



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)

IMPLEMENTATION RULES FOR THE AUDIT COMMITTEE UNDER THE BOARD OF DIRECTORS

(Revised on 29 April 2024, and considered and approved
at the 21st meeting of the tenth session of the Board of Directors)

CHAPTER 1 GENERAL RULES

Article 1 In order to strengthen the Board of Directors’ decision making function, achieve effective supervision over the financial incomes and expenses and various operating activities of the Company and improve the Company’s corporate governance structure, the Company has specifically set up the Audit Committee under the Board of Directors and formulated this Implementation Rules in accordance with the provisions of Company Law of the People’s Republic of China, the Code of Corporate Governance for Listed Companies, the Administration Measures for Independent Directors of Listed Companies, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as “Listing Rules”), the Shanghai Stock Exchange Self-Regulatory Supervision Guidelines for Listed Companies No. 1 – Standardized Operation and the articles of association of Triumph New Energy Company Limited (hereinafter referred to as the “Articles of Association”).

Article 2 The Audit Committee under the Board of Directors is a special working committee established by the Board of Directors which is mainly responsible for reviewing the Company’s financial position, the implementation and performance of its internal monitoring system, the risk management and control of the Company, as well as the communication, supervision and review work for the Company’s internal and external audit.

CHAPTER 2 COMPOSITION

Article 3 The Audit Committee shall comprise three Directors, of which a majority shall be independent Directors, and at least one of the independent Directors shall be a professional accountant. Members of the Audit Committee shall be Directors who do not hold senior management positions in the Company.

Article 4 The Audit Committee's members shall be nominated by chairman of the Board of Directors, more than half of the independent Directors or at least one third of the entire Board of Directors and then elected by the Board of Directors.

Article 5 The Audit Committee shall have a chairman (i.e. the convener), which shall be a professional accountant among the independent Directors and preside over the Committee's work. The chairman shall be elected from the members of the Committee and approved by the Board of Directors.

Article 6 The terms of office of the Audit Committee shall be consistent with that of the Board of Directors. Members of the Committee can be re-elected upon expiry of their terms. If a member is no longer the Company's Director during the period, he/she will automatically lose the qualifications to be member of the Committee and the vacancy shall be filled up by the Committee according to preceding provisions of Articles 3 to 5.

CHAPTER 3 TERMS OF REFERENCE

Article 7 The Audit Committee's primary terms of reference include, but not limited to, the following:

- (1) to request for data, information from the Company's management, subordinated departments and employees within the scope of its duties and functions, thereby performing the Committee's duties and functions;
- (2) to propose appointment, re-appointment and removal of external auditors to the Board of Directors, approve the remuneration and terms of appointment for the external auditors and deal with any matters in relation to the resignation or dismissal of such auditors;
- (3) to review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standards; to discuss with the auditors the nature, scope of the audit and the reporting obligations before the commencement of the audit;
- (4) to be responsible for communication function in respect of internal audit and external audit;

- (5) to develop and implement policies on engaging an external auditor to supply non-audit services. The Audit Committee should report to the Board of Directors, identifying and making recommendations on any matters where action or improvement is needed;
- (6) to monitor integrity of the financial statements and annual reports and accounts, half-year report and quarterly report, and to review significant financial reporting judgments contained in them. In reviewing these reports before submission to the Board of Directors, the Audit Committee should focus particularly on:
 - (i) any change in the accounting policies and practices;
 - (ii) major judgmental areas;
 - (iii) significant adjustments resulting from audit;
 - (iv) the going concern assumptions and any qualifications;
 - (v) compliance with the accounting standards; and
 - (vi) compliance with the Listing Rules and other legal requirements in relation to financial reporting.
- (7) in respect of the paragraph (6) above, to (1) members of the Audit Committee should liaise with the Board of Directors and senior management and the Committee must meet, at least twice a year, with the Company's auditors; (2) the Audit Committee should consider any significant or unusual matters that are, or may need to be reflected in the reports and accounts, it should give due consideration to any matters that have been raised by the Company's accounting and financial staff, internal audit personnel or auditors;
- (8) to review the Company's financial controls, risk management and internal control systems and audit the Company's major connected transactions;
- (9) to discuss the risk management and internal control systems with management to ensure that the management has performed its duty to have effective internal control systems. This discussion should include the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting and financial reporting functions;
- (10) to consider major investigation findings on risk management and internal control matters as delegated by the Board of Directors or on its own initiative and management's response to these findings;

- (11) where an internal audit function exists, to ensure co-ordination between the internal and external auditors, and to ensure that the internal audit function is adequately resourced and has appropriate standing within the Company, and to review and monitor its effectiveness;
- (12) to review the Company's financial and accounting policies and practices;
- (13) to review the External Auditor's Management Letter, any material enquiries raised by the auditors to management about accounting records, financial accounts or systems of control and management's response;
- (14) to ensure that the Board of Directors will provide a timely response to the issues raised in the External Auditor's Management Letter;
- (15) the Audit Committee should establish a whistleblowing policy and system for employees and those who deal with the Company (e.g. customers and suppliers) to raise concerns, in confidence, with the Audit Committee about possible improprieties in any matter related to the Company;
- (16) to discuss other issues assigned by the Board of Directors;
- (17) to review the arrangements that employees can use, in confidence, to raise concerns about possible improprieties in financial reporting, internal control or other matters. The Audit Committee should ensure that proper arrangements are in place for fair and independent investigation of these matters and for appropriate follow-up actions;
- (18) to act as the Company's key representative body for overseeing the Company's relation with the external auditors; and
- (19) to report matters contained in this Implementation Rules to the Board of Directors and handle other matters assigned by the Board of Directors.

Article 8 The Audit Committee shall be accountable to the Board of Directors; and its proposals shall be submitted to the Board of Directors for consideration and approval. The Audit Committee shall work in accordance with the audit activities of supervisors of the Supervisory Committee of the Company.

Article 9 The following matters shall be submitted to the Board of Directors for consideration after being approved by a majority of all the members of the Audit Committee: (1) the appointment and dismissal of the accounting firm that undertakes the Company's auditing business; (2) the appointment and dismissal of the person in charge of financial affairs; (3) the disclosure of financial and accounting reports; and (4) any other matters stipulated by the securities regulatory authority of the State Council.

CHAPTER 4 DECISION-MAKING PROCEDURES

Article 10 The Company and relevant departments shall make preparations for the Audit Committee's decision-making by providing the information, including but not limited to the following: (1) relevant financial reports of the Company; (2) internal and external auditors' work reports; (3) external audit contracts and relevant work reports; (4) public disclosures of information made by the Company; (5) auditors' reports on material connected transactions; (6) risk management and internal control report; and (7) other matters concerned.

Article 11 The meeting of the Audit Committee shall review the above materials and form views, and discuss in-depth on the following aspects, including but not limited to the following. The results of review and discussion shall be submitted for discussion of the Board of Directors as resolutions of the meeting: (1) work appraisal on external auditors, and the engagement and replacement of the external auditors; (2) report on whether the internal audit systems has been effectively implemented and whether the financial reports are true in all aspects; (3) reports on whether the financial information disclosed by the Company is objective and true and whether major connected transactions of the Company comply with relevant laws or regulations; (4) work appraisal of the internal financial department and audit department including their persons-in-charge; (5) whether the financial control, internal monitoring and risk management systems are effective; and (6) other matters concerned.

CHAPTER 5 RULES OF PROCEDURES

Article 12 The meeting of the Audit Committee falls into two types: regular meetings and interim meetings. The regular meetings shall be held once every quarter, while the interim meetings can be held upon the request of two members of the Audit Committee or when the chairman of the Committee deems it necessary. The notice of a meeting of the Audit Committee shall be given to all members three days before the date of the meeting. The meeting shall be presided over by the chairman of the Committee; if the chairman is not able to attend the meeting, he/she may appoint another member (independent Director) to preside over the meeting.

Article 13 The meeting of the Audit Committee shall be held only with the presence of more than two-thirds of the members. Each member of the Committee has one vote; and resolutions of the Committee must be adopted by the affirmative votes of more than half of the Committee's members.

Article 14 The meetings of the Audit Committee shall, in principle, be held in the form of on-site meetings. Meetings may be convened and resolutions may be made by means of telephone conferences, video conferences, or with the aid of communication equipment that enables all members of the Committee to communicate with each other, provided that the members of the Committee can fully express their opinions.

Article 15 The Audit Committee shall vote by a show of hands or by poll; an interim meeting may be held by way of voting by correspondence.

Article 16 The Audit Committee can request persons-in-charge of relevant departments of the Company to be in attendance at the meeting of the Audit Committee; and the Company's Directors, supervisors and other senior management may also be invited to be in attendance at the meeting when necessary.

Article 17 The Audit Committee may, for its decisions, seek professional advice from intermediary institutions when necessary, and the expenses so incurred will be borne by the Company.

Article 18 The procedures for convening the meeting and voting methods as well as the resolutions passed at the meeting of the Audit Committee shall comply with provisions of laws and administrative regulations, the Articles of Association and this Implementation Rules.

Article 19 The Audit Committee shall keep minutes of its meetings. Draft and final versions of minutes of the Committee meetings should be sent to all Committee members for their comment (in case of draft versions) and records (in case of final versions) within a reasonable time after the meeting. Members present at the meetings shall sign on the minutes which shall be kept by the secretary to the Board of Directors of the Company.

Article 20 Any resolution passed or the results of a poll taken at a meeting of the Audit Committee shall be reported in writing to the Board of Directors of the Company.

Article 21 All members attending the meeting are obliged to keep matters discussed in the meeting confidential and shall not disclose them without permission.

CHAPTER 6 SUPPLEMENTARY PROVISIONS

Article 22 Matters not governed by this Implementation Rules shall be implemented in accordance with the provisions of relevant laws and regulations in China and the Articles of Association. Where there is a conflict between this Implementation Rules and future laws or regulations to be promulgated by China or the Articles of Association as amended in accordance with legitimate procedure, the laws and regulations in China and the Articles of Association shall prevail. In these circumstances, this Implementation Rules shall be amended accordingly and then submitted to the Board of Directors for consideration and approval in a timely manner.

Article 23 The right to interpret this Implementation Rules shall be vested in the Board of Directors.

Article 24 This Implementation Rules shall be effective from the date of consideration and approval by the Board of Directors.

These Rules have both Chinese and English versions, the English version is for reference only. Should there be any discrepancy between the two versions, the Chinese version shall always prevail.