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凯盛新能源股份有限公司

Triumph New Energy Company Limited

*(Formerly known as “LUOYANG GLASS COMPANY LIMITED 洛陽玻璃股份有限公司”
(a joint stock limited company incorporated in the People’s Republic of China with limited liability))*

(Stock code: 01108)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2024

I. IMPORTANT NOTICE

The board (the “**Board**”) of directors (the “**Directors**”) of Triumph New Energy Company Limited (the “**Company**”) is pleased to announce the consolidated financial results of the Company and its subsidiaries (the “**Group**”) for the year ended 31 December 2024.

The Company’s financial information has been reviewed by the audit committee and the auditor of the Company.

II. FINANCIAL STATEMENTS AND NOTES THERETO

(I) Financial Statements

Consolidated Balance Sheet

Item	31 December 2024 (RMB)	31 December 2023 (RMB)
Current assets:		
Monetary funds	140,369,169.47	273,462,436.65
Notes receivable	651,423,089.16	187,071,244.67
Accounts receivable financing	1,027,209,026.78	1,290,872,150.78
Financing receivables	168,646,023.76	1,413,397,411.65
Prepayments	161,479,195.21	187,441,429.34
Other receivables	102,179,903.98	154,396,647.29
Inventories	891,337,553.86	686,887,235.96
Assets held for sales		5,874,065.75
Other current assets	159,071,073.95	114,962,230.83
Total current assets	3,301,715,036.17	4,314,364,852.92
Non-current assets:		
Fixed assets	4,646,259,534.90	4,947,322,586.75
Construction in progress	3,389,274,950.00	1,772,629,520.09
Right-of-use assets	6,377,028.57	9,695,700.09
Intangible assets	760,055,029.16	745,115,048.52
Development expenditure	10,469,477.25	14,895,294.06
Goodwill	17,583,473.33	17,583,473.33
Deferred income tax assets	133,895,615.73	15,963,295.75
Other non-current assets	39,580,248.99	590,128,892.55
Total non-current assets	9,003,495,357.93	8,113,333,811.14
Total assets	12,305,210,394.10	12,427,698,664.06

Item	31 December 2024 (RMB)	31 December 2023 (RMB)
Current liabilities:		
Short-term borrowings	1,640,538,722.72	760,656,246.99
Notes payable	367,446,043.33	486,886,737.12
Accounts payable	1,594,034,225.51	1,535,170,636.56
Payments received in advance		20,377.36
Contract liabilities	8,384,812.47	8,352,702.13
Employee compensation payable	51,703,216.46	84,343,288.15
Taxes payable	8,797,215.77	45,217,814.58
Other payables	197,674,301.52	173,708,687.56
Non-current liabilities due within one year	933,914,466.06	453,468,886.35
Other current liabilities	299,204,298.33	606,787,982.57
Total current liabilities	<u>5,101,697,302.17</u>	<u>4,154,613,359.37</u>
Non-current liabilities:		
Long-term borrowings	2,728,799,119.77	3,123,923,613.81
Lease liabilities	3,673,630.33	5,857,164.28
Deferred income	62,438,346.08	52,752,295.00
Deferred income tax liabilities	34,454,602.04	37,305,857.31
Total non-current liabilities	<u>2,829,365,698.22</u>	<u>3,219,838,930.40</u>
Total liabilities	<u>7,931,063,000.39</u>	<u>7,374,452,289.77</u>

Item	31 December 2024 (RMB)	31 December 2023 (RMB)
Shareholders' equity:		
Share capital	645,674,963.00	645,674,963.00
Capital reserve	3,780,818,962.41	3,780,818,962.41
Surplus reserve	51,365,509.04	51,365,509.04
Undistributed profit (loss is represented by "-")	<u>-460,638,287.56</u>	<u>149,292,032.10</u>
Total equity attributable to shareholders of the Company	<u>4,017,221,146.89</u>	<u>4,627,151,466.55</u>
Minority interests	356,926,246.82	426,094,907.74
Total shareholders' equity	<u>4,374,147,393.71</u>	<u>5,053,246,374.29</u>
Total liabilities and shareholders' equity	<u>12,305,210,394.10</u>	<u>12,427,698,664.06</u>

Balance Sheet of the Company

Item	31 December 2024 (RMB)	31 December 2023 (RMB)
Current assets:		
Monetary funds	126,273,358.73	53,177,840.32
Notes receivable	44,179,682.34	
Accounts receivable	193,452,354.39	89,691,502.93
Accounts receivable financing	22,590.00	149,183,816.17
Prepayments	723,018.98	122,593.67
Other receivables	921,510,453.52	904,521,378.82
Inventories	24,232.99	8,100.00
Total current assets	<u>1,286,185,690.95</u>	<u>1,196,705,231.91</u>
Non-current assets:		
Long-term equity investments	4,103,415,248.62	3,903,415,248.62
Fixed assets	1,330,354.72	1,598,445.25
Construction in progress	638,667.74	544,608.33
Intangible assets	46,456,776.35	47,612,927.51
Total non-current assets	<u>4,151,841,047.43</u>	<u>3,953,171,229.71</u>
Total assets	<u>5,438,026,738.38</u>	<u>5,149,876,461.62</u>

Item	31 December 2024 (RMB)	31 December 2023 (RMB)
Current liabilities:		
Short-term borrowings	286,829,910.99	100,063,326.16
Notes payable	20,000,000.00	
Accounts payable	128,337,157.12	74,652,326.75
Employee compensation payable	3,702,196.09	5,626,986.40
Taxes payable	364,716.77	398,247.30
Other payables	208,509,309.75	7,915,823.80
Non-current liabilities due within one year	219,064,478.37	34,108,009.04
Other current liabilities	29,531,958.87	141,223,759.51
Total current liabilities	896,339,727.96	363,988,478.96
Non-current liabilities:		
Long-term borrowings	641,483,724.47	887,926,813.81
Total non-current liabilities	641,483,724.47	887,926,813.81
Total liabilities	1,537,823,452.43	1,251,915,292.77
Shareholders' equity:		
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 (loss is represented by "-")	-654,426,580.17	-656,668,697.27
Total shareholders' equity	3,900,203,285.95	3,897,961,168.85
Total liabilities and shareholders' equity	5,438,026,738.38	5,149,876,461.62

Consolidated Income Statement

Item	Amount for current period (RMB)	Amount for previous period (RMB)
I. Operating revenue	4,594,447,303.71	6,595,249,704.60
Less: Operating costs	4,794,427,861.57	5,831,249,729.90
Taxes and surcharges	41,584,538.39	44,449,874.51
Selling expenses	16,313,029.27	19,774,485.40
Administrative expenses	150,956,934.26	147,118,075.69
R&D expenses	174,176,284.10	251,522,948.01
Finance expenses	111,115,163.24	74,130,669.00
Including: Interest expenses	112,277,461.24	83,663,235.87
Interest income	3,003,366.72	7,614,286.41
Add: Other income	57,485,781.88	235,282,495.33
Investment income (loss is represented by “-”)	-11,466,755.54	-13,205,737.32
Impairment losses on credit (loss is represented by “-”)	-6,498,534.43	6,380,169.95
Impairment losses on assets (loss is represented by “-”)	-129,477,909.53	302,115.54
Gains on disposal of assets (loss is represented by “-”)	3,391,919.06	45,107,451.69
II. Operating profit (loss is represented by “-”)	-780,692,005.68	500,870,417.28
Add: Non-operating income	478,303.96	699,596.38
Less: Non-operating expenses	551,843.00	196,388.78
III. Total profit (total loss is represented by “-”)	-780,765,544.72	501,373,624.88
Less: Income tax expenses (profit is represented by “-”)	-117,666,564.14	36,556,151.73

Item	Amount for current period (RMB)	Amount for previous period (RMB)
IV. Net profit (net loss is represented by “-”)	-663,098,980.58	464,817,473.15
(I) Classified on a going concern basis:		
1. Net profit from continued operation (net loss is represented by “-”)	-663,098,980.58	464,817,473.15
2. Net profit from discontinued operation (net loss is represented by “-”)		
(II) Classified by ownership:		
1. Net profit attributable to shareholders of the Company (net loss is represented by “-”)	-609,930,319.66	394,720,559.20
2. Profit or loss of minority interest (net loss is represented by “-”)	-53,168,660.92	70,096,913.95
V. Other comprehensive income, net of tax		
(I) Other comprehensive income attributable to shareholders of the Company, net of tax		
(II) Other comprehensive income attributable to minority interests, net of tax		
VI. Total comprehensive income (total loss is represented by “-”)	-663,098,980.58	464,817,473.15
(I) Total comprehensive income attributable to shareholders of the Company (total loss is represented by “-”)	-609,930,319.66	394,720,559.20
(II) Total comprehensive income attributable to minority interests (total loss is represented by “-”)	-53,168,660.92	70,096,913.95
VII. Earnings per share		
(I) Basic earnings per share (RMB/share) (loss is represented by “-”)	-0.94	0.61
(II) Diluted earnings per share (RMB/share) (loss is represented by “-”)	-0.94	0.61

Income Statement of the Company

Item	Amount for current period (RMB)	Amount for previous period (RMB)
I. Operating revenue	13,393,579.67	7,423,558.70
Less: Operating costs	2,436,599.41	
Taxes and surcharges	565,073.95	1,096,437.44
Administrative expenses	26,049,848.03	25,683,847.82
Finance expenses	4,923,145.46	6,164,695.81
Including: Interest expenses	29,683,438.77	29,736,309.73
Interest income	25,119,265.80	23,594,691.44
Add: Other income	67,217.83	15,298,717.25
Investment income	23,989,079.97	69,677,283.76
Impairment losses on credit (loss is represented by “-”)	-1,230,968.00	-457,518.65
Gains on disposal of assets		11,315,700.00
II. Operating profit	2,244,242.62	70,312,759.99
Add: Non-operating income		583,902.14
Less: Non-operating expenses	2,125.52	
III. Total profit	2,242,117.10	70,896,662.13
Less: Income tax expenses		

Item	Amount for current period <i>(RMB)</i>	Amount for previous period <i>(RMB)</i>
IV. Net profit	2,242,117.10	70,896,662.13
(I) Net profit from continued operation	2,242,117.10	70,896,662.13
(II) Net profit from discontinued operation		
V. Other comprehensive income net of tax		
VI. Total comprehensive income	2,242,117.10	70,896,662.13
VII. Earnings per share		
(I) Basic earnings per share <i>(RMB/share)</i>		
(II) Diluted earnings per share <i>(RMB/share)</i>		

Consolidated Cash Flow Statement

Item	Amount for current period (RMB)	Amount for previous period (RMB)
I. Cash flows from operating activities:		
Cash received from sales of goods or rendering of services	3,944,681,003.47	4,769,347,179.83
Tax refunds received	134,639,765.88	177,376,537.75
Other cash received from activities related to operation	164,601,197.91	182,004,319.13
Sub-total of cash inflows from operating activities	<u>4,243,921,967.26</u>	<u>5,128,728,036.71</u>
Cash paid for goods purchased and services rendered	4,097,497,829.19	4,361,253,815.59
Cash paid to and on behalf of employees	368,712,853.91	387,995,741.51
Tax payments	101,126,252.36	163,617,444.56
Other cash paid for activities related to operation	70,479,552.90	72,354,767.11
Sub-total of cash outflow from operating activities	<u>4,637,816,488.36</u>	<u>4,985,221,768.77</u>
Net cash flow from operating activities	<u>-393,894,521.10</u>	<u>143,506,267.94</u>
II. Cash flow from investment activities:		
Net cash received from disposal of fixed assets, intangible assets and other long term assets	65,712,704.98	79,278,267.67
Net cash received from disposal of subsidiaries and other operating entities		160,173,650.00
Sub-total of cash inflow from investment activities	<u>65,712,704.98</u>	<u>239,451,917.67</u>
Cash paid for purchase and construction of fixed assets, intangible assets and other long-term assets	635,058,419.32	1,864,752,946.91
Net cash paid for acquisition of subsidiaries and other operating entities		132,969,212.49
Sub-total of cash outflow from investment activities	<u>635,058,419.32</u>	<u>1,997,722,159.40</u>
Net cash flow from investment activities	<u>-569,345,714.34</u>	<u>-1,758,270,241.73</u>

Item	Amount for current period (RMB)	Amount for previous period (RMB)
III. Cash flows from financing activities:		
Proceeds from loans	2,584,544,261.31	2,988,994,035.16
Other cash received from financing-related activities	70,563,788.60	130,885,148.92
Sub-total of cash inflow from financing activities	<u>2,655,108,049.91</u>	<u>3,119,879,184.08</u>
Cash paid for repayment of loans	1,529,812,498.41	1,554,163,189.34
Cash payment for distribution of dividends, profits or repayment of interest	131,439,330.95	136,353,507.16
Including: Dividends and profits paid to minority interests by subsidiaries	16,000,000.00	25,213,363.58
Other cash paid for financing-related activities	130,885,148.92	73,240,372.81
Sub-total of cash outflow from financing activities	<u>1,792,136,978.28</u>	<u>1,763,757,069.31</u>
Net cash flow from financing activities	<u><u>862,971,071.63</u></u>	<u><u>1,356,122,114.77</u></u>
IV. Effect of changes in exchange rate on cash and cash equivalents	1,677,186.76	2,250,787.56
V. Net increase in cash and cash equivalents	-98,591,977.05	-256,391,071.46
Add: Opening balance of cash and cash equivalents	229,156,744.65	485,547,816.11
VI. Closing balance of cash and cash equivalents	<u><u>130,564,767.60</u></u>	<u><u>229,156,744.65</u></u>

Cash Flow Statement of the Company

Item	Amount for current period (RMB)	Amount for previous period (RMB)
I. Cash flows from operating activities:		
Cash received from sales of goods or rendering of services	432,708,655.64	726,345,818.85
Other cash received from activities related to operation	131,473,255.83	60,603,945.18
Sub-total of cash inflow from operating activities	<u>564,181,911.47</u>	<u>786,949,764.03</u>
Cash paid for goods purchased and services rendered	391,874,639.26	645,093,887.73
Cash paid to and on behalf of employees	17,892,157.10	21,151,113.26
Tax payments	1,543,169.26	2,924,545.38
Other cash paid for activities related to operation	42,242,429.02	17,911,089.61
Sub-total of cash outflow from operating activities	<u>453,552,394.64</u>	<u>687,080,635.98</u>
Net cash flow from operating activities	<u><u>110,629,516.83</u></u>	<u><u>99,869,128.05</u></u>
II. Cash flows from investment activities:		
Cash received from recovery of investments		160,173,650.00
Cash received from investments income	24,000,000.00	65,334,253.05
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		66,315,700.00
Sub-total of cash inflow from investment activities	<u>24,000,000.00</u>	<u>291,823,603.05</u>
Cash paid for purchase and construction of fixed assets, intangible assets and other long-term assets	35,113.29	1,946,050.00
Cash paid for investment	200,000,000.00	332,969,212.49
Sub-total of cash outflow from investment activities	<u>200,035,113.29</u>	<u>334,915,262.49</u>
Net cash flow from investment activities	<u><u>-176,035,113.29</u></u>	<u><u>-43,091,659.44</u></u>

Item	Amount for current period (RMB)	Amount for previous period (RMB)
III. Cash flows from financing activities:		
Proceeds from loans	371,980,000.00	482,807,632.49
Other cash received from activities related to financing	2,082,367,480.77	2,982,320,932.14
Sub-total of cash inflow from financing activities	<u>2,454,347,480.77</u>	<u>3,465,128,564.63</u>
Cash paid for repayment of loans	261,353,089.34	556,313,089.34
Cash paid for distribution of dividends, profits, or repayment of interest	27,848,590.24	28,380,667.37
Other cash paid for financing-related activities	2,026,645,686.32	3,188,159,310.56
Sub-total of cash outflow from financing activities	<u>2,315,847,365.90</u>	<u>3,772,853,067.27</u>
Net cash flow from financing activities	<u><u>138,500,114.87</u></u>	<u><u>-307,724,502.64</u></u>
IV. Effect of changes in exchange rate on cash and cash equivalents		146.45
V. Net increase in cash and cash equivalents	73,094,518.41	-250,946,887.58
Add: Opening balance of cash and cash equivalents	53,177,840.32	304,124,727.90
VI. Closing balance of cash and cash equivalents	<u><u>126,272,358.73</u></u>	<u><u>53,177,840.32</u></u>

Consolidated Statement of Changes in Owners' Equity

Item	Current period												
	Equity attributable to shareholders of the Company												
	Others equity instruments					Other							
	Share capital	Preference shares	Perpetual bonds	Others	Capital reserve	Less: Treasury shares	comprehensive income	Special reserve	Surplus reserve	Undistributed profits	Sub-total	Minority interest	Total shareholders' equity
I. Balance at the end of last year	645,674,963.00				3,780,818,962.41				51,365,509.04	149,292,032.10	4,627,151,466.55	426,094,907.74	5,053,246,374.29
II. Balance at the beginning of the year	645,674,963.00				3,780,818,962.41				51,365,509.04	149,292,032.10	4,627,151,466.55	426,094,907.74	5,053,246,374.29
III. Increase/decrease in the period (decrease is represented by “-”)													
(I) Total comprehensive income													
(II) Shareholders' contribution and decrease in capital													
(III) Profit distribution													
1. Appropriations to surplus reserve													
2. Distribution to shareholders													
3. Others													
(IV) Internal carry-forward of shareholders' equity													
(V) Special reserve													
IV. Balance at the end of the period	645,674,963.00				3,780,818,962.41				51,365,509.04	-460,638,287.56	4,017,221,146.89	356,926,246.82	4,374,147,393.71

Prior period

Equity attributable to shareholders of the Company

Others equity instruments

Item	Others equity instruments					Other					Total shareholders' equity	
	Share capital	Preference shares	Perpetual bonds	Others	Capital reserve	Less: Treasury shares	comprehensive income	Special reserve	Surplus reserve	Undistributed profits		Sub-total
I. Balance at the end of last year	645,674,963.00	-	-	3,780,818,962.41	3,780,818,962.41	-	-	51,365,509.04	-245,428,527.10	4,232,430,907.35	381,211,357.37	4,613,642,264.72
II. Balance at the beginning of the year	645,674,963.00	-	-	3,780,818,962.41	3,780,818,962.41	-	-	51,365,509.04	-245,428,527.10	4,232,430,907.35	381,211,357.37	4,613,642,264.72
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. Appropriations to surplus reserve												
2. Distribution to shareholders												
(IV) Internal carry-forward of shareholders' equity												
(V) Special reserve												
IV. Balance at the end of the period	645,674,963.00	-	-	3,780,818,962.41	3,780,818,962.41	-	-	51,365,509.04	149,292,032.10	4,627,151,466.55	426,094,907.74	5,053,246,374.29

Statement of Changes in Owners' Equity of the Company

Item	Current period										
	Others equity instruments					Other					Total
	Share capital	Preference shares	Perpetual bonds	Others	Capital surplus	Less: Treasury shares	comprehensive income	Special reserve	Surplus reserve	Undistributed profits	Shareholders' equity
I. Balance at the end of last year	645,674,963.00				3,857,589,394.08				51,365,509.04	-656,668,697.27	3,897,961,168.85
II. Balance at the beginning of the year	645,674,963.00				3,857,589,394.08				51,365,509.04	-656,668,697.27	3,897,961,168.85
III. Increase/decrease in the period (decrease is represented by "+")											
(I) Total comprehensive income										2,242,117.10	2,242,117.10
(II) Shareholders' contribution and decrease in capital											
(III) Profit distribution										2,242,117.10	2,242,117.10
(IV) Internal carry-forward of shareholders' equity											
(V) Special reserve											
IV. Balance at the end of the period	645,674,963.00				3,857,589,394.08				51,365,509.04	-654,426,580.17	3,900,203,285.95

Item	Others equity instruments							Prior period			Total Shareholders' equity
	Share capital	Preference shares	Perpetual bonds	Others	Capital surplus	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profits	
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 and decrease in capital										70,896,662.13	
(II) Shareholders' contribution										70,896,662.13	
(III) Profit distribution											
(IV) Internal carry-forward of shareholders' equity											
(V) Special reserve											
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	

(II) Notes to the Financial Statements *(Expressed in RMB)*

1. *Background of the Company*

Triumph New Energy Company Limited (the “**Company**”) was incorporated in the People’s Republic of China (the “**PRC**”) as a joint stock limited company. The Company is mainly engaged in the manufacturing and sales of new energy materials, and its business scope covers the manufacturing and sale of photovoltaic equipment and components; the manufacturing and sale of non-metallic mineral products; solar energy generation technology services; research and development of new material technology; and research and development of new energy technology.

2. *Significant Accounting Policies*

(1) Basis of preparation of the financial statements

The financial statements of the Company have been prepared on a going concern basis in respect of the actual transactions and events in accordance with the requirements of the Accounting Standards for Business Enterprises, the Application Guidelines for Accounting Standards for Business Enterprises, the Interpretations of the Accounting Standards for Business Enterprises and other regulations issued by the Ministry of Finance, and based on the following significant accounting policies and accounting estimates.

(2) Accounting period

Accounting year of the Company is the calendar year from 1 January to 31 December.

(3) Functional currency

The Company’s functional currency is the Renminbi.

(4) *Preparation method of consolidated financial statements*

1. Scope of consolidation

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

2. Preparation method of 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 intra-company 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.

3. Acquisition of minority 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 remeasured 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 the remaining equity interest less the sum of the share of the carrying amount of net assets of the former subsidiary calculated at the original shareholding percentage on a continuous basis from the date of acquisition and the goodwill shall be recorded into the investment income for the period when the control is lost.

Other comprehensive income related to the equity investment in the original subsidiaries will be transferred to income for the period when the control is lost, excluding other comprehensive income resulting from changes in net liabilities or net assets arising from the designated benefit plan through the re-measurement on the investee.

3. *Segment Reporting*

(1) Determination basis and accounting policies of reporting segments

The operations of the Company are organized into two reportable segments on the basis of its internal organizational structure, management requirements and internal report system. These reportable segments are determined on the basis of the financial information required for the day-to-day internal management of the Company. 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) Its operating results are regularly evaluated by the Company's management to make decisions about resources to be allocated to the segment and assess its performance;
- (3) Its accounting information on financial position, operating results and cash flows and others is available to the Company. Two or more operating segments may be aggregated into a single operating segment if they have similar economic characteristics and meet specified conditions.

The operating segments of the Company include photovoltaic glass segment and other functional glass segment.

Segment information is disclosed in accordance with the accounting policies and measurement criteria adopted by each segment when reporting to management. The measurement criteria are consistent with the accounting policy and measurement criteria in the preparation of the financial statements. Segment assets exclude deferred income tax assets and segment liabilities exclude deferred income tax liabilities.

Intersegment transactions are measured based on the actual transaction price. Segment revenue and segment expenses are recognised based on the actual revenue generated and actual expenses incurred by the respective segments. Assets and liabilities are allocated to the respective segments according to the assets used or liabilities assumed that are attributable to the operating segment in their daily operating activities.

(2) *Financial information of the reporting segments*

Segment information for the year 2024 and as at 31 December 2024:

Unit: Yuan Currency: RMB

The current period or the end of the current period	Photovoltaic glass segment	Other functional glass segment	Unallocated items	Elimination	Total
Operating revenue	4,568,841,280.97	23,141,451.96	13,393,579.67	-10,929,008.89	4,594,447,303.71
Including: Revenue from principal operations	4,536,277,966.93	21,796,817.26		-10,485,895.68	4,547,588,888.51
Operating costs	4,779,004,913.90	22,594,092.49	2,436,599.41	-9,607,744.23	4,794,427,861.57
Including: Principal operating costs	4,752,230,583.89	21,747,785.04		-9,607,744.23	4,764,370,624.70
Impairment losses on credit	-6,018,390.91	750,824.48	-1,230,968.00		-6,498,534.43
Impairment losses on assets	-124,702,366.67	-4,775,542.86			-129,477,909.53
Depreciation expenses and amortization expenses	351,085,726.19	9,757,084.89	1,457,229.46	2,286,337.92	364,586,378.46
Total profit (total loss is represented by “-”)	-759,167,162.88	-20,342,762.77	2,242,117.10	-3,497,736.17	-780,765,544.72
Income tax expenses (profit is represented by “-”)	-115,283,291.44	257,297.19		-2,640,569.89	-117,666,564.14
Net profit (net loss is represented by “-”)	-614,409,579.51	-20,600,059.96	2,242,117.10	-30,331,458.21	-663,098,980.58
Total assets	10,818,876,794.66	1,264,391,757.62	5,438,026,738.38	-5,216,084,896.56	12,305,210,394.10
Total liabilities	6,042,123,589.62	902,652,119.44	1,537,823,452.43	-551,536,161.10	7,931,063,000.39

(3) *Operating revenue by customer's geographical location*

	<i>Unit: Yuan Currency: RMB</i>	
Geographical location	Amount for current period	Amount for previous period
China (excluding Hong Kong, Macau and Taiwan)	4,488,486,723.73	6,185,892,780.43
Other countries and regions	105,960,579.98	409,356,924.17
Total	<u>4,594,447,303.71</u>	<u>6,595,249,704.60</u>

(4) *Non-current assets by its geographical location*

	<i>Unit: Yuan Currency: RMB</i>	
Geographical location	Closing balance	Balance as at the end of last year
China (excluding Hong Kong, Macau and Taiwan)	8,852,016,268.87	8,079,787,042.06

(5) *Reliance on major customers*

In 2024, the transaction amount of four customers (customers who are controlled by the same controller are deemed to be the same customer) from the photovoltaic glass reporting segment exceeds 10% of the Company's revenue, and the amounts were RMB828,971,853.15, RMB812,382,545.12, RMB763,194,375.45 and RMB514,550,568.30, respectively.

4. Auditor Remuneration

	<i>Unit: Yuan Currency: RMB</i>	
Auditor remuneration	Amount for current period	Amount for previous period
Total	<u>1,350,000.00</u>	<u>1,350,000.00</u>

5. Remuneration of Directors, Supervisors and Staff

(1) Remuneration of Directors and supervisors

The remuneration of each Director and supervisor in 2024 was as follows:

Unit: Yuan Currency: RMB

Name	Position	Fees	Bonus	Salary, allowance and benefit in kind	Defined contribution, plan contribution	Total	Date of resignation or appointment
Directors:							
Xie Jun	Chairman						
Zhang Rong	Executive Director			876,000.00	182,175.21	1,058,175.21	
He Qingbo	Executive Director						
Wang Leilei	Executive Director (resigned)			446,670.00	179,218.12	625,888.12	2024-10-18
Zhang Chong	Non-executive Director (resigned)						2024-12-6
Sun Shizhong	Non-executive Director (resigned)						2024-12-6
Pan Jingong	Non-executive Director (resigned)						2024-12-6
Chen Peng	Executive Director/Vice President (appointed)			43,000.00	1,789.50	44,789.50	2024-12-6 (as Vice President)
Wu Dan	Non-executive Director (appointed)						2024-12-30
Independent Directors:							
Zhang Yajuan	Independent Director			100,000.00		100,000.00	
Fan Baoqun	Independent Director			100,000.00		100,000.00	
Chen Qisuo	Independent Director			100,000.00		100,000.00	
Yuan Jian	Independent Director (appointed)			50,000.00		50,000.00	2024-6-25
Zhao Hulin	Independent Director (resigned)			50,000.00		50,000.00	2024-6-25

Name	Position	Fees	Bonus	Salary, allowance and benefit in kind	Defined contribution, plan contribution	Total	Date of resignation or appointment
Supervisors:							
Li Yang	Chairman of the Supervisory Committee						
Li Ping	Supervisor						
Zhang Pingwei	Employee Supervisor			287,381.10	86,132.14	373,513.24	
Li Huadong	Employee Supervisor			560,000.00	94,852.00	654,852.00	
Independent Supervisors:							
Wang Juan	Independent Supervisor			50,000.00		50,000.00	
Wang Junqiao	Independent Supervisor			50,000.00		50,000.00	
Total				<u>2,713,051.10</u>	<u>544,166.97</u>	<u>3,257,218.07</u>	

The remuneration of each director and supervisor in 2023 was as follows:

Unit: Yuan Currency: RMB

Name	Position	Fees	Bonus	Salary, allowance and benefit in kind	Defined contribution, plan contribution	Total	Date of resignation or appointment
Executive Directors:							
Xie Jun	Chairman			325,002.00	36,010.48	361,012.48	
Zhang Rong	Executive Director			1,200,000.00	259,347.98	1,459,347.98	
He Qingbo	Executive Director						
Wang Leilei	Executive Director			654,100.00	128,946.60	783,046.60	
Ma Yan	Executive Director (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
Independent Directors:							
Chen Qisuo	Independent Director				75,000.00	75,000.00	
Fan Baoqun	Independent Director				75,000.00	75,000.00	
Zhang Yajuan	Independent Director				75,000.00	75,000.00	
Zhao Hulin	Independent Director (already tendered resignation, but not officially resigned)				75,000.00	75,000.00	officially resigned on 25 June 2024
Supervisors:							
Li Yang	Chairman of the Supervisory Committee			288,600.00	36,096.45	324,696.45	
Jiao Jiajia	Chairman of the Supervisory Committee (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	
Independent Supervisors:							
Wang Juan	Independent Supervisor			40,000.00		40,000.00	
Wang Junqiao	Independent Supervisor			40,000.00		40,000.00	
Total				<u>4,442,902.00</u>	<u>1,014,170.85</u>	<u>5,457,072.85</u>	

(2) *The five individuals whose remunerations were the highest*

The five individuals whose remuneration were the highest during 2024 included five Directors (2023: three Directors), whose remuneration was set out above.

6. Turnover

(1) *Details of operating revenue*

Item	<i>Unit: Yuan Currency: RMB</i>	
	Amount for current period	Amount for previous period
I. Revenue from principal operating activities	4,547,588,888.51	6,534,389,316.50
II. Revenue from other operating activities	46,858,415.20	60,860,388.10
Total	<u>4,594,447,303.71</u>	<u>6,595,249,704.60</u>

(2) *Revenue from principal operating activities by product*

Item	<i>Unit: Yuan Currency: RMB</i>	
	Amount for current period	Amount for previous period
Photovoltaic glass	4,525,792,071.25	6,384,095,724.08
Other functional glass	21,796,817.26	150,293,592.42
Total	<u>4,547,588,888.51</u>	<u>6,534,389,316.50</u>

7. *Other Income*

	<i>Unit: Yuan</i>	<i>Currency: RMB</i>
Item	Amount for current period	Amount for previous period
Subsidy for production and operation	33,953,865.79	189,765,712.13
Value-added tax input credit	17,105,395.36	38,634,295.08
Subsidy for photovoltaic power generation	5,283,491.38	4,933,468.50
Subsidy for stabilizing employment	1,056,224.57	1,491,730.10
R&D, technological renovation subsidy		339,300.00
Refunds of individual income tax handling fees	86,804.78	108,691.16
Gains on debt restructuring		9,298.36
Total	<u>57,485,781.88</u>	<u>235,282,495.33</u>

8. *Gains on Disposal of Assets*

	<i>Unit: Yuan</i>	<i>Currency: RMB</i>
Item	Amount for current period	Amount for previous period
Gains on disposal of fixed assets	3,394,475.23	29,650,265.45
Gains on disposal of construction in progress (loss is represented by “-”)	-2,556.17	1,983,584.59
Gains on disposal of intangible assets		2,157,901.65
Gains on disposal of other non-current assets		11,315,700.00
Total	<u>3,391,919.06</u>	<u>45,107,451.69</u>

9. *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 payable	180,260.91	667,068.05	180,260.91
Others	298,043.05	32,528.33	298,043.05
Total	<u>478,303.96</u>	<u>699,596.38</u>	<u>478,303.96</u>

10. *Profit Before Tax*

Profit before tax is arrived at after (charging)/crediting:

(1) *Finance expenses*

Unit: Yuan Currency: RMB

Item	Amount for current period	Amount for previous period
Interest expense	146,335,025.75	102,839,339.12
Less: Interest capitalization	34,057,564.51	19,176,103.25
Interest income	3,003,366.72	7,614,286.41
Exchange gains and losses (profit is represented by “-”)	-1,705,879.98	-4,081,185.71
Handling charges and other expenses	3,546,948.70	2,162,905.25
Total	<u>111,115,163.24</u>	<u>74,130,669.00</u>

(2) *Operating costs*

Item	<i>Unit: Yuan Currency: RMB</i>	
	Amount for current period	Amount for previous period
I. Principal operating costs	4,764,370,624.70	5,795,834,340.31
II. Other operating costs	30,057,236.87	35,415,389.59
Total	<u>4,794,427,861.57</u>	<u>5,831,249,729.90</u>

(3) *Business tax and surcharges*

Item	<i>Unit: Yuan Currency: RMB</i>	
	Amount for current period	Amount for previous period
Property tax	21,100,530.26	16,976,568.36
Land-use tax	11,552,824.08	11,227,491.48
Stamp duty	4,523,666.74	6,541,394.00
Environmental tax	866,996.54	2,183,452.77
Urban maintenance and construction tax	212,328.69	1,251,974.81
Education surcharges	201,300.94	1,150,956.17
Other	3,126,891.14	5,118,036.92
Total	<u>41,584,538.39</u>	<u>44,449,874.51</u>

(4) *Selling expenses*

	<i>Unit: Yuan</i>	<i>Currency: RMB</i>
Item	Amount for current period	Amount for previous period
Employee compensation	9,462,570.09	13,554,632.73
Rental expenses	3,949,920.34	3,599,651.65
Office expenses	729,029.29	178,193.12
Sample and product depletion	724,218.14	554,347.95
Business travel expenses	211,879.57	287,696.08
Property insurance expenses	142,248.00	605,871.89
Depreciation charges	18,228.15	20,010.77
Other selling expenses	1,074,935.69	974,081.21
Total	<u>16,313,029.27</u>	<u>19,774,485.40</u>

(5) *Administrative expenses*

	<i>Unit: Yuan</i>	<i>Currency: RMB</i>
Item	Amount for current period	Amount for previous period
Employee compensation	65,763,208.19	73,397,496.95
Depreciation of fixed assets	22,896,333.31	22,631,615.23
Amortization of intangible assets	13,867,059.73	12,674,660.00
Termination benefits	11,130,652.49	56,845.00
Intermediary engagement fees	8,924,985.26	7,974,126.26
Office expenses	4,259,128.15	5,671,467.21
Utilities	2,636,483.22	2,258,776.78
Business travel expenses	1,642,364.12	1,906,363.52
Business entertainment expenses	1,491,343.37	1,837,035.39
Technical service fee	1,467,277.61	1,973,801.18
Labor expenses	1,032,799.24	2,679,104.78
Property management fee	1,258,798.49	1,071,222.47
Consultancy fee	976,923.18	488,426.17
Transportation expenses	548,754.46	608,247.19
Others	13,060,823.44	11,888,887.56
Total	<u>150,956,934.26</u>	<u>147,118,075.69</u>

(6) *Impairment loss on assets*

	<i>Unit: Yuan</i>	<i>Currency: RMB</i>
Item	Amount for current period	Amount for previous period
Impairment loss on inventories (loss is represented by “-”)	<u>-129,477,909.53</u>	<u>302,115.54</u>

(7) *Impairment loss on credit*

Item	<i>Unit: Yuan Currency: RMB</i>	
	Amount for current period	Amount for previous period
Bad debt losses on notes receivable	1,164,053.62	7,308,288.27
Bad debt losses on accounts receivable (loss is represented by “-”)	-6,476,711.79	1,382,085.66
Bad debt losses on other receivables (loss is represented by “-”)	-1,185,876.26	-2,310,203.98
Total (loss is represented by “-”)	<u>-6,498,534.43</u>	<u>6,380,169.95</u>

(8) *Non-operating expenses*

Item	<i>Unit: Yuan Currency: RMB</i>		
	Amount for current period	Amount for previous period	Amount recognized as non-recurring gain or loss for the period
Penalties and overdue fine	101,257.79	132,655.55	101,257.79
Losses on retirement and damage of assets	450,585.21	63,733.23	450,585.21
Total	<u>551,843.00</u>	<u>196,388.78</u>	<u>551,843.00</u>

11. Income Tax Expenses

Item	Unit: Yuan Currency: RMB	
	Amount for current period	Amount for previous period
Income tax expenses for the period calculated in accordance with tax laws and relevant regulations	3,117,011.11	38,946,216.56
Deferred income tax expenses (profit is represented by “-”)	<u>-120,783,575.25</u>	<u>-2,390,064.83</u>
Total (profit is represented by “-”)	<u>-117,666,564.14</u>	<u>36,556,151.73</u>

12. Basic Earnings Per Share

Basic earnings per share is calculated by dividing the consolidated net profit attributable to holders of ordinary share of the Company by the weighted average number of ordinary shares outstanding:

Item	Unit: Yuan Currency: RMB	
	Amount for the period	Amount for previous period
Net profits attributable to the holders of ordinary shares of the Company (net loss is represented by “-”)	-609,930,319.66	394,720,559.20
Weighted average number of ordinary shares in issue of the Company	645,674,963	645,674,963
Basic earnings per share (RMB/share) (loss is represented by “-”)	<u>-0.94</u>	<u>0.61</u>

No diluted earnings per share was calculated as the Company did not have any potential dilutive shares during the year ended 31 December 2024.

13. Accounts Receivable and Notes Receivable

(1) Accounts receivable:

Item	<i>Unit: Yuan Currency: RMB</i>	
	Closing balance	Opening balance
Accounts receivable	1,122,022,619.69	1,380,219,781.22
Less: Provision for bad debts	<u>94,813,592.91</u>	<u>89,347,630.44</u>
Accounts receivable, net	<u><u>1,027,209,026.78</u></u>	<u><u>1,290,872,150.78</u></u>

The aging of accounts receivable based on their recording dates is analysed as below:

Aging	<i>Unit: Yuan Currency: RMB</i>	
	Closing balance	Opening balance
Within 1 year	1,014,046,411.03	1,275,825,464.37
1-2 years	24,436,460.85	26,198,706.51
2-3 years	8,630,747.39	2,100,410.48
3-4 years	9,542.82	3,488,385.20
4-5 years	3,444,857.69	4,944,998.86
Over 5 years	71,454,599.91	67,661,815.80
Subtotal	<u>1,122,022,619.69</u>	<u>1,380,219,781.22</u>
Less: Provision for bad debts	<u>94,813,592.91</u>	<u>89,347,630.44</u>
Total	<u><u>1,027,209,026.78</u></u>	<u><u>1,290,872,150.78</u></u>

(2) Notes receivable by category

Unit: Yuan Currency: RMB

Category of notes	Closing balance			Opening balance		
	Book balance	Provision for bad debt	Book value	Book balance	Provision for bad debt	Book value
Bank acceptance	486,103,130.49		486,103,130.49			
Trade acceptance	165,850,680.86	530,722.19	165,319,958.67	188,766,020.48	1,694,775.81	187,071,244.67
Total	<u>651,953,811.35</u>	<u>530,722.19</u>	<u>651,423,089.16</u>	<u>188,766,020.48</u>	<u>1,694,775.81</u>	<u>187,071,244.67</u>

(3) Accounts receivable financing

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Notes receivable	101,944,495.77	824,006,594.24
Receivable from electronic creditor's rights certificate	66,701,527.99	589,390,817.41
Less: Other comprehensive income – changes in fair value		
Fair value at the end of the period	<u>168,646,023.76</u>	<u>1,413,397,411.65</u>

14. Accounts Payable and Notes Payable

(1) *The aging of accounts payable based on their recording dates is analysed as below*

	<i>Unit: Yuan Currency: RMB</i>	
Item	Closing balance	Opening balance
Within 1 year (inclusive)	1,428,937,451.94	1,327,096,444.34
1-2 years (inclusive)	130,506,698.62	192,843,850.10
2-3 years (inclusive)	20,749,755.12	3,023,473.65
Over 3 years	13,840,319.83	12,206,868.47
Total	<u>1,594,034,225.51</u>	<u>1,535,170,636.56</u>

(2) *Notes payable by category*

	<i>Unit: Yuan Currency: RMB</i>	
Category	Closing balance	Opening balance
Trade acceptance	40,685,026.60	111,265,210.00
Bank acceptance	326,761,016.73	375,621,527.12
Total	<u>367,446,043.33</u>	<u>486,886,737.12</u>

15. Reserves

(1) Capital reserve

Unit: Yuan Currency: RMB

Item	Opening balance	Increase in the period	Decrease in the period	Closing balance
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

(2) Surplus reserve

Unit: Yuan Currency: RMB

Item	Opening balance	Increase in the period	Decrease in the period	Closing balance
Statutory surplus reserve	51,365,509.04			51,365,509.04

(3) Undistributed profit

Unit: Yuan Currency: RMB

Item	Amount for current period	Amount for previous period
Undistributed profit at the end of the previous period before adjustment (loss is represented by "-")	149,292,032.10	-245,428,527.10
Adjustment for total 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 (loss is represented by "-")	149,292,032.10	-245,428,527.10
Add: Net profit attributable to shareholders of the Company for the period (net loss is represented by "-")	-609,930,319.66	394,720,559.20
Undistributed profit at the end of the period (loss is represented by "-")	-460,638,287.56	149,292,032.10

16. Subsequent Matters

Not applicable

III. DISCUSSION AND ANALYSIS OF THE OPERATIONS DURING THE REPORTING PERIOD

Business review

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

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

The Company strengthened its top-level design, clarified its strategic positioning and development direction, and further optimized and adjusted the three-year development plan for its photovoltaic glass business in response to external environmental changes and industry trends. During the Reporting Period, the Phase I project of solar photovoltaic cell encapsulation materials of CNBM (Luoyang) New Energy Resources Co., Ltd.* (中建材(洛陽)新能源有限公司) has accumulated an investment of approximately RMB1.47 billion. Line A of the Phase I project has been completed and put into operation, while Line B has met the preliminary conditions for commissioning. The solar photovoltaic cell encapsulation materials project of Qinhuangdao North Glass Co., Ltd.* (秦皇島北方玻璃有限公司) has also met the conditions for commissioning and will commence production based on market conditions. In addition, the acquisition of 74.6% equity stake in Jiangsu Triumph New Material Co., Ltd.* (江蘇凱盛新材料有限公司) through capital increase has completed the review process of the Board and obtained relevant state-owned assets regulatory approvals, pending approval at a general meeting of the Company. The successful implementation of these projects will further optimize and enhance the layout of the core business, strengthen and refine the core operations, improve sustainable development capabilities, and consolidate the industry position of the Company.

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

The Company is building a new development framework characterized by high-end, intelligent, and green practices. Throughout the year, it conducted 54 R&D projects with an R&D investment of nearly RMB200 million, representing an R&D investment to operating revenue proportion of over 4%. 89 patents were applied, of which 48 were invention patents; 74 new patents were authorized, including 32 invention patents. During the Reporting Period, CNBM (Yixing) New Energy Resources Co., Ltd* (中建材(宜興)新能源有限公司) was recognized as a national-level 5G smart factory and participated in the drafting of one national standard and one industry standard. CNBM (Tongcheng) New Energy Materials Company Limited* (中國建材桐城新能源材料有限公司) was awarded the title of national-level “Little Giant” professional, refined, specialized and innovative enterprise. CNBM (Hefei) New Energy Co., Ltd.* (中建材(合肥)新能源有限公司) received a provincial-level outstanding patent award, while Kaisheng (Zhangzhou) New Energy Co., Ltd.* (凱盛(漳州)新能源有限公司) was recognized as a provincial-level professional, refined, specialized and innovative SME and a provincial leader in energy efficiency for key industries. During the Reporting Period, the Group achieved a year-on-year decrease of 2.73% in comprehensive energy consumption per RMB10,000 of output value. The cumulative power generation of its photovoltaic power generation projects and waste heat power generation projects reached 89.85 million kWh, corresponding to a reduction in carbon dioxide (CO₂) emissions of approximately 51,200 tons. The Group also established 7 intelligent safety and environmental protection platforms, all of which have been put into operation.

Industrial landscape during the Reporting Period

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

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

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

Analysis of major operations during the Reporting Period

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

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

(I) Principal operating activities

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

Unit: Yuan Currency: RMB

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

2. Analysis of revenue and costs

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

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

Unit: Yuan Currency: RMB

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

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

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

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

(2) *Analytical statement of production and sales volume*

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

(3) Analytical statement of costs

Unit: Yuan Currency: RMB

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

By product						
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 (%)
Photovoltaic glass	Raw materials/energy power/direct labour/manufacturing expenses	4,742,622,839.66	99.54	5,637,215,987.79	97.26	-15.87
Other functional glass	Raw materials/energy power/direct labour/manufacturing expenses	21,747,785.04	0.46	158,618,352.52	2.74	-86.29

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

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

Among the top five customers, the purchase amount was calculated on a consolidated basis based on the principle that the Company's de facto controller, China National Building Material Group Co., Ltd.* (中國建材集團有限公司) (“CNBMG”), and its subsidiaries were considered as the same customer, and total annual sales revenue of CNBMG accounted for approximately 0.66% of the Group's total annual sales revenue. All sales revenues in the section are excluded from taxes.

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

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

Save as disclosed above, during the financial year ended 31 December 2024, none of the Directors or any of their associates or any shareholders who, to the knowledge of the Directors, owned more than 5% of the issued shares (excluding treasury shares) of the Company had any beneficial interest in the Group's top five largest customers and suppliers.

3. Expenses

Unit: Yuan Currency: RMB

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

4. *R&D expenditures*

Unit: Yuan Currency: RMB

Expensed R&D investment in current period	157,059,870.82
Capitalized R&D investment in current period	38,525,260.70
Total of R&D investment	195,585,131.52
Percentage of total R&D investment to operating revenue (%)	4.26
Number of the Company's R&D staff	375
Percentage of R&D staff number to the Company's total number of employees (%)	13.54
Proportion of capitalization of R&D investment (%)	19.70

5. *Cash flow*

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

(II) Assets and liabilities

Unit: Yuan Currency: RMB

Item	Closing balance of current period	Percentage of closing balance of current period over the total assets (%)	Closing balance of last period	Percentage of closing balance of last period over the total assets (%)	Percentage of changes in closing balance of current period over the closing balance of last period (%)	Explanation
Monetary funds	140,369,169.47	1.14	273,462,436.65	2.20	-48.67	Improvement of capital turnover efficiency and reduction of cash holdings during the Reporting Period
Notes receivable	651,423,089.16	5.29	187,071,244.67	1.51	248.22	The Company classifies bank acceptance bills with low credit rating into notes receivable for presentation based on the business model of managing financial assets during the Reporting Period
Accounts receivable financing	168,646,023.76	1.37	1,413,397,411.65	11.37	-88.07	Impact of the reclassification of “notes receivable” on the one hand, and the decrease in the balance of electronic debentures on the other hand during the Reporting Period
Other receivables	102,179,903.98	0.83	154,396,647.29	1.24	-33.82	Recovery of current accounts during the Reporting Period
Inventories	891,337,553.86	7.24	686,887,235.96	5.53	29.76	Increase of inventory during the Reporting Period as the photovoltaic industry encounters a temporary supply-demand mismatch
Other current assets	159,071,073.95	1.29	114,962,230.83	0.93	38.37	Increase in input to be deducted of value-added tax during the Reporting Period

Item	Closing balance of current period	Percentage of closing balance of current period over the total assets (%)	Closing balance of last period	Percentage of closing balance of last period over the total assets (%)	Percentage of changes in closing balance of current period over the closing balance of last period (%)	Explanation
Construction in progress	3,389,274,950.00	27.54	1,772,629,520.09	14.26	91.20	Improvement in the completion of new production capacity projects on the one hand, and technical improvements of some production lines on the other hand during the Reporting Period
Right-of-use assets	6,377,028.57	0.05	9,695,700.09	0.08	-34.23	Gradual expiration of lease terms during the Reporting Period
Development expenditure	10,469,477.25	0.09	14,895,294.06	0.12	-29.71	Capitalized R&D projects was transferred to intangible assets as assets became ready for intended use during the Reporting Period
Deferred income tax assets	133,895,615.73	1.09	15,963,295.75	0.13	738.77	Recognition of deferred income tax assets due to operating loss during the Reporting Period
Other non-current assets	39,580,248.99	0.32	590,128,892.55	4.75	-93.29	Increase in prepayment for acquisition of long-term assets transferred to construction in progress as completion progressed during the Reporting Period
Short-term borrowings	1,640,538,722.72	13.33	760,656,246.99	6.12	115.67	Increase of short-term borrowings during the Reporting Period
Employee compensation payable	51,703,216.46	0.42	84,343,288.15	0.68	-38.70	Decrease in number of employees and decrease in remuneration levels during the Reporting Period

Item	Closing balance of current period	Percentage of closing balance of current period over the total assets (%)	Closing balance of last period	Percentage of closing balance of last period over the total assets (%)	Percentage of changes in closing balance of current period over the closing balance of last period (%)	Explanation
Taxes payable	8,797,215.77	0.07	45,217,814.58	0.36	-80.54	Loss from operations, decrease in enterprise income tax and value-added tax payable, etc. during the Reporting Period
Non-current liabilities due within one year	933,914,466.06	7.59	453,468,886.35	3.65	105.95	Increase of long-term loans due within one year during the Reporting Period
Other current liabilities	299,204,298.33	2.43	606,787,982.57	4.88	-50.69	Decrease of endorsed but unexpired recognised notes receivable during the Reporting Period
Undistributed profit (loss is represented by "-")	-460,638,287.56	-3.74	149,292,032.10	1.20	-408.55	Loss from operations during the Reporting Period

(III) Major controlled companies

Unit: 0'000 Currency: RMB

Company name	Industry	Major products or services	Registered capital	Total assets	Net assets	Operating revenue	Net profit (loss is represented by "-")
CNBM (Hefei) New Energy Co., Ltd.* (中建材(合肥)新能源有限公司)	New materials	Photovoltaic glass	86,800	234,930	92,888	113,031	-18,632
CNBM (Tongcheng) New Energy Materials Co., Ltd.* (中國建材桐城新能源有限公司)	New materials	Photovoltaic glass	93,339	237,808	111,048	155,176	-15,269
CNBM (Yixing) New Energy Resources Co., Ltd.* (中建材(宜興)新能源有限公司)	New materials	Photovoltaic glass	31,370	266,251	39,155	119,092	-18,866
Kaisheng (Zigong) New Energy Co., Ltd.* (凱盛(自貢)新能源有限公司)	New materials	Photovoltaic glass	50,000	106,180	59,984	61,038	474
Kaisheng (Zhangzhou) New Energy Co., Ltd.* (凱盛(漳州)新能源有限公司)	New materials	Photovoltaic glass	55,000	75,369	27,402	37,108	-7,638
CNBM (Luoyang) New Energy Co., Ltd.* (中建材(洛陽)新能源有限公司)	New materials	Photovoltaic glass	80,000	203,408	79,589	23,131	-853
Qinhuangdao North Glass Co., Ltd.* (秦皇島北方玻璃有限公司)	New materials	Other functional glass	64,390	126,439	36,174	2,314	-2,060

IV. CAPITAL LIQUIDITY AND FINANCIAL RESOURCES

Capital liquidity

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

Financial resources

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

As at 31 December 2024, the Group's borrowings from financial institutions amounted to RMB5,300,983,270.43 (31 December 2023: RMB4,334,501,761.60), including short-term borrowings amounting to RMB1,640,538,722.72 (31 December 2023: RMB760,656,246.99) and long-term borrowings amounting to RMB3,660,444,547.71 (31 December 2023: RMB3,573,845,514.61).

V. CAPITAL STRUCTURE

As at 31 December 2024, the Group's current liabilities amounted to RMB5,101,697,302.17 (31 December 2023: RMB4,154,613,359.37), representing an increase of 22.8% from the end of 2023; non-current liabilities amounted to RMB2,829,365,698.22 (31 December 2023: RMB3,219,838,930.40), representing a decrease of 12.13% from the end of 2023; and equity attributable to shareholders of the Company amounted to RMB4,017,221,146.89 (31 December 2023: RMB4,627,151,466.55), representing a decrease of 13.18% from the end of 2023.

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

VI. MAJOR RESTRICTED ASSETS AS AT THE END OF THE REPORTING PERIOD

Unit: Yuan Currency: RMB

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

VII. CONTINGENT LIABILITIES

As at 31 December 2024, the Group did not have any material contingent liabilities.

VIII. EMPLOYEES AND REMUNERATION POLICY

As at 31 December 2024, the total number of employees in the Group was 2,769. An annual remuneration system is adopted for the management of the Company and its subsidiaries while a position plus skill-based salary system is adopted for the employees. 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 benefits.

IX. DIVIDENDS

The Board did not recommend any distribution of dividends for the year ended 31 December 2024.

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

Industry landscape and trend

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

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

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

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

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

Business plan in 2025

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

XI. CORPORATE GOVERNANCE CODE

During the Reporting Period, the Company had complied strictly with the requirements of Part 2 of the Corporate Governance Code as set out in Appendix C1 of the Rules (the “**Stock Exchange Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The Company regularly reviews its corporate governance practices to ensure its compliance with the Corporate Governance Code.

The Board is of the view that the Company has adopted and has always complied with all the applicable code provisions as set out in the Corporate Governance Code during the year ended 31 December 2024.

XII. SECURITIES TRANSACTIONS BY DIRECTORS

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

XIII. AUDIT COMMITTEE

The audit committee of the Company has reviewed the audited annual results for the year ended 31 December 2024 and the 2024 annual report.

XIV. PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the Reporting Period, the Company and its subsidiaries did not purchase, sell or redeem any listed securities of the Company.

XV. CONTINUING RELATED PARTY/CONNECTED TRANSACTIONS IN 2024

For the year 2024, the total amount of continuing related party/connected transactions incurred by the Group was RMB1.478 billion, and the total annual cap for the year as reviewed and approved was RMB9.353 billion, and the continuing related party/connected transactions did not exceed their respective annual caps as announced.

All continuing connected transactions of the Group in 2024 were inseparable from the Group's ordinary and usual course of business, and were carried out on normal commercial terms or terms that not inferior to the terms available to or provided by independent third parties. The transaction prices were fair and reasonable, and in the interests of the shareholders of the Company as a whole. Such continuing connected transactions were all conducted in accordance with the agreements governing the transactions during 2024.

The Company's continuing related party/connected transaction projects in 2024 have satisfied the review and approval procedures according to the relevant provisions of the Stock Exchange Listing Rules and the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange, and the actual total transaction volumes have not exceeded the approved upper limit. The Company's independent auditor has reviewed the relevant continuing connected transactions and has issued an audit report of the projects. The independent Directors have also reviewed and confirmed the continuing connected transactions in 2024.

XVI. AUDITED ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

The data contained in the annual results announcement of the Company for the year ended 31 December 2024 has been agreed by Grant Thornton LLP, the auditor of Company, and is consistent with the data set out in the Company's 2024 annual report. The 2024 annual report will be despatched to the shareholders of the Company and published on the website of the Stock Exchange by the Company in due course.

By order of the Board
Triumph New Energy Company Limited
Xie Jun
Chairman

28 March 2025

As at the date of this announcement, the Board comprises four executive Directors: Mr. Xie Jun, Mr. Zhang Rong, Mr. He Qingbo and Mr. Chen Peng; one non-executive Director: Ms. Wu Dan; and three independent non-executive Directors: Mr. Chen Qisuo, Mr. Fan Baoqun and Ms. Yuan Jian.

** For identification purpose only*