



# 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

## 2023 ANNUAL REPORT

# CONTENTS

I.	DEFINITIONS	2
II.	COMPANY PROFILE AND MAJOR FINANCIAL INDICATORS	4
III.	MANAGEMENT DISCUSSION AND ANALYSIS	10
IV.	CORPORATE GOVERNANCE	35
V.	ENVIRONMENTAL AND SOCIAL RESPONSIBILITY	68
VI.	SIGNIFICANT EVENTS	80
VII.	CONNECTED TRANSACTIONS AND RELATED PARTY TRANSACTIONS	90
VIII.	CHANGES IN SHAREHOLDING OF SHARES AND INFORMATION OF SHAREHOLDERS	95
IX.	FINANCIAL REPORT	106

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

## IMPORTANT NOTICE

- I. The board of directors (the "Board"), the supervisory committee and the directors (the "Directors"), supervisors and senior management of the Company confirm that the information contained in this 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, Chen Hongzhao, the Chief Financial Controller and Li Xuejiao, the Person in charge of Accounting Department (the Accounting manager), warrant the truthfulness, accuracy and completeness of the financial statements set out in the 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 2023 was RMB394,720,500, plus the undistributed profit at the beginning of the year of RMB-245,428,500, and the undistributed profit in the consolidated statement at the end of 2023 was RMB149,292,000.  
The net profit of the Company for 2023 was RMB70,896,700, together with the undistributed profit RMB-727,565,400 at the beginning of the year, the undistributed profit amounted to RMB-656,668,700 as at the end of 2023.  
The Company will not distribute profit or convert capital reserve to the share capital for 2023.
- VI. Dividends  
The Board of the Company does not recommend any distribution of dividends for the year ended 31 December 2023.
- 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

Chengdu CNBM	CNBM (Chengdu) Optoelectronic Materials Co., Ltd.
CLFG	China Luoyang Float Glass (Group) Company Limited*
CNBM Finance Company	China National Building Material Group Finance Co., Ltd.
CNBM Research Institute	CNBM New Material Research Institute Group Co., Ltd.*
CNBMG	China National Building Materials Group Co., Ltd.
Company, Triumph New Energy	Triumph New Energy Company Limited
CSRC	China Securities Regulatory Commission
Far East Opto-Electronics Group	Far East Opto-Electronics Co.,Ltd. Triumph New Energy Company Limited and its subsidiaries
Hefei New Energy	CNBM (Hefei) New Energy Company Limited*
Hong Kong Listing Rules	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
International Engineering	China Triumph International Engineering Co., Ltd.
Jiangsu Guangnian	Jiangsu Guangnian New Material Co., Ltd.
Luoyang New Energy	CNBM (Luoyang) New Energy Resources Co., Ltd.
North Glass	Qinhuangdao North Glass Co., Ltd.
Ruichang CNBM	CNBM (Ruichang) Optoelectronic Materials Co., Ltd.
SASAC	State-owned Assets Supervision and Administration Commission
Shanghai Listing Rules	The Rules Governing the Listing of Stocks on the Shanghai Stock Exchange



## Section I Definitions

---

Shengshi New Energy	Anhui Shengshi New Energy Material Technology Co., Ltd.
Shengshi New Material	Anhui Shengshi New Material Technology Co., Ltd.
Shuyang Xinda	Shuyang Xinda New Material Co., Ltd.
SSE	Shanghai Stock Exchange
Stock Exchange	The Stock Exchange of Hong Kong Limited
Tongcheng New Energy	CNBM (Tongcheng) New Energy Materials Company Limited*
Triumph Glass Holding	Triumph Glass Holding Co., Ltd
Triumph Photovoltaic	Triumph Photovoltaic Materials Ltd.
Triumph Resources	CNBMG Triumph Mineral Resources Group Co., Ltd.*
Triumph Technology Group	Triumph Science & Technology Co., Ltd.
Yixing New Energy	CNBM (Yixing) New Energy Company Limited*
Zhangzhou New Energy	Kaisheng (Zhangzhou) New Energy Co., Ltd.*
Zigong New Energy	Kaisheng (Zigong) New Energy Co., Ltd.*

## Section II Company Profile and Major Financial Indicators

### I. INFORMATION OF THE COMPANY

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

### II. CONTACT PERSONS AND CONTACT METHODS

	<b>Secretary to the Board</b>	<b>Representative of securities affairs</b>
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 PRC
Postal code	471009
Website of the Company	<a href="http://www.zhglb.com/">http://www.zhglb.com/</a>
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	<a href="http://www.sse.com.cn">http://www.sse.com.cn</a> , <a href="http://www.hkexnews.hk">http://www.hkexnews.hk</a>
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, the PRC
	Names of signing accountants	Zheng Jianli, Fu Junhui

## 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

	2023	2022	Increase/ decrease over the same period last year (%)	2021
<b>Major accounting data</b>				
Operating revenue	<b>6,595,249,704.60</b>	5,030,111,246.27	31.12	3,625,851,456.04
Net profit attributable to shareholders of the Company	<b>394,720,559.20</b>	409,038,651.70	-3.50	255,755,695.03
Net profit attributable to shareholders of the Company after deducting non-recurring profit and loss	<b>191,660,805.24</b>	101,741,061.75	88.38	183,260,611.72
Net cash flow from operating activities	<b>143,506,267.94</b>	-398,045,232.39	N/A	136,314,148.15
	<b>As at the end of 2023</b>	As at the end of 2022	Increase/ decrease over the same period last year (%)	As at the end of 2021
Net assets attributable to shareholders of the Company	<b>4,627,151,466.55</b>	4,232,430,907.35	9.33	3,834,809,285.82
Total assets	<b>12,427,698,664.06</b>	10,565,902,910.42	17.62	9,253,057,019.24



## Section II Company Profile and Major Financial Indicators

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

#### (II) Major Financial Indicators

Unit: Yuan Currency: RMB

Major Financial Indicators	2023	2022	Increase/ decrease over the same period last year (%)	2021
Basic earnings per share (RMB/share)	0.61	0.63	-3.17	0.44
Diluted earnings per share (RMB/share)	0.61	0.63	-3.17	0.44
Basic earnings per share after deducting non-recurring profit and loss (RMB/share)	0.30	0.16	87.50	0.32
Weighted average return on net assets (%)	8.91	10.13	Decreased by 1.22 percentage points	10.59
Weighted average return on net assets after deducting non- recurring profit and loss (%)	4.33	2.52	Increased by 1.81 percentage points	7.57

### VIII. MAJOR QUARTERLY FINANCIAL INDICATORS IN 2023

Unit: Yuan Currency: RMB

	Q1 (January- March)	Q2 (April- June)	Q3 (July- September)	Q4 (October- December)
Operating revenue	1,426,425,959.62	1,352,392,334.42	1,952,438,461.05	1,863,992,949.51
Net profit attributable to shareholders of the listed company	12,446,203.87	116,296,376.22	69,116,674.24	196,861,304.87
Net profit attributable to shareholders of the listed company after deducting non-recurring profit or loss	2,899,850.66	24,195,487.51	62,463,153.40	102,102,313.67
Net cash flow from operating activities	-204,756,028.87	-179,983,008.21	280,078,611.97	248,166,693.05

## Section II Company Profile and Major Financial Indicators

### IX. NON-RECURRING ITEMS AND AMOUNTS

Unit: Yuan Currency: RMB

Non-recurring items	2023	Note (If applicable)	2022	2021
Profit/loss on disposal of non-current assets, including the provision for assets impairment being written off	<b>45,107,451.69</b>		170,343,399.51	-373,666.85
Government subsidies attributable to profits and losses for the period, except for the grants which are closely related to the Company's business, comply with national policy requirements, have the standard amount and have continuous impact on the Company's profits and losses	<b>203,845,070.00</b>		153,710,406.94	30,067,249.74
Fund possession fee received from non-financial enterprises attributable to profits and losses for the period			335,364.24	
Reversal of provision made for impairment of receivables that are individually tested for impairment	<b>163,769.00</b>			120,000.00
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
Profit/loss from debt restructuring	<b>9,298.36</b>		119,700.00	84,843.06
Custody fee income from entrusted operation	<b>4,500,912.95</b>		3,311,320.75	1,201,257.94
Other non-operating income and expenses excluding the aforesaid items	<b>503,207.60</b>		3,195,213.91	3,244,589.23
Other profit/loss items that meet the definition of non-recurring profit/loss	<b>108,691.16</b>		45,045.13	689,700.90
Less: Effect of income tax	<b>38,650,663.94</b>		14,553,774.30	4,205,716.59
Effect of minority interests (after tax)	<b>12,527,982.86</b>		9,209,086.23	29,436,663.74
<b>Total</b>	<b>203,059,753.96</b>		<b>307,297,589.95</b>	<b>72,495,083.31</b>



## 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	754,316,996.75	1,413,397,411.65	659,080,414.90	-13,205,737.32
Total	754,316,996.75	1,413,397,411.65	659,080,414.90	-13,205,737.32

### 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

The year of 2023 is the beginning of the comprehensive implementation of the spirit of the 20th National Congress of the Communist Party of China, and the year of economic recovery and development after three years of prevention and control of the pandemic outbreak. Facing the highly competitive market environment, the Company was united as a whole, striving for progress amidst difficulties, accumulating potentials and storing energy in climbing over hurdles, and coordinating to push forward the cost-cutting and efficiency enhancement, business integration, green and low-carbon, reform and upgrading, and safety and environmental protection, coupled with stable production and operation, achieving the main annual development goals.

—**Focusing on the main business to enhance quality and efficiency and stabilize growth in its entirety.**

During the reporting period, the Company fully realized the structural adjustment of its main business to the new energy material transformation, anchored its strategic objectives, accelerated the optimization and upgrading, and made every effort to build a new energy material industry group with photovoltaic glass as its leading product. On 16 February 2023, the name of the Company was officially changed to “Triumph New Energy Company Limited”.

As of 2023, the Company has a production capacity of 5,270 tonnes for raw photovoltaic glass per day, representing a year-on-year growth of approximately 13%; annual production capacity recorded 339 million square meters in deep-processed products, with an annual sales volume of 364 million square meters, representing year-on-year growth of 91.02% and 69.50%, respectively. The shipment of 2.0mm photovoltaic glass for double-glass modules accounted for more than 90% of the total shipment, and the products have entered into the supply chain system for major domestic photovoltaic module manufacturers.

According to the changes in market supply and demand conditions, the Company continued to expand effective investment, rationally control the production capacity pace, and promote the project construction with high standards and quality. During the reporting period, Yixing New Energy's photovoltaic battery packaging material project for solar energy equipment has been put into operation.

—**Promoting management integration with efficient synergy.** The Company will strengthen its marketing strategy, fully utilize the advantages in products, technology and regions of each production base, adhere to the strategy of differentiated products, and clearly distinguish its market positioning in the industry.

The Company will establish a marketing management mechanism consisting of “excellent products, precise decision-making, precise pricing and sophisticated communication” to maximize customer satisfaction, focus on high-quality customers with advantageous resources, expand the scope of cooperation and ensure the ability to fulfill supply contracts.

The Company will implement centralized procurement of bulk raw fuel materials, integrate supplier resources, optimize supply chain processes, improve procurement quality and supply chain security, realize scale effect and cost effect, effectively reduce procurement implementation costs and avoid potential risks.



## Section III Management Discussion and Analysis

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

The Company will launch a special operation to create value by benchmarking against world-class enterprises, focusing on indicators such as the overall labour productivity, the return on net assets, and the value-added economic rate, so as to promote the attainment of standards by benchmarking, and promote the creation of standards by attaining standards.

—**Driving high quality development with innovation.** In 2023, the total investment in R&D amounted to RMB262 million, and the proportion of total investment in R&D to operating revenue was 3.97%. During the year, 72 technological innovation projects were launched; 89 new patents were applied, of which 48 were invention patents; 74 new patents were authorized, including 32 invention patents.

The Company has achieved significant results in promoting intelligent manufacturing and green transformation. The Company was honored with the “China Photovoltaic 20 Years – Excellent Contribution Award” at the 6th China International Photovoltaic Industry Conference in 2023. Hefei New Energy was successfully selected as a national-level “small giant” enterprise with specialized, unique and new features and a national intelligent manufacturing demonstration factory in 2023; Yixing New Energy actively builds an “integrated platform for photovoltaic glass manufacturing, operation, management and control based on the Internet of Things” and was selected as a typical case of Internet of Things-enabled industry development in 2023 by the Ministry of Industry and Information Technology; Tongcheng New Energy was selected as one of the “specialized, unique and new” small and medium-sized enterprises in Anhui Province in 2023; Zhangzhou New Energy won the honorary title of “Green Factory” in Fujian Province and Zigong New Energy won the honorary title of “Green Factory” in Sichuan Province.

### II. INDUSTRIAL LANDSCAPE OF THE COMPANY DURING THE REPORTING PERIOD

Against the backdrop of “carbon peak” and “carbon neutrality”, the photovoltaic industry has broad room for long-term growth, with rapid growth in domestic installed capacity during the 14th Five-Year Plan period becoming more obvious. Driven by both policy guidance and market demand, the photovoltaic industry, after more than a decade of development, has become a strategic emerging industry in which China is able to participate in international competition at the same time and is expected to reach the global leading level, and it has also become an important engine for China to promote the energy transformation. In 2023, the amount of new domestic installed capacity reached 216.88GW, representing a year-on-year increase of 129.47GW compared to the amount of new installed capacity in 2022, or a year-on-year increase of 148.12%; with the continuous increase in installed capacity, the amount of photovoltaic glass also recorded a growth.

## Section III Management Discussion and Analysis

### III. BUSINESSES OF THE COMPANY DURING THE REPORTING PERIOD

The Company is mainly engaged in research and development, manufacturing and sales of new energy materials. The 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 2023, the Company had a production capacity of 5,270 tonnes/day for photovoltaic original glass, and 42 production lines for further processed cover plates and backsheets, with an aggregate annual output of approximately 339 million square meters.

### IV. ANALYSIS OF CORE COMPETITIVENESS DURING THE REPORTING PERIOD

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

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 RMB6,595,249,704.60, representing a year-on-year increase of RMB1,565,138,458.33; operating profit amounted to RMB500,870,417.28, representing a year-on-year increase of RMB33,798,984.44; net profit attributable to the shareholders of the Company amounted to RMB394,720,559.20, representing a year-on-year decrease of RMB14,318,092.50; and basic earnings per share attributable to the shareholders of the Company amounted to RMB0.61. As at the end of the reporting period, the gearing ratio was 59.34%, representing an increase of 3.01 percentage points from the end of 2022.



## 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	<b>6,595,249,704.60</b>	5,030,111,246.27	31.12
Operating costs	<b>5,831,249,729.90</b>	4,433,991,033.17	31.51
R&D expenses	<b>251,522,948.01</b>	173,792,882.39	44.73
Other income	<b>235,282,495.33</b>	157,399,524.47	49.48
Investment income	<b>-13,205,737.32</b>	160,659,078.93	-108.22
Impairment losses on assets	<b>302,115.54</b>	-16,772,916.69	-101.80
Gains on disposal of assets	<b>45,107,451.69</b>	1,552,752.45	2,805.00
Income tax expenses	<b>36,556,151.73</b>	11,096,956.38	229.43
Net cash flow from operating activities	<b>143,506,267.94</b>	-398,045,232.39	N/A
Net cash flow from investing activities	<b>-1,758,270,241.73</b>	-661,818,579.92	165.67
Net cash flow from financing activities	<b>1,356,122,114.77</b>	582,527,880.92	132.80

Reasons for change in operating revenue: Increase in production capacity and sales volume of photovoltaic glass during the reporting period;

Reasons for change in operating costs: Year-on-year increase in costs resulting from the increase in sales volume of photovoltaic glass during the reporting period;

Reasons for change in research and development expenses: The continuous increase in research and development investment 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 other income: Increase in government subsidies recognized during the reporting period;

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

Reasons for change in impairment loss on assets: The asset structure and utilization rate of assets during the reporting period were generally stable as compared with the same period, with no significant provision for impairment of assets recorded;

Reasons for change in gain on disposal of assets: Gain on disposal of property, production line equipment and other assets during the reporting period;

Reasons for change in income tax expense: year-on-year increase in taxable income during the reporting period;

Reasons for change in net cash flows from operating activities: During the reporting period, on the one hand, the Company's operating profit increased, and on the other hand, the structure of payment collection was further optimized;

Reasons for change in net cash flows from investing activities: During the reporting period, on the one hand, cash outflows from the purchase of fixed assets and other long-term assets increased year-on-year due to the continuous progress of project construction, and on the other hand, there was no impact of factors such as the disposal of subsidiaries' shareholdings during the same period;

Reasons for change in net cash flows from financing activities: During the reporting period, the repayment of debts decreased year-on-year while the acquisition of loans and other new financing remained generally at the same level.



## 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 RMB6,595,249,704.60, representing an increase of 31.12% as compared with that of the same period of last year. The operating costs amounted to RMB5,831,249,729.90, representing an increase of 31.51% as compared with that of the same period of last year. The increase was mainly due to the increase in product capacity of photovoltaic glass of the Company and the growth in sales volume in 2023.

(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	6,534,389,316.50	5,795,834,340.31	11.30	30.52	30.96	Decreased by 0.30 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 (%)
New energy glass	6,384,095,724.08	5,637,215,987.79	11.70	36.67	36.41	Increased by 0.17 percentage points
Other functional glass	150,293,592.42	158,618,352.52	-5.54	-51.94	-43.53	Decreased by 15.72 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	Gross profit margin (%)	Principal operations by region		
				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)	6,125,032,392.33	5,436,258,324.24	11.25	30.62	30.96	Decreased by 0.22 percentage points
Other countries and regions	409,356,924.17	359,576,016.07	12.16	29.08	30.97	Decreased by 1.27 percentage points

By sales model	Operating revenue	Operating costs	Gross profit margin (%)	Principal operations by sales mode		
				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	6,034,451,910.93	5,348,036,006.33	11.37	28.35	28.92	Decreased by 0.39 percentage points
Distribution	499,937,405.57	447,798,333.98	10.43	63.95	61.49	Increased by 1.37 percentage points

Explanations on principal operations by industry, by product, by region and by sales model

North Glass is mainly engaged in the production and sales of other functional glass, and its relevant production lines formally suspended production in June 2023 and intended to shift to the production and sales of new energy glass such as photovoltaic glass.



## 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		(%)	(%)	(%)
New energy glass	'0,000 square meters	33,865.13	2,834.52	36,428.12	1,870.75	65.40	58.98	40.19
Other functional Glass	'0,000 square meters	638.39	0.00	694.28	192.67	-52.58	-42.90	-22.50

Explanations on production and sales volume:

During the reporting period, except for the "sales volume" indicator for new energy glass, which included a small portion of original photovoltaic glass directly sold to external customers, all other indicators referred to deep-processed photovoltaic glass products.

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

On 11 October 2022, Yixing New Energy 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 RMB953 million, and currently the 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 RMB1,527 million, and the Contract is being performed normally according to the agreement.

## 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					Explanation
By industry	Component of cost	Amount for current period	Percentage over total cost for the current period (%)	Amount for the same period last year	Percentage over total cost for the same period last year (%)	Percentage of changes in amount for the current period over the same period last year (%)	
New materials	Raw materials/ energy power/ direct labour/ manufacturing expenses	5,795,834,340.31	100.00	4,425,678,789.64	100.00	30.96	Nil
		By product					Explanation
By product	Component of cost	Amount for current period	Percentage over total cost for the current period (%)	Amount for the same period last year	Percentage over total cost for the same period last year (%)	Percentage of changes in amount for the current period over the same period last year (%)	
New energy glass	Raw materials/ energy power/ direct labour/ manufacturing expenses	5,637,215,987.79	97.26	4,132,591,067.74	93.37	36.41	Nil
Other functional Glass	Raw materials/ energy power/ direct labour/ manufacturing expenses	158,618,352.52	2.74	280,882,802.39	6.35	-43.53	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)

- (5). *Changes in the scope of consolidation due to changes in the equity of major subsidiaries during the reporting period*

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

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

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

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

##### A. Major sales to customers of the Company

During the reporting period, the amount of sales to the top five customers amounted to RMB4,677,101,300 (tax exclusive), representing 70.92% of the total amount of annual sales revenue of the Group, in particular, the largest customer accounted for approximately 20.49% of the Group's total annual sales revenue.

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 RMB2,597,177,300 (tax exclusive), representing 48.19% of the total annual purchases. In particular, the largest supplier accounted for approximately 25.58% 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 purchases from a single supplier which 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.

Save for the disclosed above, during the financial year ended 31 December 2023, 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	2023	2022	Changes (%)	Reasons of changes
Selling expenses	<b>19,774,485.40</b>	17,430,076.24	13.45	Increase in sales during the reporting period
Administrative expenses	<b>147,118,075.69</b>	126,261,780.54	16.52	During the reporting period, the production scale expanded, leading to an increase in labor costs and asset depreciation
R&D expenses	<b>251,522,948.01</b>	173,792,882.39	44.73	Increase in laboratory materials consumption, etc. due to continuous increase in R&D investment during the reporting period
Finance expenses	<b>74,130,669.00</b>	73,534,231.49	0.81	Increase in the scale of interest-bearing liabilities on the one hand, decrease in financing rates on the other hand, meanwhile increase in financial subsidies, resulting in a slight increase in overall finance costs during the reporting period
Income tax expenses	<b>36,556,151.73</b>	11,096,956.38	229.43	The year-on-year increase in taxable income resulted in an increase in current income tax calculated in accordance with the tax law and related regulations during the reporting period

##### 4. R&D expenditures

###### (1). R&D expenditures

Unit: Yuan Currency: RMB

Expensed R&D investment in current period	235,389,551.95
Capitalized R&D investment in current period	26,421,285.98
Total of R&D investment	261,810,837.93
Percentage of total R&D investment to operating revenue (%)	3.97
Proportion of capitalization of R&D investment (%)	10.09



## 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	605
Percentage of R&D staff number to the Company's total number of employees (%)	15.92
Education background of R&D staff	
Degree	Number
Doctor's degree	0
Postgraduate	11
Undergraduate	132
Associate	252
High school and below	210
Age Structure of R&D staff	
Age	Number
Below 30 (exclusive)	161
30–40 years old (including 30 years old, excluding 40 years old)	226
40–50 years old (including 40 years old, excluding 50 years old)	128
50–60 years old (including 50 years old, excluding 60 years old)	90
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.

##### 5. Cash flow

- (1) Net cash flow from operating activities amounted to RMB143,506,267.94, representing an increase of RMB541,551,500.33 as compared with that of RMB-398,045,232.39 in the corresponding period of last year, which was mainly attributable to the increase in the Company's operating profit on the one hand and the further optimization of the structure of payment collection on the other hand during the reporting period.
- (2) Net cash outflow from investing activities amounted to RMB1,758,270,241.73, representing an increase of RMB1,096,451,661.81 as compared with a net outflow of RMB661,818,579.92 in the corresponding period of last year, which was mainly attributable to the year-on-year increase in cash outflows from the purchase of fixed assets and other long-term assets resulting from the continuous progress of project construction during the reporting period on the one hand, and there was no impact from factors such as the disposal of subsidiaries' shareholdings during the same period on the other hand.
- (3) Net cash inflow from financing activities amounted to RMB1,356,122,114.77, representing an increase of RMB773,594,233.85 as compared with a net inflow of RMB582,527,880.92 in the corresponding period of last year, which was mainly attributable to the year-on-year decrease in repayment of debts during the reporting period, while the acquisition of loans and other new financing remained generally at the same level.

## 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 last period (%)	
Monetary funds	273,462,436.65	2.20	689,022,322.44	6.52	-60.31	Payments for production, operation and investment during the reporting period
Notes receivable	187,071,244.67	1.51	607,645,160.15	5.75	-69.21	Decrease in collection of payment of trade acceptances during the reporting period
Accounts receivable	1,290,872,150.78	10.39	981,111,286.02	9.29	31.57	Increase in sales revenue and increase in end-of-period receivables during the reporting period
Accounts receivable financing	1,413,397,411.65	11.37	754,316,996.75	7.14	87.37	Increase in repayment of bank acceptances and other instruments during the reporting period
Other receivables	154,396,647.29	1.24	106,661,629.98	1.01	44.75	Increase in current accounts during the reporting period
Other current assets	114,962,230.83	0.93	59,289,265.40	0.56	93.90	Increase in input to be deducted of value-added tax during the reporting period
Construction in progress	1,772,629,520.09	14.26	1,158,626,308.86	10.97	52.99	Increase in project construction investment during the reporting period
Development expenditure	14,895,294.06	0.12	9,242,547.95	0.09	61.16	Increase in capitalized R&D investment during the reporting period
Short-term borrowing	760,656,246.99	6.12	1,097,924,601.61	10.39	-30.72	Repayment of short-term loans during the reporting period
Contract liabilities	8,352,702.13	0.07	18,314,969.87	0.17	-54.39	Decrease in closing balance of receipts in advance from customers due to fulfillment of contracts 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 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 last period (%)	
Employee compensation payable	84,343,288.15	0.68	49,200,604.16	0.47	71.43	Increase in the number of employees and increase in their remuneration during the reporting period
Taxes payable	45,217,814.58	0.36	19,546,491.47	0.18	131.33	Increase in end-of-period enterprise income tax payable during the reporting period
Non-current liabilities due within one year	453,468,886.35	3.65	57,813,133.81	0.55	684.37	Increase in end-of-period long-term loans due within one year during the reporting period
Long-term borrowings	3,123,923,613.81	25.14	1,703,779,270.66	16.13	83.35	Increase in long-term loans raised for project construction during the reporting period
Lease liabilities	5,857,164.28	0.05	9,405,001.94	0.09	-37.72	Gradual expiration of lease terms during the reporting period

## Section III Management Discussion and Analysis

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

#### (II) Analysis of assets and liabilities (Continued)

##### 1. Assets and liabilities (Continued)

Other explanations

##### *Capital liquidity*

As at 31 December 2023, the Group's liquidity ratio was 1.04 (31 December 2022: 0.98) and quick ratio was 0.80 (31 December 2022: 0.76). The turnover rate of accounts receivable for the year was 5.31 times (2022: 6.16 times); and the turnover rate of inventory was 8.03 times (2022: 6.12 times).

##### *Financial resources*

As at 31 December 2023, the Group's cash and cash equivalents amounted to RMB229,156,744.65, including 99.52% denominated in RMB and 0.48% denominated in US\$ and other foreign currencies.

As at 31 December 2023, the Group's borrowings from financial institutions amounted to RMB4,334,501,761.60 (31 December 2022: RMB2,856,129,722.06), including short-term borrowings amounting to RMB760,656,246.99 (31 December 2022: RMB1,097,924,601.61) and long-term borrowings amounting to RMB3,573,845,514.61 (31 December 2022: RMB1,758,205,120.45).

##### *Capital structure*

As at 31 December 2023, the Group's current liabilities amounted to RMB4,154,613,359.37 (31 December 2022: RMB4,147,163,623.26), representing an increase of 0.18% from 2022; non-current liabilities amounted to RMB3,219,838,930.40 (31 December 2022: RMB1,805,097,022.44), representing an increase of 78.37% from 2022; and equity attributable to the shareholders of the Company amounted to RMB4,627,151,466.55 (31 December 2022: RMB4,232,430,907.35), representing an increase of 9.33% from 2022.

As at 31 December 2023, the Group's total gearing ratio (total liabilities divided by total assets) was 59.34% (31 December 2022: 56.33%).

##### 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 balance at the end of the period	Book value at the end of the period	Restricted type
Monetary funds	44,305,692.00	44,305,692.00	Security deposit for the bank acceptance, security deposit for letter of credit, maintenance fund, payments for specific projects
Accounts receivable financing	10,000,000.00	10,000,000.00	Pledge
Fixed assets	625,878,098.15	547,539,188.58	Mortgage
Intangible assets	114,293,381.67	108,970,089.42	Mortgage
Total	794,477,171.82	710,814,970.00	–

#### (III) Analysis on industry operating information

In 2023, China's photovoltaic industry maintained its momentum in terms of quantity and quality, with the output of solar cells increasing by 54% over the previous year, and the number of its patents filed globally was 126,400, ranking first in the world; its new installed capacity of solar energy was equivalent to the world's new installed capacity of solar energy for the whole year of 2022. The cumulative output of photovoltaic rolled glass for the year was 24.783 million tonnes, representing a year-on-year increase of 54.3%.

#### (IV) Analysis of investment

##### 1. Material equity investments

During the reporting period, the Company made no material equity investments.

## Section III Management Discussion and Analysis

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

#### (IV) Analysis of investment (Continued)

##### 2. Material non-equity investments

- (1) For the Yixing New Energy Project of Photovoltaic Cell Encapsulating Material for Solar Equipment, an actual investment of RMB689,842,200 was completed during the reporting period and an accumulative investment of RMB873,815,700 was completed as of the end of the reporting period. The project has been put into operation.
- (2) For the Luoyang New Energy Solar Photovoltaic Cell Encapsulating Material Phase I Project, an actual investment of RMB586,990,200 was completed during the reporting period and an accumulative investment of RMB597,377,200 was completed as of the end of the reporting period. Currently, the project is progressing as planned.
- (3) For the North Glass Solar Photovoltaic Cell Encapsulating Material Phase I Project, an actual investment of RMB271,305,900 was completed during the reporting period and an accumulative investment of RMB288,817,400 was completed as of the end of the reporting period. Currently, the project is progressing as planned.

##### 3. Financial assets measured at fair value

Unit: Yuan Currency: RMB

Type of assets	Opening amount	Gains or losses		Impairment accrued during the period	Amount of purchase during the period	Amount of disposal/redemption during the period	Other changes	Closing amount
		arising from changes in fair value during the period	Accumulated changes in fair value included into equity					
Others	754,316,996.75	0.00	0.00	0.00	0.00	0.00	659,080,414.90	1,413,397,411.65
<b>Total</b>	<b>754,316,996.75</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>659,080,414.90</b>	<b>1,413,397,411.65</b>

#### (V) Material disposal of assets and equity interests

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 was considered and approved at the 2022 Third Extraordinary General Meeting. On 3 January 2023, Puyang CNBM Photovoltaic Materials completed the industrial and commercial change registration procedures for this equity transfer and was 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: Yuan 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	868,000,000	2,801,144,449.76	1,115,203,996.97	43,008,261.61
CNBM (Tongcheng) New Energy Materials Co., Ltd.*	New materials	New energy glass	933,388,980	3,040,351,100.07	1,263,172,911.26	128,316,000.36
CNBM (Yixing) New Energy Resources Co., Ltd.*	New materials	New energy glass	313,700,000	2,850,750,783.65	580,208,281.45	108,274,595.34
Kaisheng (Zigong) New Energy Co., Ltd.*	New materials	New energy glass	500,000,000	1,153,587,667.63	635,102,050.02	97,552,175.57

#### (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 2023

#### Operating results

Unit: Yuan Currency: RMB

Item	2023	2022	2021	2020	2019
Operating income	<b>6,595,249,704.60</b>	5,030,111,246.27	3,625,851,456.04	3,381,105,357.02	1,854,842,208.09
Total profit	<b>501,373,624.88</b>	470,266,646.75	351,102,076.99	542,435,391.68	86,805,383.78
Income tax	<b>36,556,151.73</b>	11,096,956.38	19,775,344.53	70,184,963.12	18,203,965.20
Net profit	<b>464,817,473.15</b>	459,169,690.37	331,326,732.46	472,250,428.56	68,601,418.58
Net profit attributable to the owners of the Company	<b>394,720,559.20</b>	409,038,651.70	255,755,695.03	372,861,545.19	53,999,883.71
Minority interests	<b>70,096,913.95</b>	50,131,038.67	75,571,037.43	99,388,883.37	14,601,534.87

#### Assets and liabilities

Unit: Yuan Currency: RMB

Item	At the end of 2023	At the end of 2022	At the end of 2021	At the end of 2020	At the end of 2019
Monetary funds	<b>273,462,436.65</b>	689,022,322.44	1,116,571,580.99	338,338,105.37	432,871,497.66
Inventory	<b>686,887,235.96</b>	695,508,197.62	686,161,229.71	307,898,221.12	281,882,687.59
Fixed assets	<b>4,947,322,586.75</b>	4,021,905,180.15	3,737,837,277.98	3,245,484,257.44	2,343,435,561.00
Construction in progress	<b>1,772,629,520.09</b>	1,158,626,308.86	1,420,340,092.86	83,910,682.05	603,637,921.26
Non-current assets	<b>8,113,333,811.14</b>	6,496,038,544.97	6,084,421,580.05	3,913,977,604.59	3,421,335,462.33
Current liabilities	<b>4,154,613,359.37</b>	4,147,163,623.26	3,723,340,816.20	3,655,626,917.42	3,176,527,786.58
Non-current liabilities	<b>3,219,838,930.40</b>	1,805,097,022.44	1,190,838,553.88	790,346,834.62	650,569,574.58
Share capital	<b>645,674,963.00</b>	645,674,963.00	645,674,963.00	548,540,432.00	552,396,509.00
Equity attributable to owners of the Company	<b>4,627,151,466.55</b>	4,232,430,907.35	3,834,809,285.82	1,767,526,442.24	1,299,216,365.32
Minority interests	<b>426,094,907.74</b>	381,211,357.37	504,068,363.34	312,429,246.10	114,726,151.47



## 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 59.34% increasing by 3.01 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 40. Finance expenses) to the financial statements.

##### 3. *Taxation*

Details about taxation during the reporting period are set out in Note VII (note 24. Taxes payable, note 36. Taxes and surcharges and note 48. Income tax expenses) 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 (note 10. Fixed assets and note 13. Intangible assets) 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 (note 18. Short-term borrowings, note 26. Non-current liabilities due within one year and note 28. Long-term borrowings) to the financial statements.

##### 6. *Capitalization of interests*

Interests capitalised during the reporting period were RMB19,176,103.25.

##### 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 (note 32. Capital reserve, note 33. Surplus reserve and note 34. Undistributed profit) 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 2023, the Company (on a consolidated basis) had turned from accumulated loss to profit, and the accumulated profit was RMB149,292,032.10.

##### 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.

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

#### (I) Industry landscape and trend

With environmental pollution, energy shortages and other problems becoming increasingly prominent, the concept of low-carbon environmental protection has gradually become a global consensus, further reducing the reliance on fossil fuels and accelerating the promotion and application of new energy has become the focus of worldwide attention. Solar photovoltaic power generation by virtue of its reliability, safety, environmental protection and other aspects of the advantages, is accelerating the substitution of traditional fossil fuels, coupled with the introduction of relevant policies to support the development of the photovoltaic industry in various countries around the world.

The future growth expectation of the photovoltaic industry is evident. From a global perspective, on 13 December 2023, more than 100 countries reached an agreement at the 28th Conference of the Parties to the United Nations Framework Convention on Climate Change (COP28) to triple the global installed capacity of renewable energy to at least 11,000 GW by 2030, with photovoltaic installed capacity increasing from 1,055GW in 2022 to 5,457GW in 2030.

According to the statistical data of Bloomberg New Energy Finance (BNEF), the global photovoltaic installation hit another record high in 2023, with the capacity reaching 444GW coupled with a growth rate of 76%; and its issued report "Global Photovoltaic Market Outlook for the First Quarter of 2024", optimistically forecasted that the global photovoltaic installed capacity will increase to 655GW in 2024 from 444GW in 2023.



## Section III Management Discussion and Analysis

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

#### (I) Industry landscape and trend (Continued)

The Chinese photovoltaic industry occupies a dominant position in the world. On 29 January 2024, the Ministry of Industry and Information Technology and seven other departments jointly issued the “Implementation Opinions on Promoting the Innovative Development of Future Industries”, comprehensively laying the groundwork for future industries and focusing on the development of future energy and other industries in six major directions. According to the data released by China Photovoltaic Industry Association (CPIA), the global photovoltaic new installed capacity is expected to be 390~430GW in 2024, and China’s photovoltaic new installed capacity is forecasted to be 190~220GW. It is expected that the global GW-sized market will reach 39 in 2024, and the GW-sized market is expected to reach 53 in 2025.

Photovoltaic glass is an essential material for the production of photovoltaic modules and is an important component of the photovoltaic industry chain. Benefiting from the continuous growth of photovoltaic installed capacity and the increasing penetration rate of double-glass modules, the demand for photovoltaic glass will also exhibit a steady growth trend. According to the analysis of Research and Markets, a leading global research organization, the global photovoltaic glass market size was approximately US\$8.6 billion in 2022, and is expected to grow to US\$53.2 billion by 2030, with a compound annual growth rate of 25.6%.

#### (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

The year of 2024 is a critical year for the implementation of the “14th Five-Year Plan”, and it is also the year for the Company to strengthen the innovation drive and accelerate the construction of a world-class new energy materials group. The Company will focus on the “14th Five-Year Plan” of CNBMG and the “3+1” strategic layout for new glass materials of Triumph Technology Group, focusing on value creation, insisting on increasing growth for stability, improving quality while progressing, and expanding effective investment; focusing on optimization and upgrading, and driving innovation to strengthen core competitiveness. In addition, the Company is fully committed to achieving the annual business objectives for steady improvement in the quality and efficiency of operations and management, coordinated growth in total profit, net profit and net profit attributable to the shareholders of the Company, maintaining a stable but decreasing balance sheet ratio, year-on-year improvements in return on net assets, overall workforce productivity and operating cash ratio, as well as continued improvement in the R&D investment intensity and efficiency of technological output.

## Section III Management Discussion and Analysis

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

#### (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.

##### (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.



## Section III Management Discussion and Analysis

---

### 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.

### 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.

## Section III Management Discussion and Analysis

---

### VIII. OTHER DISCLOSURES (CONTINUED)

#### (VI) Tax Deduction for Holders of Listed Securities

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

#### (VII) Compliance with the Corporate Governance Code

During the reporting period, the Company had complied strictly with the requirements of the Code on Corporate Governance Practices and the Corporate Governance Report as set out in Appendix 14 (currently Appendix C1) to the Listing Rules of the Stock Exchange. The Company regularly reviews its corporate governance practices to ensure its compliance with the Corporate Governance Code.

The Company has adopted and always complied with all the applicable code provisions as set out in the Corporate Governance Code during the year ended 31 December 2023.

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

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



## Section IV Corporate Governance

### I. INTRODUCTION OF CORPORATE GOVERNANCE

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 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, the Board of Directors consisted of 11 members, including 4 executive directors, 3 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 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 President, 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, the 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 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 President 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 President 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 quality and transparency of information disclosure was continued to be improved, together with improved standardization and compliance in the Company's operation.

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
2023 First Extraordinary General Meeting	15 February 2023	<a href="http://www.sse.com.cn">http://www.sse.com.cn</a> , <a href="http://www.hkexnews.hk">http://www.hkexnews.hk</a>	15 February 2023	To consider and approve the proposed change of the business scope; to consider and approve the proposed amendments to the Articles of Association.
2022 Annual General Meeting	28 June 2023	<a href="http://www.sse.com.cn">http://www.sse.com.cn</a> , <a href="http://www.hkexnews.hk">http://www.hkexnews.hk</a>	28 June 2023	To consider and approve the proposed amendments to the Articles of Association; to consider and approve the working report of the Board of Directors the Company for the year 2022; to consider and approve the working report of the Supervisory Committee of the Company for the year 2022; to consider and approve the final accounts report of the Company for the year 2022; to consider and approve the Company's annual report 2022 and its summary; to consider and approve the profit distribution plan for the year 2022; to consider and approve the financial budget report of the Company for the year 2023; to consider and approve the reappointment of Grant Thornton (Special General Partnership) as the auditor of the Company for the year 2023 with total auditing fee of RMB1.40 million in aggregate and in case of material changes in volume of audit work for the year 2023, authorization to the Board of the Company for determining its remunerations according to the actual audit workload by then; to consider and approve the appointment of Mr. He Qingbo as an executive Director of the tenth session of the Board of the Company.
2023 Second Extraordinary General Meeting	5 September 2023	<a href="http://www.sse.com.cn">http://www.sse.com.cn</a> , <a href="http://www.hkexnews.hk">http://www.hkexnews.hk</a>	5 September 2023	To consider and approve the appointment of Dr. Pan Jingong as a non-executive Director of the tenth session of the Board of the Company; to consider and approve the appointment of Mr. Li Yang as a supervisor of the tenth session of the Supervisory Committee of the Company.



## Section IV Corporate Governance

### IV. POSITIONS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

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

*Unit: share*

Name	Position	Gender	Age	Starting date of term of office	Expiry date of term of office	Number of Shares held at the beginning of the year	Number of Shares held at the end of the year	Increase/ decrease of shares during the 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	Chairman	Male	58	2022-05-26	2025-05-25	0	0	0	Nil	32.50	Y
Zhang Rong	Executive director	Male	50	2019-03-04	2025-05-25	0	0	0	Nil	120.00	N
	President			2023-07-21	2025-05-25						
He Qingbo	Executive director	Male	56	2023-06-28	2025-05-25	0	0	0	Nil	0	Y
Wang Leilei	Executive director, secretary to the Board of Directors	Female	39	2022-05-26	2025-05-25	0	0	0	Nil	65.41	N
Zhang Chong	Non-executive director	Male	61	2022-05-26	2025-05-25	0	0	0	Nil	0	Y
Sun Shizhong	Non-executive director	Male	54	2022-12-30	2025-05-25	0	0	0	Nil	0	Y
Pan Jingong	Non-executive director	Male	60	2023-09-05	2025-05-25	0	0	0	Nil	0	Y
Zhang Yajuan	Independent director	Female	50	2019-03-04	2025-03-03	0	0	0	Nil	7.50	N
Fan Baoqun	Independent director	Male	52	2022-05-26	2025-05-25	0	0	0	Nil	7.50	N
Chen Qisuo	Independent director	Male	51	2022-05-26	2025-05-25	0	0	0	Nil	7.50	N
Zhao Hulin	Independent director	Male	59	2022-05-26	2023-12-22	0	0	0	Nil	7.50	N
Li Yang	Chairman of the Supervisory Committee	Male	41	2023-09-22	2025-05-25	2,000	2,000	0	Nil	28.86	Y
	Financial executive (resigned)			2022-05-26	2023-04-28						
Li Ping	Supervisor	Female	43	2022-05-26	2025-05-25	0	0	0	Nil	0	Y
Wang Juan	Independent supervisor	Female	54	2022-05-26	2025-05-25	0	0	0	Nil	4.00	N
Wang Junqiao	Independent supervisor	Male	46	2022-05-26	2025-05-25	0	0	0	Nil	4.00	N
Zhang Pingwei	Employee supervisor	Male	56	2022-05-26	2025-05-25	0	0	0	Nil	40.00	N
Li Huadong	Employee supervisor	Male	45	2022-05-26	2025-05-25	0	0	0	Nil	70.00	N
Yin Xinjian	Vice president	Male	56	2022-05-26	2025-05-25	0	0	0	Nil	95.50	N
Yang Boming	Vice president	Male	57	2018-11-21	2025-05-25	0	0	0	Nil	81.76	Y
Chen Hongzhao	Vice president, financial executive	Male	51	2023-07-21	2025-05-25	0	0	0	Nil	36.07	Y
Ip Pui Sum	Company secretary (Hong Kong)	Male	64	2008-08-06	-	0	0	0	Nil	10.75	N
Ma Yan	Executive director (resigned)	Male	53	2015-12-23	2023-07-21	0	0	0	Nil	56.11	Y
	President (resigned)			2018-11-21	2023-07-21						
	Financial executive (resigned)			2023-04-28	2023-07-21						
Liu Yuquan	Executive director (resigned)	Male	56	2022-05-26	2023-05-23	0	0	0	Nil	23.41	Y
	Vice general manager (resigned)			2015-12-24	2022-05-25						
Jiao Jijia	Chairman of the Supervisory Committee (resigned)	Female	41	2022-05-26	2023-07-21	0	0	0	Nil	0	Y
Total	/	/	/	/	/	2,000	2,000	0	/	698.37	/

## 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.
Zhang Rong	an engineer with a master's degree and a professor-grade senior engineer, and the executive director and the 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 chairman of the board of directors 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.
He Qingbo	holding a bachelor degree, a senior political engineer, an executive director, deputy secretary of the party committee, chairman of the labor union of the Company, the vice chairman of the labor union of Triumph Science & Technology Co., Ltd., and the deputy secretary of the party committee of China Luoyang Float Glass Group Co., Ltd.* (中國洛陽浮法玻璃集團有限責任公司). His previous appointments include the secretary of the party committee and manager of CLFG Longfei Glass Company Limited* (洛玻集團龍飛玻璃有限公司), the secretary of the party committee and manager of Luoyang Longxin Glass Co. Ltd.* (洛陽龍新玻璃有限公司), general manager and secretary of the party committee of CLFG Luoyang Longhao Glass Co., Ltd.* (洛玻集團洛陽龍昊玻璃有限公司), general manager and secretary of the party committee of Henan Zhonglian Glass Co., Ltd. (河南省中聯玻璃有限責任公司), deputy general manager of China Luoyang Float Glass Group Co., Ltd.
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. She concurrently serves as the chairman of the supervisory committee of each of Yixing New Energy, Chengdu CNBM, Ruichang CNBM and Triumph Photovoltaic, and a supervisor of each of Zhangzhou New Energy and North Glass. 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 chief expert of CNBM Research Institute and the chairman of Chengdu China Optoelectronics Technology Co., Ltd.. Mr. Zhang had served as the chairman of the Company, deputy general manager and the chief engineer 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 deputy general manager of CNBM Research Institute, and the chairman of the board of directors of Anhui Tianzhu Green Energy Sources Technology Co., Ltd.. He once served as the chief engineer of CNBM Research Institute and the general manager of International Engineering Jiangsu Branch*.
Pan Jingong	holding a doctoral degree, a professor-grade senior engineer and the founder of the Cadmium Telluride Materials Research Center of New Jersey Institute of Technology (美國新澤西理工大學碲化鎘材料研究中心), a non-executive directors of the Company. He currently serves as the general manager of Chengdu CNBM, the vice president of Sichuan QR Program Friendship Association* (四川省QR計劃聯誼會), an expert of "Hundred Talents Program" ("百人計劃") and "Chengdu Talents Program" ("成都人才計劃") of Sichuan Province, a special expert of the National Conferences of Returned Overseas Chinese, a talent expert of the Ministry of Industry and Information Technology, and a leader of top innovation team in Sichuan Province.
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 partner at Beijing Tian Yuan Law Firm. Ms. Zhang worked in the legal department, the risk management department, the shareholding transformation department, the office of the board of directors, the compliance audit department and the compliance department of CITIC Bank.
Fan Baoqun	a holder of doctor's degree in management, a visiting scholar at Stanford University and 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.



## 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) and an independent non-executive director in Richful (瑞豐新材).
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 and secretary-general of Henan Alumni Association of China Renmin University, the member of Zhengzhou Arbitration Committee and the member of the Expert Advisory Committee. Mr. Zhao concurrently serves as an independent director of Shanghai Huitong Energy Co., Ltd. (上海匯通能源股份有限公司) 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).
Li Yang	a senior accountant with a master's degree in Management and the chairman of the Supervisory Committee of the Company. He currently serves as the head of the finance department of Triumph Technology Group (凱盛科技集團). Mr. Li once served as the chairman of Triumph (Zi Gong) New Energy Resources Co., Ltd. (凱盛(自貢)新能源有限公司), the chief financial controller of the Company, the chief financial controller of Southwest branch of Triumph Technology Group Company Limited* (凱盛科技集團有限公司), the assistant to the head of the finance department of CNBM Research Institute.
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 non-practicing member, expert of comprehensive bid evaluation within the expert database of Henan Province, a supervisor of Henan Institute of Finance, expert in performance evaluation of Luoyang City. Ms. Wang currently serves as the independent supervisor of the Company and the dean of the Department of Accounting of School of Management of Henan University of Science and Technology.
Wang Junqiao	a holder of a bachelor's degree, a certified public accountant, certified tax agent and a senior accountant. He currently serves as a partner of Luoyang Tiancheng Accounting Firm Co., Ltd (洛陽天誠會計師事務所有限公司), a member of the council of Luoyang Institute of Certified Public Accountant (洛陽市註冊會計師協會), the director of Training Committee of Luoyang Institute of Certified Public Accountant (洛陽市註冊會計師協會).
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	a senior 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 the secretary of the Party branch 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 of CTF Solar in Germany and the general manager of Triumph Glass Holding Co., Ltd. (凱盛玻璃控股有限公司). 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
Chen Hongzhao	holding a bachelor degree, a senior accountant, a certified public accountant and a certified tax accountant, the vice president and financial executive of the Company. He once served as the deputy general manager and financial executive of China Yaohua Glass Group Corporation Co., Ltd.* (中國耀華玻璃集團有限公司), and also an executive director of Yaohua (Qinhuangdao) Glass Co. Ltd.* (耀華(秦皇島)玻璃有限公司) and an executive director of Yaohua (Qinhuangdao) Glass Technology Development Co. Ltd.* (耀華(秦皇島)玻璃技術開發有限公司), etc.
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.

#### Other explanations

- (1) Save as disclosed above, as of 31 December 2023, none of the Directors, supervisors or senior management of the Company and their connected persons to the knowledge of the Directors had any interest nor short position in the shares, underlying shares or debentures of the Company or its associated corporations which were required to be entered in the register of interest kept by the Company pursuant to section 352 of the Securities and Futures Ordinance; or required to be notified to the Company or the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers.
- (2) As at 31 December 2023, none of the Directors, supervisors or their spouses or children under the age of eighteen was granted rights to purchase shares or debentures of the Company or any of its associated corporations.



## 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	Chief expert	December 2023	-
Xie Jun	CLFG	Secretary to the party committee, chairman, general engineer	September 2018	-
Sun Shizhong	CNBM Research Institute	Vice general engineer	May 2022	-
He Qingbo	CLFG	Deputy secretary of party committee	December 2019	-
Li Yang	Triumph Technology Group	Head of the finance department	May 2023	-
Li Ping	Triumph Technology Group	Vice president of investment management department	August 2021	-
Ma Yan	CLFG	General manager	April 2022	July 2023
Liu Yuquan	CLFG	General counsel	April 2022	May 2023
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	-

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 partner	July 2018	–
Fan Baoqun	Peking University	Sinar Mas Chair Researcher and assistant dean of the National School of Development at Peking University	September 2016	–
Chen Qisuo	Peng Sheng Certified Public Accountants (Special General Partnership) *	Partner of audit service	February 2023	–
Zhao Hulin	Henan Chainwin Law Firm	Partner, director of the management Committee	November 1996	–
Wang Juan	Henan University of Science and Technology	Dean of the School of Accounting	October 2021	–
Wang Junqiao	Luoyang Tiancheng Accounting Firm Co., Ltd *	Partner	June 2007	–
Pan Jingong	Chengdu CNBM	General manager	March 2011	–

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.
Whether any Director abstained from Board discussions on his/her own remuneration	Yes
The particulars on recommendations on matters relating to the remuneration of Directors, supervisors and senior management expressed by the Remuneration and Review Committee or the special meeting of independent Directors	The Remuneration and Review Committee has considered the remuneration payment and performance evaluation for the Directors, supervisors and senior management of the Company for 2022
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	RMB6,983,700

## 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
Zhang Rong	President	Appointment	Appointment of president
Chen Hongzhao	Vice president, financial executive	Appointment	Appointment of vice president, financial executive
He Qingbo	Executive director	Election	New election of director
Pan Jingong	Non-executive director	Election	New election of director
Li Yang	Chairman of the Supervisory Committee	Election	New election of chairman of the Supervisory Committee
Li Yang	Financial executive	Resignation	Resignation due to work adjustment
Liu Yuquan	Executive director	Resignation	Resignation due to work adjustment
Ma Yan	Executive director, president	Resignation	Resignation due to work adjustment
Jiao Jiajia	Chairman of the Supervisory Committee	Resignation	Resignation due to work adjustment

#### (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

<b>Session and Meeting</b>	<b>Date</b>	<b>Resolutions made at the meeting</b>
Tenth meeting of the tenth session	11 January 2023	1. Considered and approved the resolution in relation to the proposed change of the business scope and the proposed amendments to the Articles of Association of the Company. 2. Considered and approved the resolution in relation to the amendments to the Internal Control Management System.
Eleventh meeting of the tenth session	23 February 2023	1. Considered and approved the resolution in relation to the change of stock short name of the Company. 2. Considered and approved the resolution in relation to the application for bank credit.
Twelfth meeting of the tenth session	29 March 2023	1. Considered and approved the working report of the Board of Directors the Company for the year 2022. 2. Considered and approved the working report of the General Manager of the Company for the year 2022. 3. Considered and approved the final accounts report of the Company for the year 2022. 4. Considered and approved the Company's annual report 2022 and its summary. 5. Considered and approved the profit distribution plan for the year 2022. 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 2022. 8. Considered and approved the resolution on provision for impairment of assets of the Company and the write-off thereof for the year 2022. 9. Considered and approved the Company's annual internal control evaluation report for 2022. 10. Considered and approved the Company's 2022 annual social responsibility report. 11. Considered and approved the special report on the deposit and use of funds raised by the company in 2022. 12. Considered and approved the resolution on the Entering into the Financial Services Framework Agreement between the Company and Triumph Technology Group. 13. Considered and approved the resolution in relation to the risk assessment report on the deposit and loan business with CNBM Finance Company. 14. Considered and approved the resolution in relation to the amendments to the Implementation Rules for the Remuneration and Review Committee. 15. Considered and approved the resolution on convening the 2022 Annual General Meeting.

## Section IV Corporate Governance

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

<b>Session and Meeting</b>	<b>Date</b>	<b>Resolutions made at the meeting</b>
Thirteenth meeting of the tenth session	28 April 2023	1. Considered and approved the resolution on First Quarterly Report 2023 of the Company. 2. Considered and approved the resolution on the amendments to the Articles of Association. 3. Considered and approved the resolution on the appointment of financial executive.
Fourteenth meeting of the tenth session	23 May 2023	1. Considered and approved the resolution on the reappointment of Grant Thornton LLP* (致同會計師事務所(特殊普通合夥)) as the auditor of the Company for the year 2023. 2. Considered and approved the resolution on the nomination of Mr. He Qingbo as an executive director of the tenth session of the Board of Directors of the Company. 3. Considered and approved the resolution in relation to the application for bank credit.
Fifteenth meeting of the tenth session	21 June 2023	1. Considered and approved the resolution on the profit distribution plan of Yixing New Energy. 2. Considered and approved the resolution on the profit distribution plan of Zigong New Energy. 3. Considered and approved the resolution on the profit distribution plan of Hefei New Energy. 4. Considered and approved the resolution on the profit distribution plan of Tongcheng New Energy.
Sixteenth meeting of the tenth session	21 July 2023	1. Considered and approved the resolution on the appointment of Mr. Zhang Rong as the president of the Company. 2. Considered and approved the resolution on the appointment of Mr. Chen Hongzhao as the vice president and financial executive of the Company. 3. Considered and approved the resolution on the nomination of Mr. Pan Jingong as a candidate for director of the tenth session of the Board of Directors of the Company. 4. Considered and approved the resolution on the change of authorised representative. 5. Considered and approved the resolution on the change of members of the Compliance Committee of the Board of Directors.
Seventeenth meeting of the tenth session	30 August 2023	1. Considered and approved the resolution in relation to the full text of the Company's 2023 Interim Report and its summary; 2. Considered and approved the Company's risk assessment report on handling the deposit and loan business with CNBM Finance Company.
Eighteenth meeting of the tenth session	27 October 2023	1. Considered and approved the resolution in relation to the Third Quarterly Report 2023. 2. Considered and approved the resolution in relation to North Glass' disposal of tin inventories and related party transaction.



## 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
Nineteenth meeting of the tenth session	27 December 2023	1. Considered and approved the resolution in relation to the entering into of the Sale of Products Framework Agreement with Triumph Technology Group. 2. Considered and approved the resolution in relation to the entering into of the Supply of Products Framework Agreement with Triumph Technology Group. 3. Considered and approved the resolution in relation to the entering into of the Procurement of Raw Materials Framework Agreement with Triumph Technology Group. 4. Considered and approved the resolution in relation to the entering into of the Technical Services Framework Agreement with CNBMG. 5. Considered and approved the resolution in relation to the entering into of the Engineering Construction Equipment Procurement and Installation Framework Agreement with CNBMG. 6. Considered and approved the resolution in relation to the entering into of the Supply of Spare Parts Framework Agreement with CNBMG. 7. Considered and approved the resolution in relation to the entering into of the Financial Services Framework Agreement with CNBM Finance Company. 8. Considered and approved the resolution in relation to submission for approval and confirmation for any one of the directors for and on behalf of the Company, among other matters, to sign the continuing connected transaction framework agreements and the implementation thereof. 9. Considered and approved the resolution in relation to the appointment of intermediaries in Hong Kong for the continuing connected transactions. 10. Considered and approved the resolution in relation to the provision of production and training services by Hefei New Energy to connected parties. 11. Considered and approved the resolution in relation to the amendments to four management systems including the Measures for Tenure System and Contracting Management for Managers. 12. Considered and approved the resolution in relation to the amendments to the Internal Control Management System and the Compliance Management System. 13. Considered and approved the resolution in relation to the 2023 internal control self-evaluation implementation plan of the Company; 14. Considered and approved the resolution in relation to the renewal of liability insurance for directors, supervisors and senior management; 15. Considered and approved the resolution in relation to the plan for the Company's mid-term evaluation for "14th Five-Year" plan and its strategic rolling development. 16. Considered and approved the resolution in relation to the Company's application for bank credit.

## Section IV Corporate Governance

### VI. PERFORMANCE OF DUTIES BY DIRECTORS

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

Name of Director	Independent 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				
Xie Jun	No	10	10	8	0	0	No	3	
Zhang Rong	No	10	10	8	0	0	No	2	
He Qingbo	No	4	4	8	0	0	No	3	
Wang Leilei	No	10	10	8	0	0	No	3	
Zhang Chong	No	10	10	10	0	0	No	3	
Sun Shizhong	No	10	10	10	0	0	No	3	
Pan Jingong	No	2	2	2	0	0	No	0	
Zhang Yajuan	Yes	10	10	10	0	0	No	3	
Fan Baoqun	Yes	10	10	9	0	0	No	3	
Chen Qisuo	Yes	10	10	8	0	0	No	2	
Zhao Huling	Yes	10	10	8	0	0	No	2	
Ma Yan	No	6	6	5	0	0	No	2	
Liu Yuquan	No	4	4	3	0	0	No	1	

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

Number of Board meetings held in the year	10
Including: Number of on-site meetings	0
Number of meetings held by way of communication	8
Number of meetings held on-site with attendance by way of communication	2

#### (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

#### (I) 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, Zhang Chong, Zhang Rong, Fan Baoqun
Compliance Committee	Zhang Yajuan, Zhang Rong, Wang Leilei

#### (II) Audit Committee held 6 meetings during the reporting period

Date	Contents of meetings	Important comments and suggestions	Other performance of duties
28 March 2023	1. Considered and approved the Company's annual report 2022 and its summary. 2. Considered and approved the Company's annual internal control evaluation report for 2022. 3. Considered and approved the resolution on provision for impairment of assets of the Company and the write-off thereof for the year 2022. 4. Considered and approved the special report on the deposit and use of funds raised by the company in 2022. 5. Considered and approved the risk assessment report on the deposit and loan business with China National Building Material Group Finance Co., Ltd.. 6. Considered and approved the comprehensive risk management report of the Company for 2022.	1. Recognized the truthfulness, completeness and accuracy of 2022 annual report and final financial report of the Company. 2. After full communication with the management, fully understood the basic information of Grant Thornton, relevant certification documents practicing qualifications, business scale, personnel information, professional competence, investor protection ability, independence and integrity status, etc., considered that Grant Thornton has the relevant business audit qualifications and can meet the needs of the Company's audit work.	Listened to and discussed the 2022 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)

#### (II) Audit Committee held 6 meetings during the reporting period (Continued)

Date	Contents of meetings	Important comments and suggestions	Other performance of duties
27 April 2023	Considered and approved the First Quarterly Report 2023 of the Company.	Recognized the truthfulness, completeness and accuracy of the First Quarterly Report.	Listened to First Quarterly Report of the Company in 2023, and understood and communicated on key issues.
23 May 2023	Considered and approved the resolution on the reappointment of Grant Thornton LLP* (致同會計師事務所(特殊普通合夥)) as the auditor of the Company for the year 2023.	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 2023 and submit it to the Board of Directors of the Company for review.	
28 August 2023	Considered and approved the resolution in relation to the full text of the 2023 Interim Report of the Company and its summary.	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 2023, and understood and communicated on key issues.
25 October 2023	Considered and approved the Third Quarterly Report 2023 of the Company.	Carefully reviewed the Third Quarterly Report of Recognized the truthfulness, completeness and accuracy of the third quarterly report.	Listened to Third Quarterly Report of the Company in 2023, and understood and communicated on key issues.
22 December 2023	Considered and approved the resolutions on the entering into of the continuing connected transaction framework agreements for the next three years between the Company and China National Building Materials Group Co., Ltd., Triumph Science & Technology Co., Ltd. and China National Building Material Group Finance Co., Ltd..	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)

#### (III) The Nomination Committee held 2 meetings during the reporting period

Date	Contents of meetings	Important comments and suggestions	Other performance of duties
19 May 2023	Considered and approved the resolution on the nomination of Mr. He Qingbo as a candidate for executive director of the tenth session of the Board of Directors 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.	
20 July 2023	1. Considered and approved the resolution on the nomination of candidates for directors of the tenth session of the Board of Directors of the Company. 2. Considered and approved the resolution in relation to the nomination 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)

#### (IV) The Remuneration and Review Committee held 2 meeting during the reporting period

Date	Contents of meetings	Important comments and suggestions	Other performance of duties
28 March 2023	<p>1. Considered and approved the remuneration payment and performance evaluation for directors, supervisors and senior management of the Company for the year 2022.</p> <p>2. Considered and approved the resolution in relation to the amendments to the Implementation Rules for the Remuneration and Review Committee.</p>	<p>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 2022 annual report of the Company.</p>	
22 December 2023	<p>Considered and approved the resolutions in relation to the amendments to the Measures for Assessment of Performance of the Management Members, the Measures for Management of Remuneration of the Management Members and the Measures for Management of the Gross Payroll of the Company.</p>	<p>After review, it was considered that the relevant systems could further facilitate the establishment and improvement of incentive and discipline mechanisms for the management members of the Company.</p>	



## Section IV Corporate Governance

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

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

Date	Contents of meetings	Important comments and suggestions	Other performance of duties
19 April 2023	Reviewed the 2022 Environmental, Social and Governance Report of the Company	Agreed to disclose the 2022 Environmental, Social and Governance Report of the Company on the same day as the H-share annual report of the Company for 2022 in accordance with the requirements of the relevant rules of the Hong Kong Stock Exchange.	
25 December 2023	Considered and approved the resolution in relation to the plan for the Company's mid-term evaluation for "14th Five-Year" plan and its strategic rolling development.	It was determined that the report summarised the progress of the Company's work since the implementation of the "14th Five-Year" plan, in which the medium-term adjustment target was put forward in a scientific and prudent manner, so as to enhance the operability and realisability of the planning targets, and to set targets and directions for the Company's future development.	

#### (VI) The Compliance Committee held 1 meeting during the reporting period

Date	Contents of meetings	Important comments and suggestions	Other performance of duties
27 December 2023	<ol style="list-style-type: none"><li>1. Considered and approved the resolution in relation to the continuing connected transactions of the Company for 2024–2026.</li><li>2. Considered and approved the resolution in relation to the amendments to the Internal Control Management System and the Compliance Management System.</li></ol>	Seriously reviewed the annual caps of the Company's continuing connected transactions for 2024–2026 and the contents of such transactions, etc., so as to standardize and strengthen the Company's compliance management.	

### VIII. RISKS DISCOVERED BY THE SUPERVISORY COMMITTEE

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

## Section IV Corporate Governance

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

#### (I) Employees

Number of in-service employees of the Company	68
Number of in-service employees of the major subsidiaries	3,733
Total number of in-service employees	3,801
The number of retired employees whose expenses are borne by the Company and its major subsidiaries	1,774

#### Composition of professions

<u>Type of profession</u>	<u>Number of staff in the profession</u>
Production staff	2,939
Sales staff	46
Technical staff	436
Finance staff	54
Administrative staff	326
Total	3,801

#### Education level

<u>Type of education level</u>	<u>Number of persons (headcount)</u>
University graduates or above	405
College graduates	787
Specialised secondary school graduates	627
High school graduates	733
Junior high school or below	1249
Total	3,801



## 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 2023 Internal Control Evaluation Report disclosed by the Company on 28 March 2024.

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 (currently Appendix C1) 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 (currently Appendix C3) 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 (currently Appendix C3) to the Listing Rules of the Stock Exchange.



## Section IV Corporate Governance

### XV. OTHERS (CONTINUED)

#### (III) Directors and the Board

##### 1. Directors

- (1) As at the end of the Reporting Period, the tenth session of the Board of the Company was composed of four executive Directors, i.e. Mr. Xie Jun, Mr. Zhang Rong, Mr. He Qingbo and Ms. Wang Leilei; three non-executive Directors, i.e. Mr. Zhang Chong, Mr. Sun Shizhong and Mr. Pan Jingong; 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 extraordinary meetings depending on actual conditions. During the reporting period, the Company held 10 Board meetings. All the then directors actively participated in person or by video, and were able to diligently perform their duties as directors in the best interests of the Company and its shareholders.

The Board has five specialized committees, namely the Audit Committee, the Strategic Committee, the Nomination Committee, the Remuneration and Review Committee and the Compliance Committee. Among them, all members of the Audit Committee are independent non-executive directors; among the members of the Nomination Committee, the Remuneration and Review Committee and the Compliance Committee, independent non-executive directors constitute the majority and act as the chairman (convenor). Each of the specialised committees performs its duties in accordance with its own terms of reference to assist the Board in performing and fulfilling more effectively the Board's functions as set out in Appendix 14 (currently Appendix C1) 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 directors, provide facilities for independent directors to participate in the daily affairs of the Company, work on-site 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 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 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, there are two female directors, accounting for approximately one-fifth of the board members. There are four independent directors, accounting for more than one-third of the Board members, and including one accounting professional. Non-executive directors and independent 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. Zhang Rong is the Chief Executive (also known as President) of the Company. According to the Articles of Association, the Chairman and the Chief Executive 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 Chief Executive 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 vice president, 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 non-executive Directors and confirmation of independence of independent non-executive Directors

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

During the Reporting Period, the Board of the Company has four independent non-executive directors. Details of the tenure of office of the current and former non-executive directors during the reporting period are set out in "IV. Positions of Directors, Supervisors and Senior Management" 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 the section headed "VI. SIGNIFICANT EVENTS" of this report.



## Section IV Corporate Governance

### XV. OTHERS (CONTINUED)

#### (VII) Directors' responsibility for the financial statements

The 2023 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 2023, 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 2023, 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" 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 Chinese name of the Company has been changed 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 has been changed from “Luoyang Glass Company Limited” to “Triumph New Energy Company Limited”; and the Articles of Association of the Company has also been amended to reflect the change of company names. In accordance with the requirements of the Listing Rules of the Stock Exchange in relation to the protection standards for core shareholders, amendments have been made to the relevant articles of the Articles of Association.

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)	5,249.69

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

On 22 June 2022, the application for renewal of the sewage discharge permit of Zigong New Energy was approved;

On 30 August 2022, the application for renewal of the sewage discharge permit of Hefei New Energy was approved;

On 1 March 2023, the application for renewal of the sewage discharge permit of North Glass was approved;

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

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

On 28 November 2023, the application for renewal of the sewage discharge permit of Zhangzhou New Energy was approved.

During the reporting period, six 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 and Zhangzhou New Energy was listed under the Environmental Information Disclosure Directory for Enterprises and Public Institutions of Anqing City for 2023, the Major Pollution Discharge Units in Atmospheric Category of Hefei City for 2023, the Major Pollution Discharge Units of Wuxi City for 2023, the Major Pollution Discharge Units of Atmospheric Pollution in Zigong City for 2023, the Major Pollution Discharge Units of Qinhuangdao City for 2023 and the Major Pollution Discharge Units for Atmospheric Environmental Pollution in Zhangzhou City for 2023, respectively.

#### 1. Information on pollution discharge

Major pollutants generated from the photovoltaic glass production process: atmospheric particulate matters, SO<sub>2</sub>, NO<sub>x</sub> and wastewater.



## Section V Environmental and Social Responsibility

### I. INFORMATION ON ENVIRONMENT (CONTINUED)

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

##### 1. Information on pollution discharge (Continued)

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

Type of pollutants	Pollutant discharge standards	Major pollutants	Discharge concentration
Exhaust	Emission Standard of Air Pollutants for Flat Glass Industry (《平板玻璃工業大氣污染物排放標準》) (GB26453-2011)	Atmospheric particulate	Existing projects: Atmospheric particulate≤50 mg/m <sup>3</sup>
		SO <sub>2</sub>	SO <sub>2</sub> ≤400 mg/m <sup>3</sup>
		NO <sub>x</sub>	NO <sub>x</sub> ≤700 mg/m <sup>3</sup>
	Standard of Air pollutants for Glass Industry (《玻璃工業大氣污染物排放標準》) (GB26453-2022)		New projects: Atmospheric particulate≤30 mg/m <sup>3</sup>
			SO <sub>2</sub> ≤200 mg/m <sup>3</sup>
			NO <sub>x</sub> ≤400 mg/m <sup>3</sup>
	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 <sup>3</sup>
			SO <sub>2</sub> ≤40 mg/m <sup>3</sup>
			NO <sub>x</sub> ≤150 mg/m <sup>3</sup>
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 <sub>5</sub>	BOD <sub>5</sub> ≤140 mg/L
		NH <sub>3</sub> -N	NH <sub>3</sub> -N≤40 mg/L
		Animal and vegetable oils	Animal and vegetable oils≤100 mg/L
Urban Wastewater Recycling Miscellaneous Water Quality (GB/T18920-2020)		NH <sub>3</sub> -N	NH <sub>3</sub> -N≤8 mg/L

## Section V Environmental and Social Responsibility

### I. INFORMATION ON ENVIRONMENT (CONTINUED)

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

##### 1. Information on pollution discharge (Continued)

**Table II Way of discharge and distribution of major pollutants:**

Subsidiary	Type of pollutant	Representative pollutant	Way of discharge	Number and distribution of discharge vent
Yixing New Energy	Exhaust	Atmospheric particulate matters, SO <sub>2</sub> , NO <sub>x</sub>	For the 2*250t/d: Emission up to standard through 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. For 650t/d: Emissions by 90m chimney stack to meet the standard after being treated through dry desulfurization + cyclone dust removal + catalytic ceramic filter tube integrated dust removal and denitrification system.	2 chimneys, the discharge vent is located in front of the glass melting furnace in the plant
	Wastewater	pH, COD, BOD <sub>5</sub> , NH <sub>3</sub> -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
Hefei New Energy	Exhaust	Atmospheric particulate matters, SO <sub>2</sub> , NO <sub>x</sub>	Line 1: Emission of 650t/d is treated adopting catalytic ceramic filter tube desulfurization, denitrification and dust removal, and then discharged through 68m chimney. Line 2: Emission of 650t/d is treated adopting catalytic ceramic filter tube desulfurization, denitrification and dust removal, and then discharged through 68m chimney.	Shared 1 chimney, the discharge vent is located in front of the glass melting furnace in the plant
	Wastewater	pH, COD, BOD <sub>5</sub> , NH <sub>3</sub> -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
Tongcheng New Energy	Exhaust	Atmospheric particulate matters, SO <sub>2</sub> , NO <sub>x</sub>	For 320t/d: Emission by 90m-high chimney after being treated through the process of high temperature electrostatic precipitator ESP, the SCR denitration, the R-SDA semi-dry desulfurization system and the dust removal with a bag filter. For 1,200t/d: Emission by 120m chimney stack after being treated through catalytic ceramic fibre filter tube integrated dry desulphurization, denitrification and dust removal.	2 chimneys, the discharge vent is located in front of the glass melting furnace in the plant.
	Wastewater	pH, COD, BOD <sub>5</sub> , NH <sub>3</sub> -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
North Glass	Exhaust	Atmospheric particulate matters, SO <sub>2</sub> , NO <sub>x</sub>	Emission by 85m chimney stack after being treated through dry desulfurization, electrostatic precipitation, SCR denitration system and RSDA semi-dry desulfurization treatment.	2 chimneys (1# was shut down on 14 December 2018 and 2# was shut down on 14 June 2023), the discharge vent is located in front of the glass melting furnace in the plant
	Wastewater	pH, COD, BOD <sub>5</sub> , NH <sub>3</sub> -N, SS	Production wastewater was subject to reuse after treatment; domestic sewage was discharged into the sewage pipe network after treatment.	1 sewage outlet (which was shut down on 14 June 2023), located at the entrance of 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	Exhaust	Atmospheric particulate matters, SO <sub>2</sub> , NO <sub>x</sub>	Emission by 90m-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, BOD <sub>5</sub> , NH <sub>3</sub> -N, SS	Production wastewater was subject to reuse with a small proportion being discharged into the sewage pipe network; domestic sewage entered the sewage treatment plant via the sewage pipe network after pre-treatment.	1 sewage outlet, located in the northeast corner of the plant
Zhangzhou New Energy	Exhaust	Atmospheric particulate matters, SO <sub>2</sub> , NO <sub>x</sub>	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 (production line of the first phase was closed), the discharge vent is located in the north side of the glass melting furnace of the production line of the second phase of the plant
	Wastewater	NH <sub>3</sub> -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:**

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	
Yixing New Energy	91320282MA1MXWBJ1H001Q	Exhaust	SO <sub>2</sub>	43.93	10.158	Discharge up to standard
			NO <sub>x</sub>	173.84	108	
			Atmospheric particulate matters	23.79	2.47	
Hefei New Energy	91340100570418775Y001P	Exhaust	SO <sub>2</sub>	47.3	35.237	Discharge up to standard
			NO <sub>x</sub>	215.2	210.679	
Tongcheng New Energy	91340881567507232G001P	Exhaust	SO <sub>2</sub>	314.81	40.273	Discharge up to standard
			NO <sub>x</sub>	536.13	191.214	
			Atmospheric particulate matters	66.10	4.393	

## 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	911303002359947167001P	Exhaust	SO <sub>2</sub>	60.86	2.816	Discharge up to standard
			NOx	229.23	19.471	
			Atmospheric particulate matters	12.17	2.571	
Zigong New Energy	91510300MA67NRDD2F001P	Exhaust	SO <sub>2</sub>	72.40	8.035	Discharge up to standard
			NOx	160.40	68.720	
			Atmospheric particulate matters	22.40	8.918	
Zhangzhou New Energy	91350600796053991E001P	Exhaust	SO <sub>2</sub>	93.74	58.881	Discharge up to standard
			NOx	309.48	232.87	
			Atmospheric particulate matters	40.09	5.416	



## Section V Environmental and Social Responsibility

### I. INFORMATION ON ENVIRONMENT (CONTINUED)

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

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

In the ordinary course of production and operation, the Company has formulated well-equipped pollution prevention and control facilities to enhance the construction of environmental protection facilities and the operation and maintenance management thereof on a continuous basis. Each subsidiary reduces energy consumption and pollutant discharges, improves energy utilization efficiency and achieves clean production by virtue of incessant improvement in processing technology. Major measures adopted include: all production lines are fueled by natural gas and further reduction of energy consumption and pollutant discharges are achieved by adopting advanced combustion method, thus implementing clean production. The operation and management of environmental protection facilities for desulphurization, denitration and dedusting are strengthened to ensure sound operation conditions of the environmental protection facilities, guarantee high efficiency of desulphurization, denitration and dedusting and reduce emission of SO<sub>2</sub>, NO<sub>x</sub> and smoke dust. The Company takes a range of measures including the adoption of oxygen-enriched combustion technology, optimization of combustion process, improvement in maintenance and heat preservation for the furnace and reasonable adjustments of certain parameters in the manufacturing processing, so as to reduce utilization of natural gas, cut the cost of fuel and reduce emission of SO<sub>2</sub> and NO<sub>x</sub>.

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. Yixing New Energy obtained the approval from Yixing Environmental Protection Science and Technology Industrial Park Management Committee (Zhong Yi Huan Ke Huan Xu [2023] No. 3) for the environmental impact report on the Phase I Project of Photovoltaic Cell Encapsulating Material for Solar Equipment on 13 March 2023 and obtained the approval from Yixing Environmental Science and Technology Industrial Park Management Committee (Zhong Yi Huan Ke Huan Xu [2023] No. 8) for the environmental impact report form on the Deep Processing Technology Transformation Project for Backplate Glass Used in Double-glass Modules on 15 June 2023; North Glass obtained the approval from Hebei Provincial Department of Ecology and Environment (Ji Huan Shen [2023] No. 213) for the environmental impact report on the Project of Photovoltaic Cell Encapsulating Material for Solar Equipment on 20 October 2023.

## Section V Environmental and Social Responsibility

### I. INFORMATION ON ENVIRONMENT (CONTINUED)

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

##### 4. Contingency plan for environmental emergency

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

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

Zhangzhou New Energy carried out a "Waste Mineral Oil Spillage Emergency Drill" on 17 February 2023;

Tongcheng New Energy carried out an "Emergency Drill on Site Disposal of Environmental Emergency of Ammonia Water Leakage" on 13 April 2023;

North Glass organised and carried out an "Emergency Drill on Environmental Emergency of Liquid Ammonia Leakage" on 29 May 2023;

Yixing New Energy organised and carried out an "Emergency Rescue Drill on Chemical Leakage" on 21 June 2023;

Hefei New Energy organised and carried out a "Kiln Leakage Desktop Emergency Drill" on 25 June 2023;

Zigong New Energy organised and carried out an "Integrated Emergency Drill on Production Safety Accident and Environmental Emergency" on 9 November 2023.



## 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)

##### 5. *Environment self-monitoring program*

In accordance with Articles 42 and 55 of the Environmental Protection Law, the Sewage Discharge Permit Management Ordinance and the General Rules for Technical Guidance on Self-Monitoring of Pollutant Discharging Organizations (《排污單位自行監測技術指南總則》), and other laws and regulations, the subsidiaries of the Company engaged competent third-party monitoring agencies to monitor the wastewater, exhaust and noise on a regular basis. Relevant production lines have been equipped with on-line pollutant source detection facilities to detect the flow velocity, temperature and pressure of fume, SO<sub>2</sub>, NOX, particulate matters, etc. Tongcheng New Energy has put on LED display at the gateway to immediately publish regular monitoring data concerning its discharge of air pollutants, and Zigong New Energy has published the monitoring data concerning its discharge of pollutants on its official website.

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

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

##### 7. *Other disclosable environmental information*

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

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

The Luoyang New Energy solar photovoltaic cell encapsulating 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.

## 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 (Continued)

##### 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 thoroughly the new enterprise growth path featuring low energy consumption, high efficiency, recyclable and less emission. During the reporting period, the Company formulated the Measures for Management of Accountability for Ecological Environmental Protection Issues, revised and improved the Energy Conservation and Ecological Environmental Protection Responsibility System, the Implementation Rules for Ecological Environmental Protection Supervision and Management, the Measures for Energy Conservation and Ecological Environmental Protection Supervision and Management, the Measures for Energy Conservation and Ecological Environmental Protection Assessment Management, the Implementation Rules for Ecological Environmental Protection Management, the Measures for Environmental Emergency Plan Management, the Environmental Emergency Reporting Management Measures and other ecological environmental protection-related systems.



## 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

Whether carbon reduction measures were adopted	Yes
Reduction of carbon dioxide equivalent emissions (unit: ton)	52,898.50
Type of carbon reduction measures (e.g. use of clean energy for power generation, use of carbon reduction technologies in the production process, research and development of new products that help reduce carbon emissions, etc.)	Using clean energy to generate electricity and enhancing the application of clean energy

- (1) All subsidiaries have passed the environmental management system certification, and 5 subsidiaries have passed the energy management system certification. All subsidiaries have carried out the verification of greenhouse gas emissions in a standardised manner, and completed the preparation of annual greenhouse gas emissions verification report or self-inspection report.
- (2) 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. As of the end of the reporting period, the Company has built four residual heat power stations and five photovoltaic power stations. In 2023, the cumulative residual heat power generation for the whole year was 81,999,200 kWh, and photovoltaic power generation was 31,997,400 kWh, making the total power generation amounting to 113,996,600 kWh, equivalent to saving 9,275.56 tonnes of standard coal, and correspondingly reducing the carbon dioxide (CO<sub>2</sub>) emissions by approximately 52,898.50 tonnes.

### II. PERFORMANCE OF SOCIAL RESPONSIBILITIES

For details, see the 2023 Environmental, Social and Governance Report (which forms part of the Annual Report) disclosed on 24 April 2024 by the Company and the Overseas Regulatory Announcement – 2023 Environmental, Social and Governance Report of Triumph New Energy Company Limited disclosed on 28 March 2024 by the Company, which are available for inspection on the website of the Stock Exchange and the Company's website (<http://www.zhglb.com/>).

## Section VI Significant Events

### I. PERFORMANCE OF UNDERTAKINGS

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

Background of commitment	Type of commitment	Party of commitment	Content of commitment	Date of commitment	Whether there is time limit for performance	Term of commitment	Whether commitment is Specific		Subsequent plan in case of any delay in performance
							performed strictly in a timely manner	reasons for 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	Nil	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	Nil	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	Nil	Yes		



## Section VI Significant Events

### I. PERFORMANCE OF UNDERTAKINGS (CONTINUED)

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

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

## Section VI Significant Events

---

### I. PERFORMANCE OF UNDERTAKINGS (CONTINUED)

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

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

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

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.

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

During the reporting period, there were no changes in the Company's accounting policies, accounting estimates or corrections of significant accounting errors.



## Section VI Significant Events

### VI. APPOINTMENT OR DISMISSAL OF ACCOUNTING FIRMS

Unit: Yuan Currency: RMB

	<b>Current appointee</b>
Name of the domestic accounting firm	Grant Thornton LLP
Remuneration for the domestic accounting firm	1,350,000.00
Term of the audit services provided by domestic accounting firm	2 years
Name of Certified Public Accountant of the domestic accounting firm	Zheng Jianli, Fu Junhui
Cumulative years of audit services provided by domestic accounting firms as Certified Public Accountant	2 years, 2 years

	<b>Name</b>	<b>Remuneration</b>
An accounting firm engaged for internal control audit	Grant Thornton LLP	250,000

Explanation on appointment or dismissal of accounting firms

At the 2022 Annual General Meeting of the Company held on 28 June 2023, the appointment of Grant Thornton LLP as the auditor of the Company for the year 2023 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.

## Section 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 CNBM Finance Company 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 <a href="http://www.sse.com.cn">http://www.sse.com.cn</a> and <a href="http://www.hkexnews.hk">http://www.hkexnews.hk</a></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 <a href="http://www.sse.com.cn">http://www.sse.com.cn</a> and <a href="http://www.hkexnews.hk">http://www.hkexnews.hk</a></p>



## Section VI Significant Events

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

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

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

<b>Overview of Events</b>	<b>Search Index</b>
The nineteenth meeting of the tenth session of the board of directors of the Company held on 27 December 2023 and the First Extraordinary General Meeting of 2024 held on 5 February 2024 considered and approved the Technical Services Framework Agreement, the Engineering Construction Equipment Procurement and Installation Framework Agreement and the Supply of Spare Parts Framework Agreement between the Company and CNBMG, the Sale of Products Framework Agreement, the Supply of Products Framework Agreement and the Procurement of Raw Materials Framework Agreement between the Company and Triumph Technology Group, and the Financial Services Framework Agreement between the Company and CNBM Finance Company.	Announcement Lin No. 2023-045 on 27 December 2023, Announcement Lin No. 2024-003 on 5 February 2024 at <a href="http://www.sse.com.cn">http://www.sse.com.cn</a> and <a href="http://www.hkexnews.hk">http://www.hkexnews.hk</a>

## Section 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*

<u>Overview of Events</u>	<u>Search Index</u>
On 27 October 2023, the Product Purchase and Sales Contract between North Glass and Triumph Resources was considered and approved by the eighteenth meeting of the tenth session of board of directors of the Company, and the transaction amount of the contract amounted to RMB23,683,300.	Announcement Lin No. 2023-042 on 27 October 2023 at <a href="http://www.sse.com.cn">http://www.sse.com.cn</a> and <a href="http://www.hkexnews.hk">http://www.hkexnews.hk</a>

##### 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.

#### (IV) Claims and Liabilities between Related Parties

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



## Section 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

##### 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	700,000,000.00	0.55%-1.90%	357,141,222.11	4,775,093,896.86	4,917,987,563.61	214,247,555.36
Total	/	/	/	357,141,222.11	4,775,093,896.86	4,917,987,563.61	214,247,555.36

##### 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	300,000,000.00	2.50%-3.30%	3,460,000.00	20,000,000.00	200,000.00	23,260,000.00
Total	/	/	/	3,460,000.00	20,000,000.00	200,000.00	23,260,000.00

##### 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	20,000,000.00	0.00

## Section 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	100,000,000	19 January 2022	Variable	566,037.72	According to the principle of marketization, determined by both parties through negotiation	566,037.72	No	
Shuyang Xinda	the Company	Jiangsu Guangnian	150,000,000	19 January 2022	Variable	566,037.72	According to the principle of marketization, determined by both parties through negotiation	566,037.72	No	
Triumph Technology Group	the Company	Triumph Glass Holding	140,000,000	29 December 2022	28 December 2023	3,368,837.51	According to the principle of marketization, determined by both parties through negotiation	3,368,837.51	Yes	the indirect controlling shareholder

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

##### 2. Contracting

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



## Section VI Significant Events

### XI. MATERIAL CONTRACTS AND IMPLEMENTATION THEREOF (CONTINUED)

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

##### 3. Leasing

Unit: Yuan Currency: RMB

Name of lessor	Name of lessee	Leased assets	Amount of leased assets	Date of commencement of lease	Expiry date of lease	Gain on lease	Basis of determination of gain on lease	Effect of gain on lease on the Company	Is it a connected transaction relationship
Jiangsu Huayuan Cable Co., Ltd.	CNBM (Yixing) New Energy Company Limited*	Warehouse	15,000,000.00	1 October 2020	30 September 2025	-249,763.41	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.	-249,763.41	No
Kingeta Group Co., Ltd.	Kaisheng (Zhangzhou) New Energy Co., Ltd.	Machinery and equipment		1 February 2021	31 January 2031	-264,518.82	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.	-264,518.82	No

#### (II) Guarantees

During the reporting period, the Company made no guarantees.

## Section VII Connected Transactions and Related Party Transactions

Save as disclosed in this section, the Group had no other connected transactions or continuing connected transactions fall under the definition of discloseable connected transactions or continuing connected transactions under Chapter 14A of the Listing Rules of the Stock Exchange. The Group confirms that it has complied with the relevant disclosure requirements under Chapter 14A of the Listing Rules. 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 2023 IN ACCORDANCE WITH THE FRAMEWORK AGREEMENT AND ITS TRANSACTIONS APPROVED BY THE GENERAL MEETING

Unit: 0'000 Currency: RMB

Number	Party	Date of transaction	Connected relationship	Content of transactions	Principle of trade pricing	Expected Cap for trade amount for 2023	Trade amount actually incurred for 2023
1	CNBM	2 December 2020	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.	87,000	4,708
2	Triumph Technology Group	2 December 2020	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.	92,000	6,712
3	CNBM	2 December 2020	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.	2,000	1,629

## Section VII Connected Transactions and Related Party Transactions

### I. CONTINUING CONNECTED TRANSACTIONS FOR THE YEAR ENDED 31 DECEMBER 2023 IN ACCORDANCE WITH THE FRAMEWORK AGREEMENT AND ITS TRANSACTIONS APPROVED BY THE GENERAL MEETING (CONTINUED)

Number	Party	Date of transaction	Connected relationship	Content of transactions	Principle of trade pricing	Expected Cap for trade amount for 2023	Trade amount actually incurred for 2023
4	CNBM	2 December 2020	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.	370,000	21,439
5	CNBM	2 December 2020	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.	4,800	2,048
6	CNBM	2 December 2020	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.	200,000	188,918

## Section VII Connected Transactions and Related Party Transactions

### I. CONTINUING CONNECTED TRANSACTIONS FOR THE YEAR ENDED 31 DECEMBER 2023 IN ACCORDANCE WITH THE FRAMEWORK AGREEMENT AND ITS TRANSACTIONS APPROVED BY THE GENERAL MEETING (CONTINUED)

Number	Party	Date of transaction	Connected relationship	Content of transactions	Principle of trade pricing	Expected Cap for trade amount for 2023	Trade amount actually incurred for 2023
7	CNBM Finance Company	2 December 2020	A subsidiary controlled by de facto controller	CNBM Finance Company 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	70,000	37,639
				CNBM Finance Company 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.	75,000	2,346



## Section VII Connected Transactions and Related Party Transactions

### I. CONTINUING CONNECTED TRANSACTIONS FOR THE YEAR ENDED 31 DECEMBER 2023 IN ACCORDANCE WITH THE FRAMEWORK AGREEMENT AND ITS TRANSACTIONS APPROVED BY THE GENERAL MEETING (CONTINUED)

Number	Party	Date of transaction	Connected relationship	Content of transactions	Principle of trade pricing	Expected Cap for trade amount for 2023	Trade amount actually incurred for 2023
				CNBM Finance Company 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.	2,000	0

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 2023, 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. The Board of the Company also confirms that its auditor has confirmed the aforesaid continuing connected transactions which have taken place in 2023 in accordance with Rule 14A.56 of the Listing Rules.

## Section VII Connected Transactions and Related Party Transactions

### I. CONTINUING CONNECTED TRANSACTIONS FOR THE YEAR ENDED 31 DECEMBER 2023 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 2023 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 BY THE BOARD DURING THE REPORTING PERIOD

1. On 27 October 2023, as considered and approved at the eighteenth meeting of the tenth session of board of directors of the Company, North Glass and Triumph Resources entered into the Product Purchase and Sales Contract, pursuant to which, North Glass agreed to dispose of and Triumph Resources agreed to acquire the Tin Ingots Assets. The transaction amount of the contract amounted to approximately RMB23,683,300. The contract will be conducive to the re-circulation of idle assets of North Glass and the enhancement of the efficiency of operation of its capital, which are in line with the actual production and operation of North Glass and the need to promote the development of its principal business.

Connected relationship: North Glass is a wholly-owned subsidiary of the Company, while Triumph Resources is an indirect wholly-owned subsidiary of CNBMG and a direct wholly-owned subsidiary of Triumph Technology.

2. On 27 December 2023, as considered and approved at the nineteenth meeting of the tenth session of board of directors of the Company, Hefei New Energy and International Engineering entered into the Production and Training Services Contract for Ultra-clear Rolled Glass Projects, pursuant to which, Hefei New Energy will provide International Engineering's newly built Ultra-clear Rolled Glass Projects with (i) production services, (ii) on-site training and (iii) production training in the PRC for trainees of the Proprietors of the Contract Plants during the Trial Production Period (as defined hereunder). The estimated total amount of the contract does not exceed RMB8,827,400 and the specific settlement amount will be determined based on actual number of personnel and months. The contract will be conducive to further expanding the Group's business to overseas plants and increasing the market share of the Group's production and training services.

Connected relationship: Hefei New Energy is a wholly-owned subsidiary of the Company, while International Engineering is an indirect wholly-owned subsidiary of CNBMG.

### III. RELATED PARTY TRANSACTIONS

Details of significant related party transactions entered into in the ordinary course of business are set out in note 13 to the financial statements. Save for the transactions described in this section, which have complied with the disclosure requirements of Chapter 14A of the Listing Rules, none of such related party transactions constituted a discloseable connected transaction (as defined in the Listing Rules).



## 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.

### 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)	34,931
Total number of ordinary shareholders at the end of the previous month before the date of disclosure of annual report (shareholder)	34,228

#### (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)	Shareholdings of top 10 shareholders (excluding shares lent through securities financing)			Pledged or frozen		Nature of shareholder
	Increase/ decrease during the reporting period	Number of shares at the end of reporting period	Proportion (%)	Number of shares held subject to trading moratorium	Status	
HKSCC NOMINEES LIMITED	16,000	249,168,789	38.59		Unknown	Overseas legal person
China Luoyang Float Glass (Group) Co., Ltd.	0	111,195,912	17.22		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)	-6,454,550	63,835,499	9.89		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 (Full name)	Shareholdings of top 10 shareholders (excluding shares lent through securities financing)				Pledged or frozen		Nature of shareholder
	Increase/ decrease during the reporting period	Number of shares at the end of reporting period	Proportion (%)	Number of shares held subject to trading moratorium	Status	Number	
Hongtu Private Equity Investment Fund Management (Shenzhen) Co., Ltd. of Shenzhen Capital Group Co., Ltd. – New Materials Fund of Shenzhen Capital Group for Transformation and Upgrading for Manufacturing Sector (Limited Partnership) (深創投紅土私募股權投資基金管理(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		Nil		Domestic Non-state-owned legal person
Triumph Technology Group Co., Ltd.	9,931,877	29,515,000	4.57	13,229,724	Nil		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		Nil		Domestic non-state-owned legal person
Hong Kong Securities Clearing Co., Ltd.	809,940	2,735,295	0.42		Nil		Overseas legal person
Yixing Environmental Technology Innovation and Venture Capital Co., Ltd. (宜興環保科技創新創業投資有限公司)	0	1,542,674	0.24		Nil		State-owned legal person
Wang Aijun (王愛軍)	0	1,530,200	0.24		Nil		Domestic natural person
Yang Wucheng (楊武成)	-1,061,930	1,454,472	0.23		Pledged	1,454,472	Domestic natural 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	Type and number of shares
			Number
HKSCC NOMINEES LIMITED	249,168,789	Overseas listed foreign shares	249,168,789
China Luoyang Float Glass (Group) Company Limited (中國洛陽浮法玻璃集團有限責任公司)	111,195,912	Ordinary shares denominated in RMB	111,195,912
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)	63,835,499	Ordinary shares denominated in RMB	63,835,499
Hongtu Private Equity Investment Fund Management (Shenzhen) Co., Ltd. of Shenzhen Capital Group Co., Ltd. – New Materials Fund of Shenzhen Capital Group for Transformation and Upgrading for Manufacturing Sector (Limited Partnership) (深創投紅土私募股權投資基金管理(深圳)有限公司—深創投製造業轉型升級新材料基金(有限合伙))	38,853,812	Ordinary shares denominated in RMB	38,853,812
Triumph Technology Group Co., Ltd.	16,285,276	Ordinary shares denominated in RMB	16,285,276
Luoyang Venture Investment Co., Ltd. – High Quality Development Fund for Manufacturing Sector in Luoyang (Limited Partnership) (洛陽創業投資有限公司—洛陽製造業高品質發展基金(有限合伙))	4,856,726	Ordinary shares denominated in RMB	4,856,726
Hong Kong Securities Clearing Co., Ltd.	2,735,295	Ordinary shares denominated in RMB	2,735,295
Yixing Environmental Technology Innovation and Venture Capital Co., Ltd. (宜興環保科技創新創業投資有限公司)	1,542,674	Ordinary shares denominated in RMB	1,542,674
Wang Aijun (王愛軍)	1,530,200	Ordinary shares denominated in RMB	1,530,200
Yang Wucheng (楊武成)	1,454,472	Ordinary shares denominated in RMB	1,454,472

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 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:

Nil

#### (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 (CONTINUED)

### (I) Controlling shareholders (Continued)

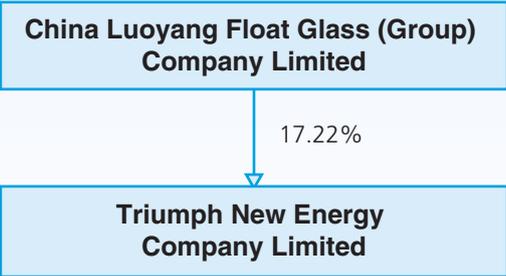
#### 2 Natural Person

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

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

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

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



## Section 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 2023, 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); 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 26.97% equity interest in China Jushi Co., Ltd. (600176); through its subsidiaries holding 40.96% 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 49.03% equity interest in Ningxia Building Materials Group Co., Ltd. (600449); through its subsidiaries holding 10.06% equity interest in Zhongjiao Design Consultation Group Corporation Ltd. (600720); 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 4.31% equity interest in BBMG Corporation (601992); through its subsidiaries holding 14.50% 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 10.53% 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 0.0026% equity interest in Lutianhua (000912).
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)

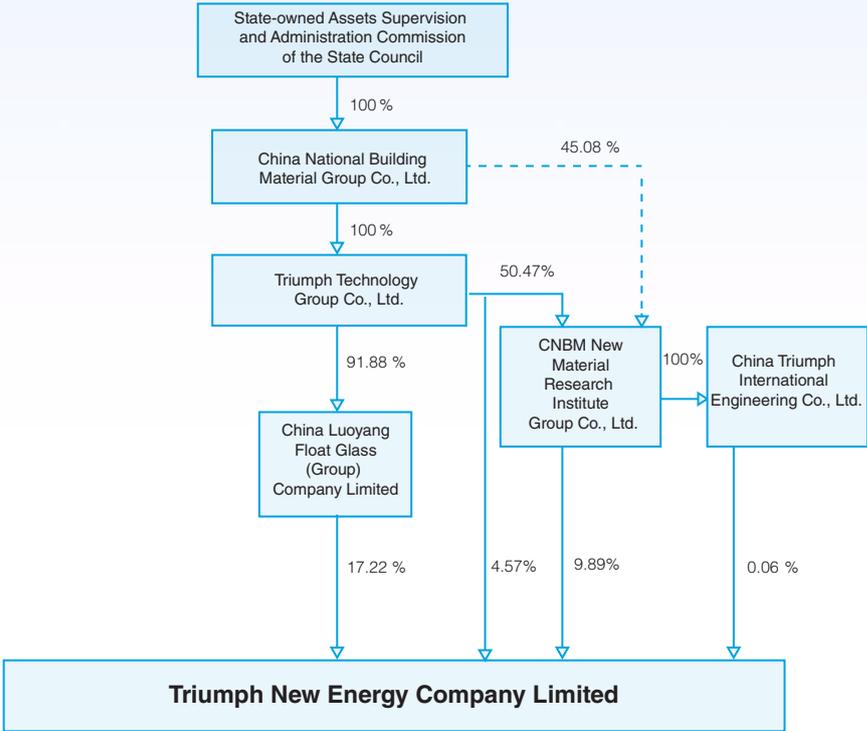
#### 2 Natural Person

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

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

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

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



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

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

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

N/A.



## Section VIII Changes in Shareholding of Shares and Information of Shareholders

### IV. CONTROLLING SHAREHOLDER AND DE FACTO CONTROLLER (CONTINUED)

#### (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 2023, 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 <sup>1</sup>	Percentage in the relevant class of issued shares (%)	Percentage in total issues share capital of the Company (%)	Class of shares
CNBM <sup>2</sup>	Interest in controlled corporation	204,932,781 (L)	51.79	31.74	A shares
Triumph Technology Group <sup>3</sup>	Beneficial owner/Interest in controlled corporation	204,932,781 (L)	51.79	31.74	A shares
CLFG	Beneficial owner	111,195,912 (L)	28.10	17.22	A shares
CNBM Research Institute	Beneficial owner	63,835,499 (L)	16.13	9.89	A shares
International Engineering	Beneficial owner	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. Therefore, CNBM is deemed to be interested in the shares held by Triumph Technology Group by virtue of Part XV of the SFO.

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

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

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

N/A

# Section IX Financial Report

## I. AUDIT REPORT

### AUDIT REPORT

GTSZ (2024) No. 110A005539

To the Shareholders of Triumph New Energy Company Limited,

#### I. AUDIT OPINION

We have audited the financial statements of Triumph New Energy Company Limited (hereafter referred to as "Triumph New Energy"), including the consolidated and the Company's balance sheet as of 31 December 2023, 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 2023, 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 2023, and the consolidated and the Company's operating results and cash flows for 2023 of Triumph New Energy.

#### II. Basis for Audit Opinion

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

#### III. Key Audit Matters

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

*(I) Accuracy of revenue recognition*

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



### I. AUDIT REPORT (CONTINUED)

#### III. Key Audit Matters (Continued)

##### (I) Accuracy of revenue recognition (Continued)

###### 1. Description of the matter

Triumph New Energy is mainly engaged in the production and sales of new energy glass. In 2023, the amount of operating revenue for major businesses was RMB6,534 million, accounting for an increase of 30.52% as compared to last year.

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

## Section IX Financial Report

### I. AUDIT REPORT (CONTINUED)

#### III. Key Audit Matters (Continued)

##### (II) *Bad debts provision for receivables*

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

##### 1. *Description of the matter*

As at 31 December 2023, the original value of the notes receivable and accounts receivable of Triumph New Energy was RMB1,569 million, the impairment provision was RMB91 million, and the net book value was RMB1,478 million, accounting for 34.26% 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.



## Section IX Financial Report

### I. AUDIT REPORT (CONTINUED)

#### IV. Other Information

The Management of the Company is responsible for other information. Other information includes the information included in the Company's 2023 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.

## Section IX Financial Report

---

### 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.



## Section IX Financial Report

### I. AUDIT REPORT (CONTINUED)

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

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

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

**Grant Thornton (Special General Partnership)**

*Chinese Certified Public Accountant:  
(Engagement Partner)*

Zheng Jianli

*Chinese Certified Public Accountant:*

Fu Junhui

Beijing • the PRC  
28 March 2024

# Consolidated Balance Sheet

31 December 2023  
Prepared by: Triumph New Energy Company Limited  
Unit: Yuan Currency: RMB

## II. FINANCIAL STATEMENTS

Item	Note	31 December 2023	31 December 2022
<b>Current assets:</b>			
Monetary funds	VII.1	273,462,436.65	689,022,322.44
Notes receivable	VII.2	187,071,244.67	607,645,160.15
Accounts receivable	VII.3	1,290,872,150.78	981,111,286.02
Accounts receivable financing	VII.4	1,413,397,411.65	754,316,996.75
Prepayments	VII.5	187,441,429.34	176,309,507.09
Other receivables	VII.6	154,396,647.29	106,661,629.98
Inventories	VII.7	686,887,235.96	695,508,197.62
Assets held for sale	VII.8	5,874,065.75	
Non-current assets due within one year			
Other current assets	VII.9	114,962,230.83	59,289,265.40
<b>Total current assets</b>		<b>4,314,364,852.92</b>	<b>4,069,864,365.45</b>
<b>Non-current assets:</b>			
Fixed assets	VII.10	4,947,322,586.75	4,021,905,180.15
Construction in progress	VII.11	1,772,629,520.09	1,158,626,308.86
Right-of-use assets	VII.12	9,695,700.09	13,007,301.50
Intangible assets	VII.13	745,115,048.52	699,580,215.54
Development expenditures	VIII	14,895,294.06	9,242,547.95
Goodwill	VII.14	17,583,473.33	17,583,473.33
Deferred income tax assets	VII.15	15,963,295.75	16,836,091.52
Other non-current assets	VII.16	590,128,892.55	559,257,426.12
<b>Total non-current assets</b>		<b>8,113,333,811.14</b>	<b>6,496,038,544.97</b>
<b>Total assets</b>		<b>12,427,698,664.06</b>	<b>10,565,902,910.42</b>
<b>Current liabilities:</b>			
Short-term borrowings	VII.18	760,656,246.99	1,097,924,601.61
Notes payable	VII.19	486,886,737.12	429,242,468.26
Accounts payable	VII.20	1,535,170,636.56	1,728,154,819.46
Payments received in advance	VII.21	20,377.36	271,590.44
Contract liabilities	VII.22	8,352,702.13	18,314,969.87
Employee compensation payable	VII.23	84,343,288.15	49,200,604.16
Taxes payable	VII.24	45,217,814.58	19,546,491.47
Other payables	VII.25	173,708,687.56	232,485,514.56
Non-current liabilities due within one year	VII.26	453,468,886.35	57,813,133.81
Other current liabilities	VII.27	606,787,982.57	514,209,429.62
<b>Total current liabilities</b>		<b>4,154,613,359.37</b>	<b>4,147,163,623.26</b>



## Consolidated Balance Sheet

Item	Note	31 December 2023	31 December 2022
<b>Non-current liabilities:</b>			
Long-term borrowings	VII.28	<b>3,123,923,613.81</b>	1,703,779,270.66
Lease liabilities	VII.29	<b>5,857,164.28</b>	9,405,001.94
Deferred income	VII.30	<b>52,752,295.00</b>	51,344,031.93
Deferred income tax liabilities	VII.15	<b>37,305,857.31</b>	40,568,717.91
<b>Total non-current liabilities</b>		<b><u>3,219,838,930.40</u></b>	<u>1,805,097,022.44</u>
<b>Total Liabilities</b>		<b><u>7,374,452,289.77</u></b>	<u>5,952,260,645.70</u>
<b>Owners' equity (or shareholders' equity):</b>			
Paid-in capital (or share capital)	VII.31	<b>645,674,963.00</b>	645,674,963.00
Capital reserve	VII.32	<b>3,780,818,962.41</b>	3,780,818,962.41
Surplus reserve	VII.33	<b>51,365,509.04</b>	51,365,509.04
Undistributed profit	VII.34	<b>149,292,032.10</b>	-245,428,527.10
<b>Total equity attributable to owners of the Company (or shareholders' equity)</b>		<b><u>4,627,151,466.55</u></b>	<u>4,232,430,907.35</u>
Minority interests		<b>426,094,907.74</b>	381,211,357.37
<b>Total owners' equity (or shareholders' equity)</b>		<b><u>5,053,246,374.29</u></b>	<u>4,613,642,264.72</u>
<b>Total liabilities and owners' equity (or shareholders' equity)</b>		<b><u>12,427,698,664.06</u></b>	<u>10,565,902,910.42</u>

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

Person in charge of accounting:  
**Chen Hongzhao**

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

# Balance Sheet of the Company

31 December 2023  
Prepared by: Triumph New Energy Company Limited  
Unit: Yuan Currency: RMB

Item	Note	31 December 2023	31 December 2022
<b>Current assets:</b>			
Monetary funds		53,177,840.32	304,124,727.90
Accounts receivable	XVII.1	89,691,502.93	276,801,400.86
Accounts receivable financing		149,183,816.17	213,294,478.37
Prepayments		122,593.67	35,638.46
Other receivables	XVII.2	904,521,378.82	660,172,421.07
Inventories		8,100.00	8,509.00
Other current assets			65,466.27
<b>Total current assets</b>		<b>1,196,705,231.91</b>	<b>1,454,502,641.93</b>
<b>Non-current assets:</b>			
Long-term equity investment	XVII.3	3,903,415,248.62	3,703,415,248.62
Fixed assets		1,598,445.25	1,864,728.54
Construction in progress		544,608.33	53,857.88
Intangible assets		47,612,927.51	46,933,795.67
Other non-current assets			55,049,500.00
<b>Total non-current assets</b>		<b>3,953,171,229.71</b>	<b>3,807,317,130.71</b>
<b>Total assets</b>		<b>5,149,876,461.62</b>	<b>5,261,819,772.64</b>
<b>Current liabilities:</b>			
Short-term borrowings		100,063,326.16	411,004,486.12
Accounts payable		74,652,326.75	277,840,273.82
Contract liabilities			27,270.95
Employee compensation payable		5,626,986.40	10,581,733.02
Taxes payable		398,247.30	244,614.35
Other payables		7,915,823.80	62,831,631.70
Non-current liabilities due within one year		34,108,009.04	13,291,218.59
Other current liabilities		141,223,759.51	116,961,766.71
<b>Total current liabilities</b>		<b>363,988,478.96</b>	<b>892,782,995.26</b>



## Balance Sheet of the Company

Item	Note	31 December 2023	31 December 2022
<b>Non-current liabilities:</b>			
Long-term borrowings		<u>887,926,813.81</u>	<u>541,972,270.66</u>
<b>Total non-current liabilities</b>		<u><u>887,926,813.81</u></u>	<u><u>541,972,270.66</u></u>
<b>Total Liabilities</b>		<u><u>1,251,915,292.77</u></u>	<u><u>1,434,755,265.92</u></u>
<b>Owners' equity (or shareholders' equity):</b>			
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		<u>-656,668,697.27</u>	<u>-727,565,359.40</u>
<b>Total owners' equity (or shareholders' equity)</b>		<u><u>3,897,961,168.85</u></u>	<u><u>3,827,064,506.72</u></u>
<b>Total liabilities and owners' equity (or shareholders' equity)</b>		<u><u>5,149,876,461.62</u></u>	<u><u>5,261,819,772.64</u></u>

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

Person in charge of accounting:  
**Chen Hongzhao**

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

# Consolidated Income Statement

January to December 2023  
Prepared by: Triumph New Energy Company Limited  
Unit: Yuan Currency: RMB

Item	Note	2023	2022
<b>I. Total operating revenue</b>		<b>6,595,249,704.60</b>	5,030,111,246.27
Including: Operating revenue	VII.35	<b>6,595,249,704.60</b>	5,030,111,246.27
<b>II. Total operating costs</b>		<b>6,368,245,782.51</b>	4,863,245,866.54
Including: Operating costs	VII.35	<b>5,831,249,729.90</b>	4,433,991,033.17
Taxes and surcharges	VII.36	<b>44,449,874.51</b>	38,235,862.71
Selling expenses	VII.37	<b>19,774,485.40</b>	17,430,076.24
Administration expenses	VII.38	<b>147,118,075.69</b>	126,261,780.54
R&D expenses	VII.39	<b>251,522,948.01</b>	173,792,882.39
Finance expenses	VII.40	<b>74,130,669.00</b>	73,534,231.49
Including: Interest expenses		<b>83,663,235.87</b>	87,180,142.81
Interest income		<b>7,614,286.41</b>	11,189,421.19
Add: Other income	VII.41	<b>235,282,495.33</b>	157,399,524.47
Investment income (losses are represented by "-")	VII.42	<b>-13,205,737.32</b>	160,659,078.93
Impairment losses on credit (losses are represented by "-")	VII.43	<b>6,380,169.95</b>	-2,632,386.05
Impairment losses on assets (losses are represented by "-")	VII.44	<b>302,115.54</b>	-16,772,916.69
Gains on disposal of assets (losses are represented by "-")	VII.45	<b>45,107,451.69</b>	1,552,752.45
<b>III. Operating profit (loss is represented by "-")</b>		<b>500,870,417.28</b>	467,071,432.84
Add: Non-operating income	VII.46	<b>699,596.38</b>	3,319,010.17
Less: Non-operating expenses	VII.47	<b>196,388.78</b>	123,796.26
<b>IV. Total profit (total loss is represented by "-")</b>		<b>501,373,624.88</b>	470,266,646.75
Less: Income tax expenses	VII.48	<b>36,556,151.73</b>	11,096,956.38
<b>V. Net profit (net loss is represented by "-")</b>		<b>464,817,473.15</b>	459,169,690.37
(I) Classified on a going concern basis			
1. Net profit from continued operation (Net loss is represented by "-")		<b>464,817,473.15</b>	327,505,482.08
2. Net profit from discontinued operation (net loss is represented by "-")			131,664,208.29
(II) Classified by ownership			
1. Net profit attributable to shareholders of the Company (net loss is represented by "-")		<b>394,720,559.20</b>	409,038,651.70
2. Minority interests (net loss is represented by "-")		<b>70,096,913.95</b>	50,131,038.67



## Consolidated Income Statement

Item	Note	2023	2022
<b>VI. Other comprehensive income net of tax</b>			
(I) Other comprehensive income net of tax attributable to owners of the Company			
(II) Other comprehensive income net of tax attributable to minority interests			
<b>VII. Total comprehensive income</b>			
(I) Total comprehensive income attributable to owners of the Company		<b>464,817,473.15</b>	459,169,690.37
(II) Total comprehensive income attributable to minority interests		<b>394,720,559.20</b>	409,038,651.70
		<b>70,096,913.95</b>	50,131,038.67
<b>VIII. Earnings per share:</b>			
(I) Basic earnings per share (RMB/share)		<b>0.61</b>	0.63
(II) Diluted earnings per share (RMB/share)		<b>0.61</b>	0.63

Person in charge of the Company:

**Xie Jun**

Person in charge of accounting:

**Chen Hongzhao**

Person in charge of accounting department:

**Li Xuejiao**

# Income Statement of the Company

January to December 2023  
Prepared by: Triumph New Energy Company Limited  
Unit: Yuan Currency: RMB

Item	Note	2023	2022
<b>I. Operating revenue</b>	XVII.4	<b>851,747,680.78</b>	813,585,949.34
Less: Operating costs	XVII.4	<b>844,324,122.08</b>	809,523,960.85
Taxes and surcharges		<b>1,096,437.44</b>	1,060,914.59
Selling expenses			875,093.64
Administration expenses		<b>25,683,847.82</b>	28,328,483.36
Finance expenses		<b>6,164,695.81</b>	-2,347,222.59
Including: Interest expenses		<b>29,736,309.73</b>	25,887,015.21
Interest income		<b>23,594,691.44</b>	28,297,430.55
Add: Other income		<b>15,298,717.25</b>	56,188,645.54
Investment income			
(loss is represented by "-")		<b>69,677,283.76</b>	-58,163,074.42
Impairment losses on credit			
(loss is represented by "-")	XVII.5	<b>-457,518.65</b>	440,293,567.05
Impairment loss on assets			
(loss is represented by "-")			
Gains on disposal of assets			
(loss is represented by "-")		<b>11,315,700.00</b>	
<b>II. Operating profit (loss is represented by "-")</b>		<b>70,312,759.99</b>	414,463,857.66
Add: Non-operating income		<b>583,902.14</b>	1,669,474.23
Less: Non-operating expenses			24,229.59
<b>III. Total profit (total loss is represented by "-")</b>		<b>70,896,662.13</b>	416,109,102.30
Less: Income tax expense			
<b>IV. Net profit (net loss is represented by "-")</b>		<b>70,896,662.13</b>	416,109,102.30
(I) Net profit from continued operation			
(net loss is represented by "-")		<b>70,896,662.13</b>	416,109,102.30
(II) Net profit from discontinued operation			
(net loss is represented by "-")			
<b>V. Other comprehensive income net of tax</b>			
(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			
<b>VI. Total comprehensive income</b>		<b>70,896,662.13</b>	416,109,102.30
<b>VII. Earnings per share:</b>			
(I) Basic earnings per share (RMB/share)			
(II) Diluted earnings per share (RMB/share)			

Person in charge of the Company:

**Xie Jun**

Person in charge of accounting:

**Chen Hongzhao**

Person in charge of accounting department:

**Li Xuejiao**



## Consolidated Cash Flow Statement

Item	Note	2023	2022
<b>I. Cash flows from operating activities:</b>			
Cash received from sale of goods or rendering of services		<b>4,769,347,179.83</b>	2,560,221,493.35
Tax refunds received		<b>177,376,537.75</b>	175,002,704.82
Other cash received from activities related to operation	VII.49	<b>182,004,319.13</b>	210,832,382.02
<b>Sub-total of cash inflow from operating activities</b>		<b>5,128,728,036.71</b>	2,946,056,580.19
Cash paid for purchase of goods and rendering of services		<b>4,361,253,815.59</b>	2,776,221,225.75
Cash paid to and on behalf of employees		<b>387,995,741.51</b>	364,127,033.64
Tax payments		<b>163,617,444.56</b>	124,771,768.35
Other cash paid for activities related to operation	VII.49	<b>72,354,767.11</b>	78,981,784.84
<b>Sub-total of cash outflow from operating activities</b>		<b>4,985,221,768.77</b>	3,344,101,812.58
<b>Net cash flow from operating activities</b>		<b>143,506,267.94</b>	-398,045,232.39
<b>II. Cash flow from investment activities:</b>			
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		<b>79,278,267.67</b>	214,128.32
Net cash received from disposal of subsidiaries and other operating entities		<b>160,173,650.00</b>	591,662,259.58
Other cash received from activities related to investment			
<b>Sub-total of cash inflow from investment activities</b>		<b>239,451,917.67</b>	591,876,387.90
Cash paid for purchase and construction of fixed assets, intangible assets and other long-term assets		<b>1,864,752,946.91</b>	926,028,874.94
Net cash paid for acquisition of subsidiaries and other operating entities		<b>132,969,212.49</b>	327,666,092.88
Payment of other cash related to investment activities			
<b>Sub-total of cash outflow from investment activities</b>		<b>1,997,722,159.40</b>	1,253,694,967.82
<b>Net cash flow from investment activities</b>		<b>-1,758,270,241.73</b>	-661,818,579.92

# Consolidated Cash Flow Statement

January to December 2023  
Prepared by: Triumph New Energy Company Limited  
Unit: Yuan Currency: RMB

Item	Note	2023	2022
<b>III. Cash flow from financing activities:</b>			
Proceeds from loans		<b>2,988,994,035.16</b>	2,884,010,942.76
Other cash received from activities related to financing	VII.49	<b>130,885,148.92</b>	806,627,932.44
<b>Sub-total of cash inflow from financing activities</b>		<b>3,119,879,184.08</b>	3,690,638,875.20
Cash paid for repayment of loans		<b>1,554,163,189.34</b>	2,089,390,000.00
Cash payment for distribution of dividends and profits or repayment of interest		<b>136,353,507.16</b>	121,575,364.51
Including: Dividends and profits paid to minority shareholders by subsidiaries		<b>25,213,363.58</b>	20,536,874.80
Other cash paid for activities related to financing	VII.49	<b>73,240,372.81</b>	897,145,629.77
<b>Sub-total of cash outflow from financing activities</b>		<b>1,763,757,069.31</b>	3,108,110,994.28
<b>Net cash flow from financing activities</b>		<b>1,356,122,114.77</b>	582,527,880.92
<b>IV. Effects of changes in exchange rate on cash and cash equivalents</b>			
		<b>2,250,787.56</b>	1,404,511.13
<b>V. Net increase in cash and cash equivalents</b>			
Add: Opening balance of cash and cash equivalents		<b>485,547,816.11</b>	961,479,236.37
<b>VI. Closing balance of cash and cash equivalents</b>			
		<b>229,156,744.65</b>	485,547,816.11

Person in charge of the Company:

**Xie Jun**

Person in charge of accounting:

**Chen Hongzhao**

Person in charge of accounting department:

**Li Xuejiao**



## Cash Flow Statement of the Company

Item	Note	2023	2022
<b>I. Cash flows from operating activities:</b>			
Cash received from sale of goods or rendering of services		726,345,818.85	315,699,206.47
Tax refunds received			11,417,001.19
Other cash received from activities related to operation		60,603,945.18	65,936,083.29
Sub-total of cash inflow from operating activities		786,949,764.03	393,052,290.95
Cash paid for purchase of goods and rendering of services		645,093,887.73	263,398,766.59
Cash paid to and on behalf of employees		21,151,113.26	17,243,387.75
Tax payments		2,924,545.38	2,624,808.96
Other cash paid for activities related to operation		17,911,089.61	11,698,341.72
<b>Sub-total of cash outflow from operating activities</b>		<b>687,080,635.98</b>	<b>294,965,305.02</b>
<b>Net cash flow from operating activities</b>		<b>99,869,128.05</b>	<b>98,086,985.93</b>
<b>II. Cash flow from investment activities:</b>			
Cash received from disposal of investments		160,173,650.00	702,827,350.00
Cash received from returns on investments		65,334,253.05	117,322,519.57
Net cash recovered from disposal of fixed assets, intangible assets and other long-term assets		66,315,700.00	
Sub-total of cash inflow from investment activities		291,823,603.05	820,149,869.57
Cash paid for purchase and construction of fixed assets, intangible assets and other long-term assets		1,946,050.00	745,518.15
Cash paid for investment		332,969,212.49	741,143,520.00
<b>Sub-total of cash outflow from investment activities</b>		<b>334,915,262.49</b>	<b>741,889,038.15</b>
<b>Net cash flow from investment activities</b>		<b>-43,091,659.44</b>	<b>78,260,831.42</b>

# Cash Flow Statement of the Company

January to December 2023  
Prepared by: Triumph New Energy Company Limited  
Unit: Yuan Currency: RMB

Item	Note	2023	2022
<b>III. Cash flow from financing activities:</b>			
Proceeds from loans		<b>482,807,632.49</b>	807,785,360.00
Other cash received from activities related to financing		<b>2,982,320,932.14</b>	3,950,542,869.46
<b>Sub-total of cash inflow from financing activities</b>		<b>3,465,128,564.63</b>	4,758,328,229.46
Cash paid for repayment of loans		<b>556,313,089.34</b>	879,990,000.00
Cash payment for distribution of dividends and profits or repayment of interest		<b>28,380,667.37</b>	31,673,150.89
Other cash paid for activities related to financing		<b>3,188,159,310.56</b>	3,995,074,393.97
<b>Sub-total of cash outflow from financing activities</b>		<b>3,772,853,067.27</b>	4,906,737,544.86
<b>Net cash flow from financing activities</b>		<b>-307,724,502.64</b>	-148,409,315.40
<b>IV. Effects of changes in exchange rate on cash and cash equivalents</b>			
		<b>146.45</b>	542.41
<b>V. Net increase in cash and cash equivalents</b>			
Add: Opening balance of cash and cash equivalents		<b>304,124,727.90</b>	276,185,683.54
<b>VI. Closing balance of cash and cash equivalents</b>		<b>53,177,840.32</b>	304,124,727.90

Person in charge of the Company:

**Xie Jun**

Person in charge of accounting:

**Chen Hongzhao**

Person in charge of accounting department:

**Li Xuejiao**

## Consolidated Statement of Changes in Owners' Equity

Item	Equity attributable to shareholders of the Company										Total shareholders' equity				
	Other equity instruments				Less:		Total shareholders' equity								
	Paid-in capital (or share capital)	shares	bonds	Others	Capital reserve	Treasury stock	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Undistributed profit	Others	Subtotal	Minority interest	
I. Balance at the end of last year	645,674,963.00				3,760,818,982.41				51,365,500.04		-245,428,827.10		4,232,430,907.35	381,211,357.37	4,613,642,264.72
II. Balance at the beginning of the year	645,674,963.00				3,760,818,982.41				51,365,500.04		-245,428,827.10		4,232,430,907.35	381,211,357.37	4,613,642,264.72
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. Distribution to owners (or shareholders)															
(iv) Internal carry-forward of shareholders' equity															
(v) Special reserve															
1. Amount withdrawn during the period															
2. Amount utilized during the period															
(vi) Others															
1. Amount withdrawn during the period															
2. Amount utilized during the period															
IV. Balance at the end of the period	645,674,963.00				3,760,818,982.41				51,365,500.04		149,282,032.10		4,627,151,466.55	426,084,907.74	5,053,246,374.29

# Consolidated Statement of Changes in Owners' Equity

January to December 2023  
Prepared by: Triumph New Energy Company Limited  
Unit: Yuan Currency: RMB

Item	Equity attributable to shareholders of the Company										Total shareholders' equity				
	Paid-in capital (or share capital)	Preferential shares	Perpetual bonds	Other instruments	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	645,674,963.00				3,792,235,992.58				51,365,509.04		-654,467,778.80		3,834,809,285.82	504,068,363.34	4,338,877,649.16
II. Balance at the beginning of the year	645,674,963.00				3,792,235,992.58				51,365,509.04		-654,467,778.80		3,834,809,285.82	504,068,363.34	4,338,877,649.16
III. Increase/decrease in the period (decrease is represented by "-")					-11,417,030.17						408,038,651.70		397,621,621.53	-122,857,055.97	274,764,565.56
(I) Total comprehensive income											408,038,651.70		408,038,651.70	50,131,086.67	458,169,690.37
(II) Shareholders' contribution and decrease in capital															
1. Others															
(III) Profit distribution															
1. Distribution to owners (or shareholders)															
(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		-245,428,527.10		4,232,430,907.35	381,211,357.37	4,613,642,284.72

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

Person in charge of accounting:  
**Chen Hongzhao**

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



## Statement of Changes in Owners' Equity of the Company

2023

Item	Other equity instruments				Capital reserve	Less: Treasury stock	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profit	Total shareholders' equity
	Paid-in capital (or share capital)	Preferred shares	Perpetual bonds	Others							
I. Balance at the end of last year	645,674,963.00				3,857,589,394.08			51,365,509.04	-727,565,359.40	3,827,064,506.72	
II. Balance at the beginning of the year	645,674,963.00				3,857,589,394.08			51,365,509.04	-727,565,359.40	3,827,064,506.72	
III. Increase/decrease in the period (decrease is represented by "-")											
(I) Total comprehensive income											
(II) Shareholders' contribution and decrease in capital											
(III) Profit distribution											
(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	-656,668,697.27	3,897,961,168.85	

# Statement of Changes in Owners' Equity of the Company

January to December 2023  
Prepared by: Triumph New Energy Company Limited  
Unit: Yuan Currency: RMB

Item	2022						Total shareholders' equity					
	Paid-in capital (or 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	645,674,963.00				3,857,589,394.08					51,365,509.04	-1,143,674,461.70	3,410,955,404.42
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. In crease/decrease in the year (decrease is represented by "-")												
(I) Total comprehensive income												
(II) Shareholders' contribution and decrease in capital												
(III) Profit distribution												
(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	-727,565,359.40	3,827,064,506.72

Person in charge of the Company:

**Xie Jun**

Person in charge of accounting:

**Chen Hongzhao**

Person in charge of accounting department:

**Li Xuejiao**



### III. COMPANY PROFILE

#### 1. Company Overview

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 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. (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

**IV. BASIS OF PREPARATION OF FINANCIAL STATEMENTS****1. Basis of preparation**

The financial statements are prepared in accordance with the “China Accounting Standards for Business Enterprises” and their application guidelines, interpretations and other relevant requirements (collectively, CASBE) issued by the Ministry of Finance of the PRC (“MOF”). In addition, the Company also disclosed relevant financial information in accordance with the Preparation Rules for Information Disclosure by Companies Offering Securities to the Public No. 15 – General Provisions on Financial Reports (2014 Amendments) issued by CSRC.

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

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

**2. Going concern**

As at 31 December 2023, the business operations of the Company were in normal condition with smooth financing channels and its gearing ratio was 59.34%. The current asset of the Group exceeded current liabilities by RMB159,751,493.55, 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

The Company had no specific accounting policies and accounting estimates.

The Company determines its own policies on depreciation of fixed assets, amortization of intangible assets, R&D expenses capitalization as well as its revenue recognition as per the relevant provisions of the Accounting Standards for Business Enterprises and other relevant regulations, in light of its own production and operation features. See V.21, V.24 and V.30 for the specific accounting policies.

### 1. Declaration on compliance with Accounting Standards for Business Enterprises

These financial statements were prepared in conformity with the ASBEs, which truly and fully reflect the financial position of the consolidated entity and the Company as at 31 December 2023 and relevant information such as the operating results and cash flows of the consolidated entity and the Company for 2023.

### 2. Accounting period

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

### 3. Operating cycle

The operating cycle of the Company is 12 months.

### 4. Measurement currency

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

### 5. Determination of materiality criteria and basis of selection

*Currency: RMB*

Item	Criteria of significance
Receivables and other receivables with significant individual bad debt provisions	Amount $\geq$ RMB1 million
Write-off of significant receivables and other receivables during the period	Amount $\geq$ RMB500,000
Significant prepayments aged over 1 year	Amount $\geq$ RMB5 million
Significant construction in progress	Project estimate $\geq$ RMB50,000,000
Significant accounts payable aged over 1 year	Amount $\geq$ RMB5.00 million
Significant other payables aged over 1 year	Amount $\geq$ RMB5.00 million
Significant non-wholly owned subsidiaries	Net assets of subsidiaries accounted for 5% or more of the consolidated net assets, or net profit of subsidiaries accounted for 10% or more of the consolidated net profit
Significant capitalised R&D projects	Accumulated capitalised amount $\geq$ RMB5.00 million

## V. IMPORTANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

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

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

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

#### *Business combinations involving entities under common control and achieved in stages*

The assets and liabilities of the party being merged that are obtained at the combination by the absorbing party shall be measured at the carrying value as recorded by the ultimate controlling party in the consolidated financial statements at combination date. The difference between the sum of the carrying value from original shareholding portion and the new investment cost incurred at combination date and the carrying value of net assets obtained at combination date shall be adjusted to capital reserve, if the balance of capital reserve is not sufficient to absorb the differences, any excess is adjusted to retained earnings. The 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.



## V. IMPORTANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

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

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

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

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

#### (3) Transaction fees attribution during business combination

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

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

#### (1) Criteria for judging control

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

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

## V. IMPORTANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

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

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

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

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

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

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



## V. IMPORTANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

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

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

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

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

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

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

## V. IMPORTANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

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

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

#### (1) *Joint operations*

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

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

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

#### (2) *Joint ventures*

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

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

### 9. Standards for recognising cash and cash equivalents

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



## V. IMPORTANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

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

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

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

### 11. Financial instruments

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

#### (1) *Recognition and derecognition of financial instruments*

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

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

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

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

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

## V. IMPORTANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

### 11. Financial instruments (Continued)

#### (2) *Classification and measurement of financial assets*

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

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

#### *Financial assets measured at amortised cost*

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

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

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



## V. IMPORTANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

### 11. Financial instruments (Continued)

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

*Financial assets measured at fair value through other comprehensive income*

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

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

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

## V. IMPORTANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

### 11. Financial instruments (Continued)

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

*Financial assets measured at fair value through profit or loss*

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

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

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

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

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

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



## V. IMPORTANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

### 11. Financial instruments (Continued)

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

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

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

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

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

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

##### *Financial liabilities measured at fair value through profit or loss*

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

##### *Financial liabilities measured at amortised cost*

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

##### *Classification between financial liabilities and equity instruments*

A financial liability is a liability if:

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

## V. IMPORTANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

### 11. Financial instruments (Continued)

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

*Classification between financial liabilities and equity instruments (Continued)*

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

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

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

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

#### (4) Derivative financial instruments and embedded derivatives

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

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



## V. IMPORTANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

### 11. Financial instruments (Continued)

#### (5) Fair value of financial instruments

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

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

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

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

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

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

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

## V. IMPORTANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

### 11. Financial instruments (Continued)

#### (6) Impairment of financial assets

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

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

#### *Measurement of ECLs*

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

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

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

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



## V. IMPORTANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

### 11. Financial instruments (Continued)

#### (6) Impairment of financial assets (Continued)

##### *Measurement of ECLs (Continued)*

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

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

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

##### *Notes receivable, accounts receivable and contract asset*

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

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

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

## V. IMPORTANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

### 11. Financial instruments (Continued)

#### (6) Impairment of financial assets (Continued)

##### *Notes receivable, accounts receivable and contract asset (Continued)*

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

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

##### *Other receivables*

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

- Other receivables portfolio 1: Photovoltaic subsidies
- Other receivables portfolio 2: Security deposit, 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
- Other receivables portfolio 7: Others

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

##### *Debt investments and other debt investments*

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

##### *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)

### 11. 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)

### 11. 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)

### 11. Financial instruments (Continued)

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

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

### 12. Notes receivable

#### **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 11. Financial instruments under V. Important Accounting Policies and Estimates.

### 13. 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 11. Financial instruments under V. Important Accounting Policies and Estimates.

### 14. Accounts receivable financing

#### **Determination and accounting treatment of the ECL of accounts receivable financing:**

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

### 15. Other receivables

#### **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 11. Financial instruments under V. Important Accounting Policies and Estimates.

## V. IMPORTANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

### 16. Inventories

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

##### **(1) Classification**

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

##### **(2) Measurement for delivered inventories**

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

##### **(3) Inventory system**

The Company adopts perpetual inventory system.

##### **(4) 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.

#### **Criteria for recognition and provision for inventory impairment**

Basis for determination and provision for inventory impairment

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

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

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



## V. IMPORTANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

### 17. Contract assets

#### Recognition and standards of contract assets

Details of the recognition and standards of contract assets are set forth in 30. Revenue under V. Important Accounting Policies and Estimates.

#### 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 11. Financial instruments under V. Important Accounting Policies and Estimates.

### 18. Non-current assets or the disposal group held for sale and presentation

#### (1) *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.

## V. IMPORTANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

### 18. Non-current assets or the disposal group held for sale and presentation (Continued)

#### (1) Non-current assets or the disposal group held for sale (Continued)

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.

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

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

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



## V. IMPORTANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

### 18. Non-current assets or the disposal group held for sale and presentation (Continued)

#### (2) 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.

#### Criteria for recognition and presentation of discontinued operations

##### (1) 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.

##### (2) Presentation

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

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

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

## V. IMPORTANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

### 19. Long-term equity investments

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

#### (1) *Determination of initial investment cost*

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

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

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

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

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

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



## V. IMPORTANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

### 19. Long-term equity investments (Continued)

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

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

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

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

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

## V. IMPORTANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

### 19. Long-term equity investments (Continued)

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

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

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

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

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

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



## V. IMPORTANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

### 19. Long-term equity investments (Continued)

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

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

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

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

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

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

#### (5) *Impairment test method and Impairment provision*

Details of the method for making impairment provision for the investment in subsidiaries, associates and joint ventures are set forth in 25. Long-term asset impairment under V. Important Accounting Policies and Estimates.

### 20. Investment property

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

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

**V. IMPORTANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)****20. Investment property (Continued)**

Details of the method for making impairment provision for the investment property measured at cost subsequently are set forth in 25. Long-term asset impairment under V. Important Accounting Policies and Estimates.

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

**21. Fixed assets****(1) Conditions for recognition***Conditions for recognition of fixed assets*

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**

<b>Category</b>	<b>Depreciation method</b>	<b>Depreciable life (year)</b>	<b>Residual value rate</b>	<b>Annual depreciation rate</b>
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)

### 21. Fixed assets (Continued)

#### (2) Depreciation method (Continued)

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

Details of the impairment test method and impairment provision method of the fixed assets are set forth in 25. Long-term asset impairment under V. Important Accounting Policies and Estimates.

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

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

#### *Disposal of fixed assets*

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

### 22. Construction in progress

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

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

Provision for impairment of construction in progress is set forth in 25. Impairment of long-term assets under V. Important Accounting Policies and Estimates.

## V. IMPORTANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

### 22. Construction in progress (Continued)

#### *Construction materials*

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

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

Provision for impairment of construction materials is set forth in 25. 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.

### 23. Borrowing costs

#### *(1) Basis for capitalization of borrowing costs*

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

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

#### *(2) Capitalization period of borrowing costs*

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

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



## V. IMPORTANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

### 23. Borrowing costs (Continued)

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

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

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

### 24. Intangible assets

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

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

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

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

Category	Useful life (year)	Amortization	Remark
Land use rights	37-70	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)

### 24. Intangible assets (Continued)

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

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

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

The impairment method for the intangible assets is set forth in 25. Impairment of long-term assets under V. Important Accounting Policies and Estimates.

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

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

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

Expenses incurred in the development stage are capitalised if all of the following conditions are met: the technical feasibility of completing the intangible asset so that it will be available for use or for sale; the intention to complete the intangible asset for use or for sale; how the intangible asset will generate economic benefits including there is evidence that the products produced using the intangible asset has a market or the intangible asset itself has a market; if the intangible asset is for internal use, there is evidence that there exists usage for the intangible asset; the availability of adequate technical, financial and other resources to complete the development and the ability to use or sell the intangible asset; the expenditures attributable to the development of the intangible asset could be reliably measured. Development expenditures that do not meet the above conditions are recognised in profit or loss for the current period.

The Company's R&D projects enter the development stage after being established upon meeting the above conditions and passing the technical feasibility and economic feasibility studies.

Capitalized expenditure on the development phase are shown as development costs in the balance sheet and transferred to intangible asset from the date on which it reaches the conditions for intended use.



## V. IMPORTANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

### 24. Intangible assets (Continued)

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

Capitalization conditions for specific R&D projects:

Expenditure on the research phase, such as expenditure on planned research, assessment and selection for manufacturing technique, is recognised in profit or loss in the period in which it is incurred. Before mass production, expenditure on the development phase, such as expenditure on design and test for finalised application, is capitalised only if all of the following conditions are satisfied:

- (1) The development of the production process has been sufficiently proved by the technical team;
- (2) The budget relating to development of the production process has been approved by the management, and the management has the intention to complete the intangible asset for use or for sale;
- (3) Research and analysis of market survey from previous periods show that the products produced under the production process have market promotion potential;
- (4) There are sufficient technical and financial resources for development activities of the production process and subsequent large-scale production; and the expenditures attributable to the development of the production process can be collected and calculated reliably.

Other development expenditures that do not meet the conditions above are recognised in profit or loss in the period in which they are incurred. Development costs previously recognised as expenses are not recognised as an asset in a subsequent period. Capitalised expenditure on the development phase is presented as development costs in the balance sheet and transferred to intangible assets at the date that the asset is ready for its intended use.

## V. IMPORTANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

### 25. Long-term asset impairment

Impairment of long-term equity investments in subsidiaries, associates and joint ventures, asset impairment on investment property, fixed assets, construction in progress, materials for project, right-of-use assets, intangible assets, goodwill and others (excluding inventories, deferred tax assets and financial assets) subsequently measured at cost is determined as follows:

The Company determines if there is any indication of asset impairment as at the balance sheet date. If there is any evidence indicating that an asset may be impaired, recoverable amount shall be estimated for impairment test. Goodwill arising from business combinations, intangible assets with an indefinite useful life and intangible assets not ready for use will be tested for impairment annually, regardless of whether there is any indication of impairment.

The recoverable amount of an asset is the higher of its fair value less costs of disposal and the present value of the future cash flows expected to be derived from the asset. The Company estimates the recoverable amount of an individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the Company shall determine the recoverable amount of the asset group to which the asset belongs. The determination of an asset group is based on whether major cash inflows generated by the asset group are independent of the cash inflows from other assets or asset groups.

When the recoverable amount of an asset or an asset group is less than its book value, the book value is reduced to its recoverable amount. The reduction amount is charged to profit or loss and an impairment provision is made accordingly.

For the purpose of impairment test of goodwill, the book value of goodwill acquired in a business combination is allocated to the relevant asset groups on a reasonable basis from the acquisition date; where it is difficult to allocate to the related asset groups, it is allocated to the combination of related asset groups. The related asset groups or combination of asset groups are those which can benefit from the synergies of the business combination and are not larger than the reportable segments identified by the Company.

In the impairment test, if there is any indication that an asset group or a combination of asset groups related to goodwill may be impaired, the Group first tests the asset group or set of asset groups excluding goodwill for impairment, calculates the recoverable amount and recognises the corresponding impairment loss. An impairment test is then carried out on the asset group or combination of asset groups containing goodwill by comparing its book value with its recoverable amount. If the recoverable amount is lower than the book value, an impairment loss is recognised for goodwill.

An impairment loss recognised shall not be reversed in a subsequent period.



## V. IMPORTANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

### 26. Long-term deferred expenses

Long-term deferred expenses of the Company are amortized over the benefit period. If a long-term deferred expense cannot benefit the future accounting period, the residue value of such project not amortized yet shall be transferred to the profit or loss in the period.

### 27. Contract liabilities

Details of the recognition of contract liabilities are set forth in 30. Revenue under V. Important Accounting Policies and Estimates.

### 28. Employees' wages

#### *Scope of employees' wages*

Employees' wages refer to remuneration or indemnification in various forms given to employees for the company's obtaining of service provided by employees or for termination of employment with employees. Employees' wages shall include short-term wages, after-service welfare, dismissal welfare and other long-term employees' welfare. Employees' wages include benefits provided to employees' spouses, children, other dependants, survivors of the deceased employees and other beneficiaries.

Employees' wages are presented as "employees' wages payable" and "long-term employees' wages payable" in the balance sheet, respectively, according to liquidity.

#### **(1). Accounting treatment of short-termed wages**

The Company will recognize the employee salary, bonus, social security contributions (such as medical insurance premium, work injury insurance premium and birth insurance premium) and housing fund paid for the employees according to the prescribed standards and proportions incurred in the accounting period in which the employees provide service as liabilities and record into the profit and loss for the current period or the relevant asset cost.

#### **(2). Accounting treatment of off-service welfare**

Off-service welfare plans include defined contribution schemes and defined benefit schemes. A defined contribution scheme is an off-service welfare plan under which the Company pays fixed contributions into a separate fund and the Company has no further obligations for payment. A defined benefit scheme is an off-service welfare plan other than a defined contribution scheme.

##### *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)

### 28. 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)

### 28. 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.

### 29. 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.

## V. IMPORTANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

### 30. Revenue

#### *General principles*

When the Company has implemented the performance obligation in the contract, namely, when the customer obtains the right to control relevant goods or services, revenues will be recognised.

Where a contract has two or more performance obligations, the Company allocates the transaction price to each performance obligation based on the percentage of respective unit price of goods or services guaranteed by each performance obligation, and recognises as revenue based on the transaction price that is allocated to each performance obligation.

If one of the following conditions is fulfilled, the Company performs its performance obligation within a certain period; otherwise, it performs its performance obligation at a point of time:

- ① when the customer simultaneously receives and consumes the benefits provided by the Company when the Company performs its obligations under the contract.
- ② when the customer is able to control the goods in progress in the course of performance by the Company under the contract.
- ③ when the goods produced by the Company under the contract are irreplaceable and the Company has the right to payment for performance completed to date during the whole contract term.

For performance obligations performed within a certain period, the Company recognises revenue by measuring the progress towards complete of that performance obligation within that certain period. When the progress of performance cannot be reasonably determined, if the costs incurred by the Company are expected to be compensated, the revenue shall be recognised at the amount of costs incurred until the progress of performance can be reasonably determined.



## V. IMPORTANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

### 30. Revenue (Continued)

#### *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 22. Financial instrument). The Company's unconditional right to receive consideration from customers (only depends on passage of time) is accounted for as accounts receivable. The Company's obligation to transfer goods or services to customers for which the Company has received or should receive consideration from customers is accounted for as contract liabilities.

Contract assets and contract liabilities under the same contract are presented on a net basis. Where the net amount has a debit balance, it is presented in "contract assets" or "other non-current assets" according to its liquidity. Where the net amount has a credit balance, it is presented in "contract liabilities" or "other non-current liabilities" according to its liquidity.

## V. IMPORTANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

### 30. Revenue (Continued)

#### *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.

### 31. Contract costs

Contract costs are either the incremental costs of obtaining a contract with a customer or the costs to fulfil a contract with a customer.

Incremental costs of obtaining a contract are those costs (e.g., sales commissions, etc.) that the Company incurs to obtain a contract with a customer. The Company recognises as an asset the incremental costs of obtaining a contract with a customer if it is expected to recover those costs. Other expenses incurred by the Company for obtaining the contract, except for the incremental costs expected to be recovered, are recognised in the current profit and loss when incurred.



## V. IMPORTANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

### 31. 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.

## V. IMPORTANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

### 32. Government grants

Government grants are recognized when the conditions attached to the government grants are met and the grant can be received.

Government grants in respect of monetary assets are measured at the amount received or receivable. Government grants for non-monetary assets are measured at fair value or, if the fair value cannot be reliably obtained, at the nominal amount of RMB1.

Asset-related government grants are government grants obtained by the Company for the purpose of acquiring or otherwise forming long-term assets; otherwise, they are treated as revenue-related government grants.

For government grants that do not have a specific target in government documents and are able to form long-term assets, the portion of government grants that corresponds to the value of the assets is recognized as asset-related government grants, and the remaining portion is recognized as revenue-related government grants; if it is difficult to distinguish between the two types of government grants, the entire amount of government grants is recognized as revenue-related government grants.

Government grants related to assets are recognized as deferred income and recognized in profit or loss on a rational and systematic basis over the useful lives of the related assets. Government grants related to revenues are recognized in profit or loss when they are used to compensate for costs or losses that have been incurred, and in deferred income when they are used to compensate for costs or losses that will be incurred in future periods, and are recognized in profit or loss in the period in which the costs or losses are recognized. Government grants that are measured at nominal amounts are recognized directly in profit or loss. The Company applies a consistent approach to the same or similar government grants.

Government grants related to ordinary activities are recognized in other income based on the nature of the economic activity. Government grants that are not related to ordinary activities are included in non-operating income.

When government grants are to be refunded, the carrying amount of the asset is adjusted if the initial recognition of the grant reduces the carrying amount of the asset; if there is a deferred revenue balance, the book balance of deferred revenue is deducted, and the excess is credited to profit or loss for the current period; in other cases, the excess is credited to profit or loss directly for the current period.

If the financial institutions allocate the subsidised interest rate to the lending banks, the actual amount of the loan received will be used as the book value of the loan, and the borrowing costs will be calculated in line with the principal amount of the loan and the policy preferential interest rate. If the financial institutions allocate the funds for interest subsidy directly to the Company, the interest subsidy is offset against the borrowing costs.



## V. IMPORTANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

### 33. 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 (other than single transactions where the initial recognition of assets and liabilities results in the creation of equivalent taxable temporary differences and deductible temporary differences);
- (2) The taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, and the Company is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The Company recognises a deferred income tax asset for the carry forward of deductible temporary differences, deductible losses and tax credits to subsequent periods, to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, deductible losses and tax credits can be utilised, except for those incurred in the following transactions:

- (1) The transaction is neither a business combination nor affects accounting profit or taxable profit (or deductible loss) when the transaction occurs (other than single transactions where the initial recognition of assets and liabilities results in the creation of equivalent taxable temporary differences and deductible temporary differences);

## V. IMPORTANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

### 33. 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.

At the balance sheet date, deferred income tax assets and deferred income tax liabilities are presented on a net basis upon offsetting when both of the following conditions are met:

- (1) The taxable entity within the Company has the legal right to settle current income tax assets and current income tax liabilities on a net basis;
- (2) the deferred income tax assets and deferred income tax liabilities relate to income taxes levied by the same taxing authority on the same taxable entity within the Company.

### 34. Lease

#### (1) Identification of leases

On the beginning date of the contract, the Company (as a lessee or lessor) assesses whether the customer in the contract has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use and has the right to direct the use of the identified asset throughout the period of use. If a party of the contract conveys the right to control the use of an identified asset and multiple identified assets for a period of time in exchange for consideration, the Company identifies such contract is, or contains, a lease.

#### (2) The Company as lessee

On the beginning date of the lease, the Company recognises right-of-use assets and lease liabilities for all leases, except for short-term lease and low-value asset lease with simplified approach.

The accounting policy for right-of-use assets is set out below.



## V. IMPORTANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

### 34. Lease (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)

### 34. Lease (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)

### 34. Lease (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)

### 34. Lease (Continued)

#### (4) *Conditions for recognition of right-of-use assets*

A right-of-use asset is the right of the Company, as lessee, to use the leased asset during the lease term.

At the commencement date of the lease term, the right-of-use asset is measured initially at cost, which includes: the initial measurement of the lease liability; lease payments made on or before the commencement date of the lease term, net of amounts related to lease incentives received, if any; initial direct costs incurred by the Company as lessee; and costs that the Company, as lessee, expects to incur in dismantling and removing the leased asset, restoring the leased asset to its original location, or returning the leased asset to its condition as specified in the terms of the lease. Costs. The Company, as lessee, recognizes and measures costs such as dismantling and restoring in accordance with Accounting Standard for Business Enterprises 13 – Contingencies. Subsequent adjustments are made for any remeasurement of the lease liability.

#### (5) *Depreciation method for right-of-use assets*

The Company uses the straight-line method of depreciation. Depreciation is provided over the remaining useful life of the leased asset if the Company, as lessee, is reasonably certain that it will obtain ownership of the leased asset by the end of the lease term. If it is not reasonably certain that the Company will obtain ownership of the leased assets by the end of the lease term, then depreciation is provided over the shorter of the lease term or the remaining useful life of the leased assets.

#### (6) *For the methods of impairment testing and provision for impairment on right-of-use assets, please refer to V. Significant Accounting Policies and Accounting Estimates 25. impairment on long-term assets.*



## V. IMPORTANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

### 35. Other significant accounting policies and accounting estimates

#### *Debt restructuring*

(1) *The Company as debtor*

Debt is derecognized when the present obligation of the debt is discharged, specifically, when the uncertainty of the execution process and the result of the debt restructuring agreement is eliminated, the profit or loss related to the debt restructuring is recognized.

For debt restructuring by way of settlement of debt by assets, the Company derecognizes the related assets and liabilities settled when the conditions for derecognition are met, and the difference between the carrying amount of the liabilities settled and the carrying amount of the assets transferred is recognized in profit or loss for the current period.

If a restructuring is carried out by converting debt into equity instruments, the Company derecognizes the debt when the conditions for derecognition of the debt settled are met. Upon initial recognition of an equity instrument, the Company measures the equity instrument at its fair value. If the fair value of an equity instrument cannot be reliably measured, it is measured at the fair value of the debt settled. The difference between the carrying amount of the debt settled and the amount recognized for the equity instrument is included in profit or loss for the period.

When debt restructuring is carried out by modifying other terms, the Company recognizes and measures the restructured debt in accordance with the requirements of Accounting Standard for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments and Accounting Standard for Business Enterprises No. 37 – Presentation of Financial Instruments.

Where debt restructuring is carried out by way of settlement of debts by multiple assets or by a combination of assets, the Company recognizes and measures equity instruments and restructured debts in accordance with the aforesaid methods, and the difference between the carrying amount of debts settled and the sum of the carrying amount of assets transferred and the recognized amounts of equity instruments and restructured debts is recognized in profit or loss for the current period.

## V. IMPORTANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

### 35. Other significant accounting policies and accounting estimates (Continued)

#### *Debt restructuring (Continued)*

##### (2) *The Company as a creditor*

A debt is derecognized when the contractual right to receive cash flows from the debt ceases. Specifically, gains and losses related to debt restructuring are recognized when uncertainty about the process and outcome relating to the execution of the debt restructuring agreement is removed.

In the case of debt restructuring by way of settlement of debts by assets, the Company initially recognizes assets other than transferred financial assets at cost, of which the cost of inventories, including the fair value of the relinquished rights and other costs directly attributable to the asset, such as taxes, transportation, loading and unloading fees, insurance premiums that are incurred to bring the asset to its present location and condition. The cost of investments in associates or joint ventures includes the fair value of the renounced rights and other costs directly attributable to the asset, such as taxes. The cost of investment properties includes the fair value of the abandoned right and other costs directly attributable to the asset, such as taxes, transportation, loading and unloading, installation, and professional fees. The cost of fixed assets includes the fair value of the abandoned right and other costs directly attributable to the asset, such as taxes, transportation, loading and unloading, installation, and professional fees that are incurred before the asset reaches its intended useable condition. The cost of an intangible asset includes the fair value of the renounced right and other costs directly attributable to bringing the asset to its intended use, such as taxes. The difference between the fair value and the carrying amount of the renounced rights is recognized in profit or loss.

If a debt restructuring by way of conversion of debt into equity instruments results in the Company converting the debt into an equity investment in an associate or joint venture, the Company measures the initial investment cost of the debt at the fair value of the renounced right and at other costs, such as taxes, that are directly attributable to the asset. The difference between the fair value and the carrying amount of the renounced right is recognized in profit or loss.

When debt restructuring is carried out by modifying other terms, the Company recognizes and measures the restructured debt in accordance with the requirements of Accounting Standard for Business Enterprises No. 22, Recognition and Measurement of Financial Instruments.



## V. IMPORTANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

### 35. Other significant accounting policies and accounting estimates (Continued)

#### *Debt restructuring (Continued)*

##### (2) *The Company as a creditor (Continued)*

If debt restructuring is carried out by using multiple assets to settle debts or a combination of assets, the transferred financial assets and restructured debts are first recognized and measured in accordance with the requirements of Accounting Standard for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments, and the fair value of the renounced debts is allocated to the net amount upon deducting the recognized amounts of the transferred financial assets and restructured debts based on the proportion of fair value for each asset other than transferred financial assets, and the cost of each asset is determined separately on this basis in accordance with the aforementioned method. Then, the fair value of the renounced debt is allocated to the net amount after deducting the recognized amounts of the transferred financial assets and restructured debt based on the proportion of the fair value of each asset other than the transferred financial assets, and the cost of each asset is determined on this basis in accordance with the aforementioned method. The difference between the fair value and the carrying amount of the renounced credits is recognized in profit or loss.

#### *Critical accounting judgements and estimates*

The Company constantly evaluates critical accounting estimates and key assumptions used based on historical experience and other factors, including reasonable expectations of future events. The critical accounting estimates and key assumptions that have a significant risk that the carrying amounts of assets and liabilities will be materially adjusted in the next fiscal year are listed below:

##### (1) *Measurement of expected credit loss of accounts receivables*

As described in Note V.11. Financial instruments of Important Accounting Policies and Estimates, 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.

## V. IMPORTANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

### 35. Other significant accounting policies and accounting estimates (Continued)

#### *Critical accounting judgements and estimates (Continued)*

(2) *Inventory impairment provisions*

As described in Note V.16. Inventories of Important Accounting Policies and Estimates, the inventory of the Company is measured at the lower of the cost and net realizable value of inventories. The net realizable value is the amount after deducting the estimated cost of completion, estimated selling expenses and relevant taxes from the estimated selling price of inventories. The estimation is based on the current market conditions and the historical experience in the production and sale of products with same nature. Where the management of the Company revises the estimated selling price and the estimated cost of completion and the estimated selling expenses, it will affect the estimation on the net realizable value of inventories, which will affect the inventory impairment provisions made.

(3) *The estimated useful life and estimated net residual value of fixed assets*

As described in Note V.21. Fixed assets of Important Accounting Policies and Estimates, 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.

(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.33. of Important Accounting Policies and Estimates. 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.



## V. IMPORTANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

### 36. Changes in significant accounting policies and accounting estimates

#### (1) *Changes in significant accounting policies*

##### **Interpretation No. 16 of Accounting Standards for Business Enterprises**

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

According to the Interpretation No. 16, regarding single transactions that are not business combinations and do not affect either accounting profit or taxable income (or deductible losses) at the time of the transactions, and single transactions whose assets and liabilities initially recognized result in taxable temporary differences and deductible temporary differences of equal amounts, for the taxable temporary differences and deductible temporary differences arising from the initial recognition of assets and liabilities of the transactions, enterprises shall respectively recognize the corresponding deferred income tax liabilities and deferred income tax assets upon the occurrence of the transactions in accordance with the relevant provisions of the Accounting Standards for Business Enterprises No. 18 – Income Tax and other relevant regulations. For the above transactions that occurred between the beginning of the earliest period as shown in financial statements in which the above provisions were first applied and the date of application of this interpretation, enterprises shall adjust the opening retained income and other related items in financial statements for the earliest period as shown in financial statements by the accumulated affected amounts according to the above interpretation and the above provisions. The above accounting treatment provisions shall be effective from 1 January 2023.

The Company adjusts taxable temporary differences and deductible temporary differences arising from lease liabilities and right-of-use assets recognized for leasing operations in accordance with Interpretation No. 16.

The adoption of Interpretation No. 16 did not have a material impact on the financial position and results of operations of the Company.

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

Category	Tax basis	Tax rate
Value added tax	Taxable value-added (tax payable is calculated by multiplying the taxable sales by the applicable tax rate less current allowable input tax credits)	6%, 9%, 13%
City maintenance and construction tax	Actual turnover tax payable	5%, 7%
Enterprise income tax	Income tax payable	25%
Educational surcharges	Actual turnover tax payable	2%, 3%

Companies subject to different income tax rates are disclosed as follows

Name of entity paying taxes	Income tax rate (%)
CNBM (Hefei) New Energy Co., Ltd.	15
CNBM (Tongcheng) New Energy Materials Co., Ltd.	15
CNBM (Yixing) New Energy Resources Co., Ltd.	15
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 2023.

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. In November 2023, it was again recognized as a high-tech enterprise with a term of 3 years. The high-tech enterprise certificate number is GR202334004515 and paid corporate income tax at a reduced rate of 15% in 2023.

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 2023.

Zigong New Energy, a wholly-owned subsidiary of the Company, has been approved as a high-tech enterprise in December 2023 with a term of 3 years. The high-tech enterprise certificate number is GR202351004197 and paid corporate income tax at a reduced rate of 15% in 2023.

Pursuant to the Announcement on the Policy of Value-added Tax Credit for Enterprises in Advanced Manufacturing Industries (MOF and SAT Announcement No. 43 in 2023), from 1 January 2023 to 31 December 2027, enterprises in advanced manufacturing industries are allowed to deduct VAT payable at 5% in accordance with the deductible input tax amount for the period. Hefei New Energy, Tongcheng New Energy and Yixing New Energy, subsidiaries of the Company, are entitled to the above preferential policies in 2023.

## VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

### 1. Monetary funds

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Cash on hand	2,065.90	5,630.11
Deposits at banks	14,907,123.39	128,400,963.89
Amount deposited to finance company	44,305,692.00	203,474,506.33
Other monetary funds	214,247,555.36	357,141,222.11
Total	273,462,436.65	689,022,322.44
Including: Amount deposited abroad	0.00	0.00

Other explanation

At the end of the period, our Company had restricted funds of RMB44,305,692.00. Of which, the deposit of bank acceptance bill is RMB23,922,125.66, the security deposit for letter of credit is RMB2,855,000.00, the maintenance fund is RMB3,176,988.61, and the payment for work exclusively for specific projects is RMB14,351,577.73.

### 2. Notes receivable

#### (1) Notes receivable by category

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Bank acceptances		
Commercial acceptances	188,766,020.48	616,648,224.23
Less: provision for bad debts	1,694,775.81	9,003,064.08
Total	187,071,244.67	607,645,160.15

# Notes to the Financial Statements

31 December 2023  
Prepared by: Triumph New Energy Company Limited  
Unit: Yuan Currency: RMB

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

### 2. Notes receivable (Continued)

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

Unit: Yuan Currency: RMB

Item	Derecognized amount at the end of the period	Not-yet derecognized amount at the end of the period
Banks' acceptances		
Commercial acceptances		16,924,750.59
Total		16,924,750.59

(3) 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				
	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 debts on an individual basis										
Bad debt provision on group basis	188,766,020.48	100.00	1,694,775.81	0.90	187,071,244.67	616,648,224.23	100.00	9,003,064.08	1.46	607,645,160.15
Including:										
Commercial acceptances	188,766,020.48	100.00	1,694,775.81	0.90	187,071,244.67	616,648,224.23	100.00	9,003,064.08	1.46	607,645,160.15
Bank acceptances										
Total	188,766,020.48	/	1,694,775.81	/	187,071,244.67	616,648,224.23	/	9,003,064.08	/	607,645,160.15



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

### 2. Notes receivable (Continued)

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

Provision for bad debts on group basis:

Provision on group basis: 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	188,766,020.48	1,694,775.81	0.90	616,648,224.23	9,003,064.08	1.46
Total	188,766,020.48	1,694,775.81	0.90	616,648,224.23	9,003,064.08	1.46

#### (4) Provision for bad debts

Unit: Yuan Currency: RMB

Category	Balance at the beginning of the period	Provision	Increase/decrease for the period				Balance at the end of the period
			Recovery or reversal	Decrease in disposal of subsidiaries	Write-off or cancellation	Other change	
Commercial acceptances	9,003,064.08	-7,308,288.27					1,694,775.81
Total	9,003,064.08	-7,308,288.27					1,694,775.81

## 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	1,275,825,464.37	92.44	981,932,220.54	90.78
Sub-total within				
1 year	1,275,825,464.37	92.44	981,932,220.54	90.78
1 to 2 years	26,198,706.51	1.90	12,643,082.28	1.17
2 to 3 years	2,100,410.48	0.15	3,491,423.40	0.32
3 to 4 years	3,488,385.20	0.25	10,353,157.23	0.96
4 to 5 years	4,944,998.86	0.36	14,846,358.31	1.37
Over 5 years	67,661,815.80	4.90	58,436,968.36	5.40
Total	1,380,219,781.22	100.00	1,081,703,210.12	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

Unit: Yuan Currency: RMB

Category	Closing balance					Opening balance				
	Carrying amount		Provision for bad debts			Carrying amount		Provision for bad debts		
	Amount	Ratio (%)	Amount	ratio (%)	Book value	Amount	Ratio (%)	Amount	ratio (%)	Book value
Bad debt provision on individual basis	27,555,052.70	2.00	27,555,052.70	100.00	0.00	29,852,273.26	2.76	29,852,273.26	100.00	0.00
Bad debt provision on group basis	1,352,664,728.52	98.00	61,792,577.74	4.57	1,290,872,150.78	1,051,850,936.86	97.24	70,739,650.84	6.73	981,111,286.02
Including:										
Related party customers	49,797,714.80	3.60	995,954.30	2.00	48,801,760.50	117,823,713.04	10.89	2,356,474.28	2.00	115,467,238.76
General customers	1,302,867,013.72	94.40	60,796,623.44	4.67	1,242,070,390.28	934,027,223.82	86.35	68,383,176.56	7.32	865,644,047.26
Total	1,380,219,781.22	/	89,347,630.44	/	1,290,872,150.78	1,081,703,210.12	/	100,591,924.10	/	981,111,286.02

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	3,721,086.44	3,721,086.44	100.00	Expected to be unrecoverable
Entity 3	3,071,978.69	3,071,978.69	100.00	Expected to be unrecoverable
Entity 4	2,003,735.65	2,003,735.65	100.00	Expected to be unrecoverable
Others	4,234,154.17	4,234,154.17	100.00	Expected to be unrecoverable
Total	27,555,052.70	27,555,052.70	100.00	/

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

## 3. Receivables (Continued)

## (2) Classified disclosure by the method of bad debt provision (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	3,721,086.44	3,721,086.44	100.00	Expected to be irrecoverable
Entity 4	2,003,735.65	2,003,735.65	100.00	Expected to be irrecoverable
Others	3,005,947.17	3,005,947.17	100.00	Expected to be irrecoverable
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)

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	49,797,714.80	995,954.30	2.00	117,823,713.04	2,356,474.28	2.00
Total	49,797,714.80	995,954.30	2.00	117,823,713.04	2,356,474.28	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	1,252,085,248.84	11,268,767.22	0.90	877,156,406.35	12,806,483.50	1.46
1 to 2 years	2,338,020.81	1,150,072.43	49.19	147,646.94	58,409.10	39.56
2 to 3 years	147,646.88	121,572.44	82.34	3,115,506.20	2,193,627.92	70.41
3 to 4 years	43,527.51	37,951.64	87.19	1,191,318.33	939,235.38	78.84
4 to 5 years	1,191,318.33	1,157,008.36	97.12	355,463.72	324,538.38	91.30
Over 5 years	47,061,251.35	47,061,251.35	100.00	52,060,882.28	52,060,882.28	100.00
Total	1,302,867,013.72	60,796,623.44	4.67	934,027,223.82	68,383,176.56	7.32

## 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	Increase/decrease for the period			Closing balance
		Provision	Recovery or reversal	Write off or cancellation	
Provision for bad debts	100,591,924.10	-1,382,085.66		9,862,208.00	89,347,630.44
Total	100,591,924.10	-1,382,085.66		9,862,208.00	89,347,630.44

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

Unit: Yuan Currency: RMB

Item	Amount written off
Accounts receivable actually written off	9,862,208.00

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	5,526,506.83	Unrecoverable	Consideration by the Board of Directors	No
Unit 2	Current account	2,796,175.91	Unrecoverable	Consideration by the Board of Directors	No
Total	/	8,322,682.74	/	/	/



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

### 3. Receivables (Continued)

#### (5) Top five accounts receivable and contract assets by ending balance of debtors

Unit: Yuan Currency: RMB

Name	Closing balance of accounts receivable	Ending balance of contract assets	Closing balance of accounts receivable and contract assets	Percentage of total accounts receivable and contract assets at end of period (%)	Closing balance of bad debt provision
First place	127,264,953.96		127,264,953.96	9.22	1,145,384.59
Second place	116,477,944.16		116,477,944.16	8.44	1,048,301.50
Third place	94,618,171.97		94,618,171.97	6.86	851,563.55
Fourth place	90,425,567.34		90,425,567.34	6.55	813,830.11
Fifth place	56,600,226.92		56,600,226.92	4.10	509,402.04
Total	485,386,864.35		485,386,864.35	35.17	4,368,481.79

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

### 4. Accounts receivable financing

#### (1) Presentation of accounts receivable financing by category

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Notes receivable	824,006,594.24	754,316,996.75
Electronic debenture receivable	589,390,817.41	
Less: Other comprehensive income – changes in fair value		
Total	1,413,397,411.65	754,316,996.75

#### (2) Pledged accounts receivable financing of the Company at the end of the period

Unit: Yuan Currency: RMB

Item	Amount pledged at the end of the period
Bank acceptances	10,000,000.00
Total	10,000,000.00

#### (3) Accounts receivable financing that has been endorsed or discounted and is not yet due at the balance sheet date at the end of the period

Unit: Yuan Currency: RMB

Item	Amount derecognized at the end of the period	Amount not derecognized at the end of the period
Bank acceptances	1,337,786,341.29	627,717,425.53
Electronic creditor's right certificate	155,213,040.94	
Total	1,492,999,382.23	627,717,425.53



## 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	180,637,023.27	96.37	162,136,656.11	91.96
1 to 2 years	4,993,320.68	2.66	12,343,995.31	7.00
2 to 3 years	932,664.75	0.50	1,828,188.41	1.04
Over 3 years	878,420.64	0.47	667.26	0.00
Total	187,441,429.34	100.00	176,309,507.09	100.00

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

Unit: Yuan Currency: RMB

Name	Closing balance	Proportion in the total amount of prepayments at the end of the period (%)
First place	70,858,605.53	37.80
Second place	42,746,253.04	22.81
Third place	14,043,692.14	7.49
Fourth place	6,937,869.76	3.70
Fifth place	6,454,397.20	3.44
Total	141,040,817.67	75.24

# Notes to the Financial Statements

31 December 2023  
Prepared by: Triumph New Energy 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	<b>189,697,646.60</b>	141,321,619.91
Less: Provision for bad debts	<b>35,300,999.31</b>	34,659,989.93
Total	<b>154,396,647.29</b>	106,661,629.98

#### 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	<b>142,592,075.17</b>	<b>75.17</b>	91,282,746.51	64.60
Sub-total within 1 year	<b>142,592,075.17</b>	<b>75.17</b>	91,282,746.51	64.60
1 to 2 years	<b>4,025,634.08</b>	<b>2.12</b>	8,810,449.74	6.23
2 to 3 years	<b>5,984,858.44</b>	<b>3.15</b>	5,753,365.66	4.07
3 to 4 years	<b>3,289,215.51</b>	<b>1.73</b>	1,470,204.51	1.04
4 to 5 years	<b>1,470,204.51</b>	<b>0.78</b>	211,720.56	0.15
Over 5 years	<b>32,335,658.89</b>	<b>17.05</b>	33,793,132.93	23.91
Total	<b>189,697,646.60</b>	<b>100.00</b>	141,321,619.91	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	11,136,095.40	11,048,707.29
Reserve, security deposit, deposit	7,073,095.34	7,341,352.51
Consideration for disposal of equity interests		79,878,250.00
Current accounts	87,712,905.63	43,053,310.11
Others	83,775,550.23	
Less: Provision for bad debts	35,300,999.31	34,659,989.93
<b>Total</b>	<b>154,396,647.29</b>	<b>106,661,629.98</b>

(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 2023	234,193.69	2,012,094.65	32,413,701.59	34,659,989.93
Balance as at 1 January 2023 in the current period				
– Transferred to stage 2	-961.92	961.92		
– Transferred to stage 3				
– Reversed to stage 2				
– Reversed to stage 1				
Provision for the period	767,181.82	1,700,439.54	6,351.62	2,473,972.98
Reversal for the period		163,769.00		163,769.00
Write-off for the period				
Cancellation for the period			1,669,194.60	1,669,194.60
Other changes				
Balance as at 31 December 2023	1,000,413.59	3,549,727.11	30,750,858.61	35,300,999.31

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

### 6. Other receivables (Continued)

#### Other receivables (Continued)

##### (3) Provision for bad debts (Continued)

Basis of classification and percentage of provision for bad debts in various stages

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

Unit: Yuan Currency: RMB

Category	Book balance	Expected credit loss rate over the next 12 months (%)	Provision for bad debt	Book value
Provision for bad debt on individual basis				
Provision for bad debt on group basis	142,592,075.17	0.70	1,000,413.59	141,591,661.58
Group 1: Photovoltaic subsidies basis	4,873,852.13	3.00	146,215.56	4,727,636.57
Group 2: Security deposit, deposit	643,389.00	2.00	12,867.78	630,521.22
Group 3: Consideration for disposal of equity interests				
Group 4: Transactions outside the scope of consolidation	43,322,589.38	1.83	794,451.79	42,528,137.59
Group 5: General customers	2,343,922.99	2.00	46,878.46	2,297,044.53
Group 6: Social security and reserve	7,632,771.44		0.00	7,632,771.44
Group 7: Others	83,775,550.23		0.00	83,775,550.23
Total	142,592,075.17	0.70	1,000,413.59	141,591,661.58



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

### 6. Other receivables (Continued)

#### 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

Unit: Yuan Currency: RMB

Category	Book balance	Expected credit loss rate over the lifetime (%)	Provision for bad debt	Book value
Provision for bad debt on individual basis				
Provision for bad debt on group basis	14,769,912.54	24.03	3,549,727.11	11,220,185.43
Group 1: Photovoltaic subsidies basis	6,050,522.71	3.00	181,515.68	5,869,007.03
Group 2: Security deposit, deposit	4,163,384.00	2.00	83,267.68	4,080,116.32
Group 3: Consideration for disposal of equity interests				
Group 4: Transactions outside the scope of consolidation	31,696.00	2.00	633.92	31,062.08
Group 5: General customers	4,524,309.83	72.59	3,284,309.83	1,240,000.00
Group 6: Social security and reserve				
Group 7: Others				
Total	14,769,912.54	24.03	3,549,727.11	11,220,185.43

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

### 6. Other receivables (Continued)

#### 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

Unit: Yuan Currency: RMB

Category	Book balance	Expected credit loss rate over the lifetime (%)	Provision for bad debt	Book value
Provision for bad debt on individual basis	358,000.00	100.00	358,000.00	0.00
Provision for bad debt on group basis	31,977,658.89	95.04	30,392,858.61	1,584,800.28
Group 1: Photovoltaic subsidies basis	211,720.56	3.00	6,351.61	205,368.95
Group 2: Security deposit, deposit	1,407,583.00	2.00	28,151.67	1,379,431.33
Group 3: Consideration for disposal of equity interests				
Group 4: Transactions outside the scope of consolidation				
Group 5: General customers	30,267,463.42	100.00	30,267,463.42	
Group 6: Social security and reserve	90,891.91	100.00	90,891.91	
Group 7: Others				
<b>Total</b>	<b>32,335,658.89</b>	<b>95.10</b>	<b>30,750,858.61</b>	<b>1,584,800.28</b>



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

### 6. Other receivables (Continued)

#### Other receivables (Continued)

##### (3) Provision for bad debts (Continued)

At the End of the previous year, the provision for bad debt in Step 1 was as follows

Unit: Yuan Currency: RMB

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			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			1,627,953.08	
<b>Total</b>	<b>91,282,746.51</b>	<b>0.26</b>	<b>234,193.69</b>	<b>91,048,552.82</b>	

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

### 6. Other receivables (Continued)

#### Other receivables (Continued)

##### (3) Provision for bad debts (Continued)

At the End of the previous year, the provision for bad debt in Step 2 was as follows

Unit: Yuan Currency: RMB

Category	Book balance	Expected credit loss rate over the lifetime (%)	Provision for bad debt	Book value	Reason
Provision for bad debt on individual basis	168,119.00	100.00	168,119.00	0.00	
Remittances outstanding and temporary deposit-temporary deposit	168,119.00	100.00	168,119.00	0.00	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	
<b>Total</b>	<b>16,245,740.47</b>	<b>12.39</b>	<b>2,012,094.65</b>	<b>14,233,645.82</b>	



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

### 6. Other receivables (Continued)

#### Other receivables (Continued)

#### (3) Provision for bad debts (Continued)

At the End of the previous year, the provision for bad debt in Step 3 was as follows

Unit: Yuan Currency: RMB

Category	Book balance	Expected credit loss rate over the lifetime (%)	Provision for bad debt	Book value	Reason
Provision for bad debt on individual basis	330,000.00	100.00	330,000.00	0.00	
Unit 1	330,000.00	100.00	330,000.00	0.00	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		
Group 6: Social security and reserve	90,891.91	100.00	90,891.91		
<b>Total</b>	<b>33,793,132.93</b>	<b>95.92</b>	<b>32,413,701.59</b>	<b>1,379,431.34</b>	

# Notes to the Financial Statements

31 December 2023  
Prepared by: Triumph New Energy Company Limited  
Unit: Yuan Currency: RMB

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

### 6. Other receivables (Continued)

#### Other receivables (Continued)

(4) Provision for bad debts

Unit: Yuan Currency: RMB

Category	Opening balance	Increase/decrease for the period			Other changes	Ending balance
		Provision	Recovery or reversal	Write-off or cancellation		
Provision for bad debts	34,659,989.93	2,473,972.98	163,769.00	1,669,194.60		35,300,999.31
Total	34,659,989.93	2,473,972.98	163,769.00	1,669,194.60		35,300,999.31

Among them, the provision for bad debts of significant amount recovered or reversed in the Period:

Unit: Yuan Currency: RMB

Unit name	Amount recovered or reversed	Reason for collection	Way of collection	Basis for determination of the proportion of the original provision for bad debts and its rationality
Payment to be remitted and temporary deposits – Temporary deposits	163,769.00	Recovery	Bank deposits	Expected to be irrecoverable
Total	163,769.00	/	/	/



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

### 6. Other receivables (Continued)

#### Other receivables (Continued)

(5) Actual write-off of other receivables during the period

Unit: Yuan Currency: RMB

Item	Write-off amount
Other receivables actually written off	1,669,194.60

Among them, the significant write-offs of other receivables:

Unit: Yuan Currency: RMB

Unit name	Nature of the receivables	Write-off amount	Reason for write-off	Underwriting procedures performed	Whether the amount arises from a related transaction
Unit 1	Current account	1,632,784.36	Unrecoverable	Consideration by the Board of Directors	No
Total	/	1,632,784.36	/	/	/

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

## 6. Other receivables (Continued)

*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	Closing balance	Proportion in total balance of other receivables at the end of the period (%)	Nature of amount	Aging	Balance of provision for bad debts at the end of the period
Closing balance					
First place	51,000,000.00	26.88	Others	Within 1 year	
Second place	39,216,136.98	20.67	Current accounts	Within 1 year	784,322.74
Third place	18,776,600.00	9.90	Others	Within 1 year	
Fourth place	13,998,950.23	7.38	Others	Within 1 year	
Fifth place	10,808,704.00	5.70	Current accounts	Over 5 years	10,808,704.00
Total	133,800,391.21	70.53	/	/	11,593,026.74

(7) Other receivables due to centralized management of funds is reported as follows

Government grants included in other receivables

Unit: Yuan Currency: RMB

Grant Item	Closing balance	Reasons for not receiving the government grants at the expected time points
Industrial supporting funds of the North Glass	51,000,000.00	The grant will be disbursed by the end of March 2024 according to the government funding programme
Supporting fund for accelerated development of enterprises of Zigong New Energy	13,998,950.23	Funding of the grant will be completed in 2024 according to the government funding programme
Industry Guiding Fund of Triumph New Energy	13,776,600.00	Funding of the grant will be completed in the second quarter of 2024 according to the government funding programme
Photovoltaic subsidy of Hefei New Energy	11,136,095.40	The amount of photovoltaic subsidy provided by enterprises is subject to the actual amount disbursed by government
Industry Guiding fund of Luoyang New Energy	5,000,000.00	Payments were received in February 2024 according to the government funding programme
Total	94,911,645.63	

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

### 7. Inventories

#### (1) Category of inventories

Unit: Yuan Currency: RMB

Item	Closing balance			Opening balance		
	Book balance	Provision for impairment of inventories/ provision for impairment of contract performance cost	Book value	Book balance	Provision for impairment of inventories/ provision for impairment of contract performance cost	Book value
Raw materials	333,005,209.44	21,622.39	332,983,587.05	310,868,480.16	17,948.72	310,850,531.44
Products in process						
Commodity inventories	380,551,539.85	29,399,920.00	351,151,619.85	412,499,431.27	31,040,453.58	381,458,977.69
Circulation materials	185,558.61		185,558.61	237,599.05		237,599.05
Consumable biological assets						
Contract performance costs						
Consigned processing materials	30,680.71		30,680.71			
products delivered	2,535,789.74		2,535,789.74	2,961,089.44		2,961,089.44
Total	<u>716,308,778.35</u>	<u>29,421,542.39</u>	<u>686,887,235.96</u>	<u>726,566,599.92</u>	<u>31,058,402.30</u>	<u>695,508,197.62</u>

#### (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	3,673.67				21,622.39
Products in process						
Commodity inventories	31,040,453.58	-305,789.21		1,334,744.37		29,399,920.00
Circulation materials						
Consumable biological assets						
Contract performance costs						
Consigned processing materials						
Products delivered						
Total	<u>31,058,402.30</u>	<u>-302,115.54</u>		<u>1,334,744.37</u>		<u>29,421,542.39</u>

# Notes to the Financial Statements

31 December 2023  
Prepared by: Triumph New Energy Company Limited  
Unit: Yuan Currency: RMB

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

### 8. Assets held for sale

Unit: Yuan Currency: RMB

Item	Closing balance	Provision for impairment	Closing book value	Fair value	Estimated disposal cost	Estimated disposal time
Non-current assets held for sale						
Including: Fixed assets	3,795,599.65		3,795,599.65	4,305,969.76		June 2024
Construction in progress	2,078,466.10		2,078,466.10	2,357,944.21		June 2024
Total	5,874,065.75		5,874,065.75	6,663,913.97		/

### 9. Other current assets

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Input tax to be deducted	110,395,248.09	54,363,236.96
Income taxes paid in advance	3,594,868.71	3,885,819.09
Deferred expenses	970,935.00	1,040,209.35
Other taxes and fees paid in advance	1,179.03	
Total	114,962,230.83	59,289,265.40



## 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	<b>4,947,322,586.75</b>	4,021,905,180.15
Fixed assets liquidation		
Total	<b>4,947,322,586.75</b>	4,021,905,180.15

#### Fixed assets

##### (1) Fixed assets

Unit: Yuan Currency: RMB

Item	Buildings and structures	Machinery and equipment	Transportation tools	Office, electronic equipment and others	Others	Total
<b>I. Original book value:</b>						
1. Opening 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
2. Increase for the period	311,626,734.64	961,879,862.36	595,020.07	9,061,015.94	-1,136,487.93	1,282,026,145.08
(1) Purchase	1,444,013.66	64,579,744.58	192,859.30	4,048,679.19	316,079.14	70,581,375.87
(2) Transfer from construction in progress	296,852,979.64	905,715,110.36	103,840.70	120,929.90		1,202,792,860.60
(3) Increase in Business combination						
(4) Breakdown reclassified	10,361,850.90	-14,099,010.75	298,320.07	4,891,406.85	-1,452,567.07	
(5) Others	2,967,890.44	5,684,018.17				8,651,908.61
3. Decrease for the period	1,473,572.44	101,820,030.18	407,131.50	1,033,967.01		104,734,701.13
(1) Disposal or retirement	779,878.75	63,278,589.91	250,653.03	1,033,967.01		65,343,088.70
(2) Transfer from debt restructuring			153,642.64			153,642.64
(3) Transfer to assets other than investment properties and intangible assets		31,874,150.40				31,874,150.40
(4) Transfer to construction in progress	693,693.69	6,667,289.87				7,360,983.56
(5) Other			2,835.83			2,835.83
4. Closing balance	1,978,008,391.90	4,043,539,469.50	4,012,124.75	29,643,565.46		6,055,203,551.61

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

## 10. Fixed assets (Continued)

*Fixed assets (Continued)*(1) *Fixed assets (Continued)*

Unit: Yuan Currency: RMB

Item	Buildings and structures	Machinery and equipment	Transportation tools	Office, electronic equipment and others	Others	Total
<b>II. Accumulated depreciation</b>						
1. Opening balance	184,468,255.64	652,690,425.09	613,372.67	11,429,440.28	742,456.54	849,943,950.22
2. Increase for the period	61,667,075.10	249,566,788.71	1,749,816.70	8,698,974.53	-742,456.54	320,940,198.50
(1) Provision	51,230,273.47	265,812,065.38	910,641.06	2,839,015.19	147,209.24	320,939,204.34
(2) Breakdown reclassified	10,435,807.47	-16,245,276.67	839,175.64	5,859,959.34	-889,665.78	
(3) Others	994.16					994.16
3. Decrease for the period	366,164.63	64,032,371.22	951,064.89	3,589,483.38		68,939,084.12
(1) Disposal or retirement	30,928.04	39,025,709.95	106,001.55	979,607.86		40,142,247.40
(2) Transfer from debt restructuring			32,841.18			32,841.18
(3) Transfer to assets other than investment properties and intangible assets	143,466.68	24,629,583.28	812,222.16	2,609,875.52		28,195,147.64
(4) Transfer to construction in progress	187,040.43	377,077.99				564,118.42
(5) Other	4,729.48					4,729.48
4. Closing balance	245,769,166.11	838,224,842.58	1,412,124.48	16,538,931.43		1,101,945,064.60
<b>III. Provision for impairment</b>						
1. Opening balance		6,062,977.29				6,062,977.29
2. Increase for the period						
(1) Provision						
3. Decrease for the period		127,077.03				127,077.03
(1) Disposal or retirement		127,077.03				127,077.03
4. Closing balance		5,935,900.26				5,935,900.26
<b>IV. Book value</b>						
1. Book value at the end of the period	1,732,239,225.79	3,199,378,726.66	2,600,000.27	13,104,634.03		4,947,322,586.75
2. Book value at the beginning 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

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 RMB97,927,796.13.



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

### 10. Fixed assets (Continued)

#### *Fixed assets (Continued)*

#### (2) *Temporarily idle fixed assets*

At the end of 2023, the original fixed book value amounted to RMB88,512,612.43, with accumulated depreciation of RMB69,651,674.75, provision for impairment of RMB5,935,900.26 and book value of RMB12,925,037.42 for temporarily idle assets.

#### (3) *Fixed assets leased out under operating leases*

Unit: Yuan Currency: RMB

<u>Item</u>	<u>Closing book value</u>
Buildings and structures	4,401,708.87

#### (4) *Fixed assets with pending certificates of ownership*

At the end of 2023, the book value of fixed assets without certificate of title was RMB637,989,852.19, which is currently in the process of application.

### 11. Construction in progress

#### *Presentation by item*

Unit: Yuan Currency: RMB

<u>Item</u>	<u>Closing balance</u>	<u>Opening balance</u>
Cost of construction in progress	1,777,545,486.15	1,166,354,777.94
Less: Provision for impairment of construction in progress	4,915,966.06	7,728,469.08
Construction in progress	1,772,629,520.09	1,158,626,308.86
Construction materials		
Total	1,772,629,520.09	1,158,626,308.86

# Notes to the Financial Statements

31 December 2023  
Prepared by: Triumph New Energy Company Limited  
Unit: Yuan Currency: RMB

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

### 11. Construction in progress (Continued)

#### Construction in progress

(1) Construction in progress

Unit: Yuan Currency: RMB

Item	Closing balance		Opening balance			
	Book balance	Provision for impairment	Book value	Book value		
Phase I project of photovoltaic cell packaging materials for solar energy equipment of Yixing Solar Energy	670,593,494.19		670,593,494.19	183,973,519.21	183,973,519.21	
Photovoltaic cell packaging materials of Luoyang Solar Energy	597,377,154.68		597,377,154.68	10,387,002.53	10,387,002.53	
Photovoltaic cell packaging materials of Qinhuangdao North Glass Co., Ltd.	288,817,422.78		288,817,422.78	17,511,549.12	17,511,549.12	
Phase II project of photovoltaic cell packaging materials for solar energy equipment of Tongcheng Solar Energy	51,356,049.43		51,356,049.43	225,046,948.23	225,046,948.23	
Green emission reduction demonstration project for supporting carbon dioxide capture and purification of photovoltaic cell packaging materials for solar energy equipment of Tongcheng Solar Energy	36,602,731.32		36,602,731.32	33,511,249.99	33,511,249.99	
Project of photovoltaic cell packaging materials of Zhangzhou New Energy	27,637,911.93		27,637,911.93	186,792.45	186,792.45	
4.5MW residual heat power generation in Yixing	26,737,808.35		26,737,808.35			
8MW distributed photovoltaic power plant in Yixing	26,381,358.51		26,381,358.51			
Curtain wall power generation project in Zhangzhou	14,882,595.87		14,882,595.87			
500T cold repair project in North Glass	12,056,682.63	4,915,966.06	7,140,716.57	29,890,335.87	7,728,469.08	22,161,866.79
Intelligent factory network communication and digitalized management system in Yixing	6,593,172.30		6,593,172.30			
Phrase II overhaul of glass tempering 5-line and 7-line robots in Zhangzhou	2,961,060.90		2,961,060.90			
Hefei Phase I-Annual output of 36.00 million square meters oxygen combustion solar cell cover material deep processing project	2,814,159.29		2,814,159.29			
320t/d photovoltaic cell cover material production line technology upgrading project in Tongcheng	2,263,954.40		2,263,954.40	567,924.52	567,924.52	



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

### 11. Construction in progress (Continued)

#### Construction in progress (Continued)

(1) Construction in progress (Continued)

Unit: Yuan Currency: RMB

Item	Closing balance			Opening balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Phase I cold repair and renovation project of ultra-white solar glass production line in Zhangzhou	2,041,771.29		2,041,771.29	186,792.45		186,792.45
Phase I project of photovoltaic cell packaging materials for solar energy equipment of Tongcheng Solar Energy	1,555,649.52		1,555,649.52			
Phase II project of photovoltaic cell packaging materials for solar energy equipment of North Solar Energy	740,886.58		740,886.58	297,490.36		297,490.36
Share innovation center project	544,608.33		544,608.33	53,857.88		53,857.88
Project of 6x1200t/d photovoltaic cell packaging materials for solar energy equipment of Tongcheng	290,640.63		290,640.63	287,139.69		287,139.69
9MW residual heat power generation project in Zhangzhou	168,932.03		168,932.03	168,932.03		168,932.03
Construction of Yixing shift dormitory and cafeteria	37,735.85		37,735.85			
Project of photovoltaic cell packaging materials for solar energy equipment of Hefei				543,159,982.78		543,159,982.78
Phase I project and PV glass screen printing production line technical improvement project in Hefei				82,229,528.60		82,229,528.60
3.2MW distributed photovoltaic power generation in Yixing				17,688,833.84		17,688,833.84
Joint workshop at 1.386MW distributed photovoltaic power station project in Hefei				16,244,504.41		16,244,504.41
Phase I solar cell cover material deep-processing project in Hefei				2,492,571.26		2,492,571.26
G4/G5 line equipment noise reduction project in Zhangzhou plant				1,486,725.66		1,486,725.66
Other projects	5,089,705.34		5,089,705.34	983,097.06		983,097.06
<b>Total</b>	<b>1,777,545,486.15</b>	<b>4,915,966.06</b>	<b>1,772,629,520.09</b>	<b>1,166,354,777.94</b>	<b>7,728,469.08</b>	<b>1,158,626,308.86</b>

# Notes to the Financial Statements

31 December 2023  
Prepared by: Triumph New Energy Company Limited  
Unit: Yuan Currency: RMB

## 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	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
							contribution towards engineering with respect to the budget					
							(%)	(%)			(%)	
Phase II project of photovoltaic cell packaging materials for solar energy equipment of Hefei	783,340,000.00	543,159,982.78	43,801,056.87	586,961,039.65			87.70	100.00	21,779,070.82	5,150,750.00	3.84	Raised funds, self-raised funds, loans from financial institutions
320W/d photovoltaic cell cover material production line technology upgrading project in Tongcheng	735,210,000.00	567,924.52	1,696,029.88			2,263,954.40	0.31	0.30				Self-raised funds and loans from financial institutions
Phase II project of photovoltaic cell packaging materials for solar energy equipment of Zigong	2,220,380,000.00	819,609.81	1,538,608.28			2,358,218.09	0.11					Self-raised funds and loans from financial institutions
Project of photovoltaic cell packaging materials of Zhangzhou New Energy	1,198,600,000.00	186,792.45	27,451,119.48			27,637,911.93	2.31	2.00				Self-raised funds and loans from financial institutions
Phase II project of photovoltaic cell packaging materials for solar energy equipment of North Glass	2,395,380,000.00	297,490.36	443,396.22			740,886.58	0.03					Self-raised funds and loans from financial institutions
Phase I project of photovoltaic cell packaging materials for solar energy equipment of Yixing Solar Energy	797,340,000.00	183,973,519.21	689,842,165.14	203,222,190.16		670,593,494.19	109.67	96.00	9,863,716.95	9,863,716.95	3.67	Self-raised funds and loans from financial institutions
Photovoltaic cell packaging materials of Luoyang Solar Energy	2,294,160,000.00	10,387,002.53	586,990,152.15			597,377,154.68	28.12	45.00	328,085.20	328,085.20	2.61	Self-raised funds and loans from financial institutions
Photovoltaic cell packaging materials of Qinhuangdao North Glass Co., Ltd.	1,184,510,000.00	17,511,549.12	271,305,873.66			288,817,422.78	32.38	40.00	405,108.78	405,108.78	2.62	Self-raised funds and loans from financial institutions
<b>Total</b>	<b>11,608,920,000.00</b>	<b>756,903,870.78</b>	<b>1,623,068,401.68</b>	<b>790,183,229.81</b>		<b>1,589,789,042.65</b>	<b>/</b>	<b>/</b>	<b>32,375,981.75</b>	<b>15,747,660.93</b>	<b>/</b>	<b>/</b>



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

### 11. Construction in progress (Continued)

#### Construction in progress (Continued)

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

Unit: Yuan Currency: RMB

Item	Opening balance	Provision for the period	Decrease for the current period	Closing balance	Reason for provision
North Glass 500T cold repair project	7,728,469.08		2,812,503.02	4,915,966.06	
Total	7,728,469.08		2,812,503.02	4,915,966.06	/

### 12. Right-of-use assets

(1) Right-of-use assets

Unit: Yuan Currency: RMB

Item	Buildings and structures	Machinery and equipment	Total
<b>I. Original book value:</b>			
1. Opening balance	12,910,111.79	6,091,609.25	19,001,721.04
2. Increase for the period			
3. Decrease for the period			
4. Closing balance	12,910,111.79	6,091,609.25	19,001,721.04
<b>II. Accumulated depreciation</b>			
1. Opening balance	5,811,671.26	182,748.28	5,994,419.54
2. Increase for the period	2,580,608.28	730,993.13	3,311,601.41
(1) Provision	2,580,608.28	730,993.13	3,311,601.41
3. Decrease for the period			
4. Closing balance	8,392,279.54	913,741.41	9,306,020.95
<b>III. Provision for impairment</b>			
1. Opening balance			
2. Increase for the period			
3. Decrease for the period			
4. Closing balance			
<b>IV. Book value</b>			
1. Book value at the end of the period	4,517,832.25	5,177,867.84	9,695,700.09
2. Book value at the beginning of the period	7,098,440.53	5,908,860.97	13,007,301.50

## 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	Total
<b>I. Original book value:</b>					
1. Opening balance	694,328,371.38	3,122,749.18	94,127,411.49	8,259,860.87	799,838,392.92
2. Increase for the period	49,463,661.21		20,768,539.87	167,157.29	70,399,358.37
(1) Purchase	1,785,173.21			167,157.29	1,952,330.50
(2) Internal research and development			20,768,539.87		20,768,539.87
(3) Increase in Business combination					
(4) Construction in progress	47,678,488.00				47,678,488.00
3. Decrease for the period				84,905.66	84,905.66
(1) Disposal					
(2) Others				84,905.66	84,905.66
4. Closing balance	743,792,032.59	3,122,749.18	114,895,951.36	8,342,112.50	870,152,845.63
<b>II. Accumulated amortization</b>					
1. Opening balance	71,242,076.70	264,923.74	26,958,557.55	1,792,619.39	100,258,177.38
2. Increase for the period	13,886,043.82	312,274.91	9,733,999.69	871,818.58	24,804,137.00
(1) Provision	13,886,043.82	312,274.91	9,733,999.69	871,818.58	24,804,137.00
3. Decrease for the period				24,517.27	24,517.27
(1) Disposal					
(2) Others				24,517.27	24,517.27
4. Closing balance	85,128,120.52	577,198.65	36,692,557.24	2,639,920.70	125,037,797.11
<b>III. Provision for impairment</b>					
1. Opening balance					
2. Increase for the period					
3. Decrease for the period					
4. Closing balance					
<b>IV. Book value</b>					
1. Book value at the end of the period	658,663,912.07	2,545,550.53	78,203,394.12	5,702,191.80	745,115,048.52
2. Book value at the beginning of the period	623,086,294.68	2,857,825.44	67,168,853.94	6,467,241.48	699,580,215.54

1. Intangible assets from internal research and development of the Company accounted for 2.39% of the balance of intangible assets at the end of the period.



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

### 13. Intangible Assets (Continued)

#### (2) Land use rights with pending certificates of ownership

The land use rights for which no property right certificates had been applied at the end of 2023 mainly consisted of the land use rights of the Company located in the development zone of Luoyang City with an original value of RMB9,415,764.88 and a closing book value of RMB4,840,236.28, for which land use certificates could not be easily applied for due to historical reasons.

### 14. Goodwill

#### (1) The original carrying value of goodwill

Unit: Yuan Currency: RMB

Name of investee or event generating goodwill	Opening balance	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

#### (2) Provision for impairment on goodwill

The Company uses the present value of estimated future cash flows to calculate the recoverable amount of the asset group. Based on the results of impairment testing performed by management, goodwill was not impaired at the end of the period (no impairment occurred at the end of the previous period).

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

### 15. Deferred income tax assets/Deferred income tax liabilities

#### (1) Deferred income tax assets not being offset

Unit: Yuan Currency: RMB

Item	Closing balance		Opening balance	
	Deductible temporary differences	Deferred income tax assets	Deductible temporary differences	Deferred income tax assets
Provision for impairment of assets	52,882,345.07	7,932,351.76	74,180,416.66	11,127,062.46
Unrealised profits from internal transactions			2,586,712.35	388,006.85
Deductible losses				
Deferred income	53,539,626.60	8,030,943.99	35,473,481.24	5,321,022.21
lease liabilities	4,141,481.56	621,222.23	6,748,861.03	1,012,329.15
<b>Total</b>	<b>110,563,453.23</b>	<b>16,584,517.98</b>	<b>118,989,471.28</b>	<b>17,848,420.67</b>

#### (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	148,621,693.70	35,883,972.92	161,631,850.90	39,038,154.46
Changes in fair value of other debt investments				
Changes in fair value of investments in other equity instruments				
One-off deduction of fixed assets	9,479,229.27	1,421,884.39	10,203,756.33	1,530,563.45
Right-of-use assets	4,141,481.56	621,222.23	6,748,861.03	1,012,329.15
<b>Total</b>	<b>162,242,404.53</b>	<b>37,927,079.54</b>	<b>178,584,468.26</b>	<b>41,581,047.06</b>

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

### 15. Deferred income tax assets/Deferred income tax liabilities (Continued)

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

Unit: Yuan Currency: RMB

Item	Closing amount of offsetting between deferred income tax assets and liabilities	The closing balance of deferred income tax assets or liabilities after offsetting	Opening amount of offsetting between deferred income tax assets and liabilities	The opening balance of deferred income tax assets or liabilities after offsetting
Deferred income tax assets	621,222.23	15,963,295.75	1,012,329.15	16,836,091.52
Deferred income tax liabilities	621,222.23	37,305,857.31	1,012,329.15	40,568,717.91

(4) *Breakdown of unrecognised deferred income tax assets*

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Deductible temporary differences	115,417,137.62	164,903,913.05
Deductible losses	217,066,170.89	272,253,931.68
Total	332,483,308.51	437,157,844.73

# Notes to the Financial Statements

31 December 2023  
Prepared by: Triumph New Energy Company Limited  
Unit: Yuan Currency: RMB

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

### 15. Deferred income tax assets/Deferred income tax liabilities (Continued)

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

Unit: Yuan Currency: RMB

Year	Amount at the end of the period	Amount at the beginning of the period	Note
2023		49,627,689.15	
2024	<b>59,624,964.91</b>	75,063,899.58	
2025			
2026	<b>55,669,772.62</b>	55,669,772.62	
2027	<b>96,786,465.32</b>	91,892,570.33	
2028	<b>4,984,968.04</b>		
Total	<b>217,066,170.89</b>	272,253,931.68	/

### 16. Other non-current assets

Unit: Yuan Currency: RMB

Item	Closing balance			Opening balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Prepayment for acquisition of longterm asset	<b>590,128,892.55</b>		<b>590,128,892.55</b>	<b>504,257,426.12</b>		504,257,426.12
Others				<b>55,000,000.00</b>		55,000,000.00
Total	<b>590,128,892.55</b>		<b>590,128,892.55</b>	<b>559,257,426.12</b>		559,257,426.12



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

### 17. Assets with restricted ownership or right of use

Unit: Yuan Currency: RMB

Item	Closing				Opening			
	Book balance	Book value	Restriction type	Restriction	Book balance	Book value	Restriction type	Restriction
Monetary funds	44,305,692.00	44,305,692.00	Other	Security deposit for the bank acceptance, L/C guarantee deposit, maintenance funds and payment for specific projects	203,474,506.33	203,474,506.33	Other	Security deposit for the bank acceptance, L/C guarantee deposit, maintenance funds and ETC deposits
Notes receivable					35,898,640.61	35,898,640.61	Pledge	Pledge
Accounts receivable financing	10,000,000.00	10,000,000.00	Pledge	Pledge				
Deposit								
Fixed assets	625,878,098.15	547,539,188.58	Mortgage	Mortgage	625,879,347.56	582,365,032.47	Mortgage	
Intangible assets	114,293,381.67	108,970,089.42	Mortgage	Mortgage	34,687,256.67	33,241,954.42	Mortgage	
Total	<u>794,477,171.82</u>	<u>710,814,970.00</u>	/	/	<u>899,939,751.17</u>	<u>854,980,133.83</u>	/	/

### 18. Short-term loans

#### (1) Classification of short-term loans

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Pledged loan		
Mortgage loan		
Guaranty loan		
Credit loan	<b>721,396,339.61</b>	1,015,400,000.00
Interest payable	<b>368,921.26</b>	1,618,267.77
Notes discounted but not derecognised	<b>38,890,986.12</b>	80,906,333.84
Total	<u><b>760,656,246.99</b></u>	<u>1,097,924,601.61</u>

Description of the classification of short-term loans:

As at 31 December 2023, annual interest rate of short-term loans was 1.39%-4.19%.

# Notes to the Financial Statements

31 December 2023  
Prepared by: Triumph New Energy Company Limited  
Unit: Yuan Currency: RMB

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

### 19. Notes payable

(1) Notes payable is shown as follows

Unit: Yuan Currency: RMB

Category	Closing balance	Opening balance
Commercial acceptances	111,265,210.00	23,481,377.00
Bank acceptances	375,621,527.12	405,761,091.26
Total	486,886,737.12	429,242,468.26

### 20. 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 (inclusive)	1,327,096,444.34	1,652,565,082.55
1-2 years (inclusive)	192,843,850.10	19,581,402.05
2-3 years (inclusive)	3,023,473.65	4,402,358.85
More than 3 years	12,206,868.47	51,605,976.01
Total	1,535,170,636.56	1,728,154,819.46

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

Unit: Yuan Currency: RMB

Item	Closing balance	Reason for outstanding or carrying forward
China Triumph International Engineering Co., Ltd. Bengbu Branch	148,105,764.64	Not to the settlement period
China Triumph International Engineering Co., Ltd. Jiangsu Branch	40,080,425.96	Not to the settlement period
Total	188,186,190.60	/

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

### 21. Payments received in advance

(1) *Payments received in advance is shown as follows*

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Rental received in advance	20,377.36	271,590.44
Total	20,377.36	271,590.44

### 22. Contract liabilities

(1) *Contract liabilities*

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Payment for goods in advance	8,352,702.13	18,314,969.87
Total	8,352,702.13	18,314,969.87

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

## 23. Employee compensation payable

(1) Employee compensation payable is shown as follows

Unit: Yuan Currency: RMB

Item	Opening balance	Increase for the period	Decrease for the period	Closing balance
I. Short-term remuneration	48,623,360.24	426,699,018.70	391,711,383.48	<b>83,610,995.46</b>
II. After-service welfare – defined provision plan	577,243.92	33,298,829.95	33,143,781.18	<b>732,292.69</b>
III. Termination benefits		397,612.45	397,612.45	
IV. Other benefits due within one year				
Total	<u>49,200,604.16</u>	<u>460,395,461.10</u>	<u>425,252,777.11</u>	<u><b>84,343,288.15</b></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	41,876,689.85	342,233,711.32	305,300,613.76	<b>78,809,787.41</b>
II. Staff's welfare		26,029,121.05	26,029,121.05	
III. Social insurance premium	515,457.75	17,335,305.65	17,514,556.53	<b>336,206.87</b>
Including: Medical insurance	439,958.26	14,902,063.46	15,093,080.49	<b>248,941.23</b>
Labor injury insurance	51,381.49	1,931,626.98	1,927,144.83	<b>55,863.64</b>
Maternity insurance	24,118.00	501,615.21	494,331.21	<b>31,402.00</b>
IV. Housing provident fund	394,747.18	12,866,800.43	12,810,264.01	<b>451,283.60</b>
V. Labor union expenses and employee education expenses	5,836,465.46	3,586,080.99	7,391,828.87	<b>2,030,717.58</b>
VI. Short-period paid leave				
VII. Short-term profit sharing plan				
VIII. Labor expenses		<u>24,647,999.26</u>	<u>22,664,999.26</u>	<u><b>1,983,000.00</b></u>
Total	<u>48,623,360.24</u>	<u>426,699,018.70</u>	<u>391,711,383.48</u>	<u><b>83,610,995.46</b></u>

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

### 23. Employee compensation payable (Continued)

(3) Defined provision plan is shown as follows

Unit: Yuan Currency: RMB

Item	Opening balance	Increase for the period	Decrease for the period	Closing balance
Post-employment benefits	577,243.92	33,298,829.95	33,143,781.18	<b>732,292.69</b>
Including:				
1. Basic pension insurance	558,825.06	32,111,093.47	31,959,848.22	<b>710,070.31</b>
2. Unemployment insurance	18,418.86	1,073,661.16	1,069,857.64	<b>22,222.38</b>
3. Enterprise annuity		114,075.32	114,075.32	
Total	<u>577,243.92</u>	<u>33,298,829.95</u>	<u>33,143,781.18</u>	<u><b>732,292.69</b></u>

### 24. Taxes payable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Value-added tax	<b>9,611,774.11</b>	197,216.44
Consumption tax		
Business tax		
Enterprise income tax	<b>26,915,631.43</b>	12,099,954.11
Individual income tax	<b>130,725.28</b>	476,563.05
City maintenance tax	<b>59,828.06</b>	26,146.51
Property tax	<b>3,869,795.97</b>	2,892,075.44
Land-use tax	<b>1,948,272.85</b>	1,736,021.80
Environmental protection tax	<b>635,962.60</b>	422,573.56
Education surcharges	<b>48,851.36</b>	18,894.09
Other tax and charges	<b>1,996,972.92</b>	1,677,046.47
Total	<u><b>45,217,814.58</b></u>	<u>19,546,491.47</u>

# Notes to the Financial Statements

31 December 2023  
Prepared by: Triumph New Energy Company Limited  
Unit: Yuan Currency: RMB

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

### 25. Other payables

#### (1) Presentation by item

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Interest payable		
Dividend payable		
Other payables	<b>173,708,687.56</b>	232,485,514.56
Total	<b>173,708,687.56</b>	232,485,514.56

#### (2) Other payables

Other payables by nature of amounts are shown as follows

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Announcement and intermediary fee	<b>2,821,048.29</b>	4,447,703.09
Security deposit and deposit	<b>9,117,494.38</b>	15,613,721.19
Current accounts	<b>161,770,144.89</b>	212,424,090.28
Total	<b>173,708,687.56</b>	232,485,514.56

Significant other payables aged over 1 year or overdue

Unit: Yuan Currency: RMB

Item	Closing balance	Reason for outstanding or carrying forward
China Luoyang Float Glass (Group) Company Limited	<b>130,000,000.00</b>	Not to the settlement period
CNBM New Material Research Institute Group Co., Ltd.	<b>2,990,108.01</b>	Not to the settlement period
Total	<b>132,990,108.01</b>	/



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

### 26. Non-current liabilities due within one year

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Long-term loans due within one year	449,921,900.80	54,425,849.79
Bonds payable due within one year		
Long-term payables due within one year		
Lease liabilities due within one year	3,546,985.55	3,387,284.02
Total	453,468,886.35	57,813,133.81

### 27. Other current liabilities

#### Other current liabilities

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Short-term bonds payable		
Returns payable		
Ending balance of output VAT	1,036,792.57	2,342,674.28
Endorsed unterminating recognised notes receivable	605,751,190.00	511,866,755.34
Total	606,787,982.57	514,209,429.62

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

## 28. Long-term loans

## (1) Category of Long-term loans

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Pledged loan		
Mortgage loan	<b>728,200,000.00</b>	198,000,000.00
Guaranty loan		407,000,000.00
Credit loan	<b>2,842,452,703.15</b>	1,151,392,360.00
Interest payable	<b>3,192,811.46</b>	1,812,760.45
Less: Long-term loans due within one year	<b>449,921,900.80</b>	54,425,849.79
Total	<b>3,123,923,613.81</b>	1,703,779,270.66

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, and the ownership of the mortgaged assets remains vested in, and in normal use by, Zi Gong New Energy 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 2023, the original carrying value of premises (including attached parcels of land), machinery and equipment was RMB660,565,354.82 with an accumulated depreciation of RMB80,477,956.90 and a book value of RMB580,087,397.92. The balance of the long-term loan was RMB178,197,159.72, of which the long-term loan due within one year was RMB90,197,159.72.



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

### 28. Long-term loans (Continued)

#### (1) Category of Long-term loans (Continued)

Yixing New Energy, a subsidiary of the Company, for the purpose of constructing the project of "Phase I Project of Photovoltaic Cell Packaging Materials for Solar Energy Equipment", entered into the "Phase I of Photovoltaic Cell Packaging Materials for Solar Energy Equipment" Syndicated Loan Agreement under the serial number of JK023323000705 ("Syndicated Loan Agreement") with the lending bank, Wuxi Branch of Bank of Jiangsu Co. Ltd., Wuxi Branch of Bank of Communications Co. Ltd. and the agent bank, Yixing Sub-branch of Bank of Jiangsu Co. Ltd., obtaining a borrowing amount of RMB750 million, with a project budget of RMB797.3400 million. On 30 March 2023, Yixing New Energy signed the Property Mortgage Contract with Yixing Sub-branch of Jiangsu Bank Co., Ltd. and mortgaged the land use right with an area of 268,202 square meters under the serial number of "Su 2022 Yixing Immovable Property Right No. 0007007", an appraised value of the land use right of RMB77.2400 million and the ownership of the mortgaged assets to be vested in Yixing New Energy, and the mortgage term is from 30 March 2023 to 31 March 2023. As at 31 December 2023, the project was still in a state of construction. Pursuant to the Syndicated Loan Agreement, Yixing New Energy shall mortgage the property and equipment formed upon the completion of the project within 20 business days following the completion of the project to meet the mortgage conditions. Yixing New Energy obtained a loan of RMB167,000,000.00 on 30 March 2023, RMB83,500,000.00 on 19 April 2023, RMB33,300,000.00 on 30 June 2023, RMB66,600,000.00 on 3 July 2023, RMB33,000,000.00 on 27 September 2023, RMB66,600,000.00 on 7 October 2023, RMB66,600,000.00 on 11 December 2023 and RMB33,300,000.00 on 19 December 2023, respectively. As of 31 December 2023, the original book value of the land use rights was RMB79,606,125.00 and the cumulative amortization was RMB3,184,244.92, with a book value of RMB76,421,880.08; the balance of the long-term borrowing was RMB550,812,874.17, of which the long-term borrowing due within one year was RMB44,628,874.17.

Repayment period for long-term loan with over one year

Unit: Yuan Currency: RMB

Repayment period	Closing balance	Balance at the end of last year
1 to 2 years	<b>925,944,989.34</b>	389,613,089.34
2 to 5 years	<b>1,290,687,775.32</b>	734,774,497.00
Over 5 years	<b>907,290,849.15</b>	579,391,684.32
Total	<b>3,123,923,613.81</b>	1,703,779,270.66

# Notes to the Financial Statements

31 December 2023  
Prepared by: Triumph New Energy Company Limited  
Unit: Yuan Currency: RMB

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

### 29. Lease liabilities

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Lease payment	<b>10,296,047.96</b>	14,198,466.23
Less: Unrecognized financing expenses	<b>891,898.13</b>	1,406,180.27
Less: Lease liabilities due within one year	<b>3,546,985.55</b>	3,387,284.02
Total	<b>5,857,164.28</b>	9,405,001.94

Other notes:

The amount of interest expense accrued for lease liabilities in 2023 was RMB514,282.23, which was included in finance expenses-interest expense.

### 30. Deferred income

#### Deferred income

Unit: Yuan Currency: RMB

Item	Opening balance	Increase for the period	Decrease for the period	Closing balance	Reason of formation
Government grants	51,344,031.93	23,890,600.00	22,482,336.93	<b>52,752,295.00</b>	Asset-related government grants
Total	51,344,031.93	23,890,600.00	22,482,336.93	<b>52,752,295.00</b>	/

Other explanations: For details of government grants included in deferred income, please refer to Note X. Government grants.

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

### 31. 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

### 32. Capital reserve

Unit: Yuan Currency: RMB

Item	Opening balance	Increase for the period	Decrease for the period	Closing balance
Capital premium (share capital premium)	3,538,238,816.69			3,538,238,816.69
Other capital reserves	242,580,145.72			242,580,145.72
Total	3,780,818,962.41			3,780,818,962.41

### 33. Surplus reserve

Unit: Yuan Currency: RMB

Item	Opening balance	Increase for the period	Decrease for the period	Closing balance
Statutory surplus reserve	51,365,509.04			51,365,509.04
Total	51,365,509.04			51,365,509.04

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

### 34. Undistributed profit

Unit: Yuan Currency: RMB

Item	The period	The previous period
Undistributed profit at the end of the previous year before adjustment	<b>-245,428,527.10</b>	-654,467,178.80
Total of adjustment of undistributed profit at the beginning of the period (increase expressed with +, and decrease expressed with -)		
Undistributed profit at the beginning of the period after adjustment	<b>-245,428,527.10</b>	-654,467,178.80
Add: Net profit attributable to owners of Company during the period	<b>394,720,559.20</b>	409,038,651.70
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	<b>149,292,032.10</b>	-245,428,527.10

### 35. Operating revenue and operating costs

#### (1) Operating revenue and operating costs

Unit: Yuan Currency: RMB

Item	Amount for current period		Amount for previous period	
	Income	Cost	Income	Cost
Principal operations	<b>6,534,389,316.50</b>	<b>5,795,834,340.31</b>	5,006,346,937.18	4,425,678,789.64
– New energy glass	<b>6,384,095,724.08</b>	<b>5,637,215,987.79</b>	4,671,301,573.00	4,132,591,067.74
– Other functional glass	<b>150,293,592.42</b>	<b>158,618,352.52</b>	312,724,773.56	280,882,802.39
– Information display glass			22,320,590.62	12,204,919.51
Other operations	<b>60,860,388.10</b>	<b>35,415,389.59</b>	23,764,309.09	8,312,243.53
– Raw materials, water, electricity and technical service, etc.	<b>60,860,388.10</b>	<b>35,415,389.59</b>	23,764,309.09	8,312,243.53
Total	<b>6,595,249,704.60</b>	<b>5,831,249,729.90</b>	5,030,111,246.27	4,433,991,033.17

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

### 35. Operating revenue and operating costs (Continued)

#### (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.

#### (3) Material contract changes or material transaction price adjustments

Operating revenue for the current period by time of revenue recognition

Unit: Yuan Currency: RMB

Timing of revenue recognition	New energy glass	Other functional glass	Revenue from other operations
Recognised at a certain point of time	6,384,095,724.08	150,293,592.42	60,860,388.10

# Notes to the Financial Statements

31 December 2023  
Prepared by: Triumph New Energy Company Limited  
Unit: Yuan Currency: RMB

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

### 36. Taxes and surcharges

Unit: Yuan Currency: RMB

Item	Amount for current period	Amount for previous period
Consumption tax		
Business tax		
Urban construction and maintenance tax	<b>1,251,974.81</b>	1,651,900.73
Education surcharges	<b>1,150,956.17</b>	1,567,804.94
Resource tax		
Property tax	<b>16,976,568.36</b>	13,532,051.09
Land-use tax	<b>11,227,491.48</b>	12,203,287.52
Vehicle and boat use tax		
Stamp duty	<b>6,541,394.00</b>	6,275,512.49
Environmental protection tax	<b>2,183,452.77</b>	1,705,473.21
Others	<b>5,118,036.92</b>	1,299,832.73
Total	<b>44,449,874.51</b>	38,235,862.71

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

### 37. Selling expenses

Unit: Yuan Currency: RMB

Item	Amount for current period	Amount for previous period
Staff remuneration	<b>13,554,632.73</b>	13,133,251.68
Rental fees	<b>3,599,651.65</b>	1,052,766.46
Property insurance premiums	<b>605,871.89</b>	720,917.38
Office expenses	<b>178,193.12</b>	716,185.62
Travel expenses	<b>287,696.08</b>	463,747.47
Sample and product loss	<b>554,347.95</b>	307,084.51
Depreciation expenses	<b>20,010.77</b>	171,364.87
Other selling expenses	<b>974,081.21</b>	864,758.25
Total	<b>19,774,485.40</b>	17,430,076.24



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

### 38. Administration expenses

Unit: Yuan Currency: RMB

Item	Amount for current period	Amount for previous period
Staff remuneration	<b>73,397,496.95</b>	66,957,172.00
Depreciation of fixed assets	<b>22,631,615.23</b>	13,852,461.50
Amortization of intangible asset	<b>12,674,660.00</b>	13,399,454.12
Intermediary engagement	<b>7,974,126.26</b>	8,805,263.23
Office expenses	<b>5,671,467.21</b>	5,741,240.94
Utility fee	<b>2,258,776.78</b>	1,000,652.12
Technical service fee	<b>1,973,801.18</b>	895,413.12
Property management fee	<b>1,071,222.47</b>	2,845,784.39
Travel expenses	<b>1,906,363.52</b>	1,238,865.95
Business entertainment expenses	<b>1,837,035.39</b>	1,462,374.27
Transportation expenses	<b>608,247.19</b>	993,233.19
Consulting fees	<b>488,426.17</b>	380,717.50
Other expenses	<b>14,624,837.34</b>	8,689,148.21
Total	<b>147,118,075.69</b>	126,261,780.54

### 39. Research and development expenses

Unit: Yuan Currency: RMB

Item	Amount for current period	Amount for previous period
Staff remuneration	<b>45,951,880.51</b>	42,781,581.37
Material expense	<b>187,692,215.01</b>	118,094,247.24
Depreciation expenses	<b>7,275,218.76</b>	5,330,445.93
Other expenses	<b>10,603,633.73</b>	7,586,607.85
Total	<b>251,522,948.01</b>	173,792,882.39

# Notes to the Financial Statements

31 December 2023  
Prepared by: Triumph New Energy Company Limited  
Unit: Yuan Currency: RMB

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

### 40. Financial expenses

Unit: Yuan Currency: RMB

Item	Amount for current period	Amount for previous period
Interest expense	102,839,339.12	103,699,967.95
Less: Interest capitalization	19,176,103.25	16,519,825.14
Interest income	7,614,286.41	11,189,421.19
Exchange losses	-4,081,185.71	-4,354,362.11
Handling charges and other expenses	2,162,905.25	1,897,871.98
Total	74,130,669.00	73,534,231.49

### 41. Other income

Unit: Yuan Currency: RMB

Classification by nature	Amount for current period	Amount for previous period
Subsidy for production and operation	189,765,712.13	150,578,933.70
Additional deduction of value-added tax	38,634,295.08	
Subsidy for photovoltaic power generation	4,933,468.50	3,524,372.40
Subsidy for stabilizing employment	1,491,730.10	934,922.24
R&D, technological renovation subsidy	339,300.00	2,196,551.00
Refunds of individual income tax handling fees	108,691.16	45,045.13
Gains on debt restructuring	9,298.36	119,700.00
Total	235,282,495.33	157,399,524.47

Other explanations:

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



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

### 42. Investment income

Unit: Yuan Currency: RMB

Item	Amount for current period	Amount for previous period
Investment income from long-term equity investment accounted for by the equity method		
Investment income from disposal of long-term equity investment		168,790,647.06
Loss from de-recognition of accounts receivable financing	-13,205,737.32	-8,131,568.13
Total	-13,205,737.32	160,659,078.93

### 43. Impairment losses of credit

Unit: Yuan Currency: RMB

Item	Amount for current period	Amount for previous period
Bad debt losses of notes receivable	7,308,288.27	-4,486,293.49
Bad debt losses of accounts receivable	1,382,085.66	2,340,609.93
Bad debt losses of other receivables	-2,310,203.98	-486,702.49
Total	6,380,169.95	-2,632,386.05

# Notes to the Financial Statements

31 December 2023  
Prepared by: Triumph New Energy Company Limited  
Unit: Yuan Currency: RMB

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

### 44. Impairment losses of assets

Unit: Yuan Currency: RMB

Item	Amount for current period	Amount for previous period
I. Impairment on contract assets		
II. Inventory impairment loss and impairment loss of contract performance costs	<b>302,115.54</b>	-6,550,215.02
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	<b>302,115.54</b>	-16,772,916.69

### 45. Gains on disposal of assets

Unit: Yuan Currency: RMB

Item	Amount for current period	Amount for previous period
Gains on disposal of fixed assets (loss is represented by "-")	<b>29,650,265.45</b>	13,066.58
Gains on disposal of construction in progress (loss is represented by "-")	<b>1,983,584.59</b>	
Gains on disposal of intangible assets (loss is represented by "-")	<b>2,157,901.65</b>	1,539,685.87
Gains on disposal of other non-current assets (loss is represented by "-")	<b>11,315,700.00</b>	
Total	<b>45,107,451.69</b>	1,552,752.45



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

### 46. Non-operating income

#### *Non-operating income*

Unit: Yuan Currency: RMB

Item	Amount for current period	Amount for previous period	Amount recognized as non-recurring gain or loss for the period
Payables approved but not being payable	667,068.05	1,717,536.08	667,068.05
Others	32,528.33	1,601,474.09	32,528.33
Total	699,596.38	3,319,010.17	699,596.38

### 47. Non-operating expenses

Unit: Yuan Currency: RMB

Item	Amount for current period	Amount for previous period	Amount recognized as non-recurring gain or loss for the period
Penalties and overdue fine	132,655.55	99,566.67	132,655.55
Loss on retirement and damage of assets	63,733.23	24,229.59	63,733.23
Total	196,388.78	123,796.26	196,388.78

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

## 48. Income tax expenses

## (1) The table for income tax expenses

Unit: Yuan Currency: RMB

Item	Amount for current period	Amount for previous period
Income tax expenses for the current period	38,946,216.56	14,677,115.43
Deferred income tax expenses	-2,390,064.83	-3,580,159.05
Total	36,556,151.73	11,096,956.38

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

Unit: Yuan Currency: RMB

Item	Amount for current period	Amount for previous period
Total profit	501,373,624.88	470,266,646.75
Income tax expenses calculated at statutory/ applicable tax rates	125,343,406.22	117,566,661.69
Effect of different tax rates applicable to subsidiaries	-43,185,858.85	-14,927,291.25
Effect of adjustment to income tax in previous periods	-1,316,277.45	-4,245,606.70
Effect of non-taxable income		
Effect of costs, expenses and losses not deductible for tax purposes	267,739.08	677,635.61
Effect of utilization of deductible losses of unrecognised deferred income tax assets in previous periods	-16,788,169.92	-58,692,101.71
Effect of current deductible temporary differences or deductible loss of unrecognised deferred income tax assets	1,986,850.84	2,573,015.71
The pre-tax deduction of the interest on Perpetual Bonds accounted as equity (represented by "-")	-29,751,538.19	-31,855,356.97
Others		
Income tax expenses	36,556,151.73	11,096,956.38



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

### 49. Items of cash flow statement

#### (1) Cash relating to operating activities

Other cash received from activities relating to operation

Unit: Yuan Currency: RMB

Item	Amount for current period	Amount for previous period
Interest income	7,218,118.51	10,844,841.43
Government grants	128,824,380.05	163,961,359.73
Financial discount	4,757,900.00	
Current accounts and others	41,203,920.57	36,026,180.86
Total	182,004,319.13	210,832,382.02

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	5,785,622.57	7,267,784.00
Others	66,569,144.54	71,714,000.84
Total	72,354,767.11	78,981,784.84

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

### 49. Items of cash flow statement (Continued)

#### (2) Cash relating to financing activities

Other cash received from activities relating to financing

Unit: Yuan Currency: RMB

Item	Amount for current period	Amount for previous period
Triumph Technology Group Co., Ltd.		540,000,000.00
China Luoyang Float Glass (Group) Company		194,000,000.00
Bill discount	<b>130,885,148.92</b>	72,627,932.44
Total	<b>130,885,148.92</b>	806,627,932.44

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
Financing principal and interests		119,920,416.95
Bills matured	<b>73,240,372.81</b>	30,000,000.00
Acquisition of equity interests in North Glass		83,572,800.00
Others		3,652,412.82
Total	<b>73,240,372.81</b>	897,145,629.77



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

### 50. Supplementary information of cash flow statement

#### (1) Supplementary information of cash flow statement

Unit: Yuan Currency: RMB

Supplementary information	Amount for current period	Amount for previous period
<b>1. Net profit adjusted to cash flow of operating activities:</b>		
Net profit	464,817,473.15	459,169,690.37
Add: Provision for impairment of assets	-302,115.54	16,772,916.69
Impairment losses of credit	-6,380,169.95	2,632,386.05
Depreciation of fixed assets, depletion of oil and gas assets, depreciation of productive biological assets	320,940,198.50	244,576,308.41
Amortisation of right-of-use assets	3,311,601.41	2,763,356.56
Amortization of intangible asset	24,804,137.00	24,109,127.26
Amortization of long-term deferred expenses		1,145,833.48
Losses from disposal of fixed assets, intangible assets and other long-term assets ("-" for gains)	-45,107,451.69	-1,552,752.45
Losses on scraping of fixed assets ("-" for gains)	63,733.23	24,229.59
Losses on fair value changes ("-" for gain)		
Finance expenses ("-" for gains)	83,663,235.87	87,180,142.81
Investment losses ("-" for gains)	13,205,737.32	-160,659,078.93
Decrease in deferred income tax assets ("-" for increase)	872,795.77	-2,871,649.32
Increase in deferred income tax liabilities ("-" for decrease)	-3,262,860.60	-2,154,092.64
Decrease in inventories ("-" for increase)	10,257,821.57	-7,792,328.82
Decrease in operating receivables ("-" for increase)	-644,895,696.62	-1,310,682,233.92
Increase in operating payables ("-" for decrease)	-78,482,171.48	249,292,912.47
Others		
Net cash flow from operating activities	143,506,267.94	-398,045,232.39
<b>2. Significant investing and financing activities that do not involve cash receipts and payment:</b>		
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)

### 50. Supplementary information of cash flow statement (Continued)

#### (1) Supplementary information of cash flow statement (Continued)

Supplementary information	Amount for current period	Amount for previous period
<b>3. Net changes in cash and cash equivalents:</b>		
Closing balance of cash	<b>229,156,744.65</b>	485,547,816.11
Less: Opening balance of cash	<b>485,547,816.11</b>	961,479,236.37
Add: Closing balance of cash equivalents		
Less: Opening balance of cash equivalents		
Net increase in cash and cash equivalents	<b>-256,391,071.46</b>	-475,931,420.26

#### (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	
Less: Cash and cash equivalents held by subsidiaries on the date of acquisition	
Add: Cash or cash equivalents paid in the current period for business combinations occurred in previous periods	132,969,212.49
Net cash paid for acquisition of subsidiaries	132,969,212.49



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

### 50. Supplementary information of cash flow statement (Continued)

#### (3) Net cash received from disposal of subsidiaries in the period

Unit: Yuan Currency: RMB

	<b>Amount</b>
Cash or cash equivalents received by subsidiaries disposed of during the period	
Less: Cash and cash equivalents held by subsidiaries on the date of loss of control	
Add: Cash and cash equivalents received in the period from disposal of subsidiaries in the previous period	<b>160,173,650.00</b>
Net cash received from disposal of subsidiaries	<b>160,173,650.00</b>

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

### 50. Supplementary information of cash flow statement (Continued)

#### (4) Constitution of cash and cash equivalents

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
<b>I. Cash</b>	<b>229,156,744.65</b>	485,547,816.11
Including: Cash on hand	<b>2,065.90</b>	5,630.11
Bank deposit available for payment at any time	<b>229,154,678.75</b>	485,542,186.00
<b>II. Cash equivalents</b>		
Including: Bond investment due within three months		
<b>III. Closing balance of cash and cash equivalents</b>	<b>229,156,744.65</b>	485,547,816.11
Including: Use of restricted cash and cash equivalents by the parent company or subsidiaries within the Group		

### 51. Monetary item in foreign currency

#### (1) Monetary item in foreign currency

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	–	–	1,091,782.69
Including: USD	154,147.81	7.0827	1,091,782.69
Accounts receivable	–	–	44,046,755.38
Including: USD	6,218,921.51	7.0827	44,046,755.38
Accounts payable	–	–	53,743.53
Including: USD	7,588.00	7.0827	53,743.53
Other payables	–	–	1,994,086.73
Including: USD	281,543.30	7.0827	1,994,086.73



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

### 52. Lease

#### (1) As lessee

Unit: Yuan Currency: RMB

Item	Amount for current period
Short-term rental fees	340,000.00

Total lease-related cash outflows amounted to RMB340,000.00 (Unit: Yuan Currency: RMB)

#### (2) As lessor

Operating leases as lessor

Unit: Yuan Currency: RMB

Item	Rental income	Including: Revenue relating to variable lease payments not included in lease receipts
Building lease	633,997.17	
Total	633,997.17	

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

## 52. Lease (Continued)

## (2) As lessor (Continued)

Undiscounted lease receipts for the next five years (Continued)

Unit: Yuan Currency: RMB

Undiscounted lease receipts to be received in each of the five consecutive accounting years following the balance sheet date and the aggregated amount of undiscounted lease receipts to be received in the remaining years

Item	Undiscounted lease receipts each year	
	Amount at end of period	Amount at beginning of period
1st year	360,915.88	628,902.83
2nd year	340,538.52	
3rd year	340,538.52	
4th year		
5th year		
Total undiscounted lease receipts for next five years	<b>1,041,992.92</b>	628,902.83

## VIII. RESEARCH AND DEVELOPMENT EXPENSES

### (1). Expenses is presented by nature of fees as follows

Unit: Yuan Currency: RMB

Item	Amount for current period		Amount for previous period	
	Expensed amount	Capitalized amount	Expensed amount	Capitalized amount
Labor expense	45,951,880.51	4,953,446.57	42,781,581.37	7,467,215.28
Material expense	187,692,215.01	18,934,801.48	118,094,247.24	24,305,597.61
Depreciation expenses	7,275,218.76	877,007.58	5,330,445.93	3,463,958.90
Other expenses	10,603,633.73	1,656,030.35	7,586,607.85	3,226,847.32
<b>Total</b>	<b>251,522,948.01</b>	<b>26,421,285.98</b>	<b>173,792,882.39</b>	<b>38,463,619.11</b>

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

Unit: Yuan Currency: RMB

Item	Opening balance	Increase during current period		Decrease during current period		Ending balance
		Internal development expenditure	Other	Recognized as intangible assets	Transfer to profit or loss	
R&D and application of intelligent connecting technology for one kiln and eight lines of substrate glass line and deep processing line		12,719,439.33				12,719,439.33
Research on phase rotation technique for rd20 transported photovoltaic glass		2,175,854.73				2,175,854.73
Development and application of high reflective, low expansion coefficient glazes	3,682,238.57	4,137,693.58		7,819,932.15		
R&D of baking technology for one kiln with eight lines and two-wing shunt glass melting kiln	3,383,912.72			3,383,912.72		
Research on glass substrate surface tin defects and in-channel airflow control technology	737,384.36	2,023,609.74		2,760,994.10		
Research on the control technology for air bubble defects on the bottom of tin baths		2,742,893.70		2,742,893.70		
Development of specific transmittance coating products	1,439,012.30	1,121,356.88		2,560,369.18		
Research on the new technology of European teal blue-gray color change		1,500,438.02		1,500,438.02		
<b>Total</b>	<b>9,242,547.95</b>	<b>26,421,285.98</b>		<b>20,768,539.87</b>		<b>14,895,294.06</b>

## VIII. RESEARCH AND DEVELOPMENT EXPENSES (CONTINUED)

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

Major capitalized R&D projects

Project	R&D progress	Estimated completion time	Mode of economic benefits expected to be generated	Point of time for commencing capitalization	Specified basis
R&D and application of intelligent connecting technology for one kiln and eight lines of substrate glass line and deep processing line	67%	June 2024	Increase production efficiency	April 2023	It meets the requirements of Article 7 of Accounting Standard for Business Enterprises No. 6 – Intangible Assets; the project has undergone research and development, validated its technical feasibility, and resulted in three patents, with sufficient funding for research and development.
Development and application of high reflective, low expansion coefficient glazes	100%	June 2023	Sell products directly	July 2022	It meets the requirements of Article 7 of Accounting Standard for Business Enterprises No. 6 – Intangible Assets; the project has undergone research and development, and has resulted in one utility model patent.



## IX. INTERESTS IN OTHER ENTITIES

### 1. Interests in subsidiaries

#### (1) The constitution of the Group

Unit: Yuan Currency: RMB

Name of subsidiaries	Location of principal business	Registered capital	Place of Registration	Nature of business	Shareholding ratio (%)		
					Direct	Indirect	Obtained by
Hefei New Energy	Hefei City	868,000,000.00	Hefei City	Producing and selling	100.00		Business combination under common control
Tongcheng New Energy	Tongcheng City	933,388,980.00	Tongcheng City	Producing and selling	100.00		Business combination under common control
Yixing New Energy	Yixing City	313,700,000.00	Yixing City	Producing and selling	70.99		Business combination under common control
Zigong New Energy	Zigong City	500,000,000.00	Zigong City	Producing and selling	60.00		Business combination not under common control
Zhangzhou New Energy	Zhangzhou City	550,000,000.00	Zhangzhou City	Producing and selling	100.00		Business combination not under common control
Luoyang new energy	Luoyang City	800,000,000.00	Luoyang City	Producing and selling	100.00		Investment
North Glass	Qinhuangdao City	643,903,700.00	Qinhuangdao City	Producing and selling	100.00		Business combination under common control

# Notes to the Financial Statements

31 December 2023  
Prepared by: Triumph New Energy Company Limited  
Unit: Yuan Currency: RMB

## 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	31,410,460.11	13,213,363.58	168,318,422.45
Zigong New Energy	40.00	38,686,453.84	12,000,000.00	257,776,485.29

#### (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	1,138,373,851.58	1,712,376,932.07	2,850,750,783.65	1,748,239,675.97	522,302,826.23	2,270,542,502.20	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
Zigong New Energy	484,627,966.97	668,959,700.86	1,153,587,667.83	420,169,960.31	98,315,657.30	518,485,617.61	540,464,663.66	692,782,631.84	1,233,247,295.50	480,075,533.81	185,621,887.24	665,697,421.05

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	2,451,831,146.18	108,274,595.34	108,274,595.34	215,885,149.09	1,627,778,144.10	56,125,920.66	56,125,920.66	77,218,313.82
Zigong New Energy	771,549,915.26	97,552,175.57	97,552,175.57	137,451,271.43	680,567,620.13	76,835,593.05	76,835,593.05	-66,309,189.89



## X. GOVERNMENT GRANTS

### 1. Government grants recognized as receivables at the end of the Reporting Period

The closing balance of receivables amounted to RMB94,911,645.63 (Unit: Yuan Currency: RMB)

Unit: Yuan Currency: RMB

Grant item	Closing balance	Reasons for not receiving the government subsidy at the expected time point
Industrial supporting funds of the North Glass	51,000,000.00	The grant will be disbursed by the end of March 2024 according to the government funding programme
Supporting fund for accelerated development of enterprises of Zigong New Energy	13,998,950.23	Funding of the grant will be completed in 2024 according to the government funding programme
Industry Guiding Fund of Triumph New Energy	13,776,600.00	Funding of the grant will be completed in the second quarter of 2024 according to the government funding programme
Photovoltaic subsidy of Hefei New Energy	11,136,095.40	The amount of photovoltaic subsidy provided by enterprises is subject to the actual amount disbursed by government
Industry Guiding fund of Luoyang New Energy	5,000,000.00	Payments were received in February 2024 according to the government funding programme
<b>Total</b>	<b>94,911,645.63</b>	

# Notes to the Financial Statements

31 December 2023  
Prepared by: Triumph New Energy Company Limited  
Unit: Yuan Currency: RMB

## X. GOVERNMENT GRANTS (CONTINUED)

### 2. Liabilities involving government subsidies

Unit: Yuan Currency: RMB

Grant item	Category	Financial statement item	Opening balance	New grants for the period	Amounts recognized in non-operating income for the period	Transfer to other income for the period	Other changes during the period	Closing balance	Related to assets/Related to income
Project grant for glass kiln flue gas desulfurization, dust removal and denitrification	Subsidy for production	Other gains, gains on disposal of assets	15,696,666.59			1,846,666.67	13,849,999.92		Related to assets
Project grants for the application of new modes of intelligent manufacturing	Subsidy for production	Other gains	6,168,469.28			715,598.04		5,452,871.24	Related to assets
Subsidy for "Three Major and One Innovative" Award by the NDRC in 2021	Subsidy for production	Other gains	3,497,381.83			276,109.08		3,221,272.75	Related to assets
Subsidies for land use of double ultra-glass production line project	Subsidy for production	Other gains	1,642,316.90			223,351.80		1,418,965.10	Related to assets
Special subsidies for environmental protection	Subsidy for production	Other gains, gains on disposal of assets	807,325.67			261,835.33	545,490.34		Related to assets
Grant for 2020 industrial incentives – equipment	Subsidy for production	Other gains	3,673,291.56			288,101.28		3,385,190.28	Related to assets
Grant for equipment modification of the production line of the 50,000-ton per year carbon dioxide capture and purification green emission reduction demonstration project	Subsidy for production	Other gains	3,500,000.00					3,500,000.00	Related to assets
Amortization of solar backsheet glass deep processing project with annual production capacity of 11.00 million square meters	Subsidy for production	Other gains	3,241,429.82			254,229.72		2,987,200.10	Related to assets
Special grant fund for manufacturing industry	Subsidy for production	Other gains	2,699,150.00			179,943.36		2,519,206.64	Related to assets
Special Fund for Affordable Rental Housing Project of the Finance Bureau of Huankeyuan	Subsidy for production	Other gains	2,307,300.00			2,159,996.76		147,303.24	Related to assets
Investment subsidies and special funds for technological transformation equipment of enterprises-Phase II	Subsidy for production	Other gains	2,031,558.44			348,889.92		1,682,668.52	Related to assets
Investment subsidies and special funds for technological transformation equipment of enterprises-Phase II	Subsidy for production	Other gains		14,173,700.00		536,060.37		13,637,639.63	Related to assets
Grant for high quality development of the Bureau of Industry and Information Technology in 2021	Subsidy for production	Other gains		3,116,900.00		237,462.16		2,879,437.84	Related to assets
Special funds for transformation and upgrading of industry and informatization	Subsidy for production	Other gains		3,100,000.00		117,549.34		2,982,450.66	Related to assets
Other grants	Subsidy for production	Other gains	6,079,141.84	3,500,000.00		641,052.84		8,938,089.00	Related to assets
<b>Total</b>			<b>51,344,031.93</b>	<b>23,890,600.00</b>		<b>8,086,846.67</b>	<b>14,395,490.26</b>	<b>52,752,295.00</b>	/



## X. GOVERNMENT GRANTS (CONTINUED)

### 3. Government grants recognized in profit or loss

Unit: Yuan Currency: RMB

Grant item	Category	Type	Amount for current period	Amount for previous period	Related to assets/Related to income
Industrial supporting funds of Tongcheng Economic and Technological Development Zone Finance Bureau	Subsidy for production	Related to income	72,038,750.00		Related to income
Industrial supporting funds for North Glass	Subsidy for production	Related to income	51,000,000.00		Related to income
Industry guiding funds	Subsidy for production	Related to income	20,176,600.00	58,270,000.00	Related to income
Industrial supporting grants for Zigong New Energy Hi-Tech Zone	Subsidy for production	Related to income	13,037,560.00	20,000,000.00	Related to income
Industrial supporting funds	Subsidy for production	Related to income	11,143,900.00	52,000,000.00	Related to income
Grants to support the accelerated development of enterprises of Zigong New Energy	Subsidy for production	Related to income	6,508,522.46		Related to income
Photovoltaic subsidy	Photovoltaic subsidy	Related to income	4,933,468.50	3,524,372.40	Related to income
Subsidy for stabilizing employment	Subsidy for stabilizing employment	Related to income	1,491,730.10	934,922.24	Related to income
Policy incentives for high quality development of Yixing EcoPark	Subsidy for production	Related to income	1,115,500.00		Related to income
First batch of provincial transfer payment funds for technical renovation of enterprises and production incentive funds in 2022	Subsidy for production	Related to income	719,900.00		Related to income
Specialized guidance for the development of emerging industries in the province in 2023	Subsidy for production	Related to income	705,300.00		Related to income

## X. GOVERNMENT GRANTS (CONTINUED)

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

Grant item	Category	Type	Amount for current period	Amount for previous period	Related to assets/Related to income
Corporate R&D post-investment grants for 2023	Grant for research and development, technology transfer	Related to income	339,300.00		Related to income
Industrial incentives – incentives for increased production and revenue and utility subsidies in 2020	Subsidy for production	Related to income		2,208,340.00	Related to income
Specialized project on carbon peak carbon neutral technology and innovation for science and technology support in 2022	Grant for research and development, technology transfer	Related to income		2,090,000.00	Related to income
Encouragement of manufacturing enterprises to increase production and income	Subsidy for production	Related to income		1,110,000.00	Related to income
2022 provincial energy saving and circular economy specialized fund of Zhangpu County Bureau of Industry and Information Technology	Subsidy for production	Related to income		1,007,100.00	Related to income
Special funds for the development of local science and technology under the guidance of central government	Subsidy for production	Related to income		910,000.00	Related to income
Other grants	Subsidy for production	Related to income	5,232,833.00	2,412,247.49	Related to income
Total			188,443,364.06	144,466,982.13	



## XI. RISKS RELATING TO FINANCIAL INSTRUMENTS

### 1. Risks related to financial instruments

The Company's major financial instruments include monetary funds, notes receivable, accounts receivable, accounts receivable financing, other receivables, other current assets, notes payable, accounts payable, other payables, short-term borrowings, non-current liabilities due within one year, long-term borrowings, bonds payable and lease liabilities. Details of each financial instrument are disclosed in the respective notes. The risks associated with these financial instruments and the risk management policies adopted by the Company to mitigate these risks are described below. The management of the Company manages and monitors these exposures to ensure that the above risks are contained within limits.

#### Risk management objectives and policies

##### (1) Credit risk

Credit risk is the risk of financial loss to the Company arising from the failure of a counterparty to perform its contractual obligations.

The Company manages credit risk on a portfolio basis. Credit risk arises mainly from bank deposits, notes receivable, accounts receivable and other receivables.

The bank deposits of the Company are mainly placed with reputable financial institutions with high credit ratings, and the Company does not expect that the bank deposits will be exposed to significant credit risk.

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

For ECLs measurement, based upon whether credit risk has significantly increased or impaired, the Company measures impairment provision for different assets upon the ECLs during 12 months or entire lifetime. The Company takes into account the quantitative analysis of historical statistics and forward-looking information.

Credit risks concentration 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 40.16% 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.

**XI. RISKS RELATING TO FINANCIAL INSTRUMENTS (CONTINUED)****1. Risks related to financial instruments (Continued)****(2) Liquidity risk**

Liquidity risk is the risk that the Company will encounter a shortage of funds to fulfil its obligations that are settled by the delivery of cash or other financial assets.

In managing liquidity risk, the Company maintains and monitors cash and cash equivalents as deemed adequate by management to meet the operational needs of the Company and to mitigate the effects of fluctuations in cash flows. The management of the Company monitors the utilisation of bank borrowings and ensures compliance with the borrowing agreements. Commitments are also obtained from major financial institutions to provide adequate standby funds to meet both short-term and long-term funding requirements.

Financial liabilities held by the Company are analyzed dependent on maturity date of the undiscounted remaining contractual obligations:

Unit: Yuan Currency: RMB

Item	Within 1 year	1 to 5 years	Over 5 years	Total
Short-term loans	728,696,112.28			728,696,112.28
Notes payable	486,886,737.12			486,886,737.12
Accounts payable	1,327,727,224.30	203,277,849.70	4,165,562.56	1,535,170,636.56
Other payables	21,859,134.66	140,678,857.02	11,170,695.88	173,708,687.56
Lease liabilities	3,902,418.29	5,479,013.72	914,615.95	10,296,047.96
Long-term loans (including long-term loans due within one year)	609,835,876.71	2,980,662,523.10	227,153,124.22	3,817,651,524.03
Total financial liability	3,178,907,503.36	3,330,098,243.54	243,403,998.61	6,752,409,745.51

The amounts of financial liabilities disclosed in the above table are undiscounted contractual cash flows and may therefore differ from the carrying amounts in the balance sheet.



## XI. RISKS RELATING TO FINANCIAL INSTRUMENTS (CONTINUED)

### 1. Risks related to financial instruments (Continued)

#### (3) *Market risk*

Market risk of a financial instrument is the risk that the fair value or future cash flows of the financial instrument will fluctuate due to changes in market prices, including interest rate risk, exchange rate risk and other price risks.

##### *Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. Interest rate risk can arise from both recognized interest-bearing financial instruments and unrecognized financial instruments such as certain loan commitments.

The interest rate risk of the Company arises mainly from bank and other borrowings and bank deposits. Fixed rate bank borrowings are not sensitive to changes in market interest rates as most of the expenses and operating cash flows of the Company are not significantly related to changes in market interest rates. The Company has not previously used any financial instruments to hedge against potential interest rate fluctuations.

The risk of changes in the fair value of the financial instruments due to changes in interest rates is mainly related to the floating-rate bank borrowings. For variable-rate borrowings, the objective of the Company is to maintain their floating interest rates to eliminate the fair value risk of interest rate changes.

##### *Exchange rate risk*

Exchange rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Exchange rate risk can arise from financial instruments denominated in foreign currencies other than the local currency in which the instruments are denominated.

The foreign exchange risk of the Company arises mainly from bank deposits, accounts receivable and other payables denominated in currencies other than the local currency of the accounts. The currencies that give rise to the risk are mainly U.S. dollars and Hong Kong dollars.

From January to December 2023, the Company had fewer foreign exchange transactions. Accordingly, the management of the Company does not anticipate any future commercial transactions that would give rise to significant foreign exchange risk.

## XI. RISKS RELATING TO FINANCIAL INSTRUMENTS (CONTINUED)

### 1. Risks related to financial instruments (Continued)

#### (3) Market risk (Continued)

##### *Capital Management*

The objectives of the capital management policy of the Company are to ensure that it can continue as a going concern in order to provide returns for its shareholders and benefits for other stakeholders, while maintaining an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the method of financing, adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares and other equity instruments or sell assets to reduce debt.

The Company monitors its capital structure on the basis of the gearing ratio (i.e., total liabilities divided by total assets). At the end of the period, the gearing ratio of the Company was 59.34% (prior year-end: 56.33%).

## XII. DISCLOSURE OF FAIR VALUE

### 1. Closing fair value of assets and liabilities measured at fair value

The fair value hierarchy is classified based on the lowest level of inputs in the fair value measurement which are significant to the measurement as a whole:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: observable inputs other than quoted market prices for assets or liabilities within Level 1 that are used either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: assets or liabilities are measured using any inputs that are not based on observable market data (unobservable inputs).



## XII. DISCLOSURE OF FAIR VALUE (CONTINUED)

### 1. Closing fair value of assets and liabilities measured at fair value (Continued)

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

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	
<b>I. Recurring fair value measurement</b>				
(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			1,413,397,411.65	1,413,397,411.65
<b>Total assets measured at fair value on a recurring basis</b>			1,413,397,411.65	1,413,397,411.65
(VI) Financial liability held for trading				
1. Financial liabilities at fair value through profit or loss				
2. Financial liabilities designated at fair value through profit or loss				
<b>Total liabilities measured at fair value on a recurring basis</b>				
<b>II. Non-recurring fair value measurement</b>				
(I) Assets held for sale				
<b>Total assets measured at fair value on a non-recurring basis</b>				
<b>Total liabilities measured at fair value on a non-recurring basis</b>				

### 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.

# Notes to the Financial Statements

31 December 2023  
Prepared by: Triumph New Energy Company Limited  
Unit: Yuan Currency: RMB

## XIII. 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

### 2. Subsidiaries of the Company

For details, please refer to Note "IX. Interests in Other Entities" under XI. Financial Report.



## XIII. RELATED PARTY AND RELATED PARTY TRANSACTIONS (CONTINUED)

### 3. Other related parties

Name of other related parties	Relationship with the Company
Triumph Science & Technology Co., Ltd.	Controlling shareholders of the Company
CNBMG Triumph Mineral Resources Group Co. Ltd.	Common ultimate controller
China Triumph International Engineering Co., Ltd. Bengbu Branch	Common ultimate controller
China Triumph International Engineering Co., Ltd.	Common ultimate controller
China Triumph International Engineering Co., Ltd. Jiangsu Branch	Common ultimate controller
Shanghai Triumph Energy Saving Engineering Co., Ltd.	Common ultimate controller
Shenzhen Triumph Science & Technology Engineering Co., Ltd.	Common ultimate controller
China Triumph International Engineering Co., Ltd. Shenzhen Branch	Common ultimate controller
Guangdong Triumph Photovoltaic Technology Research Institute Co., Ltd.*	Common ultimate controller
Bengbu Chemical Machinery Manufacturing Company Limited	Common ultimate controller
CNBM Research Institute for Intelligent Automation Co., Ltd.	Common ultimate controller
CNBM Environmental Protection Research Institute (Jiangsu) Co., Ltd.	Common ultimate controller
CNBM New Material Research Institute Group Co., Ltd.	Common ultimate controller
Anhui Tianzhu Green Energy Sources Technology Co., Ltd.	Common ultimate controller
Yangzhou Zhongke Semiconductor Lighting Co., Ltd.	Common ultimate controller
Henan Zhonglian Glass Co., Ltd.*	Common ultimate controller
CNBM (Chengdu) Optoelectronic Materials Co., Ltd.	Common ultimate controller
Bengbu Triumph Engineering Technology Company Limited	Common ultimate controller
CNBM Triumph Robotics (Shanghai) Co., Ltd.	Common ultimate controller
Sinoma Advanced Materials Co., Ltd.	Common ultimate controller
Nanjing Light Industrial Packaging Machinery Co., Ltd.	Common ultimate controller
China Yaohua Glass Group Corporation Co., Ltd.	Common ultimate controller
Zhongxin Group Engineering Consulting Group Co., Ltd. Bengbu Branch	Common ultimate controller
Qinhuangdao Glass Industry Research and Design Institute Company Limited	Common ultimate controller
Triumph Quartz Material (Hainan) Co., Ltd.	Common ultimate controller
Ruitai Technology Co., Ltd.	Common ultimate controller
Ruitai Technology Co., Ltd. Xiangtan Branch	Common ultimate controller
Triumph Science & Technology Co., Ltd Bengbu Huayi Branch	Common ultimate controller
Triumph Heavy Industry Co., Ltd.	Common ultimate controller
Anhui Huaguang Photoelectricity Materials Technology Group Co. Ltd. Bengbu Photoelectricity Glass Branch	Common ultimate controller

## XIII. RELATED PARTY AND RELATED PARTY TRANSACTIONS (CONTINUED)

### 3. Other related parties (Continued)

Name of other related parties	Relationship with the Company
China Triumph International Engineering Co., Ltd. Sichuan Branch	Common ultimate controller
Bengbu Xingke Glass Co., Ltd.	Common ultimate controller
Triumph Science & Technology Co., Ltd.	Common ultimate controller
Fengyang Kaisheng Silicon Material Co., Ltd.	Common ultimate controller
CTIEC Digitalization & Intellectualization (Shanghai) Co., Ltd.	Common ultimate controller
China Triumph International Engineering Co., Ltd. Hainan Branch	Common ultimate controller
China Building Material Test & Certification Group Co., Ltd.	Common ultimate controller
Zhongxin Group Engineering Consulting Group Co., Ltd.	Common ultimate controller
Yaohua (Qinhuangdao) Glass Technology Development Co., Ltd.*	Common ultimate controller
Yaohua (Qinhuangdao) Energy Saving Glass Co., Ltd.*	Common ultimate controller
Triumph Quartz Material (Taihu) Co., Ltd.	Common ultimate controller
CNBM New Energy Engineering Co., Ltd.	Common ultimate controller
Yaohua (Qinhuangdao) Glass Co., Ltd.*	Common ultimate controller
China Building Material Test & Certification Group Qinhuangdao Co., Ltd.	Common ultimate controller
China National Building Material Group Finance Co., Ltd.	Common ultimate controller
CNBM Xinyun Zhilian Technology Co., Ltd.	Common ultimate controller
CNBM (Neijiang) Glass Hi-Tech Co. Ltd.	Common ultimate controller
CNBM Junxin Technology Co., Ltd.	Common ultimate controller
Puyang China National Building Materials Photovoltaic Materials Company Limited	Common ultimate controller
Triumph Photovoltaic Materials Co., Ltd.	Common ultimate controller
Triumph Information Display Material (Luoyang) Co., Ltd.	Common ultimate controller
Triumph Information Display Materials (Chizhou) Co., Ltd.	Common ultimate controller
Triumph Information Display Material (Huangshan) Co., Ltd.	Common ultimate controller
Yaohua (Yibin) Glass Co., Ltd.*	Common ultimate controller
Yaohua (Luoyang) Glass Co. Ltd.*	Common ultimate controller
Triumph Bengbu Glass Co., Ltd.	Common ultimate controller
Haofeng (Shanghai) Agricultural Technology Co., Ltd.	Others
Qingdao Kaisheng Haofeng Smart Agricultural Technology Co., Ltd.	Others
Far East Opto-electronics Co., Ltd.	Others
Jiangsu Suhuada New Materials Co., Ltd.	Others
Suqian CNG New Energy Co., Ltd.*	Others



## XIII. RELATED PARTY AND RELATED PARTY TRANSACTIONS (CONTINUED)

### 4. Related party transactions

#### (1) Related party transactions regarding purchase and sales of commodity, provision and receiving of labor service

Table of purchase of commodity/receiving of labor service

Unit: Yuan Currency: RMB

Related party	Content of related party transactions	Amount for current period	Transaction Cap (if applicable)	Whether exceeding approved cap (if applicable)	Amount for previous period
CNBMG Triumph Mineral Resources Group Co. Ltd.	Purchase of materials	<b>1,303,839,957.58</b>			736,655,944.51
China Triumph International Engineering Co., Ltd.	Engineering services	<b>822,420,092.12</b>			72,570,729.89
China Triumph International Engineering Co., Ltd. Bengbu Branch	Engineering services	<b>502,431,943.87</b>			392,960,142.61
China Triumph International Engineering Co., Ltd. Jiangsu Branch	Engineering services	<b>167,871,822.82</b>			175,233,222.30
China Triumph International Engineering Co., Ltd.	Fixed assets	<b>76,884,444.26</b>			
Guangdong Triumph Photovoltaic Technology Research Institute Co., Ltd.*	Purchase of materials	<b>49,915,765.01</b>			9,596,017.72
Shenzhen Triumph Science & Technology Engineering Co., Ltd.	Engineering services	<b>28,011,585.66</b>			
CNBM New Energy Engineering Co., Ltd.	Engineering services	<b>20,787,222.62</b>			18,843,192.65
Bengbu Chemical Machinery Manufacturing Company Limited	Fixed assets	<b>12,597,345.13</b>			9,506,460.29
Jiangsu Suhuada New Materials Co., Ltd.	Purchase of materials	<b>12,330,653.54</b>			18,716,198.15
Henan Zhonglian Glass Co., Ltd.*	Purchase of materials	<b>10,994,048.83</b>			1,572,185.84
Bengbu Chemical Machinery Manufacturing Company Limited	Purchase of materials	<b>8,081,337.88</b>			5,241,671.85
CNBM Research Institute for Intelligent Automation Co., Ltd.	Engineering services	<b>7,979,292.19</b>			
Bengbu Triumph Engineering Technology Company Limited	Fixed assets	<b>7,668,274.37</b>			3,146,743.36

**XIII. RELATED PARTY AND RELATED PARTY TRANSACTIONS (CONTINUED)****4. Related party transactions (Continued)****(1) Related party transactions regarding purchase and sales of commodity, provision and receiving of labor service (Continued)**

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

Related party	Content of related party transactions	Amount for current period	Transaction Cap (if applicable)	Whether exceeding approved cap (if applicable)	Amount for previous period
CNBM Triumph Robotics (Shanghai) Co., Ltd.	Engineering services	4,761,061.94			26,548.67
China Triumph International Engineering Co., Ltd. Shenzhen Branch	Engineering services	4,587,155.95			
Shanghai Triumph Energy Saving Engineering Co., Ltd.	Engineering services	3,485,244.04			53,129,374.95
Yangzhou Zhongke Semiconductor Lighting Co., Ltd.	Engineering services	2,411,470.21			37,044.00
Yaohua (Qinhuangdao) Glass Co., Ltd.*	Rental fees	2,290,753.82			743,362.80
CNBM New Material Research Institute Group Co., Ltd.	Technical services	2,243,366.06			504,716.98
CNBM (Chengdu) Optoelectronic Materials Co., Ltd.	Fixed assets	1,834,820.81			16,124,097.74
Sinoma Advanced Materials Co., Ltd.	Purchase of materials	1,706,929.20			
CNBM Environmental Protection Research Institute (Jiangsu) Co., Ltd.	Engineering services	1,696,029.88			643,111.15
CNBM New Material Research Institute Group Co., Ltd.	Engineering services	5,828,301.87			2,933,429.41
Triumph Quartz Material (Hainan) Co., Ltd.	Purchase of materials	1,351,274.34			395,589.32
Bengbu Triumph Engineering Technology Company Limited	Purchase of spare parts	1,177,761.04			3,091,821.22
Shanghai Triumph Energy Saving Engineering Co., Ltd.	Technical services	1,053,113.20			
CTIEC Digitalization & Intellectualization (Shanghai) Co., Ltd.	Engineering services	1,008,849.56			1,936,474.04
Yangzhou Zhongke Semiconductor Lighting Co., Ltd.	Purchase of materials	730,640.57			



## XIII. RELATED PARTY AND RELATED PARTY TRANSACTIONS (CONTINUED)

### 4. Related party transactions (Continued)

#### (1) Related party transactions regarding purchase and sales of commodity, provision and receiving of labor service (Continued)

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

Related party	Content of related party transactions	Amount for current period	Transaction Cap (if applicable)	Whether exceeding approved cap (if applicable)	Amount for previous period
Zhongxin Group Engineering Consulting Group Co., Ltd.	Technical services	697,750.13			495,364.18
CNBM Research Institute for Intelligent Automation Co., Ltd.	Technical services	669,039.91			
Shenzhen Triumph Science & Technology Engineering Co., Ltd.	Fixed assets	605,504.59			2,492,571.26
Bengbu Triumph Engineering Technology Company Limited	Purchase of materials	569,867.23			
CNBM Triumph Robotics (Shanghai) Co., Ltd.	Fixed assets	551,194.69			272,566.37
China Triumph International Engineering Co., Ltd. Sichuan Branch	Engineering services	457,798.15			
Nanjing Light Industrial Packaging Machinery Co., Ltd.	Fixed assets	433,628.32			
Sinoma Advanced Materials Co., Ltd.	Purchase of spare parts	412,522.12			72,212.39
China National Building Material Group Finance Co., Ltd.	Capital occupancy fee	389,752.80			1,657,222.22
Yangzhou Zhongke Semiconductor Lighting Co., Ltd.	Fixed assets	330,275.23			
Bengbu Triumph Engineering Technology Company Limited	Technical services	326,902.65			
Zhongxin Group Engineering Consulting Group Co., Ltd. Bengbu Branch	Technical services	291,262.14			
Bengbu Triumph Engineering Technology Company Limited	Maintenance service	286,725.66			
CTIEC Digitalization & Intellectualization (Shanghai) Co., Ltd.	Technical services	279,245.29			571,698.13
China Building Material Test & Certification Group Co., Ltd.	Technical services	174,483.99			341,188.65

**XIII. RELATED PARTY AND RELATED PARTY TRANSACTIONS (CONTINUED)****4. Related party transactions (Continued)****(1) Related party transactions regarding purchase and sales of commodity, provision and receiving of labor service (Continued)**

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

Related party	Content of related party transactions	Amount for current period	Transaction Cap (if applicable)	Whether exceeding approved cap (if applicable)	Amount for previous period
Zhongxin Group Engineering Consulting Group Co., Ltd. Bengbu Branch	Engineering services	135,922.33			252,427.18
CNBM Triumph Robotics (Shanghai) Co., Ltd.	Purchase of spare parts	83,345.11			114,609.52
CNBM Research Institute for Intelligent Automation Co., Ltd.	Fixed assets	69,115.05			424,778.80
Bengbu Chemical Machinery Manufacturing Company Limited	Purchase of spare parts	66,876.10			1,472,713.34
CNBM Triumph Robotics (Shanghai) Co., Ltd.	Purchase of materials	53,840.71			
China Triumph International Engineering Co., Ltd. Hainan Branch	Purchase of materials	37,137.17			3,726,676.82
CNBM Research Institute for Intelligent Automation Co., Ltd.	Purchase of spare parts	31,817.70			169,933.90
China Triumph International Engineering Co., Ltd. Bengbu Branch	Technical services	28,301.89			
CNBM Research Institute for Intelligent Automation Co., Ltd.	Purchase of materials	22,639.39			
China Building Material Test & Certification Group Qinquangdao Co., Ltd.	Technical services	21,698.12			94,811.32
CNBM Triumph Robotics (Shanghai) Co., Ltd.	Technical services	18,867.93			
Yangzhou Zhongke Semiconductor Lighting Co., Ltd.	Purchase of spare parts	17,610.61			
China Building Material Test & Certification Group Co., Ltd.	Fixed assets	5,752.21			
CNBM Research Institute for Intelligent Automation Co., Ltd.	Maintenance service	3,632.75			



## XIII. RELATED PARTY AND RELATED PARTY TRANSACTIONS (CONTINUED)

### 4. Related party transactions (Continued)

#### (1) Related party transactions regarding purchase and sales of commodity, provision and receiving of labor service (Continued)

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

Related party	Content of related party transactions	Amount for current period	Transaction Cap (if applicable)	Whether exceeding approved cap (if applicable)	Amount for previous period
Anhui Tianzhu Green Energy Sources Technology Co., Ltd.	Engineering services	-369,006.55			29,339,157.26
Shanghai Triumph Energy Saving Engineering Co., Ltd.	Fixed assets				16,811,139.00
Triumph Quartz Material (Taihu) Co., Ltd.	Purchase of materials				8,479,421.67
Yaohua (Qinhuangdao) Glass Technology Development Co., Ltd.*	Purchase of materials				4,044,471.56
Fengyang Kaisheng Silicon Material Co., Ltd.	Fixed assets				2,739,573.45
Fengyang Kaisheng Silicon Material Co., Ltd.	Purchase of materials				2,707,469.71
China Luoyang Float Glass (Group) Company Limited	Interest expense				417,083.34
Triumph Science & Technology Co., Ltd.	Interest expense				369,959.86
China Building Material Test & Certification Group Qinhuangdao Co., Ltd.	Fixed assets				212,389.38
CNBM Xinyun Zhilian Technology Co., Ltd.	Purchase of spare parts				77,433.63
Bengbu Xingke Glass Co., Ltd.	Purchase of materials				24,783.46
CNBM (Neijiang) Glass Hi-Tech Co. Ltd.	Purchase of spare parts				973.42
Qinhuangdao Glass Industry Research and Design Institute Company Limited	Service fee				825.69

## XIII. RELATED PARTY AND RELATED PARTY TRANSACTIONS (CONTINUED)

### 4. Related party transactions (Continued)

(1) *Related party transactions regarding purchase and sales of commodity, provision and receiving of labor service (Continued)*

*Sales of goods/provision of services*

*Unit: Yuan Currency: RMB*

<b>Related party</b>	<b>Content of related party transactions</b>	<b>Amount for current period</b>	<b>Amount for previous period</b>
CNBMG Triumph Mineral Resources Group Co. Ltd.	Sales of raw materials	<b>20,958,713.71</b>	
CNBM Junxin Technology Co., Ltd.	Sales of photovoltaic glass	<b>16,537,262.12</b>	154,770,649.17
Puyang China National Building Materials Photovoltaic Materials Company Limited	Sales of raw materials	<b>14,013,544.42</b>	
Triumph Photovoltaic Materials Co., Ltd.	Sales of photovoltaic glass	<b>13,624,601.78</b>	12,619,758.22
China Triumph International Engineering Co., Ltd.	Technical services fee	<b>5,660,377.36</b>	
China Triumph International Engineering Co., Ltd.	Sales of photovoltaic glass	<b>5,325,594.16</b>	12,136,004.72
Yaohua (Qinhuangdao) Glass Co. Ltd.*	Sales of raw materials	<b>5,062,839.23</b>	
Far East Opto-electronics Co., Ltd.	Utilities collection on behalf	<b>4,304,322.19</b>	
Triumph Science & Technology Co., Ltd.	Custody fee	<b>3,368,837.51</b>	2,179,245.29
China National Building Material Group Finance Co., Ltd.	Interest on deposits	<b>3,715,494.24</b>	2,672,438.24
Haofeng (Shanghai) Agricultural Technology Co., Ltd.	Sales of photovoltaic glass	<b>2,703,883.70</b>	
CNBM New Energy Engineering Co., Ltd.	Sales of solar photovoltaic modules	<b>961,569.39</b>	



## XIII. RELATED PARTY AND RELATED PARTY TRANSACTIONS (CONTINUED)

### 4. Related party transactions (Continued)

#### (1) Related party transactions regarding purchase and sales of commodity, provision and receiving of labor service (Continued)

Sales of goods/provision of services (Continued)

Related party	Content of related party transactions	Amount for current period	Amount for previous period
Bengbu Triumph Engineering Technology Company Limited	Labor fee	<b>76,190.48</b>	
Guangdong Triumph Photovoltaic Technology Research Institute Co., Ltd.*	Other	<b>13,207.55</b>	
CNBM Research Institute for Intelligent Automation Co., Ltd.	Tender fee	<b>377.36</b>	
CNBM Triumph Robotics (Shanghai) Co., Ltd.	Tender fee	<b>1,886.80</b>	
Triumph Information Display Material (Luoyang) Co., Ltd.	Sales of display glass		1,204,265.80
Yaohua (Qinhuangdao) Glass Technology Development Co., Ltd.*	Sales of electricity		1,191,237.14
Triumph Information Display Materials (Chizhou) Co., Ltd.	Sales of display glass		472,295.96
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
Bengbu Chemical Machinery Manufacturing Company Limited	Disposal of fixed assets		229,296.99
Qingdao Kaisheng Haofeng Smart Agricultural Technology Co., Ltd.	Sales of glass		27,935.44
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

## XIII. RELATED PARTY AND RELATED PARTY TRANSACTIONS (CONTINUED)

### 4. Related party transactions (Continued)

#### (2) Related entrusted management/contracting and entrusted management/outsourcing

Statement on entrusted management/contracting by the Company:

Unit: Yuan Currency: RMB

Name of entrusting party/contracting-out party	Name of entrusted party/contracting party	Type of entrustment/contracting	Date of the commencement of the trusteeship/contract	Date of the termination of the trusteeship/contract	The basis of pricing for custody income/contracting income	Custody income/contracting income recognised during the period
Triumph 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	3,368,837.51



## XIII. RELATED PARTY AND RELATED PARTY TRANSACTIONS (CONTINUED)

### 4. Related party transactions (Continued)

#### (3) Leasing between related parties

The Company as the lessor:

Unit: Yuan Currency: RMB

Name of lessee	Type of leasing asset	Leasing revenue recognised in the current period	Leasing revenue recognised in the previous period
Far East Opto-electronics Co., Ltd.	Fixed assets	370,245.31	245,730.23

#### (4) Related guaranty

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	2021/6/24	2023/6/23	Yes
Triumph Technology Group Co., Ltd.	200,000,000.00	2021/8/20	2023/6/27	Yes

## XIII. RELATED PARTY AND RELATED PARTY TRANSACTIONS (CONTINUED)

### 4. Related party transactions (Continued)

#### (5) Borrowings/loans with related parties

From January to December 2023, Triumph Technology Group Co., Ltd. and its subsidiaries directly provided financial assistance to the Company with an accumulated amount of RMB0, and the balance of the funding grant as of 31 December 2023 amounted to RMB130,000,000.00.

#### (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 equity of three subsidiaries		593,182,995.89
China Yaohua Glass Group Corporation Co., Ltd.	Transfer of equity of one subsidiary		326,885,000.00
Shenzhen Triumph Science & Technology Engineering Co., Ltd.	Disposal of fixed assets	34,704,546.00	

#### (7) Remuneration of key management personnel

Unit: Yuan Currency: RMB

Item	Amount for current period	Amount for previous period
Remuneration of key management personnel	7,827,668.10	6,340,508.93



## XIII. RELATED PARTY AND RELATED PARTY TRANSACTIONS (CONTINUED)

### 4. Related party transactions (Continued)

#### (8) Other related party transactions

##### 1. Deposits with related parties

Unit: Yuan Currency: RMB

<b>Related party</b>	<b>Balance of deposits</b>	<b>Deposit interest rate</b>
China National Building Material Group Finance Co., Ltd.	214,247,555.36	0.55%-1.90%

##### 2. Loans from related parties

Unit: Yuan Currency: RMB

<b>Related party</b>	<b>Loan amount</b>	<b>Loan interest rate</b>
China National Building Material Group Finance Co., Ltd.	23,260,000.00	2.50%-3.30%

# Notes to the Financial Statements

31 December 2023  
Prepared by: Triumph New Energy Company Limited  
Unit: Yuan Currency: RMB

## XIII. RELATED PARTY AND RELATED PARTY TRANSACTIONS (CONTINUED)

### 5. Unsettled items such as receivables from and payables to related parties

#### (1) Receivables

Unit: Yuan Currency: RMB

Project name	Related party	Closing balance		Opening balance	
		Book balance	Provision for bad debt	Book balance	Provision for bad debt
Notes receivable	CNBM Junxin Technology Co., Ltd.	10,000,000.00	90,000.00		
Accounts receivable financing	Triumph Photovoltaic Materials Co., Ltd.	5,000,000.00			
Accounts receivable financing	Bengbu Chemical Machinery Manufacturing Company Limited	4,000,000.00			
Accounts receivable financing	Bengbu Triumph Engineering Technology Company Limited	2,635,000.00			
Accounts receivable financing	China Triumph International Engineering Co., Ltd.	1,800,000.00		1,210,000.00	
Accounts receivable financing	China Triumph International Engineering Co., Ltd. Jiangsu Branch	1,000,000.00			
Accounts receivable financing	CNBM Junxin Technology Co., Ltd.			50,585,434.52	
Accounts receivable	CNBM Junxin Technology Co., Ltd.	16,019,780.21	320,395.60	44,910,945.81	898,218.92
Accounts receivable	China Triumph International Engineering Co., Ltd.	15,647,687.69	312,953.75	17,472,172.76	349,443.46
Accounts receivable	Far East Opto-electronics Co., Ltd.	11,529,660.85	514,538.43	10,449,117.50	208,982.35
Accounts receivable	Triumph Photovoltaic Materials Co., Ltd.	1,089,600.00	21,792.00	16,862,926.39	337,258.53
Accounts receivable	Yaohua (Qinhuangdao) Glass Co. Ltd.*	3,684,386.46	73,687.73		
Accounts receivable	Haofeng (Shanghai) Agricultural Technology Co., Ltd.	2,116,339.59	42,326.79		



## XIII. RELATED PARTY AND RELATED PARTY TRANSACTIONS (CONTINUED)

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

#### (1) Receivables (Continued)

Project name	Related party	Closing balance		Opening balance	
		Book balance	Provision for bad debt	Book balance	Provision for bad debt
Accounts receivable	Puyang China National Building Materials Photovoltaic Materials Company Limited			27,422,567.38	548,451.35
Accounts receivable	Anhui Tianzhu Green Energy Sources Technology Co., Ltd.			524,620.80	10,492.42
Accounts receivable	Suqian CNG New Energy Co., Ltd.*			124,200.00	2,484.00
Accounts receivable	Bengbu Chemical Machinery Manufacturing Company Limited			57,162.40	1,143.25
Other receivables	Shenzhen Triumph Science & Technology Engineering Co., Ltd.	<b>39,216,136.98</b>	<b>784,322.74</b>		
Other receivables	Triumph Science & Technology Co., Ltd.	<b>3,600,000.00</b>		29,032.26	580.65
Other receivables	Yaohua (Yibin) Glass Co., Ltd.*	<b>438,075.25</b>	<b>8,761.51</b>		
Other receivables	Yaohua (Luoyang) Glass Co. Ltd.*	<b>38,375.74</b>	<b>767.51</b>		
Other receivables	China Triumph International Engineering Co., Ltd. Jiangsu Branch	<b>31,696.00</b>	<b>633.92</b>	31,696.00	633.92
Other receivables	Triumph Bengbu Glass Co., Ltd.	<b>30,001.41</b>	<b>600.03</b>		
Other receivables	China Yaohua Glass Group Corporation Co., Ltd.			79,878,250.00	

**XIII. RELATED PARTY AND RELATED PARTY TRANSACTIONS (CONTINUED)****5. Unsettled items such as receivables from and payables to related parties (Continued)****(1) Receivables (Continued)**

Project name	Related party	Closing balance		Opening balance	
		Book balance	Provision for bad debt	Book balance	Provision for bad debt
Other receivables	Puyang China National Building Materials Photovoltaic Materials Company Limited			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	Sinoma Advanced Materials Co., Ltd.			27,610.62	552.21
Prepayments	China Triumph International Engineering Co., Ltd.	<b>630,046.03</b>		633,373.98	
Prepayments	Ruitai Technology Co., Ltd. Xiangtan Branch	<b>380,167.50</b>			
Prepayments	Bengbu Triumph Engineering Technology Company Limited	<b>279,120.00</b>		837,600.00	
Prepayments	CNBM New Material Research Institute Group Co., Ltd.	<b>85,859.16</b>		85,859.16	
Prepayments	China Building Material Test & Certification Group Co., Ltd.	<b>25,145.00</b>		120,000.00	



## XIII. RELATED PARTY AND RELATED PARTY TRANSACTIONS (CONTINUED)

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

#### (1) Receivables (Continued)

Project name	Related party	Closing balance		Opening balance	
		Book balance	Provision for bad debt	Book balance	Provision for bad debt
Prepayments	CNBM Triumph Robotics (Shanghai) Co., Ltd.	22,846.02		220,802.60	
Prepayments	Henan Zhonglian Glass Co., Ltd.*	8,057.41			
Prepayments	Jiangsu Suhuada New Materials Co., Ltd.	5,991.63		3,359,610.69	
Prepayments	China Triumph International Engineering Co., Ltd. Bengbu Branch			30,000.00	
Prepayments	CNBM Research Institute for Intelligent Automation Co., Ltd.			596,300.00	
Prepayments	CTIEC Digitalization & Intellectualization (Shanghai) Co., Ltd.			219,400.00	
Prepayments	Yaohua (Qinhuangdao) Energy Saving Glass Co., Ltd.*			140,000.00	
Other non-current assets	China Triumph International Engineering Co., Ltd. Bengbu Branch	490,276,838.24		241,145,804.11	
Other non-current assets	China Triumph International Engineering Co., Ltd.	81,304,720.64		196,499,879.66	
Other non-current assets	CNBM Environmental Protection Research Institute (Jiangsu) Co., Ltd.	6,633,535.40			
Other non-current assets	China Triumph International Engineering Co., Ltd. Jiangsu Branch	1,228,295.00		5,641,032.25	

**XIII. RELATED PARTY AND RELATED PARTY TRANSACTIONS (CONTINUED)****5. Unsettled items such as receivables from and payables to related parties (Continued)****(1) Receivables (Continued)**

Project name	Related party	Closing balance		Opening balance	
		Book balance	Provision for bad debt	Book balance	Provision for bad debt
Other non-current assets	Bengbu Triumph Engineering Technology Company Limited	668,000.00		1,007,744.77	
Other non-current assets	Zhongxin Group Engineering Consulting Group Co., Ltd. Bengbu Branch	530,000.00		151,386.14	
Other non-current assets	CNBM Research Institute for Intelligent Automation Co., Ltd.	498,300.00		48,600.00	
Other non-current assets	CNBM Triumph Robotics (Shanghai) Co., Ltd.	441,202.60		135,000.00	
Other non-current assets	Shanghai Triumph Energy Saving Engineering Co., Ltd.	375,000.00			
Other non-current assets	CNBM New Material Research Institute Group Co., Ltd.	100,000.00			
Other non-current assets	CNBM New Energy Engineering Co., Ltd.			8,589,592.69	
Other non-current assets	Yangzhou Zhongke Semiconductor Lighting Co., Ltd.			236,700.00	



## XIII. RELATED PARTY AND RELATED PARTY TRANSACTIONS (CONTINUED)

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

#### (2) Payable

Unit: Yuan Currency: RMB

Project name	Related party	Book balance at the end of the period	Book balance at the beginning of the period
Accounts payable	CNBMG Triumph Mineral Resources Group Co. Ltd.	357,395,685.93	155,080,397.59
Accounts payable	China Triumph International Engineering Co., Ltd. Bengbu Branch	156,716,338.36	198,105,764.64
Accounts payable	China Triumph International Engineering Co., Ltd.	84,373,709.05	283,211,249.58
Accounts payable	China Triumph International Engineering Co., Ltd. Jiangsu Branch	53,711,689.56	100,400,425.96
Accounts payable	Shanghai Triumph Energy Saving Engineering Co., Ltd.	31,062,857.32	37,121,243.70
Accounts payable	Shenzhen Triumph Science & Technology Engineering Co., Ltd.	30,033,000.00	13,898,318.55
Accounts payable	China Triumph International Engineering Co., Ltd. Shenzhen Branch	24,801,523.28	34,697,770.31
Accounts payable	Guangdong Triumph Photovoltaic Technology Research Institute Co., Ltd.*	21,907,331.41	8,714,946.91
Accounts payable	Triumph Photovoltaic Materials Co., Ltd.	14,882,595.87	
Accounts payable	Bengbu Chemical Machinery Manufacturing Company Limited	5,508,650.01	5,603,752.22
Accounts payable	CNBM Research Institute for Intelligent Automation Co., Ltd.	4,289,392.50	1,251,867.26
Accounts payable	Anhui Tianzhu Green Energy Sources Technology Co., Ltd.	2,898,279.96	17,999,088.83
Accounts payable	CNBM New Material Research Institute Group Co., Ltd.	2,402,000.00	2,156,600.00
Accounts payable	Bengbu Triumph Engineering Technology Company Limited	1,729,812.81	1,738,793.00
Accounts payable	CNBM Triumph Robotics (Shanghai) Co., Ltd.	1,202,172.24	329,732.99
Accounts payable	Sinoma Advanced Materials Co., Ltd.	915,160.00	729,694.96
Accounts payable	Suqian CNG New Energy Co., Ltd.*	640,772.69	

## XIII. RELATED PARTY AND RELATED PARTY TRANSACTIONS (CONTINUED)

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

## (2) Payable (Continued)

Project name	Related party	Book balance at the end of the period	Book balance at the beginning of the period
Accounts payable	Yangzhou Zhongke Semiconductor Lighting Co., Ltd.	249,126.63	
Accounts payable	Nanjing Light Industrial Packaging Machinery Co., Ltd.	245,000.00	
Accounts payable	CNBM Environmental Protection Research Institute (Jiangsu) Co., Ltd.	190,000.00	259,000.00
Accounts payable	Qinhuangdao Glass Industry Research and Design Institute Company Limited	148,000.00	148,000.00
Accounts payable	Far East Opto-electronics Co., Ltd.	45,876.13	45,876.13
Accounts payable	Triumph Heavy Industry Co., Ltd.	29,600.00	29,600.00
Accounts payable	Anhui Huaguang Photoelectricity Materials Technology Group Co. Ltd. Bengbu Photoelectricity Glass Branch	25,043.63	25,043.63
Accounts payable	China Triumph International Engineering Co., Ltd. Sichuan Branch	14,970.00	
Accounts payable	Fengyang Kaisheng Silicon Material Co., Ltd.		497,324.30
Accounts payable	Triumph Quartz Material (Hainan) Co., Ltd.		30,473.99
Accounts payable	CTIEC Digitalization & Intellectualization (Shanghai) Co., Ltd.		508,888.85
Accounts payable	China Triumph International Engineering Co., Ltd. Hainan Branch		2,572,383.12
Accounts payable	Ruitai Technology Co., Ltd.		964,029.06
Accounts payable	Jiangsu Suhuada New Materials Co., Ltd.		0.15
Other payables	China Luoyang Float Glass (Group) Company Limited	130,000,000.00	130,000,000.00
Other payables	CNBM New Material Research Institute Group Co., Ltd.	3,338,423.21	3,358,423.21
Other payables	China Yaohua Glass Group Corporation Co., Ltd.	155,416.50	409,176.39
Other payables	Zhongxin Group Engineering Consulting Group Co., Ltd. Bengbu Branch	150,000.00	



## XIII. RELATED PARTY AND RELATED PARTY TRANSACTIONS (CONTINUED)

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

#### (2) Payable (Continued)

Project name	Related party	Book balance at the end of the period	Book balance at the beginning of the period
Other payables	Triumph Science & Technology Co., Ltd Bengbu Huayi Branch	76,221.49	68,974.41
Other payables	China Triumph International Engineering Co., Ltd. Shenzhen Branch	65,242.15	
Other payables	CNBM Research Institute for Intelligent Automation Co., Ltd.	50,200.00	
Other payables	Nanjing Light Industrial Packaging Machinery Co., Ltd.	50,000.00	
Other payables	CNBM Triumph Robotics (Shanghai) Co., Ltd.	50,000.00	20,000.00
Other payables	Bengbu Xingke Glass Co., Ltd.	11,624.94	11,624.94
Other payables	CNBMG Triumph Mineral Resources Group Co. Ltd.	11,236.10	
Other payables	Bengbu Chemical Machinery Manufacturing Company Limited	500.00	200,500.00
Other payables	Triumph Science & Technology Co., Ltd.	0.01	0.01
Other payables	Yaohua (Qinhuangdao) Glass Technology Development Co., Ltd.*		1,530,846.01
Other payables	Yaohua (Qinhuangdao) Energy Saving Glass Co., Ltd.*		289,791.00
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
Other payables	Bengbu Triumph Engineering Technology Company Limited		20,500.00
Contract liabilities	Jiangsu Suhuada New Materials Co., Ltd.		28,364.49
Contract liabilities	Triumph Science & Technology Co., Ltd Bengbu Huayi Branch		6,413.35
Notes payable	CNBMG Triumph Mineral Resources Group Co. Ltd.	66,345,017.62	
Notes payable	CNBM Research Institute for Intelligent Automation Co., Ltd.	4,213,890.00	264,000.00
Notes payable	Guangdong Triumph Photovoltaic Technology Research Institute Co., Ltd.*	6,520,500.00	810,000.00

# Notes to the Financial Statements

31 December 2023  
Prepared by: Triumph New Energy Company Limited  
Unit: Yuan Currency: RMB

## XIII. RELATED PARTY AND RELATED PARTY TRANSACTIONS (CONTINUED)

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

#### (2) Payable (Continued)

Project name	Related party	Book balance at the end of the period	Book balance at the beginning of the period
Notes payable	CNBM Environmental Protection Research Institute (Jiangsu) Co., Ltd.	3,800,000.00	
Notes payable	Bengbu Chemical Machinery Manufacturing Company Limited	6,943,300.00	561,780.00
Notes payable	Sinoma Advanced Materials Co., Ltd.	560,430.00	
Notes payable	Henan Zhonglian Glass Co., Ltd.*	280,413.35	
Notes payable	CNBM Triumph Robotics (Shanghai) Co., Ltd.	147,000.00	
Notes payable	CNBM New Material Research Institute Group Co., Ltd.	60,000.00	
Notes payable	Bengbu Triumph Engineering Technology Company Limited	38,000.00	
Notes payable	China Triumph International Engineering Co., Ltd.		90,000,000.00
Notes payable	Triumph Quartz Material (Taihu) Co., Ltd.		7,318,385.35
Notes payable	China Triumph International Engineering Co., Ltd. Jiangsu Branch		6,960,000.00
Other current liabilities	China Triumph International Engineering Co., Ltd. Bengbu Branch	146,104,650.84	43,928,724.53
Other current liabilities	CNBMG Triumph Mineral Resources Group Co. Ltd.	126,884,109.67	
Other current liabilities	China Triumph International Engineering Co., Ltd.	9,734,312.41	9,508,420.00
Other current liabilities	Bengbu Chemical Machinery Manufacturing Company Limited	5,020,000.00	290,378.30
Other current liabilities	Guangdong Triumph Photovoltaic Technology Research Institute Co., Ltd.*	4,410,000.00	
Other current liabilities	Suqian CNG New Energy Co., Ltd.*	4,133,120.21	
Other current liabilities	CNBM Environmental Protection Research Institute (Jiangsu) Co., Ltd.	3,455,365.92	
Other current liabilities	Shenzhen Triumph Science & Technology Engineering Co., Ltd.	2,941,857.52	1,072,639.39
Other current liabilities	Yangzhou Zhongke Semiconductor Lighting Co., Ltd.	2,698,738.00	
Other current liabilities	CNBM New Material Research Institute Group Co., Ltd.	2,250,000.00	400,000.00



## XIII. RELATED PARTY AND RELATED PARTY TRANSACTIONS (CONTINUED)

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

#### (2) Payable (Continued)

Project name	Related party	Book balance at the end of the period	Book balance at the beginning of the period
Other current liabilities	Henan Zhonglian Glass Co., Ltd.*	2,239,720.00	277,000.00
Other current liabilities	CNBM Research Institute for Intelligent Automation Co., Ltd.	2,070,000.00	
Other current liabilities	Anhui Tianzhu Green Energy Sources Technology Co., Ltd.	2,000,000.00	
Other current liabilities	CNBM (Chengdu) Optoelectronic Materials Co., Ltd.	2,000,000.00	1,000,000.00
Other current liabilities	China Triumph International Engineering Co., Ltd. Jiangsu Branch	2,000,000.00	16,993,266.58
Other current liabilities	Bengbu Triumph Engineering Technology Company Limited	813,355.00	1,117,571.42
Other current liabilities	CNBM Triumph Robotics (Shanghai) Co., Ltd.	690,305.92	244,802.60
Other current liabilities	China Triumph International Engineering Co., Ltd. Shenzhen Branch	648,881.20	10,000,000.00
Other current liabilities	Shanghai Triumph Energy Saving Engineering Co., Ltd.	500,000.00	8,298,935.58
Other current liabilities	Jiangsu Suhuada New Materials Co., Ltd.	412,807.04	
Other current liabilities	Sinoma Advanced Materials Co., Ltd.	260,000.00	
Other current liabilities	Triumph Quartz Material (Hainan) Co., Ltd.	105,412.00	263,382.01
Other current liabilities	Ruitai Technology Co., Ltd.	100,000.00	
Other current liabilities	China Triumph International Engineering Co., Ltd. Hainan Branch		2,974,021.60

## XIV. COMMITMENTS AND CONTINGENCIES

### 1. Significant commitments

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

##### *Capital commitments*

<b>Capital commitments contracted but not yet recognised in the financial statements</b>	<b>Closing balance</b>	Balance at the end of last year
Commitments in relation to acquisition and construction of long-term assets	<b>1,546,624,275.11</b>	3,395,207,291.04

### 2. Contingency

#### *(1). Significant contingencies at the balance sheet date*

Not applicable.

#### *(2). Material contingencies not required to be disclosed by the Company should also be stated:*

As of 31 December 2023, the Company had no contingent items such as outstanding litigation and external guarantees that should be disclosed.

## XV. SUBSEQUENT EVENTS AFTER THE DATE OF BALANCE SHEET

As of 28 March 2024 (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.

## XVI. OTHER SIGNIFICANT EVENTS

### 1. Correction of accounting errors in prior periods

#### *(1). Retrospective restatement method*

Not applicable.



## XVI. OTHER SIGNIFICANT EVENTS (CONTINUED)

### 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
Less: Termination of operating expenses (B)		17,731,356.69
Total profit from discontinued operations (C)		4,607,037.77
Less: income tax expense for termination of operations (D)		-605,827.58
Net profit from operating activities (E = C-D)		5,212,865.35
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
Of which: Discontinued operating profit attributable to shareholders of the Company		131,664,208.29
Discontinued operating profit attributable to minority shareholders		
Net cash flow from operating activities		8,847,839.52
Net cash flow from investing activities		-7,464,000.00
Net cash flow from financing activities		116,924,042.21

## XVI. OTHER SIGNIFICANT EVENTS (CONTINUED)

### 2. Discontinued operation (Continued)

Other explanations:

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 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 two reporting segments, which are identified on the basis of financial information required by the Company's daily internal management. The management of the Group regularly evaluates the operating results of these reporting segments to make decisions about resources to be allocated to the segment and to assess its performance.

An operating segment is a component of the Company that meets the following conditions simultaneously:

- (1) the component is able to generate revenues and incur expenses from its ordinary activities;
- (2) whose operating results are regularly evaluated by the Company's management to make decisions about resources to be allocated to the segment and to assess its performance;
- (3) for which relevant accounting information such as financial position, operating results and cash flows is available to the Company. Two or more operating segments may be aggregated into a single operating segment if they have similar economic characteristics and meet specified conditions.

The operating segments of the Company include new energy glass segment and other functional glass segment.



## XVI. 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	New energy glass	Other functional glass	Unallocated items	Inter-segment offset	Total
Revenue	6,399,627,883.92	177,127,132.80	851,747,680.78	-833,252,992.90	6,595,249,704.60
Including: Revenue from external principal operations	6,384,095,724.08	150,293,592.42			6,534,389,316.50
Operating costs	5,639,827,181.07	177,091,333.14	844,324,122.08	-829,992,906.39	5,831,249,729.90
Including: Cost of principal activities	5,637,215,987.79	158,618,352.52			5,795,834,340.31
Impairment losses of credit	8,301,663.40	-1,463,974.80	-457,518.65		6,380,169.95
Impairment losses of assets	-69,724.83	371,840.37			302,115.54
Depreciation expenses and amortization expenses	328,018,055.33	19,574,499.90	1,463,381.68		349,055,936.91
Total profit	446,641,155.29	49,269,422.52	79,057,386.63	-73,594,339.56	501,373,624.88
Income tax expenses	31,986,227.35	4,569,924.38			36,556,151.73
Net profit	414,654,927.94	44,699,498.14	79,057,386.63	-73,594,339.56	464,817,473.15
Total assets	11,457,714,194.15	848,277,809.92	5,149,876,461.62	-5,028,169,801.63	12,427,698,664.06
Total liabilities	6,719,906,426.58	427,011,032.87	1,251,915,292.77	-1,024,380,462.45	7,374,452,289.77

## XVI. OTHER SIGNIFICANT EVENTS (CONTINUED)

## 3. Segment Information (Continued)

*Other explanations*① *Operating income by customer's geographical location*

Unit: Yuan Currency: RMB

<b>Geographical location</b>	<b>Amount for current period</b>	Amount for previous period
China (excluding Hong Kong, Macau and Taiwan)	<b>6,185,892,780.43</b>	4,712,969,132.33
Other countries and regions	<b>409,356,924.17</b>	317,142,113.94
Total	<b>6,595,249,704.60</b>	5,030,111,246.27

② *Non-current assets by its geographical location*

Unit: Yuan Currency: RMB

<b>Geographical location</b>	<b>Closing balance</b>	Balance at the end of last year
China (excluding Hong Kong, Macau and Taiwan)	<b>8,079,787,042.06</b>	6,461,618,980.12

③ *Degree of reliance on major customers*

In 2023, the transaction of four customers (customers who are controlled by the same controller are deemed to be the same customer) from new energy reporting segment exceeds 10% of the Company's revenue, and the amounts are RMB1,351,101,510.33, RMB1,079,728,283.89, RMB843,015,603.18 and RMB769,904,618.88, respectively.

④ *Auditor remuneration*

Unit: Yuan Currency: RMB

<b>Auditor remuneration</b>	<b>Amount for current period</b>	Amount for previous period
Total	<b>1,350,000.00</b>	1,200,000.00



## XVI. OTHER SIGNIFICANT EVENTS (CONTINUED)

### 3. Segment Information (Continued)

#### Other explanations (Continued)

⑤ Remuneration of directors, supervisors and staff

(1) Remuneration of directors and supervisors

The remuneration of each director and supervisor in 2023 is as follows:

Unit: Yuan Currency: RMB

Remuneration of Directors and Supervisors in 2023						
Name	Position	Fees	Bonus	Salary, allowance and benefit in kind	Defined	Date of resignation or appointment
					contribution, plan contribution	
<b>Executive directors:</b>						
Xie Jun	Chairman			325,002.00	36,010.48	361,012.48
Zhang Rong	Executive Director, President			1,200,000.00	259,347.98	1,459,347.98
He Qingbo	Executive Director					
Wang Leilei	Executive Director, Secretary to the Board			654,100.00	128,946.60	783,046.60
Ma Yan	Executive Director, President (resigned)			561,100.00	60,717.52	621,817.52 2023-07-21
Liu Yuquan	Executive Director (resigned)			234,100.00	27,524.68	261,624.68 2023-05-23
<b>Independent directors:</b>						
Zhao Hulin	Independent Director (resigned)			75,000.00		75,000.00 2023-12-22
Chen Qisuo	Independent Director			75,000.00		75,000.00
Fan Baoqun	Independent Director			75,000.00		75,000.00
Zhang Yajuan	Independent Director			75,000.00		75,000.00

## XVI. OTHER SIGNIFICANT EVENTS (CONTINUED)

### 3. Segment Information (Continued)

#### 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 2023 is as follows: (Continued)

Remuneration of Directors and Supervisors in 2023						
Name	Position	Fees	Bonus	Salary, allowance and benefit in kind	Defined	Date of resignation or appointment
					contribution, plan contribution	
<b>Supervisors:</b>						
Li Yang	Chairman of the Supervisory Committee			288,600.00	36,096.45	324,696.45
Jiao Jiajia	Chairman of the Supervisory Committee (resigned)					2023-07-21
Li Ping	Supervisor					
Zhang Pingwei	Employee Supervisor			400,000.00	70,874.50	470,874.50
Li Huadong	Employee Supervisor			700,000.00	94,652.64	794,652.64
<b>Independent Supervisor:</b>						
Wang Juan	Independent Supervisor			40,000.00		40,000.00
Wang Junqiao	Independent Supervisor			40,000.00		40,000.00
<b>Total</b>				<b>4,742,902.00</b>	<b>714,170.85</b>	<b>5,457,072.85</b>

## XVI. OTHER SIGNIFICANT EVENTS (CONTINUED)

### 3. Segment Information (Continued)

#### 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 2022 is as follows:

Unit: Yuan Currency: RMB

Remuneration of Directors and Supervisors in 2022							
Name	Position	Fees	Bonus	Salary, allowance and benefit in kind	Defined	Date of resignation or appointment	
					contribution, plan contribution		Total
<b>Executive directors:</b>							
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	2022.05.26
Ma Yan	Executive Director, President			750,000.00	107,786.28	857,786.28	2022.05.26
Zhang Rong	Executive Director, Executive President			665,000.00	153,060.94	818,060.94	2022.05.26
Liu Yuquan	Executive Director			600,000.00	76,629.84	676,629.84	2022.05.26
Wang Leilei	Executive Director, Secretary to the Board			400,269.00	104,720.57	504,989.57	2022.05.26
<b>Independent directors:</b>							
He Baofeng	Independent Director			25,000.00		25,000.00	Expired
Ye Shuhua	Independent Director			25,000.00		25,000.00	Expired
Zhao Hulin	Independent Director			58,333.00		58,333.00	2022.05.26
Chen Qisuo	Independent Director			58,333.00		58,333.00	2022.05.26
Fan Baoqun	Independent Director			58,333.00		58,333.00	2022.05.26
Zhang Yajuan	Independent Director			83,333.00		83,333.00	2022.05.26
<b>Supervisors:</b>							
Li Wenge	Supervisor			87,500.00	18,421.38	105,921.38	Expired

## XVI. OTHER SIGNIFICANT EVENTS (CONTINUED)

### 3. Segment Information (Continued)

#### 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 2022 is as follows: (Continued)

Remuneration of Directors and Supervisors in 2022							
Name	Position	Fees	Bonus	Salary, allowance and benefit in kind	Defined	Total	Date of resignation or appointment
					contribution, plan contribution		
<b>Employee supervisors:</b>							
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	2022.05.26
Li Huadong	Employee Supervisor			84,000.00	47,012.68	131,012.68	2022.05.26
<b>Independent Supervisor:</b>							
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	2022.05.26
Wang Junqiao	Independent Supervisor			29,166.00		29,166.00	2022.05.26
Total				<u>4,180,217.38</u>	<u>654,316.11</u>	<u>4,834,533.49</u>	

(2) The five individuals whose remunerations are the highest

The five individuals whose remuneration were the highest during 2023, included 3 directors (2022: five directors), whose remuneration was set out as above.



## XVII. 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	89,691,502.93	65.86	277,349,852.21	84.50
Sub-total within 1 year	89,691,502.93	65.86	277,349,852.21	84.50
1 to 2 years				
2 to 3 years				
3 to 4 years				
4 to 5 years				
Over 5 years	46,500,899.56	34.14	50,886,600.73	15.50
Total	136,192,402.49	100.00	328,236,452.94	100.00

# Notes to the Financial Statements

31 December 2023  
Prepared by: Triumph New Energy Company Limited  
Unit: Yuan Currency: RMB

## XVII. 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										
Provision for bad debt on group basis	136,192,402.49	100.00	46,500,899.56	34.14	89,691,502.93	328,236,452.94	100.00	51,435,052.08	15.67	276,801,400.86
Including:										
Related party customer group	89,691,502.93	65.86			89,691,502.93	277,349,852.21	84.50	548,451.35	0.20	276,801,400.86
General customers group	46,500,899.56	34.14	46,500,899.56	100.00	0.00	50,886,600.73	15.50	50,886,600.73	100.00	0.00
Total	136,192,402.49	/	46,500,899.56	/	89,691,502.93	328,236,452.94	/	51,435,052.08	/	276,801,400.86



## XVII. 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)

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	89,691,502.93	0.00	0.00	277,349,852.21	548,451.35	0.20
Total	89,691,502.93	0.00	0.00	277,349,852.21	548,451.35	0.20

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	46,500,899.56	46,500,899.56	100.00	50,886,600.73	50,886,600.73	100.00
Total	46,500,899.56	46,500,899.56	100.00	50,886,600.73	50,886,600.73	100.00

# Notes to the Financial Statements

31 December 2023  
Prepared by: Triumph New Energy Company Limited  
Unit: Yuan Currency: RMB

## XVII. 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	51,435,052.08	-598,451.35		4,335,701.17		46,500,899.56
Total	51,435,052.08	-598,451.35		4,335,701.17		46,500,899.56

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

Unit: Yuan Currency: RMB

Item	Amount written off
Accounts receivable actually written off	4,335,701.17

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
First place	Payment for goods sold	2,796,175.91	Unrecoverable	Consideration by the Board of Directors	No
Total	/	2,796,175.91	/	/	/



## XVII. NOTES TO MAJOR ITEMS OF THE FINANCIAL STATEMENTS OF THE COMPANY (CONTINUED)

### 1. Accounts receivable (Continued)

(5) *Top five largest accounts receivable and contract assets at the end of the period by the balance collected regarding the party in default*

Unit: Yuan Currency: RMB

Unit name	Closing balance of accounts receivable	Closing balance of contract assets	Closing balance of accounts receivable and contract assets	Percentage of total ending balance of accounts receivable and contract assets (%)	Closing balance of bad debt provision
Rank 1st	30,310,471.63		30,310,471.63	22.26	
Rank 2nd	18,140,734.16		18,140,734.16	13.32	
Rank 3rd	15,541,950.39		15,541,950.39	11.41	
Rank 4th	15,118,608.73		15,118,608.73	11.10	
Rank 5th	10,579,738.02		10,579,738.02	7.77	
Total	<u>89,691,502.93</u>		<u>89,691,502.93</u>	<u>65.86</u>	

### 2. Other receivables

*Presentation by item*

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Other receivables	<b>936,818,184.15</b>	693,082,451.00
Less: Provision for bad debt	<b>32,296,805.33</b>	<u>32,910,029.93</u>
Total	<b>904,521,378.82</b>	<u>660,172,421.07</u>

## XVII. NOTES TO MAJOR ITEMS OF THE FINANCIAL STATEMENTS OF THE COMPANY (CONTINUED)

### 2. Other receivables (Continued)

#### (1). Disclosure by aging

An aging analysis of other receivables, based on the recognition date, is as follows:

Unit: Yuan Currency: RMB

Aging	Book balance at the end of the period	Ratio (%)	Book balance at the beginning of the period	Ratio (%)
Within 1 year	886,133,281.61	94.59	659,100,651.07	95.10
Sub-items within 1 year				
Subtotal within 1 year	886,133,281.61	94.59	659,100,651.07	95.10
1 to 2 years	18,372,297.21	1.96	800,000.00	0.12
2 to 3 years	800,000.00	0.08	1,200,000.00	0.17
Over 3 years				
3 to 4 years	1,200,000.00	0.13		
4 to 5 years				
Over 5 years	30,312,605.33	3.24	31,981,799.93	4.61
Total	936,818,184.15	100.00	693,082,451.00	100.00



## XVII. NOTES TO MAJOR ITEMS OF THE FINANCIAL STATEMENTS OF THE COMPANY (CONTINUED)

### 2. Other receivables (Continued)

#### (2) Category of other receivables by nature of amount

Unit: Yuan Currency: RMB

<u>Nature of amount</u>	<b>Book balance at the end of the period</b>	Book balance at the beginning of the period
Reserve, security deposit and deposit	<b>97,891.91</b>	104,891.91
Amounts due from subsidiaries	<b>880,869,896.08</b>	577,890,891.65
Current accounts	<b>42,073,796.16</b>	35,208,417.44
Others	<b>13,776,600.00</b>	
Equity disposal consideration		79,878,250.00
Total	<b><u>936,818,184.15</u></b>	<b><u>693,082,451.00</u></b>

# Notes to the Financial Statements

31 December 2023  
Prepared by: Triumph New Energy Company Limited  
Unit: Yuan Currency: RMB

## XVII. NOTES TO MAJOR ITEMS OF THE FINANCIAL STATEMENTS OF THE COMPANY (CONTINUED)

### 2. 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 2023	88,230.00	840,000.00	31,981,799.93	32,910,029.93
Balance as at 1 January 2023 for the period				
- Transferred to Stage 2				
- Transferred to Stage 3				
- Reversed to Stage 2				
- Reversed to Stage 1				
Provision for the current period	-64,030.00	1,120,000.00		1,055,970.00
Reversed for the current period				
Write-off for the current period				
Cancellation for the current period			1,669,194.60	1,669,194.60
Other changes				
Balance as at 31 December 2023	<b>24,200.00</b>	<b>1,960,000.00</b>	<b>30,312,605.33</b>	<b>32,296,805.33</b>



## XVII. NOTES TO MAJOR ITEMS OF THE FINANCIAL STATEMENTS OF THE COMPANY (CONTINUED)

### 2. Other receivables (Continued)

#### (3) Provision for bad debts (Continued)

Basis of classification and bad debt provision ratio by stages

Provision for bad debts in the first stage at the end of the period:

Unit: Yuan Currency: RMB

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	886,133,281.61	0.00	24,200.00	886,109,081.61	
Group 1: Photovoltaic subsidies basis					
Group 2: Security deposit, deposit					
Group 3: Transactions outside the scope of consolidation	866,851,877.74			866,851,877.74	
Group 4: Transactions outside the scope of consolidation	3,600,000.00			3,600,000.00	
Group 5: General customers	1,210,000.00	2.00	24,200.00	1,185,800.00	
Group 6: Social security and reserve	694,803.87			694,803.87	
Group 7: Others	13,776,600.00			13,776,600.00	
Total	<u>886,133,281.61</u>	<u>0.00</u>	<u>24,200.00</u>	<u>886,109,081.61</u>	

## XVII. NOTES TO MAJOR ITEMS OF THE FINANCIAL STATEMENTS OF THE COMPANY (CONTINUED)

## 2. Other receivables (Continued)

## (3) Provision for bad debts (Continued)

Provision for bad debts in the second stage at the end of the period:

Unit: Yuan Currency: RMB

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	20,372,297.21	9.62	1,960,000.00	18,412,297.21	
Group 1: Photovoltaic subsidies basis					
Group 2: Security deposit, deposit					
Group 3: Transactions outside the scope of consolidation					
Group 4: Transactions outside the scope of consolidation					
Group 5: General customers	20,372,297.21	9.62	1,960,000.00	18,412,297.21	
Group 6: Social security and reserve					
Group 7: Others					
<b>Total</b>	<b>20,372,297.21</b>	<b>9.62</b>	<b>1,960,000.00</b>	<b>18,412,297.21</b>	



## XVII. NOTES TO MAJOR ITEMS OF THE FINANCIAL STATEMENTS OF THE COMPANY (CONTINUED)

### 2. Other receivables (Continued)

#### (3) Provision for bad debts (Continued)

Provision for bad debts in the third stage at the end of the period:

Unit: Yuan Currency: RMB

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	30,312,605.33	100.00	30,312,605.33	0.00	
Group 1: Photovoltaic subsidies basis					
Group 2: Security deposit, deposit					
Group 3: Transactions outside the scope of consolidation					
Group 4: Transactions outside the scope of consolidation					
Group 5: General customers	30,221,713.42	100.00	30,221,713.42	0.00	
Group 6: Social security and reserve	90,891.91	100.00	90,891.91	0.00	
Group 7: Others					
<b>Total</b>	<b>30,312,605.33</b>	<b>100.00</b>	<b>30,312,605.33</b>	<b>0.00</b>	

## XVII. NOTES TO MAJOR ITEMS OF THE FINANCIAL STATEMENTS OF THE COMPANY (CONTINUED)

## 2. 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	32,910,029.93	1,055,970.00		1,669,194.60		32,296,805.33
Total	32,910,029.93	1,055,970.00		1,669,194.60		32,296,805.33

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

Unit: Yuan Currency: RMB

Item	Amount written off
Other receivables actually written off	1,669,194.60

Writing-off of important other receivables:

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	Other	1,632,784.36	Unrecoverable	Consideration by the Board of Directors	No
Total	/	1,632,784.36	/	/	/

## XVII. NOTES TO MAJOR ITEMS OF THE FINANCIAL STATEMENTS OF THE COMPANY (CONTINUED)

### 2. Other receivables (Continued)

#### (6) Top five accounts receivable by closing balance collection of the borrowers

Unit: Yuan Currency: RMB

Name	Closing balance	Percentage of the total other receivables at the end of the period (%)	Nature of payment	Aging	Closing balance of provision for bad debts
Rank 1st	268,442,100.00	28.65	Fund borrowing	Within 1 year	
Rank 2nd	187,740,022.28	20.04	Fund borrowing	Within 1 year, 1-2 years	
Rank 3rd	167,999,999.80	17.93	Fund borrowing	Within 1 year	
Rank 4th	138,000,000.00	14.73	Equity disposal consideration	Within 1 year	
Rank 5th	118,687,774.00	12.67	Fund borrowing	Within 1 year	
Rank 5th			Fund borrowing	Within 1 year	
Total	880,869,896.08	94.02	/	/	

#### (7). Other receivables due to centralized fund management

Government grants receivable

Unit: Yuan Currency: RMB

Unit name	Name of government grant program	Closing balance	Aging	Expected timing, amount and basis of the grant
Administrative Committee of Advanced Manufacturing Development Zone of Ruyang County (汝陽縣進進製造業開發區管理委員會)	Other	13,776,600.00	Within 1 year	In accordance with the government funding program schedule, the grant was completed in the second quarter of 2024; Ruguanwen [2023] No. 9

# Notes to the Financial Statements

31 December 2023  
Prepared by: Triumph New Energy Company Limited  
Unit: Yuan Currency: RMB

## XVII. 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	3,903,415,248.62		3,903,415,248.62	3,703,415,248.62		3,703,415,248.62
Investment in associates and joint ventures						
<b>Total</b>	<b>3,903,415,248.62</b>		<b>3,903,415,248.62</b>	<b>3,703,415,248.62</b>		<b>3,703,415,248.62</b>

#### (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
CNBM (Hefei) New Energy Company Limited*	975,180,001.59			975,180,001.59		
CNBM (Tongcheng) New Energy Materials Company Limited*	1,039,788,106.76			1,039,788,106.76		
CNBM (Yixing) New Energy Company Limited*	242,691,936.01			242,691,936.01		
Qinhuangdao North Glass Co., Ltd.	355,366,851.77			355,366,851.77		
Triumph (Zi Gong) New Energy Resources Co., Ltd.	300,000,000.00			300,000,000.00		
CNBM (Luoyang) New Energy Resources Co., Ltd.	400,000,000.00	200,000,000.00		600,000,000.00		
Kaisheng (Zhangzhou) New Energy Co., Ltd.*	390,388,352.49			390,388,352.49		
<b>Total</b>	<b>3,703,415,248.62</b>	<b>200,000,000.00</b>		<b>3,903,415,248.62</b>		

## XVII. 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				
Other operations	<b>851,747,680.78</b>	<b>844,324,122.08</b>	813,585,949.34	809,523,960.85
Raw materials, technical services, etc.	<b>851,747,680.78</b>	<b>844,324,122.08</b>	813,585,949.34	809,523,960.85
Total	<b>851,747,680.78</b>	<b>844,324,122.08</b>	813,585,949.34	809,523,960.85

#### (2) Breakdown information of operating revenues and operating costs

Operating revenue by timing of revenue recognition

Unit: Yuan Currency: RMB

Timing of revenue recognition	Revenue from principal activities	Other business income
Recognized at a time-point		851,747,680.78

#### Description of performance obligations

Generally, there is only one performance obligation in the contracts of sales of goods related to sales of glass products to customers by the Company, and the consideration for sales of products is determined according to the fixed price agreed in the sales contract or temporary pricing arrangement. The Company recognises revenue when the control over related goods is transferred to customers.

# Notes to the Financial Statements

31 December 2023  
Prepared by: Triumph New Energy Company Limited  
Unit: Yuan Currency: RMB

## XVII. 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	70,334,253.05	50,255,523.68
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	-656,969.29	
Total	69,677,283.76	-58,163,074.42

## XVIII. SUPPLEMENTARY INFORMATION

### 1. Breakdown of non-recurring profit or loss for the period

Unit: Yuan Currency: RMB

Item	Amount	Explanation
Profit/loss on disposal of non-current assets, including the write-off of provision for impairment on assets	45,107,451.69	
Government grants recognized in profit or loss, except for those government grants that are closely related to the normal operation of the Company, in compliance with national policies and in accordance with established criteria, which have a constant impact on the Company's profit or loss	203,845,070.00	
Reversal of provision for impairment on receivables individually tested for impairment	163,769.00	
Profit and loss from debt restructuring	9,298.36	
Custody fee income from entrusted operation	4,500,912.95	
Other non-operating income and expenses other than the aforesaid items	503,207.60	
Other profit and loss items in line with the definition of non-recurring profits and losses	108,691.16	
Less: Amount of effect on income tax	38,650,663.94	
Amount of effect on minority interest (after tax)	12,527,982.86	
Total	203,059,753.96	

## XVIII. SUPPLEMENTARY INFORMATION (CONTINUED)

### 2. Return on net assets and earnings per share

Unit: Yuan Currency: RMB

Profit for the reporting period	Weighted average return on net assets (%)	Earnings per share	
		Basic earnings per share	Diluted earnings per share
Net profit attributable to holders of ordinary shares of the Company	8.91	0.61	0.61
Net profit attributable to holders of ordinary shares of the Company after deducting non-recurring profit or loss items	4.33	0.30	0.30

## XVIII. 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:

Unit: Yuan Currency: RMB

Item	Current period	Previous period
Net profit attributable to ordinary shareholders of the Company	394,720,559.20	409,038,651.70
The weighted average number of the outstanding ordinary shares of the Company	645,674,963.00	645,674,963.00
Basic earnings per share (RMB/share)	0.61	0.63

The weighted average number of ordinary shares is calculated as follows:

Unit: Yuan Currency: RMB

Item	Current period	Previous period
Number of ordinary shares issued at the beginning of period	645,674,963.00	645,674,963.00
The weighted average number of the outstanding ordinary shares of the Company	645,674,963.00	645,674,963.00

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

Not Applicable

Chairman: **Xie Jun**

Reporting date as approved by the Board: 28 March 2024

\* For reference only

