

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

CONTINUING CONNECTED TRANSACTIONS

Independent Financial Adviser to the
Independent Board Committee and the Independent Shareholders

VEDA | CAPITAL
智 略 資 本

INTRODUCTION

References are made to (i) the announcements of the Company dated 2 December 2020 in relation to the continuing connected transactions and 23 November 2022 in relation to the revision of annual caps for continuing connected transactions and supplemental agreements; and (ii) the circular of the Company dated 25 January 2021 in relation to the continuing connected transactions and 13 December 2022 in relation to the revision of annual caps for continuing connected transactions regarding, among other things, the 2021–2023 CCT Agreements which constituted continuing connected transactions of the Company under Chapter 14A of the Listing Rules and will expire on 31 December 2023.

CONTINUING CONNECTED TRANSACTIONS

In order to renew the 2021–2023 CCT Agreements, on 27 December 2023, the Company entered into the 2024–2026 CCT Agreements for the purposes of (i) assurance of continuous provision of goods and services to and by the Group; (ii) coping with the operation needs and business development of the Group; (iii) fulfilling the needs in relation to the expansion of the Company’s production scale and business development in the next three years, maintaining the stability of the supply chain and production chain to ensure continuous access to raw materials, products and technical services, and to meet the construction requirements of new and rebuilt project; (iv) obtaining an alternative of a stable source of financial services provider which CNBMG Finance can offer more favourable, diversified and flexible financial services than other third party commercial banks; and (v) encouraging the cooperating financial services providers of the Group to offer more competitive terms to the Group.

IMPLICATIONS UNDER LISTING RULES

CNBMG is deemed to be interested in 204,932,781 A Shares, representing approximately 31.74% of the total issued share capital of the Company as at the date of this announcement, and CNBMG Finance and Triumph Technology are the non wholly-owned subsidiary and wholly-owned subsidiary of CNBMG, respectively. Therefore, each of CNBMG, CNBMG Finance and Triumph Technology is regarded as a connected person of the Company and the transactions contemplated under each of the 2024–2026 CCT Agreements constitute continuing connected transactions of the Company.

As the respective highest applicable percentage ratios as defined in Rule 14.07 of the Listing Rules for each of the Non-exempt 2024–2026 CCT Agreements (other than the deposit services under the 2024–2026 Financial Services Framework Agreement) exceed 5%, and the transactions are of revenue nature in the ordinary and usual course of business of the Company, the transactions contemplated thereunder will be subject to the reporting, announcement and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules.

As the respective highest applicable percentage ratio as defined in Rule 14.07 of the Listing Rules for each of the 2024–2026 Technical Services Framework Agreement and the 2024–2026 Supply of Spare Parts Framework Agreement exceed 0.1% but less than 5%, the transactions contemplated thereunder will be subject to the reporting and announcement requirements only but exempt from the independent shareholders’ approval requirement under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratios as defined in Rule 14.07 of the Listing Rules in respect of the maximum daily amount of the deposit services under the 2024–2026 Financial Services Framework Agreement exceed 5% but less than 25%, the deposit services under the 2024–2026 Financial Services Framework Agreement constitute a discloseable transaction of the Company in addition to being a continuing connected transaction of the Company, and will be subject to the reporting and announcement requirements for discloseable transactions under Chapter 14 of the Listing Rules, as well as the reporting, announcement and independent shareholders’ approval requirements for continuing connected transactions under Chapter 14A of the Listing Rules.

The loan services under the 2024–2026 Financial Services Framework Agreement are on normal commercial terms or better terms and are in the interest of the Group and no security over the assets of the Group will be granted to CNBMG Finance in respect of such loans. Such services will therefore be fully exempted from all reporting, announcement and independent shareholders’ approval requirements pursuant to Rule 14A.90 of the Listing Rules.

As the highest applicable percentage ratios as defined in Rule 14.07 of the Listing Rules for the other financial services under the 2024–2026 Financial Services Framework Agreement exceed 0.1% but less than 5%, pursuant to Rule 14A.76(2) of the Listing Rules, such other financial services will be subject to the reporting and announcement requirements only but exempted from the independent shareholders’ approval requirement under Chapter 14A of the Listing Rules.

Mr. Xie Jun and Mr. He Qingbo, the executive Directors, and Mr. Zhang Chong and Mr. Sun Shizhong, the non-executive Directors, have abstained from voting in respect of the 2024–2026 CCT Agreements in the Board meeting due to the fact that they are connected with CNBMG and are not regarded as independent to make any recommendation to the Board.

SSE LISTING RULES IMPLICATIONS

As the A Shares of the Company are listed on the Shanghai Stock Exchange, the Company is also required to comply with the relevant requirements of the SSE Listing Rules. Pursuant to the SSE Listing Rules, the Proposed Annual Caps of all the 2024–2026 CCT Agreements should be aggregated and are subject to the Independent Shareholders’ approval at the EGM.

EGM

An EGM will be convened by the Company for the purposes of, among other things, seeking Independent Shareholders' approval for each of the 2024–2026 CCT Agreements and their respective Proposed Annual Caps. CNBMG and its associates, which have interests in the transactions contemplated under the 2024–2026 CCT Agreements, will abstain from voting on the resolutions in respect of each of the 2024–2026 CCT Agreements and their respective Proposed Annual Caps at the EGM. At the EGM, votes will be taken by poll.

GENERAL INFORMATION

The Independent Board Committee comprising all independent non-executive Directors has been formed by the Company in accordance with the Listing Rules to advise the Independent Shareholders on the Non-exempt 2024–2026 CCT Agreements. The Independent Financial Adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders as to whether the terms and conditions of the Non-exempt 2024–2026 CCT Agreements, the transactions contemplated thereunder and their respective Proposed Annual Caps are on normal commercial terms, fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole.

A circular containing, among other things, (i) further details of the 2024–2026 CCT Agreements and their respective Proposed Annual Caps; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in relation to the Non-exempt 2024–2026 CCT Agreements and their respective Proposed Annual Caps; and (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Non-exempt 2024–2026 CCT Agreements and their respective Proposed Annual Caps is expected to be despatched to the Shareholders on or before 18 January 2024, as additional time is required for the Company to prepare the relevant information for inclusion in the circular.

INTRODUCTION

References are made to (i) the announcements of the Company dated 2 December 2020 in relation to the continuing connected transactions and 23 November 2022 in relation to the revision of annual caps for continuing connected transactions and supplemental agreements; and (ii) the circular of the Company dated 25 January 2021 in relation to the continuing connected transactions and 13 December 2022 in relation to the revision of annual caps for continuing connected transactions regarding, among other things, the 2021–2023 CCT Agreements which constituted continuing connected transactions of the Company under Chapter 14A of the Listing Rules and will expire on 31 December 2023.

Therefore, on 27 December 2023, the Company (i) entered into the agreements with Triumph Technology, including (1) the 2024–2026 Procurement of Raw Materials Framework Agreement, (2) the 2024–2026 Sale of Products Framework Agreement, (3) the 2024–2026 Supply of Products Framework Agreement; and (ii) entered into the agreements with CNBMG, including (1) the 2024–2026 Engineering Construction Equipment Procurement and Installation Framework Agreement, (2) the 2024–2026 Technical Services Framework Agreement and (3) the 2024–2026 Supply of Spare Parts Framework Agreement.

In addition, on 27 December 2023, the Company and CNBMG Finance entered into the 2024–2026 Financial Services Framework Agreement, pursuant to which CNBMG Finance has agreed to provide the Group, on a non-exclusive basis, with deposit services, loan services and other financial services approved by the CBIRC subject to the terms and conditions therein.

BACKGROUND OF AND REASONS FOR ENTERING INTO THE 2024–2026 CCT AGREEMENTS

The principal activities of the Company are production and sales of new energy glass. The scope of business includes development, production, manufacture and installation of new energy glass, photoelectric material for functional-glass category and its deep processed products and components, relevant materials, mechanical equipment and its electric appliances and accessories, together with relevant technical consultancy and technical services, as well as sales and after-sales services of self-produced products.

As the 2021–2023 CCT Agreements will expire on 31 December 2023, the renewal of the 2021–2023 CCT Agreements on 27 December 2023 is for the purposes of (i) assurance of continuous provision of goods and services to and by the Group; (ii) coping with the operation needs and business development of the Group; and (iii) fulfilling the needs in relation to the expansion of the Company’s production scale and business development in the next three years, improving the intelligent manufacturing level of the production line to ensure continuous access to raw materials, products and technical services, and to meet the construction requirements of new and rebuilt projects.

In order to ensure a better planning of capital and cash flow management in different stages of various projects and business development of the Group, on 27 December 2023, the Company and CNBMG Finance entered into the 2024–2026 Financial Services Framework Agreement, pursuant to which CNBMG Finance has agreed to provide the Group, on a non-exclusive basis, with deposit services, loan services and other financial services approved by the CBIRC subject to the terms and conditions therein. The Group expects that the engagement with CNBMG Finance will (i) provide an alternative of a stable source of financial services provider which CNBMG Finance can offer more favourable, diversified and flexible financial service than other third party commercial banks; and (ii) encourage the cooperating financial services providers of the Group to offer more competitive terms to the Group.

Except for the views of the independent non-executive Directors on the Non-exempt 2024–2026 CCT Agreements and their respective Proposed Annual Caps, which will be expressed after considering the advice from the Independent Financial Adviser, the Directors are of the view that the 2024–2026 CCT Agreements have been entered into on normal commercial terms and in the ordinary and usual course of business of the Group, the terms of the 2024–2026 CCT Agreements and their respective Proposed Annual Caps are fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Shareholders and the Company as a whole.

A. TRANSACTIONS OF REVENUE NATURE IN THE ORDINARY AND USUAL COURSE OF BUSINESS

NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

Set out below is a summary of the principal terms of (1) the 2024–2026 Procurement of Raw Materials Framework Agreement, (2) the 2024–2026 Sale of Products Framework Agreement, (3) the 2024–2026 Supply of Products Framework Agreement, and (4) the 2024–2026 Engineering Construction Equipment Procurement and Installation Framework Agreement, which are subject to the reporting, announcement and independent shareholders' approval requirements under the Listing Rules:

1. 2024–2026 PROCUREMENT OF RAW MATERIALS FRAMEWORK AGREEMENT

The 2024–2026 Procurement of Raw Materials Framework Agreement was renewed from the 2021–2023 Sale and Purchase of Raw Materials Framework Agreement and the Supplemental Agreement for the 2021–2023 Sale and Purchase of Raw Materials Framework Agreement. The parties to the 2021–2023 Sale and Purchase of Raw Materials Framework Agreement and the Supplemental Agreement for the 2021–2023 Sale and Purchase of Raw Materials Framework Agreement are the Company and CNBMG, while the parties to the 2024–2026 Procurement of Raw Materials Framework Agreement are the Company and Triumph Technology.

On 27 December 2023, the Company and Triumph Technology entered into the 2024–2026 Procurement of Raw Materials Framework Agreement, details of which are set out as below:

Date

27 December 2023

Parties

- (i) Triumph Technology (as supplier); and
- (ii) the Company (as purchaser).

Effective period

The 2024–2026 Procurement of Raw Materials Framework Agreement shall take effect upon signing with company seals by the authorised representatives of both parties and approval by the Independent Shareholders at the EGM of the Company, and shall be valid until 31 December 2026.

Nature of transaction

Pursuant to the 2024–2026 Procurement of Raw Materials Framework Agreement, Triumph Technology Group agreed to supply raw materials, such as silkscreen glaze, silicon powder and sodium carbonate to the Group. Triumph Technology Group will organise the production or implement tender procurement according to the procurement plan of raw materials provided by the Group and supply such raw materials as required to the Group, the procurement plan will form part of the 2024–2026 Procurement of Raw Materials Framework Agreement.

For the purpose of clarity, members of the Group and Triumph Technology Group may enter into supplemental agreement or other confirmation documents for a certain product in accordance with the terms of the 2024–2026 Procurement of Raw Materials Framework Agreement, such supplemental agreement and confirmation documents will form part of the 2024–2026 Procurement of Raw Materials Framework Agreement.

Pricing and payment terms

As a general principle, the price of raw materials under the 2024–2026 Procurement of Raw Materials Framework Agreement shall be determined in the ordinary course of business on normal commercial terms, negotiated on arm's length basis by both parties under the principle of justice, fairness and openness, and based on the prevailing market price of the transaction.

Such prices of raw materials will also be determined in accordance with the following pricing principles, including:

- (i) the prices of products offered by Triumph Technology Group to the Group shall not be higher than those comparable transactions (if any) that offered by Triumph Technology Group to independent third parties for provision of the same or similar products;

- (ii) the prices of products purchased by the Group from Triumph Technology Group shall not be higher than those comparable transactions (if any) that purchased by the Group from independent third parties for provision of the same or similar products; and
- (iii) both parties agree that the Group has the right to freely choose its supplier. If the Group does not agree with the actual transaction price and/or related terms proposed by Triumph Technology Group, the Group shall not be responsible for the procurement of products or services from Triumph Technology Group.

In general, both parties will sign a specific sale and purchase agreement and shall agree on the payment period with the principle of fairness and reasonableness. Unless otherwise agreed by both parties, the payment for the current month shall be settled in the following month.

Pricing Standard

Silkscreen glaze

The price of silkscreen glaze under the 2024–2026 Procurement of Raw Materials Framework Agreement will be determined with reference to the market price at the time of a particular transaction. The Company will refer to the prices of transactions conducted by independent third parties or price information published in the market during the same period.

Silicon powder

The price of silicon powder under the 2024–2026 Procurement of Raw Materials Framework Agreement will be determined with reference to the prevailing market price at the time of a particular transaction. The Company will obtain market price information through various channels, which include:

- (i) reference made to comparable transactions (if any) conducted by independent third parties during the same period;
- (ii) regular visit to silicon powder manufacturers (including independent third parties) to understand production, sales and price information onsite; and/or
- (iii) the procurement price obtained by the way of open tender or invitation for bid. The major factors in relation to determination of market price are the supply and demand of silicon powder and other raw materials in the areas where the Group’s glass production lines are located, distance between the purchasers and vendors, and quality of silicon powder.

Sodium carbonate

The procurement of sodium carbonate by the Company is conducted via the centralised procurement platform established by Triumph Resources, a wholly-owned subsidiary of Triumph Technology Group in order to give play to the benefit of large-scale procurement and reduction of general procurement costs. The centralised procurement of sodium carbonate shall be conducted by means of unified tender by Triumph Resources for unified procurement from and unified payment to sodium carbonate suppliers.

The price of sodium carbonate between the Group and Triumph Resources shall be

- (i) the procurement price of Triumph Resources; plus
- (ii) the capital occupation costs (surcharge of 1% for 1-month contracts).

The photovoltaic glass business department of the Company will also collect the market price information on a monthly basis. The vice president who in charge of the Company's centralised procurement will approve the transaction price with Triumph Resources with the reference to the quotations from different sodium carbonate manufacturers and service providers of data of bulk commodity and relevant industry such as www.oilchem.net.

Historical figures and proposed annual caps

Set out below are (i) the annual cap amounts for the three years ending 31 December 2023; and (ii) the historical transaction amounts for the two years ended 31 December 2022 and ten months ended 31 October 2023 in respect of the 2021–2023 Sale and Purchase of Raw Materials Framework Agreement:

	For the year ended 31 December 2021 RMB'000	For the year ended 31 December 2022 RMB'000	For the year ending 31 December 2023 RMB'000
Historical annual caps (inclusive of VAT)	601,000	1,200,000	2,000,000

	For the year ended 31 December 2021 <i>RMB'000</i>	For the year ended 31 December 2022 <i>RMB'000</i>	For the eleven months ended 30 November 2023 <i>RMB'000</i>
Historical transaction amounts (inclusive of VAT)	421,470	930,690.8	1,428,927

The proposed annual caps under the 2024–2026 Procurement of Raw Materials Framework Agreement for each of the three years ending 31 December 2026 are set out below:

	For the year ending 31 December 2024 <i>RMB'000</i>	For the year ending 31 December 2025 <i>RMB'000</i>	For the year ending 31 December 2026 <i>RMB'000</i>
Proposed annual caps (inclusive of VAT)	2,400,000	5,200,000	6,200,000

The proposed annual caps under the 2024–2026 Procurement of Raw Materials Framework Agreement are determined mainly based on the estimated demand of silkscreen glaze, silicon powder and sodium carbonate after taking into account:

- (i) the historical transaction amounts in 2021 and 2022 and the expected transaction amounts for the year ending 31 December 2023 between the Group and CNBMG;
- (ii) the increase in the consumption of silkscreen glaze, silicon powder and sodium carbonate mainly due to the increase in the existing production capacity and the planned operation of new production lines, resulting in an expected increase in the production capacity of the photovoltaic glass for the Group in the next three years; and
- (iii) the expected unit price of such raw materials with reference to the average market price of the same or similar raw materials and market trend.

Internal control on pricing

The Group will adopt the below internal control procedures in relation to the procurement of the raw materials from Triumph Technology Group:

- (i) the procurement departments of the Group's subsidiaries shall conduct open tender or invitation for bid involving at least three independent suppliers at least on a yearly basis, and determine the suppliers and procurement prices of silkscreen glaze and silicon powder based on the tender results;
- (ii) for the purpose of centralising the procurement of sodium carbonate, a vice president in charge of the photovoltaic glass business department of the Company will be appointed to directly participate in the centralised tender, bid negotiation and pricing for sodium carbonate of Triumph Technology Group. A centralised tender for sodium carbonate shall be performed once a month or every two months depending on the market situation, and the tender is open for domestic major sodium carbonate manufacturers in the market;
- (iii) the photovoltaic glass business department of the Company will be responsible for collection of information on supply and demand and price fluctuation of sodium carbonate on a monthly basis from different sodium carbonate manufacturers and service providers of data of China's bulk commodity and relevant industry such as www.oilchem.net. The photovoltaic glass business department of the Company and personnel in charge of procurement business in the subsidiaries of the Company will communicate and query with the silicon powder, sodium carbonate and silkscreen glaze manufacturers or trade partners through telephone conversations, emails and/or site visits to obtain the prices of comparable transactions by independent suppliers in the same period and the prevailing market price at the time of a particular transaction; and
- (iv) vice president in charge of the photovoltaic glass business department of the Company or the management of its subsidiaries will assess and determine the terms and pricing for procurement of raw materials with Triumph Technology Group based on the market information collected with the abovementioned methods/channels in order to ensure that the prices offered by Triumph Technology Group shall not be less favourable than those offered by other independent third parties for similar raw materials.

2. 2024–2026 SALE OF PRODUCTS FRAMEWORK AGREEMENT

The 2024–2026 Sale of Products Framework Agreement was renewed from the 2021–2023 Sale and Purchase of Glass Products Framework Agreement. The parties to the 2021–2023 Sale and Purchase of Glass Products Framework Agreement are the Company and CNBMG, while the parties to the 2024–2026 Sale of Products Framework Agreement are the Company and Triumph Technology.

On 27 December 2023, the Company and Triumph Technology entered into the 2024–2026 Sale of Products Framework Agreement, details of which are set out as below:

Date

27 December 2023

Parties

- (i) the Company (as supplier); and
- (ii) Triumph Technology (as purchaser).

Effective period

The 2024–2026 Sale of Products Framework Agreement shall take effect upon signing with company seals by the authorised representatives of both parties and approval by the Independent Shareholders at the EGM of the Company, and shall be valid until 31 December 2026.

Nature of transaction

Pursuant to the 2024–2026 Sale of Products Framework Agreement, the Group agreed to supply the products produced by the Group, including but not limited to photovoltaic glass, photovoltaic agricultural glass and deep processed products, etc. to Triumph Technology Group.

The Group agreed to implement the production and supply products to Triumph Technology Group according to the type of product, specifications, quantity and other orders as required by Triumph Technology Group. The members of the Group and Triumph Technology Group will enter into a separate sale contract within the scope of the 2024–2026 Sale of Products Framework Agreement and such sale contract will form part of the 2024–2026 Sale of Products Framework Agreement.

Pricing and payment terms

As a general principle, the price of products under the 2024–2026 Sale of Products Framework Agreement shall be determined in the ordinary course of business on normal commercial terms, negotiated on arm’s length basis by both parties under the principle of justice, fairness and openness, and based on the prevailing market prices of the transaction.

Such prices of products will also be determined in accordance with the following pricing principles, including:

- (i) the prices offered by the Group to Triumph Technology Group shall not be less than those comparable transactions that offered by the Group to independent third parties for provision of the same or similar products; and
- (ii) both parties agree that the Group has the right to freely choose its customer. If the Group does not agree with the actual transaction price and/or related terms proposed by Triumph Technology Group, the Group shall not be responsible for the supply of products or services to Triumph Technology Group.

In general, both parties will sign a specific sale contract and shall agree on the payment period with the principle of fairness and reasonableness. Unless otherwise agreed by both parties, the buyer shall pay for the delivery or other arrangement already agreed.

Pricing standards

The price of products under the 2024–2026 Sale of Products Framework Agreement will be determined with reference to:

- (i) comparable transactions (if any) conducted by the Group with independent third parties during the same period; and/or
- (ii) communication and exchange of price information by various means, including telephone conversations, emails and meetings with peers and business partners within the glass production industry; and/or
- (iii) sales staff will communicate and query with the customers, suppliers or trade partners through site visits to obtain the prices of comparable transactions in the same period and the prevailing market price at the time of a particular transaction; and/or

- (iv) supply and demand information and price information of the photovoltaic glass market obtained from the Ministry of Industry and Information Technology (www.miit.gov.cn), China Photovoltaic Industry Association (www.chinapv.org.cn) and photovoltaic industry information providers (e.g. InfoLink, etc.) respectively. Relevant market price data will be used as the basis for the transactions with Triumph Technology Group by the sales department.

The final price will be implemented after the approval of the general manager or the deputy general manager of the Company's subsidiaries with reference to (i) to (iv) above.

Historical figures and proposed annual caps

Set out below are (i) the annual cap amounts for the three years ending 31 December 2023; and (ii) the historical transaction amounts for the two years ended 31 December 2022 and ten months ended 31 October 2023 in respect of the 2021–2023 Sale and Purchase of Glass Products Framework Agreement:

	For the year ended 31 December 2021 RMB'000	For the year ended 31 December 2022 RMB'000	For the year ending 30 November 2023 RMB'000
Historical annual caps (inclusive of VAT)	710,000	810,000	870,000
	For the year ended 31 December 2021 RMB'000	For the year ended 31 December 2022 RMB'000	For the eleven months ended 30 November 2023 RMB'000
Historical transaction amounts (inclusive of VAT)	397,580	294,717.6	47,073

The proposed annual caps under the 2024–2026 Sale of Products Framework Agreement for each of the three years ending 31 December 2026 are set out below:

	For the year ending 31 December 2024 <i>RMB'000</i>	For the year ending 31 December 2025 <i>RMB'000</i>	For the year ending 31 December 2026 <i>RMB'000</i>
Proposed annual caps (inclusive of VAT)	280,000	350,000	360,000

The proposed annual caps under the 2024–2026 Sale of Products Framework Agreement are determined based on the estimated amount of relevant products to be sold to Triumph Technology Group by the Group after taking into account:

- (i) the historical transaction amounts between the Group and CNBMG Group in the past three years;
- (ii) the estimated demand for the Group's products by Triumph Technology Group for the period from 2024 to 2026; and
- (iii) the historical transactions between the Group and Triumph Technology Group and the estimated prevailing market price of the relevant products.

Internal control on pricing

The Company will adopt the below internal control measures in relation to the products to be sold to Triumph Technology Group:

- (i) the photovoltaic glass business department of the Company and the business departments of the Company's subsidiaries will be responsible for collecting information on market supply and demand and the price fluctuation of the products on a monthly basis from the Ministry of Industry and Information Technology (www.miit.gov.cn), China Photovoltaic Industry Association (www.chinapv.org.cn) and photovoltaic industry information providers (e.g. InfoLink, etc.) respectively;

- (ii) the photovoltaic glass business department of the Company and the business departments of the Company's subsidiaries will also communicate and query with the customers, suppliers or trade partners through telephone conversations, emails and site visits to obtain the prices of comparable transactions in the same period and the prevailing market price at the time of a particular transaction for verification of the prevailing market price implemented by the sales department;
- (iii) the photovoltaic glass business department of the Company will review and make statistics on the sales of the products of the Group and report to the management of the Company on a monthly basis; and
- (iv) the Group will also hold regular benchmarking meetings to analyze, study and judge market information and price trends, then formulate sales strategies accordingly.

3. 2024–2026 SUPPLY OF PRODUCTS FRAMEWORK AGREEMENT

The 2024–2026 Supply of Products Framework Agreement was renewed from the 2021–2023 Sale and Purchase of Products Framework Agreement. The parties to the 2021–2023 Sale and Purchase of Products Framework Agreement and the 2024–2026 Supply of Products Framework Agreement are both the Company and Triumph Technology.

On 27 December 2023, the Company and Triumph Technology entered into the 2024–2026 Supply of Products Framework Agreement, details of which are set out as below:

Date

27 December 2023

Parties

- (i) Triumph Technology (as supplier); and
- (ii) the Company (as purchaser).

Effective period

The 2024–2026 Supply of Products Framework Agreement shall take effect upon signing with company seals by the authorised representatives of both parties and approval by the Independent Shareholders at the EGM of the Company, and shall be valid until 31 December 2026.

Nature of transaction

Pursuant to the 2024–2026 Supply of Products Framework Agreement, Triumph Technology Group agreed to supply the products produced by Triumph Technology Group, including but not limited to packaging boxes, packaging materials, original glass and deep processed products, etc. to the Group.

For glass products, Triumph Technology Group agreed to manufacture the glass products according to the type of product, specification, quantity and other orders as requested by the Group and provide the required products to the Group. For packaging boxes, Triumph Technology Group agreed to manufacture the packaging boxes according to the category of the packaging boxes, the size and drawings requested by the Group and provide the required products to the Group.

The Group and Triumph Technology Group will enter into separate supply contracts within the scope of the 2024–2026 Supply of Products Framework Agreement which contains details of the sale and purchase of the products, such supply contracts, orders and drawings, etc. will form part of the 2024–2026 Supply of Products Framework Agreement.

Pricing and payment terms

As a general principle, the price of products under the 2024–2026 Supply of Products Framework Agreement shall be determined in the ordinary course of business on normal commercial terms, negotiated on arm’s length basis by both parties under the principle of justice, fairness and openness, and based on the prevailing market prices of the transaction.

Such prices of glass products and packaging box products will also be determined in accordance with the following pricing principles, including:

- (i) the price offered by Triumph Technology Group to the Group shall not be higher than those comparable transactions (if any) that offered by Triumph Technology Group to independent third parties for provision of the same or similar glass products and packaging box products;
- (ii) the price of glass products and packaging box products purchased by the Group from Triumph Technology Group shall not be higher than those comparable transactions (if any) that charged to the Group by independent third parties for provision of the same or similar glass products and packaging box products; and

- (iii) both parties agree that the Group has the right to freely choose its supplier. If the Group does not agree with the actual transaction price and/or related terms proposed by Triumph Technology Group, the Group shall not be responsible for the purchase of products or services from Triumph Technology Group.

In general, both parties will sign a specific sale and purchase contract and shall agree on the payment period with the principle of fairness and reasonableness. Unless otherwise agreed by both parties, the payment for the current month shall be settled in the following month.

Pricing standards

Glass products

Specifically, the business department of the Company will (i) collect the price information by various means, including telephone conversations, emails and meetings with peers and business partners within the glass production industry; and/or (ii) collect the supply and demand information and price information in the PRC market from the Ministry of Industry and Information Technology (www.miit.gov.cn), China Photovoltaic Industry Association (www.chinapv.org.cn) and photovoltaic industry information providers (e.g. InfoLink, etc.). Relevant market price data will be used as the basis for the transactions by the sales department of the Group; and/or (iii) refer to the comparable transactions (if any) conducted by the Group with independent third parties during the same period on the same products or the products with same specification and grade.

The final price will be implemented after the approval of the general manager or the deputy general manager of the Company's subsidiaries with reference to the information of (i) to (iii) above.

Packaging box products

The Company will determine the market price thereof by inquiring no less than three suppliers or through invitation for bid. The Company will also require Triumph Technology Group to provide the sale and purchase contracts for packaging boxes products between Triumph Technology Group and the independent third parties for provision of the same or similar products to ensure the price fairness and reasonableness.

Historical figures and proposed annual caps

Set out below are (i) the annual cap amounts for the three years ending 31 December 2023; and (ii) the historical transaction amounts for the two years ended 31 December 2022 and ten months ended 31 October 2023 in respect of the 2021–2023 Sale and Purchase of Products Framework Agreement:

	For the year ended 31 December 2021 <i>RMB'000</i>	For the year ended 31 December 2022 <i>RMB'000</i>	For the year ending 31 December 2023 <i>RMB'000</i>
Historical annual caps (inclusive of VAT)	561,000	740,000	920,000

	For the year ended 31 December 2021 <i>RMB'000</i>	For the year ended 31 December 2022 <i>RMB'000</i>	For the eleven months ended 30 November 2023 <i>RMB'000</i>
Historical transaction amounts (inclusive of VAT)	32,350	13,451.8	41,437.4

The proposed annual caps under the 2024–2026 Supply of Products Framework Agreement for each of the three years ending 31 December 2026 are set out below:

	For the year ending 31 December 2024 <i>RMB'000</i>	For the year ending 31 December 2025 <i>RMB'000</i>	For the year ending 31 December 2026 <i>RMB'000</i>
Proposed annual caps (inclusive of VAT)	510,000	540,000	570,000

The proposed annual caps under the 2024–2026 Supply of Products Framework Agreement are determined based on the expected consumption on the glass products, packaging box products and various packaging materials after taking into account:

- (i) the anticipated increase in demand for original glass due to the increase in the number of the Group’s photovoltaic glass deep processing production lines and increased capacity utilization during the period from 2024 to 2026; and the increase in planned procurement of glass deep processed products to meet the demand of downstream customers;
- (ii) the corresponding increase in the consumption of packaging boxes and various packaging materials required for the sales and warehousing of the products based on the anticipated increase in the sales volume of the Group’s products; and
- (iii) the anticipated transaction prices of original glass, deep processed products, packaging boxes and various packaging materials are referred to the historical transactions between the Group and Triumph Technology Group and the prevailing market price of the relevant products.

Internal control on pricing

The Company will adopt the below internal control procedures in relation to the purchase of the glass products and packaging box products from Triumph Technology Group:

- (i) the business departments of the Company’s subsidiaries will be responsible for collection of market information and price changes of relevant products, and report the same to the deputy general manager of subsidiaries;
- (ii) the deputy general manager in charge of business is responsible for verification of the pricing and payment terms for procurement of products and the final contract terms and pricing shall be subject to approval by the general managers of subsidiaries; and
- (iii) the internal audit department will regularly supervise and evaluate the product orders or contract approval procedures in respect of their compliance with internal control requirements.

4. 2024–2026 ENGINEERING CONSTRUCTION EQUIPMENT PROCUREMENT AND INSTALLATION FRAMEWORK AGREEMENT

The 2024–2026 Engineering Construction Equipment Procurement and Installation Framework Agreement was renewed from the 2021–2023 Engineering Construction Equipment Procurement and Installation Framework Agreement and the Supplemental Agreement for the 2021–2023 Engineering Construction Equipment Procurement and Installation Framework Agreement. The parties to the 2021–2023 Engineering Construction Equipment Procurement and Installation Framework Agreement, the Supplemental Agreement for the 2021–2023 Engineering Construction Equipment Procurement and Installation Framework Agreement and the 2024–2026 Engineering Construction Equipment Procurement and Installation Framework Agreement are the Company and CNBMG.

On 27 December 2023, the Company and CNBMG entered into the 2024–2026 Engineering Construction Equipment Procurement and Installation Framework Agreement, details of which are set out as below:

Date

27 December 2023

Parties

- (i) CNBMG (as supplier); and
- (ii) the Company (as purchaser).

Effective period

The 2024–2026 Engineering Construction Equipment Procurement and Installation Framework Agreement shall take effect upon signing with company seals by the authorised representatives of both parties and approval by the Independent Shareholders at the EGM of the Company, and shall be valid until 31 December 2026.

Nature of transaction

Pursuant to the 2024–2026 Engineering Construction Equipment Procurement and Installation Framework Agreement, CNBMG Group agreed to provide the required equipment, materials and construction and installation services, etc. to the Group, according to the project planning and requirement for the engineering and construction projects of the Group.

For the purpose of clarity, members of the Group and CNBMG Group may enter into supplemental agreement or other confirmation documents for a certain project in accordance with the terms of the 2024–2026 Engineering Construction Equipment Procurement and Installation Framework Agreement, such supplemental agreement and confirmation documents will form part of the 2024–2026 Engineering Construction Equipment Procurement and Installation Framework Agreement.

Pricing and payment terms

As a general principle, the price of equipment materials, construction fee and installation fee under the 2024–2026 Engineering Construction Equipment Procurement and Installation Framework Agreement shall be determined in the ordinary course of business on normal commercial terms, negotiated on arm's length basis by both parties under the principle of justice, fairness and openness, and based on the prevailing market price of the transaction.

Such prices of equipment materials, construction fees and installation fees will also be determined in accordance with the following pricing principles, including:

- (i) the prices or fees charged by CNBMG Group on the Group shall not be higher than those comparable transactions (if any) that charged by CNBMG Group on independent third parties for the same or similar type of or the same or similar type of equipment materials, construction and installation services;
- (ii) the prices of equipment or fees paid by the Group to CNBMG Group shall not be higher than those comparable transactions (if any) that charged to the Group by independent third parties for the same or similar type of or the same or similar type of equipment materials, construction and installation services; and
- (iii) both parties agree that the Group has the right to freely choose its supplier. If the Group does not agree with the actual transaction price and/or related terms proposed by CNBMG Group, the Group shall not be responsible for the purchase of products or services from CNBMG Group.

In general, both parties will sign a specific project contract and shall agree on the payment period with the principle of fairness and reasonableness and taking into account of the requirements of engineering projects of the Group.

Pricing standards

The pricing or consideration under the 2024–2026 Engineering Construction Equipment Procurement and Installation Framework Agreement will be determined with reference to:

- (i) prices offered to other independent third party(ies) on the same or similar size of the engineering projects by CNBMG Group;
- (ii) the comparable transactions (if any) with independent third parties by the Group during the same period on the same or similar size of the engineering projects; and
- (iii) communication and exchange of price information by various means, including telephone conversations, emails and meetings with peers and business partners within the glass production industry.

If there is no available prevailing market prices or where it is impracticable to obtain such market prices, the Group and CNBMG Group will determine the price through arm's length negotiation with reference to:

- (i) the previous similar transactions concluded by the Group and independent third parties; and/or
- (ii) similar transactions concluded by CNBMG Group and independent third parties; and/or
- (iii) the costs of equipment and materials provided by CNBMG Group for engineering projects, technical requirements on installation, manpower involved, complexity of technical plan, technology advancement and duration of the installation. The price offered by CNBMG Group to the Group shall not be less favourable than those offered by CNBMG Group to other independent third parties.

Upon collection of market information as stated above, relevant terms (including pricing and payment terms) will be used as the basis for the transaction with CNBMG Group.

Historical figures and proposed annual caps

Set out below are (i) the annual cap amounts for the three years ending 31 December 2023; and (ii) the historical transaction amounts for the two years ended 31 December 2022 and ten months ended 31 October 2023 in respect of the 2021–2023 Engineering Construction Equipment Procurement and Installation Framework Agreement:

	For the year ended 31 December 2021 <i>RMB'000</i>	For the year ended 31 December 2022 <i>RMB'000</i>	For the year ending 31 December 2023 <i>RMB'000</i>
Historical annual caps (inclusive of VAT)	2,300,000	3,300,000	3,700,000

	For the year ended 31 December 2021 <i>RMB'000</i>	For the year ended 31 December 2022 <i>RMB'000</i>	For the eleven months ended 30 November 2023 <i>RMB'000</i>
Historical transaction amounts (inclusive of VAT)	2,001,170	3,165,412.9	139,505.2

The proposed annual caps under the 2024–2026 Engineering Construction Equipment Procurement and Installation Framework Agreement for each of the three years ending 31 December 2026 are set out below:

	For the year ending 31 December 2024 <i>RMB'000</i>	For the year ending 31 December 2025 <i>RMB'000</i>	For the year ending 31 December 2026 <i>RMB'000</i>
Proposed annual caps (inclusive of VAT)	6,010,000	5,800,000	4,500,000

The proposed annual caps under the 2024–2026 Engineering Construction Equipment Procurement and Installation Framework Agreement are determined based on the estimated amounts of the equipment material, construction services and installation services to be required for future engineering projects after taking into account:

- (i) the projected schedule of construction projects for the new projects and technological upgrading projects proposed to be implemented by the Group for the period of 2024–2026;
- (ii) the estimated demand of equipment material, construction services and installation services based on the complexity of the construction work and installation work for future projects; and
- (iii) the estimated price and fees for the equipment material, construction services and installation services based on the historical transactions between the Group and CNBMG Group.

Internal control on pricing

The Group will adopt the below internal control procedures in relation to the procurement of the equipment materials, construction services and installation services provided by CNBMG Group:

- (i) the corporate management department of the Company is the centralized management department of projects and is responsible for organizing the review, demonstration, report submission for approval, supervision, inspection and cooperation in completion acceptance and post-evaluation of the projects, and reporting or making recommendations to the general manager office of the Company. The main unit of a project is responsible for the preliminary work of the project and the organization and implementation of the project after approval;
- (ii) the approval of engineering projects is divided into two stages: project approval and feasibility study approval. The feasibility study report can only be compiled after the approval of the project, and feasibility study report of the project shall be prepared by an organization with appropriate qualifications. The main unit of the project can only organize and implement the project after the feasibility study report has been approved;
- (iii) within the scope of the estimated amount of project investment approved in the feasibility study report, written contracts relating to engineering projects shall be reviewed jointly by the legal department and either financial department or deputy general manager of the main unit of the project, and then executed after approval by the general manager of the main unit of the project; and
- (iv) the corporate management department and financial department of the Company carry out dynamic monitoring and management of the implementation of engineering projects and contract execution, etc. through the information networking management system platform.

CONTINUING CONNECTED TRANSACTIONS SUBJECT TO THE REPORTING AND ANNOUNCEMENT REQUIREMENTS ONLY

Set out below is a summary of the principal terms of the (1) 2024–2026 Technical Services Framework Agreement; and (2) 2024–2026 Supply of Spare Parts Framework Agreement which are subject to the reporting and announcement requirements only under the Listing Rules:

1. 2024–2026 TECHNICAL SERVICES FRAMEWORK AGREEMENT

The 2024–2026 Technical Services Framework Agreement was renewed from the 2021–2023 Technical Services Framework Agreement and the Supplemental Agreement for the 2021–2023 Technical Services Framework Agreement. The parties to the 2021–2023 Technical Services Framework Agreement, the Supplemental Agreement for the 2021–2023 Technical Services Framework Agreement and the 2024–2026 Technical Services Framework Agreement are the Company and CNBMG.

On 27 December 2023, the Company and CNBMG entered into the 2024–2026 Technical Services Framework Agreement, details of which are set out as below:

Date

27 December 2023

Parties

- (i) CNBMG (as provider); and
- (ii) the Company (as receiver).

Effective period

The 2024–2026 Technical Services Framework Agreement shall take effect upon signing with company seals by the authorised representatives of both parties and approval by the Independent Shareholders at the EGM of the Company (if necessary), and shall be valid until 31 December 2026.

Nature of transaction

Pursuant to the 2024–2026 Technical Services Framework Agreement, CNBMG Group agreed to provide technical services to the Group including but not limited to: (1) preparation of engineering project feasibility plans and feasibility study reports; (2) project design, project consultation and proprietary technology; (3) implementation and supervision of the projects; (4) design, organisation and implementation of plans for environmental protection facilities; (5) plan design, report preparation and preparation of budget estimation reports for environmental impact assessment; (6) maintenance, organisation and implementation of the kiln and main equipment; (7) cloud services and development, application and services of the project software; (8) technical consultation and technical training; and (9) testing and certification services.

CNBMG Group and the Group may enter into specific design contract(s), technical service agreement(s), supplemental agreement(s) or other confirmation document(s) for a specific technical service in accordance with the terms of the 2024–2026 Technical Services Framework Agreement, such contract(s), agreement(s) and confirmation document(s) shall form part of the 2024–2026 Technical Services Framework Agreement.

Pricing and payment terms

As a general principle, the technical service fees in relation to the 2024–2026 Technical Services Framework Agreement shall be determined in the ordinary course of business on normal commercial terms and negotiated on arm’s length basis by both parties under the principle of justice, fairness and openness.

Such prices of technical services will also be determined in accordance with the following pricing principles, including:

- (i) the technical services fees charged by CNBMG Group to the Group should not be higher than those comparable transactions (if any) that CNBMG Group charge to independent third parties for similar or same technical services;
- (ii) the technical services fees charged by CNBMG Group to the Group should not be higher than those comparable transactions (if any) that the Group accept from an independent third party for similar or same technical services; and

- (iii) both parties agree that the Group has the right to freely choose its service provider. If the Group does not agree with the actual transaction price and/or related terms proposed by CNBMG Group, the Group shall not be responsible for the purchase of products or services from CNBMG Group.

In general, both parties will sign a specific technical service contract and shall agree on the payment period with the principle of fairness and reasonableness and with reference to the service scope.

Pricing standards

The technical services fees under the 2024–2026 Technical Services Framework Agreement will also be determined with reference to:

- (i) the technical services fees should be determined with reference to the fair prices of the similar technical services provided by independent third parties in the location of the Company or the nearby area, and the prevailing market price of the transaction. The Group will obtain relevant market price information through various channels, which include (1) considering the comparable transactions (if any) conducted by independent third parties during the same period on such services; and (2) communication and exchange of price information provided by independent suppliers through various means, including telephone conversations, emails and meetings, with peers and business partners within the glass production industry. The Company will then conclude the relevant market price by taking reference with the comparable transactions with independent third parties; and the price offered by the independent suppliers to set a fair price; or
- (ii) where there are no available prevailing market prices or where it is impracticable to obtain the relevant market price information, the Group and CNBMG Group will determine the price after arm's length negotiations with reference to (1) the previous same or same type of the transactions concluded by the Group with independent third parties; and/or (2) previous same or same type of the transactions concluded by CNBMG Group with independent third parties; and/or (3) the costs of equipment and materials required by CNBMG Group for provision of the relevant technical services, manpower involved, complexity of the technical plans, level of technology advancement and duration of the construction.

Historical figures and proposed annual caps

Set out below are (i) the annual cap amounts for the three years ending 31 December 2023; and (ii) the historical transaction amounts for the two years ended 31 December 2022 and ten months ended 31 October 2023 in respect of the 2021–2023 Technical Services Framework Agreement:

	For the year ended 31 December 2021 <i>RMB'000</i>	For the year ended 31 December 2022 <i>RMB'000</i>	For the year ending 31 December 2023 <i>RMB'000</i>
Historical annual cap (inclusive of VAT)	46,000	21,000	20,000

	For the year ended 31 December 2021 <i>RMB'000</i>	For the year ended 31 December 2022 <i>RMB'000</i>	For the eleven months ended 30 November 2023 <i>RMB'000</i>
Historical transaction amounts (inclusive of VAT)	35,430	14,175.6	15,251.7

The proposed annual caps under the 2024–2026 Technical Services Framework Agreement for each of the three years ending 31 December 2026 are set out below:

	For the year ending 31 December 2024 <i>RMB'000</i>	For the year ending 31 December 2025 <i>RMB'000</i>	For the year ending 31 December 2026 <i>RMB'000</i>
Proposed annual caps (inclusive of VAT)	33,000	23,000	22,000

The proposed annual caps under the 2024–2026 Technical Services Framework Agreement are determined based on the estimated amounts for the technical services of the Company after taking into account:

- (i) the historical transaction amounts between the Group and CNBMG Group;
- (ii) the expected fees to be incurred in the preparation of feasibility studies reports, design and survey, and project supervision for the implementation of new projects of the Group for the period of 2025–2026;
- (iii) the estimated technical maintenance fees to be incurred in the production lines and production equipment of the Group for the period of 2024–2026; and
- (iv) the expected fees of the technical projects with reference to the historical transaction between the Group and CNBMG Group and the prevailing market price for the provision of same or similar services.

Internal control on pricing

The Company will adopt the below internal control procedures in relation to the technical services provided by CNBMG Group:

- (i) the relevant unit of the Group should report to their respective management of the Group for the application of the technical services and such technical services and the respective fees will be accepted only upon approval of the management of such unit. For significant and important technical services, they shall be implemented upon approval by the general manager of the Group; and
- (ii) the written contract in relation to technical services involving the Company shall be executed upon approval by the secretariat of the Board, chief financial controller and president of the Company after joint review by the legal consultant, internal control management department, financial department and secretariat of the Board of the Company; those involving the Company’s subsidiaries shall be reviewed jointly by the subsidiaries’ legal department and either financial department or deputy general manager, and then executed after approval by the subsidiaries’ general manager.

2. 2024–2026 SUPPLY OF SPARE PARTS FRAMEWORK AGREEMENT

The 2024–2026 Supply of Spare Parts Framework Agreement was renewed from the 2021–2023 Sale and Purchase of Spare Parts Framework Agreement. The parties to the 2021–2023 Sale and Purchase of Spare Parts Framework Agreement and the 2024–2026 Supply of Spare Parts Framework Agreement are both the Company and CNBMG.

On 27 December 2023, the Company and CNBMG entered into the 2024–2026 Supply of Spare Parts Framework Agreement, details of which are set out as below:

Date

27 December 2023

Parties

- (i) CNBMG (as supplier); and
- (ii) the Company (as purchaser).

Effective period

The 2024–2026 Supply of Spare Parts Framework Agreement shall take effect upon signing with company seals by the authorised representatives of both parties and approval by the Independent Shareholders at the EGM of the Company (if necessary), and shall be valid until 31 December 2026.

Nature of transaction

Pursuant to the 2024–2026 Supply of Spare Parts Framework Agreement, CNBMG Group agreed to provide equipment and spare parts required for production to the Group, including but not limited to calenders, cold-end equipment, punching machines, coating machines, robot arms, knife wheels, suction cups, iron trays, electrical components and various spare parts, etc.

Pricing and payment terms

As a general principle, the price of the equipment and spare parts under the 2024–2026 Supply of Spare Parts Framework Agreement shall be determined in the ordinary course of business on normal commercial terms, negotiated on arm's length basis by both parties under the principle of justice, fairness and openness, and based on the prevailing market price of the transaction.

Such prices of equipment and spare parts will also be determined in accordance with the following pricing principles, including:

- (i) the price of equipment and spare parts offered by CNBMG Group to the Group shall not be higher than those comparable transactions (if any) that offered by CNBMG Group to independent third parties for provision of the same or similar equipment and spare parts;
- (ii) the price of equipment and spare parts purchased by the Group from CNBMG Group shall not be higher than those comparable transactions (if any) that charged to the Group by independent third parties for provision of the same or similar equipment and spare parts; and
- (iii) both parties agree that the Group has the right to freely choose its supplier. If the Group does not agree with the actual transaction price and/or related terms proposed by CNBMG Group, the Group shall not be responsible for the purchase of products or services from CNBMG Group.

In general, both parties will sign a specific supply contract and shall agree on the payment period with the principle of fairness and reasonableness. Unless otherwise agreed by both parties, the payment for the current month shall be settled in the following month.

Pricing standards

The price of the equipment and spare parts under the 2024–2026 Supply of Spare Parts Framework Agreement will be determined with reference to the prevailing market price at the time of a particular transaction and not be less favourable than those offered by other independent third party(ies) on the same or similar products. Procurement Department of the Company's subsidiary will make reference price by inquiring at least three suppliers to determine the price of supply of spare parts by CNBMG Group.

The procurement department of the Company's subsidiary will make reference price by inquiring from the independent suppliers with the same or better quality of products and services, price, capabilities and experience as CNBMG Group or inviting independent suppliers for tender to determine the price of supply of spare parts by CNBMG Group.

Historical figures and proposed annual caps

Set out below are (i) the annual cap amounts for the three years ending 31 December 2023; and (ii) the historical transaction amounts for the two years ended 31 December 2022 and ten months ended 31 October 2023 in respect of the 2021–2023 Sale and Purchase of Spare Parts Framework Agreement:

	For the year ended 31 December 2021 <i>RMB'000</i>	For the year ended 31 December 2022 <i>RMB'000</i>	For the year ending 31 December 2023 <i>RMB'000</i>
Historical annual caps (inclusive of VAT)	38,000	42,000	48,000

	For the year ended 31 December 2021 <i>RMB'000</i>	For the year ended 31 December 2022 <i>RMB'000</i>	For the eleven months ended 30 November 2023 <i>RMB'000</i>
Historical transaction amounts (inclusive of VAT)	22,500	13,497.1	19,606.9

The proposed annual caps under the 2024–2026 Supply of Spare Parts Framework Agreement for each of the three years ending 31 December 2026 are set out below:

	For the year ending 31 December 2024 <i>RMB'000</i>	For the year ending 31 December 2025 <i>RMB'000</i>	For the year ending 31 December 2026 <i>RMB'000</i>
Proposed annual caps (inclusive of VAT)	120,000	140,000	150,000

The proposed annual caps under the 2024–2026 Supply of Spare Parts Framework Agreement are determined based on the expected maximum consumption of the production equipment and spare parts after taking into account:

- (i) the anticipated demand for repair and replacement of the production equipment and spare parts at each of the Group’s bases under the existing production scale;
- (ii) during the period from 2024 to 2026, several large-tonnage photovoltaic production lines currently under construction by the Group in Luoyang, Zhangzhou, Qinhuangdao and other bases will be put into operation successively, at the same time the Company also plans to acquire several more photovoltaic glass production lines. Based on the continuous expansion of the Group’s production scale, the consumption of spare parts required for the additional large-tonnage photovoltaic production lines is expected to increase significantly; and
- (iii) the anticipated transaction prices of the spare parts are referred to the historical transactions between the Group and Triumph Technology Group and the prevailing market price of the relevant products.

Internal control on pricing

The Company will adopt the below internal control procedures in relation to the purchase of the equipment and spare parts from CNBMG Group:

- (i) the procurement department of the Company’s subsidiaries will make reference price by inquiring at least three suppliers to determine the price offered by CNBMG Group and the business departments of the Company’s subsidiaries will be responsible for collection of information on market information and price changes of relevant products, and report the same to the deputy general manager of subsidiaries;
- (ii) the deputy general manager in charge of business is responsible for verification of the pricing and payment terms for procurement of products. The final contract terms and pricing shall be subject to approval by the general managers of subsidiaries; and
- (iii) the internal audit department will perform regular check of the product orders or contract approval procedures to ensure the compliance with internal control requirements.

B. TRANSACTIONS NOT CLASSIFIED AS REVENUE NATURE IN THE ORDINARY AND USUAL COURSE OF BUSINESS

1. 2024–2026 FINANCIAL SERVICES FRAMEWORK AGREEMENT

The 2024–2026 Financial Services Framework Agreement was renewed from the 2021–2023 Financial Services Framework Agreement. The parties to the 2021–2023 Financial Services Framework Agreement and the 2024–2026 Financial Services Framework Agreement are both the Company and CNBMG Finance.

On 27 December 2023, the Company and CNBMG Finance entered into the 2024–2026 Financial Services Framework Agreement, details of which are set out as below:

Date

27 December 2023

Parties

- (i) the Company; and
- (ii) CNBMG Finance.

Effective period

The 2024–2026 Financial Services Framework Agreement shall take effect upon (i) the signing with company seals by the legal or authorised representatives of both parties; and (ii) the completion of internal approval procedures by both parties (including but not limited to the approval by the Independent Shareholders at the EGM of the Company) and shall be valid until 31 December 2026.

Nature of transactions

Pursuant to the 2024–2026 Financial Services Framework Agreement, CNBMG Finance has agreed to provide (i) deposit services; (ii) loan services; and (iii) other financial services approved by the CBIRC (including but not limited to bills acceptance, discounting services, assistance in achieving the collection and payment of the transactional proceeds, clearing and settlement services, financial and financing advisory services, credit authentication and related consulting and agency services).

Pricing and payment terms

The deposit services, loan services and other financial services under the 2024–2026 Financial Services Framework Agreement provided by CNBMG Finance to the Group are in accordance with the following pricing principles:

Deposit services: The interest rate for deposits offered to the Group by CNBMG Finance should comply with the PBOC’s regulations on the interest rates for the same type of deposit from time to time, and will not be lower than (i) the interest rate specified by the PBOC for the deposit of the same category during the same period; (ii) the interest rate paid by CNBMG Finance for deposits of the same type placed by the members of CNBMG (other than the Group) with CNBMG Finance during the same period under the same conditions; and (iii) the interest rate for deposits of the same type offered by the PRC general commercial banks to the Group during the same period under the same conditions.

Loan services: The interest rate for loans granted to the Group by CNBMG Finance should comply with the PBOC’s regulations on interest rates for loans of the same type of loans from time to time, and will not be higher than: (i) the loan prime rate announced by the National Interbank Funding Center during the same period; (ii) the interest rate for similar loans charged by CNBMG Finance to the members of CNBMG (other than the Group) during the same period under the same conditions; and (iii) the interest rate charged by the PRC general commercial banks to the Group for similar loans during the same period under the same conditions.

CNBMG Finance will provide the loan services on normal commercial terms or better and such loans will not be secured by the assets of the Group.

Other financial services:

The terms and conditions for provision of other financial services by CNBMG Finance to the Group will not be less favourable than: (i) the terms and conditions provided by CNBMG Finance to the members of CNBMG (other than the Group); and (ii) the terms and conditions for provision of services of the same type by PRC general commercial banks to the Group.

The services fees charged by CNBMG Finance for provision of other financial services to the Group will be in accordance with the standard of fees issued by the PBOC or set by the CBIRC (if applicable). According to the above principle, such service fees will not be higher than: (i) the fees charged by CNBMG Finance to members of CNBMG (other than the Group) for providing services of the same type during the same period under the same conditions; and (ii) the fees charged to the Group by the PRC general commercial banks in the PRC for services of the same type during the same period under the same conditions.

Both parties shall further sign a separate contract which is in compliance with the 2024–2026 Financial Services Framework Agreement and agree on the specific transaction terms for the transaction to be entered by CNBMG Finance and the Group.

Pricing standards

Pursuant to the 2024–2026 Financial Services Framework Agreement, the Group will obtain quotes of interest rate, fee rate and terms from at least two general commercial banks in the PRC located in the same or adjacent regions during the same period and will compare the quotes as obtained with the corresponding terms proposed by CNBMG Finance for the transactions to be entered into between the Group and CNBMG Finance. If the interest rates, fee rate and terms proposed by CNBMG Finance are more favourable than those proposed by the PRC general commercial banks, the Group will engage CNBMG Finance.

The Group will only give priority to using the services of CNBMG Finance if such terms and conditions offered by CNBMG Finance are equivalent to the PRC general commercial banks' offers. The Group has discretion to engage other PRC general commercial banks as its financial service providers as it thinks fit and beneficial to the Group.

Historical figures and proposed annual caps

Set out below are (i) the annual cap amounts for the three years ending 31 December 2023; and (ii) the historical transaction amounts for the two years ended 31 December 2022 and ten months ended 31 October 2023 in respect of the 2021–2023 Financial Services Framework Agreement:

	For the year ended 31 December 2021 <i>RMB'000</i>	For the year ended 31 December 2022 <i>RMB'000</i>	For the year ending 31 December 2023 <i>RMB'000</i>
Historical annual caps			
– Maximum daily deposit balance (including corresponding interest)	500,000	600,000	700,000
– Comprehensive credit loan facilities (excluding corresponding interest)	550,000	650,000	750,000
– Other financial services	10,000	15,000	20,000
	For the year ended 31 December 2021 <i>RMB'000</i>	For the year ended 31 December 2022 <i>RMB'000</i>	For the eleven months ended 30 November 2023 <i>RMB'000</i>
Historical transaction amounts			
– Maximum daily deposit balance (including corresponding interest)	100,000	357,141	290,193.3
– Comprehensive credit loan facilities (excluding corresponding interest)	100,000	0	23,460
– Other financial services	0	0	0

The proposed annual caps under the 2024–2026 Financial Services Framework Agreement for each of the three years ending 31 December 2026 are set out below:

	For the year ending 31 December 2024 RMB'000	For the year ending 31 December 2025 RMB'000	For the year ending 31 December 2026 RMB'000
Proposed annual caps			
– Maximum daily deposit balance (including corresponding interest)	800,000	900,000	1,000,000
– Comprehensive credit loan facilities (excluding corresponding interest)	850,000	950,000	1,050,000
– Other financial services	25,000	30,000	35,000

The proposed annual caps for the 2024–2026 Financial Services Framework Agreement are determined based on (i) the estimated collected funds from operations and expected cash and cash equivalent of the Group as at 31 December 2023; (ii) the expectation on the capital needs and financing requirement in relation to the business development of the Group between 2024 and 2026; (iii) the consideration of financial ability of CNBMG Finance in relation to its recent financial position and financial performance in 2023, including the scale of deposits accepted and loans granted; and (iv) the financial ability of and the expected interest rate of deposit and loan to be offered by CNBMG Finance.

Internal control on pricing

The Company will adopt the below internal control procedures in relation to the deposit services, loan services and other financial services under the 2024–2026 Financial Services Framework Agreement provided by CNBMG Finance to the Group as abovementioned:

- (i) the Group employs and maintains separate business, operation and accounting personnel of its own from CNBMG Finance for a clear segregation of approval authority and duty between the parties;
- (ii) the Company's finance department will monitor the actual transaction amount at the Group level to ensure the pricing and the annual caps are in compliance with the 2024–2026 Financial Services Framework Agreement;

- (iii) the finance department will review the interest rates for deposits and interest rates for loans regularly published by other PRC general commercial banks and compare with the interest rates for deposits and interest rates for loans offered by CNBMG Finance to ensure the fairness and reasonableness;
- (iv) the finance department will review the interest rates for deposits, the interest rates for loans and the fees charged by CNBMG Finance arising from its acceptance of offers and compare the offers with those in similar nature and period that CNBMG Finance offered to independent third parties in order to ensure the fairness and reasonableness;
- (v) the finance department will review and monitor the balance of deposits from the relevant members of the Group through the online platform of CNBMG Finance;
- (vi) the finance department will perform risk diversification measure by separating the money deposits among the financial service providers, including CNBMG Finance, to avoid excessive concentration of deposits in a particular financial service provider;
- (vii) the finance department will review the financial statements of CNBMG Finance on a monthly basis and will also review the regulatory reports submitted by CNBMG Finance to the CBIRC in order to keep abreast of the operations and financial situation of CNBMG Finance and to take timely action when any unfavourable situation is found;
- (viii) according to the articles of association of CNBMG Finance, the board of directors of CNBMG committed that CNBMG will base on the actual emergency of payment difficulties facing by CNBMG Finance to provide the corresponding funding to CNBMG Finance to solve its payment difficulties. Therefore, the safety of deposits of the Group will be ensured by means of the financial support from CNBMG to CNBMG Finance; and
- (ix) the Company's external auditor will conduct an annual review of the transactions entered into under the 2024–2026 Financial Services Framework Agreement to confirm the transaction amount are within the annual caps and the transactions are entered into in accordance with the terms set out in the 2024–2026 Financial Services Framework Agreement in all material respects.

INTERNAL CONTROL ON CONTINUING CONNECTED TRANSACTIONS

The Group has implemented the following measures to ensure that the annual transaction amounts under each of the 2024–2026 CCT Agreement will not exceed the respective Proposed Annual Caps of the respective year:

- (i) the subsidiaries of the Group will record and report the amount of each of the connected transaction to the finance department monthly. The finance department will then prepare the statistics on the amount of continuing connected transactions on a monthly basis and together with the secretariat of the Board, jointly supervise and control the amounts of connected transactions of subsidiaries;
- (ii) the internal control management department of the Group (with the Company’s audit department as the implementation department) will (1) inspect, supervise and evaluate the purchase/sales orders and/or the contract approval procedures of the Company and its subsidiaries in respect of their compliance with the internal control requirements of connected transactions on a quarterly basis and will report the issue discovered (if any) to the audit (examination) committee under the Board in a timely manner; and
- (iii) in accordance with the Listing Rules, the independent non-executive Directors and the auditors of the Company will also perform an annual review of the terms of continuing connected transactions under the 2024–2026 Financial Services Framework Agreement to confirm that the transactions entered into are in accordance with the terms set out in the respective framework agreements and the pricing policy and the annual caps remain fair and reasonable and that appropriate internal control procedures are in place, and will confirm so each year in the annual report published by the Company.

INFORMATION ON AND RELATIONSHIP OF THE PARTIES TO THE 2024–2026 CCT AGREEMENTS

The principal activities of the Company are production and sales of new energy glass. The scope of business includes development, production, manufacture and installation of new energy glass, photoelectric material for functional-glass category and its deep processed products and components, relevant materials, mechanical equipment and its electric appliances and accessories, together with relevant technical consultancy and technical services, as well as sales and after-sales services of self-produced products.

CNBMG, a wholly state-owned enterprise incorporated in the PRC and the ultimate controlling shareholder of the Company, is a comprehensive building materials industry group, the largest comprehensive building material group corporation in the PRC and an enterprise of Fortune Global 500. It is deemed to be interested in 204,932,781 A Shares, representing approximately 31.74% of the total issued share capital of the Company as at the date of this announcement.

CNBMG Finance is a limited liability company incorporated under the laws of the PRC. It is licensed and regulated by the CBIRC and is engaged in the provision of financial services which principally include acceptance of deposits, loans, bills acceptance and discounting services and clearing and settlement services. CNBMG Finance has a registered capital of RMB2.5 billion and its 58.33% equity interest is directly held by CNBMG, and 41.67% equity interest is directly held by CNBM.

Triumph Technology, a company incorporated in the PRC with limited liability, is directly and indirectly interested in approximately 31.74% equity interests in the Company and is a direct wholly-owned subsidiary of CNBMG. Triumph Technology is principally engaged in glass sector, new materials sector, new energy sector, new equipment sector and project management sector.

IMPLICATIONS UNDER LISTING RULES

CNBMG is deemed to be interested in 204,932,781 A Shares, representing approximately 31.74% of the total issued share capital of the Company as at the date of this announcement, and CNBMG Finance and Triumph Technology are the non wholly-owned subsidiary and wholly-owned subsidiary of CNBMG, respectively. Therefore, each of CNBMG, CNBMG Finance and Triumph Technology is regarded as a connected person of the Company and the transactions contemplated under each of the 2024–2026 CCT Agreements constitute continuing connected transactions of the Company.

As the respective highest applicable percentage ratios as defined in Rule 14.07 of the Listing Rules for each of the Non-exempt 2024–2026 CCT Agreements (other than the deposit services under the 2024–2026 Financial Services Framework Agreement) exceed 5%, and the transactions are of revenue nature in the ordinary and usual course of business of the Company, the transactions contemplated thereunder will be subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

As the respective highest applicable percentage ratios as defined in Rule 14.07 of the Listing Rules for each of the 2024–2026 Technical Services Framework Agreement and the 2024–2026 Supply of Spare Parts Framework Agreement exceed 0.1% but less than 5%, the transactions contemplated thereunder will be subject to the reporting and announcement requirements only but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratios as defined in Rule 14.07 of the Listing Rules in respect of the maximum daily amount of the deposit services under the 2024–2026 Financial Services Framework Agreement exceed 5% but less than 25%, the deposit services under the 2024–2026 Financial Services Framework Agreement constitute a discloseable transaction of the Company in addition to being a continuing connected transaction of the Company, and will be subject to the reporting and announcement requirements for discloseable transactions under Chapter 14 of the Listing Rules, as well as the reporting, announcement and independent shareholders' approval requirements for continuing connected transactions under Chapter 14A of the Listing Rules.

The loan services under the 2024–2026 Financial Services Framework Agreement are on normal commercial terms or better terms and are in the interest of the Group and no security over the assets of the Group will be granted to CNBMG Finance in respect of such loans. Such services will therefore be fully exempted from all reporting, announcement and independent shareholders' approval requirements pursuant to Rule 14A.90 of the Listing Rules.

As the highest applicable percentage ratios as defined in Rule 14.07 of the Listing Rules for the other financial services under the 2024–2026 Financial Services Framework Agreement exceed 0.1% but less than 5%, pursuant to Rule 14A.76(2) of the Listing Rules, such other financial services will be subject to the reporting and announcement requirements only but exempted from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

Mr. Xie Jun and Mr. He Qingbo, the executive Directors, and Mr. Zhang Chong and Mr. Sun Shizhong, the non-executive Directors, have abstained from voting in respect of the 2024–2026 CCT Agreements in the Board meeting due to the fact that they are connected with CNBMG and are not regarded as independent to make any recommendation to the Board.

SSE LISTING RULES IMPLICATIONS

As the A Shares of the Company are listed on the Shanghai Stock Exchange, the Company is also required to comply with the relevant requirements of the SSE Listing Rules. Pursuant to the SSE Listing Rules, the Proposed Annual Caps of all the 2024–2026 CCT Agreements should be aggregated and are subject to the Independent Shareholders' approval at the EGM.

EGM

An EGM will be convened by the Company for the purposes of, among other things, seeking Independent Shareholders' approval for each of the 2024–2026 CCT Agreements and their respective Proposed Annual Caps. CNBMG and its associates, which have interests in the transactions contemplated under the 2024–2026 CCT Agreements, will abstain from voting on the resolutions in respect of each of the 2024–2026 CCT Agreements and their respective Proposed Annual Caps at the EGM. At the EGM, votes will be taken by poll.

GENERAL INFORMATION

The Independent Board Committee comprising all independent non-executive Directors has been formed by the Company in accordance with the Listing Rules to advise the Independent Shareholders on the Non-exempt 2024–2026 CCT Agreements. The Independent Financial Adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders as to whether the terms and conditions of the Non-exempt 2024–2026 CCT Agreements, the transactions contemplated thereunder and their respective Proposed Annual Caps are on normal commercial terms, fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole.

A circular containing, among other things, (i) further details of the 2024–2026 CCT Agreements and their respective Proposed Annual Caps; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in relation to the Non-exempt 2024–2026 CCT Agreements and their respective Proposed Annual Caps; and (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Non-exempt 2024–2026 CCT Agreements and their respective Proposed Annual Caps is expected to be despatched to the Shareholders on or before 18 January 2024, as additional time is required for the Company to prepare the relevant information for inclusion in the circular.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

“2021–2023 CCT Agreements”	the 2021–2023 Sale and Purchase of Glass Products Framework Agreement, the 2021–2023 Sale and Purchase of Raw Materials Framework Agreement, the 2021–2023 Engineering Construction Equipment Procurement and Installation Framework Agreement, the 2021–2023 Sale and Purchase of Products Framework Agreement, the 2021–2023 Technical Services Framework Agreement, the 2021–2023 Sale and Purchase of Spare Parts Framework Agreement and the 2021–2023 Financial Services Framework Agreement
“2021–2023 Engineering Construction Equipment Procurement and Installation Framework Agreement”	the engineering construction equipment procurement and installation framework agreement dated 2 December 2020 entered into between the Company and CNBMG, pursuant to which CNBMG Group agreed to supply equipment materials, construction and installation services required for engineering projects to the Group
“2021–2023 Financial Services Framework Agreement”	the financial services framework agreement dated 2 December 2020 entered into between the Company and CNBMG Finance, pursuant to which CNBMG Finance agreed to provide deposit services, loan services and other financial services approved by the CBIRC
“2021–2023 Sale and Purchase of Glass Products Framework Agreement”	the sale and purchase of glass products framework agreement dated 2 December 2020 entered into between the Company and CNBMG, pursuant to which the Group agreed to supply certain glass products to CNBMG Group
“2021–2023 Sale and Purchase of Products Framework Agreement”	the sale and purchase of products framework agreement dated 2 December 2020 entered into between Triumph Technology and the Company, pursuant to which Triumph Technology Group agreed to supply float glass products and wooden packaging boxes to the Group

“2021–2023 Sale and Purchase of Raw Materials Framework Agreement”	the sale and purchase of raw materials framework agreement dated 2 December 2020 entered into between CNBMG and the Company, pursuant to which CNBMG Group agreed to supply certain raw materials to the Group
“2021–2023 Sale and Purchase of Spare Parts Framework Agreement”	the sale and purchase of spare parts framework agreement dated 2 December 2020 entered into between CNBMG and the Company, pursuant to which CNBMG Group agreed to supply certain equipment and spare parts to the Group
“2021–2023 Technical Services Framework Agreement”	the technical services framework agreement entered into between the Company and CNBMG on 2 December 2020, pursuant to which CNBMG Group agreed to provide certain technical services to the Group
“2024–2026 CCT Agreements”	the Non-exempt 2024–2026 CCT Agreements, the 2024–2026 Technical Services Framework Agreement, the 2024–2026 Supply of Spare Parts Framework Agreement and the loan services and other financial services under the 2024–2026 Financial Services Framework Agreement
“2024–2026 Engineering Construction Equipment Procurement and Installation Framework Agreement”	the engineering construction equipment procurement and installation framework agreement dated 27 December 2023 entered into between the Company and CNBMG, pursuant to which CNBMG Group agreed to supply equipment, materials, construction and installation services required for engineering projects to the Group
“2024–2026 Financial Services Framework Agreement”	the financial services framework agreement dated 27 December 2023 entered into between the Company and CNBMG Finance, pursuant to which CNBMG Finance agreed to provide deposit services, loan services and other financial services approved by the CBIRC
“2024–2026 Procurement of Raw Materials Framework Agreement”	the procurement of raw materials framework agreement dated 27 December 2023 entered into between Triumph Technology and the Company, pursuant to which Triumph Technology Group agreed to supply certain raw materials to the Group

“2024–2026 Sale of Products Framework Agreement”	the sale of products framework agreement dated 27 December 2023 entered into between the Company and Triumph Technology, pursuant to which the Group agreed to supply certain products (including but not limited to photovoltaic glass, photovoltaic agricultural glass and deep processed products, etc.) to Triumph Technology Group
“2024–2026 Supply of Products Framework Agreement”	the supply of products framework agreement dated 27 December 2023 entered into between Triumph Technology and the Company, pursuant to which Triumph Technology Group agreed to supply packaging boxes, packaging materials, original glass and deep processed products, etc. to the Group
“2024–2026 Supply of Spare Parts Framework Agreement”	the supply of spare parts framework agreement dated 27 December 2023 entered into between CNBMG and the Company, pursuant to which CNBMG Group agreed to provide spare parts required for production equipment to the Group
“2024–2026 Technical Services Framework Agreement”	the technical services framework agreement entered into between the Company and CNBMG on 27 December 2023, pursuant to which CNBMG Group agreed to provide certain technical services to the Group
“A Share(s)”	the domestic ordinary share(s) of RMB1.00 each in the share capital of the Company, which are listed on the Shanghai Stock Exchange and subscribed for and traded in RMB
“associate(s)”	has the same meaning as ascribed to it under the Listing Rules
“Board”	the board of Directors of the Company
“CBIRC”	China Banking and Insurance Regulatory Commission* (中國銀行保險監督管理委員會)

“CNBM”	China National Building Material Company Limited* (中國建材股份有限公司), a joint stock limited company incorporated under the laws of the PRC, the H shares of which are listed on the Stock Exchange and approximately 44.60% of the issued share capital of which are directly and indirectly held by CNBMG
“CNBMG”	China National Building Material Group Co., Ltd.* (中國建材集團有限公司), a wholly state-owned enterprise incorporated in the PRC and the ultimate controlling shareholder of the Company
“CNBMG Finance”	China National Building Material Group Finance Co., Ltd.* (中國建材集團財務有限公司), a limited liability company incorporated under the law of the PRC, and 58.33% equity interest in which is directly held by CNBMG and 41.67% equity interest in which is directly held by CNBM
“CNBMG Group”	CNBMG and its subsidiaries
“Company”	Triumph New Energy Company Limited, a joint stock limited company incorporated in the PRC with limited liability, the H Shares and A Shares of which are listed on the main board of the Stock Exchange (stock code: 1108) and the Shanghai Stock Exchange (stock code: 600876) respectively
“connected person(s)”	has the same meaning as ascribed to it under the Listing Rules
“Directors”	the directors of the Company, including the independent non-executive directors of the Company
“EGM”	an extraordinary general meeting of the Company to be held in due course, among other things, for the Independent Shareholders to consider and, if thought fit, approve the 2024–2026 CCT Agreements, the transactions contemplated thereunder and their respective Proposed Annual Caps

“Group”	the Company and its subsidiaries
“H Share(s)”	overseas listed foreign share(s) of RMB1.00 each in the share capital of the Company, listed on the main board of the Stock Exchange and traded in HK\$
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent board committee of the Company comprising all of the independent non-executive Directors
“Independent Financial Adviser”	Veda Capital Limited, a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, being the independent financial adviser appointed by the Board and approved by the Independent Board Committee for the purpose of advising the Independent Board Committee and the Independent Shareholders in relation to the Non-exempt 2024–2026 CCT Agreements and their respective Proposed Annual Caps
“Independent Shareholders”	Shareholders other than CNBMG and its associates
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Non-exempt 2024–2026 CCT Agreements”	the 2024–2026 Procurement of Raw Materials Framework Agreement, the 2024–2026 Sale of Products Framework Agreement, the 2024–2026 Supply of Products Framework Agreement, the 2024–2026 Engineering Construction Equipment Procurement and Installation Framework Agreement and the deposit services under the 2024–2026 Financial Services Framework Agreement
“PRC” or “China”	the People’s Republic of China which, for the purpose of this announcement and for geographical reference only, excludes Hong Kong and the Macau Special Administrative Region of the PRC and Taiwan

“Proposed Annual Caps”	the maximum aggregate annual transaction amounts for each of the continuing connected transactions contemplated under the 2024–2026 CCT Agreements for each of the three years ending 31 December 2026
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Future Ordinance (Chapter 571 of the Laws of Hong Kong)
“SSE Listing Rules”	Rules Governing the Listing of Stocks on Shanghai Stock Exchange
“Shareholder(s)”	the shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supplemental Agreement for the 2021–2023 Engineering Construction Equipment Procurement and Installation Framework Agreement”	the supplemental agreement for the 2021–2023 Engineering Construction Equipment Procurement and Installation Framework Agreement dated 23 November 2022 entered into between the Company and CNBMG to revise the 2022 and 2023 annual caps for the 2021–2023 Engineering Construction Equipment Procurement and Installation Framework Agreement
“Supplemental Agreement for the 2021–2023 Sale and Purchase of Raw Materials Framework Agreement”	the supplemental agreement for the 2021–2023 Sale and Purchase of Raw Materials Framework Agreement dated 23 November 2022 entered into between the Company and CNBMG to revise the 2022 and 2023 annual caps for the 2021–2023 Sale and Purchase of Raw Materials Framework Agreement
“Supplemental Agreement for the 2021–2023 Technical Services Framework Agreement”	the supplemental agreement for the 2021–2023 Technical Services Framework Agreement dated 23 November 2022 entered into between the Company and CNBMG to revise the 2022 and 2023 annual caps for the 2021–2023 Technical Services Framework Agreement

“Triumph Resources”	CNBMG Triumph Mineral Resources Group Co., Ltd.* (中建材凱盛礦產資源集團有限公司), a company incorporated in the PRC with limited liability and an indirect wholly-owned subsidiary of CNBMG and a direct wholly-owned subsidiary of Triumph Technology
“Triumph Technology”	Triumph Technology Group Company Limited* (凱盛科技集團有限公司), a company incorporated in the PRC with limited liability and an indirect controlling shareholder of the Company
“Triumph Technology Group”	Triumph Technology and its subsidiaries
“VAT”	value-added tax in the PRC
“%”	per cent

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

Luoyang, the PRC
27 December 2023

As at the date of this announcement, the Board comprises four executive Directors: Mr. Xie Jun, Mr. Zhang Rong, Mr. He Qingbo and Ms. Wang Leilei; three non-executive Directors: Mr. Zhang Chong, Mr. Sun Shizhong and Dr. Pan Jingong; and four independent non-executive Directors: Ms. Zhang Yajuan, Mr. Chen Qisuo, Mr. Zhao Hulin and Mr. Fan Baoqun.

* *For identification purposes only*