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凯盛新能源股份有限公司

Triumph New Energy Company Limited

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

(Stock code: 01108)

CONNECTED TRANSACTIONS DESULFURIZATION & DENITRIFICATION EQUIPMENT TRANSFER CONTRACT AND COLD END & ANNEALING LEHR EQUIPMENT TRANSFER CONTRACT

The Board hereby announces that on 28 March 2024, North Glass, a wholly-owned subsidiary of the Company, entered into a desulfurization & denitrification equipment transfer contract with Triumph Technology, pursuant to which, North Glass agreed to transfer, and Triumph Technology agreed to acquire the Desulfurization & Denitrification Equipment. On the same day, North Glass entered into the cold end & annealing lehr equipment transfer contract with Triumph Engineering, pursuant to which, North Glass agreed to transfer and Triumph Engineering agreed to acquire the Cold End & Annealing Lehr Equipment.

LISTING RULES IMPLICATIONS

North Glass, Triumph Resources, Triumph Technology and Triumph Engineering are all regarded as connected persons of the Company and each of the transactions contemplated under the Contracts and the Product Purchase and Sales Contract constitutes a connected transaction of the Company.

As the highest applicable percentage ratios in respect of the Contracts and the Product Purchase and Sales Contract (when aggregated) as defined in Rule 14.07 of the Listing Rules exceeds 0.1% but is less than 5%, such transactions contemplated thereunder are subject to the reporting and announcement requirements but exempt from the independent shareholder's approval requirement under Chapter 14A of the Listing Rules.

I. INTRODUCTION

Reference is made to the announcement regarding connected transaction of Triumph New Energy Company Limited (the "**Company**") dated 27 October 2023 in relation to the Tin Ingots Assets Product Purchase and Sales Contract (the "**Announcement**").

The board (the "**Board**") of directors (the "**Directors**") of the Company hereby announces that on 28 March 2024, North Glass, a wholly-owned subsidiary of the Company, entered into a desulfurization & denitrification equipment transfer contract (the "**Desulfurization & Denitrification Contract**") with Triumph Technology, pursuant to which, North Glass agreed to transfer, and Triumph Technology agreed to acquire the Desulfurization & Denitrification Equipment. On the same day, North Glass entered into the cold end & annealing lehr equipment transfer contract (the "**Cold End & Annealing Lehr Contract**") with Triumph Engineering, pursuant to which, North Glass agreed to transfer and Triumph Engineering agreed to acquire the Cold End & Annealing Lehr Equipment.

The principal terms of the Contracts are summarized as follows:

II. DESULFURIZATION & DENITRIFICATION CONTRACT

Date: 28 March 2024

Parties: North Glass (as Equipment Transferer)

Triumph Technology (as Equipment Receiver)

The Desulfurization & Denitrification Equipment

The Desulfurization & Denitrification Equipment under the Desulfurization & Denitrification Contract refers to the construction in progress-500 tonnes production line's equipment (for desulfurization & denitrification) and the fixed assets-600 tonnes production line's equipment (for desulfurization & denitrification) held by North Glass, including dryers, filters, desulfurization and desulfurization flue gas treatment project, desulfurization atomizers and denitrification silo top dust collectors. According to the asset valuation report prepared by Zhongjing Minxin using the cost approach with 31 October 2023 as the valuation benchmark date, the appraised value of the Desulfurization & Denitrification Equipment amounted to RMB34,704,500, with a book value of RMB34,460,600.

Consideration

Pursuant to the Desulfurization & Denitrification Contract, the consideration for the transfer of equipment is RMB39,216,085.00 (inclusive of value-added tax at 13% and exclusive of freight) (the "**Desulfurization & Denitrification Consideration**").

The Desulfurization & Denitrification Consideration was determined on normal commercial terms after arm's length negotiations by North Glass and Triumph Technology by reference to, among other things, the asset valuation report prepared by Zhongjing Minxin.

Completion and Payment

Triumph Technology will pay the Desulfurization & Denitrification Consideration according to the following schedule and timing:

1. 10% of the Desulfurization & Denitrification Consideration shall be paid by Triumph Technology within 3 months of the signing of the Desulfurization & Denitrification Contract, i.e. by 28 June 2024;
2. 30% of the Desulfurization & Denitrification Consideration shall be paid by Triumph Technology to North Glass upon entering the site where the Desulfurization & Denitrification Equipment is located and commencing the disassembly of the Desulfurization & Denitrification Equipment by Triumph Technology;
3. 40% of the Desulfurization & Denitrification Consideration shall be paid by Triumph Technology to North Glass upon completion of disassembly of the Desulfurization & Denitrification Equipment by Triumph Technology and issuance of a value-added tax invoice at 13% of the Desulfurization & Denitrification Consideration by North Glass to Triumph Technology; and
4. The remaining balance (20%) of the Desulfurization & Denitrification Consideration shall be paid by Triumph Technology to North Glass upon completion of the disposal of the Desulfurization & Denitrification Equipment by Triumph Technology.

Upon completion of the above steps, the transfer of the Desulfurization & Denitrification Equipment by North Glass will be deemed to have been completed (the “**Desulfurization & Denitrification Transfer Completion**”).

Effectiveness of the Desulfurization & Denitrification Contract

The Desulfurization & Denitrification Contract shall be effective from the date of the common seals of both parties affixed thereon by their respective legal or authorized representatives, and shall remain in force until the Desulfurization & Denitrification Transfer Completion.

III. COLD END & ANNEALING LEHR CONTRACT

Date: 28 March 2024

Parties: North Glass (as Equipment Transferer)

Triumph Engineering (as Equipment Receiver)

The Cold End & Annealing Lehr Equipment

The Cold End & Annealing Lehr Equipment under the Cold End & Annealing Lehr Contract refers to the construction in progress-500 tonnes production line's equipment (cold end & annealing lehr) and the fixed assets-600 tonnes production line's equipment (cold end & annealing lehr) held by North Glass, including annealing lehrs, control cabinets, monitoring system, dusters, cold-end conveying and crushing equipment, cranes, air pumps and cutting units, etc. According to the asset valuation report prepared by Zhongjing Minxin using the cost approach with 31 October 2023 as the valuation benchmark date, the appraised value of the Cold End & Annealing Lehr Equipment is RMB5,897,300, with a book value of RMB5,874,100.

Consideration

Pursuant to the Cold End & Annealing Lehr Contract, the consideration for the transfer of equipment is RMB6,663,913.97 (inclusive of value-added tax at 13% and exclusive of freight) (the "**Cold End & Annealing Lehr Consideration**").

The Cold End & Annealing Lehr Consideration was determined on normal commercial terms after arm's length negotiations by North Glass and Triumph Engineering by reference to, among other things, the asset valuation report prepared by Zhongjing Minxin.

Completion and Payment

Triumph Engineering will pay the Cold End & Annealing Lehr Consideration according to the following schedule and timing:

1. Upon receipt of 20% of the Cold End & Annealing Lehr Consideration by North Glass prepaid by Triumph Engineering, North Glass may agree Triumph Engineering to disassembly and transship the Cold End & Annealing Lehr Equipment;
2. 30% of the Cold End & Annealing Lehr Consideration shall be paid by Triumph Engineering to North Glass upon entering the site where the Cold End & Annealing Lehr Equipment is located and completing 50% of the disassembly and transshipment of the Cold End & Annealing Lehr Equipment by Triumph Engineering;
3. 40% of the Cold End & Annealing Lehr Consideration shall be paid by Triumph Engineering to North Glass upon completion of disassembly and transshipment of the Cold End & Annealing Lehr Equipment by Triumph Engineering and issuance of a value-added tax invoice at 13% of the Cold End & Annealing Lehr Consideration by North Glass to Triumph Engineering; and
4. The remaining balance (10%) of the Cold End & Annealing Lehr Consideration shall be paid by Triumph Engineering to North Glass upon completion of the disposal of the Cold End & Annealing Lehr Equipment by Triumph Engineering.

Effectiveness of the Cold End & Annealing Lehr Contract

The Cold End & Annealing Lehr Contract shall be effective from the date of the common seals of both parties affixed thereon by their respective legal or authorized representatives, and shall remain in force until the Cold End & Annealing Lehr Transfer Completion.

IV. REASONS FOR AND BENEFIT OF ENTERING INTO THE CONTRACTS

In line with the Group's development strategy of focusing on the new energy materials business, i.e. its principal business, two existing float glass production lines of North Glass have suspended production as the lehrs have reached the end of their useful lives, and a photovoltaic glass production line project is currently in progress. Due to the differences between the manufacturing process of float and photovoltaic glass and the ceasing of North Glass to engage in the production and sales of float glass products in the future, assets such as machinery and equipment, steel structures, raw materials and inventory assets of the existing float glass production lines are unusable in the new photovoltaic glass production line. Thus, in order to secure state-owned assets from diversion and to revitalize the assets, the equipments are transferred and reused to maximize the effectiveness of the assets, so as to create more value.

North Glass expects to make a profit of RMB4,755,485 (being the Desulfurization & Denitrification Consideration of RMB39,216,085 less the book value of the Desulfurization & Denitrification Equipment of RMB34,460,600) from the transaction contemplated under the Desulfurization & Denitrification Contract. North Glass expects to make a profit of RMB789,813.97 (being the Cold End & Annealing Lehr Consideration of RMB6,663,913.97 less the book value of the Cold End & Annealing Lehr Equipment of RMB5,874,100) from the transaction contemplated under the Cold End & Annealing Lehr Contract. The proceeds from the transactions contemplated under the Contracts will be used as the daily working capital of North Glass and its development of new energy glass business.

The terms of the Contracts were determined after arm's length negotiations between the parties thereto. The Directors (including the independent non-executive Directors) consider that the transactions contemplated under the Contracts are conducted on normal commercial terms and the terms contained therein are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

V. HONG KONG LISTING RULES IMPLICATIONS

As disclosed in the Announcement, on 27 October 2023, North Glass entered into an Tin Ingots Assets Product Purchase and Sales Contract with Triumph Resources.

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 is the ultimate controlling shareholder of the Company, North Glass, Triumph Resources, Triumph Technology and Triumph Engineering. North Glass is a wholly-owned subsidiary of the Company, while Triumph Resources, Triumph Technology and Triumph Engineering are indirect wholly-owned subsidiaries of CNBMG. Accordingly, North Glass, Triumph Resources, Triumph Technology and Triumph Engineering are all regarded as connected persons of the Company and each of the transactions contemplated under the Contracts and the Product Purchase and Sales Contract constitutes a connected transaction of the Company.

As the connected transactions under the Contracts and the Product Purchase and Sales Contract are all conducted with indirect subsidiaries (i.e., Triumph Resources, Triumph Technology and Triumph Engineering) of CNBMG, the ultimate holding company of the Company and are similar in nature, the connected transactions contemplated under the Contracts and the Product Purchase and Sales Contract shall be aggregated in calculation pursuant to Rule 14A.81 of the Listing Rules.

As the highest applicable percentage ratios in respect of the Contracts and the Product Purchase and Sales Contract (when aggregated) as defined in Rule 14.07 of the Listing Rules exceeds 0.1% but is less than 5%, such transactions contemplated thereunder are subject to the reporting and announcement requirements but exempt from the independent shareholder's approval requirement under Chapter 14A of the Listing Rules.

Mr. Xie Jun and Mr. He Qingbo, being executive Directors, and Mr. Zhang Chong and Mr. Sun Shizhong, being non-executive Directors of the Company, have abstained from voting in respect of the Contracts 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.

Saved as disclosed above, none of the Directors has any material interest in the transactions contemplated under the Contracts and therefore none of the other Directors has abstained from voting on such Board resolutions.

VI. GENERAL INFORMATION

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 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 aftersales 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 material industry group, the largest comprehensive building material group corporation in the PRC and one of the Fortune Global 500 enterprises. 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.

North Glass is a company incorporated in the PRC with limited liability. Its scope of business mainly covers technical development, technical consultation and services, manufacturing, processing and sales of new energy glass materials, functional glass materials, refractory materials and ceramic products; import and export of goods and technologies; and stevedoring services.

Triumph Technology is a company incorporated in the PRC with limited liability. Its scope of business mainly covers the following general business projects: provision of technical services, technical development, technical consultation and development and sales of related products in the fields of new materials, ceramics, glass, cement, refractory materials, non-metallic minerals, environmental protection, electrical automation and other engineering fields (the above excluding the restricted projects); waste water, waste gas treatment; setting up industries (specific projects are to be reported separately); import and export business (Operation is carried out in accordance with the Shen Mao Guan Zhun Zheng No. 2002-1496). Industrial engineering design services. (Business activities shall be carried out independently with a business licence in accordance with the law except for projects subject to approval in accordance with the law). The permitted business projects are: construction engineering design. (For projects subject to approval in accordance with the law, business activities can only be carried out upon approval by the relevant authorities, and the specific business projects are subject to the approval file or permit issued from relevant authorities).

Triumph Engineering is a company incorporated in the PRC with limited liability. Its scope of business mainly covers the development, design, manufacture, processing and technical services of non-standard complete sets of electromechanical equipment and control systems for electronic glass, float glass, rolled glass, pharmaceutical glass, glass deep-processing production lines, complete sets of electromechanical equipment for solar energy production lines, new type housing production lines, intelligent agriculture production lines, environmental protection equipments, rubber equipments, intelligent information display and command systems, building control systems, FMCS field monitoring and control systems, complete sets of low voltage power distribution systems; design, manufacturing, processing and technical services of pressure vessels; research and development and sale of glass cutting tools and edge-breaking tools; manufacture and sale of wooden packing boxes; general contracting of mechanical and electrical installation works; engineering technical services and consultation; and preparation of engineering budgets. (For projects subject to approval in accordance with the law, business activities can only be carried out upon approval by the relevant authorities).

Triumph Resources is a company incorporated in the PRC with limited liability. Its scope of business mainly covers technical services, development, consultation, exchange, transfer, and promotion; glass manufacturing; sales of building materials; sales of chemical products (excluding licensed chemical products); sales of non-metallic minerals and products; supply chain management services; sales of functional glass and new optical materials; sales of photovoltaic equipment and components; wholesale of finished oil products (excluding hazardous chemicals); sales of metal materials; sales of high-purity elements and compounds; sales of display devices; import and export of goods; sales agent; information consulting services (excluding licensed information consulting services); manufacturing of optoelectronic devices; sales of optoelectronic devices; battery sales; sales of metal chains and other metal products; sales of mechanical equipment (except licensed business, it can independently operate projects that are not prohibited or restricted by laws or regulations).

DEFINITIONS

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

“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
“Board”	the board of Directors of the Company
“CNBMG”	China National Building Materials 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
“Cold End & Annealing Lehr Contract”	the equipment transfer contract entered into between North Glass, a wholly-owned subsidiary of the Company, and Triumph Engineering on 28 March 2024, pursuant to which, North Glass agreed to transfer, and Triumph Engineering agreed to acquire, the Cold End & Annealing Lehr Equipment
“Cold End & Annealing Lehr Equipment”	the construction in progress-500 tonnes production line’s equipment (cold end & annealing lehr) and the fixed assets-600 tonnes production line’s equipment (cold end & annealing lehr) held by North Glass, the appraised value of which is determined by Zhongjing Minxin using the cost approach with 31 October 2023 as the valuation benchmark date, being RMB5,897,300
“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)” and “controlling shareholder”	has the same meaning as ascribed to it under the Listing Rules
“Contracts”	collectively, the Desulfurization & Denitrification Contract and the Cold End & Annealing Lehr Contract

“Desulfurization & Denitrification Contract”	the equipment transfer contract entered into between North Glass, a wholly-owned subsidiary of the Company, and Triumph Technology on 28 March 2024, pursuant to which, North Glass agreed to transfer, and Triumph Technology agreed to acquire, the Desulfurization & Denitrification Equipment
“Desulfurization & Denitrification Equipment”	the construction in progress-500 tonnes production line’s equipment (desulfurization & denitrification) and the fixed assets-600 tonnes production line’s equipment (desulfurization & denitrification) held by North Glass, the appraised value of which is determined by Zhongjing Minxin using the cost approach with 31 October 2023 as the valuation benchmark date, being RMB34,704,500
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“North Glass”	Qinhuangdao North Glass Co., Ltd.* (秦皇島北方玻璃有限公司), a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of the Company
“percentage ratios”	has the same meaning as ascribed to it under the Listing Rules, as applicable to a transaction
“PRC”	the People’s Republic of China, for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Product Purchase and Sales Contract”	the product purchase and sales contract entered into between North Glass, a wholly-owned subsidiary of the Company, and Triumph Resources on 27 October 2023, pursuant to which, North Glass agreed to dispose of and Triumph Resources agreed to acquire the Tin Ingots Assets
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	the shareholder(s) of the Company

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the same meaning as ascribed to it under the Listing Rules
“Tin Ingots Assets”	the tin ingots held by North Glass, the appraised value of which is determined by Zhongjing Minxin using the prevailing market value approach with 30 June 2023 as the valuation benchmark date, being RMB19,403,100
“Triumph Engineering”	Bengbu Triumph Engineering Technology Company Limited* (蚌埠凱盛工程技術有限公司), a company incorporated in the PRC with limited liability and an indirect wholly-owned subsidiary of CNBMG
“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”	Shenzhen Triumph Technology Engineering Co., Ltd.* (深圳凱盛科技工程有限公司), a company incorporated in the PRC with limited liability and an indirect wholly-owned subsidiary of CNBMG

“Zhongjing Minxin”

Zhongjing Minxin (Beijing) Assets Appraisal Co., Ltd., a PRC qualified valuer which was engaged by North Glass to evaluate the value of the Tin Ingots Assets, the Desulfurization & Denitrification Equipment and the Cold End & Annealing Lehr Equipment

“%”

per cent

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

Luoyang, the PRC
28 March 2024

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*