making right for operations and does not depend on any controlling shareholders and their connected enterprises. The Company has established completely independent labour force, human resources and salary management systems. There are clear property relations between the Company and controlling shareholders, and all assets of the Company are completely independent of controlling shareholders. The Company has a complete organizational structure. Each organization has independent authorities and is not a subordinate of any controlling shareholders or their functional departments. The Company has an independent financial department and has established its own accounting system and financial management rules to ensure independency of accounting, use of funds and tax-paying.

4. Respecting and protecting legal rights of medium and small investors

The Company strengthened communications among its investors via exchange meetings of investors, performance presentations, interactive internet platforms, etc. and highly valued the creation of harmonious relations among investors. Questions brought up by investors were timely replied to. Secretariat of Board of Directors of the Company appointed a special person to answer consulting phone calls from investors and receive their emails as well as reply to their questions and inquiries. The specially appointed person also received visiting investors and assisted them in conducting researches. The Company's files, annual reports, half-year reports, quarterly reports, temporary announcements, circulars, etc. were publicized on the website so that shareholders and other investors could obtain updated information about the Company. During daily communication with investors, the principle of faire disclosure was adhered to. No undisclosed major information was revealed, nor was any information revealed to intentionally mislead investors.

5. Institutional improvement in internal control

The Company strictly followed the rules of the internal control system, established, completed and effectively implemented internal control and disclosed the internal control assessment report truthfully. The clear objectives set for internal control of the Company were reasonably ensuring legality and compliance of business activities, safety of assets, authenticity and completeness of financial statements and related information and improvement of operating efficiency and effects to promote the realization of the development strategies.



Section IV Corporate Governance

I. INTRODUCTION OF CORPORATE GOVERNANCE (CONTINUED)

5. Institutional improvement in internal control (Continued)

The Audit Committee under the Board of Directors reviewed financial status, implementation and effectiveness of internal control rules and risk management and control, and took charge of internal and external audit (review) exchanges, supervision and examination. The Audit Department undertook specific implementation and supervision of internal control rules. Functional departments of the Headquarters were responsible for preparing, completing and implementing management details related to business of each department and standardizing business procedures, supervising implementation of standardized management procedures for respective business departments of subsidiaries and setting down management rules, and assisting auditors of the Headquarters in carrying out internal control examination and assessment. The subsidiaries, under the supervision of the Headquarters, prepared, completed and implemented their own management systems and established supervising and auditing organizations to supervise and examine internal control of the subsidiaries.

Adhering to the principles for internal control of legality, comprehensiveness, significance, effectiveness, check and balance, adaptability and cost effectiveness, the Company integrated the Basic Internal Control Norms for Enterprises and associated guidelines into the Internal Control Manual of the Company in the forms of management systems, business procedures and risk control matrices to establish an internal control framework with risk management as the start, clear division of responsibility as the core, improved institutional construction as the guarantee and process tackling standards as the basis. In execution of the past year, management systems were timely revised and completed as well as the covered business procedures and risk control matrices, thus ensuring legality and compliance of business activities, safety of assets and authenticity and completeness of financial statements and related information. To ensure effective execution of institutional improvement of internal control, the Company strengthened the supervision function for internal control and carried out special audits for internal control. By examining and assessing the existence, completeness, compliance and effectiveness of controlling systems and procedures, the internal control system was ensured to fully play its roles and guarantee continual and healthy development of the Company. The Company engaged Grant Thornton (Special General Partnership) to audit effectiveness of internal control of annual financial statements of the Company, who presented the audit report and disclosure.

Section IV Corporate Governance

I. INTRODUCTION OF CORPORATE GOVERNANCE (CONTINUED)

6. Appraisal mechanism for senior executives as well as the establishment and execution of the incentive mechanism

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

The Remuneration and Review Committee is responsible for studying the assessment schemes for directors and senior executives of the Company and offered proposals as necessary. The Committee also provides suggestions to the Board of Directors for salary policies and schemes for directors and senior executives of the Company. The Remuneration and Review Committee has the right to prepare and modify the Payment Scheme for the Board of Directors and Rules on Remuneration and Performance Assessment for the Board of Directors and the Supervisory Committee, which will be submitted to the Board of Directors and General Meetings for deliberation at different levels.

During the reporting period, there was no significant difference between corporate governance and laws, administrative regulations and the provisions of the CSRC on the governance of listed companies.

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 relevant circumstances affecting the independence of the Company among the controlling shareholders and de facto controllers.



Section IV Corporate Governance

III. INTRODUCTION OF GENERAL MEETINGS

Session	Date of convening	Inquiry index on the website on which the resolutions are publicized	Date of disclosure	Resolutions
2022 First Extraordinary General Meeting	25 January 2022	http://www.sse.com.cn , http://www.hkexnews.hk	25 January 2022	To consider and approve the resolution in relation to the transfer of the entire equity interest in Longhai Glass, Longmen Glass and Bengbu CNBM Information Display to Triumph Technology Group by the Company, including the entering into of the Share Transfer Agreement and the transactions contemplated thereunder; the resolution in relation to the grant of authorisation to the Board of the Company to handle the relevant matters in relation to the transfer of the entire equity interest in Longhai Glass Company, Longmen Glass and Bengbu CNBM Information Display to Triumph Technology Group by the Company, including the entering into of the Share Transfer Agreement and the transactions contemplated thereunder.
2022 Second Extraordinary General Meeting	26 May 2022	http://www.sse.com.cn , http://www.hkexnews.hk	26 May 2022	To consider and approve the resolution in relation to the re-election of non-independent Directors of the tenth session of the Board of the Company; to consider and approve the resolution in relation to the re-election of independent Directors of the tenth session of the Board of the Company; to consider and approve the resolution in relation to the re-election of the tenth session of the Supervisory Committee of the Company.
2021 Annual General Meeting	28 June 2022	http://www.sse.com.cn , http://www.hkexnews.hk	28 June 2022	To consider and approve the working report of the Board of Directors the Company for the year 2021; to consider and approve the working report of the Supervisory Committee of the Company for the year 2021; to consider and approve the final accounts report of the Company for the year 2021; to consider and approve the Company's annual report 2021 and its summary; to consider and approve the profit distribution plan for the year 2021; to consider and approve the financial budget report of the Company for the year 2022; to consider and approve the remuneration plan of the 10th session of the Supervisory Committee of the Company; to consider and approve the appointment of Grant Thornton (Special General Partnership) as the auditor of the Company for the year 2022 with total auditing fee of RMB1.40 million in aggregate and in case of material changes in volume of audit work for the year 2022, authorization to the Board of the Company for determining its remunerations according to the actual audit workload by then;
2022 Third Extraordinary General Meeting	30 December 2022	http://www.sse.com.cn , http://www.hkexnews.hk	30 December 2022	To consider and approve the proposed Change of Company Name; to consider and approve the resolution in relation to the proposed amendments to the Articles of Association; to consider and approve the Supplemental Agreement for Engineering Construction Equipment Procurement and Installation Framework Agreement, the terms and conditions thereof, its proposed annual caps, the transactions contemplated thereunder and the implementation thereof; to consider and approve the Supplemental Agreement for Sale and Purchase of Raw Materials Framework Agreement, the terms and conditions thereof, its proposed annual caps, the transactions contemplated thereunder and the implementation thereof; to consider and approve the Supplemental Agreement for Technical Services Framework Agreement, the terms and conditions thereof, its proposed annual caps, the transactions contemplated thereunder and the implementation thereof; to consider and approve the Share Transfer Agreement of North Glass, the terms and conditions thereof, the transactions contemplated thereunder and the implementation thereof; to consider and approve the Share Transfer Agreement of Puyang CNBM Photovoltaic Materials, the terms and conditions thereof, the transactions contemplated thereunder and the implementation thereof.

Section IV Corporate Governance

IV. POSITIONS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

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

Unit: share

Name	Position (note)	Gender	Age	Starting date of term of office	Expiry date of term of office	Number of Shares held at the beginning of the year	Number of Shares held at the end of the year	Increase/decrease of shares during the year	Reason for change	Total remuneration before tax received from the Company during the reporting period (RMB'000)	Whether received remuneration from the Company's related parties or not
Xie Jun	Vice chairman of the ninth session of the Board of Directors (resigned)	Male	57	2015-12-24	2022-05-25	0	0	0	Nil	77.42	N
	Chairman of the tenth session of the Board of Directors			2022-05-26	2025-05-25						
Ma Yan	Executive director	Male	52	2015-12-23	2025-05-25	0	0	0	Nil	75.00	N
	President			2018-11-21	2025-05-25						
	Financial executive (resigned)			2016-05-06	2022-05-25						
Zhang Rong	Executive director	Male	49	2019-03-04	2025-05-25	0	0	0	Nil	66.50	N
	Executive president			2018-11-21	2025-05-25						
Liu Yuquan	Executive director	Male	55	2022-05-26	2025-05-25	0	0	0	Nil	60.00	N
	Vice general manager (resigned)			2015-12-24	2022-05-25						
Wang Lilei	Executive director, secretary to the Board of Directors	Female	38	2022-05-26	2025-05-25	0	0	0	Nil	40.03	N
Zhang Chong	Chairman of the ninth session of the Board of Directors (resigned)	Male	60	2015-12-24	2022-05-25	0	0	0	Nil	0	Y
	Non-executive director			2022-05-26	2025-05-25						
Sun Shizhong	Non-executive director	Male	53	2022-12-30	2025-05-25	0	0	0	Nil	0	Y
Zhang Yajuan	Independent non-executive director	Female	49	2019-03-04	2025-03-03	0	0	0	Nil	8.33	N
Fan Baoqun	Independent non-executive director	Male	51	2022-05-26	2025-05-25	0	0	0	Nil	5.83	N
Chen Qisuo	Independent non-executive director	Male	50	2022-05-26	2025-05-25	0	0	0	Nil	5.83	N
Zhao Hulin	Independent non-executive director	Male	58	2022-05-26	2025-05-25	0	0	0	Nil	5.83	N
Jiao Jijia	Chairman of the Supervisory Committee	Female	40	2022-05-26	2025-05-25	0	0	0	Nil	0	Y
Li Ping	Supervisor	Female	42	2022-05-26	2025-05-25	0	0	0	Nil	0	Y



Section IV Corporate Governance

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

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

Name	Position (note)	Gender	Age	Starting date of term of office	Expiry date of term of office	Number of Shares held at the beginning of the year	Number of Shares held at the end of the year	Increase/ decrease of shares during the year	Reason for change	Total remuneration before tax received from the Company during the reporting period (RMB'000)	Whether received remuneration from the Company's related parties or not
Wang Juan	Supervisor	Female	53	2022-05-26	2025-05-25	0	0	0	Nil	2.92	N
Wang Junqiao	Supervisor	Male	45	2022-05-26	2025-05-25	0	0	0	Nil	2.92	N
Zhang Pingwei	Employee supervisor	Male	55	2022-05-26	2025-05-25	0	0	0	Nil	18.67	N
Li Huadong	Employee supervisor	Male	44	2022-05-26	2025-05-25	0	0	0	Nil	8.40	N
Yin Xinjian	Vice president	Male	55	2022-05-26	2025-05-25	0	0	0	Nil	55.17	N
Yang Boming	Vice president	Male	56	2018-11-21	2025-05-25	0	0	0	Nil	0	N
Li Yang	Financial executive	Male	40	2022-05-26	2025-05-25	2,000	2,000	0	Nil	55.22	N
Ip Pui Sum	Company secretary (Hong Kong)	Male	63	2008-08-06	-	0	0	0	Nil	10.77	N
Wang Guoqing	Executive director of the ninth session of the Board of Directors (resigned)	Male	54	2015-12-23	2022-05-25	0	0	0	Nil	18.33	N
	Vice general manager (resigned)			2015-12-23	2022-04-28						
Ren Hongcan	Non-executive director of the ninth session of the Board of Directors (resigned)	Male	59	2019-03-04	2022-05-25	0	0	0	Nil	0	Y
Chen Yong	Non-executive director of the ninth session of the Board of Directors (resigned)	Male	51	2019-03-04	2022-05-25	0	0	0	Nil	0	Y
Jin Zhanping	Independent non-executive director of the ninth session of the Board of Directors (resigned)	Male	60	2014-06-03	2022-05-25	0	0	0	Nil	0	N
He Baofeng	Independent non-executive director of the ninth session of the Board of Directors (resigned)	Male	50	2015-12-23	2022-05-25	0	0	0	Nil	2.50	N
Ye Shuhua	Independent non-executive director of the ninth session of the Board of Directors (resigned)	Male	62	2015-12-23	2022-05-25	0	0	0	Nil	2.50	N

Section IV Corporate Governance

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

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

Name	Position (note)	Gender	Age	Starting date of term of office	Expiry date of term of office	Number of Shares held at the beginning of the year	Number of Shares held at the end of the year	Increase/decrease of shares during the year	Reason for change	Total remuneration before tax received from the Company during the reporting period (RMB'000)	Whether received remuneration from the Company's related parties or not
Tao Ligang	Non-executive director of the tenth session of the Board of Directors (resigned)	Male	56	2022-05-26	2022-10-27	0	0	0	Nil	0	Y
Tang Jie	Chairman of the ninth session of the Supervisory Committee (resigned)	Female	55	2021-12-22	2022-05-25	0	0	0	Nil	0	Y
Li Wenge	Supervisor of the ninth session of the Supervisory Committee (resigned)	Male	57	2019-03-04	2022-05-25	0	0	0	Nil	8.75	N
Wang Jian	Employee supervisor of the ninth session of the Supervisory Committee (resigned)	Male	48	2010-05-26	2022-05-25	0	0	0	Nil	1.40	N
Ma Jinkang	Employee supervisor of the ninth session of the Supervisory Committee (resigned)	Male	59	2012-12-17	2022-05-25	0	0	0	Nil	4.36	N
Qiu Mingwei	Supervisor of the ninth session of the Supervisory Committee (resigned)	Male	51	2015-12-23	2022-05-25	0	0	0	Nil	1.25	N
Qiu Mingwei	Supervisor of the ninth session of the Supervisory Committee (resigned)	Male	51	2015-12-23	2022-05-25	0	0	0	Nil	1.25	N
Yan Mei	Supervisor of the ninth session of the Supervisory Committee (resigned)	Female	60	2015-12-23	2022-05-25	0	0	0	Nil	1.25	N
Wu Zhixin	Secretary to the Board of Directors (retired)	Female	57	2014-05-20	2022-05-25	0	0	0	Nil	19.00	N
Total	/	/	/	/	/	2,000	2,000	0	/	558.18	/



Section IV Corporate Governance

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

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

Name	Main Working Experience
Xie Jun	a professor-grade senior engineer with a doctor's degree in engineering, secretary of party committee of the Company, chairman of the Company and secretary of party committee, chairman and 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.*, etc.
Ma Yan	an accountant with a bachelor's degree, an Executive Director and president of the Company and also the general manager of CLFG and the chairman of the supervisory committee of Yixing New Energy. Mr. Ma had served as the chief financial controller of Bengbu Chemical Machinery Co., Ltd, assistant to the head of Financial Department of CNBM Research Institute, the chief financial controller of Chengdu China Optoelectronics Technology Co., Ltd. and Chief Financial Controller of Triumph Technology, etc.
Zhang Rong	an engineer with a master's degree and a professor-grade senior engineer, and the executive director and the executive president of the Company. He also served as an executive director of North Glass, Hefei New Energy, Tongcheng New Energy, Zhangzhou New Energy and Luoyang New Energy and the general manager of Kaisheng Glass Holdings Limited*. 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.
Liu Yuquan	a senior economist with a bachelor's degree. He serves as the executive director of the Company and also serves as the the general counsel of CLFG. Mr. Liu had served as the senior manager of Investment Department of CLFG, the general manager of Investment and Development Department, the general manager of Administrative and Human Resources Department and the general manager of Mineral Business Department. Mr. Liu had served as the deputy general manager of the Company, an executive director of Luoyang New Energy and a director of Zigong New Energy.
Wang Leilei	a holder of a master's degree in finance, the executive director and the secretary to the Board of Directors of the Company. Ms. Wang worked in the Board Secretariat of China National Building Material Company Limited*, the securities department of Triumph Technology Group and the securities management department of China Glass Holdings Limited.
Zhang Chong	a professor-grade senior engineer with a master's degree, and the non-executive director of the Company. He currently serves as the deputy general manager and chief engineer of CNBM Research Institute and the chairman of Bengbu China Optoelectronics Technology Co., Ltd., as well as the chairman of Chengdu China Optoelectronics Technology Co., Ltd., CNBM (Bengbu) Photoelectric Materials Co., Ltd. and Yixing New Energy. Mr. Zhang had served as the chairman of the Company, deputy executive head of the marketing department of CNBM Research Institute, the general engineer and the head of PRC domestic engineering department of International Engineering, and the deputy executive general manager of Chengdu Zhongguangdian Technology Co., Ltd.* (成都中光電科技有限公司), etc.
Sun Shizhong	a professor-grade senior engineer with a bachelor's degree, the non-executive director of the Company. Mr. Sun currently serves as the general engineer of CNBM Research Institute and the general manager of International Engineering Jiangsu Branch*.
Zhang Yajuan	a holder of Master of Laws, a lawyer, an international internal controller and an independent non-executive director of the Company. Ms. Zhang is currently a senior consultant of Beijing Tian Yuan Law Firm. Ms. Zhang worked in the legal department, the risk management department, the shareholding transformation department, the office of the board of directors, the compliance audit department and the compliance department of CITIC Bank.
Fan Baoqun	a holder of doctor's degree in management, a visiting scholar at Stanford University and the 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. He is also an independent director of Beijing Tri Prime Gene Pharmaceutical Co., Ltd.* (北京三元基因藥業股份有限公司).

Section IV Corporate Governance

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

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

Name	Main Working Experience
Chen Qisuo	a holder of bachelor's degree and CCPA, is a certified practising 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) *. Mr. Chen was a partner in auditing service at Ernst & Young Hua Ming LLP (Special General Partnership) and ShineWing Certified Public Accountants.
Zhao Hulin	a holder of Master of Laws, a first-class lawyer and the independent non-executive director of the Company. Mr. Zhao is currently a partner and the director of the management committee of Henan Shineway Law Firm, the second legal expert of the Henan Provincial Committee of the Communist Party of China, the legal adviser of the Henan Provincial People's Government, the legal adviser of the Zhengzhou Municipal People's Government, the legal adviser of the Zhengzhou Municipal Public Security Bureau, the legal adviser of the Zhengzhou shangjie district Municipal People's Government, the legal adviser of the Xinyang Municipal People's Government, a director of the All China Lawyers Association, the executive director of Henan Lawyers Association and the director of the Development Strategy Committee, the president of Zhengzhou Lawyers Association, the vice president of Henan Alumni Association of China Renmin University and the president of the Law Branch, the member of Zhengzhou Arbitration Committee and the member of the Expert Advisory Committee. Mr. Zhao concurrently serves as an independent director of Henan Zhongyuan Expressway Co., Ltd. (河南中原高速公路股份有限公司), Shanghai Huitong Energy Co., Ltd. (上海匯通能源股份有限公司), Henan Huanghe Whirlwind Co., Ltd. (河南黃河旋風股份有限公司), and Henan Communications Planning & Design Institute Co., Ltd. (河南省交通規劃設計研究院股份有限公司).
Jiao Jiajia	an accountant with a mater's degree, the chairman of the Supervisory Committee of the Company. Ms. Jiao is currently the head of Triumph Technology Group, general accountant of CNBM Research Institute and the chief financial officer of International Engineering. Ms. Jiao had served as an assistant to the head of department of finance, deputy vice head and head of International Engineering.
Li Ping	an economist with a master's degree and the supervisor of the Company. Ms. Li currently is vice minister of investment management department of Triumph Technology Group. Ms. Li had served as the assistant to the head of the investment management department of Triumph Technology Group.
Wang Juan	a holder of doctor's degree in accounting, an associate professor of Henan University of Science and Technology, CCPA, expert of bid evaluation within the expert database of Henan Province, a supervisor of Henan Institute of Finance, expert in performance evaluation of Luoyang City. Ms. Wang currently serves as the independent supervisor of the Company and the dean of the Department of Accounting of School of Management of Henan University of Science and Technology.
Wang Junqiao	a holder of a bachelor's degree, a certified public accountant, certified tax agent and a senior accountant. He currently serves as a partner of Luoyang Tiancheng Accounting Firm Co., Ltd (洛陽天誠會計師事務所有限公司), a member of the council of Luoyang Institute of Certified Public Accountant (洛陽市註冊會計師協會), the director of Training Committee of Luoyang Institute of Certified Public Accountant (洛陽市註冊會計師協會)
Li Huadong	a senior engineer with a bachelor's degree and the employee supervisor of the Company. Mr. Li is currently the deputy general manager of Zigong New Energy. He was the deputy chief engineer of the Sichuan branch of International Engineering, the vice minister of the environmental protection department of Shenzhen Triumph Technology Engineering Co., Ltd*, and the designer of the Shenzhen branch of International Engineering.
Zhang Pingwei	an engineer with a bachelor's degree and the employee supervisor of the Company. Mr. Zhang is currently the general manager of the Company's Corporate Management Department and general manager of Luoyang New Energy. He served as deputy general manager of the Company's Sales Center, deputy general manager of the Enterprise Development Department and deputy county magistrate of Ruyang County, Luoyang City.
Yin Xinjian	a holder of a master's degree in engineering, a professor-level senior engineer and the vice president of the Company. He is currently an executive director and deputy general manager of CTF Solar in Germany. He once served as the deputy chief engineer and the head of the new energy business department of International Engineering, the executive deputy general manager of Chengdu CNBM Optoelectronic Materials Co., Ltd. (成都中建材光電材料有限公司) and the general manager of Sichuan Triumph Photovoltaic Materials Co., Ltd.* (四川凱盛光伏材料有限公司).
Yang Bomin	a senior economist with a bachelor degree. He serves as the vice president of the Company. He is concurrently general manager of photovoltaic glass division of the Company and general manager of Yixing New Energy. He had served as the sales dean of Yixing Fandao Organic Chemical Factory (宜興市範道有機化工廠), the dean of the development office of Yixing Yuntong Chemical Industrial Company (宜興市運通化工實業公司), the head of Yixing Yuntong Synthetic Chemical Factory (宜興市運通合成化工廠), the general manager of Yixing Yuntong Chemical Industrial Company and the general manager of Yixing Jinyuntong Microcrystal Technology Co., Ltd. (宜興市金運通微晶科技有限公司).



Section IV Corporate Governance

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

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

Name	Main Working Experience
Li Yang	a senior accountant with a master's degree in Management and the chief financial controller of the Company. Mr. Li concurrently serves as the chairman of Zigong New Energy. He had served as the chief financial controller of Southwest branch of Triumph Technology Group Company Limited* (凱盛科技集團有限公司), the chief financial controller of Triumph Graphite Carbon Material Co., Ltd.* (凱盛石墨碳材料有限公司), the chief financial controller of Chengdu Zhongguangdian Technology Co., Ltd.* (成都中光電科技有限公司), the deputy general manager and chief financial controller of CNBM Junxin Technology Co., Ltd.* (中建材凌鑫科技有限公司), the chief financial controller of Triumph Heavy Industry Co., Ltd.* (凱盛重工有限公司) and the assistant to the head of the finance department of CNBM Research Institute.
Ip Pui Sum	a holder of MBA degree and the Company Secretary (Hong Kong). Mr. Ip is a certified public accountant in Hong Kong, a fellow member of the Association of Chartered Certified Accountants, and a member of the Hong Kong Institute of Certified Public Accountants, Chartered Institute of Management Accountants, Institute of Chartered Secretaries and Administrators and The Hong Kong Institute of Chartered Secretaries.
Wang Guoqing	a postgraduate student and a professor-grade senior engineer. Mr. Wang is currently an executive director, a deputy general manager and the party secretary of the Company's ninth session of the Board of Directors. Mr. Wang is currently the deputy general manager of Triumph Technology, general manager of Bengbu CNBM Information Display and chairman of CNBM (Bengbu) Photoelectric Materials Co., Ltd.. Mr. Wang had served as the deputy head of the Company's Technology Department, general manager of Technology R&D Center and Production Center, deputy general manager of Longmen Glass and a deputy general manager of Longhai Glass, general manager of Technology R&D Center of the Company, general manager of Production Center and deputy executive general manager of Henan Zhonglian Glass LLC, an executive director, general manager, party secretary of Longhai Glass and the general manager of Puyang Photoelectric Material.
Ren Hongcan	a professor-grade senior engineer with bachelor's degree, a non-executive director of the Company's ninth session of the Board of Directors. He currently serves as an assistant general engineer of CNBM Research Institute, the secretary of party general branch and deputy executive general manager of Chengdu China Optoelectronics Technology Co., Ltd.. He had served as Company's branch director, manager of the Production Center and the head of investment department, as well as general manager of Luoyang Glass (Beijing) International engineering Co., Ltd. and the general manager of Bengbu CNBM Information Display Materials etc.
Chen Yong	a master degree holder, senior accountant and a non-executive director of the Company's ninth session of the Board of Directors. Mr. Chen currently serves as the executive deputy dean. He had served as the head of the financial department of CNBM Research Institute. Mr. Chen had served as the head of financial department and assistant to the head of CNBM Research Institute, the chairman of Triumph Photovoltaic Materials (凱盛光伏材料有限公司) and the chairman, general manager and secretary of party committee of Triumph Mineral.
Jin Zhanping	a master degree holder and senior engineer, an independent non-executive director of the Company's ninth session of the Board of Directors. Mr. Jin is currently the deputy director of the Chinese Ceramic Society, and concurrently serves as an executive director of Beijing Zhonggui Exhibition Co., Ltd. (北京中珩展覽有限公司). He served as the editor in charge of the Editorial Office of the Journal of Chinese Ceramics Society, and deputy head and head of the General Office, deputy secretary general and the secretary general of the Chinese Ceramic Society.
He Baofeng	a master degree holder in accounting, CCPA and CICTA. He is an independent non-executive director of the Company's ninth session of the Board of Directors. He currently serves as the chairman of Luoyang TopChina CPA Ltd. and worked in Bureau Of Finance of Wancheng District in Nanyang.
Ye Shuhua	a holder of bachelor of laws, senior lawyer and an independent non-executive director of the Company's ninth session of the Board of Directors. Mr. Ye currently serves as partner of Henan Qianwen Law Firm and a director of Huarong Rongda Futures Co., Ltd.. Mr. Ye used to work in Henan Economic Law Firm and Henan Foreign-related Business Law Firm. He is also an independent director of Central Plains Environment Protection Co., Ltd.. He is an independent director of Henan Sifangda Superhard Materials Co., Ltd.*, Zhengzhou Kaixue Cold Chain Co., Ltd.* and Luoyang Jianguang Special Equipment Co., Ltd*.
Tao Ligang	a professor-grade senior engineer with a master's degree and the non-executive director of the Company's tenth session of the Board of Directors (resigned). Mr. Tao is currently the deputy secretary and director of the Party Committee of Triumph Technology Group and the deputy secretary of the Party Committee of the CNBM Research Institute. He was once the assistant to the general manager of International Engineering, the deputy secretary of the Party Committee, the secretary of the Commission for Discipline Inspection and the executive deputy general manager of the CNBM Research Institute etc.
Tang Jie	a holder of associate degree, a senior statistician and the chairman of the ninth session of the Supervisory Committee of the Company. He is currently the chief financial controller of CLFG and the vice chairman of CLFG Yuantong Energy Co., Ltd.. He was the general manager of the finance department of CLFG and the chief financial controller of Luoyang Luobo Logistics Company Limited.

Section IV Corporate Governance

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

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

Name	Main Working Experience
Li Wenge	a holder of master's degree and a supervisor of the Company's ninth session of the Supervisory Committee. Mr. Li is currently the deputy secretary of the party committee and the secretary of the disciplinary committee of CNBM (Chengdu) Optoelectronic Materials Co., Ltd.*. He had served as the deputy dean of the comprehensive department, deputy head of the Storage and Transportation Factory and an assistant general manager of the sales company of CLFG Processing Company, the general manager of Hubei Xiangyang Luoshen Automobile Glass Company, the deputy secretary of the Party Committee of Shanwan County, Tacheng Prefecture, Xinjiang and the general manager, the deputy secretary of the party committee of Luoyang New Jingrun Engineering Glass Co., Ltd. and the secretary of the disciplinary committee of the Company.
Wang Jian	a holder of bachelor's degree, currently serves as the staff representative supervisor of the Company's ninth session of the Supervisory Committee. He currently serves as an executive vice general manager of Longhai Glass. held the positions of section chief, assistant to the head and deputy chief of technology section, etc. He has been a deputy general manager of Longhai Glass.
Ma Jiankang	a holder of bachelor's degree, a staff representative supervisor of the Company's ninth session of the Supervisory Committee. Mr. Ma served as the deputy general manager of Puyang Photoelectric Material. He had served as a deputy general manager of Longmen Glass, CLFG Longxin Glass Co., Ltd. (龍新玻璃有限公司) and CLFG Luoyang Longhao Glass Co., Ltd. (洛陽龍昊玻璃有限公司) and the deputy general manager of the enterprise development department of the Company.
Qiu Mingwei	a holder of bachelor's degree, CPA, CPV and independent supervisor of the Company's ninth session of the Supervisory Committee. He currently acts as executive partner and director of Henan Huazhi Accounting Firm. Mr. Qiu once was project manager of Luoyang Xinde Accounting Firm, department manager of Guangzhou Fuyang Jianda Accounting Firm and director of Henan Kaituo Certified Public Accountants Co., Ltd.
Yan Mei	a master of management, independent director of the Company's ninth session of the Supervisory Committee. Ms. Yan currently is a professor and master tutor of management school of Henan University of Science and Technology. Ms. Yan has been engaged in research of financial management and performance management, and has participated more than ten provincial level projects, published over ten treatises and teaching materials and over 50 papers. Ms. Yan was awarded the "May 1 Labour Award of Luoyang City", the "National May 1 Female Model" and other honorary titles.
Wu Zhixin	a senior economist with a bachelor degree, secretary to the ninth session of the Board of Directors of the Company and a supervisor of Longmen Company. She served as the deputy director to the secretariat of the Board and the securities affairs representative of the Company.

Other explanations

- (1) Save as disclosed above, as of 31 December 2022, none of the Directors, supervisors or senior management of the Company and their connected persons to the knowledge of the Directors had any interest nor short position in the shares, underlying shares or debentures of the Company or its associated corporations which were required to be entered in the register of interest kept by the Company pursuant to section 352 of the Securities and Futures Ordinance; or required to be notified to the Company or the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers.
- (2) As at 31 December 2022, none of the Directors, supervisors or their spouses or children under the age of eighteen was granted rights to purchase shares or debentures of the Company or any of its associated corporations.



Section IV Corporate Governance

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

(II) POSITIONS OF THE EXISTING AND RESIGNED DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT DURING THE REPORTING PERIOD

(I) 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
Zhang Chong	CNBM Research Institute	Deputy dean, general engineer	December 2014	–
Xie Jun	CLFG	Secretary to the party committee, chairman, general manager, general engineer	11 September 2018	–
Ren Zhenduo	CLFG	Deputy general manager	February 2021	–
Ren Hongcan	CNBM Research Institute	Vice general engineer	October 2018	–
Chen Yong	CNBM Research Institute	Vice dean, chief accountant	December 2014	–
Chen Yong	Triumph Mineral	General manager, secretary of party committee, chairman	June 2020	–
Tang Jie	CLFG	Chief financial controller	September 2018	–
Ma Yan	CLFG	General manager	April 2022	–
Liu Yuquan	CLFG	General counsel	April 2022	–
Tao Ligang	Triumph Technology Group	Deputy secretary to the party committee, director	May 2022	–
	CNBM Research Institute	Deputy secretary to the party committee	August 2020	–
Sun Shizhong	CNBM Research Institute	General engineer	May 2022	–
Jiao Jiajia	Triumph Technology Group	Head of Finance Department	May 2022	–
	CNBM Research Institute	chief accountant	June 2022	–
	International Engineering	Chief financial controller	September 2022	–
Li Ping	Triumph Technology Group	Vice President of Investment Management	April 2021	–

Explanation of positions in shareholder entities:

Nil

Section IV Corporate Governance

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

(II) POSITIONS OF THE EXISTING AND RESIGNED DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT DURING THE REPORTING PERIOD (Continued)

(II) Positions in other entities

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

Explanation of positions in other entities:

Nil



Section IV Corporate Governance

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

(III) Remuneration of Directors, Supervisors and senior management

Procedure for determining the remuneration of Directors, supervisors and senior management	After considering other listed companies' remuneration level in the same sector and economic growth in the region, the Board and the Supervisory Committee draft the proposal for the remuneration of Directors and Supervisors respectively and submit to the general meeting for consideration. The proposal for the remuneration of senior management shall be determined by the Board.
Basis for determination of remuneration of Directors, supervisors and senior management	The performance remuneration shall be distributed with reference to the achievement status of annual operational targets and performance assessment.
Remuneration payable to Directors, supervisors and senior management	Based on the basic salary standards as set in the remuneration proposal, the HR Department shall distribute in advance 1/12 of such salary on the monthly basis to the senior management members, and effect the payment based on the final performance assessment result. The remuneration for the external directors and supervisors shall be paid in one slump sum every year.
Total remuneration actually received by all Directors, supervisors and senior management at the end of the reporting period	RMB5,581,800

Section IV Corporate Governance

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

(IV) Changes in Directors, Supervisors and senior management

Name	Position	Changes	Reasons for changes
Xie Jun	Chairman	Election	Re-election of the Board of Directors
Ma Yan	Executive director, president	Election	Re-election of the Board of Directors
Liu Yuquan	Executive director	Election	Re-election of the Board of Directors
Wang Leilei	Executive director, secretary to the Board of Directors	Election	Re-election of the Board of Directors
Zhang Chong	Non-executive director	Election	Re-election of Board of Directors
Sun Shizhong	Non-executive director	Election	New election of non-executive director
Chen Shizhong	Independent non-executive director	Election	Re-election of the Board of Directors
Zhao Hulin	Independent non-executive director	Election	Re-election of the Board of Directors
Fan Baoqun	Independent non-executive director	Election	Re-election of the Board of Directors
Jiao Jiajia	Chairman of the Supervisory Committee	Election	Re-election of the Supervisory Committee
Li Ping	Supervisor	Election	Re-election of the Supervisory Committee
Wang Juan	Supervisor	Election	Re-election of the Supervisory Committee
Wang Junqiao	Supervisor	Election	Re-election of the Supervisory Committee
Zhang Pingwei	Employee supervisor	Election	Re-election of the Supervisory Committee
Li Huadong	Employee supervisor	Election	Re-election of the Supervisory Committee
Yin Xinjian	Vice president	Appointment	Re-election of senior management
Li Yang	Chief Financial Controller	Appointment	Re-election of senior management
Chen Yong	Former non-executive director	Resignation	Re-election of the Board of Directors



Section IV Corporate Governance

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

(IV) Changes in Directors, Supervisors and senior management (Continued)

Name	Position	Changes	Reasons for changes
Ren Hongcan	Former non-executive director	Resignation	Re-election of the Board of Directors
Wang Guoqiang	Former non-executive director, deputy general manager	Resignation	Re-election of the Board of Directors
Jin Zhanping	Former independent non-executive director	Resignation	Re-election of the Board of Directors
Ye Shuhua	Former independent non-executive director	Resignation	Re-election of Board of Directors
He Baofeng	Former independent non-executive director	Resignation	Re-election of Board of Directors
Tao Ligang	Former non-executive director	Resignation	Resignation due to work adjustment
Tang Jie	Former chairman of the Supervisory Committee	Resignation	Re-election of the Supervisory Committee
Li Wenge	Former supervisor	Resignation	Re-election of the Supervisory Committee
Yan Mei	Former supervisor	Resignation	Re-election of the Supervisory Committee
Qiu Mingwei	Former supervisor	Resignation	Re-election of the Supervisory Committee
Wang Jian	Former supervisor	Resignation	Re-election of the Supervisory Committee
Ma Jiankang	Former supervisor	Resignation	Re-election of the Supervisory Committee
Wu Zhixin	Formal secretary to the Board of Directors	Resignation	Retirement

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

There were no particulars of penalties imposed on the Company by securities regulatory authorities in recent three years.

Section IV Corporate Governance

V. MEETINGS OF BOARD OF DIRECTORS HELD DURING THE REPORTING PERIOD

Session and Meeting	Date	Resolutions made at the meeting
Forty-fifth meeting of the ninth session	19 January 2022	<ol style="list-style-type: none">1. Considered and approved the resolution in relation to the Company's Entrusted Management of Shengshi New Material;2. Considered and approved the resolution in relation to the Company's Entrusted Management of Jiangsu Guangnian;3. Considered and approved the resolution in relation to the company's application for bank credit.
Forty-sixth meeting of the ninth session	29 March 2022	<ol style="list-style-type: none">1. Considered and approved the working report of the Board of Directors the Company for the year 2021;2. Considered and approved the working report of the General Manager of the Company for the year 2021;3. Considered and approved the final accounts report of the Company for the year 2021;4. Considered and approved the Company's annual report 2021 and its summary;5. Considered and approved the profit distribution plan for the year 2021;6. Considered and approved the financial budget report of the Company for the year 2022;7. Considered and approved the report on the Company's continuing connected transactions for the year 2021;8. Considered and approved the resolution on provision for impairment of assets of the Company for the year 2021;9. Considered and approved the Company's annual internal control evaluation report for 2021;10. Considered and approved the company's 2021 annual social responsibility report;11. Considered and approved the special report on the deposit and use of funds raised by the company in 2021;12. Considered and approved the resolution on changes in the company's accounting policies;13. Considered and approved the resolution on supplementing and confirming the use of some idle raised funds to temporarily supplement working capital;14. Considered and approved the resolution on the Entering into the Financial Services Framework Agreement between the Company and Triumph Technology Group Co., Ltd.*;15. Considered and approved the resolution on applying for bank credit;16. Considered and approved the resolution on convening the 2021 annual general meeting.



Section IV Corporate Governance

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

Session and Meeting	Date	Resolutions made at the meeting
Forty-seventh meeting of the ninth session	29 April 2022	1. Considered and approved the resolution on First Quarterly Report 2022 of the Company; 2. Considered and approved the resolution in relation to the re-election of the tenth session of the Board of Directors of the Company; 3. Considered and approved the resolution on the entering into of the Equity Custody Agreement between the Company and Triumph Technology Group; 4. Considered and approved the resolution in relation to change in the Company's accounting policy; 5. Considered and approved the resolution in relation to the convening of the second extraordinary general meeting of the Company in 2022.
First meeting of the tenth session	27 May 2022	1. Considered and approved the resolution in relation to the appointment of the chairman of the tenth session of the Board of Directors of the Company; 2. Considered and approved the resolution in relation to the adjustment on members of special committees of the Board of Directors; 3. Considered and approved the resolution in relation to the remuneration plan of the tenth session of the Board of Directors; 4. Considered and approved the resolution in relation to the appointment of the Company's president; 5. Considered and approved the resolution in relation to the appointment of the Company's chief executive officer; 6. Considered and approved the resolution in relation to the appointment of the Company's vice president; 7. Considered and approved the resolution in relation to the appointment of the Company's chief financial controller; 8. Considered and approved the resolution in relation to the appointment of the secretary of the Board of Directors of the Company; 9. Considered and approved the resolution in relation to the remuneration plan for the Company's managers; 10. Considered and approved the resolution in relation to the change in authorized representative of the Company; 11. Considered and approved the resolution in relation to the appointment of the Company's auditor for the year 2022; 12. Considered and approved the resolution in relation to the amendments in the Company's "Management and Appraisal Measures for High Remuneration of Directors"; 13. Considered and approved the resolution in relation to the convening the 2021 annual general meeting of the Company.

Section IV Corporate Governance

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

Session and Meeting	Date	Resolutions made at the meeting
Second meeting of the tenth session	2 June 2022	Considered and approved the resolution in relation to the entering into of the Equity Custody Agreement between the Company and Triumph Technology Group
Third meeting of the tenth session	16 June 2022	1. Considered and approved the resolution in relation to the profit distribution plan of Yixing New Energy; 2. Considered and approved the resolution in relation to the company's application for bank credit.
Fourth meeting of the tenth session	8 August 2022	1. Considered and approved the resolution in relation to on the formulation of five management systems, including the "Management Measures for Delegation of Authority by the Board of Directors to the Managers"; 2. Considered and approved the resolution in relation to the Company's application for bank credit.
Fifth meeting of the tenth session	30 August 2022	1. Considered and approved the resolution in relation to the full text of the Company's 2022 Interim Report and its summary; 2. Considered and approved the resolution in relation to the extension of the use of idle raised funds for cash management; 3. Considered and approved the resolution in relation to the special report on the actual deposit and use of the Company's semi-annual raised funds in 2022; 4. Considered and approved the Company's risk assessment report on handling the deposit and loan business with China National Building Material Group Finance Co.,Ltd..
Sixth meeting of the tenth session	14 September 2022	1.Considered and approved the resolution in relation to the acquisition of equity interests in Zhanghzou New Energy; 2. Considered and approved the resolution in relation to the company's application for bank credit.



Section IV Corporate Governance

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

Session and Meeting	Date	Resolutions made at the meeting
Seventh meeting of the tenth session	27 October 2022	1. Considered and approved the resolution in relation to Third Quarterly Report 2022 of the Company; 2. Considered and approved the resolution in relation to the nominating Mr. Sun Shizhong as a candidate for non-executive director of the tenth session of the Board of Directors of the Company;3. Considered and approved the resolution in relation to the revising the Company's investor relations management system.
Eighth meeting of the tenth session	23 November 2022	1. Considered and approved the resolution in relation to the increase in estimated annual cap amount for daily related party transactions; 2. Considered and approved the resolution in relation to the disposal of the entire equity interests of Puyang CNBM Photovoltaic Materials to Yaohua Glass; 3. Considered and approved the resolution in relation to the acquisition of 40% equity interests in Qinhuangdao North Glass Co., Ltd. held by Yaohua Glass; 4. Considered and approved the resolution in relation to the establishment of independent board committee and the appointment of an independent financial adviser; 5. Considered and approved the resolution in relation to the change of Company's name and amendment of the Articles of Association; 6. Considered and approved the resolution in relation to the company's application for bank credit.
Ninth meeting of the tenth session	29 December 2022	1. Considered and approved the resolution in relation to the signing the equity custody dissolution agreement between the Company and Triumph Technology Group; 2. Considered and approved the resolution in relation to the Company's trustee management of 100% equity interests in Triumph Glass Holding; 3. Considered and approved the resolution in relation to the 2022 internal control self-evaluation implementation plan of the Company; 4. Considered and approved the resolution in relation to the renewal of liability insurance for directors, supervisors and senior management; 5. Considered and approved the resolution in relation to the company's application for bank credit and relevant authorization.

Section IV Corporate Governance

VI. PERFORMANCE OF DUTIES BY DIRECTORS

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

Name of Director	Independent non-executive Director or not	Required attendance for the year (times)	Attendance at Board meetings				Absence	Any failure in attending in person for two consecutive meetings	Attendance at General meetings (times)
			Attendance in person	Attendance by way of communication	Attendance by proxy				
Zhang Chong	No	12	12	5	0	0	No	4	
Xie Jun	No	12	12	5	0	0	No	4	
Ma Yan	No	12	12	5	0	0	No	4	
Wang Guoqiang	No	3	3	1	0	0	No	2	
Zhang Rong	No	12	12	5	0	0	No	4	
Chen Yong	No	3	3	1	0	0	No	2	
Ren Hongcan	No	3	3	1	0	0	No	2	
Jin Zhanping	Yes	3	3	1	0	0	No	2	
Ye Shuhua	Yes	3	3	1	0	0	No	2	
He Baofeng	Yes	3	3	1	0	0	No	2	
Zhang Yajuan	Yes	12	12	5	0	0	No	4	
Liu Yuquan	No	9	9	3	0	0	No	4	
Wang Leilei	No	9	9	3	0	0	No	2	
Tao Ligang	No	6	6	2	0	0	No	1	
Fan Baoqun	Yes	9	9	3	0	0	No	2	
Zhao Huling	Yes	9	9	3	0	0	No	1	
Chen Qisuo	Yes	9	9	3	0	0	No	2	

During the reporting period, there were no directors who did not attend in person for two consecutive meetings

Number of Board meetings held in the year	12
Including: Number of on-site meetings	2
Number of meetings held by way of communication	4
Number of meetings held on-site with attendance by way of communication	6

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

There were no directors' objections to any matters related to the Company during the reporting period.



Section IV Corporate Governance

VII. SPECIAL COMMITTEES UNDER THE BOARD OF DIRECTORS

(1). The Members of special committees under the Board of Directors

Category of special committee	Name of the members
Audit Committee	Chen Qisuo, Zhao Huling, Zhang Yajuan
Nomination Committee	Fan Baoqun, Xie Jun, Chen Qisuo
Remuneration and Review Committee	Zhao Hulin, Xie Jun, Zhang Yajuan
Strategic Committee	Xie Jun, Ma Yan, Zhang Chong, Zhang Rong, Fan Baoqun
Compliance Committee	Zhang Yajuan, Ma Yan, Wang Leilei

(2). Audit Committee held 6 meetings during the reporting period

Date	Contents of meetings	Important comments and suggestions	Other performance of duties
28 March 2022	1. Considered and approved the Company's annual report 2021 and its summary; 2. Considered and approved the resolution on provision for impairment of assets of the Company for the year 2021; 3. Considered and approved the Company's annual internal control evaluation report for 2021; 4. Considered and approved the special report on the deposit and use of funds raised by the company in 2021;	1. Recognized the truthfulness, completeness and accuracy of 2021 annual report and final financial report of the Company. 2. After full communication with the management, fully understood the basic information of WUYIGE Certified Public Accountants, relevant certification documents practicing qualifications, business scale, personnel information, professional competence, investor protection ability, independence and integrity status, etc., considered that WUYIGE Certified Public Accountants has the relevant business audit qualifications and can meet the needs of the Company's audit work.	Listened to and discussed the 2021 annual report and the report on audit work of the Company and accounting firm, as well as the concerns and communications on key issues.

Section IV Corporate Governance

VII. SPECIAL COMMITTEES UNDER THE BOARD OF DIRECTORS (CONTINUED)

(2). Audit Committee held 6 meetings during the reporting period (Continued)

Date	Contents of meetings	Important comments and suggestions	Other performance of duties
28 April 2022	Considered and approved the First Quarterly Report 2022 of the Company	Recognized the truthfulness, completeness and accuracy of the First Quarterly Report.	
27 May 2022	Considered and approved the resolution in relation to the appointment of auditor for the year 2022	The Audit Committee considers that Grant Thornton (Special General Partnership) has the necessary professional ability, investor protection ability, independence and good integrity, and agrees to appoint Grant Thornton (Special General Partnership) as the Company's auditor for the year 2022 and submit it to the Board of Directors of the Company for review.	
25 August 2022	1. Considered and approved the resolution in relation to the full text of the 2022 Interim Report of the Company and its summary; 2. Considered and approved the resolution in relation to the special report on the actual deposit and use of the Company's semi-annual raised funds in 2022; 3. Considered and approved the resolution in relation to the Company's risk assessment report on handling the deposit and loan business with China National Building Material Group Finance Co., Ltd.	Carefully reviewed the interim report of the Company and recognized the truthfulness, completeness and accuracy of the interim report.	Listened to interim report of the Company in 2022, and understood and communicated on key issues



Section IV Corporate Governance

VII. SPECIAL COMMITTEES UNDER THE BOARD OF DIRECTORS (CONTINUED)

(2). Audit Committee held 6 meetings during the reporting period (Continued)

Date	Contents of meetings	Important comments and suggestions	Other performance of duties
24 October 2022	Considered and approved the Third Quarterly Report 2022 of the Company	Carefully reviewed the Third Quarterly Report of Recognized the truthfulness, completeness and accuracy of the third quarterly report.	
22 November 2022	1. Considered and approved the resolution in relation to the increase in estimated annual cap amount for daily related party transactions; 2. Considered and approved the resolution in relation to the transfer of the entire equity interests of Puyang CNBM Photovoltaic Materials to Yaohua Glass; 3. Considered and approved the resolution in relation to the acquisition of 40% equity interests in Qinhuangdao North Glass Co., Ltd. held by Yaohua Glass;	Reviewed the relevant reports, it is believed that the related party transactions comply with the relevant laws and regulations, and follow the principles of openness, fairness and impartiality.	Paid attention to the impact of these transactions on the Company

Section IV Corporate Governance

VII. SPECIAL COMMITTEES UNDER THE BOARD OF DIRECTORS (CONTINUED)

(3). The Nomination Committee held 3 meetings during the reporting period

Date	Contents of meetings	Important comments and suggestions	Other performance of duties
27 April 2022	Considered and approved the resolution in relation to the nomination of candidates for the 10th session of Board of Directors and the Supervisory Board of the Company.	Reviewed the occupations, academic qualifications, titles, work experience and all part-time jobs of the nominees, and no situations were found where they were prohibited from entering the market as determined by the Company Law and the China Securities Regulatory Commission.	
27 May 2022	Considered and approved the resolution in relation to the the appointment of senior management of the Company	Reviewed the occupations, academic qualifications, titles, work experience and all part-time jobs of the nominees, and no situations were found where they were prohibited from entering the market as determined by the Company Law and the China Securities Regulatory Commission.	



Section IV Corporate Governance

VII. SPECIAL COMMITTEES UNDER THE BOARD OF DIRECTORS (CONTINUED)

(3). The Nomination Committee held 3 meetings during the reporting period (Continued)

Date	Contents of meetings	Important comments and suggestions	Other performance of duties
21 October 2022	Considered and approved "Resolution in Relation to Nomination of Mr. Sun Shizhong as a candidate for Non-executive Director of the Tenth Session of the Board of Directors of the Company"	Reviewed the occupation, education, title, work experience and part-time employment of Mr. Sun Shizhong. It is unanimously considered that Mr. Sun Shizhong is not subject to any conditions under which the undertaking of directorship at the Company is prohibited under the Company Law other relevant laws and regulations and the provisions of the Articles of Association, nor subject to any conditions that he was banned from the market by the CSRC and has not been relieved of the ban; he is qualified to serve as a director of a listed company.	

(4). The Remuneration and Review Committee held 1 meeting during the reporting period

Date	Contents of meetings	Important comments and suggestions	Other performance of duties
25 March 2022	Reviewed of the remuneration and performance evaluation of directors, supervisors and senior management of the Company for the year 2021	The annual remuneration of the directors, supervisors and senior management of the Company are in line with the relevant remuneration policies and appraisal and evaluation standards of the Company, and we agree with the remuneration of the directors, supervisors and management as disclosed in the 2021 annual report of the Company.	

Section IV Corporate Governance

VII. SPECIAL COMMITTEES UNDER THE BOARD OF DIRECTORS (CONTINUED)

(5) The Strategic Committee held 2 meetings during the reporting period

Date	Contents of meetings	Important comments and suggestions	Other performance of duties
14 September 2022	Considered and approved the resolution on the Acquisition of the Equity Interest in TG Fujian Photovoltaic Glass Co., Ltd.	The acquisition of the entire equity interests of TG Fujian will effectively improve the production capacity scale of photovoltaic glass of the Company and optimize business layout as well as expand regional markets, which is in line with the development strategy for new energy materials of the Company.	
23 November 2022	Considered and approved the resolution on the transfer of the entire equity interests of Puyang CNBM Photovoltaic Materials to China Yaohua Glass Group Corporation Co., Ltd.*	The transfer of the equity interest in the wholly-owned subsidiary helps to clarify the business scope and product structure of the Company, concentrate on premium resources, strengthen and refine the main business, which is in line with the Company's long-term strategic positioning and the interests of all shareholders.	

(6). The Compliance Committee held 1 meeting during the reporting period

Date	Contents of meetings	Important comments and suggestions	Other performance of duties
26 August 2022	Considered and approved the resolution on the extending the use of idle proceeds raised for cash management	After consideration, it is believed that the Company's extension of the use of idle raised proceeds raised for cash management, while ensuring that it does not affect the development and use plan of the raised funds project, will help improve the efficiency of the use of raised funds and comply with relevant laws, regulations, and normative documents.	



Section IV Corporate Governance

VIII. RISKS DISCOVERED BY THE SUPERVISORY COMMITTEE

The Supervisory Committee has no objection to the supervision matters during the reporting period.

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

(I) Employees

As of the end of this reporting period, the total number of employees of the Group was 3,425. The number of female employees was 1,126, accounting for 33%.

Number of in-service employees of the Company	74
Number of in-service employees of the major subsidiaries	3,351
Total number of in-service employees	3,425
The number of retired employees whose expenses are borne by the Company and its major subsidiaries	1,836

Composition of professions

Type of profession	Number of staff in the profession
Production staff	2,613
Sales staff	80
Technical staff	325
Finance staff	50
Administrative staff	357
Total	3,425

Education level

Type of education level	Number of persons (headcount)
University graduates or above	314
College graduates	610
Specialised secondary school graduates	561
High school graduates	706
Junior high school or below	1,234
Total	3,425

Section IV Corporate Governance

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

(II) Remuneration policy

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

(III) Training programme

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

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

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

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

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

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

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

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

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

During the reporting period, there was no equity Incentive Granted to Directors and Senior Management.

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

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



Section IV Corporate Governance

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

Please refer to the 2022 Internal Control Evaluation Report disclosed by the Company on 29 March 2023.

There were no material weaknesses in the Company's internal control during the reporting period.

XIII. INFORMATION ABOUT THE INTERNAL CONTROL AUDIT REPORT

Whether to disclose the internal control audit report: Yes

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

XIV. 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.

XV. OTHERS

(I) Corporate governance practices

During the reporting period, the Company had complied with all the code provisions of the Corporate Governance Code and the Corporate Governance Report as set out in Appendix 14 to the Listing Rules.

(II) Securities transactions by Directors and supervisors

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



Section IV Corporate Governance

XV. OTHERS (CONTINUED)

(III) Directors and the Board

1. Directors

- (1) *During the reporting period, the term of the ninth session of the Board of Directors of the Company expired and the tenth session of the Board of Directors was elected at the 2022 second extraordinary general meeting of the Company on 26 May 2022.*

Mr. Tao Ligang has resigned as a non-executive Director of the Company with effect from 26 October 2022 due to work arrangement adjustments. The third extraordinary general meeting of shareholders held on 30 December 2022 approved the appointment of Mr. Sun Shizhong as a non-executive Director of the tenth session of the Board.

The tenth session of the Board of the Company was composed of 5 executive Directors, i.e. Mr. Xie Jun, Mr. Ma Yan, Mr. Zhang Rong, Mr. Liu Yuquan and M Ms. Wang Leilei; two non-executive Directors, i.e. Mr. Zhang Chong and Mr. Sun Shizhong; and four independent non-executive Directors, i.e. Ms. Zhang Yajuan, Mr. Zhao Hulin, Mr. Chen Qisuo and Mr. Fan Baoqun.

There is no financial, business, family relations or other significant relations among members of the Board and between the chairman and the general manager.

- (2) *Meeting attendance by Directors*

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

- (3) *Enhancement of professional skills by Directors*

During the reporting period, the Directors, supervisors and senior management of the Company actively participated in various training classes on specialized knowledge, familiarized themselves with the rights, obligations and legal liability of directors, supervisors and senior management of listed companies, systematically studied relevant specialized knowledge, continuously enhanced their duty performance level and maximally ensured the best interests of the Company and shareholders, in accordance with the requirements of the CSRC and the stock exchanges in the PRC and Hong Kong.



Section IV Corporate Governance

XV. OTHERS (CONTINUED)

(III) Directors and the Board (Continued)

2. *The Board*

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

The Board of Directors convened meetings on a regular basis and also called upon irregular meetings depending on actual conditions. During the reporting period, the number of Board meetings was 12. All the then directors actively participated in person or by video, and were able to diligently perform their duties as directors in the best interests of the Company and its shareholders.

The Board has five specialized committees, namely the Audit Committee, the Strategic Committee, the Nomination Committee, the Remuneration and Review Committee and the Compliance Committee. Among them, all members of the Audit Committee are independent non-executive directors; among the members of the Nomination Committee, the Remuneration and Review Committee and the Compliance Committee, independent non-executive directors constitute the majority and act as the chairman (convenor). Each of the specialised committees performs its duties in accordance with its own terms of reference to assist the Board in performing and fulfilling more effectively the Board's functions as set out in Appendix 14 D3.1 of the Listing Rules of the Stock Exchange. Details of the work of each of the special committees during the reporting period are set out in "VII. Special Committees Under the Board of Directors " in this section.



Section IV Corporate Governance

XV. OTHERS (CONTINUED)

(III) Directors and the Board (Continued)

2. *The Board (Continued)*

In respect of ensuring that the Board of Directors' obtaining independent advice, the Board of Directors has formulated the "Work Rules for Independent Directors" to ensure that independent non-executive directors (independent directors) can effectively exercise their powers and functions, give full play to the supervisory functions and decision-making functions of independent non-executive directors, provide facilities for independent non-executive directors to participate in the daily affairs of the Company and obtain information, and fully listen to the independent non-executive directors' pre-approved opinions on major issues such as connected transactions, external guarantees, use of proceeds, protection of public shareholders, mergers and acquisitions, restructuring, major investment and financing activities, financial management, executive compensation, profit distribution and information disclosure, etc., so as to give full play to the independent non-executive directors' judgment position. In addition, the secretary of the Board is responsible for providing assistance to the independent non-executive directors in discharging their duties, such as introducing information and providing materials, etc., regularly informing them of the Company's operations and organizing site visits by the independent non-executive directors when necessary. During the reporting period, the Company disclosed a total of 12 pre-approved opinions and independent opinions of the independent non-executive directors.

In terms of composition and composition of the Board of Directors, the Company considers the goal of diversity of board members from various aspects, including but not limited to regulatory requirements, gender, age, cultural and educational background, professional experience, knowledge and skills, and term of office of directors. At the same time, the Company pays attention to the checks and balances of different interests to enhance the balance of decision-making. Among the 11 members of the 10th session of Board of Directors, 6 new directors, accounting for more than one-half of the Board members, have been appointed to the Board. There are two female directors, accounting for approximately one-fifth of the board members. There are four independent non-executive directors, accounting for more than one-third of the Board members, and including one accounting professional. Non-executive directors and independent non-executive directors make up the majority of the Board.



Section IV Corporate Governance

XV. OTHERS (CONTINUED)

(IV) Chairman and Chief Executive

Mr. Xie Jun is the Chairman of the Board and Mr. Ma Yan is the Chief Executive (also known as President and General Manager) of the Company. According to the Articles of Association, the chairman and the general manager are two definitely different positions, and their duties are clearly separated. The main duties of the chairman are: presiding over general meetings, convening and presiding over the Board meetings; examining implementation of resolutions of the Board; signing securities issued by the Company; and other duties and power under the Articles of Association and authorized by the Board. The principal duties of the general manager are: presiding over production, operation and management of the Company as well as organizing to implement the resolutions of 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 specific regulations of the Company; proposing to the Board for appointment or dismissal of deputy general managers, chief financial officer and other senior management of the Company, as well as appointment or dismissal of the management members except those supposed to be appointed or dismissed by the Board; and other duties and power authorized by Articles of Association and the Board.

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

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

The tenth session of the Board has four independent non-executive directors. Among them, Mr. Zhao Hulin, Mr. Chen Qisuo and Mr. Fan Baoqun are newly appointed directors; Ms. Zhang Yajuan is a re-elected director whose re-election period has not exceeded 6 years. Details of the tenure of office of the current and former non-executive directors during the reporting period are set out in "IV. Positions of Directors, Supervisors and Senior Management" in this section.

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 Listing Rules of the Stock Exchange. 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 as set out in Rule 3.13 of the Listing Rules of the Stock Exchange.

(VI) Auditors' remuneration

For details on the remuneration of auditors, please refer to the "VI. Appointment or Dismissal of Accounting Firms" in Section VI Significant Events of this report.

Section IV Corporate Governance

XV. OTHERS (CONTINUED)

(VII) Directors' responsibility for the financial statements

The 2022 financial report and results announcement of the Company has been reviewed by the Audit Committee. Each of the Directors of the Company 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 2022, the Company implemented, adopted and applied the applicable accounting policies.

(VIII) Company Secretary

The Company Secretary is Mr. Ip Pui Sum (from Sum, Arthur & Co. In Hong Kong). Mr. Ip conscientiously performed his duty during the reporting period, offered his opinions to the Board of the Company in respect of governance, ensured smooth information exchange among members of the Board, and complied with the policies and procedures of the Board. In the year of 2022, Mr. Ip had accepted no less than 15 hours of professional training to update his skills and knowledge.

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

(IX) Rights of shareholders

The Company ensures equal rights of all shareholders, especially minority shareholders and warrants all shareholders can fully exercise their rights on a pro rata basis. The Articles of Association of the Company clearly prescribes that shareholders individually or jointly holding more than 10% shares of the Company, have right to request the Board to convene the extraordinary general meeting. The convening, holding and voting procedures of the Company's general meetings are implemented in strict compliance with relevant laws, the Articles of Association and the Rules of Procedures of General Meetings of the Company. It is also explicitly stipulated in the Articles of Association that shareholders have the right to supervise and manage the business activities of the Company and to put forward proposals and raise inquiries, the right to obtain relevant information and the right to know about and the right to participate in major matters of the Company. Please refer to the Articles of Association for detailed inquiry procedures and methods. While convening the general meeting, the Shareholders alone or in aggregate holding more than 3% (including 3%) of the shares of the Company can make a temporary proposal and submit in writing to the Board 10 days prior to the date of the general meeting. The Board shall issue a supplementary notice of the general meeting within 2 days upon the receipt of the proposal and submit such temporary proposal to the general meeting for consideration. Contents of the temporary proposal shall fall within the scope of authority of the general meeting, and set out specific subject and matters to be resolved.



Section IV Corporate Governance

XV. OTHERS (CONTINUED)

(IX) Rights of shareholders (Continued)

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

For details on the convening of the shareholders' meeting during the reporting period, please refer to "III. Introduction of General Meetings" in this section.

(X) Investor relations

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

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

During the reporting period, the Company held results presentation meetings in a timely manner after the disclosure of its annual and interim reports, and issued results presentation announcements as required, which were open and fair to all investors, analysts, media and other relevant parties both domestic and overseas, and were held in the form of "live video streaming plus E-interaction" using the roadshow platform of SSE. The Company regularly interacts with industry analysts by means of on-site or telephone conferences, and has held more than 60 investor conferences during the reporting period, receiving nearly 1,500 institutional investors and individual shareholders.

Section IV Corporate Governance

XV. OTHERS (CONTINUED)

(XI) Amendments to the Articles of Association

Pursuant to applicable laws and regulations in China and the relevant requirements of Listing Rules, the Company made amendments to the Articles of Association of the Company during the reporting period. In order to better reflect the current business status of the Company and its future development direction, the Board of Directors proposed to change the Chinese name of the Company from “洛陽玻璃股份有限公司” to “凱盛新能源股份有限公司”, and the English name of the Company from “LUOYANG GLASS COMPANY LIMITED” to “Triumph New Energy Company Limited”; and also amend the Articles of Association of the Company to reflect the Change of Company Name. The change of name and the amendment to the Articles of Association were approved by the Shareholders by way of special resolution at the 2022 Third Extraordinary General Meeting held on 30 December 2022 and details of the amendment to the Articles of Association were set out in the circular of the Company dated 13 December 2022.

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



Section V Environmental and Social Responsibility

I. INFORMATION ON ENVIRONMENT

Whether an environmental protection mechanism is in place	Yes
Capital investment in environmental protection during the reporting period (Unit: 0,000 Yuan Currency: RMB)	4,289.05

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

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

Each of Tongcheng New Energy, Hefei New Energy, Yixing New Energy, Zigong New Energy, North Glass, Puyang CNBM Photovoltaic Materials and Zhangzhou New Energy was listed under the Environmental Information Disclosure Directory for Enterprises and Public Institutions of Anqing City for 2022, the Major Pollution Discharge Units in Atmospheric Category of Hefei City for 2022, the Major Pollution Discharge Units of Wuxi City for 2022, the Major Pollution Discharge Units of Atmospheric Pollution in Zigong City for 2022, the Major Pollution Discharge Units of Qinhuangdao City for 2022, Major Pollution Discharge Units of Puyang City for 2022 and the Major Pollution Discharge Units for Atmospheric Environmental Pollution in Zhangzhou City, respectively.

1. Information on pollution discharge

Major pollutants generated from the photovoltaic glass production process: dust-laden gases, and smoke, waste water and solid waste emitted from furnaces.



Section V Environmental and Social Responsibility

I. INFORMATION ON ENVIRONMENT (CONTINUED)

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

1. Information on pollution discharge (Continued)

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

Type of pollutants	Pollutant discharge standards	Major pollutants	Discharge concentration
Exhaust	Emission Standard of Air Pollutants for Glass Industry (《玻璃工業大氣污染物排放標準》) (GB26453-2022)	Atmospheric particulate	Atmospheric particulate≤30 mg/m ³
		SO ₂	SO ₂ ≤200 mg/m ³
	NO _x	NO _x ≤400 mg/m ³	
	Standard of Air pollutants for Industrial Kiln in the Henan Province (《河南省工業爐窯大氣污染物排放標準》) (DB41/1066-2020)		Atmospheric particulate≤10 mg/m ³
			SO ₂ ≤100 mg/m ³
			NO _x ≤300 mg/m ³
	2019 Upgrading and Treatment Plan in Non-Electric Industries of Henan Province		Atmospheric particulate≤30mg/m ³
			SO ₂ ≤150 mg/m ³
			NO _x ≤400 mg/m ³
	Notice of the Office of the People's Government of Qinhuangdao City on the Implementation of Special Requirements for Air Pollutant Emissions from Iron and Steel and Other Industries (《秦皇島市人民政府辦公室關於執行鋼鐵等行業大氣污染物排放特別要求的通知》) (2021-10)		Atmospheric particulate≤8 mg/m ³
			SO ₂ ≤40 mg/m ³
			NO _x ≤150 mg/m ³
Wastewater	Integrated Wastewater Discharge Standard (《污水綜合排放標準》) (GB 8978-1996) Class III	pH	pH: 6~9
		COD	COD≤500 mg/L
		SS	SS≤240 mg/L
		BOD ₅	BOD ₅ ≤140 mg/L
		NH ₃ -N	NH ₃ -N≤40 mg/L
		Animal and vegetable oils	Animal and vegetable oils≤100 mg/L
		NH ₃ -N	NH ₃ -N≤8 mg/L
Urban Wastewater Recycling Urban Miscellaneous Water Quality (GB/T18920-2020)			



Section V Environmental and Social Responsibility

I. INFORMATION ON ENVIRONMENT (CONTINUED)

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

1. Information on pollution discharge (Continued)

Table II Way of discharge and distribution of major pollutants:

Subsidiary	Type of pollutant	Representative pollutant	Way of discharge	Number and distribution of discharge vent
Tongcheng New Energy	Exhaust	Atmospheric particulate matters, SO ₂ , NO _x	Emission of 320t/d by the 90-meter-high chimney stack via a desulfuration induced-draft fan after being treated through the process of high temperature electrostatic precipitator ESP, the SCR denitration, the R-SDA semi-dry desulfurization system and the dust removal with a bag filter.	2 chimneys, the discharge vent is located in front of the glass melting furnace in the plant. Emission of 1, 200t/d by catalytic ceramic fiber filter tube integrated dry desulfurization, denitrification and dust removal + 120m chimney, and an online monitoring equipment system has been installed.
	Wastewater	pH, COD, BOD ₅ , NH ₃ -N, SS	Production wastewater was subject to reuse after treatment with a small proportion being discharged into the sewage pipe network; domestic sewage was channeled into the sewage treatment works via urban sewage pipeline after pre-treatment.	1 sewage outlet, located in the plant
Hefei New Energy	Exhaust	Atmospheric particulate matters, SO ₂ , NO _x	Line 1: Emission of 650t/d by catalytic ceramic filter tube desulfurization, denitrification and dust removal + 68m chimney. Line 2: Emission of 650t/d by catalytic ceramic filter tube desulfurization, denitrification and dust removal + 68m chimney.	Shared 1 chimney, the discharge vent is located in front of the glass melting furnace in the plant.
	Wastewater	pH, COD, BOD ₅ , NH ₃ -N, SS	Production wastewater was subject to reuse after treatment with a small proportion being discharged into the sewage pipe network; domestic sewage was channeled into the sewage treatment works via urban sewage pipeline after pre-treatment.	1 sewage outlet, located in the plant

Section V Environmental and Social Responsibility

I. INFORMATION ON ENVIRONMENT (CONTINUED)

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

1. Information on pollution discharge (Continued)

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

Subsidiary	Type of pollutant	Representative pollutant	Way of discharge	Number and distribution of discharge vent
Yixing New Energy	Exhaust	Atmospheric particulate matters, SO ₂ , NO _x	Emission up to standard by the 50m chimney stack after adding a water-cooled heat exchanger at the flue, and the flue gas was cooled to 200 ℃ and then entered the high temperature bag filter for treatment with the full-oxygen combustion technology and kiln flue gas dust removal device.	1 chimney, the discharge vent is located in front of the glass melting furnace in the plant
	Wastewater	pH, COD, BOD ₅ , NH ₃ -N, SS	Production wastewater was subject to reuse after treatment; domestic sewage was channeled into the sewage treatment works via urban sewage pipeline after pre-treatment.	1 sewage outlet, located in the plant
Puyang CNBM Photovoltaic Materials	Exhaust	Atmospheric particulate matters, SO ₂ , NO _x	Emission by 90-meter-high chimney stack after being treated with horizontal boiler, dry desulfurization, cyclone dust removal, catalyst fiber ceramic filter tube dust nitrate sulfur integrated system, the secondary SCR, and low temperature boiler	1 chimney, the discharge vent is located in the south side of the glass melting furnace in the plant
	Wastewater	pH, COD, BOD ₅ , NH ₃ -N, SS	Production wastewater was subject to reuse with a small proportion being discharged into the sewage pipe network; domestic sewage was discharged into the sewage pipe network after treatment through septic tank.	1 sewage outlet, located in the plant
North Glass	Exhaust	Atmospheric particulate matters, SO ₂ , NO _x	Emission by 85m chimney stack after being treated through dry desulfurization, electrostatic precipitation, SCR denitration system and RSDA semi-dry desulfurization treatment.	2 chimneys (500t/d production line was closed for cold repair), the discharge vent is located in front of the glass melting furnace in the plant



Section V Environmental and Social Responsibility

I. INFORMATION ON ENVIRONMENT (CONTINUED)

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

1. Information on pollution discharge (Continued)

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

Subsidiary	Type of pollutant	Representative pollutant	Way of discharge	Number and distribution of discharge vent
Zigong New Energy	Wastewater	pH, COD, BOD5, NH3-N, SS	Production wastewater was subject to reuse with a small proportion being discharged into the sewage pipe network; domestic sewage was discharged into the sewage pipe network after treatment.	1 sewage outlet, located at the entrance of the plant
	Exhaust	Atmospheric particulate matters, SO2, NOx	Emission by 90-meter-high chimney stack after being treated through dry desulfurization, dust removal with catalytic ceramic fiber filter tube.	1 chimney, the discharge vent is located in front of the glass melting furnace in the plant
	Wastewater	pH, COD, BOD5, NH3-N, SS	Production wastewater was subject to reuse with a small proportion being discharged into the sewage pipe network; domestic sewage entered the sewage treatment plant via the sewage pipe network after pretreatment.	1 sewage outlet, located in the northeast corner of the plant
Zhangzhou New Energy	Exhaust	Atmospheric particulate matters, SO2, NOx	Emission by the 95m chimney stack after being treated with high temperature electrostatic precipitator, the SCR denitration, residual heat boiler, semi-dry desulfurization, and the dust removal with a bag filter.	2 chimneys (250t/d production line was closed), the discharge vent is located in the north side of the glass melting furnace of the 650t/d production line in the second phase of the plant
	Wastewater	NH3-N	Production wastewater was subject to reuse; domestic sewage was treated by the domestic sewage treatment station and then used for greening the plant and cleaning the roads.	No discharge, no emission outlet set

Section V Environmental and Social Responsibility

I. INFORMATION ON ENVIRONMENT (CONTINUED)

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

1. Information on pollution discharge (Continued)

Table III The annual total discharge indicators for major pollutants as determined by the environmental protection authorities and the total discharge during the reporting period: (Continued)

Subsidiary	Code of discharge permit	Type of pollutant	Total discharge indicators of major pollutants (tonnes per year)	Total discharge during the reporting period (tonnes)	Excessive discharge	
Tongcheng New Energy	91340881567507232G001P	Exhaust	SO ₂	314.81	16.98	Discharge up to standard
			NO _x	536.13	147.88	
			Atmospheric particulate matters	66.1	4.51	
Hefei New Energy	91340100570418775Y001P	Exhaust	SO ₂	47.3	40.24	Discharge up to standard
			NO _x	215.2	140.67	
Yixing New Energy	91320282MA1MXWBJ1H001Q	Exhaust	NO _x	/	63.07	Discharge up to standard
			SO ₂	/	7.30	
			Atmospheric particulate matters	/	2.50	
Puyang CNBM Photovoltaic Materials	9141030308685759XG001P	Exhaust	Atmospheric particulate matters	24.72	0.64	Discharge up to standard
			SO ₂	34.99	8.21	
			NO _x	233.9	36.9	



Section V Environmental and Social Responsibility

I. INFORMATION ON ENVIRONMENT (CONTINUED)

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

1. Information on pollution discharge (Continued)

Table III The annual total discharge indicators for major pollutants as determined by the environmental protection authorities and the total discharge during the reporting period: (Continued)

Subsidiary	Code of discharge permit	Type of pollutant	Total discharge indicators of major pollutants (tonnes per year)	Total discharge during the reporting period (tonnes)	Excessive discharge	
North Glass	9113030023599471671001P	Exhaust	SO2	60.861	13.34	Discharge up to standard
			NOx	228.229	55.63	
			Atmospheric particulate matters	12.172	4.36	
Zigong New Energy	91510300MA67NRDD2F001P	Exhaust	SO2	72.4	11.37	Discharge up to standard
			NOx	160.4	128.75	
			Atmospheric particulate matters	22.41	7.88	
Zhangzhou New Energy	91350600796053991E001P	Exhaust	Atmospheric particulate matters	40.0897	1.6	Discharge up to standard (October to December)
			SO2	93.74	18.7	
			NOx	309.48	83.4	

Section V Environmental and Social Responsibility

I. INFORMATION ON ENVIRONMENT (CONTINUED)

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

2. *Construction and operation of pollution prevention and control facilities*

In the ordinary course of production and operation, the Company has formulated well-equipped pollution prevention and control facilities to enhance the construction of environmental protection facilities and the operation and maintenance management thereof on a continuous basis. Each subsidiary reduces energy consumption and pollutant discharges, improves energy utilization efficiency and achieves clean production in virtue of incessant improvement in processing technology. Major measures adopted includes: All production lines are fueled by natural gas and further reduction of energy consumption and pollutant discharges is achieved by improving combustion method, thus implementing clean production. In addition to strengthening operation and management of environmental protection facilities for desulphurization, denitration and dedusting to ensure sound operation conditions of the environmental protection facilities, guarantee high efficiency of desulphurization, denitration and dedusting and reduce emission of SO₂, NO_x and smoke dust, the Company takes a range of measures to reduce utilization of natural gas, cut the cost of fuel and decrease emission of SO₂ and NO_x. Relevant measures included the adoption of oxygen-enriched combustion technology, improvement in the air vent of the combustion fan, hot repair for the regenerator, heat preservation for the furnace wall and reasonable adjustments of certain parameters in the manufacturing processing.

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

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

All subsidiaries of the Company have carried out environmental effect assessment for projects in production lines during the construction period and obtained the approval from the local environmental protection authorities. During the reporting period, Tongcheng New Energy obtained the approval from Anqing Tongcheng Ecological Environment Bureau (Yi Tong Huan Jian Han [2022] No. 054) for the Environmental impact report form for the phase II project of photovoltaic cell encapsulating material for solar equipment on 26 May 2022. Yixing New Energy obtained the approval from Yixing Environmental Science and Technology Industrial Park Management Committee (Zhong Yi Huan Ke Huan Xu [2023] No. 3) for the phase I project of photovoltaic cell encapsulating material for solar equipment.



Section V Environmental and Social Responsibility

I. INFORMATION ON ENVIRONMENT (CONTINUED)

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

4. Contingency plan for environmental emergency

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

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

5. Environment self-monitoring program

In accordance with Articles 42 and 55 of the Environmental Protection Law, the Notice on Implementation of Total Emission Reduction Plan for Industrial Pollution Sources (Huan Jian [2016] No. 172) (《關於實施工業污染源全面達標排放計劃的通知》(環監[2016]172號)) and the General Rules for Technical Guidance on Self-Monitoring of Pollutant Discharging Organizations (《排污單位自行監測技術指南總則》) issued by the Ministry of Environmental Protection, and other laws and regulations, the subsidiaries of the Company engaged competent third-party monitoring agencies to monitor the wastewater, waste gas and noise on a regular basis. Relevant production lines have been equipped with on-line pollutant source detection facilities to detect the flow velocity, temperature and pressure of fume, SO₂, NO_x, particulate matters, etc. Such subsidiaries as Tongcheng New Energy, and Puyang CNBM Photovoltaic Materials also put on LED display at the gateway to immediately publish regular monitoring data concerning the discharge of exhausts and fumes to the public.

6. Administrative penalties imposed for environmental problems during the reporting period

During the reporting period, the Company was not subject to administrative penalties imposed for environmental problems.

7. Other disclosable environmental information

During the reporting period, the Company was not subject to any other disclosable environmental information.

Section V Environmental and Social Responsibility

I. INFORMATION ON ENVIRONMENT (CONTINUED)

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

The wholly-owned subsidiary Luoyang New Energy solar photovoltaic cell packaging materials project started construction on 14 September 2022, is currently under construction, and has not yet been completed and put into operation. The environmental impact report of the project obtained the approval from the Department of Ecology and Environment of Henan Province on 10 August 2022 (Yu Huan Shen [2022] No. 51).

1. *Administrative penalties imposed for environmental problems*

During the reporting period, the Company was not subject to administrative penalties imposed for environmental problems.

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

During the reporting period, the Company was not subject to the disclosure of other environmental information with reference to major pollution discharge units.

3. *Reasons for non-disclosure of other environmental information*

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

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

The Company earnestly implemented the national, provincial and municipal environmental protection policies and regulations, and actively responded to relevant industrial policies. Under the guidance of green development and the premise of ensuring the fulfillment of the various emission standards in a stable manner, the Company follows through the new enterprise growth path featuring low energy consumption, high efficiency, recyclable and less emission. The Company aims to promote its environmental protection capacity and achieve sustainable development through strict management, continuous improvement, and innovation in management.

The Company's Environmental Protection Committee and the Ecological Environmental Protection Supervision Leading Group are responsible for performing the Company's environmental protection management duties, organizing the formulation of the Company's environmental protection development strategies, rules and regulations and work plans, and supervising, inspecting and evaluating the Company's environmental protection work. At the same time, Ecological and Environmental Protection Responsibility System, Ecological and Environmental Protection Management Implementation Rules, Ecological and Environmental Protection Responsibility Target Assessment and Management System, Energy Conservation and Ecological Environmental Protection Supervision and Management System, Energy Conservation and Ecological Environmental Protection Assessment Management System, Environmental Emergency Management Measures, Environmental Emergency Reporting Management Measures, Pollution Prevention and Control Facilities Operation and Management System and other related rules and systems were prepared and published, and key work for environmental protection were continuously strengthened.



Section V Environmental and Social Responsibility

I. INFORMATION ON ENVIRONMENT (CONTINUED)

(IV) Measures taken to reduce carbon emissions during the reporting period and the effects thereof

Specific explanation

During the reporting period, the Company and its subsidiaries entered into the 2022 Responsibility Letter for Contracting Ecological, Environmental Protection and Energy Conservation (《2022年生態環保、能源節約承包責任書》), formulated and issued the Key Points of the Ecological and Environmental Protection Work in 2022 (《2022年生態環保工作要點》) and the Training Plan of the Safety and Environmental Protection Work in 2022 (《2022年安全環保培訓計劃》) and other relevant documents, and continued to supervise and guide the subsidiaries to actively carry out pollution prevention and control work and increase investment in environmental protection. The accumulated investment in environmental protection during the reporting period was approximately RMB40,924,100.

The Company actively responded to the national policy of “Carbon Emission Peak and Carbon Neutrality”, improved the level of green and low-carbon development, and took the lead in promoting carbon emission reduction in the industry. The Company has built the industry’s first carbon dioxide capture, collection and purification green emission reduction demonstration project of glass furnace at Hefei New Energy Production Base. This project uses 35% concentration of carbon dioxide in the smoke of the glass furnace as the raw material and makes it into liquid carbon dioxide with a purity of 99.99% through smoke treatment, carbon dioxide capture and collection, compression, distillation and liquefaction. After the project reaches its production capacity, it can produce 50,000 tons of liquid carbon dioxide with the product quality meeting the national food grade standards.

The Company comprehensively improved the application capabilities of clean energy such as distributed photovoltaic power generation and furnace high-temperature flue gas residual heat power generation system, and actively promoted circular economy and energy conservation. As of the end of the reporting period, the Company has built four furnace residual heat power stations and five plant photovoltaic power stations in various production bases. In 2022, the cumulative total power generation was approximately 63,452,900 kWh, equivalent to saving 7,798.36 tons of standard coal per year, and correspondingly reducing the carbon dioxide (CO₂) emissions per year by approximately 45,294.85 tons.

II. PERFORMANCE OF SOCIAL RESPONSIBILITIES

For details, see the 2022 Environmental, Social and Governance Report (which forms part of the Annual Report) disclosed on 20 April 2023 by the Company and the Overseas Regulatory Announcement – 2022 Social Responsibility Report of Triumph New Energy Company Limited disclosed on 29 March 2023 by the Company, which are available for inspection on the website of the Stock Exchange and the Company’s website (<http://www.zhglb.com/>).

VI SIGNIFICANT EVENTS

I. PERFORMANCE OF UNDERTAKINGS

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

Background of commitment	Type of commitment	Party of commitment	Content of commitment	Date and term of commitment	Whether there is time limit for performance	Whether	Specific	Subsequent
						commitment is performed strictly in a timely manner	reasons for any delay in performance	plan in case of any delay in performance
Commitments on major asset restructuring	Limiting horizontal competition	CLFG, CNBMG, Triumph Mineral, CNBM Research Institute, International Engineering and Triumph Technology Group	In terms of the 2017 major asset restructuring, CLFG, CNBMG, Triumph Mineral, 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	Yes		
	Limiting related party transaction	CLFG, Triumph Mineral, 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 Mineral, 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	Yes		
Commitments on Refinancing	Others	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	Yes		



VI SIGNIFICANT EVENTS

I. PERFORMANCE OF UNDERTAKINGS (CONTINUED)

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

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

VI SIGNIFICANT EVENTS

I. PERFORMANCE OF UNDERTAKINGS (CONTINUED)

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

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

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

During the reporting period, the Company was not subject to the level of fulfillment of performance commitments and there was no impact on the test of goodwill impairment.

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 explanation of the Board of the Company on the “modified audit report” from auditors.



VI SIGNIFICANT EVENTS

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

(I) Analysis and explanation of the Company on reasons for and effects of changes of accounting policies and accounting estimates

(1) Significant accounting policy changes

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

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

The Interpretation No. 15 stipulates that for products or byproducts produced by an enterprise before the fixed assets reach the expected conditions for use or in the course of R&D for external sale (the "Trial Operation Sales"), it shall conduct accounting treatment separately in accordance with the provisions of Accounting Standards for Business Enterprises No. 14 – Revenue, Accounting Standards for Business Enterprises No. 1 – Inventories, etc.

The Interpretation No. 15 stipulates that when judging a lossmaking contract, the cost of performing the contract shall include the incremental cost of performing the contract and the apportioned amount of other costs directly related to the performance of the contract. Among which, incremental costs of performing that contract include direct labour and materials among others; the apportioned amount of other costs that relate directly to performing the contract includes the apportioned amount of the depreciation charge for fixed assets used in performing that contract among others.

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



VI SIGNIFICANT EVENTS

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 (CONTINUED)

(I) Analysis and explanation of the Company on reasons for and effects of changes of accounting policies and accounting estimates (Continued)

(1) Significant accounting policy changes (Continued)

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

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

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



VI SIGNIFICANT EVENTS

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 (CONTINUED)

(I) Analysis and explanation of the Company on reasons for and effects of changes of accounting policies and accounting estimates (Continued)

(1) Significant accounting policy changes (Continued)

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

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

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

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

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

VI SIGNIFICANT EVENTS

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 (CONTINUED)

(I) Analysis and explanation of the Company on reasons for and effects of changes of accounting policies and accounting estimates (Continued)

(1) Significant accounting policy changes (Continued)

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

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

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

(II) Analysis and explanation of the company on reasons for and effects of changes of corrections of significant accounting errors

During the reporting period, the Company was not subject to significant accounting errors.

(III) Communications with former auditors

In accordance with the PRC Auditing Standard for Certified Public Accountants No. 1153 – Communication Between Former Certified Public Accountants and Subsequent Accountants and other requirements, adequate communication between WUYIGE Certified Public Accountants LLP and Grant Thornton LLP was made before and after the appointment of Grant Thornton LLP.



VI SIGNIFICANT EVENTS

VI. APPOINTMENT OR DISMISSAL OF ACCOUNTING FIRMS

Unit: 0'000 currency: RMB

	Former appointee	Current appointee
Name of the domestic accounting firm	WUYIGE Certified Public Accountants LLP	Grant Thornton LLP
Remuneration for the domestic accounting firm	148	120
Term of the audit services provided by domestic accounting firm	14	1
Name of Certified Public Accountant of the domestic accounting firm	/	Zheng Jianli, Fu Junhui
Continuous years of audit services provided by domestic accounting firms as Certified Public Accountant	/	21 years, 6 years

	Name	Remuneration
An accounting firm engaged for internal control audit	Grant Thornton LLP	20

Explanation on appointment or dismissal of accounting firms

At the 2021 annual general meeting of the Company held on 28 June 2022, the appointment of Grant Thornton LLP as the auditor of the Company for the year 2022 was considered and approved.

VII. MATERIAL LITIGATION AND ARBITRATION MATTERS

There were no material litigation and arbitrations of the Company during the reporting period.

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

There was no punishment or rectification on the Company and its directors, supervisors, senior management, controlling shareholders, and de facto controller during the reporting period.

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

There was no explanation of the credibility of the Company, its controlling shareholders and de facto controller during the reporting period.

VI SIGNIFICANT EVENTS

X. MATERIAL RELATED PARTY TRANSACTIONS

(I) Related party transactions relating to daily operations

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 9 February 2021, the following were considered and approved by the 2021 first extraordinary general meeting of the Company: the Sale and Purchase of Glass Products Framework Agreement, the Sale and Purchase of Raw Materials Framework Agreement, the Technical Services Framework Agreement, the Engineering Equipment Procurement and Installation Framework Agreement, the Sale and Purchase of Spare Parts Framework Agreement by and between the Company and CNBM; the Sale and Purchase of Products Framework Agreement by and between the Company and Triumph Technology Group; and the Financial Service Framework Agreement by and between the Company and CNBMG Finance Co., Ltd. and the Annual Caps thereof. The Company and its subsidiaries will continue to conduct transactions with the related parties under the above agreements within the annual transaction cap from 2021 to 2023.</p>	<p>Announcement Lin No. 2020-032 on 2 December 2020, Announcement Lin No. 2021-01 on 9 February 2021 at http://www.sse.com.cn and http://www.hkexnews.hk</p>
<p>On 30 December 2022, the 2022 Third Extraordinary General Meeting of Shareholders of the Company considered and approved the adjustment of the expected transaction amount cap of the Engineering Construction Equipment Procurement and Installation Framework Agreement to RMB3,300 million and RMB3,700 million for 2022 and 2023, respectively; the adjustment of the expected transaction amount cap of the Technical Services Framework Agreement to RMB21 million and RMB20 million for 2022 and 2023, respectively; the adjustment of the expected transaction amount cap of the Sale and Purchase of Raw Materials Framework Agreement to RMB1,200 million and RMB2,000 million in 2022 and 2023, respectively.</p>	<p>Announcement Lin No. 2022-052 on 23 November 2022, Announcement Lin No. 2022-059 on 30 December 2022 at http://www.sse.com.cn and http://www.hkexnews.hk</p>



VI SIGNIFICANT EVENTS

X. MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

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

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 events which have been disclosed in the temporary announcement with further development or change in subsequent implementation of the Company.

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

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

Overview of Events	Search Index
On 23 November 2022, the resolution on the transfer of all equity interests of Puyang CNBM Photovoltaic Materials to China Yaohua Glass Group Corporation Co., Ltd.* was considered and approved by the eighth meeting of the tenth session of board of directors of the Company	Announcement Lin No. 2022-053 on 23 November 2022 at http://www.sse.com.cn · http://www.hkexnews.hk
On 23 November 2022, the resolution on the acquisition 40% equity interest in Qinhuangdao North Glass Co., Ltd.* held by China Yaohua Glass Group Corporation Co., Ltd. was considered and approved by the eighth meeting of the tenth session of board of directors of the Company	Announcement Lin No. 2022-054 on 23 November 2022 at http://www.sse.com.cn · http://www.hkexnews.hk

2. *Events which have been disclosed in the temporary announcement and there is further development or change in subsequent implementation*

During the reporting period, there were no events which have been disclosed in the temporary announcement with further development or change in subsequent implementation of the Company.

(III) Significant Related Party Transactions on the Joint External Investment

During the reporting period, there were no significant related party transactions on the joint external investment of the Company.



VI SIGNIFICANT EVENTS

X. MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

(IV) Claims and Liabilities between Related Parties

During the reporting period, there were no claims and liabilities between related parties of the Company.

(V) Financial businesses between the Company and related financial companies, financial companies held by the Company and related 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	
China National Building Material Group Finance Co., Ltd.	Same ultimate controlling party	600,000,000.00	0.55%-2.10%	86,448,335.85	2,458,851,879.75	2,188,158,993.49	357,141,222.11
Total	/	/	/	86,448,335.85	2,458,851,879.75	2,188,158,993.49	357,141,222.11

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	
China National Building Material Group Finance Co., Ltd.	Same ultimate controlling party	369,800,000.00	3.80%	100,000,000.00	0.00	100,000,000.00	0.00
Total	/	/	/	100,000,000.00	0.00	100,000,000.00	0.00



VI SIGNIFICANT EVENTS

X. MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

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

3. Credit business or other financial business

Unit: Yuan Currency: RMB

Related party	Related relationship	Business type	Total	Actual amount
China National Building Material Group Finance Co., Ltd.	Same ultimate controlling party	Other financial services	15,000,000.00	0.00

VI SIGNIFICANT EVENTS

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		Custody income	Recognition basis for custody income	Impact of custody income on the Company	Is it a Related Party transaction	Relationship of the related party
				date of custody	End date of custody					
Shengshi New Energy	the Company	Shengshi New Material	Registered capital of RMB100 million of Shengshi New Material	19 January 2022	Variable	566,037.73	According to the principle of marketization, determined by both parties through negotiation	566,037.73	No	
Shuyang Xinda	the Company	Jiangsu Guangnian	Registered capital of RMB150 million of Jiangsu Guangnian	19 January 2022	Variable	566,037.73	According to the principle of marketization, determined by both parties through negotiation	566,037.73	No	
Triumph Technology Group	the Company	Ruichang CNBM	Registered capital of RMB1 billion of Ruichang CNBM	29 April 2022	28 December 2022	The entrustment fee is RMB100,000 per month. If there is less than one full month, it will be calculated based on the actual number of natural days.	According to the principle of marketization, determined by both parties through negotiation	751,876.64	Yes	the indirect controlling shareholder
Triumph Technology Group	the Company	Chengdu CNBM	Registered capital of 233.7 million of Chengdu CNBM	29 April 2022	28 December 2022	The entrustment fee is RMB100,000 per month. If there is less than one full month, it will be calculated based on the actual number of natural days.	According to the principle of marketization, determined by both parties through negotiation	751,876.64	Yes	the indirect controlling shareholder
Triumph Technology Group	the Company	Triumph Photovoltaic	Registered capital of RMB1 billion of Triumph Photovoltaic	2 June 2022	28 December 2022	The management fee is RMB100,000/month with a 1-year entrustment period	According to the principle of marketization, determined by both parties through negotiation	648,103.09	Yes	the indirect controlling shareholder
Triumph Technology Group	the Company	Triumph Glass Holding	Registered capital of RMB140 million of Triumph Glass Holding	29 December 2022	28 December 2023	The entrustment fee is RMB300,000 per month. If there is less than one full month, it will be calculated based on the actual number of natural days.	According to the principle of marketization, determined by both parties through negotiation	27,388.92	Yes	the indirect controlling shareholder



VI SIGNIFICANT EVENTS

XI. MATERIAL CONTRACTS AND IMPLEMENTATION THEREOF (CONTINUED)

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

2. Contracting

There was no contracting by the Company during the reporting period.

3. Leasing

Unit: Yuan Currency: RMB

Name of lessor	Name of lessee	Leased assets	Amount of leased assets	Date of		Gain on lease	Basis of determination of gain on lease	Effect of gain on lease on the Company	Is it a	
				commencement of lease	Expiry date of lease				connected	Connected transaction relationship
Jiangsu Huayuan Cable Co., Ltd.	CNBM (Yixing) New Energy Company Limited*	Plant	15,000,000.00	1 October 2020	30 September 2025	-344,655.99	it shall calculate the interest expense of lease liabilities over the lease term at the fixed periodic interest rate, and include it into financial expenses.	-344,655.99	No	
Kingeta Group Co., Ltd.	Kaisheng (Zhangzhou) New Energy Co., Ltd.	Machinery and equipment		1 February 2021	31 January 2031	-71,726.05	it shall calculate the interest expense of lease liabilities over the lease term at the fixed periodic interest rate, and include it into financial expenses.	-71,726.05	No	

VI SIGNIFICANT EVENTS

XI. MATERIAL CONTRACTS AND IMPLEMENTATION THEREOF (CONTINUED)

(II) Guarantees

Unit: Yuan Currency: RMB

Total amount of guarantees provided during the reporting period (excluding guarantees provided for subsidiaries)	0
Total amount of guarantees outstanding at the end of the reporting period (A) (excluding guarantees provided for subsidiaries)	0

Guarantees provided by the Company and its subsidiaries for subsidiaries

Total amount of guarantees provided for subsidiaries during the reporting period	0
Total amount of guarantees provided for subsidiaries outstanding at the end of the reporting period (B)	80,000,000.00

Total amount of guarantees provided by the Company (including guarantees provided for subsidiaries)

Total amount of guarantees (A+B)	80,000,000.00
Proportion of the total amount of guarantees to the Company's net assets (%)	1.89
Including:	
Guarantee provided to shareholders, the actual controller and its related party (C)	0
The amount of direct or indirect debt guarantee provided for guarantees with over 70% gearing ratio (D)	0
The amount of guarantee that exceeds 50% of the net assets (E)	0
Total amount of above three guarantees (C+D+E)	0
Explanation for potential joint and several liabilities of unexpired guarantee	Nil
Explanation for guarantees	Nil

XII. DESCRIPTION OF OTHER SIGNIFICANT EVENTS THAT HAVE A SIGNIFICANT IMPACT ON THE VALUE JUDGMENTS AND INVESTMENT DECISIONS MADE BY INVESTORS

There was no description of other significant events that have a significant impact on the value judgments and investment decisions made by investors during the reporting period.



Section VII Connected Transactions and Related Party Transactions

Save as disclosed in this chapter, no connected transaction or continuing connected transaction falls under the definition of discloseable connected transaction or continuing connected transaction under the Listing Rules of the Stock Exchange. Details of the Group's other related party transactions are set out in the chapter of related party transactions in the audited consolidated financial statements prepared this year in accordance with the Chinese accounting standards for business enterprises.

I. CONTINUING CONNECTED TRANSACTIONS FOR THE YEAR ENDED 31 DECEMBER 2022 IN ACCORDANCE WITH THE FRAMEWORK AGREEMENT AND ITS TRANSACTIONS APPROVED BY THE GENERAL MEETING

Unit: 0'000 Currency: RMB

Number	Party	Connected relationship	Content of transactions	Principle of trade pricing	Expected Cap for trade amount for 2022	Trade amount actually incurred for 2022
1	CNBM	De facto controller	The Company and its subsidiaries sold ultrathin glass products, photovoltaic glass and deep processing of glass to CNBM 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.	81,000	29,471.76
2	Triumph Technology Group	Shareholder	Triumph Technology Group and its subsidiaries provided the Company and its subsidiaries with float glass, wooden cases for glass packing and relevant 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.	74,000	1,345.18
3	CNBM	De facto controller	CNBM and its subsidiaries provided the Company and its subsidiaries with technical service.	Should there be a State price, such State price should be implemented. Should there be no applicable State price, market price shall prevail and not be higher than the fee(s) charged for the similar or same engineering technical service provided by the supplier to an independent third party.	2,100	1,417.56

Section VII Connected Transactions and Related Party Transactions

I. CONTINUING CONNECTED TRANSACTIONS FOR THE YEAR ENDED 31 DECEMBER 2022 IN ACCORDANCE WITH THE FRAMEWORK AGREEMENT AND ITS TRANSACTIONS APPROVED BY THE GENERAL MEETING (CONTINUED)

Unit: 0'000 Currency: RMB

Number	Party	Connected relationship	Content of transactions	Principle of trade pricing	Expected Cap for trade amount for 2022	Trade amount actually incurred for 2022
4	CNBM	De facto controller	CNBM and its subsidiaries provided the Company and its subsidiaries with equipments, materials and facilities required by engineering projects, as well as engineering equipments and materials and construction and installation services required by civil work.	Transaction price is determined subject to the market price at that time and should not be higher than the price charged for such similar or same engineering equipment, materials and installation provided by the supplier to an independent third party.	330,000	316,541.29
5	CNBM	De facto controller	CNBM and its subsidiaries provided the Company and its subsidiaries with spare parts for update and maintenance of 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.	4,200	1,349.71
6	CNBM	De facto controller	CNBM and its subsidiaries supplied bulk raw materials such as sodium carbonate and silica sand to the Company 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.	120,000	93,069.08



Section VII Connected Transactions and Related Party Transactions

I. CONTINUING CONNECTED TRANSACTIONS FOR THE YEAR ENDED 31 DECEMBER 2022 IN ACCORDANCE WITH THE FRAMEWORK AGREEMENT AND ITS TRANSACTIONS APPROVED BY THE GENERAL MEETING (CONTINUED)

Unit: 0'000 Currency: RMB

Number	Party	Connected relationship	Content of transactions	Principle of trade pricing	Expected Cap for trade amount for 2022	Trade amount actually incurred for 2022
7	China National Building Material Group Finance Co., Ltd.	A subsidiary controlled by de facto controller	China National Building Material Group Finance Co., Ltd.* provided the Company with deposit service	The interest rates for the deposits shall not be lower than (1) the benchmark interest rate specified by the PBOC for the deposit of the same category during the same period; (2) the interest rate paid by the provider for deposits of the same type placed by the members of the CNBMG (other than the Company) during the same period under the same conditions; and (3) the interest rate for deposits of the same type offered by the PRC general commercial banks and the PRC joint-stock commercial banks to the Company during the same period under the same conditions	60,000	35,714.12
			China National Building Material Group Finance Co., Ltd.* provided the Company with loan service	The interest rates for the loans shall not be higher than (1) the benchmark interest rate specified by the PBOC for the deposit of the same category during the same period; (2) the interest rate for similar loans charged by the Company to the members of CNBMG (other than the Group) during the same period under the same conditions; and (3) the interest rate charged by the PRC general commercial banks and the PRC joint-stock commercial banks to the Group for similar loans during the same period under the same conditions.	65,000	0.00

Section VII Connected Transactions and Related Party Transactions

I. CONTINUING CONNECTED TRANSACTIONS FOR THE YEAR ENDED 31 DECEMBER 2022 IN ACCORDANCE WITH THE FRAMEWORK AGREEMENT AND ITS TRANSACTIONS APPROVED BY THE GENERAL MEETING (CONTINUED)

Unit: 0'000 Currency: RMB

Number	Party	Connected relationship	Content of transactions	Principle of trade pricing	Expected Cap for trade amount for 2022	Trade amount actually incurred for 2022
			China National Building Material Group Finance Co, Ltd.* provided the Company with other financial service	Such service fees shall not be higher than (1) the fees charged by the provider to members of CNBMG (other than the Company) for providing financial services of the same type during the same period under the same conditions; and (2) the fees charged to the Company by the PRC general commercial banks and the PRC joint-stock commercial banks for financial services of the same type during the same period under the same conditions.	1,500	0.00

The Third Extraordinary General Meeting of Shareholders held on 30 December 2022 considered and approved the supplemental agreements of three agreements, including Engineering Construction Equipment Procurement and Installation Framework Agreement, their terms and conditions, their proposed amendments to the annual caps, their transactions contemplated thereunder and their execution.

All continuing connected transactions have not exceeded the annual caps disclosed in the announcements.

The Company has engaged Grant Thornton LLP as the auditor of the Company to perform related audit procedures as to the continuing connected transactions of the Company for the year ended 31 December 2022, as set forth in the aforesaid transactions in accordance with Chinese Certified Public Accountants Standards on Other Assurance Engagements No. 3101 Assurance Engagements other than Audit or Review of Historical Financial Information promulgated by Ministry of Finance of the PRC and by reference to No.740 of "continuing connected transactions auditor's correspondence as provided in Hong Kong listing rules" of the Practice Note promulgated by HKICPA, and the auditor confirms transactions as follows: (1) have received the approval from the Board; (2) the transactions in relation to provision of goods and services in accordance with the pricing policies of the Group; (3) have been entered into in accordance with the relevant agreements governing the transactions; and (4) have not exceeded the annual caps disclosed in previous announcements of the Company.



Section VII Connected Transactions and Related Party Transactions

I. CONTINUING CONNECTED TRANSACTIONS FOR THE YEAR ENDED 31 DECEMBER 2022 IN ACCORDANCE WITH THE FRAMEWORK AGREEMENT AND ITS TRANSACTIONS APPROVED BY THE GENERAL MEETING (CONTINUED)

The independent non-executive Directors have reviewed the above-mentioned continuing connected transactions that took place during the year ended 31 December 2022 and confirmed that these transactions were: (1) in the ordinary and usual course of business of the Company; (2) on normal commercial terms or on terms no less favorable to the Company than terms available to or from independent third parties; and (3) entering into of the transaction agreements is fair and reasonable and in line with regulatory requirements and the interests of the shareholders of the Company as a whole.

II. CONNECTED TRANSACTIONS CONSIDERED AND APPROVED AT THE GENERAL MEETING DURING THE REPORTING PERIOD

1. On 23 November 2022, the Company and Yaohua Group signed the "Equity Transfer Agreement in respect of Puyang CNBM Photovoltaic Materials", in which the Company transferred 100% equity interest in Puyang CNBM Photovoltaic Materials to Yaohua Group by way of non-public agreement, and the transaction price of the equity transfer was RMB326,885,000.
2. On 23 November 2022, the Company and Yaohua Group signed the "Equity Transfer Agreement in respect of Qinhuangdao North Glass Co., Ltd.", in which the Company acquired 40% equity interest in North Glass held by the Yaohua Group in cash, and the transaction price of this equity transfer was RMB163,868,200 .

III. DAILY CONNECTED TRANSACTIONS AND CONNECTED TRANSACTIONS CONSIDERED AND APPROVED BY THE BOARD DURING THE REPORTING PERIOD

1. On 29 March 2022, the Company and Triumph Technology Group entered into the Financial Service Framework Agreement, pursuant to which, Triumph Technology Group provided the Company with the cumulative principal amount of the financing guarantee and payment on behalf of the Group in 2022 not more than RMB700 million and RMB2,000 million, respectively, with the term of validity ended on 31 December 2022.

The financial services between Triumph Technology Group and the Company represent the financial assistance provided by connected parties, and the Company did not have any pledge of assets in this regard. Pursuant to the Hong Kong Listing Rules, they are exempted from the reporting, announcement and independent shareholders' approval requirements. Pursuant to the Shanghai Listing Rules, the financial services provided by Triumph Technology Group to the Company constitute daily related party transactions with financial assistance in nature and are exempted from fulfilling the approval procedures at the general meeting.

During the reporting period, the actual incurred amounts of financing guarantee, the balance of the guarantee and payment on behalf of the Group during the transaction year under the Financial Services Framework Agreement were RMB109 million, RMB327 million and RMB194 million, respectively.



Section VII Connected Transactions and Related Party Transactions

III. DAILY CONNECTED TRANSACTIONS AND CONNECTED TRANSACTIONS CONSIDERED AND APPROVED BY THE BOARD DURING THE REPORTING PERIOD (CONTINUED)

2. On 29 April 2022, the Company and Triumph Technology Group entered into the Equity Custody Agreement, pursuant to which, the Company was entrusted to manage 55% equity of CNBM (Chengdu) Optoelectronic Materials Co., Ltd. and 45% equity of CNBM (Ruichang) Optoelectronic Materials Co., Ltd. held by Triumph Technology Group. The entrustment fee is RMB100,000 per month for each target company.
3. On 2 June 2022, the Company and Triumph Technology Group entered into the Equity Custody Agreement, reaching an agreement on the entrusted management of 60% equity of Triumph Photovoltaic. The entrustment fee is RMB100,000 per month, with a term of 1 year.
4. On 29 December 2022, the Company and Triumph Technology Group entered into the Equity Custody Release Agreement, whereby the Company released the management of 55% equity interest in Chengdu CNBM, 45% equity interest in Ruichang CNBM and 60% equity interest in Triumph Photovoltaic entrusted by Triumph Technology Group; meanwhile, Triumph Technology Group entrusted the management of 100% equity interest in Triumph Glass Holding to the Company. The entrustment fee is RMB300,000 per month, with a term of 1 year.



Section VIII Changes in Shareholding of Shares and Information of Shareholders

I. CHANGE IN SHARE CAPITAL

During the reporting period, the Company's total number of shares and share capital structure did not change.

(I) Changes in shares subject to trading moratorium

Unit: share

Shareholder's name	Number of restricted shares at the beginning of the year	Number of shares released from restriction during the reporting year	Number of shares Increase in restricted shares during the reporting year	Number of restricted shares at the end of the year	Reason for restriction	Date of shares released from restriction
New Materials Fund of Shenzhen Capital Group for Transformation and Upgrading for Manufacturing Sector (Limited Partnership) (深創投製造業轉型升級新材料基金(有限合夥))	38,853,812	38,853,812	0	0	Non-public issuance of shares	18 February 2022
Kegai Ceyuan (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))	7,285,089	7,285,089	0	0	Non-public issuance of shares	18 February 2022
Jinan Jiangshan Investment Partnership (Limited Partnership)	6,313,744	6,313,744	0	0	Non-public issuance of shares	18 February 2022

Section VIII Changes in Shareholding of Shares and Information of Shareholders

I. CHANGE IN SHARE CAPITAL (CONTINUED)

(I) Changes in shares subject to trading moratorium (Continued)

Unit: share

Shareholder's name	Number of restricted shares at the beginning of the year	Number of shares released from restriction during the reporting year	Increase in restricted shares during the reporting year	Number of restricted shares at the end of the year	Reason for restriction	Date of shares released from restriction
China Galaxy Securities Co., Ltd.	5,730,937	5,730,937	0	0	Non-public issuance of shares	18 February 2022
High Quality Development Fund for Manufacturing Sector in Luoyang (Limited Partnership) (洛陽製造業高品質發展基金(有限合伙))	4,856,726	4,856,726	0	0	Non-public issuance of shares	18 February 2022
UBS AG	4,759,592	4,759,592	0	0	Non-public issuance of shares	18 February 2022
Ping An Life Insurance Company of China, Ltd. – Investment Link – Personal insurance investment link	2,914,035	2,914,035	0	0	Non-public issuance of shares	18 February 2022
Ping An Asset – Industrial and Commercial Bank – Xinxiang No. 3 asset management product	2,914,035	2,914,035	0	0	Non-public issuance of shares	18 February 2022
Guotai Junan Securities Co., Ltd.	2,914,035	2,914,035	0	0	Non-public issuance of shares	18 February 2022



Section VIII Changes in Shareholding of Shares and Information of Shareholders

I. CHANGE IN SHARE CAPITAL (CONTINUED)

(I) Changes in shares subject to trading moratorium (Continued)

Unit: share

Shareholder's name	Number of restricted shares at the beginning of the year	Number of shares released from restriction during the reporting year	Number of shares Increase in restricted shares during the reporting year	Number of restricted shares at the end of the year	Reason for restriction	Date of shares released from restriction
Ningbo Hongyang Investment Management Partnership (Limited Partnership) – Hong Yang Special Fund Phase I Private Securities Investment Fund (寧波宏陽投資管理合夥企業(有限合伙)-宏陽專項基金一期私募證券投資基金)	2,914,035	2,914,035	0	0	Non-public issuance of shares	18 February 2022
Shanghai Boshen Investment Center (Limited Partnership) – Boshen No. 27 Securities Investment Private Equity Fund (上海鉞紳投資中心(有限合伙)鉞紳二十七號證券投資私募基金)	2,914,035	2,914,035	0	0	Non-public issuance of shares	18 February 2022
Nuode Fund Management Co., Ltd.	1,534,732	1,534,732	0	0	Non-public issuance of shares	18 February 2022
Total	83,904,807	83,904,807	0	0	/	/

Section VIII Changes in Shareholding of Shares and Information of Shareholders

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)	37,736
Total number of ordinary shareholders at the end of the previous month before the date of disclosure of annual report (shareholder)	35,727

(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: share

Name of shareholder (Full name)	Increase/ decrease during the reporting period	Shareholdings of top 10 shareholders			Pledged or frozen		Nature of shareholder
		Number of shares at the end of reporting period	Proportion (%)	Number of shares held subject to trading moratorium	Status	Number	
HKSCC NOMINEES LIMITED	14,000	249,152,789	38.59	0	Unknown		Overseas legal person
China Luoyang Float Glass (Group) Co., Ltd.	0	111,195,912	17.22	0	Pledged	55,597,956	State-owned legal person
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)	0	70,290,049	10.89	0	Nil		State-owned legal person
Hongtu Equity Investment 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) (深創投紅土股權投資管 理(深圳)有限公司—深創投製造業轉 型升級新材料基金(有限合夥))	0	38,853,812	6.02	0	Nil		Domestic Non- state-owned legal person
Triumph Technology Group Co., Ltd.	182,700	19,583,123	3.03	13,229,724	Nil		State-owned legal person



Section VIII 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)

Unit: share

Name of shareholder (Full name)	Shareholdings of top 10 shareholders				Pledged or frozen		Nature of shareholder
	Increase/ decrease during the reporting period	Number of shares at the end of reporting period	Number of shares held subject to trading moratorium	Proportion (%)	Status	Number	
CITIC Securities Co., Ltd.	12,371,766	12,371,766	1.92	0	Nil		Domestic Non-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	Nil		Domestic Non-state-owned legal person
CLSA Asset Management Limited – customer fund – remittance of RMB funds	4,693,500	4,693,500	0.73	0	Nil		Domestic Non-state-owned legal person
Wang Xiaolan (王孝安)	4,663,806	4,663,806	0.72	0	Nil		Domestic natural person
CNBMG Triumph Mineral Resources Group Co., Ltd. (中建材凱盛礦產資源集團有限公司)	0	3,477,327	0.54	0	Nil		State-owned legal person

Section VIII Changes in Shareholding of Shares and Information of Shareholders

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

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

Name of shareholder	Shareholdings of top 10 shareholders not subject to trading moratorium		
	Number of circulating shares not subject to trading moratorium	Type	Number
HKSCC NOMINEES LIMITED	249,152,789	Overseas listed foreign shares	249,152,789
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)	70,290,049	Ordinary shares denominated in RMB	70,290,049
Hongtu Equity Investment 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) (深創投紅土股權投資管理(深圳)有限公司 – 深創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
CITIC Securities Co., Ltd.	12,371,766	Ordinary shares denominated in RMB	12,371,766
Triumph Technology Group Co., Ltd.	6,353,399	Ordinary shares denominated in RMB	6,353,399
Customer credit transaction guarantee securities account of CITIC Securities Co., Ltd. (中信證券股份有限公司客戶信用交易擔保證券賬戶)	5,523,905	Ordinary shares denominated in RMB	5,523,905
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
CLSA Asset Management Limited – customer fund – remittance of RMB funds	4,693,500	Ordinary shares denominated in RMB	4,693,500
CNBMG Triumph Mineral Resources Group Co., Ltd. (中建材凱盛礦產資源集團有限公司)	3,477,327	Ordinary shares denominated in RMB	3,477,327
Customer credit transaction guarantee securities account of Guotai Junan Securities Co., Ltd.	2,011,506	Ordinary shares denominated in RMB	2,011,506

Note: 1. Shares held by HKSCC NOMINEES LIMITED are held on behalf of various customers.



Section VIII 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)

Explanation on the repurchase accounts among the top ten shareholders	Nil
Explanation on voting rights, entrusted by or to or waived by the aforesaid shareholders	Nil
Explanation on related relationship or action acting in concert among the aforesaid shareholders	Among the top 10 shareholders of the Company, CLFG, CNBM Research Institute, Triumph Mineral and Triumph Technology Group are related parties or persons acting in concert as defined under the Regulations for Disclosure of Changes in Shareholding of Listed Companies (《上市公司股東持股變動信息披露管理辦法》). The Company is not aware of any parties acting in concert or any related relationship among other holders of circulating shares.
Explanations on holders of preferential shares with restored voting rights and the number of shares held	Nil



Section VIII 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)

Number of shares held by top 10 holders of shares subject to trading moratorium and trading moratorium

Unit: share

No.	Name of holders of shares subject to trading moratorium	Number of shares held subject to trading moratorium	Shares subject to trading moratorium available for listing and trading		Trading moratorium
			Time available for listing and trading	Number of additional shares available for listing and trading	
1	Triumph Technology Group Co., Ltd.	13,229,724	18 August 2024	0	Non-transferable within 36 months from the completion date of the issuance

Explanation on related relationship or action acting in concert among the aforesaid shareholders: None

(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 VIII 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 Limited
Person in charge of the company or legal representative	XIE JUN
Date of establishment	25 December 1996
Principal activities	Manufacture of glass and related raw materials and complete sets of equipment; exploitation and sale of silica sand used for glass, 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 companies whose shares were listed in the PRC or overseas during the reporting period	None
Other situations	None

Section VIII Changes in Shareholding of Shares and Information of Shareholders

IV. CONTROLLING SHAREHOLDER AND DE FACTO CONTROLLER

(I) Controlling shareholders (Continued)

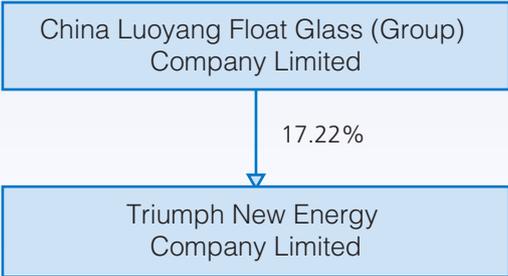
2 Natural Person

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

3 Explanation on Changes in Controlling Shareholders during the Reporting Period

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

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



Section VIII Changes in Shareholding of Shares and Information of Shareholders

IV. CONTROLLING SHAREHOLDER AND DE FACTO CONTROLLER (CONTINUED)

(II) De Facto Controller

1 Legal Person

Name	China National Building Material Group Co., Ltd.
Person in charge of the company or legal representative	ZHOU YUXIAN
Date of establishment	28 September 1981
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 VIII 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 Material Group Co., Ltd.
Equity interests in other controlled and invested companies whose shares were listed in the PRC or overseas during the reporting period	As at 31 December 2022, CNBM directly and through its subsidiaries held 44.50% equity interest in China National Building Material Co., Ltd. (HK03323) (directly and indirectly holding 42.84% equity interest in its domestic shares, directly and indirectly holding 1.66% equity interest in its H shares); directly and through its subsidiaries held 9.72% equity interest in Henan City Development Environment Co., Ltd. (000885); through its subsidiaries holding 31.74% equity interest in Triumph New Energy (600876, HK1108); through its subsidiaries holding 40.13% equity interest in Ruitai Materials Technology Co., Ltd. (002066); through its subsidiaries holding 29.28% equity interest in Triumph Technology (600552); through its subsidiaries holding 68.57% equity interest in China Building Material Test & Certification Group Co., Ltd. (603060); directly and through its subsidiaries holding 50.94% equity interest in Sinoma Energy Conservation Ltd. (603126); through its subsidiaries holding 57.27% equity interest in Zhongfu Shenyang (688295); through its subsidiaries holding 37.83% equity interest in Beijing New Building Materials Public Limited Company (000786); through its subsidiaries holding 26.97% equity interest in China Jushi Co., Ltd. (600176); through its subsidiaries holding 47.77% equity interest in Sinoma International Engineering Co., Ltd. (600970); through its subsidiaries holding 60.24% equity interest in Sinoma Science & Technology Co., Ltd. (002080); through its subsidiaries holding 84.52% equity interest in Xinjiang Tianshan Cement Co., Ltd. (000877); through its subsidiaries holding 26.73% equity interest in Gansu Qilianshan Cement Group Co., Ltd. (600720); through its subsidiaries holding 49.03% equity interest in Ningxia Building Materials Group Co., Ltd. (600449); through its subsidiaries holding 22.68% equity interest in China Glass Holdings Limited (HK 03300); through its subsidiaries holding 16.75% equity interest in Singulus Technologies (SNG); through its subsidiaries holding 1.68% equity interest in Jidong Cement (000401); through its subsidiaries holding 12.94% equity interest in China Shanshui Cement Group Limited (00691); through its subsidiaries holding 4.33% equity interest in Red Star Macalline Group Corporation Ltd. (01528); through its subsidiaries holding 0.71% equity interest in Legend Holdings Corporation (03396); through its subsidiaries holding 3.03% equity interest in China Conch Venture Holdings Limited (00586); through its subsidiaries holding 3.01% equity interest in China Conch Environment Protection Holdings Limited (00587); through its subsidiaries holding 4.89% equity interest in Jiangxi Wannianqing Cement Co., Ltd. (000789); through its subsidiaries holding 0.13% equity interest in Bohai Water Industry Co., Ltd. (000605); through its subsidiaries holding 4.31% equity interest in BBMG Corporation (601992); through its subsidiaries holding 14.4% equity interest in Gansu Shangfeng Cement Co., Ltd. (000672); through its subsidiaries holding 3.99% equity interest in Jilin Yatai (Group) Co., Ltd. (600881); through its subsidiaries holding 12.74% equity interest in Shanghai Yaohua Pilkington Glass Group Co., Ltd. (600819); through its subsidiaries holding 10.57% equity interest in Wuhan Ligong Guangke Co., Ltd. (300557); through its subsidiaries holding 1.06% equity interest in China West Construction Group Co., Ltd. (002302); through its subsidiaries holding 0.04% equity interest in Guotai Junan Securities Co., Ltd. (601211); through its subsidiaries holding 0.0026% equity interest in Lutianhua (000912); through its subsidiaries holding 0.03% equity interest in Bank of Jiangsu Co., Ltd. (600919); through its subsidiaries holding 0.00028% equity interest in Bank of Communications Co., Ltd. (601328).
Other situations	None



Section VIII Changes in Shareholding of Shares and Information of Shareholders

IV. CONTROLLING SHAREHOLDER AND DE FACTO CONTROLLER (CONTINUED)

(II) De Facto Controller (Continued)

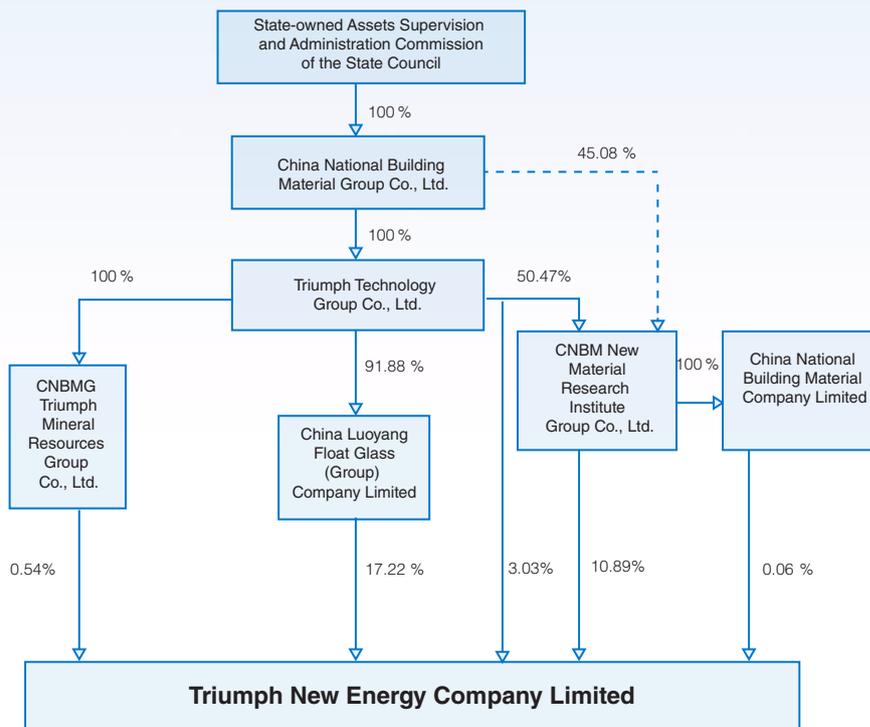
2 Natural Person

During the reporting period, there was no de facto controller of a natural person of China National Building Material Group Co., Ltd..

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

During the reporting period, there were no changes in control of China National Building Material Group Co., Ltd. during the reporting period.

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



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

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

Section VIII Changes in Shareholding of Shares and Information of Shareholders

IV. CONTROLLING SHAREHOLDER AND DE FACTO CONTROLLER (CONTINUED)

(III) Other description on controlling shareholder and de facto controller

N/A

(IV) 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 2022, 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 shareholders	Capacity	Number of shares held ¹	Percentage in the	Percentage in total	Class of shares
			relevant class of issued shares (%)	issues share capital of the Company (%)	
CNBM ²	Interest in controlled corporation	204,932,781 (L)	51.79	31.74	A shares
Triumph Technology Group ³	Beneficial owner/Interest in controlled corporation	204,932,781 (L)	51.79	31.74	A shares
CLFG	Beneficial	111,195,912 (L)	28.10	17.22	A shares
CNBM Research Institute	Beneficial	70,290,049 (L)	17.76	10.89	A shares
Triumph Mineral International Engineering	Beneficial	3,477,327(L)	0.88	0.54	A shares
	Beneficial	386,370(L)	0.10	0.06	A shares

Note 1: (L)–Long position

Note 2: Triumph Technology Group is a wholly-owned subsidiary of CNBM, and International Engineering is an indirect non-wholly-owned subsidiary of CNBM. Therefore, CNBM is deemed to be interested in the shares held by Triumph Technology Group and International Engineering 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-whollyowned subsidiary of Triumph Technology Group, International Engineering is a wholly-owned subsidiary of Triumph Technology Group and Triumph Mineral is wholly-owned subsidiaries of Triumph Technology Group; and Triumph Technology Group directly holds 19,583,123 A shares of the Company. Therefore, Triumph Technology Group is deemed to be interested in the shares held by CLFG, CNBM Research Institute, International Engineering and Triumph Mineral by virtue of Part XV of the SFO.



Section VIII Changes in Shareholding of Shares and Information of Shareholders

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

During the reporting period, there was no cumulative number of pledged shares of the controlling shareholders or the largest shareholder of the company and the person acting in concert with them accounts for more than 80% of the shares of the company held by them.

VI. OTHER LEGAL PERSON SHAREHOLDERS WITH MORE THAN 10% SHAREHOLDING

Unit: Yuan Currency: RMB

Name of legal person shareholder	Person in charge or legal representative of the unit	Date of establishment	Code of the entity	Registered capital	Principal activities or management activities
CNBM New Material Research Institute Group Co., Ltd.	PENG SHOU	6 August 1996	913403004852224289	3,715,904,078.01	Contracting of professional engineering survey, consultancy, design and supervision projects in relation to overseas construction and building materials; dispatch of labour required for the aforementioned overseas projects; (items aforementioned shall be operated within the effective operating period subject to license).

I. AUDIT REPORT

AUDIT REPORT

GTSZ (2023) No. 110A005349

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" or "the Company"), including the consolidated and the Company's balance sheet as of 31 December 2022, 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 2022, 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 2022, and the consolidated and the Company's operating results and cash flows for 2022 of Triumph New Energy.

II. Basis for Audit Opinion

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

III. Key Audit Matters

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

(I) Accuracy of revenue recognition

Please refer to V.38 and VII.36 in section XI of the text for details of related information disclosures.



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 and other functional glass. In 2022, the amount of operating revenue was RMB5,030 million, of which the revenue from new energy glass business was RMB4,671 million, accounting for 92.86% of the operating revenue.

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, which may give rise to inherent risks that specific targets or expectations could be achieved by the management of the Company (hereinafter referred to as "management") through inappropriate revenue recognition. 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 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.
- (2) 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.
- (3) 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.
- (4) 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.
- (5) We sampled the sales of the period to the major customers with letter based on the accounts receivable confirmations.
- (6) 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 V.10, V.11, V.12, VII.2 and VII.3 in section XI of the text for details of related information disclosures.

1. *Description of the matter*

As at 31 December 2022, the original value of the notes receivable and accounts receivable of Triumph New Energy was RMB1,698 million, the impairment provision was RMB109 million, and the net book value was RMB1,589 million, accounting for 39.04% of its current assets. The impairment provision for the Company's receivables was measured based on the amount of lifetime expected credit losses. As the amount of receivables was significant and the management had made material estimates and judgments in determining the impairment of receivables, we identified the bad debts provision for receivables as a key audit matter.

2. *Response to the audits*

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

- (1) We obtained an understanding of the internal controls related to impairment of receivables, evaluated the design of these controls, and tested the effectiveness of key control operations.
- (2) We analyzed whether the aging of receivables is reasonable, and compared, on a sample basis, the items in the aging analysis table with relevant documents to check whether the relevant aging was classified into the appropriate aging category.
- (3) We checked whether the information used by the Company to form relevant judgments was accurate and reasonable, including the reasonability of receivables by different credit risk grades, the accuracy of the information for calculating the historical loss given default, and whether the expected credit loss was properly adjusted according to current economic conditions and forward-looking information.
- (4) We discussed and evaluated with management on the receivables with default or impairment indication, and review 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.



I. AUDIT REPORT (CONTINUED)

III. Key Audit Matters (Continued)

(III) Equity transactions

Please refer to V.5 V.6 V.21, VII.43, VII.51, VIII.1, VIII.2, XVI.3 and XVI.5 in section XI of the text for details of related information disclosures.

1. Description of the matter

In 2022, Triumph New Energy disposed 100% equity interests in four subsidiaries under the common control, including CLFG Luoyang Longhai Electronic Glass Company Limited*, CLFG Longmen Glass Co. Ltd.*, Bengbu China National Building Materials Information Display Materials Company Limited* and Puyang China National Building Materials Photovoltaic Materials Company Limited, with a total investment income of RMB169 million; the Company acquired 40% equity interests held by minority shareholders of Qinhuangdao North Glass Co., Ltd. under the common control, resulting in a decrease in capital reserve of RMB11 million; and the Company acquired 100% equity interests in Kaisheng (Zhangzhou) New Energy Co., Ltd. not under common control resulted in goodwill of RMB18 million. The above transactions were significant transactions during the Reporting Period of Triumph New Energy and we therefore identified the equity transactions as key audit matters.

2. Response to the audits

Our audit procedures for equity transactions mainly include:

- (1) We obtained related resolutions and approvals of the Board and the shareholders' meeting, and review whether a transaction has been properly approved.
- (2) We obtained the assessment reports and transfer agreements to judge the fairness of the transaction price.
- (3) We reviewed the appropriateness of the management's judgment on the point of loss of control in the light of the transfer of equity interest, changes to the Articles of Association and the Directors, Supervisors and senior management, as well as the transfer of operation and management rights.
- (4) We implemented analysis, recalculation and other procedures for reviewing the accuracy of calculation and accounting for disposal gains and goodwill arising from business combinations.
- (5) We reviewed whether the equity transactions had been presented and disclosed in the financial statements and notes in a proper manner.



I. AUDIT REPORT (CONTINUED)

IV. Other Information

The Management of the Company is responsible for other information. Other information includes the information included in the Company's 2022 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.

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.



I. AUDIT REPORT (CONTINUED)

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

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.

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).



I. AUDIT REPORT (CONTINUED)

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

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

Grant Thornton (Special General Partnership)

Chinese Certified Public Accountant:
(Engagement Partner)

Chinese Certified Public Accountant:

Beijing • the PRC
29 March 2023



Consolidated Balance Sheet

II. FINANCIAL STATEMENTS

Item	Note	31 December 2022	31 December 2021
Current assets:			
Monetary funds	VII.1	689,022,322.44	1,116,571,580.99
Notes receivable	VII.2	607,645,160.15	204,999,510.62
Accounts receivable	VII.3	981,111,286.02	438,504,721.48
Accounts receivable financing	VII.4	754,316,996.75	369,857,635.69
Prepayments	VII.5	176,309,507.09	127,452,119.00
Other receivables	VII.6	106,661,629.98	35,054,042.55
Inventories	VII.7	695,508,197.62	686,161,229.71
Other current assets	VII.8	59,289,265.40	190,034,599.15
Total current assets		4,069,864,365.45	3,168,635,439.19
Non-current assets:			
Long-term receivables	VII.9		55,000,000.00
Fixed assets	VII.10	4,021,905,180.15	3,737,837,277.98
Construction in progress	VII.11	1,158,626,308.86	1,420,340,092.86
Right-of-use assets	VII.12	13,007,301.50	9,679,048.81
Intangible assets	VII.13	699,580,215.54	644,275,347.55
Development expenditures	VII.14	9,242,547.95	12,951,857.34
Goodwill	VII.15	17,583,473.33	
Long-term deferred expenses	VII.16		1,416,666.79
Deferred income tax assets	VII.17	16,836,091.52	16,986,021.11
Other non-current assets	VII.18	559,257,426.12	185,935,267.61
Total non-current assets		6,099,121,339.30	3,913,977,604.59
Total assets		10,565,902,910.42	9,253,057,019.24
Current liabilities:			
Short-term borrowings	VII.19	1,097,924,601.61	1,326,709,864.27
Notes payable	VII.20	429,242,468.26	650,930,930.94
Accounts payable	VII.21	1,728,154,819.46	645,516,087.58
Payments received in advance	VII.22	271,590.44	
Contract liabilities	VII.23	18,314,969.87	46,718,841.37
Employee compensation payable	VII.24	49,200,604.16	60,667,607.28
Taxes payable	VII.25	19,546,491.47	12,827,698.25
Other payables	VII.26	232,485,514.56	701,248,471.31
Non-current liabilities due within one year	VII.27	57,813,133.81	258,656,910.02
Other current liabilities	VII.28	514,209,429.62	20,064,405.18
Total current liabilities		4,147,163,623.26	3,723,340,816.20

Consolidated Balance Sheet

31 December 2022
Prepared by: Triumph New Energy Company Limited
Unit: Yuan Currency: RMB

Item	Note	31 December 2022	31 December 2021
Non-current liabilities:			
Reserve for insurance contracts			
Long-term borrowings	VII.29	1,703,779,270.66	1,032,800,000.00
Lease liabilities	VII.30	9,405,001.94	6,771,924.40
Deferred income	VII.31	51,344,031.93	132,719,249.92
Deferred income tax liabilities	VII.17	40,568,717.91	18,547,379.56
Other non-current liabilities			
Total non-current liabilities		<u>1,805,097,022.44</u>	<u>1,190,838,553.88</u>
Total Liabilities		<u>5,952,260,645.70</u>	<u>4,914,179,370.08</u>
Owners' equity (or shareholders' equity):			
Paid-in capital (or share capital)	VII.32	645,674,963.00	645,674,963.00
Capital reserve	VII.33	3,780,818,962.41	3,792,235,992.58
Surplus reserve	VII.34	51,365,509.04	51,365,509.04
Undistributed profit	VII.35	-245,428,527.10	-654,467,178.80
Total equity attributable to owners of the Company (or shareholders' equity)		<u>4,232,430,907.35</u>	<u>3,834,809,285.82</u>
Minority interests		381,211,357.37	504,068,363.34
Total owners' equity (or shareholders' equity)		<u>4,613,642,264.72</u>	<u>4,338,877,649.16</u>
Total liabilities and owners' equity (or shareholders' equity)		<u>10,565,902,910.42</u>	<u>9,253,057,019.24</u>

Person in charge of the Company:

Xie Jun

Person in charge of accounting:

Li Yang

Person in charge of accounting department:

Li Xuejiao



Balance Sheet of the Company

Item	Note	31 December 2022	31 December 2021
Current assets:			
Monetary funds		304,124,727.90	276,223,398.45
Accounts receivable	XVI.1	276,801,400.86	220,389,403.91
Accounts receivable financing		213,294,478.37	81,302,010.11
Prepayments		35,638.46	23,957.69
Other receivables	XVI.2	660,172,421.07	431,793,556.37
Including: Interest receivable			
Dividend receivable			50,000,000.00
Inventories		8,509.00	8,430.00
Other current assets		65,466.27	12,127,726.81
Total current assets		1,454,502,641.93	1,021,868,483.34
Non-current assets:			
Long-term receivables		3,703,415,248.62	3,857,645,290.12
Long-term equity investment	XVI.3	1,864,728.54	1,932,791.36
Fixed assets		53,857.88	
Intangible assets		46,933,795.67	47,750,491.37
Other non-current assets		55,049,500.00	49,500.00
Total non-current assets		3,807,317,130.71	3,962,378,072.85
Total assets		5,261,819,772.64	4,984,246,556.19
Current liabilities:			
Short-term borrowings		411,004,486.12	589,666,075.73
Notes payable			30,000,000.00
Accounts payable		277,840,273.82	96,682,422.72
Contract liabilities		27,270.95	28,120.27
Employee compensation payable		10,581,733.02	9,547,144.65
Taxes payable		244,614.35	306,238.93
Other payables		62,831,631.70	608,713,927.17
Non-current liabilities due within one year		13,291,218.59	45,543,566.66
Other current liabilities		116,961,766.71	3,655.64
Total current liabilities		892,782,995.26	1,380,491,151.77

Balance Sheet of the Company

31 December 2022
Prepared by: Triumph New Energy Company Limited
Unit: Yuan Currency: RMB

Item	Note	31 December 2022	31 December 2021
Non-current liabilities:			
Long-term borrowings		541,972,270.66	192,800,000.00
Bonds payable			
Total non-current liabilities		<u>541,972,270.66</u>	<u>192,800,000.00</u>
Total Liabilities		<u>1,434,755,265.92</u>	<u>1,573,291,151.77</u>
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		-727,565,359.40	-1,143,674,461.70
Total owners' equity (or shareholders' equity)		<u>3,827,064,506.72</u>	<u>3,410,955,404.42</u>
Total liabilities and owners' equity (or shareholders' equity)		<u>5,261,819,772.64</u>	<u>4,984,246,556.19</u>

Person in charge of the Company:

Xie Jun

Person in charge of accounting:

Li Yang

Person in charge of accounting department:

Li Xuejiao



Consolidated Income Statement

Item	Note	2022	2021
I. Total operating revenue		5,030,111,246.27	3,625,851,456.04
Including: Operating revenue	VII.36	5,030,111,246.27	3,625,851,456.04
II. Total operating costs		4,863,245,866.54	3,288,641,991.47
Including: Operating costs	VII.36	4,433,991,033.17	2,772,254,355.29
Taxes and surcharges	VII.37	38,235,862.71	42,783,319.97
Selling expenses	VII.38	17,430,076.24	19,304,831.08
Administration expenses	VII.39	126,261,780.54	174,899,951.49
R&D expenses	VII.40	173,792,882.39	154,331,928.64
Finance expenses	VII.41	73,534,231.49	125,067,605.00
Including: Interest expenses		87,180,142.81	128,767,137.08
Interest income		11,189,421.19	8,788,027.25
Add: Other income	VII.42	157,399,524.47	36,921,816.28
Investment income (losses are represented by "-")	VII.43	160,659,078.93	-11,556,042.87
Impairment losses on credit (losses are represented by "-")	VII.44	-2,632,386.05	-3,402,075.93
Impairment losses on assets (losses are represented by "-")	VII.45	-16,772,916.69	-10,919,597.80
Gains on disposal of assets (losses are represented by "-")	VII.46	1,552,752.45	-347,984.19
III. Operating profit (loss is represented by "-")		467,071,432.84	347,905,580.06
Add: Non-operating income	VII.47	3,319,010.17	4,698,890.28
Less: Non-operating expenses	VII.48	123,796.26	1,502,393.35
IV. Total profit (total loss is represented by "-")		470,266,646.75	351,102,076.99
Less: Income tax expenses	VII.49	11,096,956.38	19,775,344.53
V. Net profit (net loss is represented by "-")		345,165,926.25	472,250,428.56
(I) Classified on a going concern basis			
1. Net profit from continued operation (Net loss is represented by "-")		327,505,482.08	276,548,826.25
2. Net profit from discontinued operation (net loss is represented by "-")		131,664,208.29	54,777,906.21
(II) Classified by ownership			
1. Net profit attributable to shareholders of the Company (net loss is represented by "-")		409,038,651.70	255,755,695.03
2. Minority interests (net loss is represented by "-")		50,131,038.67	75,571,037.43

Consolidated Income Statement

31 December 2022
Prepared by: Triumph New Energy Company Limited
Unit: Yuan Currency: RMB

Item	Note	2022	2021
VI. Other comprehensive income net of tax			
(I) Other comprehensive income net of tax attributable to owners of the Company			
(II) Other comprehensive income net of tax attributable to minority interests			
VII. Total comprehensive income			
(I) Total comprehensive income attributable to owners of the Company		459,169,690.37	331,326,732.46
(II) Total comprehensive income attributable to minority interests		409,038,651.70	255,755,695.03
		50,131,038.67	75,571,037.43
VIII. Earnings per share:			
(I) Basic earnings per share (RMB/share)		0.63	0.44
(II) Diluted earnings per share (RMB/share)		0.63	0.44

Person in charge of the Company:

Xie Jun

Person in charge of accounting:

Li Yang

Person in charge of accounting department:

Li Xuejiao



Income Statement of the Company

Item	Note	2022	2021
I. Operating revenue	XVI.4	813,585,949.34	569,073,441.80
Less: Operating costs	XVI.4	809,523,960.85	566,472,737.48
Taxes and surcharges		1,060,914.59	1,946,757.95
Selling expenses		875,093.64	971,218.63
Administration expenses		28,328,483.36	24,285,318.19
Finance expenses			
Including: Interest expenses		-2,347,222.59	34,715,318.27
Interest income		25,887,015.21	60,571,535.03
Add: Other income		28,297,430.55	25,965,311.25
Investment income			
(loss is represented by "-")		56,188,645.54	6,229.23
Impairment losses on credit			
(loss is represented by "-")	XVI.5	-58,163,074.42	297,827,242.98
Gains on disposal of assets			
(loss is represented by "-")		440,293,567.05	-19,971,110.25
II. Operating profit (loss is represented by "-")		414,463,857.66	218,544,453.24
Add: Non-operating income		1,669,474.23	
Less: Non-operating expenses		24,229.59	1,053.06
III. Total profit (total loss is represented by "-")		416,109,102.30	218,543,400.18
IV. Net profit (net loss is represented by "-")		416,109,102.30	218,543,400.18
(I) Net profit from continued operation			
(net loss is represented by "-")		416,109,102.30	218,543,400.18
(II) Net profit from discontinued operation			
(net loss is represented by "-")			

Income Statement of the Company

31 December 2022
 Prepared by: Triumph New Energy Company Limited
 Unit: Yuan Currency: RMB

Item	Note	2022	2021
V. Other comprehensive income net of tax			
(I) Other comprehensive income that can not be reclassified to profit and loss			
(II) Other comprehensive income that will be reclassified to profit and loss			
VI. Total comprehensive income		416,109,102.30	218,543,400.18
VII. Earnings per share:			
(I) Basic earnings per share (RMB/share)		<u> </u>	<u> </u>
(II) Diluted earnings per share (RMB/share)		<u> </u>	<u> </u>

Person in charge of the Company:
Xie Jun

Person in charge of accounting:
Li Yang

Person in charge of accounting department:
Li Xuejiao



Consolidated Cash Flow Statement

Item	Note	2022	2021
I. Cash flows from operating activities:			
Cash received from sale of goods or rendering of services		2,560,221,493.35	2,644,226,609.82
Tax refunds received		175,002,704.82	70,991,372.55
Other cash received from activities related to operation	VII.50	210,832,382.02	71,798,067.53
Sub-total of cash inflow from operating activities		2,946,056,580.19	2,787,016,049.90
Cash paid for purchase of goods and rendering of services		2,776,221,225.75	1,816,095,925.07
Cash paid to and on behalf of employees		364,127,033.64	367,557,264.73
Tax payments		124,771,768.35	268,108,018.51
Other cash paid for activities related to operation	VII.50	78,981,784.84	198,940,693.44
Sub-total of cash outflow from operating activities		3,344,101,812.58	2,650,701,901.75
Net cash flow from operating activities		-398,045,232.39	136,314,148.15
II. Cash flow from investment activities:			
Collection of cash received from investments			
Cash received from return of investments			
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		214,128.32	887,503.60
Net cash received from disposal of subsidiaries and other operating entities		591,662,259.58	
Other cash received from activities related to investment	VII.50		6,176,839.68
Sub-total of cash inflow from investment activities		591,876,387.90	7,064,343.28
Cash paid for purchase and construction of fixed assets, intangible assets and other long-term assets		926,028,874.94	1,688,879,719.28
Cash paid for investments			28,767,920.00
Net cash paid for acquisition of subsidiaries and other operating entities		327,666,092.88	
Sub-total of cash outflow from investment activities		1,253,694,967.82	1,717,647,639.28
Net cash flow from investment activities		-661,818,579.92	-1,710,583,296.00

Consolidated Cash Flow Statement

31 December 2022
Prepared by: Triumph New Energy Company Limited
Unit: Yuan Currency: RMB

Item	Note	2022	2021
III. Cash flow from financing activities:			
Cash received from capital contributions			1,983,999,993.34
Including: Proceeds received by subsidiaries from minority shareholders' investment			
Proceeds from loans		2,884,010,942.76	2,595,990,000.00
Other cash received from activities related to financing	VII.50	806,627,932.44	1,732,290,060.77
Sub-total of cash inflow from financing activities		3,690,638,875.20	6,312,280,054.11
Cash paid for repayment of loans		2,089,390,000.00	2,259,873,816.62
Cash payment for distribution of dividends and profits or repayment of interest		121,575,364.51	158,378,487.80
Including: Dividends and profits paid to minority shareholders by subsidiaries		20,536,874.80	40,189,514.01
Other cash paid for activities related to financing	VII.50	897,145,629.77	1,509,408,480.82
Sub-total of cash outflow from financing activities		3,108,110,994.28	3,927,660,785.24
Net cash flow from financing activities		582,527,880.92	2,384,619,268.87
IV. Effects of changes in exchange rate on cash and cash equivalents			
		1,404,511.13	-807,776.94
V. Net increase in cash and cash equivalents			
Add: Opening balance of cash and cash equivalents		-475,931,420.26	809,542,344.08
		961,479,236.37	151,936,892.29
VI. Closing balance of cash and cash equivalents			
		485,547,816.11	961,479,236.37

Person in charge of the Company:

Xie Jun

Person in charge of accounting:

Li Yang

Person in charge of accounting department:

Li Xuejiao



Cash Flow Statement of the Company

Item	Note	2022	2021
I. Cash flows from operating activities:			
Cash received from sale of goods or rendering of services		315,699,206.47	270,294,779.03
Tax refunds received		11,417,001.19	
Other cash received from activities related to operation		65,936,083.29	7,897,529.91
Sub-total of cash inflow from operating activities		393,052,290.95	278,192,308.94
Cash paid for purchase of goods and rendering of services		263,398,766.59	263,381,848.36
Cash paid to and on behalf of employees		17,243,387.75	13,422,841.97
Tax payments		2,624,808.96	11,231,603.40
Other cash paid for activities related to operation		11,698,341.72	20,009,344.64
Sub-total of cash outflow from operating activities		294,965,305.02	308,045,638.37
Net cash flow from operating activities		98,086,985.93	-29,853,329.43
II. Cash flow from investment activities:			
Cash received from disposal of investments		702,827,350.00	
Cash received from returns on investments		117,322,519.57	243,347,245.76
Sub-total of cash inflow from investment activities		820,149,869.57	243,347,245.76
Cash paid for purchase and construction of fixed assets, intangible assets and other long-term assets		745,518.15	42,936,055.00
Cash paid for investment		741,143,520.00	1,962,275,920.00
Sub-total of cash outflow from investment activities		741,889,038.15	2,005,211,975.00
Net cash flow from investment activities		78,260,831.42	-1,761,864,729.24

Cash Flow Statement of the Company

31 December 2022
Prepared by: Triumph New Energy Company Limited
Unit: Yuan Currency: RMB

Item	Note	2022	2021
III. Cash flow from financing activities:			
Cash received from capital contributions			1,983,999,993.34
Proceeds from loans		807,785,360.00	628,990,000.00
Other cash received from activities related to financing		3,950,542,869.46	5,868,130,511.76
Sub-total of cash inflow from financing activities		4,758,328,229.46	8,481,120,505.10
Cash paid for repayment of loans		879,990,000.00	465,521,271.66
Cash payment for distribution of dividends and profits or repayment of interest		31,673,150.89	32,420,185.85
Other cash paid for activities related to financing		3,995,074,393.97	5,997,121,273.17
Sub-total of cash outflow from financing activities		4,906,737,544.86	6,495,062,730.68
Net cash flow from financing activities		-148,409,315.40	1,986,057,774.42
IV. Effects of changes in exchange rate on cash and cash equivalents			
		542.41	-179.19
V. Net increase in cash and cash equivalents			
		27,939,044.36	194,339,536.56
Add: Opening balance of cash and cash equivalents		276,185,683.54	81,846,146.98
VI. Closing balance of cash and cash equivalents			
		304,124,727.90	276,185,683.54

Person in charge of the Company:

Xie Jun

Person in charge of accounting:

Li Yang

Person in charge of accounting department:

Li Xuejiao



Consolidated Statement of Changes in Owners' Equity

Item	Equity attributable to shareholders of the Company														
	Share capital	shares	bonds	Others	Capital reserve	Treasury stock	Less: Other comprehensive income	Special reserve	Surplus reserve	Undistributed profit	Subtotal	Others	Subtotal	Minority interest	Total shareholders' equity
I. Balance at the end of last year	645,674,963.00				3,792,235,992.59				51,365,509.04	-654,467,178.80	3,834,809,285.82	3,834,809,285.82	504,066,363.34	4,338,877,649.16	
II. Balance at the beginning of the year	645,674,963.00				3,792,235,992.59				51,365,509.04	-654,467,178.80	3,834,809,285.82	3,834,809,285.82	504,066,363.34	4,338,877,649.16	
III. Increase/decrease in the period (decrease is represented by "-")															
(I) Total comprehensive income															
(II) Shareholders' contribution and decrease in capital															
1. Others															
(III) Profit distribution															
1. Appropriation to surplus reserve															
2. Appropriation to general risk provisions															
3. Distribution to owners (or shareholders)															
4. Others															
(IV) Internal carry-forward of shareholders' equity															
(V) Special reserve															
1. Amount withdrawn during the period															
2. Amount utilized during the period															
(VI) Others															
IV. Balance at the end of the period	645,674,963.00				3,780,818,962.41				51,365,509.04	-246,428,527.10	4,232,430,907.35	4,232,430,907.35	381,211,357.37	4,613,642,264.72	

Consolidated Statement of Changes in Owners' Equity

31 December 2022
Prepared by: Triumph New Energy Company Limited
Unit: Yuan Currency: RMB

Item	Equity attributable to shareholders of the Company										Total shareholders' equity				
	Share capital	Preferential shares	Perpetual bonds	Others	Capital reserve	Treasury stock	Less: Other comprehensive income	Special reserve	Surplus reserve	General risk reserve		Undistributed profit	Others	Subtotal	Minority interest
I. Balance at the end of last year	548,540,422.00				1,982,394,941.30				51,365,539.04		-955,722,538.53		1,626,576,221.81	163,703,504.63	1,790,279,726.44
Add: Effects of changes in accounting policies															
Effects of correction of prior year errors															
Business combination under common control															
II. Balance at the beginning of the year	548,540,422.00				2,077,843,335.03				51,365,539.04		-910,222,833.83		1,767,526,442.24	312,422,246.10	2,079,948,688.34
III. Increase/decrease in the period (decrease is represented by "-")															
(I) Total comprehensive income					1,714,822,617.55						255,755,636.03		2,072,222,943.58	191,633,117.24	2,263,856,060.82
(II) Shareholders' contribution and decrease in capital	97,134,531.00				1,714,822,617.55								1,811,527,148.55	156,257,533.32	1,967,784,742.37
1. Appropriation to surplus reserve	97,134,531.00				1,866,519,109.01								1,963,653,640.01		1,963,653,640.01
2. Appropriation to general risk provisions															
3. Distribution to owners (or shareholders)															
4. Others					-172,126,801.46								-172,126,801.46	156,257,533.32	-15,868,807.64
(III) Profit distribution															
1. Appropriation to surplus reserve															
2. Appropriation to general risk provisions															
3. Distribution to owners (or shareholders)															
4. Others															
(IV) Internal carry-forward of shareholders' equity															
(V) Special reserve															
1. Amount withdrawn during the period															
2. Amount utilized during the period															
(VI) Others															
IV. Balance at the end of the period	645,674,953.00				3,792,235,952.58				51,365,539.04		-654,467,178.80		3,834,698,265.82	514,088,263.34	4,348,786,529.16

Person in charge of accounting: **Li Xuejiao**

Person in charge of accounting: **Li Yang**

Person in charge of the Company: **Xie Jun**



Statement of Changes in Owners' Equity of the Company

2022

Item	Other equity instruments					Total shareholders' equity					
	Share capital	Preferential shares	Perpetual bonds	Others	Capital reserve		Less: Treasury stock	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profit
I. Balance at the end of last year	645,674,963.00				3,857,589,394.08				51,365,509.04	-1,143,674,461.70	3,410,955,404.42
Add: Effects of changes in accounting policies											
Effects of correction of prior-year errors											
Others											
II. Balance at the beginning of the year	645,674,963.00				3,857,589,394.08				51,365,509.04	-1,143,674,461.70	3,410,955,404.42
III. Increase/decrease in the period (decrease is represented by "-")											
(I) Total comprehensive income											
(II) Shareholders' contribution and decrease in capital											
(III) Profit distribution											
1. Appropriation to surplus reserve											
2. Distribution to owners (or shareholders)											
3. Others											
(IV) Internal carry-forward of shareholders' equity											
(V) Special reserve											
1. Amount withdrawn during the period											
2. Amount utilized during the period											
(VI) Others											
IV. Balance at the end of the period	645,674,963.00				3,857,589,394.08				51,365,509.04	-727,566,359.40	3,827,064,906.72

Statement of Changes in Owners' Equity of the Company

31 December 2022
Prepared by: Triumph New Energy Company Limited
Unit: Yuan Currency: RMB

Item	2021							Total shareholders' equity				
	Share capital	Preferential shares	Perpetual bonds	Others	Capital reserve	Treasury stock	Less: comprehensive income		Other comprehensive income	Special reserve	Surplus reserve	Undistributed profit
I. Balance at the end of last year	548,540,432.00				1,961,847,553.30					51,365,509.04	-1,382,217,861.88	1,199,535,632.46
Add: Effects of changes in accounting policies												
Effects of correction of prior year errors												
Others												
II. Balance at the beginning of the year	548,540,432.00				1,961,847,553.30					51,365,509.04	-1,382,217,861.88	1,199,535,632.46
III. In crease/decrease in the year (decrease is represented by "-")	97,134,531.00				1,895,741,840.78						218,543,400.18	2,211,419,771.96
(I) Total comprehensive income											218,543,400.18	218,543,400.18
(II) Shareholders' contribution and decrease in capital	97,134,531.00				1,895,741,840.78							1,992,876,371.78
1. Ordinary shares contribution from owners	97,134,531.00				1,886,519,109.01							1,983,653,640.01
2. Capital contribution from owners of other equity instruments												
3. Share-based payments credited to owners' equity												
4. Others												
(III) Profit distribution					9,222,731.77							9,222,731.77
1. Appropriation to surplus reserve												
2. Distribution to owners (or shareholders)												
3. Others												
(IV) Internal carry-forward of shareholders' equity												
(V) Special reserve												
1. Amount withdrawn during the period												
2. Amount utilized during the period												
(VI) Others												
IV. Balance at the end of the year	645,674,963.00				3,857,589,394.08					51,365,509.04	-1,143,674,461.70	3,410,955,404.42

Person in charge of the Company:
Xie Jun

Person in charge of accounting:
Li Yang

Person in charge of accounting department:
Li Xuejiao



III. COMPANY PROFILE

1. Company Overview

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

On 15 June 2021, according to the Approval on the Non-public Issuance of Shares of Luoyang Glass Company Limited* (Zheng Jian Xu Ke [2021] No. 2104) (《關於核准洛陽玻璃股份有限公司非公開發行股票的批覆》(證監許可[2021]2104號)) issued by the China Securities Regulatory Commission, the Company issued a total of 97,134,531 ordinary shares, with a par value of RMB1 each, to specific investors namely Ping An Asset Management Co., Ltd. (Investment-linked), Ping An Asset Management Co., Ltd. (Investment -linked), Ping An Asset Management Co., Ltd. (Xin Xiang No. 3), UBS AG, Jinan Jiangshan Investment Partnership (Limited Partnership), Kegai Resource (Chongqing) Private Equity Investment Fund Partnership (Limited Partnership), Guotai Junan Securities Co., Ltd., China Galaxy Securities Co., Ltd., Ningbo Hongyang Investment Management Partnership (Limited Partnership), Luoyang Manufacturing High Quality Development Fund (Limited Partnership), Shanghai Boshen Investment Center (Limited Partnership), Shenzhen Capital Investment Manufacturing Transformation And Upgrading New Material Fund (Limited Partnership), Nuode Fund Management Co., Ltd. and Triumph Technology Group Co., Ltd., and increased registered capital of RMB97,134,531. Following the completion of non-public issuance, the total number of issued ordinary shares of the Company was 645,674,963.

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

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



III. COMPANY PROFILE (CONTINUED)

2. Scope of Consolidated Financial Statements

No.	Name of subsidiaries	Abbreviation
1	CNBM (Hefei) New Energy Co., Ltd.	Hefei New Energy
2	CNBM (Tongcheng) New Energy Materials Co., Ltd.	Tongcheng New Energy
3	CNBM (Yixing) New Energy Resources Co., Ltd.	Yixing New Energy
4	Triumph (Zigong) New Energy Resources Co., Ltd.	Zigong New Energy
5	Kaisheng (Zhangzhou) New Energy Co., Ltd.	Zhangzhou New Energy
6	CNBM (Luoyang) New Energy Co., Ltd.*	Luoyang new energy
7	Qinhuangdao North Glass Co., Ltd.	North Glass

Notes: On 31 January 2022, the Company has completed the disposals of the three companies, including Longmen Glass, Longhai Glass and Bengbu CNBM Information Display; On 31 December 2022, the Company has completed the disposal of Puyang CNBM Photovoltaic Materials.

V. 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 (2014 Amendments) issued by CSRC.

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

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

2. Going concern

As at 31 December 2022, the business operations of the Company were in normal condition with smooth financing channels and its gearing ratio was 56.33%. The current liabilities of the Group exceeded current assets by RMB77,299,257.81, the management of the Company have made estimation that the net cash flow from operating activities within the next 12 months will be positive and the Company is expected to be able to meet its capital needs for repayment of debts and capital commitments by virtue of the daily financial assistance provided to the Company by its controlling shareholder. The management of the Company believes that there is no problem about the Company’s ability to continue operation. Therefore, the Company has prepared the financial statement based on continuing operations.



V. IMPORTANT ACCOUNTING POLICIES AND ESTIMATES

During the Reporting Period, the Company had no specific accounting policies and accounting estimates.

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 2022 and relevant information such as the operating results and cash flows of the consolidated entity and the Company for 2022.

2. Accounting period

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

3. Operating cycle

The operating cycle of the Company is 12 months.

4. Measurement currency

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

5. 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
In the separate financial statements, the initial investment cost is calculated based on the shareholding portion of the assets and liabilities obtained and are measured at the carrying amounts as recorded by the party being merged at the combination date. The difference between the initial investment cost and the sum of the carrying amount of the original investment cost prior to the combination and the carrying amount of consideration paid for the combination is adjusted to the capital reserve, if the capital reserve is not sufficient to absorb the difference, the excess difference shall be adjusted to retained earnings.



V. IMPORTANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

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

(1) *Business combination under common control (Continued)*

In the consolidated financial statements, 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 longterm investment prior to the absorbing party obtaining the control of the party being merged, the recognised profit or loss, comprehensive income and other change of owners' equity at the closer date of the acquisition date and combination date under common control shall separately offset the opening balance of retained earnings and profit or loss during comparative statements.

(2) *Business combination not under common control*

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

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

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

In the separate financial statements, the initial investment cost of the investment is the sum of the carrying amount of the equity investment held by the entity prior to the acquisition date and the additional investment cost at the acquisition date. The disposal accounting policy of other comprehensive income related with equity investment prior to the acquisition date recognised under equity method shall be compliance with the method when the acquiree disposes the related assets or liabilities. Owners' equity due to the changes of other owners' equity other than the changes of net profit, other comprehensive income and profit distribution shall be transferred to profit or loss for current period when disposed of. If the equity investment held by the entity prior to the acquisition date is measured at fair value, the cumulative changes in fair value recognised in other comprehensive income shall be transferred to retained earnings for current period when accounted for using cost method.



V. IMPORTANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

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

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

In the consolidation financial statements, 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.

(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.

6. Preparation method of consolidated financial statements

(1) Scope of consolidation

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

(2) Basis for preparation of the consolidated financial statements

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



V. IMPORTANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

6. Preparation method of consolidated financial statements (Continued)

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

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.

(3) Acquisition of non-controlling interests in subsidiaries

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

(4) Accounting treatment for loss of control over subsidiaries

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

Other comprehensive income related to equity investment in the former subsidiary shall be transferred to current profit or loss at the time when the control is lost, except for other comprehensive income arising from changes in net assets or net liabilities due to remeasurement of defined benefit plan by the investee.



V. IMPORTANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

7. 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.

8. 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)

9. 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.

10. 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)

10. 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 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)

10. 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)

10. 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)

10. 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)

10. 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)

10. 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 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)

10. Financial instruments (Continued)

(6) Impairment of financial assets (Continued)

Measurement of ECLs (Continued)

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

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

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

Notes receivable and accounts receivable

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

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

- A. Notes receivable
 - Notes receivable portfolio 1: Bank acceptances
 - Notes receivable portfolio 2: Commercial acceptances
- B. Accounts receivable
 - Accounts receivable portfolio 1: related party customers (de facto controller and its subsidiaries)
 - Accounts receivable portfolio 2: general customers



V. IMPORTANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

10. Financial instruments (Continued)

(6) Impairment of financial assets (Continued)

Measurement of ECLs (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 prepares a comparison table specifying the aging and the lifetime ECL rates of such receivables 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 calculates ECL using exposure at default (“EAD”) and lifetime ECL rate.

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, deposit
Other receivables portfolio 3:	Consideration for disposal of equity interests
Other receivables portfolio 4:	Transactions outside the scope of consolidation
Other receivables portfolio 5:	general customers
Other receivables portfolio 6:	Social security, reserve

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.

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.



V. IMPORTANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

10. Financial instruments (Continued)

(6) Impairment of financial assets (Continued)

Assessment of significant increase in credit risk (Continued)

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

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

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

Credit-impaired financial assets

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

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



V. IMPORTANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

10. Financial instruments (Continued)

(6) Impairment of financial assets (Continued)

Credit-impaired financial assets (Continued)

- The disappearance of an active market for that financial asset because of financial difficulties of the issuer or debtor.

Presentation of provisions for ECLs

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

Write-offs

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

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

(7) Transfer of financial assets

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

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

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



V. IMPORTANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

10. Financial instruments (Continued)

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

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

11. Notes receivable

Determination and accounting treatment of the ECL of notes receivable:

Details of the determination and accounting treatment of the ECL of notes receivable are set forth in 10. Financial instruments under V. Important Accounting Policies and Estimates.

12. Accounts receivable

Determination and accounting treatment of the ECL of accounts receivable:

Details of the determination and accounting treatment of the ECL of accounts receivable are set forth in 10. Financial instruments under V. Important Accounting Policies and Estimates.

13. Accounts receivable financing

Details of the determination and accounting treatment of the ECL of accounts receivable financing are set forth in 10. Financial instruments under V. Important Accounting Policies and Estimates.

14. Other receivables

Determination and accounting treatment of the ECL of other receivables:

Details of the determination and accounting treatment of the ECL of other receivables are set forth in 10. Financial instruments under V. Important Accounting Policies and Estimates.



V. IMPORTANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

15. Inventories

(1) *Classification*

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

(2) *Measurement for delivered inventories*

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

(3) *Recognition of net realisable value of inventories and provision for inventory impairment*

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

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

(4) *Inventory system*

The Company adopts perpetual inventory system.

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

Low-value consumables are amortised using one-off write-off method. Packaging materials and other revolving materials are amortized using equal-split amortization method.

16. Contract assets

(1) *Recognition and standards of contract assets*

Details of the recognition and standards of contract assets are set forth in 38. Revenue under V. Important Accounting Policies and Estimates.

(2) *Method of determination of expected credit loss of contract assets and accounting treatment*

Details of the method of determination of expected credit loss of contract assets and accounting treatment methods are set forth in 10. Financial instruments under V. Important Accounting Policies and Estimates.



V. IMPORTANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

17. Assets held for sale

(1) Classification and measurement of non-current assets or the disposal group held for sale

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

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

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

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

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

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.



V. IMPORTANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

17. Assets held for sale (Continued)

(1) *Classification and measurement of non-current assets or the disposal group held for sale (Continued)*

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

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

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

(2) *Discontinued operation*

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.



V. IMPORTANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

17. Assets held for sale (Continued)

(3) Presentation

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

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

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

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.

18. Debt investments

(1) Determination basis and accounting treatment of expected credit losses of debt investments

Not Applicable

19. Other Debt Investments

(1) Determination basis and accounting treatment of expected credit losses of other debt investments

Not Applicable



V. IMPORTANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

20. Long-term receivables

(1) *Determination and accounting treatment of the ECL of long-term receivables*

Details of the determination and accounting treatment of the ECL of long-term receivables are set forth in V. Important Accounting Policies and Estimates 10. Financial instruments.

21. 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)

21. 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)

21. 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)

21. 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 17. Assets held for sale 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 in 30. Long-term asset impairment under V. Important Accounting Policies and Estimates.

22. Investment property

(1) *In respect of investment properties measured at cost*

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)

22. Investment property (Continued)

(1) In respect of investment properties measured at cost (Continued)

Details of the method for making impairment provision for the investment property measured at cost subsequently are set forth in 30. 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.

23. 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	30-50	3%-5%	3.23%-1.90%
Machine and equipment	Straight-line method	4-28	3%-5%	24.25%-3.39%
Transportation tools	Straight-line method	6-12	3%-5%	16.17%-7.92%
Others	Straight-line method	4-28	3%-5%	24.25%-3.39%



V. IMPORTANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

23. 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 30. 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.

(3) *The basis, valuation and depreciation method for the fixed assets acquired under financing leases*

Not applicable

24. 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 30. Impairment of long-term assets under V. Important Accounting Policies and Estimates.



V. IMPORTANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

24. Construction in progress (Continued)

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 30. Impairment of long-term assets under V. Important Accounting Policies and Estimates.

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

25. 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)

25. 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.

26. Biological assets

During the reporting period, the Company had no biological assets.

27. Oil and gas assets

During the reporting period, the Company had no oil and gas assets.

28. Right-of-use assets

(1) Recognition conditions of right-of-use assets

The right-of-use assets are defined as the right to use the underlying assets in the lease term for the Company as a lessee.

On the commencement date of the lease term, right-of-use assets are initially measured at cost. The cost includes: the amount of the initial measurement of the lease liability; the lease payment made on or before the commencement date of the lease term, less any lease incentive received if any; the initial direct costs incurred by the lessee; whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, The Company as a lessee recognises and measures the costs of demolition and restoration according to "Accounting Standards for Business Enterprises No.13 – Contingencies", and subsequently adjusts for any remeasurement of lease liability.



V. IMPORTANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

28. Right-of-use assets (Continued)

(2) *Depreciation method of right-of-use assets*

The Company calculates depreciation on a straight-line basis. Right-of-use assets in which the Company as a lessee is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated over the remaining useful life. Otherwise, right-of-use assets are depreciated over the shorter of the lease term and its remaining useful life.

(3) *Methods of impairment testing and provision for impairment for right-of-use assets*

Methods of impairment testing and provision for impairment for right-of-use assets are set forth in 30. Impairment of long-term assets under V. Important Accounting Policies and Estimates.



V. IMPORTANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

29. Intangible assets

(1) Measurement, useful life and impairment test

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

Intangible assets initially measured at cost. The intangible assets contributed by the State shareholders at the reorganization of the Company into a corporation are recognized based on the revaluated amounts as approved by the state-owned assets administration department. The group analyzes and judges the service life of intangible assets when obtained. 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
Land use rights	37-70	straight-line basis
Non-patent right	10	straight-line basis
Patent right	10-20	straight-line basis
Software use rights	3-10	straight-line basis
Trademark rights	10	straight-line basis

V. IMPORTANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

29. Intangible assets (Continued)

(1) *Measurement, useful life and impairment test (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 30. Impairment of long-term assets under V. Important Accounting Policies and Estimates.

(2) *Accounting policy regarding the expenditure on the internal research and development*

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)

29. Intangible assets (Continued)

(2) *Accounting policy regarding the expenditure on the internal research and development (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)

30. 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 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)

31. 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.

32. Contract liabilities

(1) Recognition of contract liabilities

Details of the recognition of contract liabilities are set forth in 38. Revenue under V. Important Accounting Policies and Estimates.

33. 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.

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.



V. IMPORTANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

33. Employees' wages (Continued)

(2) Accounting treatment of off-service welfare (Continued)

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.

(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.



V. IMPORTANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

33. Employees' wages (Continued)

(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.

34. Lease liabilities

Details of lease liabilities are set forth in 42. Lease under V. Important Accounting Policies and Estimates.

35. Estimated liability

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.

36. Share-based payment

Not applicable

37. Preference shares, perpetual bonds and other financial instruments

Not applicable



V. IMPORTANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

38. Revenue

(1) Accounting policies adopted for revenue recognition and measurement

(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)

38. Revenue (Continued)

(1) Accounting policies adopted for revenue recognition and measurement (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 3, 10(6)). 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)

38. Revenue (Continued)

(1) Accounting policies adopted for revenue recognition and measurement (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.

When the Company is required to pay a consideration to the customer while transferring the goods to the customer, the consideration is recognised as a reduction of the sales revenue.

(2) Differences between the accounting policies for revenue recognition due to different business models adopted by similar business

Not applicable

39. 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.



V. IMPORTANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

39. Contract costs (Continued)

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.

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.

The contract performance cost recognised as assets shall be listed in the “inventory” item on the balance sheet, if the amortization period is not exceeding one year or a normal business cycle at initial recognition, and shall be listed in the “other non-current assets” item on the balance sheet, if the amortization period exceeding one year or a normal business cycle at initial recognition.

The costs of obtaining a contract recognised as asset shall be listed in the “other current assets” item on the balance sheet, if the amortization period is not exceeding one year or a normal business cycle at initial recognition, and shall be listed in the “other non-current assets” item on the balance sheet, if the amortization period exceeding one year or a normal business cycle at initial recognition.



V. IMPORTANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

40. Government grants

(1) *Types and accounting treatment of government grants*

The government grants mean the monetary assets or non-monetary assets (but excludes the capital invested by the government as the owner) obtained by the Company from the government for free. If a government grant is in the form of a monetary asset, it is measured at the amount received or receivable. If a government grant is in the form of a non-monetary asset, it is measured at fair value. If the fair value cannot be reliably determined, it is measured at the nominal amount.

The government grants related to the Company's daily activities shall be included in other income according to the nature of the business; and the government grants unrelated to the Company's daily activities shall be included in non-operating income.

The government grants which are clearly defined in the government documents to be used for acquisition, construction or other project that forms a long-term asset are recognized as asset related government grants. Regarding the government grant not clearly defined in the official documents and can form long-term assets, the part of government grant which can be referred to the value of the assets is classified as government grant related to assets and the remaining part is government grant related to income. For the government grant that is difficult to distinguish, the entire government grant is classified as government grant related to income. Any government grants related to assets are recognized as deferred income, the amount of which shall be recorded in the current profit or loss in installments with a reasonable and systematic method over the useful lives of relevant assets.

The government grants other than those related to assets are recognized as government grants related to income. The income-related government grants used to compensate relevant expenses or losses to be incurred by the enterprise in subsequent periods are recognized as deferred income and recorded in profit and loss for the period when such expenses are recognized while those used to compensate relevant expenses or losses that have been incurred by the enterprise are recorded directly in profit or loss for the period.

Where the Company obtains an interest subsidy for policy-related preferential loans, the government either appropriates an interest subsidy to the lending bank, allowing the latter to provide loans at a preferential interest rate to the Company who shall recognize the loan amount received as the book-entry value of such loans, and calculate the relevant loan expenses according to the loan principal and the preferential interest rate; or the government directly appropriates an interest subsidy to the Company who shall use the interest subsidy to offset relevant loan expenses.



V. IMPORTANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

40. Government grants (Continued)

(2) Timing for recognition of government grants

A government grant is recognized when there is reasonable assurance that the grant will be received and that the conditions attaching to the grant will be satisfied. The government grants calculated in accordance with the amount receivable will be acknowledged when there is unambiguous evidence suggesting the conformance to related conditions as provided in financial support policies and financial support fund is expected to be received. Other government grants other than that counted in accordance with the amount receivable will be acknowledged at the actual time of receiving the grants.

41. Deferred tax assets/deferred 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 tax related to transactions or events that are directly recognised in owners' equity which are recognised in owners' equity, and deferred 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;
- (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;



V. IMPORTANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

41. Deferred tax assets/deferred tax liabilities (Continued)

- (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 tax asset to be utilised, the book value of the deferred tax asset is reduced. Any such reduction in amount is reversed when it becomes probable that sufficient taxable profits will be available.

42. Lease

(1) Accounting treatment for lease under operating

N/A

(2) Accounting treatment for lease under financing

N/A

(3) Determination and accounting treatment of lease under the New Lease Standards

(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 in 28. Right of use assets under V. Important Accounting Policies and Estimates.



V. IMPORTANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

42. Lease (Continued)

(3) *Determination and accounting treatment of lease under the New Lease Standards (Continued)*

(2) *The Company as lessee (Continued)*

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.

Short-term lease

Short-term leases refer to leases with a lease term of less than 12 months from the commencement date, except for those with a purchase option.

Lease payments on short-term leases are recognised in the cost of related assets or current profit or loss on a straight-line basis over the lease term.

Low-value asset lease

A low-value asset lease is a lease that the value of a single leased asset is below RMB40,000 when it is a new asset.

Lease payments on low-value asset leases are recognised on a straight-line basis over the lease term, and either included in the cost of the related asset or charged to profit or loss for the current period.

For a low-value asset lease, the Company chooses the above simplified approach based on the specific circumstances of each lease.

Lease modification

The Company accounts for a lease modification as a separate lease when the modification occurs and the following conditions are met: ① the lease modification expands the scope of lease by adding the right to use one or more of the leased assets; and ② the increase in consideration is equivalent to the separate price for the expanded scope of lease adjusted for that contractual situation.



V. IMPORTANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

42. Lease (Continued)

(3) *Determination and accounting treatment of lease under the New Lease Standards (Continued)*

(2) *The Company as lessee (Continued)*

Lease modification (Continued)

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.

(3) *The Company as lessor*

When the Company is a lessor, a lease is classified as a finance lease whenever the terms of the lease transfer substantially all the risks and rewards of asset ownership to the lessee. All leases other than financial leases are classified as operating leases.

Finance leases

Under finance leases, the Company accounts for finance lease receivables at the beginning of the lease term at the net lease investment, which is the sum of the unsecured residual value and the present value of the lease receipts outstanding at the commencement date of the lease, discounted at the interest rate implicit in the lease. The Company as lessor calculates and recognises interest income for each period of the lease term based on a fixed periodic interest rate. Variable lease payments acquired by the Company as lessor that are not included in the net measurement of lease investments are included in profit or loss for the period when they are actually incurred.

Derecognition and impairment of finance lease receivables are accounted for in accordance with the requirements under the Accounting Standard for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments and the Accounting Standards for Business Enterprises No. 23 – Transfer of Financial Assets.



V. IMPORTANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

42. Lease (Continued)

(3) *Determination and accounting treatment of lease under the New Lease Standards (Continued)*

(3) *The Company as lessor (Continued)*

Operating lease

Lease payments under operating leases are recognised in profit or loss on a straight-line basis over the lease term. Initial direct costs incurred in relation to operating leases are capitalised and amortised over the lease term on the same basis as rental income and recognised in profit or loss for the current period. The variable lease payments obtained in relation to operating leases that are not included in the lease payments are recognised in profit or loss in the period in which they actually incurred.

Lease modification

The Company accounts for a modification in an operating lease as a new lease from the effective date of the modification and the amount of lease receipts received in advance or receivable in respect of the lease prior to the modification is treated as a receipt under the new lease.

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.



V. IMPORTANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

43. Other significant accounting policies and accounting estimates

The Company shall make judgments, estimates and assumptions on the carrying value of items in the statements which cannot be accurately measured in the application of the accounting policies described in Note V. Such judgments, estimates and assumptions are made based on the historical experience of the management of the Company after taking into account other relevant factors and the actual results may be different from the estimates of the Company. Key assumptions and uncertainties in the accounting estimates of the Company which is likely to result in significant adjustments to the carrying value of the assets and liabilities in the future periods are as follows:

(1) *Expected credit loss of accounts receivables*

As described in Note V.10. Financial instruments, the Company calculates the expected credit loss of accounts receivables based on the default exposure and the expected credit loss ratio of accounts receivables and determines the expected credit loss ratio based on the possibility of default and the default loss ratio. In determining the expected credit loss ratio, the Company uses the internal historical credit loss experience and other data and makes adjustments to the historical data based on the current conditions and forward-looking information. The indicators used by the Company in considering the forward-looking information include the risks on economic decline the external market environment, the industry risks and the changes in the customers.

(2) *Inventory impairment provisions*

As described in Note V.15. 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.23. 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)

43. Other significant accounting policies and accounting estimates (Continued)

(4) Impairment of fixed assets

The management of the Company assessed whether the fixed assets had been impaired as at the balance sheet date. The recoverable amount is the higher of the present value of expected future cash flow of fixed assets and the net amount derived from deducting the disposal fee from the fair value, which is estimated based on the best information available to reflect the amount (after deducting the costs to disposal) that is obtainable from the disposal of the fixed asset in an arm's length transaction by knowledgeable willing parties as at each of the balance sheet date, or cash generated from continuously using the fixed assets. Such estimates may be subject to adjustment when conducting each of impairment test. If the re-estimated recoverable amount is higher than the original estimate by the management of the Company, the Company shall not reverse the provision for impairment loss of the fixed assets that has been made.

(5) Deferred tax assets

As described in Note V.41. Deferred tax assets/deferred tax liabilities, the realization of deferred 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 tax assets shall be reversed, and be recognized in combined income statement for the period in which the reversal occurred.

44. Changes in significant accounting policies and accounting estimates

(1) Changes in significant accounting policies

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

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

The Interpretation No. 15 stipulates that for products or byproducts produced by an enterprise before the fixed assets reach the expected conditions for use or in the course of R&D for external sale (the "Trial Operation Sales"), it shall conduct accounting treatment separately in accordance with the provisions of Accounting Standards for Business Enterprises No. 14 – Revenue, Accounting Standards for Business Enterprises No. 1 – Inventories, etc.

The Interpretation No. 15 stipulates that when judging a loss-making contract, the cost of performing the contract shall include the incremental cost of performing the contract and the apportioned amount of other costs directly related to the performance of the contract. Among which, incremental costs of performing that contract include direct labour and materials among others; the apportioned amount of other costs that relate directly to performing the contract includes the apportioned amount of the depreciation charge for fixed assets used in performing that contract among others.

V. IMPORTANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

44. Changes in significant accounting policies and accounting estimates (Continued)

(1) Changes in significant accounting policies (Continued)

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

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

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

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

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

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

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



V. IMPORTANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

44. Changes in significant accounting policies and accounting estimates (Continued)

(1) Changes in significant accounting policies (Continued)

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

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

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

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

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

(2) Changes in accounting estimates

N/A

(3) Adjustment to financial statements at the beginning of the year since 2022 due to application of new accounting standards or interpretations of accounting standards for the first time

N/A



VI. TAXES**1. Major categories of taxes and tax rates**

Category	Tax basis	Tax rate
Value added tax	Taxable income	6%, 9%, 13%
City maintenance and construction tax	Turnover tax payable	5%, 7%
Enterprise income tax	Income tax payable	25%
Educational surcharges	Turnover tax payable	2%, 3%

Companies subject to different income tax rates are disclosed as follows

Name of entity paying taxes	Income tax rate (%)
CLFG Longhai Electronic Glass Co., Ltd.	15
Bengbu CNBM Information Display Material Co., Ltd.	15
CNBM (Puyang) Photoelectric Material Co., Ltd.	15
CNBM (Hefei) New Energy Co., Ltd.	15
CNBM (Tongcheng) New Energy Materials Co., Ltd.	15
CNBM (Yixing) New Energy Resources Co., Ltd.	15
Kaisheng (Zigong) New Energy Co., Ltd.	15

2. Preferential tax treatment

Hefei New Energy, a wholly-owned subsidiary of the Company, has been approved as a high-tech enterprise in September 2019 with a term of 3 years. In October 2022, it was again recognized as a high-tech enterprise with a term of 3 years. The high-tech enterprise certificate number is GR202234003835 and paid corporate income tax at a reduced rate of 15% in 2022.

Tongcheng New Energy, a wholly-owned subsidiary of the Company, has been approved as a high-tech enterprise in August 2020 with a term of 3 years. The high-tech enterprise certificate number is GR202034001069 and paid corporate income tax at a reduced rate of 15% in 2022.

Yixing New Energy, a controlling subsidiary of the Company, has been approved as a high-tech enterprise in November 2019 with a term of 3 years. In October 2022, it was again recognized as a high-tech enterprise with a term of 3 years. The high-tech enterprise certificate number is GR202232000762 and paid corporate income tax at a reduced rate of 15% in 2022.

Zigong New Energy, a wholly-owned subsidiary of the Company, Pursuant to the "Announcement on the Continuation of the Corporate Income Tax Policy for Western Development" (the Ministry of Finance [2020] No. 23) jointly issued by the Ministry of Finance, the State Taxation Administration and the National Development and Reform Commission, from 1 January 2021 to 31 December 2030, enterprise income tax imposed upon any enterprises established in western regions which are engaging in the encouraged industries shall be subject to a reduced rate at 15%. Zigong New Energy, a controlling subsidiary of the Company, fulfilled the above conditions, and shall be subject to a reduced corporate income tax rate at 15%.

Longhai Company was approved as a high-tech enterprise in December 2019 and Bengbu CNBM Information Display Materials in September 2019, paid corporate income tax at the rate of 15%, and completed the disposal on 31 January 2022; Puyang CNBM Photovoltaic Materials was approved as a high-tech enterprise in December 2021, paid enterprise income tax at the rate of 15%, and completed the disposal on 31 December 2022.



VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

1. Monetary funds

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Cash on hand	5,630.11	39,663.87
Deposits at banks	485,542,186.00	961,439,572.50
Other monetary funds	203,474,506.33	155,092,344.62
Total	689,022,322.44	1,116,571,580.99
Including: Amount deposited abroad	0	0
Amount deposited to finance company	357,141,222.11	86,448,335.85

Other explanation

At the end of the period, our Company had restricted funds of RMB203,474,506.33. Of which, the deposit of bank acceptance bill is RMB195,364,681.55, the security deposit for letter of credit is RMB3,368,000.00, the maintenance fund is RMB4,740,324.78, and the ETC deposit is RMB1,500.00.

2. Notes receivable

(1) Notes receivable by category

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Commercial acceptances	616,648,224.23	209,183,174.11
Less: provision for bad debts	9,003,064.08	4,183,663.49
	4,183,663.49	2,090,640.69
Total	607,645,160.15	204,999,510.62

Notes to the Financial Statements

31 December 2022
Prepared by: Luoyang Glass Company Limited*
Unit: Yuan Currency: RMB

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

2. Notes receivable (Continued)

(2) Notes receivable pledged as at the end of the period

Unit: Yuan Currency: RMB

Item	Amount pledged as at the end of the period
Bank acceptances	
Commercial acceptances	35,898,640.61
Total	<u>35,898,640.61</u>

(3) Notes receivable which were endorsed and discounted by the Company at the end of the period but were not due as of the date of the balance sheet

Unit: Yuan Currency: RMB

Item	Derecognized amount at the end of the period	Not-yet derecognized amount at the end of the period
Banks' acceptances		
Commercial acceptances		54,341,385.08
Total		<u>54,341,385.08</u>



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

2. Notes receivable (Continued)

(4) Classified disclosure by the method of bad debt provision

Unit: Yuan Currency: RMB

Category	Balance at the end of the period					Balance at the end of the period				
	Opening balance		Carrying amount			Opening balance		Carrying amount		
	Amount	Ratio (%)	Amount	Provision ratio (%)	Book value	Amount	Ratio (%)	Amount	Provision ratio (%)	Book value
Bad debt provision on group basis	616,648,224.23	100.00	9,003,064.08	1.46	607,645,160.15	209,183,174.11	100.00	4,183,663.49	2.00	204,999,510.62
Including:										
Commercial acceptances	616,648,224.23	100.00	9,003,064.08	1.46	607,645,160.15	209,183,174.11	100.00	4,183,663.49	2.00	204,999,510.62
Bank acceptances										
Total	616,648,224.23	/	9,003,064.08	/	607,645,160.15	209,183,174.11	/	4,183,663.49	/	204,999,510.62



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

2. Notes receivable (Continued)

(4) Classified disclosure by the method of bad debt provision (Continued)

Provision for bad debts on individual basis:

N/A

Provision for bad debts on group basis:

Provision on group basis: commercial acceptance bills

Unit: Yuan Currency: RMB

Name	Balance at the end of the period			Balance at the end of last year		
	Accounts receivable	Provision for bad debts	Provision ratio (%)	Accounts receivable	Provision for bad debts	Provision ratio (%)
Commercial acceptances	616,648,224.23	9,003,064.08	1.46	209,183,174.11	4,183,663.49	2.00
Total	616,648,224.23	9,003,064.08	1.46	209,183,174.11	4,183,663.49	2.00

(5) Provision for bad debts

Unit: Yuan Currency: RMB

Category	Balance at the beginning of the period	Increase in merger and acquisition of subsidiaries	Increase/decrease for the period			Balance at the end of the period
			Provision	Recovery or reversal	Decrease in disposal of subsidiaries	
Commercial acceptances	4,183,663.49	2,175,650.39	4,486,293.49		1,842,543.29	9,003,064.08
Total	4,183,663.49	2,175,650.39	4,486,293.49		1,842,543.29	9,003,064.08

(6) Actual write-off of notes receivable during the period

N/A



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

3. Receivables

(1) Disclosure by aging

Aging analysis of accounts receivables by date of entry is as follows:

Unit: Yuan Currency: RMB

Aging	Carrying amount at the end of the period	Ratio (%)	Carrying amount at the end of last year	Ratio (%)
Within 1 year	981,932,220.54	90.78	425,260,917.50	76.96
1 to 2 years	12,643,082.28	1.17	33,223,135.32	6.01
2 to 3 years	3,491,423.40	0.32	11,291,882.09	2.04
3 to 4 years	10,353,157.23	0.96	14,885,060.83	2.69
4 to 5 years	14,846,358.31	1.37	10,947,806.15	1.98
Over 5 years	58,436,968.36	5.40	57,041,522.16	10.32
Total	1,081,703,210.12	100.00	552,650,324.05	100.00



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Prepared by: Luoyang Glass Company Limited*
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VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

3. Receivables (Continued)

(2) Classified disclosure by the method of bad debt provision

Unit: Yuan Currency: RMB

Category	Closing balance					Opening balance				
	Carrying amount		Provision for bad debts			Carrying amount		Provision for bad debts		
	Amount	Ratio (%)	Provision		Book value	Amount	Ratio (%)	Provision		Book value
			Amount	ratio (%)				Amount	ratio (%)	
Bad debt provision on individual basis	29,852,273.26	2.76	29,852,273.26	100.00	0.00	37,638,867.61	6.81	37,638,867.61	100.00	0.00
Bad debt provision on group basis	1,051,850,936.86	97.24	70,739,650.84	6.73	981,111,286.02	515,011,456.44	93.19	76,506,734.96	14.86	438,504,721.48
Including:										
Related party customers	117,823,713.04	10.89	2,356,474.28	2.00	115,467,238.76	76,323,227.99	13.81	1,526,464.56	2.00	74,796,763.43
General customers	934,027,223.82	86.35	68,383,176.56	7.32	865,644,047.26	438,688,228.45	79.38	74,980,270.40	17.09	363,707,958.05
Total	1,081,703,210.12	/	100,591,924.10	/	981,111,286.02	552,650,324.05	/	114,145,602.57	/	438,504,721.48

Bad debt provision on individual basis:

Unit: Yuan Currency: RMB

Name	Carrying amount	Closing balance		Reason for provision
		Provision for bad debts	Provision ratio (%)	
Entity 1	14,524,097.75	14,524,097.75	100.00	Expected to be unrecoverable
Entity 2	6,597,406.25	6,597,406.25	100.00	Expected to be unrecoverable
Entity 3	3,721,086.44	3,721,086.44	100.00	Expected to be unrecoverable
Entity 4	2,003,735.65	2,003,735.65	100.00	Expected to be unrecoverable
Other Entities	3,005,947.17	3,005,947.17	100.00	Expected to be unrecoverable
Total	29,852,273.26	29,852,273.26	100.00	/



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

3. Receivables (Continued)

(2) Classified disclosure by the method of bad debt provision (Continued)

Bad debt provision on individual basis: (continued)

Unit: Yuan Currency: RMB

Name	Carrying amount	Balance at the end of last year		Reason for provision
		Provision for bad debts	Provision ratio (%)	
Entity 1	14,524,097.75	14,524,097.75	100.00	Expected to be irrecoverable
Entity 2	6,597,406.25	6,597,406.25	100.00	Expected to be irrecoverable
Entity 3	6,013,529.96	6,013,529.96	100.00	Expected to be irrecoverable
Entity 4	3,879,480.81	3,879,480.81	100.00	Expected to be irrecoverable
Entity 5	2,003,735.65	2,003,735.65	100.00	Expected to be irrecoverable
Entity 6	1,705,635.40	1,705,635.40	100.00	Expected to be irrecoverable
Other Entities	2,914,981.79	2,914,981.79	100.00	Expected to be irrecoverable
Total	37,638,867.61	37,638,867.61	100.00	/



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Prepared by: Luoyang Glass Company Limited*
Unit: Yuan Currency: RMB

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

3. Receivables (Continued)

(2) Classified disclosure by the method of bad debt provision (Continued)

Description of Provision for bad debts on individual basis:

N/A

Provision for bad debts on group basis:

Provision on group basis: related party customers

Unit: Yuan Currency: RMB

Name	Closing balance			Balance at the end of last year		
	Accounts receivable	Provision for bad debts	Provision ratio (%)	Accounts receivable	Provision for bad debts	Provision ratio (%)
Related party customers	117,823,713.04	2,356,474.28	2.00	76,323,227.99	1,526,464.56	2.00
Total	117,823,713.04	2,356,474.28	2.00	76,323,227.99	1,526,464.56	2.00

Provision on group basis: general customers

Unit: Yuan Currency: RMB

Name	Closing balance			Opening balance		
	Accounts receivable	Provision for bad debts	Provision ratio (%)	Accounts receivable	Provision for bad debts	Provision ratio (%)
Within 1 year	877,156,406.35	12,806,483.50	1.46	354,967,182.52	7,099,343.65	2.00
1 to 2 years	147,646.94	58,409.10	39.56	27,186,520.12	11,539,662.76	42.45
2 to 3 years	3,115,506.20	2,193,627.92	70.41	1,971,648.82	1,778,387.00	90.20
3 to 4 years	1,191,318.33	939,235.38	78.84	683,906.24	683,906.24	100.00
4 to 5 years	355,463.72	324,538.38	91.30	3,015.74	3,015.74	100.00
Over 5 years	52,060,882.28	52,060,882.28	100.00	53,875,955.01	53,875,955.01	100.00
Total	934,027,223.82	68,383,176.56	7.32	438,688,228.45	74,980,270.40	17.09



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

3. Receivables (Continued)

(3) Provision for bad debts

Unit: Yuan Currency: RMB

Category	Opening balance	Provision	Increase/decrease for the period				Other changes	Closing balance
			Increase in merger and acquisition of subsidiaries	Recovery or reversal	Decrease in disposal of subsidiaries	Write off or cancellation		
Provision for bad debts	114,145,602.57	-2,340,609.93	7,186,752.26		4,901,999.38	13,497,821.42		100,591,924.10
Total	114,145,602.57	-2,340,609.93	7,186,752.26		4,901,999.38	13,497,821.42		100,591,924.10

(4) Accounts receivable written off during the period

Unit: Yuan Currency: RMB

Item	Amount written off
Accounts receivable actually written off	13,497,821.42



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Unit: Yuan Currency: RMB

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

3. Receivables (Continued)

(4) Accounts receivable written off during the period (Continued)

Writing-off of important accounts receivable

Unit: Yuan Currency: RMB

Unit name	Nature of accounts receivable	Write-off amount	Reason for write-off	Underwriting procedures performed	Whether the amount arises from a related transaction
Unit 1	Current account	6,013,529.96	Unrecoverable	Consideration by the Board of Directors	No
Unit 2	Current account	1,949,728.48	Unrecoverable	Consideration by the Board of Directors	No
Unit 3	Current account	1,705,635.40	Unrecoverable	Consideration by the Board of Directors	No
Unit 4	Current account	1,206,698.89	Unrecoverable	Consideration by the Board of Directors	No
Unit 5	Current account	1,000,430.49	Unrecoverable	Consideration by the Board of Directors	No
Unit 6	Current account	681,148.03	Unrecoverable	Consideration by the Board of Directors	No
Unit 7	Current account	550,489.00	Unrecoverable	Consideration by the Board of Directors	No
Unit 8	Current account	202,366.50	Unrecoverable	Consideration by the Board of Directors	No
Unit 9	Current account	186,078.36	Unrecoverable	Consideration by the Board of Directors	No
Unit 10	Current account	1,716.31	Unrecoverable	Consideration by the Board of Directors	No
Total	/	13,497,821.42	/	/	/



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

3. Receivables (Continued)

(5) *Top five accounts receivable by ending balance of debtors*

Unit: Yuan Currency: RMB

Name	Closing balance	Proportion in the total amount of accounts receivable at the end of the period (%)	Balance of provision for bad debts at the end of the period
First place	111,808,777.34	10.34	1,632,408.15
Second place	70,367,542.12	6.51	1,027,366.11
Third place	56,736,483.81	5.25	883,696.84
Fourth place	50,814,008.74	4.70	741,884.53
Fifth place	48,473,401.14	4.47	707,711.66
Total	338,200,213.15	31.27	4,993,067.29

(6) *Accounts receivable derecognized due to the transfer of financial assets*

N/A

(7) *Amount of assets or liabilities resulting from transferring of accounts receivable and continuing involvement*

N/A



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Unit: Yuan Currency: RMB

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

4. Accounts receivable financing

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Notes receivable	754,316,996.75	369,857,635.69
Less: Other comprehensive income – changes in fair value		
Total	754,316,996.75	369,857,635.69

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

Category	Derecognized amount at the end of the period	Not-yet derecognized amount at the end of the period
Bank acceptance bills	1,473,591,016.46	538,431,704.10



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

5. Prepayments

(1) Aging analysis of prepayments

The aging analysis of prepayments based on their recording dates is as follows:

Unit: Yuan Currency: RMB

Aging	Closing balance		Opening balance	
	Amount	Ratio (%)	Amount	Ratio (%)
Within 1 year	162,136,656.11	91.96	122,671,594.66	96.25
1 to 2 years	12,343,995.31	7.00	4,780,524.34	3.75
2 to 3 years	1,828,188.41	1.04		
Over 3 years	667.26	0.00		
Total	176,309,507.09	100.00	127,452,119.00	100.00

(2) Top five largest prepayments at the end of the period by the balance collected regarding the party paying prepayments

Name	Closing balance	Proportion in the total amount of prepayments at the end of the period (%)
First place	64,394,838.85	36.52
Second place	46,059,003.55	26.12
Third place	12,188,821.51	6.91
Fourth place	8,505,876.75	4.82
Fifth place	5,515,092.32	3.13
Total	136,663,632.98	77.50

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Prepared by: Luoyang Glass Company Limited*
Unit: Yuan Currency: RMB

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

6. Other receivables

Presentation by item

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Other receivables	141,321,619.91	83,226,559.00
Less: Provision for bad debts	34,659,989.93	48,172,516.45
Total	106,661,629.98	35,054,042.55

Other receivables

(1) Disclosure by aging

The aging analysis of other receivables by date of entry is as follows:

Unit: Yuan Currency: RMB

Age	Carrying amount at the end of the period	Ratio (%)	Carrying amount at the end of last year	Ratio (%)
Within 1 year	91,282,746.51	64.60	20,778,480.05	24.96
1 to 2 years	8,810,449.74	6.23	7,281,386.09	8.75
2 to 3 years	5,753,365.66	4.07	2,479,966.27	2.98
3 to 4 years	1,470,204.51	1.04	295,626.75	0.36
4 to 5 years	211,720.56	0.15	4,531,864.10	5.45
Over 5 years	33,793,132.93	23.91	47,859,235.74	57.50
Total	141,321,619.91	100.00	83,226,559.00	100.00



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

6. Other receivables (Continued)

Other receivables (Continued)

(2) Other receivables by nature of amount

Unit: Yuan Currency: RMB

Nature of amount	Carrying amount at the end of the period	Carrying amount at the beginning of the period
Photovoltaic subsidies	11,048,707.29	10,420,220.69
Reserve, security deposit, deposit	7,341,352.51	19,959,447.74
Consideration for disposal of equity interests	79,878,250.00	
Current accounts	43,053,310.11	52,846,890.57
Less: Provision for bad debts	34,659,989.93	48,172,516.45
Total	106,661,629.98	35,054,042.55

(3) Provision for bad debts

Unit: Yuan Currency: RMB

Provision for bad debts	Stage 1 Next 12-month ECL	Stage 2 Lifetime ECL (non-credit- impaired)	Stage 3 Lifetime ECL (credit-impaired)	Total
Balance as at 1 January 2022	1,697,067.02		46,475,449.43	48,172,516.45
Balance as at 1 January 2022 in the current period				
-Transferred to stage 2	-1,508,677.27	1,508,677.27		
-Transferred to stage 3				
-Reversed to stage 2				
-Reversed to stage 1				
Provision for the period	213,517.09	-14,833.57	288,018.97	486,702.49
Reversal for the period				
Write-off for the period				
Cancellation for the period				
Other changes	-167,713.15	518,250.95	-14,349,766.81	-13,999,229.01
Balance as at 31 December 2022	234,193.69	2,012,094.65	32,413,701.59	34,659,989.93

Notes to the Financial Statements

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

6. Other receivables (Continued)

(3) Provision for bad debts (Continued)

At the End of the Period, the provision for bad debt in Step 1 was as follows:

Category	Book balance	Expected credit loss rate over the next 12 months	Provision for bad debt	Book value (%)	Reason
Provision for bad debt on individual basis					
Provision for bad debt on group basis	91,282,746.51	0.26	234,193.69	91,048,552.82	
Group 1: Photovoltaic subsidies basis	3,866,283.41	3.00	115,988.50	3,750,294.91	
Group 2: Security deposit, deposit	136,826.00	2.00	2,736.52	134,089.48	
Group 3: Consideration for disposal of equity interests	79,878,250.00	0.00		79,878,250.00	
Group 4: Transactions outside the scope of consolidation	4,469,688.88	2.00	89,393.77	4,380,295.11	
Group 5: General customers	1,303,745.14	2.00	26,074.90	1,277,670.24	
Group 6: Social security and reserve	1,627,953.08	0.00		1,627,953.08	
Total	<u>91,282,746.51</u>	<u>0.26</u>	<u>234,193.69</u>	<u>91,048,552.82</u>	



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

6. Other receivables (Continued)

(3) Provision for bad debts (Continued)

At the End of the Period, the provision for bad debt in Step 2 was as follows:

Category	Book balance	Expected credit loss rate over the lifetime	Provision for bad debt	Book value (%)	Reason
Provision for bad debt on individual basis					
Remittances outstanding and temporary deposit-temporary deposit	168,119.00	100.00	168,119.00		Expected to be unrecoverable
Provision for bad debt on group basis	16,077,621.47	11.47	1,843,975.65	14,233,645.82	
Group 1: Photovoltaic subsidies basis	7,182,423.88	3.00	215,472.72	6,966,951.16	
Group 2: Security deposit, deposit	5,411,688.00	2.00	108,233.76	5,303,454.24	
Group 3: Consideration for disposal of equity interests					
Group 4: Transactions outside the scope of consolidation					
Group 5: General customers	3,380,923.73	44.97	1,520,269.17	1,860,654.56	
Group 6: Social security and reserve	102,585.86			102,585.86	
Total	16,245,740.47	12.39	2,012,094.65	14,233,645.82	



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Unit: Yuan Currency: RMB

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

6. Other receivables (Continued)

(3) Provision for bad debts (Continued)

At the End of the Period, the provision for bad debt in Step 3 was as follows:

Category	Book balance	Expected credit loss rate over the lifetime	Provision for bad debt	Book value (%)	Reason
Provision for bad debt on individual basis					
Unit 1	330,000.00	100.00	330,000.00		Expected to be unrecoverable
Provision for bad debt on group basis	33,463,132.93	95.88	32,083,701.59	1,379,431.34	
Group 1: Photovoltaic subsidies basis					
Group 2: Security deposit, deposit	1,407,583.00	2.00	28,151.66	1,379,431.34	
Group 3: Consideration for disposal of equity interests					
Group 4: Transactions outside the scope of consolidation					
Group 5: General customers	31,964,658.02	100.00	31,964,658.02	1,860,654.56	
Group 6: Social security and reserve	90,891.91	100.00	90,891.91	102,585.86	
Total	33,793,132.93	95.92	32,413,701.59	1,379,431.34	



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

6. Other receivables (Continued)

(4) Provision for bad debts

Unit: Yuan Currency: RMB

Category	Opening balance	Provision	Increase/decrease for the period			Write-off or cancellation	Other changes	31 December 2021
			Increase in merger and acquisition of subsidiaries	Recovery or reversal	Decrease in disposal of subsidiaries			
Provision for bad debts	48,172,516.45	486,702.49	517,820.81		14,517,049.82			34,659,989.93
Total	48,172,516.45	486,702.49	517,820.81		14,517,049.82			34,659,989.93

(5) Other receivables actually written off in the current period

N/A



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Unit: Yuan Currency: RMB

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

6. Other receivables (Continued)

(6) *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	Nature of amount	Closing balance	Aging	Proportion in total balance of other receivables at the end of the period (%)	Balance of provision for bad debts at the end of the period
First place	Consideration for disposal of equity interests	79,878,250.00	Within 1 year	56.52	
Second place	Current accounts	10,808,704.00	Over 5 years	7.65	10,808,704.00
Third place	Photovoltaic subsidies basis	7,596,638.55	1 to 3 years	5.38	227,899.16
Fourth place	Security deposit	4,867,567.00	1 to 2 year and over 5 years	3.44	97,351.34
Fifth place	Current accounts	4,600,000.00	Over 5 years	3.25	4,600,000.00
Total	/	107,751,159.55	/	76.24	15,733,954.50

(7) *Receivables related to government grants*

Unit: Yuan Currency: RMB

Name	Name of government grants	Closing balance	Closing age	Expected time, amount and basis of collection
Unit 1	Photovoltaic subsidies	7,596,638.55	1 to 3 years	Fa Gai Jia Ge [2013] No. 1638
Unit 2	Photovoltaic subsidies	1,613,237.99	1 to 2 years	He Zheng [2016] No. 93
Unit 3	Photovoltaic subsidies	1,838,830.75	1 to 5 years	He Zheng [2016] No. 93



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	performance cost	Book value	Book balance	performance cost	Book value
Raw materials	310,868,480.16	17,948.72	310,850,531.44	279,554,946.97		279,554,946.97
Products in process				9,567,002.84		9,567,002.84
Commodity inventories	412,499,431.27	31,040,453.58	381,458,977.69	421,680,337.55	32,613,041.39	389,067,296.16
Circulation materials	237,599.05		237,599.05	2,630,903.80		2,630,903.80
Consumable biological assets	8,003.43		8,003.43	8,003.43		8,003.43
Contract performance costs						
Consigned processing materials				8,003.43		8,003.43
products delivered	2,961,089.44		2,961,089.44	5,333,076.51		5,333,076.51
Total	726,566,599.92	31,058,402.30	695,508,197.62	718,774,271.10	32,613,041.39	686,161,229.71

(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	Others	Reversal or write off	Others	
Raw materials			17,948.72			17,948.72
Commodity inventories	32,613,041.39	6,550,215.02		6,279,032.02	1,843,770.81	31,040,453.58
Total	32,613,041.39	6,550,215.02	17,948.72	6,279,032.02	1,843,770.81	31,058,402.30

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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 tax to be deducted	54,363,236.96	175,576,362.80
Deferred expenses	1,040,209.35	6,990,969.41
Taxes paid in advance	3,885,819.09	7,467,266.94
Total	59,289,265.40	190,034,599.15

9. Long-term receivables

(1) Long-term receivables

Unit: Yuan Currency: RMB

Item	Closing balance			Opening balance			Range of discount rate
	Book balance	Provision for bad debt	Book value	Book balance	Provision for bad debt	Book value	
Receivables from disposal of equity interest				55,000,000.00		55,000,000.00	
Total				55,000,000.00		55,000,000.00	/

The receivables from disposal of equity interest are the unreceived amount due to the transfer of equity by the Company in 2013. As agreed under the equity transfer agreement, it will be repaid by the transferee at a consideration of RMB55 million in the form of physical assets (new buildings). As of 28 February 2022, the mortgaged properties have been completed, and both parties signed the Property Transfer Agreement on 16 June 2022. As of 31 December 2022, the properties have not reached the serviceable condition agreed in the transfer agreement, and the transfer of property rights has not been completed.



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

10. Fixed assets

Presentation by item

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Fixed assets	4,021,905,180.15	3,737,837,277.98
Fixed assets liquidation		
Total	4,021,905,180.15	3,737,837,277.98

Fixed assets

(1) Fixed assets

Unit: Yuan Currency: RMB

Item	Buildings and structures	Machinery and equipment	Transportation tools	Office and electronic equipment	Others	Total
I. Original book value:						
1. Opening balance	1,483,541,906.21	3,424,174,628.41	8,696,321.35	23,327,898.81	4,543,144.03	4,944,283,898.81
2. Increase for the period	637,522,417.58	1,167,429,254.24	2,020,576.51	6,146,194.85	-2,941,469.09	1,810,176,974.09
(1) Purchase	4,300,120.75	52,110,358.28	1,543,727.51	4,263,684.42	113,465.25	62,331,356.21
(2) Transfer from construction in progress	474,056,926.96	891,747,731.02		20,749.77		1,365,825,407.75
(3) Increase in Business combination	157,369,360.22	223,871,395.26	476,849.00	302,605.65		382,020,210.13
(4) Breakdown reclassified	1,796,009.65	-300,230.32		1,559,155.01	-3,054,934.34	
3. Decrease for the period	453,209,094.09	1,408,124,245.33	6,892,661.68	7,857,577.13	465,187.01	1,876,548,765.24
(1) Disposal or retirement		475,398.99	1,489,430.17	624,679.77		2,589,508.93
(2) Disposal of subsidiaries decreased	453,209,094.09	1,285,214,383.34	5,403,231.51	7,232,897.36	465,187.01	1,751,524,793.31
(3) Transferred to the construction in progress		122,434,463.00				122,434,463.00
4. Closing balance	1,667,855,229.70	3,183,479,637.32	3,824,236.18	21,616,516.53	1,136,487.93	4,877,912,107.66

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

10. Fixed assets (Continued)

Fixed assets (Continued)

(1) Fixed assets (Continued)

Item	Buildings and structures	Machinery and equipment	Transportation tools	Office and electronic equipment	Others	Total
II. Accumulated depreciation						
1. Opening balance	230,320,640.02	936,346,955.93	3,462,112.85	9,855,299.81	1,886,075.54	1,181,871,084.15
2. Increase for the period	39,571,289.92	200,581,112.51	745,321.59	4,712,314.24	-1,033,729.85	244,576,308.41
(1) Provision	37,925,710.52	202,611,957.79	745,321.59	3,090,578.61	202,739.90	244,576,308.41
(2) Breakdown reclassified	1,645,579.40	-2,030,845.28		1,621,735.63	-1,236,469.75	
3. Decrease for the period	85,423,674.30	484,237,643.35	3,594,061.77	3,138,173.77	109,889.15	576,503,442.34
(1) Disposal or retirement		204,720.06	1,004,611.42	600,450.18		1,809,781.66
(2) Disposal of subsidiaries decreased	85,423,674.30	441,820,078.61	2,589,450.35	2,537,723.59	109,889.15	532,480,816.00
(3) Transferred to the construction in progress		42,212,844.68				42,212,844.68
4. Closing balance	184,468,255.64	652,690,425.09	613,372.67	11,429,440.28	742,456.54	849,943,950.22
III. Provision for impairment						
1. Opening balance		24,575,536.68				24,575,536.68
2. Increase for the period		3,200,647.49				3,200,647.49
(1) Provision		3,200,647.49				3,200,647.49
3. Decrease for the period		21,713,206.88				21,713,206.88
(1) Disposal or retirement		49,115.29				49,115.29
(2) Disposal of subsidiaries decreased		21,664,091.59				21,664,091.59
4. Closing balance		6,062,977.29				6,062,977.29
IV. Book value						
1. Book value at the end of the period	1,483,386,974.06	2,524,726,234.94	3,210,863.51	10,187,076.25	394,031.39	4,021,905,180.15
2. Book value at the beginning of the period	1,253,221,266.19	2,463,252,135.80	5,234,208.50	13,472,599.00	2,657,068.49	3,737,837,277.98

Original value of the fixed assets, including machinery and equipment, transportation tools and electronic equipment which continued to be used upon full provision for depreciation at the end of the period, was RMB120,010,248.06.



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

10. Fixed assets (Continued)

Fixed assets (Continued)

(2) Temporarily idle fixed assets

Original value and book value of the idle assets due to shut down, were RMB173,239,224.05 and RMB1,969,803.47, respectively.

(3) Fixed assets with pending certificates of ownership

At the end of the period, the book value of fixed assets without certificate of title was RMB460,561,706.05, which is currently in the process of application.

11. Construction in progress

Presentation by item

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Cost of construction in progress	1,166,354,777.94	1,421,046,507.76
Less: Provision for impairment of construction in progress	7,728,469.08	706,414.90
Construction in progress	1,158,626,308.86	1,420,340,092.86
Construction materials		
Total	1,158,626,308.86	1,420,340,092.86

Construction in progress

(1) Construction in progress

Unit: Yuan Currency: RMB

Item	Closing balance			Opening balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Hefei project of photovoltaic cell encapsulating material for solar equipment	543,159,982.78		543,159,982.78	637,730,980.88		637,730,980.88
Tongcheng project of photovoltaic cell encapsulating material for solar equipment-Phase I				640,043,558.34		640,043,558.34
Tongcheng project of photovoltaic cell encapsulating material for solar equipment-Phase II	225,046,948.23		225,046,948.23			

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11. Construction in progress (Continued)

Construction in progress (Continued)

(1) Construction in progress (Continued)

Item	Closing balance			Opening balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Yixing project of photovoltaic cell packaging material for solar equipment	183,973,519.21		183,973,519.21	21,428,158.42		21,428,158.42
Hefei carbon dioxide capture and purification green emission reduction demonstration project	33,511,249.99		33,511,249.99	16,963,389.29		16,963,389.29
Hefei project of construction and technological transformation for photovoltaic glass screen printing production line Phase I	82,229,528.60		82,229,528.60			
North Glass 500T cold repair project	29,890,335.87	7,728,469.08	22,161,866.79	30,144,311.28	706,414.90	29,437,896.38
Yixing 3.2MW distributed photovoltaic power generation project	17,688,833.84		17,688,833.84			
Hefei joint workshop at 1.386MW distributed photovoltaic power generation project	16,244,504.41		16,244,504.41			
North Glass project of photovoltaic cell packaging material for solar equipment	17,511,549.12		17,511,549.12	2,611,329.76		2,611,329.76
Luoyang solar photovoltaic cell packaging materials project	10,387,002.53		10,387,002.53			
Hefei further processed project of solar cell cover plates material Phase I	2,492,571.26		2,492,571.26			
Noise reduction project for equipment of G4/G5 line in Zhangzhou Plant	1,486,725.66		1,486,725.66			
Puyang 400-tons of ultrawhite photothermal materials project				2,291,478.65		2,291,478.65
Hefei 110 kV Power Transmission and Transformation project				37,873,889.39		37,873,889.39
Triumph (Zigong) New Energy waste heat power generation project				27,000,057.86		27,000,057.86
Other items	2,732,026.44		2,732,026.44	4,959,353.89		4,959,353.89
Total	1,166,354,777.94	7,728,469.08	1,158,626,308.86	1,421,046,507.76	706,414.90	1,420,340,092.86



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

11. Construction in progress (Continued)

Construction in progress (Continued)

(2) Change in the important engineering projects in construction for the current period

Unit: Yuan Currency: RMB

Project name	Budget	Opening Balance	Increase for the period	Fixed assets transferred for the current period	Other decreased amount for the current period	Closing Balance	Ratio accounted by accumulated contribution towards engineering with respect to the budget (%)	Progress of engineering	Amount of capitalized interest	Including: the amount of capitalized interest for the current period	Interest capitalized rate for the current period (%)	Source of funds
Hefei project of photovoltaic cell encapsulating material for solar equipment	783,340,000.00	637,730,980.88	107,598,468.92		202,169,467.02	543,159,982.78	95.15	95.15	16,628,320.82	10,756,238.89	4.05	Raised funds, self-raised funds, loans from financial institutions
Tongcheng project of photovoltaic cell encapsulating material for solar equipment-Phase I	1,098,304,100.00	640,043,558.34	440,271,907.19	1,080,315,465.53			98.36	100.00	9,357,156.75	5,165,752.81	3.81	Raised funds, self-raised funds, loans from financial institutions
Tongcheng project of photovoltaic cell encapsulating material for solar equipment-Phase II	571,860,000.00		225,046,948.23			225,046,948.23	39.35	39.35	597,833.44	597,833.44	3.30	self-raised funds, loans from financial institutions
Yixing project of photovoltaic cell packaging material for solar equipment	797,340,000.00	21,428,158.42	162,545,360.79			183,973,519.21	23.07	23.07				self-raised funds, loans from financial institutions
Hefei carbon dioxide capture and purification green emission reduction demonstration project	49,905,300.00	16,963,389.29	16,547,860.70			33,511,249.99	67.15	67.15				self-raised funds, loans from financial institutions
Total	3,300,749,400.00	1,316,166,086.93	952,010,545.83	1,282,484,932.55		985,691,700.21	/	/	26,583,311.01	16,519,825.14	/	/

(3) Provision for impairment of construction in progress for the period

Unit: Yuan Currency: RMB

Item	Opening balance	Provision for the period	Decrease for the current period	Closing balance	Reason for provision
North Glass 500T cold repair project	706,414.90	7,022,054.18		7,728,469.08	Evaluation of impairment
Total	706,414.90	7,022,054.18		7,728,469.08	/

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

12. Right-of-use assets

Unit: Yuan Currency: RMB

Item	Buildings and structures	Machinery and equipment	Total
I. Original book value:			
1. Opening balance	12,910,111.79		12,910,111.79
2. Increase for the period		6,091,609.25	6,091,609.25
(1) Increase in Business combination		6,091,609.25	6,091,609.25
3. Decrease for the period			
4. Closing balance	12,910,111.79	6,091,609.25	19,001,721.04
II. Accumulated depreciation			
1. Opening balance	3,231,062.98		3,231,062.98
2. Increase for the period	2,580,608.28	182,748.28	2,763,356.56
(1) Provision	2,580,608.28	182,748.28	2,763,356.56
3. Decrease for the period			
(1) Disposal			
4. Closing balance	5,811,671.26	182,748.28	5,994,419.54
III. Provision for impairment			
IV. Book value			
1. Book value at the end of the period	7,098,440.53	5,908,860.97	13,007,301.50
2. Book value at the beginning of the period	9,679,048.81		9,679,048.81



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

13. Intangible Assets

(1) Intangible assets

Unit: Yuan Currency: RMB

Item	Land use rights	Patent right	Non-patent technology	Software license	Trademark rights	Total
I. Original book value:						
1. Opening balance	667,232,637.78	275,907.88	68,883,615.55	7,455,600.89	6,000,000.00	749,847,762.10
2. Increase for the period	211,754,652.08	2,933,069.95	39,263,858.55	2,333,581.35		256,285,161.93
(1) Purchase	147,210,140.32	24,000.00		2,179,519.07		149,413,659.39
(2) Internal research and development		2,909,069.95	39,263,858.55			42,172,928.50
(3) Increase in Business combination	64,544,511.76			154,062.28		64,698,574.04
3. Decrease for the period	184,658,918.48	86,228.65	14,020,062.61	1,529,321.37	6,000,000.00	206,294,531.11
(1) Disposal						
(2) Business Disposal	184,658,918.48	86,228.65	14,020,062.61	1,529,321.37	6,000,000.00	206,294,531.11
4. Closing balance	694,328,371.38	3,122,749.18	94,127,411.49	8,259,860.87		799,838,392.92
II. Accumulated amortization						
1. Opening balance	77,904,964.01	76,060.61	19,906,965.56	1,684,424.37	6,000,000.00	105,572,414.55
2. Increase for the period	15,956,699.73	193,153.11	7,168,425.85	790,848.57		24,109,127.26
(1) Provision	15,956,699.73	193,153.11	7,168,425.85	790,848.57		24,109,127.26
3. Decrease for the period	22,619,587.04	4,289.98	116,833.86	682,653.55	6,000,000.00	29,423,364.43
(1) Disposal						
(2) Disposal of subsidiaries	22,619,587.04	4,289.98	116,833.86	682,653.55	6,000,000.00	29,423,364.43
4. Closing balance	71,242,076.70	264,923.74	26,958,557.55	1,792,619.39		100,258,177.38
III. Provision for impairment						
IV. Book value						
1. Book value at the end of the period	623,086,294.68	2,857,825.44	67,168,853.94	6,467,241.48		699,580,215.54
2. Book value at the beginning of the period	589,327,673.77	199,847.27	48,976,649.99	5,771,176.52		644,275,347.55

- Intangible assets from internal research and development of the Company (excluding the data of disposed subsidiary Puyang CNBM Photovoltaic Materials) accounted for 3.52% of the balance of intangible assets at the end of the period.
- Land use rights among the intangible assets were all for lands located in the PRC with a remaining use period ranging from 25 to 70 years.

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13. Intangible Assets (Continued)

(2) Land use rights with pending certificates of ownership

Among the intangible assets of the Company, Puyang City, the land use right certificate with an original value of RMB9,415,764.88 in Luoyang Development Zone is not easy to apply for the land use right certificate due to historical reasons, and the land use right certificate with an original value of RMB42,892,264.15 in Yibin District, Luoyang City is under application.

14. Development expenditure

Unit: Yuan Currency: RMB

Item	Opening Balance	Increase for the period		Decrease for the period		Closing Balance
		Internal development expenditure	Others	Recognized as intangible assets	Transferred to profit or loss for the period	
Development and application of high-reflection and low-expansion coefficient glazes		3,682,238.57				3,682,238.57
Research and development of baking technology of one kiln, eight lines and two wings of split-flow glass melting furnace		3,383,912.72				3,383,912.72
Development of specific transmittance coating products		1,439,012.30				1,439,012.30
Research on tin defect on glass substrate surface and gas flow control technology in the bath		737,384.36				737,384.36
Research on solar thermal glass		14,020,062.61		14,020,062.61		
Research and development of encapsulating glass for ultra-high power components	5,286,025.45	3,419,274.49		8,705,299.94		
Research and development of ultralight double-glass modules structure	7,665,831.89	1,000,607.09		8,666,438.98		
Research and development and industrialization of double-layer coated photovoltaic module cover glass with deep and highly transparent		7,872,057.02		7,872,057.02		
Development of new technology of transferring color from tawny to Ford blue		1,457,546.66		1,457,546.66		
Development of new heating technology for tin baths		1,451,523.29		1,451,523.29		
Total	12,951,857.34	38,463,619.11		42,172,928.50		9,242,547.95



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

15. Goodwill

(1) The original carrying value of goodwill

Unit: Yuan Currency: RMB

Name of investee or event generating goodwill	Opening balance	Additions during the period	Deductions 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

16. Long-term deferred expenses

Unit: Yuan Currency: RMB

Item	Opening balance	Increase for the period	Amortized amount for the current period	Other decreased amount	Closing balance
Consultation service charge	1,416,666.79		1,145,833.48	270,833.31	
Total	1,416,666.79		1,145,833.48	270,833.31	

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

17. Deferred income tax assets/Deferred income tax liabilities

(1) Deferred income tax assets not being offset

Unit: Yuan Currency: RMB

Item	Closing balance		Opening balance	
	Deductible temporary differences	Deferred income tax assets	Deductible temporary differences	Deferred income tax assets
Provision for impairment of assets	74,180,416.66	11,127,062.46	77,888,151.92	11,721,077.77
Unrealised profits from internal transactions	2,586,712.35	388,006.85	5,966,367.50	894,955.13
Deductible losses				
Deferred income	35,473,481.24	5,321,022.21	26,576,588.08	4,369,988.21
Total	112,240,610.25	16,836,091.52	110,431,107.50	16,986,021.11

(2) Deferred income tax liabilities not being offset

Unit: Yuan Currency: RMB

Item	Closing balance		Opening balance	
	Taxable temporary differences	Deferred income tax liabilities	Taxable temporary differences	Deferred income tax liabilities
Asset valuation increment from business combinations involving entities not under common control	161,631,850.90	39,038,154.46	74,189,518.24	18,547,379.56
Changes in fair value of other debt investments				
Changes in fair value of investments in other equity instruments				
One-off deduction of fixed assets	10,203,756.33	1,530,563.45		
Total	171,835,607.23	40,568,717.91	74,189,518.24	18,547,379.56



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

17. Deferred income tax assets/Deferred income tax liabilities (Continued)

(3) Breakdown of unrecognised deferred income tax assets

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Deductible temporary differences	164,903,913.05	146,508,623.56
Deductible losses	272,253,931.68	185,282,972.90
Total	437,157,844.73	331,791,596.46

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

Unit: Yuan Currency: RMB

Year	Amount at the end of the period	Amount at the beginning of the period	Note
2022		39,163,731.55	
2023	49,627,689.15	15,230,715.68	
2024	75,063,899.58	35,165,109.43	
2025		23,609,738.66	
2026	55,669,772.62	72,113,677.58	
2027	91,892,570.33		
Total	272,253,931.68	185,282,972.90	/

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

18. Other non-current assets

Unit: Yuan Currency: RMB

Item	Book balance	Closing balance		Opening balance		
		for impairment	Book value	Book balance	Provision for impairment	Book value
Prepayment for acquisition of longterm asset	504,257,426.12		504,257,426.12	185,935,267.61		185,935,267.61
Others	55,000,000.00		55,000,000.00			
Total	<u>559,257,426.12</u>		<u>559,257,426.12</u>	<u>185,935,267.61</u>		<u>185,935,267.61</u>

19. Short-term loans

(1) Classification of short-term loans

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Mortgage loan		60,000,000.00
Guaranty loan		1,158,990,000.00
Credit loan	1,015,400,000.00	106,000,000.00
Interest payable	1,618,267.77	1,719,864.27
Notes discounted but not derecognised	80,906,333.84	
Total	<u>1,097,924,601.61</u>	<u>1,326,709,864.27</u>

Description of the classification of short-term loans:

As at 31 December 2022, annual interest rate of short-term loans was 2.60%-4.19%.



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

20. Notes payable

(1) *Notes payable is shown as follows*

Unit: Yuan Currency: RMB

Category	Closing balance	Opening balance
Commercial acceptances	23,481,377.00	
Bank acceptances	405,761,091.26	650,930,930.94
Total	429,242,468.26	650,930,930.94

The total notes payable due but not paid at the end of the period was RMB 0.

21. Accounts payable

(1) *Accounts payable is shown as follows*

Ageing analysis of accounts payable by date of entry was as follows:

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Within 1 year	1,652,565,082.55	604,825,767.23
Above 1 year	75,589,736.91	40,690,320.35
Total	1,728,154,819.46	645,516,087.58

(2) *Significant accounts payable aged over 1 year*

Unit: Yuan Currency: RMB

Item	Closing balance	Reason for outstanding or carrying forward
China Triumph International Engineering Co., Ltd.	34,393,991.67	Not to the settlement period
Shenzhen Triumph Science & Technology Engineering Co., Ltd.	13,628,318.55	Not to the settlement period
Total	48,022,310.22	/



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Unit: Yuan Currency: RMB

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

22. Payments received in advance

(1) *Payments received in advance is shown as follows*

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Rental received in advance	271,590.44	
Total	271,590.44	

23. Contract liabilities

(1) *Contract liabilities*

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Payment for goods in advance	18,314,969.87	46,718,841.37
Total	18,314,969.87	46,718,841.37



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

24. Employee compensation payable

(1) *Employee compensation payable is shown as follows*

Unit: Yuan Currency: RMB

Item	Opening balance	Increase for the period	Decrease for the period	Closing balance
I. Short-term remuneration	60,132,753.96	381,024,439.30	392,533,833.02	48,623,360.24
II. After-service welfare – defined provision plan	506,253.32	28,818,151.87	28,747,161.27	577,243.92
III. Termination benefits	28,600.00	353,807.29	382,407.29	
IV. Other benefits due within one year				
Total	<u>60,667,607.28</u>	<u>410,196,398.46</u>	<u>421,663,401.58</u>	<u>49,200,604.16</u>

(2) *Short-term remuneration is shown as follows*

Unit: Yuan Currency: RMB

Item	Opening balance	Increase for the period	Decrease for the period	Closing balance
I. Salary, bonus, allowance and subsidy	52,144,432.32	320,811,898.55	331,079,641.02	41,876,689.85
II. Staff's welfare		23,828,222.38	23,828,222.38	
III. Social insurance premium	469,324.29	15,536,229.95	15,490,096.49	515,457.75
Including: Medical insurance	408,747.63	13,100,902.39	13,069,691.76	439,958.26
Labor injury insurance	37,895.06	2,035,382.22	2,021,895.79	51,381.49
Maternity insurance	22,681.60	399,945.34	398,508.94	24,118.00
IV. Housing provident fund	323,682.52	13,944,166.65	13,873,101.99	394,747.18
V. Labor union expenses and employee education expenses	7,195,314.83	6,903,921.77	8,262,771.14	5,836,465.46
VI. Short-period paid leave				
VII. Short-term profit sharing plan				
Total	<u>60,132,753.96</u>	<u>381,024,439.30</u>	<u>392,533,833.02</u>	<u>48,623,360.24</u>

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

24. Employee compensation payable (Continued)

(3) Defined provision plan is shown as follows

Unit: Yuan Currency: RMB

Item	Opening balance	Increase for the period	Decrease for the period	Closing balance
1. Basic pension insurance	490,688.70	27,825,422.82	27,757,286.46	558,825.06
2. Unemployment insurance	15,564.62	972,597.05	969,742.81	18,418.86
3. Enterprise annuity		20,132.00	20,132.00	
Total	506,253.32	28,818,151.87	28,747,161.27	577,243.92

25. Taxes payable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Value-added tax	197,216.44	148,395.29
Enterprise income tax	12,099,954.11	4,877,643.60
Individual income tax	476,563.05	363,840.44
City maintenance tax	26,146.51	176,221.17
Property tax	2,892,075.44	3,160,491.82
Land-use tax	1,736,021.80	2,892,472.06
Education surcharges	18,894.09	90,036.93
Other tax and charges	2,099,620.03	1,118,596.94
Total	19,546,491.47	12,827,698.25



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

26. Other payables

Presentation by item

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Interest payable		
Dividend payable		
Other payables	232,485,514.56	701,248,471.31
Total	232,485,514.56	701,248,471.31

Other payables

(1) Other payables by nature of amounts are shown as follows

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Announcement and intermediary fee	4,447,703.09	3,395,996.41
Security deposit and deposit	15,613,721.19	6,219,493.38
Current accounts	212,424,090.28	691,632,981.52
Total	232,485,514.56	701,248,471.31

27. Non-current liabilities due within one year

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Long-term loans due within one year	54,425,849.79	256,167,486.50
Bonds payable due within one year		
Long-term payables due within one year		
Lease liabilities due within one year	3,387,284.02	2,489,423.52
Total	57,813,133.81	258,656,910.02



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

28. Other current liabilities

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Ending balance of output VAT	2,342,674.28	6,064,405.18
Endorsed untermiated recognised notes receivable	511,866,755.34	14,000,000.00
Total	514,209,429.62	20,064,405.18

29. Long-term loans

(1) Category of Long-term loans

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Pledged loan		
Mortgage loan	198,000,000.00	132,530,047.96
Guaranty loan	407,000,000.00	1,152,000,000.00
Credit loan	1,151,392,360.00	
Interest payable	1,812,760.45	4,437,438.54
Less: Long-term loans due within one year	54,425,849.79	256,167,486.50
Total	1,703,779,270.66	1,032,800,000.00

Notes to the category of Long-term loans:

Zigong New Energy, a subsidiary of the Company, pledged the premises (including attached parcels of land), machinery and equipment to Bank of Communications Co., Ltd. Zigong Branch for obtaining mortgage loan on 16 May 2022, with the appraised value of the mortgaged assets of RMB395,940,900 for a term from 16 May 2022 to 15 May 2025. Zigong New Energy obtained a loan of RMB100,000,000.00 on 31 May 2022 and a loan of RMB100,000,000.00 on 19 July 2022. The ownership of the mortgaged assets still belongs to Zigong New Energy and can be used normally. As of 31 December 2022, the original carrying value of premises (including attached parcels of land), machinery and equipment was RMB660,566,604.23 with an accumulated depreciation of RMB44,959,617.34 and a book value of RMB615,606,986.89. The balance of the long-term loan was RMB198,220,825.02, of which the long-term loan due within one year was RMB20,220,825.02.



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

29. Long-term loans (Continued)

(1) Category of Long-term loans (Continued)

Repayment period for long-term loan with over one year

Repayment period	Closing balance	Balance at the end of last year
1 to 2 years	389,613,089.34	230,600,000.00
2 to 5 years	734,774,497.00	459,200,000.00
Over 5 years	579,391,684.32	343,000,000.00
Total	1,703,779,270.66	1,032,800,000.00

30. Lease liabilities

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Lease payment	14,198,466.23	9,999,999.96
Less: Unrecognized financing expenses	1,406,180.27	738,652.04
Less: Lease liabilities due within one year	3,387,284.02	2,489,423.52
Total	9,405,001.94	6,771,924.40

Other notes:

The amount of interest expense accrued for lease liabilities in 2022 was RMB416,382.04, which was included in finance expenses-interest expense.

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

31. Deferred income

Deferred income

Unit: Yuan Currency: RMB

Item	Opening balance	Increase for the period	Decrease for the period	Closing balance	Reason of formation
Government grants	132,719,249.92	25,348,876.87	106,724,094.86	51,344,031.93	/
Total	132,719,249.92	25,348,876.87	106,724,094.86	51,344,031.93	/

Projects involving government subsidy:

Unit: Yuan Currency: RMB

Projects with liabilities	Opening balance	New additional subsidy for the current period	Amount recorded in non-operating profits for the current period	Amount recorded in other income for the current period	Other changes	Closing balance	Asset-related/ Income-related
Investment subsidy for ultra-white solar thermal material project	88,354,666.56		8,734,000.08	79,620,666.48			Asset-related
Subsidy for flue gas desulfurization, dust removal and denitrification project of glass kiln	17,543,333.31		1,846,666.72			15,696,666.59	Asset-related
Special subsidy for the application of new model of smart manufacturing	6,884,067.32		715,598.04			6,168,469.28	Asset-related
Subsidy for information display ultra-thin substrate project	4,725,282.00		49,118.00	4,676,164.00			Asset-related
Subsidy for "Three Major and One Innovative" Award	3,773,490.91		276,109.08			3,497,381.83	Asset-related
Subsidies for land use of double ultra-glass production line project	2,035,501.02		4,493.38	2,031,007.64			Asset-related
Subsidy for the application of new model of smart manufacturing of ultra-thin photovoltaic glass substrate materials	1,865,668.70		223,351.80			1,642,316.90	Asset-related



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

31. Deferred income (Continued)

Deferred income (Continued)

Projects with liabilities	Opening balance	New additional subsidy for the current period	Amount recorded in non-operating profits for the current period	Amount recorded in other income for the current period	Other changes	Closing balance	Asset-related/ Income-related
Special subsidies for pollution prevention and control by the central government in 2020	1,826,123.58		11,067.42	1,815,056.16			Asset-related
Special subsidies for environmental protection	1,069,160.95			261,835.28		807,325.67	Asset-related
Funds for technology transformation project		5,000,000.00		52,083.00	4,947,917.00		Asset-related
Industrial award 2020 – equipment grants		3,697,300.00		24,008.44		3,673,291.56	Asset-related
Equipment subsidies for production line modification of demonstration project on capture and purification, green emission reduction of annual output of carbon dioxide		3,500,000.00				3,500,000.00	Asset-related
Further processed project of solar backsheets glass with annual output of 11 million m ²		3,399,500.00		158,070.18		3,241,429.82	Asset-related
Special grant fund for manufacturing industry		2,699,150.00				2,699,150.00	Asset-related
Special Fund for Affordable Rental Housing Project of the Finance Bureau of Huankeyuan		2,307,300.00				2,307,300.00	Asset-related
Investment subsidies and special funds for technological transformation equipment of enterprises- Phase II		2,145,626.87		114,068.43		2,031,558.44	Asset-related
Other subsidies	4,641,955.57	2,600,000.00		297,327.35	885,486.37	6,079,141.84	Asset-related
Total	132,719,249.92	25,348,876.87		12,767,797.21	93,956,297.65	51,344,031.93	

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

32. Share capital

Unit: Yuan Currency: RMB

	Opening balance	New shares	Changes in this period (+, -)			Sub-total	Closing balance
			Bonus shares	Capital reserve transferred to shares	Others		
Total number of shares	645,674,963.00	0	0	0	0	0	645,674,963.00

33. 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	253,997,175.89		11,417,030.17	242,580,145.72
Total	3,792,235,992.58		11,417,030.17	3,780,818,962.41

Other descriptions, including the increase or decrease in the current period and reasons for the change:

In December 2022, the Company acquired 40% equity interests held by minority shareholders of the controlling subsidiary North Glass in cash, resulting in other capital reserve of RMB-11,417,030.17.

34. Surplus reserve

Unit: Yuan Currency: RMB

Item	Opening balance	Increase for the period	Decrease for the period	Closing balance
Statutory surplus reserve	51,365,509.04			51,365,509.04
Discretionary surplus reserve				
Total	51,365,509.04			51,365,509.04



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

35. Undistributed profit

Unit: Yuan Currency: RMB

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

36. Operating revenue and operating costs

(1) Operating revenue and operating costs

Unit: Yuan Currency: RMB

Item	Amount for current period		Amount for previous period	
	Income	Cost	Income	Cost
Principal operations	5,006,346,937.18	4,425,678,789.64	3,616,946,743.08	2,765,592,058.22
– Information display glass	22,320,590.62	12,204,919.51	390,317,126.62	251,437,621.28
– New energy glass	4,671,301,573.00	4,132,591,067.74	2,762,023,991.27	2,220,342,252.76
– Other functional glass	312,724,773.56	280,882,802.39	464,605,625.19	293,812,184.18
Other operations	23,764,309.09	8,312,243.53	8,904,712.96	6,662,297.07
– Raw materials, water, electricity and technical service, etc.	23,764,309.09	8,312,243.53	8,904,712.96	6,662,297.07
Total	5,030,111,246.27	4,433,991,033.17	3,625,851,456.04	2,772,254,355.29

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

36. Operating revenue and operating costs (Continued)

(2) Deductions of operating revenue

Unit: Yuan Currency: RMB

Item	Current year	Specific deductions	Previous year	Specific deductions
Amount of operating revenue	5,030,111,246.27		3,625,851,456.04	
Total amount of deductions	23,764,309.09		8,904,712.96	
Proportion of total amount of deductions in operating revenue (%)	0.47	/	0.25	/
I. Business revenue irrelevant to main business				
1. Other business revenues beyond normal operation				
Revenues obtained by renting fixed assets, intangible assets, packaging, sales of materials, exchange of non-monetary assets with materials, and operation of trusted management businesses, as well as income that is included in the main business income but is beyond the normal operation of the listed company.	23,764,309.09		8,904,712.96	
Subtotal of business revenue irrelevant to main business	23,764,309.09		8,904,712.96	



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

36. Operating revenue and operating costs (Continued)

(2) Deductions of operating revenue (Continued)

Item	Current year	Specific deductions	Previous year	Specific deductions
II. Revenue without commercial substance				
Subtotal of revenue without commercial substance				
III. Other revenue irrelevant to the main business or without commercial substance				
Amount of operating revenues after deductions	5,006,346,937.18		3,616,946,743.08	

(3) Description of performance obligations

Generally, there is only one performance obligation in the contracts of sales of goods related to sales of glass products to customers by the Company, and the consideration for sales of products is determined according to the fixed price agreed in the sales contract or temporary pricing arrangement. The Company recognises revenue when the control over related goods is transferred to customers.

Other Description:

Operating revenue for the current period by time of revenue recognition

Timing of revenue recognition	Information display glass	New energy glass	Other functional glass	Revenue from other operations
Recognised at a certain point of time	22,320,590.62	4,671,301,573.00	312,724,773.56	23,764,309.09



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

37. Taxes and surcharges

Unit: Yuan Currency: RMB

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

38. Selling expenses

Unit: Yuan Currency: RMB

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



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

39. Administration expenses

Unit: Yuan Currency: RMB

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

40. Research and development expenses

Unit: Yuan Currency: RMB

Item	Amount for current period	Amount for previous period
Staff remuneration	42,781,581.37	40,573,815.46
Material expense	118,094,247.24	99,589,869.71
Depreciation expenses	5,330,445.93	9,721,875.66
Other expenses	7,586,607.85	4,446,367.81
Total	173,792,882.39	154,331,928.64

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

41. Financial expenses

Unit: Yuan Currency: RMB

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

42. Other income

Unit: Yuan Currency: RMB

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



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

43. Investment income

Unit: Yuan Currency: RMB

Item	Amount for current period	Amount for previous period
Investment income from long-term equity investment accounted for by the equity method		
Investment income from disposal of long-term equity investment	168,790,647.06	
Loss from de-recognition of accounts receivable financing	-8,131,568.13	-11,556,042.87
Total	160,659,078.93	-11,556,042.87

44. Impairment losses of credit

Unit: Yuan Currency: RMB

Item	Amount for current period	Amount for previous period
Bad debt losses of notes receivable	-4,486,293.49	-2,093,022.80
Bad debt losses of accounts receivable	2,340,609.93	-3,624,120.49
Bad debt losses of other receivables	-486,702.49	2,315,067.36
Impairment losses on debt investment		
Impairment losses on other debt investment		
Bad debt losses of long-term receivable		
Impairment losses on contract assets		
Total	-2,632,386.05	-3,402,075.93

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

45. Impairment losses of assets

Unit: Yuan Currency: RMB

Item	Amount for current period	Amount for previous period
I. Bad debt loss		
II. Inventory impairment loss and impairment loss of contract performance costs	-6,550,215.02	-10,919,597.80
III. Impairment loss of long-term equity		
IV. Impairment loss of investment properties		
V. Impairment loss of fixed assets	-3,200,647.49	
VI. Impairment loss of construction materials		
VII. Impairment loss of construction in progress	-7,022,054.18	
VIII. Impairment loss on biological assets for production		
IX. Impairment loss on oil and gas assets		
X. Impairment loss on intangible assets		
XI. Impairment loss on goodwill		
XII. Others		
Total	-16,772,916.69	-10,919,597.80

46. Gains on disposal of assets

Unit: Yuan Currency: RMB

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



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

47. Non-operating income

Non-operating income

Unit: Yuan Currency: RMB

Item	Amount for current period	Amount for previous period	Amount recognized as non-recurring gain or loss for the period
Total gains on disposal of non-current assets			
Including: Gains on disposal of fixed assets			
Gains on disposal of intangible assets			
Gains on exchanging non-monetary assets			
Receiving of donations			
Government grants			
Payables approved but not being payable	1,717,536.08	63,215.70	1,717,536.08
Negative goodwill on acquisition of subsidiaries at consolidation level		4,530,231.38	
Others	1,601,474.09	105,443.20	1,601,474.09
Total	3,319,010.17	4,698,890.28	3,319,010.17

48. Non-operating expenses

Unit: Yuan Currency: RMB

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

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

49. Income tax expenses

(1) The table for income tax expenses

Unit: Yuan Currency: RMB

Item	Amount for current period	Amount for previous period
Income tax expenses for the current period	14,677,115.43	25,827,877.52
Deferred income tax expenses	-3,580,159.05	-6,052,532.99
Total	11,096,956.38	19,775,344.53

(2) Reconciliation between accounting profit and income tax expenses

Unit: Yuan Currency: RMB

Item	Amount for current period	Amount for previous period
Total profit	470,266,646.75	351,102,076.99
Income tax expenses calculated at statutory/ applicable tax rates	117,566,661.69	87,775,519.25
Effect of different tax rates applicable to subsidiaries	-14,927,291.25	-9,715,589.92
Effect of adjustment to income tax in previous periods	-4,245,606.70	1,281,984.21
Effect of non-taxable income		
Effect of costs, expenses and losses not deductible for tax purposes	677,635.61	3,202,777.87
Effect of utilization of deductible losses of unrecognised deferred income tax assets in previous periods	-58,692,101.71	-42,685,160.22
Effect of current deductible temporary differences or deductible loss of unrecognised deferred income tax assets	2,573,015.71	18,481,813.77
The pre-tax deduction of the interest on Perpetual Bonds accounted as equity (represented by "-")	-31,855,356.97	-38,566,000.43
Income tax expenses	11,096,956.38	19,775,344.53



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

50. Items of cash flow statement

(1) Other cash received from activities relating to operation

Unit: Yuan Currency: RMB

Item	Amount for current period	Amount for previous period
Interest income	10,844,841.43	8,621,163.51
Government grants	163,961,359.73	40,652,673.38
Financial discount		2,175,000.00
Current accounts and others	36,026,180.86	20,349,230.64
Total	210,832,382.02	71,798,067.53

(2) Other cash paid for activities relating to operation

Unit: Yuan Currency: RMB

Item	Amount for current period	Amount for previous period
Consultation and audit, assessment, legal fees, bulletin fees	7,267,784.00	8,931,464.72
Bill deposit		119,055,114.47
Others	71,714,000.84	70,954,114.25
Total	78,981,784.84	198,940,693.44

(3) Other cash received from activities relating to investment

Unit: Yuan Currency: RMB

Item	Amount for current period	Amount for previous period
Net cash paid for business combination not being under common control of Zigong New Energy		6,176,839.68
Total		6,176,839.68



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

50. Items of cash flow statement (Continued)

(4) Other cash received from activities relating to financing

Unit: Yuan Currency: RMB

Item	Amount for current period	Amount for previous period
Triumph Technology Group Co., Ltd.	540,000,000.00	
China Luoyang Float Glass (Group) Company	194,000,000.00	1,142,172,948.10
Bill discount	72,627,932.44	69,479,997.22
China Yaohua Glass Group Corporation Co., Ltd.		418,720,494.31
China Triumph International Engineering Co., Ltd.		60,000,000.00
Hebei Rongsheng Taihe Trading Co., Ltd.		22,000,000.00
Qinhuangdao Yaohua Glass Technology Development Co., Ltd.		14,628,351.28
Qinhuangdao Hongyao Energy Saving Glass Co., Ltd.		5,288,269.86
Total	806,627,932.44	1,732,290,060.77

(5) Other cash paid for activities relating to financing

Unit: Yuan Currency: RMB

Item	Amount for current period	Amount for previous period
China Luoyang Float Glass (Group) Company	660,000,000.00	1,072,330,851.01
Financing principal and interests	119,920,416.95	
Bills matured	30,000,000.00	5,970,597.68
Interest on discounted bills		1,104,333.33
Acquisition of equity interests in North Glass Triumph Technology Group Co., Ltd.	83,572,800.00	182,275,920.00
China Yaohua Glass Group Corporation Co., Ltd.		156,998,889.69
Qinhuangdao Yaohua Glass Technology Development Co., Ltd.		52,748,143.35
Qinhuangdao Hongyao Energy Saving Glass Co., Ltd.		24,791,492.58
Zigong Zhanxin High-end Industry Investment Fund Partnership		7,866,076.56
Others	3,652,412.82	4,160,876.71
Total	897,145,629.77	1,509,408,480.82



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

51. Supplementary information of cash flow statement

(1) Supplementary information of cash flow statement

Unit: Yuan Currency: RMB

Supplementary information	Amount for current period	Amount for previous period
1. Net profit adjusted to cash flow of operating activities:		
Net profit	459,169,690.37	331,326,732.46
Add: Provision for impairment of assets	16,772,916.69	10,919,597.80
Impairment losses of credit	2,632,386.05	3,402,075.93
Depreciation of fixed assets, depletion of oil and gas assets, depreciation of productive biological assets	244,576,308.41	252,434,751.22
Amortisation of right-of-use assets	2,763,356.56	2,580,608.28
Amortization of intangible asset	24,109,127.26	18,809,714.24
Amortization of long-term deferred expenses	1,145,833.48	3,862,098.10
Losses from disposal of fixed assets, intangible assets and other long-term assets ("-" for gains)	-1,552,752.45	347,984.19
Losses on scraping of fixed assets ("-" for gains)	24,229.59	352,014.38
Losses on fair value changes ("-" for gain)		
Finance expenses ("-" for gains)	87,180,142.81	128,767,137.08
Investment losses ("-" for gains)	-160,659,078.93	11,556,042.87
Decrease in deferred income tax assets ("-" for increase)	-2,871,649.32	-5,537,406.28
Increase in deferred income tax liabilities ("-" for decrease)	-2,154,092.64	-515,126.71
Decrease in inventories ("-" for increase)	-7,792,328.82	-328,601,705.22
Decrease in operating receivables ("-" for increase)	-1,310,682,233.92	10,017,908.87
Increase in operating payables ("-" for decrease)	249,292,912.47	-303,408,279.06
Others		
Net cash flow from operating activities	-398,045,232.39	136,314,148.15
2. Significant investing and financing activities that do not involve cash receipts and payment:		
Conversion from debt to capital		
Convertible corporate bonds due within one year		
Fixed assets under finance lease		

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

51. Supplementary information of cash flow statement (Continued)

(1) Supplementary information of cash flow statement (Continued)

Supplementary information	Amount for current period	Amount for previous period
3. Net changes in cash and cash equivalents:		
Closing balance of cash	485,547,816.11	961,479,236.37
Less: Opening balance of cash	961,479,236.37	151,936,892.29
Add: Closing balance of cash equivalents		
Less: Opening balance of cash equivalents		
Net increase in cash and cash equivalents	-475,931,420.26	809,542,344.08

(2) Net cash acquired from subsidiaries for the current period

Unit: Yuan Currency: RMB

	Amount
Cash or cash equivalents paid for business combination in the current period	337,570,720.00
Including: Kaisheng (Zhangzhou) New Energy Co., Ltd.	337,570,720.00
Less: Cash and cash equivalents held by subsidiaries on the date of acquisition	9,904,627.12
Including: Kaisheng (Zhangzhou) New Energy Co., Ltd.	9,904,627.12
Add: Cash or cash equivalents paid in the current period for business combinations occurred in previous periods	327,666,092.88
Net cash paid for acquisition of subsidiaries	327,666,092.88



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

51. Supplementary information of cash flow statement (Continued)

(3) Net cash received from disposal of subsidiaries in the period

Unit: Yuan Currency: RMB

	Amount
Including: Cash and cash equivalent received during the year from disposal of a subsidiary during the year	759,894,345.89
Including: CLFG Longhai Electronic Glass Limited	237,688,355.99
CLFG Longmen Glass Co. Ltd.	-441,933,694.65
Bengbu China National Building Materials Information Display Materials Company Limited	797,428,334.55
CNBMG (Puyang) Photoelectric Material Co., Ltd	166,711,350.00
Less: Cash and cash equivalents held by subsidiaries on the date of loss of control	168,232,086.31
Including: CLFG Longhai Electronic Glass Limited	17,368,175.88
CLFG Longmen Glass Co. Ltd.	44,775.68
Bengbu China National Building Materials Information Display Materials Company Limited	139,147,139.59
CNBMG (Puyang) Photoelectric Material Co., Ltd	11,671,995.16
Add: Cash and cash equivalents received in the period from disposal of subsidiaries in the previous period	—
Net cash received from disposal of subsidiaries	<u>591,662,259.58</u>



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

51. Supplementary information of cash flow statement (Continued)

(4) Constitution of cash and cash equivalents

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
I. Cash	485,547,816.11	961,479,236.37
Including: Cash on hand	5,630.11	39,663.87
Bank deposit available for payment at any time	485,542,186.00	961,439,572.50
Other monetary available for payment at any time		
Deposit with central bank available for payment		
Deposits with banks		
Placements with banks		
II. Cash equivalents		
Including: Bond investment due within three months		
III. Closing balance of cash and cash equivalents	485,547,816.11	961,479,236.37
Including: Use of restricted cash and cash equivalents by the Company or subsidiaries within the Group		

52. Assets under restricted ownership or use right

Unit: Yuan Currency: RMB

Item	Book value at the end of the period	Reasons for restriction
Monetary funds	203,474,506.33	Security deposit for the bank acceptance, L/C guarantee deposit, maintenance funds and ETC deposits
Notes receivables	35,898,640.61	Pledge
Inventories		
Fixed assets	582,365,032.47	Mortgage
Intangible assets	33,241,954.42	Mortgage
Total	854,980,133.83	/



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

53. Monetary item in foreign currency

(1) Monetary item in foreign currency

Unit: Yuan Currency: RMB

Item	Balance of foreign currency at the end of the period	Exchange rate	Balance of RMB converted at the end of the period
Monetary funds			6,648,682.13
Including: USD	953,720.05	6.9646	6,642,278.66
EURO	0.01	7.4229	0.07
HKD	7,168.49	0.8933	6,403.40
Accounts receivable			50,385,671.50
Including: USD	7,234,539.17	6.9646	50,385,671.50
Other receivables			116,065.06
Including: USD	16,665.00	6.9646	116,065.06
Accounts payable			45,047.03
Including: USD	6,468.00	6.9646	45,047.03
Other payables			5,840,035.72
Including: USD	305,003.68	6.9646	2,124,228.63
HKD	4,159,780.46	0.8933	3,715,807.09

(2) Notes to overseas business entity including disclosures of significant principal place of business, functional currency and basis for determining the functional currency as well as reasons for changes in functional currency for those significant overseas business entity

N/A

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

54. Government grants

(1) Basic information of government grants

Unit: Yuan Currency: RMB

Item	Category	Opening balance	Amount	Presentation	Amount recognised in profits and losses in the current period	Other changes	Closing balance
Investment subsidy for ultra-white solar thermal material project	Subsidy for production and operation	88,354,666.56		Deferred income/ other income	8,734,000.08	79,620,666.48	
Subsidy for flue gas desulfurization, dust removal and denitrification project of glass kiln	Subsidy for production and operation	17,543,333.31		Deferred income/ other income	1,846,666.72		15,696,666.59
Special subsidy for the application of new model of smart manufacturing	Subsidy for production and operation	6,884,067.32		Deferred income/ other income	715,598.04	6,168,469.28	
Subsidy for information display ultra-thin substrate project	Subsidy for production and operation	4,725,282.00		Deferred income/ other income	49,118.00	4,676,164.00	
Subsidy for "Three Major and One Innovative" Award by the NDRC in 2021	Subsidy for production and operation	3,773,490.91		Deferred income/ other income	276,109.08		3,497,381.83
Subsidies for land use of double ultra-glass production line project	Subsidy for production and operation	2,035,501.02		Deferred income/ other income	4,493.38	2,031,007.64	
Subsidy for the application of new model of smart manufacturing of ultra-thin photovoltaic glass substrate materials	Subsidy for production and operation	1,865,668.70		Deferred income/ other income	223,351.80		1,642,316.90
Special subsidies for pollution prevention and control by the central government in 2020	Subsidy for production and operation	1,826,123.58		Deferred income/ other income	11,067.42	1,815,056.16	
Special subsidies for environmental protection	Subsidy for production and operation	1,069,160.95		Deferred income/ other income	261,835.28		807,325.67
Industry guiding funds	Subsidy for production and operation		58,270,000.00	Other income	58,270,000.00		



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

54. Government grants (Continued)

(1) Basic information of government grants (Continued)

Item	Category	Opening balance	Amount	Presentation	Amount recognised in profits and losses in the current period	Other changes	Closing balance
Industrial supporting funds	Subsidy for production and operation		52,000,000.00	Other income	52,000,000.00		
Industrial supporting subsidies for innovation zone	Subsidy for production and operation		20,000,000.00	Other income	20,000,000.00		
Funds for technology transformation project	Subsidy for production and operation		5,000,000.00	Deferred income/ other income	52,083.00	4,947,917.00	
Industrial award 2020–equipment grant	Subsidy for production and operation		3,697,300.00	Deferred income/ other income	24,008.44		3,673,291.56
Subsidy for photovoltaic power generation	Subsidy for photovoltaic power generation		3,524,372.40	Other income	3,524,372.40		
Equipment subsidies for production line modification of demonstration project on capture and purification, green emission reduction of annual output of carbon dioxide with annual output of 50,000 tons	Subsidy for production and operation		3,500,000.00	Deferred income/ other income			3,500,000.00
Further processed project of solar backsheets glass with annual output of 11 million m ²	Subsidy for production and operation		3,399,500.00	Deferred income/ other income	158,070.18		3,241,429.82
Special grant fund for manufacturing industry	Subsidy for production and operation		2,699,150.00	Deferred income/ other income			2,699,150.00
Special Fund for Affordable Rental Housing Project of the Finance Bureau of Huankeyuan	Subsidy for production and operation		2,307,300.00	Deferred income/ other income			2,307,300.00
2020 industrial awards–rewards for increasing production and income and subsidy for utilities	Subsidy for production and operation		2,208,340.00	Other income	2,208,340.00		

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

54. Government grants (Continued)

(1) Basic information of government grants (Continued)

Item	Category	Opening balance	Amount	Presentation	Amount recognised in profits and losses in the current period	Other changes	Closing balance
Investment subsidies and special funds for technological transformation equipment of enterprises-Phase II	Subsidy for production and operation		2,145,626.87	Deferred income/ other income	114,068.43		2,031,558.44
Special project for technology-supported carbon peak and carbon neutrality in 2022	R&D, technological renovation subsidy		2,090,000.00	Other income	2,090,000.00		
Encourage manufacturing enterprises to increase production and income	Subsidy for production and operation		1,110,000.00	Other income	1,110,000.00		
Special fund for provincial energy-saving circular economy in 2022	Subsidy for production and operation		1,007,100.00	Other income	1,007,100.00		
Subsidy for stabilizing employment	Subsidy for stabilizing employment		934,922.24	Other income	934,922.24		
Special funds for the development of local science and technology under the guidance of central government	Subsidy for production and operation		910,000.00	Other income	910,000.00		
Other subsidies	Subsidy for production and operation	4,641,955.57	5,012,247.49	Deferred income/ other income	2,709,574.85	865,486.37	6,079,141.84
Total		132,719,249.92	169,815,859.00		157,234,779.34	93,956,297.65	51,344,031.93



VIII. CHANGE IN THE SCOPE OF CONSOLIDATION

1. Combination of business not under common control

(1) Combination of business not under common control in the current period

Unit: Yuan Currency: RMB

Name of acquiree Acquisition date	Time point of equity acquisition	Cost of equity acquisition	Percentage of equity acquired (%)	Method of equity acquisition	Date of purchase	Basis for determining the date of purchase	Income of the acquiree from purchase to the end of the period	Net profit of the acquiree from purchase to the end of the period
Kaisheng (Zhangzhou) New Energy Co., Ltd.	October 2022	390,388,352.49	100.00	Purchase	October 2022	Transfer of control	182,219,074.28	10,999,314.79

(2) Cost of combination and goodwill

Unit: Yuan Currency: RMB

Cost of combination	Kaisheng (Zhangzhou) New Energy Co., Ltd.
– Cash	390,388,352.49
Total cost of combination	390,388,352.49
Less: share of fair value of identifiable net assets acquired	372,804,879.16
Goodwill/combination cost less than the fair value of the identifiable et assets acquired	17,583,473.33

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VIII. CHANGE IN THE SCOPE OF CONSOLIDATION (CONTINUED)

1. Combination of business not under common control (Continued)

(3) Identifiable assets and liabilities of the acquiree on the date of purchase

Unit: Yuan Currency: RMB

	Kaisheng (Zhangzhou) New Energy Co., Ltd.	
	Fair value on date of purchase	Book value on date of purchase
Assets:	779,686,640.17	682,984,916.25
Monetary funds	9,906,127.12	9,906,127.12
Notes receivables	138,415,894.25	138,415,894.25
Accounts receivable	79,683,851.43	79,683,851.43
Prepayment	5,220,064.68	5,220,064.68
Other receivables	235,554.91	235,554.91
Inventories	93,131,735.50	92,422,808.23
Fixed assets	382,020,210.13	319,937,381.38
Right-of-use assets	6,091,609.25	5,918,728.83
Intangible assets	64,698,574.04	30,961,486.56
Long-term deferred expenses	283,018.86	283,018.86
Liabilities:	406,881,761.01	382,706,330.03
Borrowings		
Accounts payable	277,253,759.47	277,253,759.47
Accounts received in advance	53,045.00	53,045.00
Employee compensation payable	4,236,225.06	4,236,225.06
Taxes payable	1,046,725.88	1,046,725.88
Contract liabilities	515,173.67	515,173.67
Other payables	6,278,028.48	6,278,028.48
Non-current liabilities due within one year	771,750.21	771,750.21
Other current liabilities	84,944,727.86	84,944,727.86
Lease liabilities	5,461,267.53	5,461,267.53
Deferred income	2,145,626.87	2,145,626.87
Deferred income tax liabilities	24,175,430.98	
Net assets	372,804,879.16	300,278,586.22
Less: Interest of minority shareholders		
Net assets acquired	372,804,879.16	300,278,586.22

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



VIII. CHANGE IN THE SCOPE OF CONSOLIDATION (CONTINUED)

2. Disposal of subsidiaries

During the reporting period, there was a single disposal of investment in subsidiaries result in the loss of control of the Company.

Unit: Yuan Currency: RMB

Name of subsidiary	Equity disposal consideration	Equity disposal proportion (%)	Equity disposal approach	Time point of losing control	Determination basis for time point of losing control	Difference between disposal consideration and shares of corresponding net assets of the subsidiary at consolidated level	Proportion of remaining equity on the date of losing control (%)	Book value of remaining equity on the date of losing control	Fair value of remaining equity at the date of losing control	Gain or loss from remeasurement of remaining equity at fair value	Determination method and main assumptions of remaining equity on the date of losing control	Amount transferred from other comprehensive income related to investment profit and loss
Longhai Glass	187,860,900.00	100.00	Disposal as agreed	31 January 2022	Completed change in industrial and commercial registration and delivery of the assets completed and lost control	49,287,862.99						
Longmen Glass (Note)	-441,393,200.00	100.00	Disposal as agreed	31 January 2022	Completed change in industrial and commercial registration and delivery of the assets completed and lost control	60,436,001.49						
Bengbu CNBM Information Display	789,648,300.00	100.00	Disposal as agreed	31 January 2022	Completed change in industrial and commercial registration and delivery of the assets completed and lost control	16,727,478.46						
Puyang CNBM Photovoltaic Materials	326,885,000.00	100.00	Disposal as agreed	31 December 2022	Completed change in industrial and commercial registration and delivery of the assets completed and lost control	42,339,304.12						

VIII. CHANGE IN THE SCOPE OF CONSOLIDATION (CONTINUED)

2. Disposal of subsidiaries (Continued)

Other Description:

According to the Equity Transfer Agreement signed between Triumph New Energy and Triumph Technology Group, in January 2022, Triumph New Energy disposed of the equity interest in Longmen Glass at a price of RMB-441,393,200.00 based on the assessment value in the Appraisal Report of Jing Xin Ping Bao Zi (2021) No. 428, and Triumph New Energy simultaneously recovered the debt against Longmen Glass of RMB540,461,882.22 held before the disposal of Longmen Glass. The proceeds from disposal of equity interest in Longmen Glass at consolidation level included the recovery of the provision for bad debts written back by the debt.

IX. INTERESTS IN OTHER ENTITIES

1. Interests in subsidiaries

(1) The constitution of the Group

Name of subsidiaries	Location of principal business	Place of Registration	Nature of business	Shareholding ratio (%)		
				Direct	Indirect	Obtained by
Hefei New Energy	Hefei City	Hefei City	Producing and selling	100.00		Business combination under common control
Tongcheng New Energy	Tongcheng City	Tongcheng City	Producing and selling	100.00		Business combination under common control
Yixing New Energy	Yixing City	Yixing City	Producing and selling	70.99		Business combination under common control
Zigong New Energy	Zigong City	Zigong City	Producing and selling	60.00		Business combination not under common control
Zhangzhou New Energy	Zhangzhou City	Zhangzhou City	Producing and selling	100.00		Business combination not under common control
Luoyang new energy	Luoyang City	Luoyang City	Producing and selling	100.00		Investment
North Glass	Qinhuangdao City	Qinhuangdao City	Producing and selling	100.00		Business combination under common control



IX. INTERESTS IN OTHER ENTITIES (CONTINUED)

1. Interests in subsidiaries (Continued)

(2) Important non-wholly owned subsidiary

Unit: Yuan Currency: RMB

Name of subsidiary	Percentage of shareholdings of non-controlling shareholders (%)	Profit and loss attributable to non-controlling shareholders for the period	Dividend paid to non-controlling shareholders for the period	Equity balance
				for non-controlling shareholders by the end of the period
Yixing New Energy	29.01	16,282,129.58	20,536,874.80	150,121,325.91
Zigong New Energy	40.00	30,399,820.84		231,090,031.46

(3) Major accounting information on important non-wholly owned subsidiaries

Unit: Yuan Currency: RMB

Name of subsidiary	Closing balance						Opening balance					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Yixing New Energy	981,234,231.47	986,684,660.08	1,967,918,891.55	1,434,277,791.06	16,159,797.75	1,450,437,588.81	607,661,558.62	817,487,833.51	1,425,149,392.13	875,506,651.76	17,494,959.81	893,001,611.57
Zigong New Energy	540,464,663.66	703,815,714.43	1,244,280,378.09	480,075,533.81	186,479,765.64	666,555,299.45	219,907,174.29	731,620,013.11	951,527,187.40	445,156,245.81	4,645,415.05	449,801,660.86

Name of subsidiary	Amount for current period					Amount for previous period			
	Revenue	Net profit	Total comprehensive income	Cash flow for operating activities		Revenue	Net profit	Total comprehensive income	Cash flow for operating activities
Yixing New Energy	1,627,778,144.10	56,125,920.66	56,125,920.66	77,218,313.82		1,031,124,308.60	89,149,191.75	89,149,191.75	134,172,927.89
Zigong New Energy	680,567,620.13	75,999,552.09	75,999,552.09	-66,309,189.89		195,206,904.97	-5,824,859.12	-5,824,859.12	-82,765,080.14

X. RISKS RELATING TO FINANCIAL INSTRUMENTS

The business of the Company involves various financial risks: market risk (inclusive of foreign exchange risk and interest rate risk), credit risk and liquidity risk. The overall risk management procedure of the Company focuses on unpredictable factors in financial market, and aims to seek methods to minimize potential negative effects that will affect the financial performance of the Company. Such kinds of risks are limited by following financial management policies and practice of the Company.

1. Market risk

(1) Foreign exchange risk

The exchange risk of the Company mainly comes from bank deposit, receivable and payable out of the range of recording currency. The main currencies that incur risks include U.S. dollar, Euro and HK dollar.

There have been little foreign exchange transactions from January to December 2022 by the Company. Therefore, the management of the Company anticipates there is no commercial transaction in the future that will incur major foreign exchange risks.

(2) Interest rate risk

The Company's interest rate risk arises mainly from bank and other loans as well as bank deposit. As there is no significant connection between the vast majority of Company's expenses and operating cash flows and the changes in market interest rates, bank loans at fixed interest rate will not be sensitive to the changes in the market interest rates. The Company had never hedged potentially floating rate with any financial instrument before.

The Company's risk of changes in fair value of financial instruments resulted from the changes in interest rates was mainly associated with floating-rate bank loans, for which the Company aims to maintain those floating rates to eliminate fair value risks arising from changes in interest rate.



X. RISKS RELATING TO FINANCIAL INSTRUMENTS (CONTINUED)

2. Credit risk

The credit risk of the Company mainly comes from credit exposures of customers, including outstanding receivables and committed transactions. The Company also provided financial guarantees for certain subsidiaries.

Most of the Company's deposits and cash are placed with financial institutions with high credit ratings. Due to the high credit ratings of these banks, the Company was of the view that such assets are not exposed to significant credit risks.

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

For ECLs measurement, based upon whether credit risk has significantly increased or impaired, the Company measures impairment provision for different assets upon the ECLs during 12 months or entire lifetime. The Company takes into account the quantitative analysis of historical statistics and forward-looking information.

Credit risks concentration are 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 59.58% 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.



X. RISKS RELATING TO FINANCIAL INSTRUMENTS (CONTINUED)

3. Liquidity risk

Within the Company, each subsidiary is responsible for its own cash flow forecast. Based on the summary of the cash flow forecast of each subsidiary, the Company's finance department should keep continuous monitoring of the short-term and long-term funding needs at the Group level in order to ensure that it maintains cash and cash equivalents of normal operations. The management of the Company is responsible to monitor the usage of borrowings and ensures compliance with loan agreements.

Financial liabilities held by the Company are analyzed dependent on maturity date of the undiscounted remaining contractual obligations:

Item	Within 1 year	1 to 5 years	Over 5 years	Total
Short-term loans	1,033,796,781.80			1,033,796,781.80
Notes payable	429,242,468.26			429,242,468.26
Accounts payable	1,652,565,082.55	26,222,881.96	49,366,854.95	1,728,154,819.46
Other payables	76,292,882.64	144,169,424.10	12,023,207.82	232,485,514.56
Lease liabilities	4,045,275.43	9,595,717.72	914,616.00	14,555,609.15
Long-term loans (including long-term loans due within one year)	113,209,660.48	1,260,670,119.19	603,273,777.42	1,977,153,557.09
Total financial liability	3,309,152,151.16	1,440,658,142.97	665,578,456.19	5,415,388,750.32

4. Capital Management

The main objective of the Company's capital management policy is to ensure the Company's continuing operating capability to bring returns to shareholders and other stakeholders and maintain an optimal capital structure for reduction of capital cost.

In order to maintain or adjust the capital structure, the Company might adjust the distribution of profits to shareholders, return capital to shareholders, issue new shares or dispose of assets to cut debt.

The Company monitors its capital management through gearing ratio which is set out below:

Item	31 December 2022	31 December 2021
Gearing ratio	56.33%	53.11%



XI. DISCLOSURE OF FAIR VALUE

1. Closing fair value of assets and liabilities measured at fair value

Unit: Yuan Currency: RMB

Item	Fair value at the end of period			Total
	Level One Fair Value Measurement	Level Two Fair Value Measurement	Level Three Fair Value Measurement	
I. Recurring fair value measurement				
(I) Held-for-trading financial assets				
(II) Other debt investments				
(III) Other equity instrument investments				
(IV) Investment properties				
(V) Biological assets				
(VI) Accounts receivable financing			754,316,996.75	754,316,996.75
Total assets measured at fair value on a recurring basis			754,316,996.75	754,316,996.75
(VI) Financial liability held for trading				
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				

Based on the inputs of the lowest level that are of great significance to the measurement as a whole in the fair value measurement, the fair value can be categorized as:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Observable inputs other than the quoted market price of assets or liabilities in Level 1, either directly (the prices) or indirectly (derived from prices).

Level 3: Any input that is not based on observable market data (unobservable inputs) is used for assets or liabilities.

2. Valuation techniques used and the qualitative and quantitative information of key parameters for recurring and non-recurring fair value measurements categorized within level 3

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.

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XII. RELATED PARTY AND RELATED PARTY TRANSACTIONS

1. Parent company of the Company

Unit: Yuan Currency: RMB

Name of parent company	Place of Registration	Nature of business	Registered capital	Shareholding ratio in the Company by the parent company (%)	Ratio of voting rights of the parent company in the Company (%)
China Luoyang Float Glass (Group) Company	Luoyang, China	Manufacturing of glass and related raw materials, whole-set equipment	1,627,921,337.60	17.22	17.22

The ultimate controller of the Company is China National Building Materials Group Corporation.

2. Subsidiaries of the Company

For details, please refer to Note "IX. Interests in Other Entities" under IX. Financial Report.

3. Joint ventures and associates of the Company

For details, please refer to the notes of joint ventures and associates of the Company.



XII. RELATED PARTY AND RELATED PARTY TRANSACTIONS (CONTINUED)

4. Other related parties

Name of other related parties	Relationship with the Company
Triumph Technology Group Co., Ltd.	Controlling shareholder of the Company
Triumph Science & Technology Co., Ltd.	Common ultimate controller
CNBMG (Puyang) Photoelectric Material Co., Ltd	Common ultimate controller
Yinan Huasheng Mineral Products Industry Co., Ltd.	Common ultimate controller
China Yaohua Glass Group Corporation Co., Ltd.	Common ultimate controller
China National Building Material Group Finance Co., Ltd.	Common ultimate controller
CNBM Research Institute for Intelligent Automation Co., Ltd.	Common ultimate controller
CNBM Xinyun Zhilian Technology Co., Ltd	Common ultimate controller
CNBM New Energy Engineering Co., Ltd.	Common ultimate controller
CNBM Triumph Robotics (Shanghai) Co., Ltd.	Common ultimate controller
CNBM Junxin Technology Co., Ltd.	Common ultimate controller
CTIEC Environmental Protection Research Institute (Jiangsu) Co., Ltd.	Common ultimate controller
CNBM Research Institute for Advanced Glass Materials Group Co., Ltd.	Common ultimate controller
CNBM (Bengbu) Photoelectric Materials Co., Ltd.	Common ultimate controller
China Building Material Test & Certification Group Co., Ltd.	Common ultimate controller
China Triumph International Engineering Co., Ltd. Shenzhen Branch	Common ultimate controller
China Triumph International Engineering Co., Ltd. Jiangsu Branch	Common ultimate controller
China Triumph International Engineering Co., Ltd. Hainan Branch	Common ultimate controller
China Triumph International Engineering Co., Ltd. Bengbu Branch	Common ultimate controller
China Triumph International Engineering Co., Ltd.	Common ultimate controller
CNBM Jiaxing Glass (Heilongjiang) Co., Ltd.	Common ultimate controller
Zhongxin Group Engineering Consulting Group Co., Ltd.	Common ultimate controller



XII. RELATED PARTY AND RELATED PARTY TRANSACTIONS (CONTINUED)

4. Other related parties (Continued)

Name of other related parties	Relationship with the Company
Shenzhen Triumph Science & Technology Engineering Co., Ltd. Bengbu Branch	Common ultimate controller
Shenzhen Triumph Science & Technology Engineering Co., Ltd.	Common ultimate controller
CTIEC Digitalization & Intellectualization (Shanghai) Co., Ltd. (凱盛數智信息技術科技(上海)有限公司)	Common ultimate controller
Zhongxin Group Engineering Consulting Group Co., Ltd. Bengbu Branch	Common ultimate controller
Sinoma Advanced Materials Co., Ltd.	Common ultimate controller
China Building Material Test & Certification Group Co., Ltd.	Common ultimate controller
Shanghai Triumph Energy Saving Engineering Technology Co., Ltd.	Common ultimate controller
Triumph Information Display Material (Luoyang) Co., Ltd.	Common ultimate controller
Triumph Quartz Material (Taihu) Co., Ltd.	Common ultimate controller
Triumph Quartz Material (Hainan) Co., Ltd.	Common ultimate controller
Triumph Science & Technology Co., Ltd. Bengbu Huayi Branch	Common ultimate controller
Triumph Photovoltaic Materials Co., Ltd.	Common ultimate controller
Bengbu Triumph Engineering Technology Company Limited	Common ultimate controller
Bengbu Chemical Machinery Manufacturing Co., Ltd.	Common ultimate controller
Anhui Tianzhu Green Energy Sources Technology Co., Ltd.	Common ultimate controller
Anhui Bengbu Huayi Conductive Film Glass Co., Ltd.	Common ultimate controller
CNBMG Triumph Mineral Resources Group Co., Ltd.* (中建材凱盛礦產資源集團有限公司)	Common ultimate controller
Anhui Huaguang Photoelectricity Materials Technology Group Co., Ltd. Bengbu Photoelectric Glass Branch	Common ultimate controller
Anhui Fangxing Photoelectric New Material Technology Co., Ltd.	Common ultimate controller
Yaohua (Qinhuangdao) Energy Saving Glass Co., Ltd.* (耀華(秦皇島)節能玻璃有限公司)	Common ultimate controller
Yaohua (Qinhuangdao) Glass Technology Development Co., Ltd. *(耀華(秦皇島)玻璃技術開發有限公司)	Common ultimate controller



XII. RELATED PARTY AND RELATED PARTY TRANSACTIONS (CONTINUED)

4. Other related parties (Continued)

Name of other related parties	Relationship with the Company
Qinhuangdao Glass Industry Research and Design Institute Company Limited	Common ultimate controller
China Building Material Test & Certification Group Qinhuangdao Co.,	Common ultimate controller
Triumph Information Display Materials (Chizhou) Co., Ltd.	Common ultimate controller
Triumph Huge Harvest (Dezhou) Smart Agriculture Co., Ltd.	Common ultimate controller
Triumph Information Display Material (Huangshan) Co., Ltd.	Common ultimate controller
CNBM (Neijiang) Glass Hi-tech Co., Ltd.* (中建材(內江)玻璃高新技術有限公司)	Common ultimate controller
Guangdong Triumph photovoltaic technology research institute co., Ltd.* (廣東凱盛光伏技術研究院有限公司)	Common ultimate controller
Fengyang Triumph Silicon Materials Co., Ltd.	Common ultimate controller
Bengbu Xingke Glass Co., Ltd.	Common ultimate controller
CNBM (Chengdu) Optoelectronic Materials Co., Ltd.	Common ultimate controller
Henan Zhonglian Glass Co., Ltd.* (河南省中聯玻璃有限責任公司)	Common ultimate controller
Yangzhou Zhongke Semiconductor Lighting Co., Ltd.	Common ultimate controller
Bengbu China Photoelectric Technology Co., Ltd.	Common ultimate controller
Triumph Heavy Industry Co., Ltd.	Common ultimate controller
Ruitai Technology Co., Ltd.	Common ultimate controller
Suqian CNG New Energy Co., Ltd.* (宿遷中玻新能源有限公司)	Others
Jiangsu Suhuada New Materials Co., Ltd.	Others
Far East Opto-electronics Co., Ltd.	Others



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XII. RELATED PARTY AND RELATED PARTY TRANSACTIONS (CONTINUED)

5. Related party transactions

(1) Related party transactions regarding purchase and sales of commodity, provision and receiving of labor service

Table of purchase of commodity/receiving of labor service

Unit: Yuan Currency: RMB

Related party	Content of related party transactions	Amount for current period	Transaction Cap (if applicable)	Whether exceeding approved cap (if applicable)	Amount for previous period
China Luoyang Float Glass (Group) Company	Interest expense	417,083.34			15,427,445.24
China National Building Material Group Finance Co., Ltd.	Capital occupation fee	1,657,222.22			2,195,555.56
Triumph Technology Group Co., Ltd.	Interest expense	369,959.86			4,355,419.18
Triumph Technology Group Co., Ltd.	Guarantee fee				2,033,500.00
Triumph Technology Group Co., Ltd.	Exhibition fee				75,000.00
CNBMG Triumph Mineral Resources Group Co., Ltd.* (中建材凱盛礦產資源集團有限公司)	Purchase of materials	736,655,944.51			410,535,445.07
Anhui Huaguang Photoelectricity Materials Technology Group Co., Ltd. Bengbu Photoelectric Glass Branch	Purchase of raw glass				3,117,209.03
China Triumph International Engineering Co., Ltd.	Engineering services	72,570,729.89			369,268,060.63
China Triumph International Engineering Co., Ltd.	Engineering design				2,252,830.18
China Triumph International Engineering Co., Ltd. Bengbu Branch	Engineering services	392,960,142.61			589,161,476.35
China Triumph International Engineering Co., Ltd. Jiangsu Branch	Engineering services	175,233,222.30			71,628,603.66
China Triumph International Engineering Co., Ltd. Hainan Branch	Purchase of materials	3,726,676.82			
China Triumph International Engineering Co., Ltd. Shenzhen Branch	Engineering services				94,094,456.80



XII. RELATED PARTY AND RELATED PARTY TRANSACTIONS (CONTINUED)

5. 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 current period	Transaction Cap (if applicable)	Whether exceeding approved cap (if applicable)	Amount for previous period
China Triumph International Engineering Co., Ltd. Jiangsu Branch	Fixed assets				15,309,591.10
China Building Material Test & Certification Group Co., Ltd.	Technical services				93,787.73
China Building Material Test & Certification Group Qinhuangdao Co.,	Fixed assets	212,389.38			
China Building Material Test & Certification Group Qinhuangdao Co.,	Technical services	94,811.32			8,018.87
CNBM New Energy Engineering Co., Ltd.	Engineering services	18,843,192.65			
CNBM Research Institute for Advanced Glass Materials Group Co., Ltd.	Engineering services	2,933,429.41			
CNBM Research Institute for Advanced Glass Materials Group Co., Ltd.	Technical service fee	504,716.98			
CTIEC Environmental Protection Research Institute (Jiangsu) Co., Ltd.	Maintenance service	643,111.15			
CTIEC Environmental Protection Research Institute (Jiangsu) Co., Ltd.	Engineering services				1,211,431.71
CNBM Research Institute for Intelligent Automation Co., Ltd.	Fixed assets	424,778.80			427,896.46
CNBM Research Institute for Intelligent Automation Co., Ltd.	Purchase of spare parts	169,933.90			13,362.82
CNBM Research Institute for Intelligent Automation Co., Ltd.	Engineering services				3,008,849.28
CNBM Triumph Robotics (Shanghai) Co., Ltd.	Fixed assets	272,566.37			381,183.74

XII. RELATED PARTY AND RELATED PARTY TRANSACTIONS (CONTINUED)

5. 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 current period	Transaction Cap (if applicable)	Whether exceeding approved cap (if applicable)	Amount for previous period
CNBM Triumph Robotics (Shanghai) Co., Ltd.	Purchase of spare parts	114,609.52			20,088.50
CNBM Triumph Robotics (Shanghai) Co., Ltd.	Maintenance service	26,548.67			72,580.86
CNBM Triumph Robotics (Shanghai) Co., Ltd.	Engineering services				927,675.18
CNBM Xinyun Zhilian Technology Co., Ltd	Purchase of spare parts	77,433.63			43,545.13
CNBM (Neijiang) Glass Hi-tech Co., Ltd. * (中建材(內江)玻璃高新技術有限公司)	Purchase of spare parts	973.42			
Triumph Quartz Material (Hainan) Co., Ltd.	Purchase of materials	395,589.32			310,900.35
Triumph Quartz Material (Hainan) Co., Ltd.	Purchase of spare parts				1,677,301.87
Triumph Quartz Material (Taihu) Co., Ltd.	Purchase of materials	8,479,421.67			21,660,713.35
CTIEC Digitalization & Intellectualization (Shanghai) Co., Ltd.	Engineering services	1,936,474.04			
CTIEC Digitalization & Intellectualization (Shanghai) Co., Ltd.	Technical services	150,943.40			
Shanghai Triumph Energy Saving Engineering Technology Co., Ltd.	Engineering services	53,129,374.95			43,981,171.90
Shanghai Triumph Energy Saving Engineering Technology Co., Ltd.	Fixed assets	16,811,139.00			
Jiangsu Suhuada New Materials Co., Ltd.	Purchase of photovoltaic glass	18,716,198.15			57,303.21
Guangdong Triumph photovoltaic technology research institute co., Ltd. * (廣東凱盛光伏技術研究院有限公司)	Purchase of materials	9,596,017.72			



XII. RELATED PARTY AND RELATED PARTY TRANSACTIONS (CONTINUED)

5. 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 current period	Transaction Cap (if applicable)	Whether exceeding approved cap (if applicable)	Amount for previous period
Shenzhen Triumph Science & Technology Engineering Co., Ltd.	Fixed assets	2,492,571.26			865,795.24
Shenzhen Triumph Science & Technology Engineering Co., Ltd.	Engineering services				22,029,812.45
Shenzhen Triumph Science & Technology Engineering Co., Ltd. Bengbu Branch	Fixed assets				30,088.50
Fengyang Triumph Silicon Materials Co., Ltd.	Fixed assets	2,739,573.45			
Fengyang Triumph Silicon Materials Co., Ltd.	Purchase of materials	2,707,469.71			
Bengbu Triumph Engineering Technology Company Limited	Purchase of spare parts	3,091,821.22			1,531,557.55
Bengbu Triumph Engineering Technology Company Limited	Fixed assets	3,146,743.36			729,911.51
Bengbu Triumph Engineering Technology Company Limited	Engineering services				4,082,831.87
Bengbu Triumph Engineering Technology Company Limited	Maintenance service				373,451.33
Bengbu Chemical Machinery Manufacturing Co., Ltd.	Fixed assets	9,506,460.29			2,729,911.47
Bengbu Chemical Machinery Manufacturing Co., Ltd.	Purchase of spare parts	1,472,713.34			1,516,004.41
Bengbu Chemical Machinery Manufacturing Co., Ltd.	Purchase of packaging materials	5,241,671.85			11,282,977.06
Bengbu Chemical Machinery Manufacturing Co., Ltd.	Maintenance service				595,115.04
Bengbu Xingke Glass Co., Ltd.	Purchase of materials	24,783.46			
Yaohua (Qinhuangdao) Glass Technology Development Co., Ltd. *(耀華(秦皇島)玻璃技術開發有限公司)	Purchase of materials	4,044,471.56			

XII. RELATED PARTY AND RELATED PARTY TRANSACTIONS (CONTINUED)

5. 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 current period	Transaction Cap (if applicable)	Whether exceeding approved cap (if applicable)	Amount for previous period
Yaohua (Qinhuangdao) Energy Saving Glass Co., Ltd.* (耀華(秦皇島)節能玻璃有限公司)	Rental fees	743,362.80			
Yaohua (Qinhuangdao) Energy Saving Glass Co., Ltd.* (耀華(秦皇島)節能玻璃有限公司)					2,662,944.82
Qinhuangdao Glass Industry Research and Design Institute Company Limited	Service fees	825.69			
Anhui Tianzhu Green Energy Sources Technology Co., Ltd.	Engineering services	29,339,157.26			
CNBM (Chengdu) Optoelectronic Materials Co., Ltd.	Fixed assets	16,124,097.74			
Henan Zhonglian Glass Co., Ltd.* (河南省中聯玻璃有限責任公司)	Purchase of materials	1,572,185.84			
Yangzhou Zhongke Semiconductor Lighting Co., Ltd.	Rental fees	37,044.00			
Zhongxin Group Engineering Consulting Group Co., Ltd.	Engineering services	495,364.18			
Zhongxin Group Engineering Consulting Group Co., Ltd. Bengbu Branch	Engineering services	252,427.18			
Sinoma Advanced Materials Co., Ltd.	Purchase of materials	72,212.39			
China Building Material Test & Certification Group Co., Ltd.	Technical Services	341,188.65			
CTIEC Digitalization & Intellectualization (Shanghai) Co., Ltd.	Service fees	420,754.73			540,094.34
CTIEC Digitalization & Intellectualization (Shanghai) Co., Ltd.	Fixed assets				1,809,895.33
CTIEC Digitalization & Intellectualization (Shanghai) Co., Ltd.	Purchase of software				636,880.95



XII. RELATED PARTY AND RELATED PARTY TRANSACTIONS (CONTINUED)

5. 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 current period	Transaction Cap (if applicable)	Whether exceeding approved cap (if applicable)	Amount for previous period
CNBM (Bengbu) Photoelectric Materials Co., Ltd.	Technical service fee				5,471,698.24
CNBM Jiaxing Glass (Heilongjiang) Co., Ltd.	Purchase of materials				9,599.81
CNBM Research Institute for Advanced Glass Materials Group Co., Ltd.	Engineering supervision				4,291,808.72
CNBM Research Institute for Advanced Glass Materials Group Co., Ltd.	Purchase of electricity				503,095.09
CNBM Research Institute for Advanced Glass Materials Group Co., Ltd.	Purchase of materials				156,795.61
CNBM Research Institute for Advanced Glass Materials Group Co., Ltd.	Purchase of revolving materials				8,131.13
Suqian CNG Electronic Glass Company Limited	Purchase of raw glass				838,135.81
Far East Opto-electronics Co., Ltd.	Rental fees				42,568.88



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XII. RELATED PARTY AND RELATED PARTY TRANSACTIONS (CONTINUED)

5. Related party transactions (Continued)

(1) Related party transactions regarding purchase and sales of commodity, provision and receiving of labor service (Continued)

Table of disposal of commodity/provision of labor service

Unit: Yuan Currency: RMB

Related party	Content of related party transactions	Amount for current period	Amount for previous period
CNBM Junxin Technology Co., Ltd.	Sales of photovoltaic glass	154,770,649.17	255,344,451.21
China Triumph International Engineering Co., Ltd.	Sales of photovoltaic glass	12,136,004.72	15,376,402.66
Triumph Photovoltaic Materials Co., Ltd.	Sales of photovoltaic glass	12,619,758.22	3,746,047.79
China National Building Material Group Finance Co., Ltd.	Interest on deposits	2,672,438.24	423,891.41
Triumph Technology Group Co., Ltd.	Custody fee	2,179,245.29	
Triumph Information Display Material (Luoyang) Co., Ltd.	Sales of display glass	1,204,265.80	3,005,425.42
Yaohua (Qinhuangdao) Glass Technology Development Co., Ltd. *(耀华(秦皇岛)玻璃技术开发有限公司)	Sales of electricity	1,191,237.14	1,848,882.12
Triumph Information Display Materials (Chizhou) Co., Ltd.	Sales of display glass	472,295.96	1,778,080.82
Anhui Tianzhu Green Energy Sources Technology Co., Ltd.	Sales of photovoltaic module	464,737.89	
Bengbu Xingke Glass Co., Ltd.	Sales of glass	447,367.10	
Far East Opto-electronics Co., Ltd.	House and substation rental	245,730.23	295,181.77
Bengbu Chemical Machinery Manufacturing Co., Ltd.	Disposal of fixed assets	229,296.99	631,657.35
Triumph Huge Harvest (Dezhou) Smart Agriculture Co., Ltd.	Sales of glass	27,935.44	



XII. RELATED PARTY AND RELATED PARTY TRANSACTIONS (CONTINUED)

5. Related party transactions (Continued)

(1) *Related party transactions regarding purchase and sales of commodity, provision and receiving of labor service (Continued)*

Table of disposal of commodity/provision of labor service (Continued)

Related party	Content of related party transactions	Amount for current period	Amount for previous period
China Triumph International Engineering Co., Ltd.	Sales of electricity	2,945.09	
Triumph Information Display Material (Huangshan) Co., Ltd.	Sales of display glass	8,589.19	
Shenzhen Triumph Science & Technology Engineering Co., Ltd.	Security deposit	471.70	
Triumph Science & Technology Co., Ltd. Bengbu Huayi Branch	Sales of display glass		44,298,628.07
Yaohua (Qinhuangdao) Energy Saving Glass Co., Ltd.* (耀華(秦皇島)節能玻璃有限公司)	Sales of shattered glass		983,979.36
Yaohua (Qinhuangdao) Energy Saving Glass Co., Ltd.* (耀華(秦皇島)節能玻璃有限公司)	Sales of cobalt oxide		757,964.60
Bengbu China Photoelectric Technology Co., Ltd.	Sales of electricity		180,227.66
Jiangsu Suhuada New Materials Co., Ltd.	Sales of raw glass		45,306.30
Anhui Fangxing Photoelectric New Material Technology Co., Ltd.	Sales of display glass		10,345.57



XII. RELATED PARTY AND RELATED PARTY TRANSACTIONS (CONTINUED)

5. 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 Technology Group	The Company	Equity custody	29 April 2022	28 December 2022	Determined by the two parties through negotiation in accordance with the principle of marketization	751,876.64
Triumph Technology Group	The Company	Equity custody	29 April 2022	28 December 2022	Determined by the two parties through negotiation in accordance with the principle of marketization	751,876.64
Triumph Technology Group	The Company	Equity custody	2 June 2022	28 December 2022	Determined by the two parties through negotiation in accordance with the principle of marketization	648,103.09
Triumph Technology Group	The Company	Equity custody	29 December 2022	28 December 2023	Determined by the two parties through negotiation in accordance with the principle of marketization	27,388.92



XII. RELATED PARTY AND RELATED PARTY TRANSACTIONS (CONTINUED)

5. Related party transactions (Continued)

(3) Leasing between related parties

The Company as the lessor:

Unit: Yuan Currency: RMB

Name of lessee	Type of leasing asset	Leasing revenue recognised in the current period	Leasing revenue recognised in the previous period
Far East Opto-electronics Co., Ltd.	Fixed assets	245,730.23	295,181.77

(4) Related guaranty

The Company as the guarantor:

N/A

The Company as the guaranteed party:

Unit: Yuan Currency: RMB

Guarantor	Amount under guaranty	Commencement date of the guaranty	Expiry date of the guaranty	Whether the guaranty been completed or not
Triumph Technology Group Co., Ltd.	300,000,000.00	2018/12/7	2026/4/30	Yes
Triumph Technology Group Co., Ltd.	55,000,000.00	2020/12/18	2023/12/18	Yes
Triumph Technology Group Co., Ltd.	100,000,000.00	2021/11/24	2022/12/13	Yes
Triumph Technology Group Co., Ltd.	109,000,000.00	2021/12/20	2024/12/19	Yes
Triumph Technology Group Co., Ltd.	99,990,000.00	2021/3/24	2022/3/24	Yes
Triumph Technology Group Co., Ltd.	49,000,000.00	2021/3/16	2023/3/15	Yes
Triumph Technology Group Co., Ltd.	200,000,000.00	2021/3/23	2022/2/5	Yes



Notes to the Financial Statements

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Prepared by: Luoyang Glass Company Limited*
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XII. RELATED PARTY AND RELATED PARTY TRANSACTIONS (CONTINUED)

5. Related party transactions (Continued)

(4) Related guaranty (Continued)

Guarantor	Amount under guaranty	Commencement date of the guaranty	Expiry date of the guaranty	Whether the guaranty been completed or not
Triumph Technology Group Co., Ltd.	120,000,000.00	2021/3/26	2022/3/26	Yes
Triumph Technology Group Co., Ltd.	110,000,000.00	2020/2/28	2023/2/28	Yes
Triumph Technology Group Co., Ltd.	100,000,000.00	2021/3/31	2022/3/25	Yes
Triumph Technology Group Co., Ltd.	80,000,000.00	2020/12/1	2023/11/30	Yes
Triumph Technology Group Co., Ltd.	300,000,000.00	2021/6/24	2023/6/24	No
Triumph Technology Group Co., Ltd.	100,000,000.00	2021/11/9	2022/11/9	Yes
Triumph Technology Group Co., Ltd.	100,000,000.00	2021/5/31	2022/4/29	Yes
Triumph Technology Group Co., Ltd.	100,000,000.00	2019/5/31	2022/5/31	Yes
Triumph Technology Group Co., Ltd.	76,000,000.00	2019/12/23	2022/2/9	Yes
Triumph Technology Group Co., Ltd.	91,400,000.00	2019/12/20	2022/12/20	Yes
Yaohua (Qinhuangdao) Glass Technology Development Co., Ltd.* (耀華(秦皇島)玻璃技術開發有限公司)	10,000,000.00	2021/7/15	2022/7/14	Yes
Triumph Technology Group Co., Ltd.	80,000,000.00	2021/8/16	2022/8/15	Yes
Triumph Technology Group Co., Ltd.	40,000,000.00	2019/7/23	2022/7/22	Yes



XII. RELATED PARTY AND RELATED PARTY TRANSACTIONS (CONTINUED)

5. Related party transactions (Continued)

(4) Related guaranty (Continued)

Guarantor	Amount under guaranty	Commencement date of the guaranty	Expiry date of the guaranty	Whether the guaranty been completed or not
Triumph Technology Group Co., Ltd, Far East Opto-electronics Co., Ltd.	50,000,000.00	2020/3/20	2023/3/20	Yes
Triumph Technology Group Co., Ltd.	200,000,000.00	2020/6/16	2026/6/16	Yes
Triumph Technology Group Co., Ltd.	50,000,000.00	2021/8/6	2022/2/6	Yes
Far East Opto-electronics Co., Ltd.	100,000,000.00	2019/7/22	2022/7/22	Yes
Triumph Technology Group Co., Ltd.	200,000,000.00	2021/8/20	2028/8/19	No
Triumph Technology Group Co., Ltd.	70,000,000.00	2021/4/16	2022/4/16	Yes



XII. RELATED PARTY AND RELATED PARTY TRANSACTIONS (CONTINUED)

5. Related party transactions (Continued)

(5) Borrowings/loans with related parties

From January to December 2022, Triumph Technology Group Co., Ltd. and its subsidiaries directly provided financial assistance to the Company with an accumulated amount of RMB194,000,000.00, and the Company repaid an accumulated amount of RMB669,158,052.28.

(6) Assets transfer and debt restructuring of related parties

Unit: Yuan Currency: RMB

Related party	Content of related party transactions	Amount for current period	Amount for previous period
Triumph Technology Group Co., Ltd.	Transfer of three subsidiaries	593,182,995.89	
China Yaohua Glass Group Corporation Co., Ltd.	Transfer of one subsidiary	326,885,000.00	

For details, please refer to "VIII. Change in the scope of consolidation" under IX. Financial Report.

(7) Remuneration of key management personnel

Unit: Yuan Currency: RMB

Item	Amount for current period	Amount for previous period
Remuneration of key management personnel	6,340,508.93	6,152,890.25



XII. RELATED PARTY AND RELATED PARTY TRANSACTIONS (CONTINUED)

5. Related party transactions (Continued)

(8) Other related party transactions

1. Deposits with related parties

Unit: Yuan Currency: RMB

Related party	Balance of deposits	Deposit interest rate
China National Building Material Group Finance Co., Ltd.	357,141,222.11	0.55%-2.10%

On 31 January 2022, Triumph New Energy disposed of three subsidiaries, including Longmen Glass, Longhai Glass and Bengbu CNBM Information Display. During the transition period from 1 January 2021 to the delivery benchmark date of 31 January 2022, the net profit realized by Longhai Glass was RMB49,827,455.99, the net profit realized by Bengbu CNBM Information Display was RMB7,780,034.55 and the net profit realized by Longmen Glass was -540,494.65. According to the Equity Transfer Agreement, the net profit realized by Longhai Glass and Bengbu CNBM Information Display during the relevant period shall be enjoyed by Triumph New Energy, and on 14 April 2022, Triumph New Energy received the aforesaid payment of RMB57,607,490.54 in the form of dividends from Longhai Glass and Bengbu CNBM Information Display respectively; At the same time, as the losses of Longmen Glass in the relevant period should be compensated by Triumph New Energy, Triumph New Energy has paid compensation of RMB540,494.65 to Longmen Glass.

XII. RELATED PARTY AND RELATED PARTY TRANSACTIONS (CONTINUED)

6. Receivables and payables of related parties (Continued)

(1) Receivables

Unit: Yuan Currency: RMB

Project name	Related party	Closing balance		Opening balance	
		Book balance	Provision for bad debt	Book balance	Provision for bad debt
Accounts receivable	CNBM Junxin Technology Co., Ltd.	44,910,945.81	898,218.92	56,125,352.65	1,122,507.05
Accounts receivable	CNBMG (Puyang) Photoelectric Material Co., Ltd.	27,422,567.38	548,451.35		
Accounts receivable	China Triumph International Engineering Co., Ltd.	17,472,172.76	349,443.46	9,610,996.34	192,219.93
Accounts receivable	Triumph Photovoltaic Materials Co., Ltd.	16,862,926.39	337,258.53	10,269,649.20	205,392.98
Accounts receivable	Far East Opto-electronics Co., Ltd.	10,449,117.50	208,982.35	11,099,743.64	1,885,869.29
Accounts receivable	Anhui Tianzhu Green Energy Sources Technology Co., Ltd.	524,620.80	10,492.42		
Accounts receivable	Sugjian CNG New Energy Co., Ltd. (宿遷中玻新能源有限公司)	124,200.00	2,484.00		
Accounts receivable	Bengbu Chemical Machinery Manufacturing Co., Ltd.	57,162.40	1,143.25	213,772.80	4,275.46
Accounts receivable	Bengbu China Photoelectric Technology Co., Ltd.			103,457.00	2,069.14
Prepayment	Jiangsu Suhuada New Materials Co., Ltd.	3,359,610.69		5.85	
Prepayment	Bengbu Triumph Engineering Technology Company Limited	837,600.00		219,604.93	
Prepayment	China Triumph International Engineering Co., Ltd.	633,373.98			
Prepayment	CNBM Research Institute for Intelligent Automation Co., Ltd.	596,300.00			
Prepayment	CNBM Triumph Robotics (Shanghai) Co., Ltd.	220,802.60			
Prepayment	CTIEC Digitalization & Intellectualization (Shanghai) Co., Ltd.	219,400.00			
Prepayment	Yaohua (Qinhuangdao) Energy Saving Glass Co., Ltd.* (耀華(秦皇島)節能玻璃有限公司)	140,000.00			
Prepayment	China Building Material Test & Certification Group Co., Ltd.	120,000.00			
Prepayment	CNBM Research Institute for Advanced Glass Materials Group Co., Ltd.	85,859.16		85,859.16	
Prepayment	China Triumph International Engineering Co., Ltd. Bengbu Branch	30,000.00		60,000.00	
Other receivables	China Yaohua Glass Group Corporation Co., Ltd.	79,878,250.00			



XII. RELATED PARTY AND RELATED PARTY TRANSACTIONS (CONTINUED)

6. Receivables and payables of related parties (Continued)

(1) Receivables (Continued)

Project name	Related party	Closing balance		Opening balance	
		Book balance	Provision for bad debt	Book balance	Provision for bad debt
Other receivables	CNBMG (Puyang) Photoelectric Material Co., Ltd	3,177,467.97	63,549.35		
Other receivables	China Triumph International Engineering Co., Ltd.	714,400.00	14,288.00		
Other receivables	China Triumph International Engineering Co., Ltd. Shenzhen Branch	489,482.03	9,789.64		
Other receivables	China Triumph International Engineering Co., Ltd. Jiangsu Branch	31,696.00	633.92		
Other receivables	Triumph Technology Group Co., Ltd.	29,032.26	580.65		
Other receivables	Sinoma Advanced Materials Co., Ltd.	27,610.62	552.21		
Other non-current assets	China Triumph International Engineering Co., Ltd. Bengbu Branch	241,145,804.11			
Other non-current assets	China Triumph International Engineering Co., Ltd.	196,499,879.66		70,000,000.00	
Other non-current assets	CNBM New Energy Engineering Co., Ltd.	8,589,592.69			
Other non-current assets	China Triumph International Engineering Co., Ltd. Jiangsu Branch	5,641,032.25			
Other non-current assets	Bengbu Triumph Engineering Technology Company Limited	1,007,744.77		4,150,220.00	
Other non-current assets	Yangzhou Zhongke Semiconductor Lighting Co., Ltd.	236,700.00			
Other non-current assets	Zhongxin Group Engineering Consulting Group Co., Ltd. Bengbu Branch	151,386.14			
Other non-current assets	CNBM Triumph Robotics (Shanghai) Co., Ltd.	135,000.00			
Other non-current assets	CNBM Research Institute for Intelligent Automation Co., Ltd.	48,600.00			
Other non-current assets	CNBM Research Institute for Advanced Glass Materials Group Co., Ltd.			900,000.00	
Other non-current assets	Bengbu Chemical Machinery Manufacturing Co., Ltd.			4,611,178.93	
Other non-current assets	Shanghai Triumph Energy Saving Engineering Technology Co., Ltd.			8,991,429.12	
Accounts receivable financing	China Triumph International Engineering Co., Ltd.	1,210,000.00			
Accounts receivable financing	CNBM Junxin Technology Co., Ltd.	50,585,434.52			

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XII. RELATED PARTY AND RELATED PARTY TRANSACTIONS (CONTINUED)

6. Receivables and payables of related parties (Continued)

(2) Payable

Unit: Yuan Currency: RMB

Project name	Related party	Book balance at the end of the period	Book balance at the beginning of the period
Accounts payable	China Triumph International Engineering Co., Ltd.	283,211,249.58	18,740,213.63
Accounts payable	China Triumph International Engineering Co., Ltd. Bengbu Branch	198,105,764.64	38,360,319.82
Accounts payable	CNBMG Triumph Mineral Resources Group Co., Ltd.* (中建材凱盛礦產資源集團有限公司)	155,080,397.59	100,394,190.39
Accounts payable	China Triumph International Engineering Co., Ltd. Jiangsu Branch	100,400,425.96	24,413,342.88
Accounts payable	Shanghai Triumph Energy Saving Engineering Technology Co., Ltd.	37,121,243.70	
Accounts payable	China Triumph International Engineering Co., Ltd. Shenzhen Branch	34,697,770.31	148,078,000.67
Accounts payable	Anhui Tianzhu Green Energy Sources Technology Co., Ltd.	17,999,088.83	294,000.00
Accounts payable	Shenzhen Triumph Science & Technology Engineering Co., Ltd.	13,898,318.55	10,068,449.54
Accounts payable	Guangdong Triumph photovoltaic technology research institute co., Ltd. * (廣東凱盛光伏技術研究院有限公司)	8,714,946.91	
Accounts payable	Bengbu Chemical Machinery Manufacturing Co., Ltd.	5,603,752.22	2,298,620.41
Accounts payable	China Triumph International Engineering Co., Ltd. Hainan Branch	2,572,383.12	438,848.77
Accounts payable	CNBM Research Institute for Advanced Glass Materials Group Co., Ltd.	2,156,600.00	2,441,598.16
Accounts payable	Bengbu Triumph Engineering Technology Company Limited	1,738,793.00	1,140,601.56
Accounts payable	CNBM Research Institute for Intelligent Automation Co., Ltd.	1,251,867.26	1,533,000.00
Accounts payable	Ruitai Technology Co., Ltd.	964,029.06	
Accounts payable	Sinoma Advanced Materials Co., Ltd.	729,694.96	
Accounts payable	CTIEC Digitalization & Intellectualization (Shanghai) Co., Ltd.	508,888.85	2,468,550.00
Accounts payable	Fengyang Triumph Silicon Materials Co., Ltd.	497,324.30	



XII. RELATED PARTY AND RELATED PARTY TRANSACTIONS (CONTINUED)

6. Receivables and payables of related parties (Continued)

(2) Payable (Continued)

Project name	Related party	Book balance at the end of the period	Book balance at the beginning of the period
Accounts payable	CNBM Triumph Robotics (Shanghai) Co., Ltd.	329,732.99	329,732.99
Accounts payable	CTIEC Environmental Protection Research Institute (Jiangsu) Co., Ltd.	259,000.00	950,000.00
Accounts payable	Qinhuangdao Glass Industry Research and Design Institute Company Limited	148,000.00	
Accounts payable	Far East Opto-electronics Co., Ltd.	45,876.13	45,876.13
Accounts payable	Triumph Quartz Material (Hainan) Co., Ltd.	30,473.99	2,076,849.62
Accounts payable	Triumph Heavy Industry Co., Ltd.	29,600.00	29,600.00
Accounts payable	Anhui Huaguang Photoelectricity Materials Technology Group Co., Ltd. Bengbu Photoelectric Glass Branch	25,043.63	25,043.63
Accounts payable	Jiangsu Suhuada New Materials Co., Ltd.	0.15	58,781.44
Accounts payable	Triumph Technology Group Co., Ltd.		292,947.15
Accounts payable	Triumph Quartz Material (Taihu) Co., Ltd.		1,103,277.17
Accounts payable	Shenzhen Triumph Science & Technology Engineering Co., Ltd. Bengbu Branch		4,549,288.31
Accounts payable	Yinan Huasheng Mineral Products Industry Co., Ltd.		2,714.60
Other payables	China Luoyang Float Glass (Group) Company	130,000,000.00	602,957,377.77
Other payables	CNBM Research Institute for Advanced Glass Materials Group Co., Ltd.	3,358,423.21	3,429,134.60
Other payables	耀華(秦皇島)秦皇島玻璃技術開發有限公司	1,530,846.01	301,853.25
Other payables	China Yaohua Glass Group Corporation Co., Ltd.	409,176.39	2,262,657.97
Other payables	Yaohua (Qinhuangdao) Energy Saving Glass Co., Ltd.* (耀華(秦皇島)節能玻璃有限公司)	289,791.00	100,000.00
Other payables	Bengbu Chemical Machinery Manufacturing Co., Ltd.	200,500.00	
Other payables	Shenzhen Triumph Science & Technology Engineering Co., Ltd.	200,000.00	
Other payables	Anhui Tianzhu Green Energy Sources Technology Co., Ltd.	110,000.00	100,000.00
Other payables	Anhui Bengbu Huayi Conductive Film Glass Co., Ltd.	68,974.41	

XII. RELATED PARTY AND RELATED PARTY TRANSACTIONS (CONTINUED)

6. Receivables and payables of related parties (Continued)

(2) Payable (Continued)

Project name	Related party	Book balance at the end of the period	Book balance at the beginning of the period
Other payables	Bengbu Triumph Engineering Technology Company Limited	20,500.00	
Other payables	CNBM Triumph Robotics (Shanghai) Co., Ltd.	20,000.00	20,000.00
Other payables	Bengbu Xingke Glass Co., Ltd.	11,624.94	11,624.94
Other payables	Triumph Science & Technology Co., Ltd.	0.01	
Other payables	Triumph Technology Group Co., Ltd.		1,386,336.97
Other payables	Triumph Science & Technology Co., Ltd. Bengbu Huayi Branch		477,198.71
Other payables	CNBM Research Institute for Intelligent Automation Co., Ltd.		5,000.00
Other payables	China Triumph International Engineering Co., Ltd. Bengbu Branch		140,000.00
Contract liabilities	Jiangsu Suhuada New Materials Co., Ltd.	28,364.49	
Contract liabilities	Triumph Science & Technology Co., Ltd. Bengbu Huayi Branch	6,413.35	
Other current liabilities	Bengbu Chemical Machinery Manufacturing Co., Ltd.	290,378.30	
Other current liabilities	Bengbu Triumph Engineering Technology Company Limited	1,117,571.42	
Other current liabilities	CNBM (Chengdu) Optoelectronic Materials Co., Ltd.	1,000,000.00	
Other current liabilities	Henan Zhonglian Glass Co., Ltd.* (河南省中聯玻璃有限責任公司)	277,000.00	
Other current liabilities	Triumph Quartz Material (Hainan) Co., Ltd.	263,382.01	
Other current liabilities	Shanghai Triumph Energy Saving Engineering Technology Co., Ltd.	8,298,935.58	
Other current liabilities	Shenzhen Triumph Science & Technology Engineering Co., Ltd.	1,072,639.39	
Other current liabilities	China Triumph International Engineering Co., Ltd.	9,508,420.00	
Other current liabilities	China Triumph International Engineering Co., Ltd. Bengbu Branch	43,928,724.53	
Other current liabilities	China Triumph International Engineering Co., Ltd. Hainan Branch	2,974,021.60	
Other current liabilities	China Triumph International Engineering Co., Ltd. Jiangsu Branch	16,993,266.58	



XII. RELATED PARTY AND RELATED PARTY TRANSACTIONS (CONTINUED)

6. Receivables and payables of related parties (Continued)

(2) Payable (Continued)

<u>Project name</u>	<u>Related party</u>	<u>Book balance at the end of the period</u>	<u>Book balance at the beginning of the period</u>
Other current liabilities	China Triumph International Engineering Co., Ltd. Shenzhen Branch	10,000,000.00	
Other current liabilities	CNBM Research Institute for Advanced Glass Materials Group Co., Ltd.	400,000.00	
Other current liabilities	CNBM Triumph Robotics (Shanghai) Co., Ltd.	244,802.60	
Notes payable	Bengbu Chemical Machinery Manufacturing Co., Ltd.	561,780.00	
Notes payable	Guangdong Triumph photovoltaic technology research institute co., Ltd. * (廣東凱盛光伏技術研究院有限公司)	810,000.00	
Notes payable	Triumph Quartz Material (Taihu) Co., Ltd.	7,318,385.35	5,947,771.70
Notes payable	China Triumph International Engineering Co., Ltd.	90,000,000.00	1,194,000.00
Notes payable	China Triumph International Engineering Co., Ltd. Jiangsu Branch	6,960,000.00	3,032,096.04
Notes payable	CNBM Research Institute for Intelligent Automation Co., Ltd.	264,000.00	

Notes to the Financial Statements

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Unit: Yuan Currency: RMB

XIII. COMMITMENTS AND CONTINGENCIES

1. Significant commitments

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

(1) *Capital commitments*

Capital commitments contracted but not yet recognised in the financial statements	Closing balance	Balance at the end of last year
Commitments in relation to acquisition and construction of long-term assets	3,395,207,291.04	811,601,814.61

XIV. SUBSEQUENT EVENTS AFTER THE DATE OF BALANCE SHEET

As of 29 March 2023 (the date of approval of the report by the Board), the Company has no other events that should be disclosed after the balance sheet date.

XV. OTHER SIGNIFICANT EVENTS

1. Correction of accounting errors in prior periods

N/A

2. Discontinued operation

Unit: Yuan Currency: RMB

Item	Amount for current period	Amount for previous period
Revenue from discontinued operations (A)	22,338,394.46	387,674,497.31
Less: Termination of operating expenses (B)	17,731,356.69	333,545,902.75
Total profit from discontinued operations (C)	4,607,037.77	54,128,594.56
Less: income tax expense for termination of operations (D)	-605,827.58	-649,311.65
Net profit from operating activities (E = C-D)	5,212,865.35	54,777,906.21
Asset impairment loss/(reversal) (F)		
Total proceeds from disposal (G)	126,451,342.94	
Disposal of related income tax expenses (H)		
Net profit of disposal (I = G-H)	126,451,342.94	
Net profit from discontinued operations (J = E + F + I)	131,664,208.29	54,777,906.21
Of which: Discontinued operating profit attributable to shareholders of the Company	131,664,208.29	54,777,906.21
Discontinued operating profit attributable to minority shareholders		
Net cash flow from operating activities	8,847,839.52	68,104,097.59
Net cash flow from investing activities	-7,464,000.00	-1,420,066.88
Net cash flow from financing activities	116,924,042.21	-36,163,832.01



XV. OTHER SIGNIFICANT EVENTS (CONTINUED)

2. Discontinued operation (Continued)

- ① The profit from continuing operations realized in the current period was RMB327,505,482.08, of which the profit from continuing operations attributable to the shareholders of the Company was RMB277,374,443.41.
- ② In 2022, the Company strategically began to focus on the photovoltaic glass business and stripped off the display glass business. The Company consolidated three subsidiaries, including Longhai Glass, Longmen Glass and Bengbu CNBM Information Display, which are mainly engaged in the production and sales of information display glass. On 31 January 2022, three subsidiaries of Longhai Glass, Longmen Glass and Bengbu CNBM Information Display were disposed.

3. Segment Information

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

In accordance with the Company's internal organizational structure, management requirements and internal reporting system, the Company's operations are divided into three reporting segments, which are identified on the basis of financial information required by the Company's daily internal management. The management of the Group regularly evaluates the operating results of these reporting segments to make decisions about resources to be allocated to the segment and to assess its performance.

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

- (1) the component is able to generate revenues and incur expenses from its ordinary activities;
- (2) whose operating results are regularly evaluated by the Company's management to make decisions about resources to be allocated to the segment and to assess its performance;
- (3) for which relevant accounting information such as financial position, operating results and cash flows is available to the Company. Two or more operating segments may be aggregated into a single operating segment if they have similar economic characteristics and meet specified conditions.

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



XV. OTHER SIGNIFICANT EVENTS (CONTINUED)**3. Segment Information (Continued)****(1) Determination basis and accounting policies of reporting segment (Continued)**

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

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

(2) Financial information of reporting segment

Unit: Yuan Currency: RMB

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



XV. OTHER SIGNIFICANT EVENTS (CONTINUED)

3. Segment Information (Continued)

(3) Other explanations

1. Operating income by customer's geographical location

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

2. Non-current assets by its geographical location

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

3. Degree of reliance on major customers

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

4. Auditor remuneration

Unit: Yuan Currency: RMB

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

XV. OTHER SIGNIFICANT EVENTS (CONTINUED)**3. Segment Information (Continued)****(3) Other explanations (Continued)**

5. Remuneration of directors, supervisors and staff

(1) Remuneration of directors and supervisors

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

Remuneration of Directors and Supervisors in 2022							
Name	Position	Fees	Bonus	Salary, allowance and benefit in kind	Defined contribution, plan contribution	Total	Date of resignation or appointment
Executive directors:							
Wang Guoqiang	Executive Director, Vice general manager			183,333.33	24,561.84	207,895.17	Resigned on 2022.4.29
Xie Jun	Chairman			774,169.00	45,927.54	820,096.54	Appointed on 2022.05.26
Ma Yan	Executive Director, President			750,000.00	107,786.28	857,786.28	Appointed on 2022.05.26
Zhang Rong	Executive Director, Executive President			665,000.00	153,060.94	818,060.94	Appointed on 2022.05.26
Liu Yuquan	Executive Director			600,000.00	76,629.84	676,629.84	Appointed on 2022.05.26
Wang Leilei	Executive Director, Secretary to the Board			400,269.00	104,720.57	504,989.57	Appointed on 2022.05.26
Independent non-executive directors:							
He Baofeng	Independent non-executive Director			25,000.00		25,000.00	Expired
Ye Shuhua	Independent non-executive Director			25,000.00		25,000.00	Expired
Zhao Hulin	Independent non-executive Director			58,333.00		58,333.00	Appointed on 2022.05.26
Chen Qisuo	Independent non-executive Director			58,333.00		58,333.00	Appointed on 2022.05.26
Fan Baoqun	Independent non-executive Director			58,333.00		58,333.00	Appointed on 2022.05.26
Zhang Yajuan	Independent non-executive Director			83,333.00		83,333.00	Appointed on 2022.05.26
Supervisors:							
Li Wenge	Supervisor			87,500.00	18,421.38	105,921.38	Expired



XV. OTHER SIGNIFICANT EVENTS (CONTINUED)

3. Segment Information (Continued)

(3) Other explanations (Continued)

5. Remuneration of directors, supervisors and staff (Continued)

(1) Remuneration of directors and supervisors (Continued)

Remuneration of Directors and Supervisors in 2022							
Name	Position	Fees	Bonus	Salary, allowance and benefit in kind	Defined contribution, plan contribution	Total	Date of resignation or appointment
Employee supervisors:							
Wang Jian	Employee Supervisor			13,964.30	6,156.29	20,120.59	Expired
Ma Jiankang	Employee Supervisor			43,650.75	29,740.74	73,391.49	Expired
Zhang Pingwei	Employee Supervisor			186,667.00	40,298.01	226,965.01	Appointed on 2022.05.26
Li Huadong	Employee Supervisor			84,000.00	47,012.68	131,012.68	Appointed on 2022.05.26
Independent Supervisor:							
Qiu Mingwei	Independent Supervisor			12,500.00		12,500.00	Expired
Yan Mei	Independent Supervisor			12,500.00		12,500.00	Expired
Wang Juan	Independent Supervisor			29,166.00		29,166.00	Appointed on 2022.05.26
Wang Junqiao	Independent Supervisor			29,166.00		29,166.00	Appointed on 2022.05.26
Total				4,180,217.38	654,316.11	4,834,533.49	

XV. OTHER SIGNIFICANT EVENTS (CONTINUED)**3. Segment Information (Continued)****(3) Other explanations (Continued)**5. *Remuneration of directors, supervisors and staff (Continued)*

(1) Remuneration of directors and supervisors (Continued)

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

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

(2) The five individuals whose remunerations are the highest

The five individuals whose remuneration were the highest during 2022, included 5 directors (2021: three directors), whose remuneration was set out as above.



XVI. NOTES TO MAJOR ITEMS OF THE FINANCIAL STATEMENTS OF THE COMPANY

1. Accounts receivable

(1) Disclosure by aging

Ageing analysis of accounts receivables by date of entry as follow:

Unit: Yuan Currency: RMB

Aging	Book balance at the end of the period	Ratio (%)	Book balance at the end of the previous year	Ratio (%)
Within 1 year	277,349,852.21	84.50	107,743,512.38	26.50
1 to 2 years			10,714,242.70	2.63
2 to 3 years			16,230,417.90	3.99
3 to 4 years			3,772,284.75	0.93
4 to 5 years				
Over 5 years	50,886,600.73	15.50	268,221,614.45	65.95
Total	328,236,452.94	100.00	406,682,072.18	100.00



XVI. NOTES TO MAJOR ITEMS OF THE FINANCIAL STATEMENTS OF THE COMPANY (CONTINUED)

1. Accounts receivable (Continued)

(2) Classified disclosure by the method of bad debt provision

Unit: Yuan Currency: RMB

Category	Closing balance					Opening balance				
	Book balance		Provision for bad debt		Book value	Book balance		Provision for bad debt		Book value
	Amount	Ratio (%)	Amount	Provision ratio (%)		Amount	Ratio (%)	Amount	Provision ratio (%)	
Provision for bad debt on individual basis	0.00	0.00	0.00	0.00	0.00	234,474,749.76	57.66	135,406,067.54	57.75	99,068,682.22
Provision for bad debt on group basis	328,236,452.94	100.00	51,435,052.08	15.67	276,801,400.86	172,207,322.42	42.34	50,886,600.73	29.55	121,320,721.69
Including:										
Related party customer group	277,349,852.21	84.50	548,451.35	0.20	276,801,400.86	121,320,721.69	29.83			121,320,721.69
General customers group	50,886,600.73	15.50	50,886,600.73	100.00	0.00	50,886,600.73	12.51	50,886,600.73	100.00	0.00
Total	328,236,452.94	/	51,435,052.08	/	276,801,400.86	406,682,072.18	/	186,292,668.27	/	220,389,403.91

Provision for bad debt on individual basis:

Unit: Yuan Currency: RMB

Name	Closing balance			Reason for provision
	Book balance	Provision for bad debt	Provision ratio (%)	
CLFG Longmen Glass Co. Ltd.	0.00	0.00	0.00	/
Total	0.00	0.00	0.00	/



XVI. NOTES TO MAJOR ITEMS OF THE FINANCIAL STATEMENTS OF THE COMPANY (CONTINUED)

1. Accounts receivable (Continued)

(2) Classified disclosure by the method of bad debt provision (Continued)

Name	Balance at the end of last year		Expected credit loss ratio (%)	Reason for provision
	Book balance	Provision for bad debt		
CLFG Longmen Glass Co. Ltd.	234,474,749.76	135,406,067.54	57.75	Unrecoverable in full
Total	234,474,749.76	135,406,067.54	57.75	

Provision for bad debt on group basis:

Items for which provision is assessed on a group basis: related party customer group

Unit: Yuan Currency: RMB

Name	Closing balance			Balance at the end of previous year		
	Accounts receivable	Provision for bad debt	Provision ratio (%)	Accounts receivable	Provision for bad debt	Provision ratio (%)
Related party customers group	277,349,852.21	548,451.35	0.20	121,320,721.69		
Total	277,349,852.21	548,451.35	0.20	121,320,721.69		

Item for which provision is assessed on a group basis: general customers group

Unit: Yuan Currency: RMB

Name	Closing balance			Balance at the end of previous year		
	Accounts receivable	Provision for bad debt	Provision ratio (%)	Accounts receivable	Provision for bad debt	Provision ratio (%)
Over 5 years	50,886,600.73	50,886,600.73	100.00	50,886,600.73	50,886,600.73	100.00
Total	50,886,600.73	50,886,600.73	100.00	50,886,600.73	50,886,600.73	100.00

XVI. NOTES TO MAJOR ITEMS OF THE FINANCIAL STATEMENTS OF THE COMPANY (CONTINUED)

1. Accounts receivable (Continued)

(3) Provision for bad debts

Unit: Yuan Currency: RMB

Category	Opening balance	Provision	Increase/decrease for the period		Other changes	Closing balance
			Recovery or reversal	Write-off or cancellation		
Provision for bad debt	186,292,668.27	548,451.35	135,406,067.54			51,435,052.08
Tota	186,292,668.27	548,451.35	135,406,067.54			51,435,052.08

Among them, the bad debt provision of significant amount recovered or reversed in the current period:

Unit: Yuan Currency: RMB

Name	Reason for collection	Amount recovered or reversed	Way of collection
CLFG Longmen Glass Co. Ltd.	Recovery	135,406,067.54	Monetary funds
Total		135,406,067.54	/



XVI. NOTES TO MAJOR ITEMS OF THE FINANCIAL STATEMENTS OF THE COMPANY (CONTINUED)

1. Accounts receivable (Continued)

(4) *Top five largest accounts receivable at the end of the period by the balance collected regarding the party in default*

Unit: Yuan Currency: RMB

Name	Closing balance	Proportion in the total amount of closing balance of accounts receivable (%)	Closing balance of provision for bad debts
Rank 1st	109,902,507.18	33.48	
Rank 2nd	47,844,176.00	14.58	
Rank 3rd	45,339,014.18	13.81	
Rank 4th	38,375,303.22	11.69	
Rank 5th	27,422,567.38	8.35	548,451.35
Total	268,883,567.96	81.91	548,451.35

2. Other receivables

Presentation by item

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Interest receivable		
Dividend receivable		50,000,000.00
Other receivables	693,082,451.00	720,139,537.16
Less: Provision for bad debt	32,910,029.93	338,345,980.79
Total	660,172,421.07	431,793,556.37

XVI. NOTES TO MAJOR ITEMS OF THE FINANCIAL STATEMENTS OF THE COMPANY (CONTINUED)

2. Other receivables (Continued)

Dividend receivable

(1) Dividend receivable

Unit: Yuan Currency: RMB

Project (or investee)	Closing balance	Opening balance
Dividend receivable		50,000,000.00
Less: Provision for bad debt		
Total		50,000,000.00

Other receivables

(1) Disclosure by aging

Unit: Yuan Currency: RMB

Aging	Book balance at the end of the period	Ratio (%)	Book balance at the end of the previous year	Ratio (%)
Within 1 year	659,100,651.07	95.10	686,957,607.68	95.39
Including: sub-items within 1 year				
Subtotal within 1 year	659,100,651.07	95.10	686,957,607.68	95.39
1 to 2 years	800,000.00	0.12	1,200,129.55	0.17
2 to 3 years	1,200,000.00	0.17		
Over 3 years				
3 to 4 years				
4 to 5 years				
Over 5 years	31,981,799.93	4.61	31,981,799.93	4.44
Total	693,082,451.00	100.00	720,139,537.16	100.00



XVI. NOTES TO MAJOR ITEMS OF THE FINANCIAL STATEMENTS OF THE COMPANY (CONTINUED)

2. Other receivables (Continued)

Other receivables

(2) Category of other receivables by nature of amount

Unit: Yuan Currency: RMB

<u>Nature of amount</u>	Book balance at the end of the period	Book balance at the beginning of the period
Reserve, security deposit and deposit	104,891.91	
Amounts due from subsidiaries	577,890,891.65	686,107,131.01
Current accounts	35,208,417.44	34,032,406.15
Equity disposal consideration	79,878,250.00	
Total	693,082,451.00	720,139,537.16



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XVI. NOTES TO MAJOR ITEMS OF THE FINANCIAL STATEMENTS OF THE COMPANY (CONTINUED)

2. Other receivables (Continued)

Other receivables (Continued)

(3) Provision for bad debts

Unit: Yuan Currency: RMB

Provision for bad debt	First stage	Second stage	Third stage	Total
	Next 12 months ECL	Lifetime ECL (not credit- impaired)	Lifetime ECL (credit-impaired)	
Balance as at 1 January 2022	377,048.40		337,968,932.39	338,345,980.79
Balance as at 1 January 2022 for the period				
- Transferred to Stage 2	-377,009.53	377,009.53		
- Transferred to Stage 3				
- Reversed to Stage 2				
- Reversed to Stage 1				
Provision for the current period	88,191.13	462,990.47		551,181.60
Reversed for the current period	305,987,132.46	305,987,132.46		
Write-off for the current period				
Cancellation for the current period				
Other changes				
Balance as at 31 December 2022	88,230.00	840,000.00	31,981,799.93	32,910,029.93



XVI. NOTES TO MAJOR ITEMS OF THE FINANCIAL STATEMENTS OF THE COMPANY (CONTINUED)

2. Other receivables (Continued)

Other receivables (Continued)

(3) Provision for bad debts (Continued)

Provision for bad debts in the first stage at the end of the period:

Category	Book balance	Expected credit loss rate over the next 12 months (%)	Provision for bad debt	Book value	Reason
Provision for bad debt on individual basis					
Provision for bad debt on group basis	659,100,651.07	0.01	88,230.00	659,012,421.07	
Group 1: Photovoltaic subsidies basis					
Group 2: Security deposit, deposit					
Group 3: Consideration for disposal of equity interests	654,591,673.68			654,591,673.68	
Group 4: Transactions outside the scope of consolidation	3,206,500.23	2.00	64,130.00	3,142,370.23	
Group 5: General customers	1,205,000.00	2.00	24,100.00	1,180,900.00	
Group 6: Social security and reserve	97,477.16			97,477.16	
Total	659,100,651.07	0.01	88,230.00	659,012,421.07	

XVI. NOTES TO MAJOR ITEMS OF THE FINANCIAL STATEMENTS OF THE COMPANY (CONTINUED)

2. Other receivables (Continued)

Other receivables (Continued)

(3) Provision for bad debts (Continued)

Provision for bad debts in the second stage at the end of the period:

Category	Book balance	Expected credit loss rate over the lifetime (%)	Provision for bad debt	Book value	Reason
Provision for bad debt on individual basis					
Provision for bad debt on group basis	2,000,000.00	42.00	840,000.00	1,160,000.00	
Group 1: Photovoltaic subsidies basis					
Group 2: Security deposit, deposit					
Group 3: Consideration for disposal of equity interests					
Group 4: Transactions outside the scope of consolidation					
Group 5: General customers	2,000,000.00	42.00	840,000.00	1,160,000.00	
Group 6: Social security and reserve					
Total	2,000,000.00	42.00	840,000.00	1,160,000.00	



XVI. NOTES TO MAJOR ITEMS OF THE FINANCIAL STATEMENTS OF THE COMPANY (CONTINUED)

2. Other receivables (Continued)

Other receivables (Continued)

(3) Provision for bad debts (Continued)

Provision for bad debts in the third stage at the end of the period:

Category	Book balance	Expected credit loss rate over the lifetime (%)	Provision for bad debt	Book value	Reason
Provision for bad debt on individual basis					
Provision for bad debt on group basis	31,981,799.93	100.00	31,981,799.93	0.00	
Group 1: Photovoltaic subsidies basis					
Group 2: Security deposit, deposit					
Group 3: Consideration for disposal of equity interests					
Group 4: Transactions outside the scope of consolidation					
Group 5: General customers	31,890,908.02	100.00	31,890,908.02	0.00	
Group 6: Social security and reserve	90,891.91	100.00	90,891.91	0.00	
Total	31,981,799.93	100.00	31,981,799.93	0.00	

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Unit: Yuan Currency: RMB

XVI. NOTES TO MAJOR ITEMS OF THE FINANCIAL STATEMENTS OF THE COMPANY (CONTINUED)

2. 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 changes	
Provision for bad debt	338,345,980.79	551,181.60	305,987,132.46			32,910,029.93
Total	338,345,980.79	551,181.60	305,987,132.46			32,910,029.93

Among them, the provision for bad debts of significant amount recovered or reversed in the Period:

Unit: Yuan Currency: RMB

Name	Reason for collection	Amount recovered or reversed	Way of collection
CLFG Longmen Glass Co. Ltd.	Recovery	305,987,132.46	Monetary funds
Total		305,987,132.46	/



XVI. NOTES TO MAJOR ITEMS OF THE FINANCIAL STATEMENTS OF THE COMPANY (CONTINUED)

2. Other receivables (Continued)

Other receivables (Continued)

(5) Top five accounts receivable by closing balance collection of the borrowers

Unit: Yuan Currency: RMB

Name	Nature of payment	Closing balance	Aging	Percentage of the total other receivables at the end of the period (%)	Closing balance of provision for bad debts
Rank 1st	Fund borrowing	150,664,623.68	Within 1 year	21.74	
Rank 2nd	Fund borrowing	117,200,000.00	Within 1 year	16.91	
Rank 3rd	Fund borrowing	98,000,000.00	Within 1 year	14.14	
Rank 4th	Equity disposal consideration	79,878,250.00	Within 1 year	11.52	
Rank 5th	Fund borrowing	70,000,000.00	Within 1 year	10.10	
Rank 5th	Fund borrowing	70,000,000.00	Within 1 year	10.10	
Total	/	585,742,873.68	/	84.51	



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Unit: Yuan Currency: RMB

XVI. NOTES TO MAJOR ITEMS OF THE FINANCIAL STATEMENTS OF THE COMPANY (CONTINUED)

3. Long-term equity investment

Unit: Yuan Currency: RMB

Item	Closing balance			Opening balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Investment in subsidiaries	3,703,415,248.62		3,703,415,248.62	3,972,158,680.30	114,513,390.18	3,857,645,290.12
Investment in associates and joint ventures						
Total	3,703,415,248.62		3,703,415,248.62	3,972,158,680.30	114,513,390.18	3,857,645,290.12

(1) Investment in subsidiaries

Unit: Yuan Currency: RMB

Investee	Opening balance	Increase for the period	Decrease for the period	Closing balance	Provision for	Balance of the
					impairment for the current period	provision for impairment at the end of the period
Puyang CNBM Photovoltaic						
Materials	240,000,000.00		240,000,000.00			
Longmen Glass	114,513,390.18		114,513,390.18			
Longhai Glass	88,941,425.28		88,941,425.28			
Bengbu CNBM Information						
Display	699,545,168.71		699,545,168.71			
Hefei New Energy	975,180,001.59			975,180,001.59		
Tongcheng New Energy	1,039,788,106.76			1,039,788,106.76		
Yixing New Energy	242,691,936.01			242,691,936.01		
North Glass	191,498,651.77	163,868,200.00		355,366,851.77		
Zigong New Energy	300,000,000.00			300,000,000.00		
Luoyang new energy	80,000,000.00	320,000,000.00		400,000,000.00		
Zhangzhou New Energy	390,388,352.49			390,388,352.49		
Total	3,972,158,680.30	874,256,552.49	1,142,999,984.17	3,703,415,248.62		



XVI. NOTES TO MAJOR ITEMS OF THE FINANCIAL STATEMENTS OF THE COMPANY (CONTINUED)

4. Operating revenue and operating costs

(1) Operating revenue and operating costs

Unit: Yuan Currency: RMB

Item	Amount for current period		Amount for previous period	
	Income	Cost	Income	Cost
Principal operations			207,174,889.43	206,829,699.18
Information display glass			207,174,889.43	206,829,699.18
Other operations	813,585,949.34	809,523,960.85	361,898,552.37	359,643,038.30
Raw materials, technical services, etc.	813,585,949.34	809,523,960.85	361,898,552.37	359,643,038.30
Total	813,585,949.34	809,523,960.85	569,073,441.80	566,472,737.48

(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.

Other Description:

Operating revenue for the current period by time of revenue recognition

Timing of revenue recognition	Revenue from principal operations	Revenue from other operations
Recognition at a point of time		813,585,949.34

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Unit: Yuan Currency: RMB

XVI. NOTES TO MAJOR ITEMS OF THE FINANCIAL STATEMENTS OF THE COMPANY (CONTINUED)

5. Investment income

Unit: Yuan Currency: RMB

Item	Amount for current period	Amount for previous period
Income from long-term equity investment based on the cost method	50,255,523.68	298,347,245.76
Investment income from long-term equity investment accounted for by the equity method		
Investment income from disposal of long-term equity investment	-108,418,598.10	
Loss from de-recognition of accounts receivable financing		-520,002.78
Total	-58,163,074.42	297,827,242.98

XVII. 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	170,343,399.51	
Government subsidies (except for the grants which are closely related to the Company's normal business, and have the standard amount or quantities in accordance with the unified national standard) attributable to profit or loss for the period	153,710,406.94	
Fund possession fee received from non-financial enterprises and credited to profit or loss for the current period	335,364.24	
Profit and loss from debt restructuring	119,700.00	
Custody fee income from entrusted operation	3,311,320.75	
Other non-operating income and expenses other than the aforesaid items	3,195,213.91	
Other profit and loss items in line with the definition of non-recurring profits and losses	45,045.13	
Less: Amount of effect on income tax	14,553,774.30	
Amount of effect on minority interest	9,209,086.23	
Total	307,297,589.95	



XVII. SUPPLEMENTARY INFORMATION (CONTINUED)

1. Breakdown of non-recurring profit or loss for the period (Continued)

An explanation shall be stated for the reasons of defining “non-recurring profit or loss” items by the Company in accordance with the definition in Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Securities to the Public – Non-recurring Profit and Loss and the reasons of defining the “non-recurring profit or loss items” as stated in Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Securities to the Public – Non-recurring Profit and Loss as recurring profit or loss.

2. Return on net assets and earnings per share

The calculation of return on net assets and earnings per share was prepared by the Company in accordance with the relevant requirements of the “Compilation Rules for Information Disclosures by Companies that Offer Securities to the Public (No. 09) – Calculations and Disclosures for the Return on Net Assets and Earnings per Share” (as amended in 2010) issued by the China Securities Regulatory Commission.

Basic earnings per share and diluted earnings per share are calculated as follows:

Profit for the reporting period	Weighted average return on net assets (%)		Earnings per share			
	Current year	Previous year	Basic earnings per share		Diluted earnings per share	
			Current year	Previous year	Current year	Previous year
Net profit attributable to holders of ordinary shares of the Company	10.13	10.59	0.63	0.44	0.63	0.44
Net profit attributable to holders of ordinary shares of the Company after deducting non-recurring profit or loss items	2.52	7.57	0.16	0.32	0.16	0.32

XVII. SUPPLEMENTARY INFORMATION (CONTINUED)**2. Return on net assets and earnings per share (Continued)**

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	409,038,651.70	255,755,695.03
The weighted average number of the outstanding ordinary shares of the Company	645,674,963.00	580,918,609.00
Basic earnings per share (RMB/share)	0.63	0.44

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 period	645,674,963.00	548,540,432.00
The weighted average number of the outstanding ordinary shares of the Company	645,674,963.00	580,918,609.00

During the Reporting Period, the Company does not have dilutive potential ordinary shares, and diluted earnings per share and basic earnings per share are the same.

3 Differences in Accounting Data Under Chinese and International Accounting Standards

N/A

Chairman: **Xie Jun**

Reporting date as approved by the Board: 29 March 2023

* For reference only

