

Fangda Carbon New Material Co., Ltd.
Annual Report of 2023



Important Notice

- I. The Board of Directors, the Supervisory Committee and the Directors, Supervisors and senior management of the Company guarantee the truthfulness, accuracy and completeness of the contents of the Annual Report, and that there are no false records, misleading statements or material omissions, and that they shall bear individual and joint legal liabilities.**
- II. All the directors of the Company attended the meeting of the Board of Directors.**
- III. Baker Tilly International CPAs (Special General Partnership) has issued a standard unqualified audit report for the Company.**
- IV. Ma Zhuo, the person in charge of the Company, Zhao Erqin, the chief accountant, and Tan Hong, the head of accounting department (accountant in charge) declare that the financial reports herein are authentic, accurate and complete.**
- V. Profit distribution proposal or capitalization of provident fund for the reporting period adopted by resolution of the Board of Directors**

The Company held the Eleventh Meeting of the Eighth Session of the Board of Directors on March 31, 2024, and considered and approved the "2023 Profit Distribution Proposal", the Company proposed the 2023 profit distribution plan as follows: no cash dividend, no bonus shares, and no capitalization of capital reserve. This proposal is yet to be submitted to the shareholders' meeting for consideration.

VI. The Risk declaration of forward-looking statements.

☒Applicable ☐Not applicable

The forward-looking statements in the report with regard to development strategies, business plans and other forward-looking statements are subject to changes in the market and other factors, and do not constitute a substantial commitment by the Company to investors, and we respectfully request that investors and related parties maintain sufficient risk awareness and pay attention to investment risks.

VII. Are there any non-operating capitals occupied by the controlling shareholder and its affiliated entities?

No.

VIII. Are there any guarantees offered to external entities in violations of the prescribed decision-making procedures?

No.

IX. Are there more than half of the members of the board who cannot ensure the authenticity, accuracy and completeness of the Semi-annual report disclosed by the Company?

No.

X. Major risks alert

Taking into account the characteristics of the industry and the actual operation of the Company, and based on the principle of materiality, the Company has articulated in detail in the "Management's Discussion and Analysis" the material risk factors that may adversely affect the Company's future development strategies and business objectives, and there is no other material risk that the Company needs to be individually reminded of.

XI. Others

☐Applicable ☒Not applicable

Section I. Definitions

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Section VI. Important Matters

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Section X. Financial Report

Catalog of documents available for review	Financial statements containing the signatures and seals of the legal representative, the person in charge of accounting, and the head of the accounting organization.
	Original audit report containing the stamp of the accounting firm and the signature and seal of the certified public accountant.
	Original copies of all corporate documents and announcements that have been publicly disclosed during the reporting period.

Section I. Definitions

I. Definitions

In this report, unless the context otherwise requires, the following terms have the meanings set out below:

Glossary		
Our Company, Company, Fangda Carbon	Means	Fangda Carbon New Material Co., Ltd.
Fangda Group	Means	LiaoNing Fangda Group Industry Co., Ltd.
Baker Tilly International	Means	Baker Tilly International (Special General Partnership)
China Securities Regulatory Commission	Means	China Securities Regulatory Commission
Shanghai Stock Exchange	Means	Shanghai Stock Exchange
Company Law	Means	Company Law of the People's Republic of China
Securities Law	Means	Securities Law of the People's Republic of China
Articles of Association	Means	Articles of Association of Fangda Carbon
Reporting Period	Means	Financial year 2023

Section II Company Profile and Key Financial Indicators

I. Company profile

Company name	Fangda Carbon New Material Co., Ltd.
Abbreviation of company	Fangda Carbon
Legal person	Mazhuo

II. Contact Details

	Secretary of the board of directors	Securities affairs representative
Name	Zhuang Xiaoru	Zhang aiyun
Address	No.11 Tansu Road Haishiwan Town Honggu District Lanzhou City Gansu Province	No.11 Tansu Road Haishiwan Town Honggu District Lanzhou City Gansu Province
Tel:	0931-6239106	0931-6239195
Fax:	0931-6239221	0931-6239221
Email:	fdts730084@fangdacarbon.com	fdts730084@fangdacarbon.com

III. General Information

Company Registered Address	No.11, Carbon Road, Haishiwan Town, Honggu District, Lanzhou City, Gansu Province, China
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Historical changes in the company's registered address	According to the "One Mark, Three Facts" two-dimensional code standard address registration requirement of the public security authorities in Gansu Province, approved by the public security authorities and the civil affairs departments, the registered address of the Company was changed to No. 11, Carbon Road, Haisiwan Town, Honggu District, Lanzhou City, Gansu Province, and the 36th Extraordinary Meeting and 5th Extraordinary Shareholders' General Meeting of the Seventh Board of Directors of the Company were convened on 8 September, 2020 and 24 September, 2020 respectively. On 8 September, 2020 and 24 September, 2020, the Company held the 36th Extraordinary Meeting of the Seventh Board of Directors and the Fifth Extraordinary General Meeting of Shareholders in 2020 respectively to consider and approve the "Proposal on the Amendment of Part of the Articles of Association of the Company", and completed the industrial and commercial registration procedures on 28 September, 2020 to obtain a new business license.
Company's office address	No. 11, Carbon Road, Hai Shi Wan Town, Honggu District, Lanzhou City, Gansu Province, China
Postal code of the company's office address	730084
Company website	http://www.fdtsgs.com
E-mail address	fdts730084@fangdacarbon.com

IV. Brief introduction of Information Disclosures and Change of Locations

Newspaper to publish information	China Securities Journal (http://www.cs.com.cn/) Shanghai Securities Journal (http://www.cnstock.com)
Website to publish Semi-annual report	http://www.sse.com.cn
Storage location of the company's Semi-annual report	Secretariat of the Board of Directors of Fangda Carbon New Material Technology Co., Ltd

V. Corporate Stock Profile

Corporate stock profile				
Genre of Stock	Stock exchange	Abbreviation of stock	Code of stock	Stock abbreviation before change
A share	Shanghai Securities Exchange	Fangda Carbon	600516	STFangda
GDR	Swiss Exchange	Fangda Carbon	FDCB	/

VI. Other relevant information

Accounting firm engaged by the Company (domestic)	Name	Baker Tilly International Accounting Firm (Special General Partnership)
	Office Address	25th Floor, Block D, Wo Sheng Jing Guang Center, No. 11 Tang Yan Road, Yanta District, Xi'an City, Shaanxi Province, China
	Name of Signatory Accountant	Liu Dan, Cheng Lu, Li Yaxiong
Sponsor organization performing continuous supervision duties during the reporting period	Name of Accountant	Credit Suisse Securities (China) Co.
	Office Address	20/F, 89 Jinbao Street, Dongcheng District, Beijing, China
	Name of Signatory Sponsor Representative	Guo Yuhui, Mao Shaomeng

	Period of Continuous Supervision	1 January 2023 - 31 December 2023
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VII. Key Accounting Data and Financial Indicators

(I). Major accounting data

Unit: yuan Currency: CNY

Major accounting data	2023	2022	Percentage change (%)	2021
Operating revenue	5,131,908,843.35	5,320,293,391.07	-3.54	4,651,772,746.11
Net income attributable to shareholders of the listed company	416,237,631.36	839,939,033.95	-50.44	1,084,595,183.21
Net income attributable to shareholders before non-recurring gains and losses	356,890,294.69	727,684,725.65	-50.96	774,087,826.45
Net cash flows from operating activities	856,004,758.44	236,117,357.73	262.53	-37,844,166.75
/	At the end of 2023	At the end of 2022	Percentage change (%)	At the end of 2021
Net assets attributable to shareholders of listed company	17,073,727,316.17	15,682,777,503.34	8.87	14,764,688,049.15
Total assets	21,707,602,188.56	20,175,290,714.93	7.59	18,502,948,253.96

(II). Financial Indicators

Main financial indicators	2023	2022	Percentage change(%)	2021
Basic EPS (Yuan / share)	0.11	0.22	-50.00	0.29
Diluted EPS (Yuan /share)	0.11	0.22	-50.00	0.29
Adjusted EPS (Yuan /share)	0.09	0.19	-52.63	0.20
Weighted average ROE (%)	2.48	5.53	Decreased by 3.05%	7.15
Weighted average ROE (%), net of non-recurring gains and losses	2.13	4.79	Decreased by 2.66%	5.10

Description of the Company's principal accounting data and financial indicators for the previous three years at the end of the reporting period

☒Applicable ☐Not applicable

1. During the reporting period, operating income decreased by 3.54% year-on-year, mainly due to the decrease in sales price.
2. During the reporting period, net profit attributable to shareholders of listed companies decreased by 50.44% year-on-year, which was mainly due to the impact of the decline in gross profit margin of products.
3. Net cash flow from operating activities increased by 262.53% compared with the same period of the previous year, mainly due to the decrease in cash paid for raw materials during the reporting period compared with the same period of the previous year.
4. The decrease in basic earnings per share and weighted average return on net assets was mainly due to the decrease in net profit and the increase in total share capital after the issuance of GDR.

VIII. Discrepancies between accounting data under domestic and overseas accounting standards

☐Applicable ☒Not applicable

IX. Key Financial Data of 2023 by Quarter

☐Applicable ☒Not applicable

Unit: yuan Currency: CNY

	First quarter (January-March)	Second quarter (April-June)	Third quarter (July-September)	Fourth quarter (October-December)
Operating Income	1,345,661,450.61	1,275,128,739.80	1,256,557,307.55	1,254,561,345.39
Net profit attributable to shareholders of listed companies	221,446,774.06	59,440,765.88	103,409,293.74	31,940,797.68
Net profit after extraordinary gains and losses attributable to shareholders of the listed company	149,652,283.18	72,512,052.25	102,319,160.65	32,406,798.61
Net cash flows from operating activities	-39,017,808.09	378,727,855.75	373,501,128.17	142,793,582.61

X. Non-recurring Profit and Loss items and value
☒Applicable ☐Not applicable

Unit: yuan Currency: CNY

Non-recurring profit and loss items	Value of 2023	Note (if applicable)	Value of 2022	Value of 2021
Gain or loss from the disposal of non-current Assets	4,110,742.65		404,161,267.49	216,019,424.42
Unauthorized approval, or no formal approval documents, or occasional tax refunds, reductions and exemptions	58,732,662.12		61,979,423.66	37,460,558.89
Government subsidies recognized in current period profit and loss, except for government subsidies that are tightly tied to the company's normal business operations, complying with national policies and regulations, and are continuously enjoyed in accordance with certain quotas or quantities	-22,582,666.55		-197,372,820.40	72,384,136.72
Fund occupancy fees charged to non-financial enterprises included in current period gains and losses				
The cost of investments in subsidiaries, associates and joint ventures acquired by an enterprise is less than its share of the gain arising from the fair value of the investee's identifiable net assets at the time of investment acquisition	599,056.60			92,762,470.34
Non-monetary asset exchange gains and losses				
Gains and losses from commissioned investment and Assets under management				
Provision for impairment of various assets due to force majeure factors, such as natural disasters	4,202,750.55		1,178,590.26	225,187.25
Gains and losses from debt restructuring	1,568,709.16			
Enterprise restructuring expenses, such as employee replacement expenses, integration costs, etc.				

The profit and loss exceeding the fair value arising from the transaction whose transaction price is obviously unfair				
Current net profit and loss of subsidiaries from the beginning of the period to the date of business merger under the same control	4,269,267.92		6,019,012.82	1,516,867.61
Profits and losses arising from contingencies irrelevant to the normal operation of the company				
In addition to the effective hedging business related to the company's normal business operations, the profit and loss of fair value changes arising from the holding of trading financial assets, derivative financial assets, trading financial liabilities, derivative financial liabilities, and investment income obtained from the disposal of trading financial assets, derivative financial assets, trading financial liabilities, derivative financial liabilities and other debt investments				
Reversal of provision for impairment of receivables tested individually				
Gains and losses from external commissioned loans				
Gains and losses from changes in fair value of real estate properties investment measured by fair value model				
The impact of one-off adjustment on the current profit and loss according to the requirements of taxation, accounting and other laws and regulations				
Custody fee income from entrusted operation				
Other non-operating income and expenses except the above items				
Other profit and loss items conforming to the definition of non-recurring profit and loss	-32,306,765.95		-17,333,180.13	-20,338,285.18
Donation	68,157,310.18		3,644,599.93	6,877,062.94
Less: The impacted value of income tax	6,880,795.97		76,553,280.88	91,182,097.55
The impacted value on non-controlling interests (after tax)	20,522,934.04		73,469,304.45	5,217,968.68
Total	59,347,336.67		112,254,308.30	310,507,356.76

XI . Items measured using fair value

☒Applicable ☐Not applicable

Unit: yuan Currency: CNY

Items	Opening balance	Closing balance	Current period changes	Value of impact on current profit
Financial assets held for trading	1,545,366,189.88	586,500,429.15	-958,865,760.73	-22,906,308.30
Receivable financing	453,554,021.98	208,553,904.66	-245,000,117.32	
Other non-current financial assets	324,090,101.94	501,990,183.96	177,900,082.02	-4,796,469.18
Total	2,323,010,313.80	1,297,044,517.77	-1,025,965,796.03	-27,702,777.48

Section III. Management discussion and analysis

I. Discussion and Analysis of Operating Situation

In 2023, the management of the Company centered on the business plan and major objectives for 2023, actively responded to multiple pressures such as weak demand in the downstream market and fluctuations in the prices of upstream raw materials, adhered to market-oriented, precise measures, innovation and change, and played a leading role in the industry and the industry's coordinating mechanism, and the Company's product sales margins continued to maintain an advanced level in the industry, and the structural adjustment of the block type of products has achieved a relatively obvious effect. The structural adjustment of block products has achieved a relatively obvious effect, and the company's production and operation has been running smoothly as a whole.

(I) Survive by quality, develop by innovation. We strictly control the process of supply and demand, refine the quality assurance measures, insist on the goal of customer demand, and benchmark the quality work against international advanced enterprises. We strictly control the standards from the product index, processing precision, pre-group packaging, etc.; and strengthen the service consciousness from the performance introduction, use guidance, after-sales service, etc.. Insisting on "product quality is the life of an enterprise", we should put "survival by quality, development by innovation" throughout the whole process of quality management, and implement it into all aspects of quality management, so as to win the favor of domestic and foreign customers with excellent product quality. The company has independent intellectual property rights of magnesium electrolysis graphite anode products exported for the first time, the graphitized cathode for aluminum electrolysis upgraded and upgraded, 600KVA graphitized cathode for aluminum electrolysis tailor-made for the domestic customers came off the production line smoothly, which has become a new profit growth point of the company, and the Chengdu Carbon Material has realized the localization of the key graphite materials for new energy and semiconductor industry.

(ii) Guard the market, create the market and improve sales performance. In the face of the new situation and new changes, the company will flexibly control, plan the market one step ahead of others, grab the opportunity one step faster, grasp the sales volume one step ahead of others,

conduct in-depth research on the market, analyze the market with a submerged heart, serve the market with heart and soul by running through the legs, guarding and maintaining the traditional market and key customers, and exploring the blank market and emerging market. At the same time, accelerate the product structure adjustment, seek incremental volume in the market demand changes, and take measures to improve sales performance. The company has been awarded the title of "Outstanding Excellent Supplier" by customers for many times, developed several new foreign customers in 2023, and signed strategic cooperation agreements with JISCO Group.

(III) Strengthening hierarchical control, implementing safety responsibility and improving environmental protection control level. Firmly establish the concept of safety development, carry forward the idea of life first, safety first, tightly grasp the safety without relaxing, strict control without slacking off, with the implementation of the production safety responsibility system, establish and improve the responsibility for the establishment of the assessment, inspection, feedback, adjustment mechanism, and strengthen the day-to-day supervision, control, accountability and chastisement. In terms of environmental protection, we will adhere to the general requirement of "controlling the total amount, controlling the concentration and strict control", implement the operation and control of environmental protection equipments and facilities, and create green carbon.

(IV) Deeply promote the delicacy management, and continue to grasp the work of cost reduction and efficiency. Focusing on cost control, we will further reduce costs and increase efficiency by optimizing process technology, reducing consumption of raw and auxiliary materials, improving the operation rate of equipment, and enhancing work efficiency. Through daily energy control, fine management of product manufacturing, improving the effectiveness of repairing and recycling, small reforms, plugging leakage, all-round, multi-level, wide-dimensional carry out the fine management work, adding bricks and mortar to the enterprise's efficiency.

II. Industry situation of the company during the reporting period

Carbon industry is one of the important raw material industries in China, with an irreplaceable special status, and the unique performance of its products has a wide range of applications in many fields, including metallurgy, non-ferrous metals, chemical industry, machinery, electronics, aviation and aerospace, nuclear industry, new energy, sports equipment, bio-medicine, and many other fields, and so on. With the rapid development of aviation, aerospace, nuclear industry, electronics, new energy and other industries, the use of carbon products will be more and more extensive. The main raw material used in the production of carbon products is the waste residue in the production process of petrochemical and coal chemical industries, which undergoes complex deep processing and long process of multiple procedures. Carbon material production is the secondary use of energy, is a typical circular economy industry, sunrise industry.

Carbon materials are used in many fields, but not only any metal and non-metallic materials can not be replaced, but also for downstream users to play a role in promoting carbon reduction and emission reduction. The Ministry of Industry and Information Technology, the National Development and Reform Commission, the Ministry of Ecology and Environment jointly issued the "Guiding Opinions on Promoting the High-Quality Development of the Iron and Steel Industry" to encourage enterprises to develop the electric furnace short-process steelmaking and strengthen the development direction of the utilization of scrap, providing strong policy support for the future development of graphite electrode, China's electric furnace steel production

accounted for the proportion of the overall crude steel output is expected to grow to more than 15% of the target in 2025. Meanwhile, the demand for Chinese graphite electrode export continues to grow under the restriction of overseas production capacity, China's graphite electrode capacity utilization rate will gradually improve, and the output will continue to maintain an upward trend. With the introduction of policies such as "Guiding Opinions on Positively and Steadily Promoting the Reform of Urban Villages in Mega Mega Cities" and "Opinions on Promoting the Development and Strengthening of the Private Economy" and the accelerated promotion of a large number of new construction or renovation of electric arc furnace projects to drive the improvement of demand for carbon products and the rebound of profitability level.

Strict environmental regulations and policies to promote the development of graphite electrode industry. In recent years, China's government has enacted a series of regulations and policies to accelerate the technological innovation of graphite electrode manufacturers, aiming to promote industrial consolidation and eliminate backward production capacity. As a result of the policy, graphite electrode manufacturers in the PRC that do not comply with the environmental protection requirements are required to shut down their production facilities, which will benefit the leading graphite electrode manufacturers with environmentally friendly production processes and the ability to manufacture high-quality graphite electrodes, and will help them to further increase their market share and enhance their competitiveness in the market.

Carbon industry has entered a new development period, insisting on green and low-carbon development, helping to realize the "double carbon" goal, gradually shifting from incremental development to high-quality development, and upgrading equipments and creating superior products with new development concepts and technological innovation. At the same time in line with the high-end manufacturing demand for new carbon materials to accelerate the realization of new quality productivity, enhance the development of new momentum has become the industry consensus.

Affected by the downstream demand and other factors, the overall profit level of the carbon industry declined in the reporting period.2024 In March, the official website of China Carbon Industry Association released the "Completion of Economic Indicators of Member Enterprises of China's Carbon Industry in 2023". According to the statistics on the completion of economic indicators, in terms of sales revenue, the sales revenue of the carbon industry reached CNY 38.964 billion, down 11.14% year-on-year; the total profit was CNY 1.722 billion, down 54.06% year-on-year.

III. Businesses engaged by the Company during the reporting period

The industry of the Company is graphite and carbon products in the non-metallic mineral products industry. The Company is mainly engaged in the development, production and sales of graphite electrodes, lump carbon bricks, isostatic graphite, carbon/graphite materials for nuclear power generation, graphene materials and carbon/carbon composites, etc. The Company has five production bases of carbon products, two R&D and production bases of raw materials for graphite, and three R&D and production bases of new materials. The company has five carbon products production bases, two graphite raw materials R&D and production bases, three new materials R&D and production bases, etc. The company has developed into a world-leading production and supply base of high-quality carbon products, and a research and production base of nuclear-related carbon materials. Our products are widely used in metallurgy, new energy,

chemical industry, machinery, medical and other industries and high-tech fields, selling well in more than 30 provinces, autonomous regions and municipalities directly under the central government, and exported to more than 60 countries and regions in the world's five continents. During the reporting period, the company adhered to market-oriented, sales traction, reasonable layout of customer structure, improve the efficiency of resource allocation, give full play to the scale advantages of the carbon plate, the advantages of resource synergies, the advantages of "large corps", flexible adjustment of the sales strategy, and solid development of the high-end market of graphite electrodes, with a focus on seizing the market of various types of carbon briquettes, special graphite and other products to seek incremental market demand changes. Focusing on the market demand changes of various carbon bricks and special graphite products, we will seek for incremental growth. We have increased our efforts in scientific research and technological innovation, developed and produced graphite cathodes for 600KVA aluminum electrolysis for our customers, and realized the localization of key graphite materials for new energy and semiconductor industries.

IV. Analysis of core competitiveness during the reporting period

☒Applicable ☐Not applicable

The Company has rich experience in the production, research and development and sales of carbon products, and can deeply grasp the development trend of the carbon products industry, the production technology and types of products have been constantly introduced, and the competitiveness has been steadily improved, and it is a major carbon products manufacturer in China. The company has been one of the world's high-quality carbon products suppliers for many consecutive years, and the quality of its products is renowned both at home and abroad. Through continuous innovation and upgrading, the company has been able to meet the needs of upstream and downstream customers in a targeted manner, and further consolidate the company's leading position in the field of carbon products; meanwhile, the company will actively research and develop the business of new carbon materials, so as to lay a solid foundation for the next period of growth.

(I) Emphasize on scientific and technological innovation and deepen the application of research and development.

The company holds high the banner of science and technology leadership, and constantly strengthens the pace of scientific and technological innovation, and uses the sword of science and technology to break through the bottleneck of enterprise development. We have independent intellectual property rights in core key technologies, and occupy a leading position in the fields of blast furnace Carbon briquettes, Carbon/graphite materials for nuclear power generation, and the research and production of graphene preparation and application technologies. Now it has formed a research and development system and diversified industrial system, which is mainly based on the research and development of cutting-edge new material products, supplemented by the upgrading of traditional products, and supplemented and supported by the research and development of raw materials. Relying on Graphene New Materials Research Institute and Carbon Materials Research Institute, the company has been extending its high-end industrial chain to carbon composite materials, nuclear graphite development, graphene R&D and application.

(II) Excellent management team advantage.

Efficient core management team is the driving force for the company to realize rapid and healthy

development with clear forward-looking development strategy, strong executive force and cohesion. The company's management team has a wealth of practical experience in the carbon industry, can more accurately identify the industry development trend, to grasp the short-term development opportunities, which has formed its own unique management model, to ensure that the production and operation of the efficiency of the continuous improvement. The company continues to improve the management level of the original cadres and at the same time focuses on cultivating new talents with great potential, ensuring that each production link and management position has a team of dedicated, committed and efficient talents. The company's core management team is stable, the management of the company from the operational trough to embark on the road to the rise of those who have experienced the company's low-cost, large-scale, high-efficiency production of the company's business management tradition of deep understanding and recognition, is the company's sustainable and healthy operation of the strong guarantee.

(III) continuously improve the dominant position in the industry.

The Company has grown into a leading global supplier of carbon products by virtue of its outstanding technological advantages and quality advantages, with obvious competitive advantages in the industry. At present, by the higher environmental protection requirements and industry competition pressure, the domestic small-scale enterprises backward production capacity will have been withdrawn one after another, the later entrants to improve the threshold. The company has sufficient strength to occupy a stable leading position, and in-depth optimization of product performance, accurately improve the rate of differentiation of high-end products, enhance the scale of revenue and profit scale, fill the gaps in market demand and further expand the competitive advantage, to achieve the leading position in the industry.

(IV) Advantage of refined management.

In 2023, the company will focus on "refined management", carefully organize the procurement of supply, cost-effective enhancement, cost reduction and other work, in-depth research of the market, understand the industry dynamics, innovative procurement model, and further enhance the efficiency and quality of procurement work. Regularly convene the raw and auxiliary materials procurement rapid response meeting, the company's sales, production, technology and other departments work closely with market information sharing, combined with the process formula to optimize the procurement of raw materials, especially in the period of price changes, combined with the inventory and production demand, rapid decision-making, the opportunity to purchase. The use of subsidiary production capacity advantage, effectively curb the price fluctuations of raw and auxiliary materials, to maximize the overall interests of the plate; downstream market stability, the company's production capacity can be fully released, the scale effect gradually appeared, so the unit cost is more competitive.

(V) Improvement and upgrading of quality, building advantages in transformation and development

The company actively researches and develops "Multi-source Data Integration Platform for Carbon Plate" to promote the deep integration of digitization and intelligence. As a leading enterprise in the industry, the Company has long been committed to building "digital factories" and "intelligent factories", promoting the high-quality development of enterprises through informationization construction, and comprehensively improving the comprehensive competitiveness of enterprises. The successful launch of the newly developed digital platform

has opened up various third-party application systems and self-developed business systems, solved the long-standing problem of "information silos", injected new vitality into data management and business process optimization, and taken a key step towards high-level development in informationization construction and digital transformation. The enterprise has taken a key step towards high-level development in informationization construction and digital transformation.

(VI) Firmly establish the sense of red line, and strictly grasp safety and environmental protection. Safety and environmental protection are the prerequisites for the development of the enterprise and the lifeline for its sustainable operation and development. Firmly establish the awareness of the red line of safety and environmental protection, increase the strength of hidden danger investigation and management, strengthen the accountability and responsibility, effectively eliminate the major accidents and hidden dangers, build a long-term mechanism to build the intrinsic safety of jobs and enhance the level of employee self-management, implement the zero-hidden danger management and safety standardization management, and strive to solve the barriers to safety management, and effectively improve the level of safety management. Adhere to management innovation, the pursuit of pragmatic and efficient, continue to focus on environmental protection equipment grading and control, optimize and improve the environmental protection equipment grading and control standards, continue to promote the implementation of ultra-low emission transformation, grasp the efficient operation of environmental protection equipment, give full play to the environmental protection facilities to improve the site environment, pollution control and emission reduction on the effect of the company's ultra-low emission transformation has been achieved, the environmental protection indicators continue to improve.

V. Main operating conditions during the reporting period

The Company conscientiously implemented the work requirements of "change, dryness and practicality" and "depth, practicality, detail, accuracy and effectiveness", actively promoted various measures to improve quality, reduce costs and increase efficiency, played a leading role in the industry and industry coordination mechanism, continued to practise deepening change, and implemented the operation plan of each segment around the core business. The business plan of each segment, actively adjust the industrial structure according to the market response, and take multiple measures to increase efficiency. 2023, the company produced 217,600 ton of carbon products, an increase of 3.51% year-on-year; the sales volume of 217,700 ton of carbon products, an increase of 2.53% year-on-year; achieved operating income of 5.132 billion yuan, a decrease of 3.54% year-on-year; realized net profit attributable to shareholders of listed companies of 416 million yuan, a decrease of 50.44% year-on-year; and reported a decrease of 50% year-on-year. decreased by 50.44% year-on-year; at the end of the reporting period, the company's total assets amounted to 21.708 billion yuan, net assets attributable to shareholders of listed companies amounted to 17.074 billion yuan, and asset-liability ratio was 15.04%.

During the reporting period, the company became the first A+G listed company in the western region of China, and the controlling subsidiary Chengdu Fangda Carbon Composite Material Co. The company was listed in the list of "2023 Gansu Top 50 Private Enterprises", twice awarded the province's industrial economy and stable growth of outstanding contribution to the enterprise, the company's national enterprise technology center successfully passed the evaluation of the national enterprise technology center, the company was recognized as national high-tech

enterprises, the company presided over the revision of the "Blast Furnace with ultra-microporous carbon block" national industry standard was validated and passed, and the company was awarded the national high-tech enterprise certificate. The revised national standard "Super Microporous Carbon Block for Blast Furnace" has been validated and passed, and recognized as international advanced level by the Carbon Material Sub-Technology Committee of National Steel Standard Committee.

(I) Analysis of main business operations

1. Analysis of changes in relevant accounts in the income statement and cash flow statement

Unit: Yuan Currency: CNY

Items	Current period value	Previous period value	Percentage change (%)
Operating revenue	5,131,908,843.35	5,320,293,391.07	-3.54
Operating cost	4,155,103,191.13	3,943,208,334.94	5.37
Selling expenses	119,762,649.55	130,785,567.96	-8.43
Administrative expenses	381,772,844.62	362,243,031.32	5.39
R&D expenses	90,485,410.77	95,571,741.10	-5.32
Financing cost	-136,312,211.52	-150,724,186.77	Not applicable
Income tax expense	90,793,970.64	218,216,656.88	-58.39
Net cash flows from operating activities	856,004,758.44	236,117,357.73	262.53
Net cash flows from investment activities	808,888,602.24	-5,354,681,225.42	Not applicable
Net cash flows from Financing activities	1,511,149,696.79	626,877,483.17	141.06

Reasons for changes in operating income: mainly due to the impact of the decline in product prices in the reporting period.

Explanation for changes in operating costs: mainly due to the impact of fluctuations in raw material prices in the reporting period.

Explanation for the changes in selling expenses: mainly due to the decrease in the remuneration of sales personnel in the reporting period compared with the same period of the previous year.

Explanation for the changes in administrative expenses: mainly due to the impact of the increase in payment expenses in the reporting period.

Explanation for the changes in finance costs: Not applicable.

Explanation for the changes in research and development expenses: mainly due to the decrease in remuneration of personnel in the reporting period relative to the same period of the previous year.

Explanation for the changes in net cash flows from operating activities: mainly due to the decrease in payments for raw materials in the reporting period.

Explanation for the changes in net cash flows from investing activities: mainly due to the decrease in foreign investment in the reporting period compared with the same period of the

previous year.

Explanation for the change in net cash flows from financing activities: mainly due to the increase in investment proceeds from the issuance of GDRs during the reporting period.

Explanation for the change in income tax expense: due to the decrease in total profit in the reporting period.

2. Revenue and cost analysis

☒Applicable ☐Not applicable

(1). Operating business by industry, product, region and sales model

Unit: yuan Currency: CNY

Main business by sector						
Sub-Industry	Operating income	Operating Costs	Gross margin (%)	Increase or decrease in operating income over previous year (%)	Increase/decrease in operating costs over previous year (%)	Increase or decrease in gross profit margin over the previous year (%)
Carbon	4,707,380,546.36	3,973,622,800.30	15.59	-3.71	5.08	Decrease of 7.06%
Extractive Industry	115,331,757.75	71,466,667.23	38.03	-15.15	33.55	Decrease of 22.60%
Total	4,822,712,304.11	4,045,089,467.53				
Main business by product						
Sub-products	Operating income	Operating Costs	Gross margin (%)	Increase or decrease in operating income over previous year (%)	Increase/decrease in operating costs over previous year (%)	Increase or decrease in gross profit margin over the previous year (%)
Carbon Products	4,707,380,546.36	3,973,622,800.30	15.59	-3.71	5.08	Decrease of 7.06 %
Iron powder	115,331,757.75	71,466,667.23	38.03	-15.15	33.55	Decrease of 22.60 %
Total	4,822,712,304.11	4,045,089,467.53				
Main business by region						
Sub-region	Operating income	Operating Costs	Gross margin (%)	Increase or decrease in operating income over previous year (%)	Increase/decrease in operating costs over previous year (%)	Increase or decrease in gross profit margin over the previous year (%)
Domestic	3,748,665,259.52	3,101,031,045.63	17.28	-2.47	7.05	Decrease of 7.35 %
Overseas	1,074,047,044.59	944,058,421.90	12.10	-10.15	-0.48	Decrease of 8.54 %

(2). Analysis of production and sales

☒Applicable ☐Not applicable

Main Products	Unit	Production	Sales	Inventory	Increase or decrease in production over previous year (%)	Increase or decrease in sales volume over previous year (%)	Increase/decrease in inventory over previous year (%)
Carbon Products	Ton	217,560.63	210,738.46	17 115.58	3.51	2.53	42.92
Iron Ore Powder	Ton	89,910.00	116,892.12	278,615.93	-69.49	-5.82	-8.83

(3). Cost analysis table

Breakdown by industry						
Sub-Industry	Cost Component Items	Value for the period	Proportion out of total cost for current period (%)	Value of previous year	Proportion out of total cost of previous period	YOY Percentage change (%)
Carbon	Raw Materials	2,317,424,179.06	67.34	2,841,707,161.78	71.40	-18.45
	Labor	370,259,568.14	10.76	354,391,054.79	8.90	4.48
	Energy	465,202,756.09	13.52	507,903,066.95	12.76	-8.41
	Manufacturing Costs	288,403,589.53	8.38	275,791,637.32	6.93	4.57
Extractive industry	Ore	49,628,318.69	79.34	67,479,476.11	54.94	-26.45
	Electricity	7,024,773.52	11.23	20,397,896.42	16.61	-65.56
	Raw Materials	1,751,965.72	2.80	8,489,519.84	6.91	-79.36
	Wages	2,839,799.98	4.54	18,823,047.32	15.33	-84.91
	Depreciation	782,218.46	1.25	3,635,914.80	2.96	-78.49
	Manufacturing costs	526,846.16	0.84	3,996,141.82	3.25	-86.82
By product						
Sub-Products	Cost Component Items	Value for the period	Proportion out of total cost for current period (%)	Value of the previous year	Proportion out of total cost of previous period	YOY Percentage change (%)
Carbon Products	Raw Materials	2,317,424,179.06	67.34	2,841,707,161.78	71.40	-18.45
	Labor	370,259,568.14	10.76	354,391,054.79	8.90	4.48
	Energy	465,202,756.09	13.52	507,903,066.95	12.76	-8.41
	Manufacturing Costs	288,403,589.53	8.38	275,791,637.32	6.93	4.57
Iron powder	Ore	49,628,318.69	79.34	67,479,476.11	54.94	-26.45

	Electricity	7,024,773.52	11.23	20,397,896.42		-65.56
	Raw materials	1,751,965.72	2.80	8,489,519.84	16.61	-79.36
	Wages	2,839,799.98	4.54	18,823,047.32	6.91	-84.91
	Depreciation	782,218.46	1.25	3,635,914.80	15.33	-78.49
	Manufacturing costs	526,846.16	0.84	3,996,141.82	2.96	-86.62

(4) Equities change of major subsidiaries causing the change of consolidation scope

☒Applicable ☐Not applicable

In order to further integrate resources, reduce management costs, optimise the governance structure and improve operational efficiency, the former joint venture of the Company, Fangda Xi Kemo (Jiangsu) Needle Coke Technology Co., Ltd. On 27 June 2023, Fangda Xikmo received a new business licence, and Jiangsu Fangda's status as an independent legal entity was cancelled, and all of its assets, liabilities, business and personnel were inherited by Fangda Xikmo, with Fangda Xikmo holding 65% of the shares after the merger and Nippon Steel & Chemical Materials Corporation holding 35% of the shares. After the merger, the Board of Directors of Fangda Kikkomo consists of three directors, of whom Fangda Carbon has the right to recommend two and Nippon Steel Chemical Materials Corporation has the right to recommend one, and the chairman of the board of directors is a person recommended by Fangda Carbon. In July 2023, Fangda Kikkomo was included in the scope of the Company's consolidation and accounting.

(5). Major Sales Customers and Major Suppliers

A. Major sales customers of the Company

☒Applicable ☐Not applicable

The sales of the top five customers amounted to CNY 704,334,500, accounting for 13.72% of the total annual sales; among the sales of the top five customers, the sales of related parties amounted to CNY 0, accounting for 0% of the total annual sales.

During the reporting period, the proportion of sales to a single customer exceeded 50% of the total amount, and there were new customers among the top 5 customers, or the situation of relying heavily on a small number of customers.

B. Major suppliers of the Company

☒Applicable ☐Not applicable

The purchase amount of the top five suppliers is CNY 86,681,200 , accounting for 20.86% of the total annual purchase amount; of which the purchase amount of the related parties among the top five suppliers is 0 Yuan, accounting for 0% of the total annual purchase amount.

The proportion of purchases from a single supplier exceeded 50% of the total amount during the reporting period, there were new suppliers among the top 5 suppliers or there were cases of heavy reliance on a few suppliers.

3 .Expenses

☒Applicable ☐Not applicable

Unit: yuan Currency: CNY

Items	Current period	Previous period	Amount for the period over the same period of the previous year Table of Contents (%)
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Selling Expenses	119,762,649.55	130,785,567.96	-8.43
Administrative Expenses	381,772,844.62	362,243,031.32	5.39
Financing costs	-136,312,211.52	-150,724,186.77	Not applicable
R&D expenses	90,485,410.77	95,571,741.10	-5.32

4 .R&D

(1) Table of R&D

☒Applicable ☐Not applicable

Unit: yuan Currency: CNY

R&D inputs expensed during the period	90,485,410.77
Capitalized R&D investment for the period	0
Total R&D investment	90,485,410.77
Total R&D investment as a percentage of operating revenue (%)	1.76
Share of capitalized R&D investment (%)	0

(2) . Table of information on research and development personnel

Number of R&D personnel in the company	334
Proportion of the number of R&D personnel to the total number of employees of the company (%)	13.57
Educational structure of R&D staff	
Category of academic structure	Number of academic structures
PHD	10
Master's Degree	33
Bachelor's Degree	157
Deploma	134
High school and below	-
Age structure of R&D staff	
Age structure of R&D personnel	Age structure
Age structure category	66
Below 30 years old (including 30 years old, not including 30 years old)	154
30-40 years old (including 30 years old, excluding 40 years old)	64
40-50 years old (including 40 years old, excluding 50 years old)	48
50-60 years old (including 50 years old, excluding 60 years old)	2
Age 60 and above	Age structure

5 .Cash flow

☒Applicable ☐Not applicable

Unit: yuan Currency: CNY

Item	Current period	Prior period	Amount for the period over the same period of the previous year Table of Contents (%)
Net cash flows from operating activities	856,004,758.44	236,117,357.73	262.53

Net cash flows from investing activities	808,888,602.24	-5,354,681,225.42	Not applicable
Net cash flows from financing activities	1,511,149,696.79	626,877,483.17	141.06

(II) Analysis of assets and liabilities

Applicable ☐ Not applicable

(1) Assets and liabilities

Unit: yuan Currency: CNY

Items	Current value	Current value out of total assets(%)	Previous value	Previous value out of total assets(%)	Percentage change
Cash and cash equivalents	6,191,289,792.28	28.52	3,152,026,939.80	15.62	96.42
Financial assets held for trading	586,500,429.15	2.70	1,545,366,189.88	7.66	-62.05
Receivables financing	208,553,904.66	0.96	453,554,021.98	2.25	-54.02
Prepayments	86,188,667.68	0.40	163,753,973.06	0.81	-47.37
Other current assets	10,884,767.33	0.05	23,062,827.16	0.11	-52.80
Other non-current financial assets	501,990,183.96	2.31	324,090,101.94	1.61	54.89
Other non-current assets	80,458,901.07	0.37	119,381,622.84	0.59	-32.60
Notes payable	400,770,815.15	1.85	600,689,256.80	2.98	-33.28
Long-term loans	638,279,169.17	2.94	396,344,850.00	1.96	61.04
Taxes payable	48,001,121.08	0.22	89,608,564.20	0.44	-46.43

Other notes

Monetary funds: due to the increase in investment funds received during the reporting period.

Financial assets for trading: due to the decrease of investment in secondary market in the reporting period.

Receivables financing: due to the expiry of bank acceptance bills for collection in the reporting period.

Prepayments: due to the decrease of payment for raw materials in the reporting period.

Other current assets: due to the decrease of VAT retention in the reporting period.

Other non-current financial assets: due to the increase of investment in the reporting period.

Other non-current assets: decrease in prepayment for long-term assets in the reporting period.

Bills payable: decrease in bills issued in the reporting period.

Long-term loans: increase in bank loans obtained in the reporting period.

Taxes payable: due to the decrease in total income and profit in the reporting period.

2. Overseas Assets

☒ Applicable ☐ Not applicable

(1) Assets Scale

Of which: Overseas assets 10,085.11 (Unit: Yuan,Currency:CNY), 0.00005% out of total assets.

(2) The restrictive assets until the end of the period

☒Applicable ☐Not applicable

Unit: yuan Currency: CNY

Items	Book value at the end of the period	Reason of being restricted
Cash and cash equivalence	74,102,785.42	margin (in derivative trading)
Financing receivables	580,840,971.91	Pledge
Financial assets held for trading	323,177,400.73	Pledge
Fixed assets	3,330,990.53	Mortgage
Total	981,452,148.59	/

(III) Analysis of industry business information

☒Applicable ☐Not applicable

For details, please refer to Section III, "Management's Discussion and Analysis" of this report.

(IV) Analysis of investment status

Overall analysis of outward equity investments

☒Applicable ☐Not applicable

In order to further integrate resources, reduce management costs, optimize the governance structure, and improve operational efficiency, the former joint venture of the company, Fangda Xikmo (Jiangsu) Co.,Ltd. a former joint venture of the Company, absorbed and merged with the Company's subsidiary, Jiangsu Fangda Carbon Chemicals Co.,Ltd. On 27 June 2023, Fangda Xikmo received a new business license, and the independent legal personality of Jiangsu Fangda was canceled, and all of its assets, liabilities, business and personnel were inherited by Fangda Xikmo, and the equity ratio of Fangda Xikmo after the merger was 65%, and the equity ratio of Nippon Steel Chemical Materials Corporation was 35%. After the merger, the Board of Directors of Fangda Kikkomo consists of three directors, of which Fangda Carbon has the right to recommend two and Nippon Steel Chemical Materials Co., Ltd. has the right to recommend one, and the chairman of the board of directors will be the person recommended by Fangda Carbon.In July 2023, Fangda Kikkomo will be included in the scope of the Company's consolidation.

Overall analysis of outward equity investment

3 Financial assets measured by fair value

☒Applicable ☐Not applicable

Unit: yuan Currency: CNY

Assets type	Beginning value	Profit and loss from changes in fair value in the current period	Cumulative fair value changes included in equity	Impairment provision for this period	Purchase in Current period	Current sale /Redemption value	Other Change	End Value
Stock	1,545,366,189.88	-61,472,277.84				897,393,482.89		586,500,429.15
Private equity fund	324,090,101.94	2,660,930.82				17,303,448.80		309,447,583.96
Other	453,554,021.98	-7,457,400.00			200,000,000.00		-245,000,117.32	401,096,504.66
Total	2,323,010,313.80	-66,268,747.02	-	-	200,000,000.00	914,696,931.69	-245,000,117.32	1,297,044,517.77

1. Major subsidiaries analysis

☒Applicable ☐Not applicable

Unit Ten thousand Yuan Currency: CNY

Firm name	Sector	Key products or services	Registered Capital	Total Assets	Equity	Operating revenue	Operating income	Net income

Shanghai Fangda Investment Management Co.,Ltd.	Investment company	Industrial investment, high-tech project investment, investment management, entrusted management of corporate assets, corporate asset reorganization and mergers and acquisitions planning, electromechanical products, chemical products (except for hazardous chemicals, monitoring chemicals, fireworks, civil explosives, and easy-to-use poisonous chemicals), metallurgical furnace materials, metal products, sales, consulting services (projects subject to approval in accordance with the laws and regulations, and only after approval by the relevant departments before carrying out business activities).	6,000.00	78,898.71	19,512.77		-2,152.20	-2,406.71
Fushun Carbon Co.,Ltd.	Manufacturer	Carbon products manufacturing, steel metallurgical materials sales, carbon new product development and design.	6,326.00	123,956.04	111,207.67	42,073.23	-2,930.01	-2,378.96
Hefei Carbon Co.,Ltd.	Manufacturer	Carbon products and by-products production, processing and sales, the export business of the enterprise's self-produced products and the import business of mechanical equipment, spare parts, raw and auxiliary materials required by the enterprise	5,000.00	82,385.04	49,639.82	31,100.62	-1,456.76	-1,011.67
Chengdu Rongguang Carbon Co.,Ltd.	Manufacturer	Production and sales of carbon series products, chemical products (excluding dangerous goods), the operation of self-produced products and related technology import and export business, the plant's production and scientific research needs of the raw and auxiliary materials, machinery and equipment, instruments and meters, spare parts, machining, plumbing and electrical installations, scientific and technological development of the business	10,000.00	155,094.29	129,435.26	52,010.94	2,152.81	3,173.38
Fushun Laihe	Manufacturer	Mining of mineral resources (non-coal mines), logistic of goods (excluding dangerous	2,198.94	93,796.85	86,438.56	12,152.90	2,858.70	1,964.83

Mining Co.,Ltd		goods), ore dressing, mineral washing and processing, manufacturing of mining machinery, processing of stones for construction, production, sale and processing of agricultural products. Transportation. Storage and other related services, vegetable cultivation, fruit cultivation, leisure and tourism activities, processing and treatment of metal waste and scrap, manufacturing of non-metallic mineral products, sales of non-metallic minerals and products, sales of metal ores, sales of mining machinery, sales of construction materials, sales of coal and products						
Fangda High-tech and New Materials Co.,Ltd.	Manufacturer	Manufacture and sale of calcined coke and needle coke, sale of petroleum coke, sale of industrial water, heating	5,000.00	19,902.72	18,907.99	41,407.29	1,536.39	1,164.68
Chengdu Fangda Carbon Composite Material Co., Ltd	Manufacturer	Production, sales: carbon products, chemical products (excluding dangerous goods); operating self-produced products and related technology import and export business; the production and scientific research needs of the raw and auxiliary materials, machinery and equipment, instruments, spare parts, machining; carbon products, scientific research and development [projects subject to approval in accordance with the law, subject to the approval of the relevant departments before carrying out business activities; without obtaining the relevant administrative licenses (approvals), shall not carry out business activities	39,956.29	205,428.25	147,806.72	102,044.05	40,433.01	34,741.79
Fonda Xikmo	Manufacturer	R&D and production of needle coke, coal tar pitch, carbon black oil and gas;	178,088.34	46,322.12	43,392.71	14,280.	9,310.6	9,320.39

(Jiangsu) Needle Coke Technology Co., Ltd.		production and supply of heat; sale of self-produced products as well as wholesale and import/export of the said products; provision of consultancy and services related to production. (Items subject to approval in accordance with the law may be operated only after approval by the relevant authorities)				28	7	
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4 discussion and analysis of the company's future development

(I) Industry pattern and trend

☒Applicable ☐Not applicable

In 2024, China's development is facing stronger favorable conditions than unfavorable factors, and the basic trend of economic recovery and long-term improvement has not changed. Carbon industry is facing a series of challenges and dilemmas while facing new development opportunities, which are mainly manifested as follows: Firstly, the scale and market share of enterprises are different, ranging from large enterprises to small and medium-sized enterprises; large-scale enterprises occupy a larger share of the market due to their scale advantages, technological strength and brand influence. Second, technological innovation and product differentiation is one of the key factors of competition in the carbon industry; enterprises can only introduce new products and improve production processes through continuous technological R&D and innovation in order to improve product quality and performance and meet the diversified needs of the market. Thirdly, the strict enforcement of environmental protection policies has had an impact on the competitive landscape of the carbon industry. Enterprises need to invest more resources in upgrading environmental protection facilities, prompting them to transform to a green and low-carbon development direction. Fourth, the optimization of resource allocation and the process of increasing industry concentration may encounter many difficulties, such as coordination problems among enterprises and the complexity of asset evaluation and integration. Fifthly, personalized innovation and development have been achieved in new carbon materials, and the optimization and upgrading of the industrial chain and independent safety are promoting the healthy and sustainable development of the industry.

(II) Corporate development strategy

☒Applicable ☐Not applicable

Adhering to Xi Jinping's thought of socialism with Chinese characteristics in the new era as a guide, the company closely aims at the corporate development goal of "serving the country with industry and building a world-class carbon powerhouse", following the corporate value of "running a business must be beneficial to the country, to the enterprise, and to the employees", and adhering to the "people-oriented" principle. values, adhere to the enterprise spirit of "people-oriented, integrity first", practice the enterprise tenet of "taking from the society, returning to the society", rely on technological progress and fine management, accelerate product restructuring, optimize resource allocation, give full play to the advantages of equipment, implement the brand strategy, and form a company that gives priority to the development of carbon and the production of carbon products. Brand strategy, forming the overall development idea of giving priority to the development of new carbon materials, focusing on the development of graphite electrodes, stabilizing the development of carbon bricks and main raw materials, continuously extending the carbon industry chain, increasing the integration efforts, taking the road of sustainable development and internationalization development which is based on scientific and technological innovation, resource-saving and environment-friendly, and continuing the writing of a new chapter for the carbon industry in China.

(III) Business Plan

☒Applicable ☐Not applicable

The company adheres to the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics in the New Era, fully implements the spirit of the 20th CPC National Congress; adheres to the general keynote of seeking progress amidst stability, implements the new development concept completely, accurately and comprehensively, continuously creates a new situation of high-quality development, makes up for short boards in a problem-oriented way, forges long boards in an innovative way, and continuously enhances the enterprise's economic efficiency by paying close attention to refined management.

1. Pragmatism, innovation and development. Focusing on the positioning of production-oriented, technologically

innovative enterprises, further improve the strategic development planning, deep plowing of the main industry, thick planting advantages, strong brand, in the development of the market, transformation and upgrading of all-round force, and constantly enhance the core competitiveness. Comprehensively strengthen the implementation of the strategy, further align the direction of high-quality development, upgrade the traditional main industries, and give full play to the advantages of "specialization and expertise". Forward-looking layout of future industries, around new materials, new energy, new technologies, new forms of business, and strive to build a number of new growth engines, to seize the development of the commanding heights. Optimize the layout of the market, expand the market in all directions for the whole country, and introduce and cultivate high-level talents. Focusing on basic research, scientific and technological research and development, and transformation of achievements, the company promotes the integration of modern science and technology with the construction industry, strengthens the in-depth integration of industry, academia and research, and creates a matrix of scientific research platforms.

2. Strengthen the basic management of safety and practice the environmental protection concept of low-carbon and green development. Safe development is the road to high-quality development, with the implementation of the production safety responsibility system, establish and improve the responsibility establishment mechanism, responsibility assessment mechanism, responsibility inspection mechanism, responsibility feedback mechanism, responsibility adjustment mechanism, and strengthen the daily supervision and control and accountability and responsibility. To conscientiously implement the safety "four one" activities, the implementation of daily safety supervision and inspection. We should take the successful declaration and approval of "national green factory" as an opportunity to manage and utilize the existing environmental protection equipment and facilities, promote the hierarchical control of environmental protection equipment, strengthen the performance of environmental protection management, enhance the level of environmental protection governance, and practically practice the concept of green and low-carbon development.

3. Play a coordinating role in the industry, and promote the transformation of advantages into advantages. Facing the new changes in the market, we will make a step ahead of others to plan the market, take a step faster to grab opportunities, and grasp the sales volume by giving full play to the coordination mechanism of the carbon industry and the advantages of the "large regiment" operation of the carbon plate, seeking breakthroughs in the predicament, and seeking opportunities in the crisis. Closely around the 2024 business targets, market changes, and actively develop new product sales areas, especially in large-size electrodes and block products to break new ground. Adhere to the principle of "keeping right and innovation", continuously develop the market share of graphite electrode and block products, and do a good job in the research and development and promotion of non-standard products such as carbon-carbon composites, nuclear graphite and graphene, and other innovative work. Play a good role in the overall carbon plate, carry out all-round supervision and inspection, plug "running, risk, drip, leakage", improve and enhance the management level, so as to achieve common progress, and realize better and faster development of the carbon plate.

4. Optimize production organization and lean production. Strengthen the production and marketing convergence, combined with market information, and do a good job of product structure adjustment. Strengthen the fine control of feeding organization, implement good process capacity mining, and increase process output. Accelerate the rhythm of process changeover, ensure timely changeover of in-demand products, increase available resources, and safeguard sales demand. Activate resources, promote the digestion of block-type raw crushed digestion, digestion and disposal of process backlog, and reduce inventory. Do a good job of economic reserves of raw materials, coordination of delivery vehicles, site location management, etc., and strengthen production supervision to prevent the occurrence of events affecting production, to ensure production safety, stability and smoothness. Strengthen the control measures of the whole process of production and operation, tap the efficiency growth points of each link, effectively improve the level of refined manufacturing, and comprehensively enhance the operating efficiency of

the enterprise.

5. Strengthen the R&D team and promote technological innovation, quality improvement and new material research and development. Improve the technology research and development system, through "going out, inviting in" and other ways to continuously improve the ability of scientific research and development. Market, production, quality control and other departments, as well as enterprises in the carbon sector should cooperate with each other in the process of technological research and development, maintain communication, and make concerted progress. Strengthen the transformation and application of R&D results to provide strong technical support for the long-term development of enterprises and the progress of the industry.

6. Insist on "looking for bones in an egg", pay close attention to the fine management of cost reduction. Cost reduction is an important treasure for the survival and development of enterprises, always on the road, the footsteps can not be stopped. Continuously summarize the experience and shortcomings of cost reduction in recent years, and solidify good cost reduction measures and methods, without extending and expanding the effect of cost reduction. Improve the defects of the production process, optimize the equipment configuration, strengthen the technological transformation of equipment, improve production efficiency and reduce energy consumption. At the same time, improve the quality of procurement and reduce procurement costs. Utilize big data analysis and daily cost accounting to ensure the implementation of cost reduction measures.

(IV) Risks

☒Applicable ☐Not applicable

1. Market Risks

The slow recovery of the global economy, the frequent occurrence of local conflicts and turmoil, and the continued geopolitical tensions may adversely affect the Company's overseas market development. The impact of slower growth in downstream industries, such as the contraction of demand for steel, will affect the profit margins of the Company's products.

Countermeasures: The Company pays close attention to macroeconomic policies, takes the initiative to adapt to the new trend of industry development, adheres to market-oriented, innovation and change, earnestly implements the work requirements of "change, dry, practical" and "deep, practical, detailed, accurate and effective", and gives full play to the advantages of large scale, many varieties and leading technology, We will give full play to our advantages of large scale, many varieties and leading technology, optimize the product structure, accelerate technological innovation and product innovation, improve the added value of our products and strive to create benefits.

2. Environmental Risks

Under the policy background of carbon peak and carbon neutrality, the environmental protection standard has been upgraded, and the environmental protection governance requirements for the carbon industry have been tightened.

Countermeasures: The company insists on taking the "double carbon" target as the leader, energy saving and emission reduction, pollution reduction and carbon reduction as the initiatives, "double control" supervision as the gripping hand, and environmental protection and 5S management standards as the basis, and carries out the upgrading and transformation work of clean production and environmental protection equipments in a comprehensive manner, through the implementation of the clean production program and environmental protection equipments. Through the implementation of clean production program and the upgrading of environmental protection equipments, the company effectively improves the level of environmental protection control and builds green carbon.

3. Exchange rate risk

Influenced by international political and economic factors, the international situation is complicated and volatile, and there are political unrest in some regions, etc. Some of the company's products are sold to the international

market, and exchange rate fluctuations will affect the company's export volume and exchange loss.

Countermeasures: The company matches foreign currency income with foreign currency expenditure as far as possible to reduce exchange rate risk, and strengthens the collection and analysis of foreign exchange market information, keeps abreast of the foreign exchange market dynamics, and negotiates the adjustment of settlement currency and settlement method in due course to enhance the ability to resist risks.

Section IV. Corporate governance

I. Explanation on Corporate Governance

☒Applicable ☐Not applicable

During the reporting period, the Company strictly complied with the requirements of the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Code of Corporate Governance for Listed Companies, the Rules for Listing of Stocks on the Shanghai Stock Exchange, the Shanghai Stock Exchange's Self-disciplinary Supervision Guidelines for Listed Companies No. 1 - Standardized Operation and other laws and regulations and regulatory documents issued by CSRC in relation to the governance of listed companies. In addition, the Company has continuously improved its corporate governance structure and institutional norms system, strengthened the standard operation of internal management mechanism, optimized the decision-making mechanism of the management, and continuously improved the decision-making ability of the management, and the overall level of the Company has been significantly improved.

The operation of the three associations. The General Meeting of Shareholders, Board of Directors and Supervisory Committee of the Company are all convened in accordance with the prescribed procedures and contents, exercising the decision-making and supervisory functions as stipulated in the Company Law, Securities Law and other laws and regulations, as well as the Articles of Association of the Company; the various professional committees of the Board of Directors are able to carry out their work in accordance with their respective responsibilities; the independent directors play an important role in the formulation of the Company's development strategy, the selection and recruitment of senior management personnel, the constraints and financial auditing, and the internal control, etc. , and independently fulfill their duties by expressing independent opinions on major matters of the Company to ensure the interests of the Company and all shareholders.

Construction of internal control system. During the reporting period, the Company revised the Articles of Association of Fangda Carbon New Materials Technology Co., Ltd, the Rules of Procedure for the General Meeting of Shareholders of Fangda Carbon New Materials Technology Co. Rules of Procedure of the Supervisory Board", "Independent Director System of Fangda Carbonin New Materials Technology Co.

Information Disclosure. The Company has continuously strengthened its information disclosure work in accordance with the relevant requirements of the China Securities Regulatory Commission and Shanghai Stock Exchange. During the reporting period, a total of 152 announcements were prepared and disclosed; with the help of the Shanghai Stock Exchange website (<http://www.sse.com.cn>) and the media platforms of Shanghai Securities News and China Securities Journal, the Company ensured the timeliness and fairness of the information disclosure work, and fully fulfilled the information disclosure obligations of listed companies to make the information disclosure open, fair, just, timely, complete and effective.

Investor Relationship Management. The Company attaches great importance to the management of investor relations and actively promotes investor protection to effectively safeguard the legitimate rights and interests of investors. In order to facilitate investors' timely understanding of the dynamics of corporate production and operation and major issues, the Company actively communicates with investors through investor hotline, e-mail,

on-site research, investor online exchange platform and other forms of communication, responds to investor inquiries, and listens to investor suggestions and opinions; convenes the 2022 annual and 2023 first-quarter results and cash dividend presentation, 2023 half-year performance The Company has held the briefing session on the results and cash dividend for the year 2022 and the first quarter of 2023, the briefing session on the half-yearly results for 2023 and the briefing session on the results for the third quarter of 2023, and has participated in the investor protection themed activities such as "Shareholders are Coming" and "Investors Entering the Listed Companies" in Gansu Province, so as to communicate with the investors and enhance their understanding and recognition of the Company.

Whether there is any significant difference between the corporate governance and the laws, administrative regulations and CSRC's regulations on the governance of listed companies; if there is such a significant difference, the reasons should be explained.

II. Specific measures taken by the Company's controlling shareholders and de facto controllers to ensure the independence of the Company's assets, personnel, finances, organization and business, as well as the solutions adopted to affect the Company's independence, the progress of work and the follow-up work plan

☒Applicable ☐Not applicable

The Company and the controlling shareholders and their related parties are independent in terms of assets, personnel, finance, organization and business, etc., and independently bear responsibilities and risks. During the reporting period, the Company has not found any situation in which the controlling shareholders and de facto controllers have affected the independence of the Company, and there is no situation in which the rights and interests of the Company and other shareholders have been jeopardized.

The impact on the Company of controlling shareholders, de facto controllers and other units under their control engaging in the same or similar business as the Company, as well as the impact on the Company of competition in the same industry or significant changes in the situation of competition in the same industry, the measures taken to resolve the situation, the progress of the resolution, and the subsequent resolution plan

1. Company directors of the board, supervisors and senior managers positions change

☒Applicable ☐Not applicable

Session of Meetings	Date of meeting	Query Index of the designated website of resolutions	Disclosure date of resolution publication	resolution
2023 First Extraordinary General Meeting of Shareholders	16 January 2023	http://www.sse.com.cn	17 January 2023	Deliberation and approval of the proposal of Mutual Guarantee with Fangda Special Steel Technology Co.
2023 Second Extraordinary General Meeting of Shareholders	27 February 2023	http://www.sse.com.cn	28 February 2023	Deliberated and approved the "Proposal on the Termination of the Use of Proceeds to Implement Certain Projects and the Adjustment of the Scale of Use of Proceeds in Certain Proceeds Projects".

2023 Third Extraordinary General Meeting of Shareholders	28 April 2023	http://www.sse.com.cn	29 April 2023	Deliberated and approved the "Proposal to Increase the Scope of Business and to Amend Certain Provisions of the Articles of Incorporation" and the "Proposal to Change the Directors".
2022 Annual General Meeting of Shareholders	12 May 2023	http://www.sse.com.cn	13 May 2023	Deliberated and approved the 2022 Annual Report of the Board of Directors, the 2022 Annual Report of the Supervisory Board, the 2022 Annual Financial Accounts, the 2022 Profit Distribution Proposal, the 2022 Annual Report of the Company Annual Report of the Company for the Year 2022 and its Summary Report on the Evaluation of Internal Control for the Year 2022, Special Report on the Deposit and Actual Utilization of the Company's Annual Proceeds for the Year 2022, Motion on the Use of Own Funds to Purchase Wealth Management Products and Invest in Securities, and Motion on the Application for a Comprehensive Credit Line and the Provision of Guarantees.
2023 Fourth Extraordinary General Meeting of Shareholders	31 July 2023	http://www.sse.com.cn	1 August 2023	
2023 Fifth Extraordinary General Meeting of Shareholders	20 November 2023	http://www.sse.com.cn	21 November 2023	
2023 Sixth Extraordinary General Meeting of Shareholders	2023 December 2023	http://www.sse.com.cn	28 December 2023	

4. directors, supervisors and senior management

(I) Changes in shareholdings and remuneration of incumbent and outgoing Directors, Supervisors and senior management during the reporting period

☒Applicable ☐Not applicable

Name	Position	Gender	Age	Date of commencement of term of office	Term expiration date	Number of shares held at the beginning of the year	Number of shares held at the end of the year	Increase or decrease in the number of shares during the year	Reasons for changes	Total pre-tax compensation received from the Company during the reporting period (in ten thousand Yuan)	Whether or not compensation is received at a related party of the company
Ma Zhuo	Chairman of the Board	Male	52	July 21, 2023	June 29, 2024	2,000	2,000			14.52	no
Zhang Tianjun	Director, General Manager	Male	60	April 28, 2023	June 29, 2024	1,594,320	1,594,320			79.67	no
Dang Xijiang	Director	Male	60	June 29, 2021	June 29, 2024	2,801,957	2,801,957			91.59	no
Xu Peng	Director	Male	45	April 28, 2023	June 29, 2024	670,560	670,560			31.79	no
Shu Wenbo	Director	Male	56	June 29, 2021	June 29, 2024	1,386,380	1,386,380			0	yes
Jiang Guoli	Director	Male	56	April 28, 2023	June 29, 2024	0	0	0		26.38	no
Wu Feng	Director	Male	41	April 28, 2023	June 29, 2024	1,386,380 0	0	0		0	yes
Huang Jun	Independent	Female	61	June 29, 2021	June 29, 2024	1,386,380	0	0		10	no

Wu Li	Independent	Female	58	June 29, 2021	June 29, 2024	0	0	0		10	no
Peng Shuyuan	Independent	Female	59	June 29, 2021	June 29, 2024	0	0	0		10	no
Wu Ye	Independent	Female	38	July 31, 2023	June 29, 2024	0	0	0		0	no
Li Xin	Independent	Female	44	June 29, 2021	June 29, 2024	0	0	0		0	yes
Shi Jinhua	Independent	Male	55	June 29, 2021	June 29, 2024	0	0	0		0	yes
Guo Linsheng	Independent	Male	47	June 29, 2021	June 29, 2024	0	0	0		15.67	no
Zhang Zirong	Director	Male	60	June 29, 2021	June 29, 2024	81,200	81,200	0		41.21	no
Lu Lu	Chairman of the Supervisory Board	Female	42	June 29, 2021	June 29, 2024	0	0	0		12.06	no
Xu Longfu	Supervisor	Male	50	September 8, 2022	June 29, 2024	0	0	0		43.18	no
Zhao Erqin	Supervisor	Female	41	July 28, 2023	June 29, 2024	10,000	10,000	0		6.79	no
Zhuang Xiaoru	Supervisor	Female	39	July 1, 2022	June 29, 2024	0	0	0		32.56	no
Yan Kui Xing	/	Male		June 29, 2021	April 28, 2023	2,227,199	2,227,199	0		/	

(departed)											
Liu Yinan (departed)	/	Male		June 29, 2021	April 28, 2023	89,600	89,600	0		/	
Qiu Yapeng (departed)	/	Male		June 29, 2021	April 28, 2023	0	0	0		/	
Xu Zhixin (Departed)	/	Male		June 29, 2021	April 28, 2023	0	0	0		/	
Huang Zhihua (Departed)	/	Male		June 29, 2021	April 28, 2023	0	0	0		/	
Qiu Zongyuan (Departed)	/	Male		June 29, 2021	April 5, 2023	879,700	879,700	0		56.67	
Yu yong (Departed)	/	Male		June 29, 2021	July 28, 2023	12,100	12,100	0		13.35	
Wei Yanheng (Departed)	/	Male		June 29, 2021	July 31, 2023	0	0	0		10	
Total	/	/	/	/	/	9,755,016	9,755,016	/	/	505.44	/

Name	Main work experience
Ma Zhuo	He was the director of Finance Department, director of Assets Department and assistant to the general manager of Fanta Carbon New Material Technology Co., Ltd; the director of Audit Department, deputy director of Finance Department, director of Finance Department, deputy director of Finance Department of Fanta Group; the director of Finance Department of Northeast Pharmaceutical Group; he is the vice president of Fanta Group, the chairman of the Supervisory Board of Beijing Fanta International Industrial Investment Group Co. Ltd., Director of Liaoning Fangda Real

	Estate Group Co.,Ltd., Director of Liaoning Fangda Real Estate Group Ltd., Director of Beijing Fangda Carbon Technology Co.
Zhang Tianjun	He has served as assistant general manager, deputy general manager, party secretary and general manager of Fangda Carbon New Material Technology Co., Ltd; general manager, party secretary and secretary of the Discipline Inspection Committee of Chengdu Rongguang Carbon Co. Ltd.; Chairman of Meishan Fangda Rongguang Carbon Company Limited; Director and General Manager of Fangda Carbon New Material Technology Co.,Ltd.
Dang Xijiang	He was the director of the Party Committee Office of Lancan Group, the secretary of the General Party Branch of the Graphitization Plant, the secretary of the General Party Branch of the Pressing Plant No.2, and the director of the Organization Department of the Party Committee; the chairman of the board of directors of Sanmenxia Longxin Carbon; the deputy general manager of Fonda Carbon New Material Science & Technology Co. Ltd.; Director, Deputy Secretary of the Party Committee and Vice President of Liaoning Fangda Group Industry Co.,Ltd.
Xu Peng	He has served as deputy director of the machine shop, deputy director of the equipment department, deputy director and director of the safety and environment department and secretary of the general party branch of the organization, director of the party work department, executive deputy general manager and secretary of the party committee of Fanta Carbon New Materials Technology Co.,Ltd.
Shu Wenbo	He was the assistant general manager, deputy general manager, general manager and chairman of the board of Chengdu Rongguang Carbon Company Limited; deputy general manager and general manager of Fangda Carbon New Material Technology Company Limited; general manager and chairman of the board of Chengdu Fangda Carbon and Carbon Composite Material Company Limited; vice president of Liaoning Fangda Group Industry Company Limited; and now he is the director of Fangda Carbon New Material Technology Company Limited and director of Baofang Carbon Material Technology Company Limited. Ltd. and General Manager of Baofang Carbon Material Technology Co.,Ltd.
Jiang Guoli	He was the Deputy General Manager of Fushun Special Steel Co.,Ltd.; Deputy General Manager, Party Secretary, General Manager and Chairman of the Board of Fushun Carbon; General Manager of Haicheng City Dongsi Steel Company Limited; General Manager of Liaoning Kairui Special Steel Company Limited; Deputy General Manager of Northeast Special Steel Group Dalian Special Steel Company Limited; Chairman of the Board of Fushun Laihe Mining Company Limited; Director of Fonda Carbon New Material Technology Co.,Ltd.
Wu Feng	He has served as Office Director and Director of the Board of Directors' Office of HNA Tourism Group Co., Ltd; Deputy General Manager of the Social Responsibility and Branding Department of HNA Group Co., Ltd; Office Director, Assistant to the Chairman of the Board of Directors and Chairman of the Labor Union of HNA Aviation Group Co., Ltd; Chairman of the Board of Directors of EASYHEAD TECHNOLOGY CORPORATION; Vice Chairman of the Board of Directors of Hainan Airlines Holdings Co.,Ltd.

Huang Jun	He was an associate professor and professor at the School of Economics of Renmin University of China. Currently, he is a professor at the School of Applied Economics of Renmin University of China; and an independent director of Fangda Carbon New Material Technology Co.,Ltd.
Wu Rui	He taught at Benxi University; from March 1990 to February 2008, he was the vice president of Shenyang University of Technology; from March 2008 to the present, he has been teaching at Northeastern University. He is currently an independent director of Shenyang Chemical Industry Company Limited, an independent director of Jinzhou Semiconductor Company Limited, and an independent director of Fangda Carbonin New Material Technology Company Limited.
Peng Shuyuan	He was the Financial Controller, Secretary of the Board of Directors and Deputy General Manager of Beijing Tianhui Ginseng Industry Co., Ltd. and the Director of the Outreach Department of Beijing Chinese and Foreign Celebrities Culture Industry Group; he is currently an independent director of Fangda Carbon New Material Technology Co.,Ltd.
Wu Ye	He used to teach in Northwestern Polytechnical University; from January 2021 to present, he has been working in Lanzhou University, and is currently an associate professor in the Law School of Lanzhou University; an independent director of Gansu Longshen Rongfa Pharmaceutical Company Limited and Fangda Carbonin New Material Science and Technology Company Limited.
Li Xin	He was the accountant, assistant director and deputy director of the finance department of Liaoning Fangda Group Industry Co., Ltd. and the director of the finance department of Jiujiang Pinggang Iron and Steel Co., Ltd. and is now the deputy director of the finance department of Liaoning Fangda Group Industry Co., Ltd. and the supervisor of Fangda Carbon New Material Science and Technology Co.,Ltd.
Shi Jinhua	He was the accountant of the Finance Department of Jinhua Chemical (Group) Co., Ltd, the deputy head and head of the Finance Department of Jinhua Chemical (Group) Co., Ltd, the deputy head of the Finance Department of Fonda Jinhua Chemical Technology Co., Ltd, and the assistant to the head of the Finance Department of Liaoning Fonda Group Industry Co. He is now the financial director of Fangda Medical (Yingkou) Co., Ltd, the financial director of Yingkou Fangda Hospital, the financial director of Fangda Medical Investment Management Co., Ltd, the financial director of Liaoning Fangda General Hospital Co., Ltd, and the supervisor of Fangda Carbon New Material Technology Co.,Ltd.
Guo Linsheng	He has served as an enterprise manager, planner and assistant to the minister in the comprehensive management department of Fangda Carbon New Material Technology Co., Ltd. and deputy director and director of the comprehensive office of the company; he is currently a supervisor of Fangda Carbon New Material Technology Co.,Ltd.
Zhang Zirong	He was the director of the finance department of Fangda Carbon New Material Technology Co., Ltd, the financial director of Hefei Carbon Co., Ltd, the deputy director and director of finance of Fangda Carbon New Material Technology Co., Ltd; and is now the supervisor and deputy director of finance of Fangda Carbon New Material Technology Co.,Ltd.

Lu Lu	He worked in the office of Lanzhou Hailong New Material Technology Co., Ltd. and served as the assistant director of the office of Fangda Carbon New Material Technology Co. Now he is a supervisor of Fangda Carbonin New Material Technology Co.,Ltd.
Xu Longfu	He was the director of the finance department of Jiangxi Jinde Aluminum Co., Ltd, the financial director of Chongqing Hongyan Fangda Automobile Suspension Co., Ltd, the deputy general manager of Jiangxi Fangda Special Steel Automobile Suspension Group Co., Ltd, and the general manager of Nanchang Fangda Special Steel Industry Co.,Ltd.
Zhao Erqin	He was the Financial Controller of Fushun Carbon Limited Liability Company; the Financial Controller of Fushun Fangtai Precision Carbon Material Co., Ltd; the Section Chief, Vice Minister and Minister of the Finance Department of Fangda Carbon New Material Science and Technology Co.,Ltd.
Zhuang Xiaoru	He has served as Deputy Director of the Party Group Work Department, Deputy Director of the Securities and Investment Department, and Assistant to the General Manager of the Investment Management Center of Liaoning Fangda Group Industry Co. Ltd. and is currently the Secretary of the Board of Directors of Fangda Carbon New Material Science and Technology Co.,Ltd.

Other Information

☒Applicable ☐Not applicable

On April 5, 2023, the Board of Directors of the Company received a written resignation report submitted by Mr. Qiu Zongyuan, who resigned from the position of general manager of the Company due to a change in his work, and the resignation report took effect from the date of delivery to the Board of Directors of the Company.

On April 11, 2023, the Company held the Twenty-third Interim Meeting of the Eighth Session of the Board of Directors. Due to work adjustment, Mr. Zhang Tianjun was appointed as the general manager of the Company for a term commencing from the date of consideration and approval at the meeting of the Company to the date of expiry of the term of office of the eighth session of the Board of Directors of the Company.

On April 12, 2023 and April 28, 2023, the Company held the Twenty-fourth Extraordinary Meeting of the Eighth Session of the Board of Directors and the Third Extraordinary General Meeting of 2023 respectively. Due to job changes, Mr. Yan Kuixing, Mr. Liu Yinan, Mr. Huang Zhihua, Mr. Xu Zhixin and Mr. Qiu Yapeng ceased to be directors of the Company, and Mr. Zhang Tianjun, Mr. Xu Peng, Mr. Wu Feng, Mr. Ma Zhuo and Mr. Jiang Guoli were elected as the directors of the Eighth Session of the Board of Directors of the Company, with a term of office starting from the date of the Third Extraordinary Shareholders' General Meeting of 2023 to the date of the expiry of the term of the Eighth Session of the Board of Directors of the Company.

As he has been re-elected as an independent director of the Company for a full term of six years, Mr. Wei Yanheng has submitted an application for resignation to the Board of Directors. In order to ensure the normal operation of the Board of Directors of the Company, the Company held the Twenty-sixth Extraordinary Meeting of the Eighth Session of the Board of Directors and the Fourth Extraordinary General Meeting of 2023 on July 14, 2023 and July 31, 2023, respectively, at which the "Proposal on the By-election of Independent Directors of the Eighth Session of the Board of Directors of the Company" was considered and passed, and Ms. Wu Ye was re-elected as an independent director of the Eighth Session of the Board of Directors, with a tenure commencing from the date of the consideration and approval at the General Meeting to the expiry of the term of office of the Eighth Session of the Board of Directors. The term of office will

commence on the date of consideration by the Shareholders' General Meeting and expire on the date of expiry of the term of office of the Eighth Session of the Board.

Due to job changes, Mr. Dang Xi Jiang ceased to hold the position of Chairman of the Board of Directors of the Company. As considered and approved at the Twenty-seventh Extraordinary Meeting of the Eighth Session of the Board of Directors of the Company held on 21 July 2023, it was agreed that Mr. Ma Zhuo would be the Chairman of the Board of Directors of the Company, the Chairman of the Strategy Committee of the Board of Directors, a member of the Nomination Committee, and a member of the Remuneration and Evaluation Committee. The term of office will commence from the date of consideration and approval at the Twenty-seventh Extraordinary Meeting of the Eighth Session of the Board of Directors of the Company to the date of expiry of the term of office of the Eighth Session of the Board of Directors of the Company.

On 28 July 2023, the Company convened the Twenty-eighth Interim Meeting of the Eighth Session of the Board of Directors and considered and passed the "Resolution on the Dismissal and Appointment of Senior Management of the Company". Due to change of work, Mr. Yu Yong is no longer acting as the Chief Financial Officer of the Company and Ms. Zhao Erqin was appointed as the Chief Financial Officer of the Company, with a term of office commencing from the date of the deliberation and approval of the meeting of the Company to the date on which the term of office of the Eighth Session of the Board of Directors of the Company expires.

(ii) Incumbent and outgoing directors, supervisors and senior management during the reporting period

1. Occupation in shareholders' organizations

☒Applicable ☐Not applicable

Name of incumbent	Name of Shareholder	Positions held in shareholders' organizations	Date of commencement of term of office	Termination date
Ma Zhuo	Liaoning Fangda Group Industry Co., Ltd.	Group Vice President		
Ma Zhuo	Beijing Fangda International Industrial Investment Group Co., Ltd.	Chairman of the Supervisory Board		
Ma Zhuo	Jiang Xi Da Iron and Steel Group Co., Ltd.	Supervisor		
Mastro	Shanghai Huxu Investment Management Co., Ltd.	Director		
Mazilli	Liaoning Fangda Real Estate Group Co., Ltd.	Director		
Matzo.	Fangda Special Steel Technology Co., Ltd.	Supervisor		
Mazuo	Beijing Fangda Carbon Technology Co., Ltd.	Director		
Dang Xijiang	Liaoning Fangda Group Industry Co., Ltd.	Director and Deputy Secretary of		

		the Party Committee, Vice President		
Li Xin	Liaoning Fangda Group Industry Co., Ltd.	Supervisor, Deputy Minister of Finance		
Statement of employment in shareholder's entity	Liaoning Fangda Group Industry Co., Ltd. is the controlling shareholder of the Company. Ltd. is the controlling shareholder of the Company, Beijing Fangda International Industrial Investment Group Co., Ltd. holds 99.20% equity interest in Liaoning Fangda Group Industry Co., Ltd., 99.90% equity interest in Shanghai Huxu Investment Management Co., Ltd. The other companies mentioned above are all related parties.			

2. Employment in other organizations

☒Applicable ☐Not applicable

Name of incumbent	Name of Other Units	Positions held in other organizations	Date of commencement of term of office	Termination date
Wu Ru	Northeastern University	Professor		
Wu Rui	Shenyang Chemical Industry Co.	Independent Director		
Wu Gran	Jinzhou Shenyang Semiconductor Co.	Independent Director		
Jun Huang	School of Applied Economics, Renmin University of China	Professor		
Wu Ye	Lanzhou University	Associate Professor		
Wu Ye	Gansu Longshen Rongfa Pharmaceutical Co.	Independent Director		
Description of employment in other organizations	The other units mentioned above are not related to the Company.			

(iii) Compensation of Directors, Supervisors and Senior Management

☒Applicable ☐Not applicable

Decision-making Procedures for Remuneration of Directors, Supervisors and Senior Executives	The remuneration of the Company's senior management is resolved by the Remuneration and Evaluation Committee of the Board of Directors and submitted to the Board of Directors and the General Meeting of Shareholders for consideration and approval for implementation.
Whether a director recuses himself/herself from the Board of Directors' discussion of his/her remuneration matters	Yes
Basis for determining the remuneration of Directors, Supervisors and senior management	The salary standards of the directors, supervisors and senior management who work full-time in the Company are determined in accordance with the operational and management positions actually held by them in the Company, based on the actual profit level of the Company and the comprehensive assessment of their individual contributions, with reference to the Company's remuneration assessment system; the directors (except for the independent directors) and supervisors who do not work full-time for the Company do not receive remuneration from the Company. Allowances for independent directors are formulated by the Board of Directors based on the actual situation and submitted to the shareholders' meeting for approval.
Actual payment of remuneration to Directors, Supervisors and senior management	Payments are made during the term of office based on the assessment results.
Total remuneration actually received by all Directors, Supervisors and senior management at the end of the reporting period	The total pre-tax remuneration received from the Company during the reporting period amounted to CNY 5,054,400.

(iv) Changes in directors, supervisors and senior management of the Company

☒Applicable ☐Not applicable

Name	Position held	Circumstances of change	Reason for change
Qiu Zongyuan	General Manager	Departure	Job change
Zhang Tianjun	General Manager	Appointment	Appointment
Yan Kui Xing	Director	Departure	Job Change
Liu Yinan	Director	Leave office	Job Change

Huang Zhihua	Director	Leave office	Job Change
Xu Zhixin	Director	Leave office	Job Change
Qiu Yapeng	Director	Leave office	Job Changes
Ma Zhuo	Director	Election	Election
Zhang Tianjun	Director	Election	Election
Xu Peng	Director	Election	Election
Wu Feng	Director	Election	Election
Jiang Guoli	Director	Election	Election
Wei Yanheng	Independent Director	Outgoing	Term of office expires
Dang Xijiang	Chairman of the Board	Outgoing	Job Change
Ma Zhuo	Chairman of the Board	Appointment	Appointment
Yu Yong	Chief Financial Officer	Departure	Job Change
Zhao Erqin	Chief Financial Officer	Appointment	Appointment
Wu Ye	Independent Director	Election	Election

V. Information on board meetings held during the reporting period

Session of the Meeting	Date of Convening	Meeting Resolutions
The Twentieth Interim Meeting of the Eighth Board of Directors	February 10, 2023	Consideration and adoption of the "Proposal on Termination of the Use of Proceeds to Implement Some Projects and Adjustment of the Scale of Use of Proceeds in Some of the Proceeds Projects" and the "Proposal on Convening the Second Extraordinary General Meeting of the Company in 2023".
Twenty-first Interim Meeting of the Eighth Board of Directors	March 3, 2023	Considered and passed the "Proposal on the Expected Daily Connected Transactions in 2023".

The Twenty-second Interim Meeting of the Eighth Board of Directors	March 20, 2023	Deliberated and passed the Proposal on Providing Guarantees for Controlling Subsidiaries.
Twenty-third interim meeting of the Eighth Board of Directors	April 11, 2023	Deliberated and passed the "Proposal on Appointment of Senior Management Personnel of the Company".
Twenty-fourth interim meeting of the Eighth Board of Directors	April 12, 2023	Deliberated and passed the "Proposal to Increase the Scope of Business and to Amend Certain Provisions of the Articles of Association of the Company," "Proposal to Change the Directors," and "Proposal to Convene the Third Extraordinary General Meeting of Shareholders of the Company for the Year 2023," and "Proposals to Amend the Articles of Association of the Company.
Seventh meeting of the Eighth Board of Directors	April 13, 2023	Deliberated and approved the "2022 Annual Work Report of the Board of Directors", "2022 Annual Work Report of the General Manager", "2022 Duty Report of Independent Directors", "2022 Annual Financial Accounts Report", "2022 Annual Profit Distribution Proposal", "2022 Annual Report Full Text and Abstract", "2022 Annual Report on the Deposits and Actual Utilization of the Company's Proceeds", "2022 Annual Internal Control Evaluation Report", and "2022 Annual Audit Committee Report". Evaluation Report on Internal Control "Report on the Performance of the Audit Committee for the Year 2022" "Proposal on the Use of Own Funds to Purchase Wealth Management Products and Invest in Securities" "Proposal on the Application for a Comprehensive Credit Line and the Provision of Guarantees" "Report on the Social Responsibility for the Year 2022" and "Proposal on the Convening of the Annual General Meeting of Shareholders of the Company for the Year 2022".
Eighth Meeting of the Eighth Board of Directors	April 26, 2023	Deliberated and approved the First Quarterly Report of Fangda Carbonin for 2023, the Proposal on Absorption and Merger between Joint Venture and Subsidiary.
Twenty-fifth interim meeting of the Eighth Board of Directors	May 22, 2023	Deliberated and approved the "Proposal on the Directional Issue of a Controlling Subsidiary and Connected Transactions
Twenty-sixth interim meeting of the Eighth Board of Directors	July 14, 2023	Deliberated and passed the "Proposal on Increase of Daily Connected Transactions for the Year 2023", "Proposal on the By-election of Independent Directors of the Eighth Board of Directors of the Company" and "Proposal on the Convening of the Fourth Extraordinary General Meeting of the Company for the Year 2023".
Twenty-seventh interim meeting of the Eighth Board of Directors	July 21, 2023	Deliberated and passed the "Proposal on Changing the Chairman of the Board of Directors" and the "Proposal on Adjusting the Members of the Specialized Committees of the Board of Directors".

Twenty-eighth interim meeting of the Eighth Board of Directors	July 28, 2023	Deliberated and passed the "Proposal on the Dismissal and Appointment of Senior Management Personnel of the Company".
Twenty-ninth interim meeting of the Eighth Board of Directors	August 23, 2023	Deliberated and passed the "Proposal for the Company to Use Idle Proceeds to Temporarily Supplement Liquidity" and the "Proposal to Increase Daily Connected Transactions for the Year 2023".
Ninth meeting of the Eighth Board of Directors	August 28, 2023	Deliberation and adoption of the "Full and Abstract of the 2023 Half-Yearly Report of Fangda Cannon", "Special Report on the Deposit and Actual Use of the Company's Proceeds for the Half-Yearly Period of 2023", "Motion on the Plan to Repurchase Shares by means of Concentrated Auction Transaction", and "Motion on Authorizing the Management of the Company to Handle Matters Relating to the Share Repurchase".
Tenth meeting of the Eighth Board of Directors	October 30, 2023	Deliberated and approved the Third Quarterly Report of Fangda Carbonin 2023, the Proposal on the Renewal of the Appointment of Accounting Firm, and the Proposal on Convening the Fifth Extraordinary Shareholders' General Meeting of the Company in 2023.
Thirtieth interim meeting of the Eighth Board of Directors	December 7, 2023	Deliberated and approved the "Proposal on the Proposed Public Offering of Shares by a Controlling Subsidiary to Unspecified Qualified Investors and Listing on the Beijing Stock Exchange", "Proposal on the Amendment of the Articles of Association of Fangda Carbonin New Materials Technology Co. Proposal to amend the Rules of Procedure of the Board of Directors of Fangda Carbon New Materials Technology Co. Proposal on the Amendment of the Implementation Rules of the Nomination Committee of the Board of Directors of Fangda Carbonin New Materials Technology Co.

VI. Fulfillment of duties by directors

(I) Participation of Directors in the Board of Directors and the General Meeting of Shareholders

Name of Director	Whether or not the director is Independent Director	Participation in the Board of Trustees						Participation in the General Meeting of Shareholders
		Number of times due to participate in the Board during the	Number of in-person appearances	Participation by correspondence	Attendance by proxy	Number of absences	Failure to attend two consecutive meetings in person	Attendance at General Meetings of Shareholders

		year						
Ma Zhuo	No	8	8	0	0	0	No	4
Zhang Tianjun	No	8	8	0	0	0	No	4
Dang Xijiang	No	15	15	7	0	0	No	7
Xu Peng	No	8	8	0	0	0	No	4
Shu Wenbo	No	15	15	15	0	0	No	7
Jiang Guoli	No	8	8	8	0	0	No	4
Wu Feng	No	8	8	8	0	0	No	4
Huang Jun	No	15	15	15	0	0	No	7
Wu Rui	No	15	15	15	0	0	No	7
Peng Shuyuan	Yes	15	15	15	0	0	No	7
Wu Ye	Yes	4	4	4	0	0	No	2
Wei Yanheng	yes	11	11	11	0	0	No	5

Number of Board meetings held during the year	15
Of which: Number of on-site meetings	0
Number of meetings held by means of communication	0
Number of meetings held on-site and by means of communication	15

VII. Specialized committees under the Board of Directors

☒Applicable ☐Not applicable

(i) Membership of specialized committees under the Board of Directors

Category of Specialized Committees	Name of members
Audit Committee	Wu Grain, Peng Shuyuan, Xu Peng, Director Member Wu Grain.
Nomination Committee	Wu Ye, Ma Zhuo, Huang Jun, Director Member Wu Ye.
Remuneration and Evaluation Committee	Peng Shuyuan, Ma Zhuo, Wu Gran, Director member Peng Shuyuan.
Strategy Committee	Ma Zhuo, Zhang Tianjun, Wu Ye, Director member Ma Zhuo.

(ii) 5 meetings of the Audit Committee held during the reporting period

Date of Convening	Conference	Important Comments and Recommendations	Other performance of duties
April 13, 2023	<i>Fangda Carbon's Annual Report 2022</i>	The information contained in the 2022 Annual Report prepared by the Company objectively and truly reflects the Company's business management and financial situation for the whole year of 2022, and agrees to be submitted to the Board of Directors for consideration.	
April 25, 2023	<i>The First Quarterly Report of Fangda Carbon in 2023</i>	The information contained in the First Quarterly Report 2023 prepared by the Company objectively and truly reflects the Company's business management and financial situation from January to March 2023, and agrees to be submitted to the Board of Directors for consideration.	
August 22, 2023	<i>The Proposal on Increasing Daily Connected Transactions in 2023</i>	After carefully reading the proposal on the increase of daily connected transactions for the year 2023, we are of the view that the daily connected transactions of the Company are in line with the needs of the Company's operation and development and have not jeopardized the interests of the Company and the Company's small and medium-sized shareholders, and that the Company's major business will not form dependence on or be controlled by the connected persons as a result of the connected transactions.	
August 26, 2023	<i>Fangda Carbon's 2023 Semi-Annual Report</i>	The information contained in the half-yearly report for 2023 prepared by the	

		Company adequately, objectively and truly reflects the Company's operation and management and financial situation from January to June 2023, and agrees to be submitted to the Board of Directors for consideration.	
October 27, 2023	<i>Fangda Carbon's Third Quarterly Report for 2023 "Proposal on the Renewal of the Accounting Firm"</i>	The information contained in the Third Quarterly Report 2023 prepared by the Company objectively and truly reflects the Company's business management and financial situation from July to September 2023, and agrees to be submitted to the Board of Directors for consideration. During the period when Baker Tilly International acted as the auditor of the Company's financial reports and internal control, it strictly complied with the relevant national laws and regulations, abided by the code of professional ethics, adhered to the auditing principles of independence, objectivity and impartiality, and performed the auditing work in strict accordance with the provisions of the auditing standards. The Audit Committee of the Company proposes to the Board of Directors to re-appoint Baker Tilly International as the auditor of the Company's financial report and internal control for the year 2023.	

(iii) The Nominating Committee held five meetings during the reporting period

Date of Convening	Contents of the Meeting	Important Comments and Suggestions	Other performance of duties
April 10, 2023	<i>Proposal for Appointment of Senior Management of the Company</i>	The Nomination Committee of the Board of Directors, after carefully reviewing the personal data of Mr. Zhang Tianjun, did not find that there were any circumstances under which he was prohibited from serving as a senior executive of a listed company as stipulated in the Company Law and other laws, regulations, normative documents and the Articles of Association of the Company, or that he had been determined by the CSRC and other relevant laws and regulations to be a person who is barred from entry into the market, and that the barring has not yet been lifted, and that his qualifications for the post are in compliance with the relevant provisions of the Company Law and the Articles of Association of the Company. His qualifications are in line with	

		the relevant provisions of the Company Law and the Articles of Association of the Company. We agree that Mr. Zhang Tianjun shall be the general manager of the Company and would like to submit this proposal to the Board of Directors for consideration.	
April 11, 2023	<i>Proposal on Change of Directors</i>	The Nomination Committee of the Board of Directors, after carefully reviewing the personal data of each candidate director, has not found any situation in which he is prohibited from acting as a director of a listed company as stipulated in the Company Law and other laws, regulations, standardized documents and the Articles of Association of the Company, or has been determined by the China Securities Regulatory Commission and other relevant laws and regulations to be a person who has been barred from entering the market and whose barring has not yet been lifted, and his qualifications for office are in compliance with the Company Law and the relevant provisions of the Company's Articles of Association. We agree that Mr. Zhang Tianjun, Mr. Xu Peng, Mr. Wu Feng, Mr. Jiang Guoli and Mr. Ma Zhuo should be the candidates for the eighth session of the Board of Directors of the Company as non-independent directors for the consideration of the Board of Directors.	
July 14, 2023	<i>Motion on the By-election of Independent Directors for the Eighth Session of the Board of Directors of the Company</i>	The Nomination Committee of the Board of Directors, after carefully reviewing the personal data of the candidate independent directors, did not find that there were any circumstances prohibiting them from acting as directors of listed companies as stipulated in the Company Law and other laws, regulations, standardized documents and the Articles of Association of the Company, or that they had been determined by the CSRC and relevant regulations to be market banned and the ban has not yet been lifted, and that their qualifications for the position were in compliance with the relevant provisions of the Company Law and the Articles of Association of the Company. We agree that Ms. Wu Ye is a candidate for independent director of the eighth session of the Board of Directors of the Company and would like to submit her candidacy to the Board of Directors for consideration.	
July 21, 2023	<i>Proposal to Change the Chairman of the Board of Directors</i>	The Nomination Committee of the Board of Directors, after carefully reviewing the personal data of Mr. Ma Zhuo, has not found any circumstances that prohibit him from serving as a director of a	

		listed company as stipulated in the Company Law and other laws, regulations, normative documents and the Articles of Association of the Company, or that he has been determined by the China Securities Regulatory Commission and other relevant laws and regulations to be a person who is banned from entering the market, and that such ban has not yet been lifted, and that his qualifications for the office are in compliance with the Company Law and the relevant provisions of the Company Articles of Association of the Company. We agree that Mr. Ma Zhuo shall be the chairman of the eighth session of the Board of Directors of the Company. For consideration by the Board of Directors.	
Important Comments and Suggestions	Other performance of duties	The Nomination Committee of the Board of Directors, after carefully reviewing the personal data of Ms. Zhao Erqin, did not find that there were any circumstances that prohibit her from serving as a senior executive of a listed company as stipulated in the Company Law and other laws, regulations and normative documents as well as the Articles of Association of the Company, and that she has been determined as a market banned person by the CSRC and other relevant laws and regulations and her ban has not yet been lifted, and her qualifications for the position are in compliance with relevant provisions of the Company Law and the Articles of Association of the Company. Her qualifications are in line with the relevant provisions of the Company Law and the Articles of Association of the Company. We agree that Ms. Zhao Erqin should be appointed as the Chief Financial Officer of the Company, and would like to submit this proposal to the Board of Directors for consideration.	

(iv) 2 meetings of the Strategy Committee held during the reporting period

Date of Convening	Contents of the Meeting		
August 26, 2023	<i>Motion on the Proposal to Repurchase the Company's Shares by means of Centralized Auction Trading</i>	Based on the confidence in the future development of the Company and the recognition of the Company's value, in order to safeguard the interests of shareholders, enhance investor confidence and improve the long-term investment value of the Company's shares, as well as to further establish and improve the Company's long-term incentive mechanism and benefit-sharing mechanism, to fully motivate the Company's employees, attract and retain outstanding talents, improve corporate	

		cohesion and core competitiveness, and to promote the healthy and sustainable development of the Company, after comprehensively Considering the company's operation, financial situation and development strategy, future profitability and other factors, the company intends to use its own funds to repurchase the company's shares for employee stock ownership plan or equity incentives, in order to promote the company's share price to match the intrinsic value. The repurchased shares are intended to be used for employee shareholding plan or equity incentives. Agreed to submit the matter to the Board of Directors of the Company for consideration.	
December 7, 2023	<i>Proposal on the Proposed Public Offering of Shares by a Controlling Subsidiary to Unspecified Qualified Investors and Listing on Beijing Stock Exchange</i>	The public offering of shares to unspecified qualified investors and listing on the Beijing Stock Exchange is in line with the strategic development plan of Chengdu Fangda Carbon Composite Materials Company Limited, and is conducive to the further expansion of the production capacity, consolidation of the dominant position in the market, and strengthening of Chengdu Fangda Carbon Composite Materials Company Limited. The Strategy Committee of the Company agreed to submit the proposal to the Board of Directors of the Company for consideration.	

IX. Employees of the parent company and major subsidiaries at the end of the reporting period

(I) Employees

Number of active employees of the parent company	2,462
Number of active employees of major subsidiaries	2,642
Total number of employees in service	5,104
Parent company and major subsidiaries subject to expenses	0
Professional Composition	
Professional Composition Category	Professional composition
Production staff	3,376
Salespersons	135

Technical staff	499
Finance	75
Administrative staff	537
Other staff	482
Total	5,104
educational attainment	
Educational attainment category	Number (persons)
Undergraduate and above	608
College	1078
High School	1745
Technical school and below	1673
Total	5,104

(ii) Remuneration policy

☒Applicable ☐Not applicable

The company follows the principle of "three favorable" to fully mobilize the work enthusiasm, initiative and creativity of the staff, cultivate and attract all kinds of talents which are beneficial to the development of the company and ensure the sustainable development of the company, and establishes a perfect salary and benefit system and performance appraisal system in strict accordance with the relevant laws and regulations of the state, so as to achieve the goal of post leveling, salary leveling, job matching, easy post and easy salary, and set differentiated assessment indicators for different positions and division of labor. The company has established a perfect remuneration and benefit system and performance appraisal system, which is based on the principle of "three favorable principles" and in strict accordance with the relevant laws and regulations of the state, so as to determine the salary according to the rank, match the post with the person, and make the salary easy to be paid according to the post. On the basis of objective evaluation of employee performance, to achieve the individual benchmark salary and relative value of the job match, individual salary and performance match, total salary and the company's efficiency match, through the combination of salary and performance management, improve the enthusiasm of the staff to work, reward the advanced, spurring the backward, reflecting the selection, competition, incentives, elimination of the core of the employment mechanism, to strengthen the

effectiveness of performance appraisal, and further mobilize the core team, business backbone and all the staff, and to improve the performance of the company. Core team, business backbone and all employees' enthusiasm and creativity, effectively stimulate internal vitality, promote the core management team, backbone staff interests and the close integration of the company's strategic value, and better attract and retain key talent.

(III) Training Program

☒Applicable ☐Not applicable

The company attaches great importance to the construction of the cadre, ladder management and training work, seriously grasp the talent training and ladder construction, established a perfect training system. Following the guiding principle of "focusing on strategy, basing on position, optimizing resources, improving quality, enhancing efficiency, and enhancing the company's core competitiveness", the company has formulated a scientific and reasonable annual training plan and staff development plan, improved the talent cultivation and use mechanism, and set up a systematic and comprehensive talent training and training management system. We have further improved the training and management mechanism of the reserve talent echelon. Promote the construction of learning organization. The all-employee training system accurately solves the relationship between utilization and cultivation, and between work and learning, and accelerates the training, assessment and job level evaluation of front-line production operators, professional and technical personnel, and grass-roots management personnel. It comprehensively promotes the growth and development of employees, the overall skill level of the workforce, and the core competitiveness of the enterprise.

X. Profit distribution or capitalization of capital reserve proposal

(I) Formulation, implementation or adjustment of cash dividend policy

In accordance with the relevant provisions of the CSRC, the Company has revised and improved the profit distribution policy in the Articles of Association, and the specific distribution proposal is formulated by the Board of Directors in accordance with the provisions of the Articles of Association, with full consideration of the Company's profitability scale, cash flow situation, development stage and current capital requirements. After the Board of Directors has considered and approved the distribution proposal, it will be submitted to the shareholders' general meeting for consideration. After the shareholders' general meeting has resolved on the profit distribution proposal, the Board of Directors of the Company shall complete the distribution of dividends (or shares) within two months after the shareholders' general meeting.

The Company held the Eleventh Meeting of the Eighth Session of the Board of Directors on March 31, 2024 to consider and approve the "Proposal for Profit Distribution for the Year 2023", and proposed the profit distribution plan for the year 2023 as follows: it is proposed that there will be no cash dividend, no bonus shares will be given, and there will be no increase in capital by capitalization of capital surplus. The proposal has yet to be submitted to the shareholders' meeting for consideration and approval.

(ii) Special explanation of cash dividend policy

Whether it complies with the provisions of the articles of association or the requirements of the resolution of the shareholders' meeting	Yes
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Whether the criteria and proportion of dividends are clear and unambiguous	Yes
Whether the relevant decision-making procedures and mechanisms are complete	Yes
Whether the independent directors have performed their duties and played their due roles.	Yes
Whether small and medium-sized shareholders have sufficient opportunities to express their opinions and demands, and whether their legitimate rights and interests are fully protected	Yes

(iii) If the reporting period is profitable and the parent company's profit available for distribution to shareholders is positive, but no cash profit distribution plan has been proposed, the company shall disclose in detail the reasons for this, as well as the use of the undistributed profit and the plan for its utilization

☒Applicable ☐Not applicable

Profit for the reporting period and positive profit available for distribution to shareholders of the parent company, but no proposal for cash profit distribution plan was put forward	Use of undistributed profits and utilization plan
At the Ninth Meeting of the Eighth Session of the Board of Directors of the Company held on August 28, 2023, the Company considered and passed the "Proposal on the Repurchase of Shares by means of Centralized Bidding", agreeing to use its own funds to repurchase some of the issued CNY ordinary shares (A shares) of the Company by means of centralized bidding transactions. The total amount of funds for the repurchase shall not be less than CNY 250 million (inclusive) and not exceeding CNY 350 million (inclusive). As at December 31, 2023, the Company has used its own funds of CNY 279,998,800 (excluding transaction costs) to repurchase 48,446,408,000 shares of the Company. Pursuant to Article 8 of the "Self-disciplinary Supervision Guidelines for Listed Companies of the Shanghai Stock Exchange No. 7 - Repurchase of Shares", "If a listed company repurchases its shares by means of centralized bidding or offer with cash as consideration, the amount of share	The Company's undistributed profits for the year 2023 have been accumulated and rolled over to the next year to meet the needs of the Company's share repurchase and daily operation, and to provide a reliable guarantee for the smooth implementation of the Company's future development strategy. In the future, the Company will, as in the past, emphasize the return to shareholders in the form of cash dividends, strictly comply with relevant laws and regulations and the Articles of Association, etc., comprehensively consider various factors related to profit

repurchase that has been carried out in that year is regarded as a cash dividend and will be included in the calculation of the relevant proportion of the cash dividend for that year. " The aforesaid amount is regarded as cash dividend, and the proportion of the Company's cash dividend for the year 2023 to the net profit attributable to shareholders of the listed company in the Company's consolidated statement for the year 2023 is calculated in this way as 67.27%. At the same time, combined with the Company's strategic development planning and taking into account the current macroeconomic environment, the Company's operating status quo and the future development of capital requirements and other factors, the Board of Directors has decided that the Company proposes not to pay cash dividends for the year 2023, not to distribute bonus shares, and not to increase its share capital by capitalization of capital surplus.	distribution, and actively perform the Company's policy on profit distribution from the perspective of facilitating the Company's development and shareholders' return to share the fruits of the Company's development with shareholders.
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(iv) Proposed distribution of profits and capitalization of capital reserve for the reporting period

☒Applicable ☐Not applicable

Unit: Ten thousand Yuan Currency: CNY

Number of bonus shares per 10 shares (shares)	0
Number of dividends per 10 shares (yuan) (tax included)	0
Number of shares transferred per 10 shares (shares)	0
Amount of cash dividend (including tax)	0
Net profit attributable to ordinary shareholders of the listed company in the consolidated statement for the year of dividend distribution	41,623.76
Ratio to net profit attributable to ordinary shareholders of the listed company in the consolidated statement (%)	0
Amount of shares repurchased in cash included in cash dividends	27,999.88
Total amount of dividend distribution (including tax)	27,999.88
Ratio of total dividend amount to net profit attributable to ordinary shareholders of the listed company in the consolidated statement (%)	67.27

XI. Status of the Company's equity incentive plan, employee stock ownership plan or other employee incentives and their impacts

(i) Evaluation mechanism for senior management personnel and the establishment and implementation of incentive mechanism during the reporting period

☒Applicable ☐Not applicable

The Remuneration and Evaluation Committee of the Board of Directors of the Company is responsible for conducting comprehensive appraisals of the Company's senior management personnel's work ability, performance of duties and fulfillment of responsibilities and objectives, etc., reviewing and approving the annual remuneration package, and submitting it to the Board of Directors and the general meeting of the Company for consideration and approval in accordance with the requirements of the system for granting the remuneration. By strengthening the incentive and discipline mechanism of remuneration, it is conducive to mobilizing the awareness of the senior management of the Company to perform their duties with due diligence, promoting the enhancement of the Company's operational efficiency and work efficiency, combining the interests of the Company with those of the senior management of the Company and facilitating the full mobilization and exertion of the enthusiasm and initiative of the senior management of the Company for the realization of the Company's steady and healthy development.

XII. Construction and implementation of internal control system during the reporting period

☒Applicable ☐Not applicable

For details, please refer to the "2023 Internal Control Evaluation Report of Fangda Carbon New Material Technology Co.

Explanation of significant deficiencies in internal control during the reporting period

XIII. Management control over subsidiaries during the reporting period

☒Applicable ☐Not applicable

The Company has formulated the "Management System of Subsidiaries of Fangda Carbon New Materials Technology Co., Ltd", "Management Measures of Fangda Carbon New Materials Technology Co., Ltd's Participating Companies", "Supervision and Evaluation Program for Carbon Segment's Cost Reduction and Efficiency Creation", etc., to clearly define the asset rights and interests and management responsibilities of Fangda Carbon and each of the controlling and participating companies, and to set up an effective operation mechanism and incentive and constraint mechanism, ranging from the main duties of the various management departments, the formulation of the annual operation plan program, establishment of joint inspection team, establishment of daily inquiry mechanism and other aspects of continuous enhancement, effectively controlling the operation risks of subsidiaries.

XIV. Explanation of relevant information in the internal control audit report

☒Applicable ☐Not applicable

Baker Tilly International CPAs (Special General Partnership) has audited the Company's internal control and issued an audit opinion, which is disclosed at <http://www.sse.com.cn>.

Whether to disclose the internal control audit report: Yes

Type of opinion of the internal control audit report: Standard unqualified opinion

XV. Self-inspection and rectification of problems in the special action for governance of listed companies

None.

Section V. Environment and Social Responsibility

I. Status of environmental information

Whether to establish mechanisms related to environmental protection	yes
Investment in environmental protection during the reporting period (unit: CNY)	1,4,709,400

(I) Environmental protection information of the Company and its major subsidiaries that are key emission units announced by the environmental protection department

☒Applicable ☐Not applicable

1. Emission information

☒Applicable ☐Not applicable

The main pollutants involved in the company are wastewater and waste gas, characterized by COD, ammonia, nitrogen, particulate matter, asphalt fume, SO₂, NO_x. The wastewater generated is centrally treated by the sewage treatment plant and discharged to the standard, while the waste gas is purified by the bag duster, ESP and desulfurization tower and discharged to the standard. There is one wastewater outlet, located in the south side of the plant. The wastewater discharge of the company's headquarters applies to the "Comprehensive Wastewater Emission Standards" (GB8978-1996) level 1 standard, in which the pH value is 6-9, COD ≤ 100mg/L, and ammonia nitrogen ≤ 15mg/L. During the reporting period, the company's wastewater discharged 352,400 ton, with COD discharged at 2.5116 ton, and ammonia nitrogen discharged at 0.2147 ton. The average concentration of COD is 8.38mg/L, and the average concentration of ammonia nitrogen is 0.614mg/L. There are 122 exhaust gas

discharge ports, including 8 main process exhaust gas discharge ports located in roasting workshop, 10 boiler (including thermal oil boiler) discharge ports, and the rest of them are all general discharge ports. Waste gas emission applies to the "Industrial Furnace Kiln Air Pollutant Emission Standards" (GB9078-1996), of which asphalt smoke $\leq 50\text{mg/m}^3$, particulate matter $\leq 200\text{mg/m}^3$, $\text{SO}_2 \leq 850\text{mg/m}^3$; "Comprehensive Emission Standards for Air Pollutants" (GB16297-1996) Level II standards, particulate matter $\leq 120\text{mg/m}^3$, the main emission ports in the reporting period, particulate matter $\leq 120\text{mg/m}^3$, the main emission ports are located in the roasting workshop. ³, during the reporting period, 15.84 ton of particulate matter were emitted from the main emission outlets, 38.081 ton of asphalt fume were emitted, 188.72 ton of SO_2 were emitted, and 197.75 ton of NO_x were emitted. The above indicators are in line with the requirements of the total amount of emission permits. Noise emission applies to the "industrial enterprise factory boundary environmental noise emission standards" (GB12348-2008), of which daytime $\leq 60\text{dB}$, nighttime $\leq 50\text{dB}$, the company's four factory boundaries of the east, south, west and north of the noise emissions are up to the standard. The above indexes meet the requirements of total emissions and the relevant emission standards.

The main pollutants involved in Chengdu Fangda Carbon Composites Co., Ltd. are wastewater, waste gas, solid waste, production wastewater is not discharged, living wastewater is treated by septic tanks and discharged into the municipal pipeline network after meeting the standards, and the pollution factors of the wastewater are mainly particulate matter, asphalt fumes, SO_2 , NO_x . the wastewater is purified by the bag dust collector, electrostatic precipitator, activated Carbon, and desulfurization and denitrification and discharged to meet the standards. There is one wastewater discharge port in the plant, which is located in the south side of the plant next to the main gate, and there are two main waste gas discharge ports, which are the waste gas discharge ports of the roasting process of the first and second workshops of the dipping and roasting sub-factory. Wastewater discharge applies to the "Comprehensive Emission Standards for Sewage" (GB8978-1996) Level 3 standards, of which $\text{COD} \leq 500\text{mg/L}$, $\text{SS} \leq 400\text{mg/L}$, $\text{pH} 6-9$, the main vent emissions apply to the "Industrial Furnaces and Kilns Air Pollutant Emission Standards" (GB9078-1996), of which the soot dust $\leq 200\text{mg/m}^3$, asphalt fume $\leq 40\text{mg/m}^3$, $\text{SO}_2 \leq 850\text{mg/m}^3$. Noise emission applies to the "industrial enterprises plant boundary environmental noise emission standards" (GB12348-2008), of which daytime $\leq 60\text{dB}$, night $\leq 50\text{dB}$, the company's east, south, west and north of the four plant boundary noise emissions meet the standards. During the reporting period, the wastewater emission is 60,000 ton, COD emission is 16.92 ton, ammonia nitrogen emission is 0.41 ton; the average concentration of COD is 282mg/L , and the average concentration of ammonia nitrogen is 14.7mg/L ; the asphalt fume is undetectable; the SO_2 emission is 6.72 ton, and the NO_x emission is 5.08 ton. The above indicators meet the requirement of total emissions and comply with the relevant emission standards.

The main pollutants involved in Meishan Fangda Rongguang Carbon Co., Ltd. are wastewater, waste gas, solid waste, production wastewater is not discharged, living wastewater is treated by septic tank and discharged into the municipal pipeline network after meeting the standards, the main pollution factors of waste gas are asphalt smoke, benzo[a]pyrene, particulate matter, SO_2 , NO_x , fluoride, Ringlemann black degree. The exhaust gas is purified and treated by bag filter and electrostatic precipitator, and then discharged according to the standard. There are 3 wastewater discharges in the plant, located next to the gate of the logistics channel of the plant, next to the sewage treatment station of the 50,000-tonne project, and next to the gate of the front area of the plant. There are 2 main exhaust gas discharge outlets, which are the exhaust gas discharge outlet of roasting 36 room process in the first workshop of the dipping and roasting plant; and the exhaust gas discharge outlet of roasting process in the tunnel kiln in the third workshop of the dipping and roasting plant. Wastewater discharge applies to the "Comprehensive Sewage Discharge Standards" (GB8978-1996), "Sewage Discharge into Urban Sewerage Water Quality Standards" (GB/T31962-2015), in which the suspended solids $\leq 400\text{mg/L}$, five-day BOD $\leq 300\text{mg/L}$, $\text{COD} \leq 500\text{mg/L}$, petroleum $\leq 20\text{mg/L}$, ammonia nitrogen ($\text{NH}_3\text{-N}$) $\leq 45\text{mg/L}$, total phosphorus $\leq 1\text{mg/L}$. The wastewater is

discharged into the tunnel kiln of the third workshop of the plant. 45mg/L, total phosphorus (P) $\leq$ 8mg/L, pH value: 6-9. The main emission outlet exhaust emissions apply to the "Industrial Furnace Kiln Air Pollutant Emission Standards" (GB9078-1996), "Comprehensive Emission Standards for Air Pollutants" (GB16297-1996), "Pollutant Emission Standards for the Aluminium Industry" (GB25465-2010), "Air Pollutant Emission Standards for Boilers" (GB25465-2010). Emission Standards for Air Pollutants (GB13271-2014), of which particulate matter $\leq$ 10mg/Nm³, bituminous fume $\leq$ 20mg/Nm³, SO₂ $\leq$ 100mg/Nm³, benzo[a]pyrene $\leq$ 0.0003mg/Nm³, NO_x $\leq$ 100mg/Nm³. The total amount of particulate emissions from the vent in the reporting period is 0.27072 tonnes, SO₂ emissions 5.24834 tonnes, NO_x emissions 5.82126 tonnes, the above indicators are in line with the total amount of emissions, in line with the relevant emission standards.

The main pollutants involved in Fushun Fangda High-tech New Material Co., Ltd. are exhaust gas, characterized by particles and SO₂, and there are 3 main flue gas emission ports, which are distributed in the calcining workshop. Waste gas emission applies to the "Industrial Furnace and Kiln Air Pollutant Emission Standards" (GB9078-1996), of which particulate matter $\leq$ 200mg/m³, SO₂ $\leq$ 850mg/m³. In the reporting period, the emission of particulate matter is 4.87 ton and SO₂ is 129.39 ton, which is in line with the relevant emission standards.

The main pollutants involved in Hefei Carbon Co., Ltd. are waste gas and waste water, and the characteristic pollutants of waste gas are asphalt fume, benzo(a)pyrene, smoke (dust), sulfur dioxide and nitrogen oxides; and the characteristic pollutants of waste water are COD, suspended solids, ammonia nitrogen and PH. The waste gas generated is purified and treated by ESP to meet the standards; and the waste water generated is centrally treated and discharged to meet the standards. There are 6 main discharge ports for waste gas and 9 general discharge ports distributed in relevant workshops; there is 1 standard discharge port for cooling waste water. At present, Hefei Carbon is promoting the relocation of the project, and some of the processes have stopped production. At present, there is 1 main exhaust port in the factory, and 13 general exhaust ports distributed in the relevant workshops; the exhaust emission applies to the "Industrial Furnace and Kiln Air Pollutant Emission Standards" (GB9078-1996) and the "Comprehensive Emission Standards for Air Pollutants" (GB16297-1996) Level II standards. The concentration of organized emissions at the plant boundary: smoke (powder) dust $\leq$ 200mg/m³, asphalt fume emission concentration $\leq$ 50mg/m³, sulfur dioxide emission concentration $\leq$ 850mg/m³, nitrogen oxide emission concentration $\leq$ 240mg/m³, benzo(a)pyrene $\leq$ 0.0003mg/m³. The unorganized emission of smoke (dust) at the factory boundary is $\leq$ 1mg/m³, sulfur dioxide $\leq$ 0.4mg/m³, benzo(a)pyrene $\leq$ 0.000008mg/m³. Wastewater discharge applies to the Comprehensive Emission Standards for Sewage (GB8978-1996) Level 3 standards, of which COD $\leq$ 500mg/L, suspended solids $\leq$ 400mg/L, ammonia nitrogen $\leq$ 28mg/L, pH 6-9. During the reporting period, the emission of soot was 0.56 ton, sulfur dioxide emission was 3.56 ton, and nitrogen oxides emission was 1.01 ton; and the volume of wastewater was 7,400 ton; The concentration of COD discharged from the wastewater outlet was 21mg/L, the concentration of suspended solids discharged was 34mg/L, the PH value was 8.0, and the concentration of ammonia nitrogen discharged was 0.833mg/L. The above indexes are lower than the total amount of approved discharges, and are in line with the relevant emission standards.

The main pollutants involved in Fushun Fangda High-tech Material Co., Ltd. are wastewater and waste gas, characterized by COD, ammonia nitrogen, particulate matter, SO₂, NO_x, etc. The wastewater generated is treated by a wastewater treatment station. The wastewater generated is centrally treated by the sewage treatment station and discharged to the sewage treatment plant in the park. Asphalt plant tar distillation, industrial naphthalene distillation, creosote tubular heating furnace and thermal oil furnace exhaust gas discharge after incineration + denitrification facilities; needle coke plant boiler exhaust gas through the denitrification + desulfurization treatment to meet the standards; the process particles through the recovery of cloth bag dust collector; process exhaust gas is collected and sent to the incinerator after incineration to meet the standards; hazardous waste depot

exhaust gas discharge through the initial filtration + activated carbon adsorption treatment to meet the standards. Adsorption treatment to meet the emission standards; sewage station odor discharge through the lye spray tower + biofilter treatment to meet the emission standards; columnar asphalt molding discharge through the bag filter treatment to meet the emission standards. There is one wastewater discharge port in the plant, located at the northwest side of the plant gate; there are 19 organized waste gas discharge ports, distributed in the plant's various installations and public and auxiliary facilities. The company's wastewater discharge applies to the "Pollutant Emission Standards for Coking Chemical Industry" (GB16171-2012); the main vent exhaust emission applies to the "Pollutant Emission Standards for Coking Chemical Industry" (GB16171-2012), the "Comprehensive Emission Standards for Air Pollutants" (DB32/4041-2021), and the "Boiler Air Pollutant Emission Standards" DB32/4385-2022. 4385-2022. The emission indexes are in line with the emission standards. Wastewater emissions during the reporting period were 2318 ton, COD emissions 0.076 ton, ammonia nitrogen emissions 0.00041 ton. the average concentration of COD was 35.9mg/L, the average concentration of ammonia nitrogen was 0.32mg/L. Waste gas emissions: particulate emissions 0.87406 ton, SO₂ emissions 0 ton, NO_x emissions 2.88061 ton. The above indicators meet the requirements of total emissions and comply with the relevant emission standards.

2. Construction and operation of pollution prevention facilities

☒ Applicable ☐ Not applicable

For each pollution production link, corresponding environmental protection treatment facilities have been built, and the main environmental protection facilities are bag filter, electrostatic precipitator, limestone-gypsum desulfurization tower, sewage treatment station, etc. The environmental protection facilities are managed equally with the production facilities, and the maintenance and repair are carried out on a regular basis to ensure the normal operation of the equipment. In the prevention and control of construction dust pollution, it mainly adopts water sprinkling and dust suppression measures and dust net covering measures; the loading and unloading of materials adopts indoor operation and supporting spraying and dust suppression measures. In the construction of the project, the "three simultaneous" system is strictly implemented, and all kinds of pollution control facilities are designed, constructed and put into operation at the same time with the main production facilities. In the construction of pollution control facilities, the company continuously increases investment, upgrades and remodels pollution control facilities, and continuously improves the equipment level of pollution control facilities.

3. Environmental impact assessment of construction projects and other environmental protection administrative licenses

☒ Applicable ☐ Not applicable

The company and its subsidiaries carry out environmental impact assessment in strict accordance with the requirements of environmental protection laws and regulations, and all construction projects have carried out environmental impact assessment in accordance with the requirements, and all environmental protection procedures are complete. The certificates are all within the validity period, so as to achieve sewage discharge with license. The environmental protection facilities are managed equally with the production facilities, and regular overhaul and maintenance are carried out to ensure the normal operation of the equipment.

4. Contingency plan for environmental emergencies

☒ Applicable ☐ Not applicable

The company and key units have formulated the "Emergency Response Plan for Environmental Pollution Emergencies", which has been filed with the government environmental protection department and is within the validity period. According to the emergency plan for environmental emergencies, emergency drills for environmental emergencies are carried out on a regular basis to continuously improve the company's ability to deal with emergencies in response to environmental emergencies.

5. Environmental self-monitoring program

☒ Applicable ☐ Not applicable

The company and its subsidiaries have formulated the Environmental Self-Monitoring Program, regularly commissioned qualified third-party testing organizations to carry out environmental self-testing, and after each test, the third-party testing organizations will issue testing reports. The main emission outlets of the Company's waste gas are installed with online monitoring facilities, and the online monitoring facilities and the monitoring platform of the government environmental protection department operate in a network. The monitoring results of wastewater and exhaust gas in the reporting period all meet the standards.

(III) Information conducive to the protection of ecology, prevention and control of pollution and fulfillment of environmental responsibility

☒ Applicable ☐ Not applicable

During the reporting period, the Company continuously increased environmental protection investment and upgraded the equipment level of pollution control facilities, which effectively improved the level of pollutant control equipment, further reduced pollutant emissions and effectively enhanced the utilization rate of water resources recycling. The Company has continued to carry out water reuse and waste heat utilization to effectively reduce resource and energy consumption, improve resource and energy utilization and reduce carbon dioxide emissions.

(iv) Measures taken to reduce its carbon emissions during the reporting period and their effects

Specific description

☒ Applicable ☐ Not applicable

The Company has carried out a number of energy saving and emission reduction projects, upgraded and reconstructed its equipment and processes, precisely regulated the production in each plant, reasonably arranged the operating hours of high-power equipment, and staggered the use of electricity; centralized the supply of steam and purified water; progressively promoted the "oil-to-electricity conversion" of forklift trucks; and advocated the green office and paperless office. The company accelerates the construction of energy management system, upgrades the energy measurement hardware, realizes real-time data monitoring of energy consumption and energy statistical analysis, and provides intelligent data support for the fine control of energy and statistical analysis of energy saving and consumption reduction in the plant. Encourage employees to use green travel. Through the work of solid waste resourceful disposal, reduce cycle carbon emissions, and give full play to the synergistic effect of the comprehensive utilization of waste resources on the realization of the goal of pollution reduction and carbon reduction. Meanwhile, during the reporting period, the Company actively utilized the utilization of waste heat to reduce the use of natural gas and reduce the total amount of carbon emissions.

II. Status of social responsibility work

(I) Whether to disclose social responsibility report, sustainable development report or ESG report separately

☒ Applicable ☐ Not applicable

For details, please refer to the "2023 Annual Social Responsibility Report of Fangda Carbon New Material Technology Co.

III. Consolidating and expanding the results of poverty eradication, rural revitalization and other specific aspects of work

☒ Applicable ☐ Not applicable

The company earnestly implements the rural revitalization strategy of the CPC Central Committee and the State Council, positively responds to the local working arrangement, bases on the local actuality, takes the road of characteristic industry development, and has landed six industrial help projects in Dongxiang County, including garment processing, construction engineering, handmade embroidery, pastry food processing, cab and bus, and

template processing, to promote the consolidation and expansion of the results of poverty alleviation and to promote the revitalization of the countryside.

The company's rural revitalization working group personnel to stabilize employment, strong business, run the market, find orders, improve quality, promote efficiency, while stabilizing the number of employed people and employee wages and income, and constantly expand the scope of business and service areas, to help help the overall stability of the operation of the helping projects. At the same time, the organization carries out skills training, exchanges and visits, ideological guidance, incentives and other ways to guide the masses of workers to change their mindsets, improve their skills, and effectively do a good job of consolidating and expanding the results of poverty alleviation and rural revitalization of the effective convergence.

Section VI. Important matters

I. Fulfillment of commitments

(I) Commitments made by the Company's actual controllers, shareholders, connected parties, acquirers and the Company and other parties related to the commitments during the reporting period or continuing into the reporting period

☒ Applicable ☐ Not applicable

Background of Commitments	Commitment	Committed Parties	Commitment	Commitment time and duration	Is there a time limit for fulfillment	Whether timely and strictly fulfilled	Failure to perform in a timely manner should indicate the specific reasons for the failure to complete the performance	Failure to perform in a timely manner should be accompanied by a statement of the specific reasons why performance has not been completed.
Commitments made in acquisition or change of interest reports	Type	Liaoning Fangda Group Industry Company Limited and its de facto controller	Content	2006	Yes	No	Affected by local policies and government relocation planning and other factors, the Company's subsidiaries, Fushun Carbon Limited Liability Company and Hefei Carbon Limited Liability Company, failed to obtain the relevant certificates. According to the relevant	Fushun Carbon and Hefei Carbon, the subsidiaries of the Company, failed to obtain the relevant certificates due to the influence of local policies and governmental relocation planning and other factors. According to the relevant documents of the government, the subsidiaries Fushun Carbon Limited Liability Company and Hefei Carbon Limited Liability Company will apply for the land use right certificate and the house ownership certificate ownership documents together after the relocation work is completed. Details are as follows:

							documents of the government, Fushun Carbon and Hefei Carbon will apply for the land use right certificate and house ownership certificate after the relocation work is completed. Details are as follows: (1) Hefei Carbon Co., Ltd. and the original shareholder Hefei Aluminum Co., Ltd. share the same piece of land, in the same area of the office, the land use right is still Hefei Aluminum Co., Ltd. and belongs to the state appropriation of the land. 2002 according to the requirements of Hefei Municipal Government, all of the state-owned land title certificate all by the Hefei City Industrial Investment Holding Company Limited to retrieve the unified management. 2004 July Hefei Aluminum policy bankruptcy, the land use right certificate of Hefei Aluminum Co. The land used by Hefei Carbon Limited Liability Company is leased. In order to speed up the optimization of the layout of the central city, the government requested Hefei Carbon to relocate to the gathering area for business development, and Hefei Carbon has prepared a relocation plan. There has been no ownership dispute or impact on the normal production and operation of the enterprise, and Hefei Carbon Limited Liability Company's land use right and house ownership certificate will be processed after the completion of the relocation work. In October 2017, the Company successfully acquired 47.89% equity interest in Hefei Carbon Limited Liability Company held by CITIC Investment Holding Company Limited, and Hefei Carbon Limited Liability Company became a wholly-owned subsidiary of the Company. According to the spirit of the
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							Opinions on Accelerating the Optimization of Layout and Transformation and Development of Hefei City's Central City Industry, Hefei Carbon Limited Liability Company and the People's Government of Xiaitang Town, Changfeng County, signed the "Changfeng County Investment Cooperation Agreement for Merchandising Projects" in 2019, and Hefei Carbon Limited Liability Company was relocated to invest in and construct the project of 50,000 ton of carbon products with an annual output of 50,000 ton in the territory of Xiaitang Town, Changfeng County, and the relocation work proceeded in an orderly manner according to the plan. (2) Fushun Carbon Co., Ltd. is an enterprise which was restructured and established under the leadership of the local government in 2002, and some of the land use rights and house ownerships have not been transferred due to historical reasons during the restructuring. Since 2006, Fushun Carbon has taken measures to actively promote the transfer of the above land and property, and has handled the necessary preliminaries for the transfer procedures, and has communicated with the municipal government and the land management department on several occasions, but has failed to achieve any results due to the constraints imposed by the policy. 2008 Liaoning Provincial Party Committee and Government Proposed the implementation of the Shenfu co-citization
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							strategy, in view of Fushun carbon limited liability company is located in the core of the Shenfu co-citization, Fushun City Government has Fushun carbon limited liability company relocation and transformation plan included in the government's work agenda. 2010, Fushun City Government and Fushun carbon limited liability company relocation formally included in the "Fushun City, the twelfth Five-Year Plan for the National Economic and Social Development Program," Fushun carbon limited liability company has also prepared a "relocation" of the "Fushun carbon limited liability company", "Fushun carbon limited liability company". Fushun Carbon Limited Liability Company also prepared a "relocation and transformation technology program". The land use right certificate and house ownership certificate will be processed together after the completion of the relocation and transformation of the enterprise. Fushun Carbon is in the process of negotiating with the government for relocation and transformation.
	Resolving property rights defects such as land	Liaoning Fangda Group Industry Co.	Fangda Group undertook to: "(1) expedite the processing of land certificates, real estate certificates and other	2006	No	Yes	(1) Hefei Carbon Co., Ltd. and the original shareholder Hefei Aluminum Co., Ltd. share the same piece of land, in the same area of the office, the land use right is still Hefei Aluminum Co., Ltd.

			ownership documents for each of the land, housing and other assets, and complete all of them by the end of 2007. (2) The costs and expenses involved in the process of processing the ownership documents of the land, houses and other assets to be injected shall be borne by the Company in proportion to its original shareholding. (3) The Company will bear the compensation responsibility for				and belongs to the state appropriation of the land. 2002 according to the requirements of Hefei Municipal Government, all of the state-owned land title certificate all by the Hefei City Industrial Investment Holding Company Limited to retrieve the unified management. 2004 July Hefei Aluminum policy bankruptcy, the land use right certificate of Hefei Aluminum Co. The land used by Hefei Carbon Limited Liability Company is leased. In order to speed up the optimization of the layout of the central city, the government requested Hefei Carbon to relocate to the gathering area for business development, and Hefei Carbon has prepared a relocation plan. There has	
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			the losses caused by the impact on the normal operation of Hailong Technology due to the ownership issues of the land, houses, etc. involved in this transaction and will fulfill the compensation obligation within one month."				been no ownership dispute or impact on the normal production and operation of the enterprise, and Hefei Carbon Limited Liability Company's land use right and house ownership certificate will be processed after the completion of the relocation work. In October 2017, the Company successfully acquired 47.89% equity interest in Hefei Carbon Limited Liability Company held by CITIC Investment Holding Company Limited, and Hefei Carbon Limited Liability Company became a wholly-owned subsidiary of the Company. According to the spirit of the Opinions on Accelerating the Optimization of Layout and Transformation and Development of Hefei City's Central City Industry, Hefei	
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							Carbon Limited Liability Company and the People's Government of Xiaitang Town, Changfeng County, signed the "Changfeng County Investment Cooperation Agreement for Merchandising Projects" in 2019, and Hefei Carbon Limited Liability Company was relocated to invest in and construct the project of 50,000 ton of carbon products with an annual output of 50,000 ton in the territory of Xiaitang Town, Changfeng County, and the relocation work proceeded in an orderly manner according to the plan.	
	Resolution of inter-industry competition	Liaoning Fangda Group Industry Co.ltd	Fangda Group and its de facto controllers undertake that "1) The Company and	2006	No	Yes	(2) Fushun Carbon Co., Ltd. is an enterprise which was restructured and established under the leadership of the local government in	

			the enterprises controlled by it will not directly or indirectly engage in any business that competes with Hilong Technology (now renamed Fangda Carbon), participate in or take up any equity interest in any business that may compete with the business engaged in by Hilong Technology. 2) The Company and the enterprises controlled by it			2002, and some of the land use rights and house ownerships have not been transferred due to historical reasons during the restructuring. Since 2006, Fushun Carbon has taken measures to actively promote the transfer of the above land and property, and has handled the necessary preliminaries for the transfer procedures, and has communicated with the municipal government and the land management department on several occasions, but has failed to achieve any results due to the constraints imposed by the policy. 2008 Liaoning Provincial Party Committee and	
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			shall have any business opportunity to engage in, participate in or take up any equity interest in any business that may compete with the graphite carbon business engaged by Hilong Technology, the Company shall notify Hilong Technology of the said business opportunity, and if Hilong Technology gives an affirmative response that it				Government Proposed the implementation of the Shenfu co-citization strategy, in view of Fushun carbon limited liability company is located in the core of the Shenfu co-citization, Fushun City Government has Fushun carbon limited liability company relocation and transformation plan included in the government's work agenda. 2010, Fushun City Government and Fushun carbon limited liability company relocation formally included in the "Fushun City, the twelfth Five-Year Plan for the National Economic and Social Development Program," Fushun	
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			is willing to take advantage of the business opportunity within a reasonable period as specified in the notification, the Company shall waive the business opportunity; and if Hilong Technology fails to give a response or gives a negative response, it shall be deemed to have waived the business opportunity. 3) In the event of a breach of the				carbon limited liability company has also prepared a "relocation" of the "Fushun carbon limited liability company", "Fushun carbon limited liability company". Fushun Carbon Limited Liability Company also prepared a "relocation and transformation technology program". The land use right certificate and house ownership certificate will be processed together after the completion of the relocation and transformation of the enterprise.	
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			above undertakings results in losses suffered by the listed company, the Company will fully indemnify Hailong Technology."					
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V. Explanation of the Company's analysis of the reasons for and impact of changes in accounting policies, accounting estimates or correction of material accounting errors

(I) Explanation of the Company's analysis of the reasons for and impact of changes in accounting policies and accounting estimates

☒Applicable ☐Not applicable

On October 25, 2023, the Ministry of Finance ("MOF") issued Interpretation No. 17 of the Accounting Standards for Business Enterprises ("ASBE") (Caijing [2023] No. 21) (hereinafter referred to as Interpretation No. 17), which became effective on January 1, 2024. Effective January 1, 2024, the Company implemented the provisions of Interpretation No. 17. The implementation of the relevant provisions of Interpretation No. 17 had no significant impact on the Company's financial statements for the reporting period.

VI. Appointment and dismissal of accounting firms

Unit: ten thousand Yuan Currency: CNY

	Now Appointed
Name of Domestic Accounting Firm	Baker Tilly International LLP (Special General Partnership)
Remuneration of Domestic Accounting Firm	80
Years of audit experience of domestic accounting firm	8
Name of the domestic accounting firm's certified public accountant	Liu Dan, Cheng Lu, Li Yaxiong
Cumulative number of years of audit service by the domestic accounting firm's CPAs	5, 3

	Name	Remuneration
Internal control audit accounting firm	Baker Tilly International (special general partnership)	10

Appointment and Dismissal of Accounting Firms

☒Applicable ☐Not applicable

As considered and approved by the Fifth Extraordinary General Meeting of the Company in 2023, it was agreed that the Company would continue to appoint Baker Tilly International CPAs (Special General Partnership) as the auditor of the Company's financial report and internal control for the year 2023 for a period of one year. For details, please refer to the "Announcement of Fangda Carbonin on the Renewal of the Appointment of Accounting Firm" (Announcement No. 2023-087) disclosed by the Company on October 31, 2023 in the designated media China Securities Journal, Shanghai Securities News and the website of Shanghai Stock Exchange (<http://www.sse.com.cn>).

IX. Significant Litigation and Arbitration Matters

☒Applicable ☐Not applicable

(i) Litigation and arbitration matters that have been disclosed in the interim announcement and have no subsequent development

☒Applicable ☐Not applicable

Overview and Type of Matter	Inquiry Index
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2023 The Company received the Civil Suit and other documents by mail from the People's Court of Qingyuan Manchu Autonomous County, Liaoning Province, Case No. ([2023] Liao 0423 Min Chu 1247). Fushun Xinfu Steel Limited Liability Company, a shareholder of the subsidiary Fushun Laihe Mining Company Limited, filed a lawsuit requesting for the restoration of its 22.2% equity interest in Fushun Laihe Mining Company Limited and the payment of dividends of 22.2% of the share capital of Fushun Laihe Mining Company Limited from its establishment to the present date on the basis of financial data audited by an intermediary institution appointed by the Court. As at the date of this announcement, the litigation has not yet commenced and the final outcome of the judgement is uncertain.	For details, please refer to the "Announcement of Fangda Carbonin on Receipt of Civil Suit" (Announcement No. 2023-057) disclosed by the Company on July 19, 2023 in the designated media China Securities Journal, Shanghai Securities News and the website of Shanghai Stock Exchange (http://www.sse.com.cn).
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(iii) Other notes

☒Applicable ☐Not applicable

The case is at the first instance stage and has not yet commenced as at the date of disclosure of this report

XII. Significant Affiliated transactions

2. Matters which have been disclosed in the Interim Announcement but with subsequent progress or changes in implementation

☒Applicable ☐Not applicable

(1) Sales of carbon products by the Company and its subsidiaries to Fangda Special Steel Technology Co., Ltd, Jiangxi Pinggang Industrial Co., Ltd and its subsidiaries (for details, please refer to the "Announcement of Fangda Carbon on the Expected Daily Connected Transactions for the Year 2023" disclosed on the website of the Shanghai Stock Exchange on March 4, 2023 and published in the China Securities Journal and the Shanghai Securities News, Announcement No. 2023-014). 2023 The actual sales (excluding tax) incurred in 2023 amounted to CNY 56,953,100.

(2) Sales of carbon products by the Company and its subsidiaries to Beijing Fangda Carbon Technology Co., Ltd. and its subsidiaries (for details, please refer to the "Announcement of Fangda Carbon on Expected Daily Connected Transactions for FY201023" disclosed on the website of the Shanghai Stock Exchange on March 4, 2023 and published in the China Securities Journal and the Shanghai Securities News, announcement no. 2023-014). the actual sales incurred in 2023 (excluding tax) amounted to CNY 9,496,900.

(3) Sales of furnace head and furnace tail conductive electrodes and other products by the Company and its subsidiaries to Baofang Carbon Material Technology Co., Ltd. (for details, please refer to "Fangda Carbon's Announcement on the Expected Daily Connected Transactions for FY2023", Announcement No. 2023-014, disclosed on the website of the Shanghai Stock Exchange and published in the China Securities Journal and the Shanghai Securities News on March 4, 2023 and "Fangda Carbon's Proposal on the Increase of FY2023 (Announcement of Fonda Carbon on Expected Daily Connected Transactions for the Year 2023, Announcement No. 2023-014 and Announcement of Fonda Carbon on Increase of Daily Connected Transactions for the Year 2023, Announcement No. 2023-053). Actual sales incurred in 2023 (excluding taxes) were CNY 26,330,800.

(4) Sales of carbon products, etc. by the Company to Hainan hantu Trading Co., Ltd. (for details, please refer to the "Announcement of Fonda Carbon on the Expected Daily Connected Transactions for FY201023" disclosed on the website of the Shanghai Stock Exchange and published in the China Securities Journal and the Shanghai Securities News on 4 March 2023, announcement no. 2023-014). The actual sales incurred for the year 2023, excluding tax, amounted to CNY 7,449,200.

(5) Purchase of coal pitch, etc. by the Company and its subsidiaries from Sichuan Daxing Chemical Co., Ltd. etc. (For details, please refer to "Announcement of Fangda Carbonin on Expected Daily Connected Transactions for FY2023" disclosed on the website of the Shanghai Stock Exchange and published in the China Securities Journal and the Shanghai Securities News, Announcement No. 2023-014 on 4 March 2023. the actual amount of purchases incurred in FY2023 (excluding tax) was CNY 53,844,100.

(6) Purchase of needle coke and other raw materials by the Company and its subsidiaries from Beijing Fangda Carbonin Technology Co., Ltd. and its subsidiaries (for details, please refer to "Announcement of Fangda Carbonin on Expected Daily Connected Transactions for FY2023" disclosed on the website of the Shanghai Stock Exchange and published in the China Securities Journal and the Shanghai Securities News on 4 March 2023, announcement no. 2023-014). the actual amount of purchases for the year of 2023 (excluding tax) amounted to CNY 62,456,700.

(7) Purchase of needle coke and other raw materials from Hainan hantu Trading Company Limited (for details, please refer to "Announcement of Fangda Carbonin on Expected Daily Transactions in FY201023" published on the website of Shanghai Stock Exchange and published in China Securities Journal and Shanghai Securities News on March 4, 2023, Announcement No. 2023-014) The actual amount of purchases incurred in 2023 (excluding tax) was CNY 101,204,000 .

(8) Purchase of coal tar and other raw materials from Fangda Special Steel Technology Co., Ltd. (for details, please refer to the "Announcement of Fangda Carbon on Expected Daily Connected Transactions for FY2023" published on the website of Shanghai Stock Exchange and published in China Securities Journal and Shanghai Securities News on March 4, 2023, announcement no. 2023-014). the actual amount of purchases incurred in 2023 (excluding tax) amounted to CNY 29,979,700.

(9) Acceptance by the Company and its subsidiaries of labor services provided by Baofang Carbon Material Technology Company Limited, etc. (For details, please refer to the "Announcement of Fangda Carbon on the Expected Daily Connected Transactions for FY201023", Announcement No. 2023-014, disclosed on the website of the Shanghai Stock Exchange, and published in the China Securities Journal and the Shanghai Securities News, respectively, on March 4, 2023 and July 15, 2023, respectively, and "Announcement of Fangda Carbon on the Increase in the Number of Daily Connected Transactions for the Year 2023", Announcement No. 2023-053).The actual provision of labor services (excluding tax) for the year 2023 amounted to CNY122,047,200.

3. Matters not disclosed in the interim announcement

☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

Related parties	Affiliated Relationships	Types of related transactions	Affiliated Transaction Contents	Pricing Principles for Connected Transactions	Affiliated Transaction Prices	Amount of Affiliated transactions	Percentage of amount of similar transactions (%)	Settlement of Affiliated Transactions	market price	Reasons for large differences between transaction prices and market reference

										prices
Gansu Fangda Jiuzhangshang Technology Development Co., Ltd	Other related parties	Purchase of goods	Materials	Market price or agreed price	Market price or agreed price	56,130.00		协议约定		
zhongxing-Shenyang Commercial Building (Group) Co., Ltd	Other related parties	Purchase of goods	Materials	Market price or agreed price	Market price or agreed price	140,832.00		协议约定		
Gansu Fangda Tongte New Material Co., Ltd	Other related parties	Purchase of goods	Materials	Market price or agreed price	Market price or agreed price	1,335,929.21		协议约定		
Shenyang Fangdi Real Estate Co., Ltd	Other related parties	Acceptance of labor	Materials	Market Price or Agreement Price	Market price or agreed price	134,067.80		协议约定		
Beifang Heavy Industry Group Co., Ltd	Other related parties	Purchase of goods	Materials	Market Price or Agreement Price	Market price or agreed price	238,938.06		协议约定		
Gansu Fangda Zhanyao New Material Packaging Co., Ltd	Other related parties	Purchase of goods	materials	Market or Agreed Price	Market price or agreed price	592,035.40		协议约定		
Gansu Helsinki Craft Products Co., Ltd	Other related parties	Purchase	materials	Market or Agreed Price	Market price or agreed price	7,079.65		协议约定		
Golden Deer (Beijing) Business Aviation Co.,	Other related parties	Purchase	materials	Market or Agreed Price	Market price or agreed	4,424,778.76		协议约定		

ltd					price					
China Xinhua Aviation Group Co., Ltd	Other related parties	Purchase of goods	materials	Market or Agreed Price	Market price or agreed price	17,860.68		协议约定		
Northern Heavy Industry Group Co., Ltd	Other related parties	Selling goods	materials	Market or Agreed Price	Market price or agreed price	1,327.43		协议约定		
Dongxiang Autonomous County Western Region Clothing Co., Ltd	Other related parties	Selling goods	materials	Market or Agreed Price	Market price or agreed price	240,208.85		协议约定		
Gansu Hull Leather and Silk Craft Products Co., Ltd	Other related parties	Sell goods	materials	Market or Agreed Price	Market price or agreed price	403,412.39		协议约定		
Gansu Fangda Zhanyao New Material Packaging Co., Ltd	Other related parties	Sell goods	materials	Market or Agreed Price	Market price or agreed price	730,667.14		协议约定		
Benxi Manchu Autonomous County Tongda Iron Selection Co., Ltd	Other related parties	Sell goods	materials	Market or Agreed Price	Market price or agreed price	272,757.51		协议约定		
Dongxiang Autonomous County East-West Collaboration Meijia Rainwear	Other related parties	Products for sale	materials	Market or Agreed Price	Market price or agreed price	97,798.23		协议约定		

Co., Ltd										
Dongxiang Autonomous County East-West Collaboration Shengmeitan g Food Co., Ltd	Other related parties	Products for sale	materials	Market or Agreed Price	Market price or agreed price	4,601.77		协议约定		
Dongxiang Autonomous County Fangda Liming Textile Co., Ltd	Other related parties	Products for sale	materials	Market or Agreed Price	Market price or agreed price	63,716.81		协议约定		
Hainan Airlines Holding Co., Ltd	Other related parties	Products for sale	materials	Market price or agreement price	Market price or agreed price	56,281.42		协议约定		
Details of large sales returns					No					
Description of connected transactions					The above connected transactions are transactions required for the Company's normal production and operation.					

XIII. Significant contracts and their performance

1. Lease

Name of Lessor	Name of Leaser	Leased Assets	Amounts involved in leased assets	Lease commencement date	Lease termination date	rental income	Basis for determining lease proceeds	Impact of lease income on the company	Whether or not the transaction is affiliated	affiliated relationship
China Huarong Asset Management Co., Ltd.	Shanghai Fangda	Huarong Tower Office Building on the Bund, Shanghai	Amounts involved in leased assets	April 11, 2021	April 10, 2026	0	0	0	no	other

(ii) Guarantees

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: CNY

Total incidence of guarantees during the reporting period (excluding guarantees to subsidiaries)	25,000
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Total balance of guarantees at the end of the reporting period (A) (excluding guarantees to subsidiaries)	100,000
Guarantees by the Company and its subsidiaries to subsidiaries	
Total incidence of guarantees to subsidiaries during the reporting period	12,500
Total balance of guarantees to subsidiaries at the end of the reporting period (B)	52,500
Status of total guarantees of the company (including guarantees to subsidiaries)	
Total amount of guarantees (A+B)	152,500
Total guarantees as a percentage of the company's net assets (%)	8.93
Among them:	
Amount of guarantees for shareholders, de facto controllers and their related parties (C)	25,000
Amount of debt guarantees provided directly or indirectly for the guaranteed objects with gearing ratios exceeding 70% (D)	0
Amount of total guarantees exceeding the portion of 50% of net assets (E)	0
Total amount of the above three guarantees (C+D+E)	25,000
Explanation of possible joint and several liability for outstanding guarantees	Not applicable
Description of guarantees	During the reporting period, the Company has fulfilled the guarantee-related procedures in strict accordance with the provisions and requirements of relevant laws, regulations and standardized documents. There was no overdue guarantee.

(i) Overall utilization of funds raised

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: CNY

Source of Proceeds	Time of fund raising	Total amount of funds raised	Of which: Amount of over-raised funds	Net proceeds after deduction of issue expenses	Total committed investment of proceeds	Adjusted total committed investment of proceeds(1)	Cumulative total amount of proceeds invested as of the end of the reporting period (2)	Progress of cumulative inputs as of the end of the reporting period (%) (3) = (2)/(1)	Amount invested during the year (4)	Share of current year's input amount (%) (5) = (4)/(1)	Total amount of proceeds from change of use
Issuance of Shares to Specified Targets	July 1, 2008	114,635.00	0	110,935.00	110,935.00	110,935.00	120,491.961	108.61	-	-	-
Issue of shares to specific recipients	June 20, 2013	182,239.96	0	179,601.54	179,601.54	179,601.54	71,531.39	39.83	0	0	71,531.39
Others	March 23, 2023	130,358.322	0	130,358.32	130,358.32	130,358.32	0	-	0	-	-

Note 1: The cumulative total amount of fund-raising invested up to the end of the reporting period of CNY1,204,919,600,000 includes interest incurred.

Note 2: The total proceeds of CNY1,303,583,200 include other issuance costs of CNY10,624,300 which have not been deducted. For details of the specifics of the proceeds, please refer to the "Special Report on the Deposit and Actual Use of the Company's Proceeds for the Year 2023" disclosed on the website of the Shanghai Stock Exchange (www.sse.com.cn) on April 2, 2024.

(ii) Details of the fund-raising project

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: CNY

Project Name	Project Nature	Does it involve a change of direction	Source of Proceeds	Time of fundraising	Whether to use over-provisioned funds	Total committed investment of project fundraising	Adjusted total investment of proceeds(1)	Amount invested during the year	Cumulative total amount of proceeds invested as of the end of the reporting period (2)	Cumulative progress of inputs as of the end of the reporting period (%) (3) = (2)/(1)	Date project reaches intended useable condition	Completed or not	Whether the progress of inputs is in line with the planned schedule	Specific reasons why inputs did not progress as planned	Benefits realized during the year	Benefits realized or R&D results of the project	Has there been a significant change in the feasibility of the project, and if so, please provide details	Amount of savings
Blast Furnace Carbon Brick	Production	No	Issuance of Shares to Specified Targets	July 1, 2008	No	45,373.00	45,373.00	0	37,340.79	82.30	2009 年 12 月 25 日	Yes	Yes	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Special	Prod	No	Issuance of	Jul	No	65,562	65,562	0	83,151.1	126.83	2011	Yes	Yes	Not	Not	Not applicable	Not	Not

Graphi te	uctio n		shares to specific recipients	y 1, 20 08		.00	.00		7		年 3 月 20 日			appli cabl e	appli cable		applicabl e	applica ble
30,000 ton/ye ar Special ty Graphi te Manuf acturin g and Proces sing Project	Prod uctio n	No	Issuance of shares to specific recipients	Ju ne 20, 20 13	No	119,56 0.03	104,93 3.61	-14,6 83.3 0	0	0	不适 用	No	No	Note 3	Not appli cable	Not applicable	Not applicabl e	Not applica ble
Acquisi tion of equity interes t in Sikemo Needle Coke	Othe rs	No	Issuance of shares to specific recipients	Ju ne 20, 20 13	No	60,041 .51	40,167 .93	0	40,167.9 3	100	2017 年 10 月	No	Yes	Not appli cabl e	Not appli cabl e	Not applicable	Not applicabl e	Not applica ble
Acquisi	Othe	Yes	Issuance of	Ju	No		34,500	0	31,363.4	90.91		No	Not	Note	Not	Not applicable	Not	Not

tion of equity in Jiangsu Fangda	rs		shares to specific recipients	ne 20, 20 13			.00		6				appli cabl e	4	appli cabl e		applicabl e	applica ble
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Note 3: On February 10, 2023, the Twentieth Extraordinary Meeting of the Eighth Board of Directors of the Company considered and passed the "Proposal on the Termination of the Use of Proceeds to Implement Part of the Project and the Adjustment of the Scale of Use of Proceeds in Part of the Fundraising Project", and was considered and approved by the Second Extraordinary Shareholders' General Meeting of 2023 on February 27, 2023, which resulted in the termination of the implementation of the "30,000-ton / Special Graphite Manufacturing and Processing Project" by the proceeds. "30,000 ton/year special graphite manufacturing and processing project", on February 28, 2023, Chengdu Carbon Material transferred the total amount of 230,730,300 Yuan (the amount already invested in the 2013 non-publicly traded funds) of the 2013 fund-raising funds originally proposed to be invested in "30,000 ton/year special graphite manufacturing and processing project" to Chengdu Carbon Material for the purpose of the project. (the invested 2013 private offering proceeds of CNY146,830,000 (including interest) and the balance of CNY83,897,300 in the special account for proceeds of Chengdu Bank as at December 31, 2022) was returned and deposited in the Company's other special account for 2013 proceeds, to be used in the event that there is a good investment opportunity in the future upon fulfillment of the relevant legal procedures.

On March 22, 2024, the Company held the Thirty-second Interim Meeting of the Eighth Board of Directors to consider and approve the "Proposal on Changing Part of the Proceeds Investment Project". In light of the development plan of the Company, focusing on the construction of green factories and the upgrading of intelligent equipment, in order to enhance the Company's industrial upgrading capability, the Company intends to use the proceeds for the "Green Factory Construction and Intelligent Equipment Upgrading Project", with an estimated total project investment of CNY 376,940,700,000, which is wholly financed by the proceeds. The independent directors and supervisory committee of the Company have given clear consent to the project, and the sponsor has given no objection to the project, which has yet to be submitted to the shareholders' meeting of the Company for consideration.

Note 4: The difference between the adjusted total amount of fund-raising investment of CNY 345,000,000 for the acquisition of equity interest in Jiangsu Fangda and the total amount of fund-raising funds invested in the cumulative fund-raising up to the end of the reporting period of CNY 313,636,600,000 was the difference arising from the settlement of refunds and multiple exchanges, and the progress of the cumulative investment was completed by 100%.

(iii) Changes in or termination of fund-raising investments during the reporting period

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: CNY

Project	Total	Total amount of	Project	Reason for change/termination	Amount of	Description of Decision-making
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name before change	amount of fund-raising investment in the project before change/termination	fund-raising capital invested in the project before change/termination	name after change		proceeds used to replenish flow after change/termination	Procedures and Information Disclosure
30,000 ton/year special graphite manufacturing and processing project	104,933.61	23,073.03	Not applicable	Considering the current progress of the fund-raising project, the capital reserve of subsidiaries, based on the cost saving, efficiency improvement and project follow-up planning, in order to improve the efficiency of fund-raising, and help the development of the main business of the listed company, the company intends to adjust the amount of fund-raising for "30,000 ton/year of special graphite manufacturing and processing project". The rest of the capital investment of "30,000 ton/year special graphite manufacturing and processing project" will be invested by Chengdu Carbon Materials with its own or self-financing funds. At the same time, the total amount of principal and interest of the 2013 proceeds to be invested in the 30,000 ton/year special graphite manufacturing and processing project will be CNY 230,730,300 (CNY 146,830,000 (inclusive of interest) of the proceeds from the 2013 private offering already invested and the balance of the Chengdu Bank's special account for the proceeds of CNY 83,897,300), which is to be deposited	0	On February 10, 2023, the Twentieth Extraordinary Meeting of the Eighth Session of the Board of Directors of the Company considered and passed the "Proposal on the Termination of the Use of Proceeds to Implement Part of the Project and the Adjustment of the Scale of the Use of Proceeds in Part of the Fundraising Project", and agreed to terminate the use of proceeds to implement "30,000 ton/Annual Specialty Graphite Manufacturing and Processing Project" of Chengdu Carbon, the controlling

				into the company's 2013 special account for the proceeds of the other.		subsidiary of the Company. "
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(iv) Other use of proceeds during the reporting period

☒ Applicable ☐ Not applicable

2、Temporary replenishment of liquidity with idle proceeds

☒ Applicable ☐ Not applicable

The Company held the Twenty-ninth Interim Meeting of the Eighth Session of the Board of Directors on August 23, 2023, and considered and passed the "Proposal on the Temporary Supplementation of the Company's Liquidity with Idle Proceeds", agreeing that the Company would use 1 billion yuan of idle proceeds to temporarily supplement the Company's liquidity, and the period of use would not exceed 12 months from the date of approval by the Board of Directors.

XV. Explanation of other material matters that have significant impact on investors' value judgment and investment decisions

☒ Applicable ☐ Not applicable

(i) In order to broaden the Company's international financing channels, enhance the Company's international brand and image, meet the needs of the Company's international business development, and actively promote the internationalization strategy, the Company planned to issue GDRs overseas and list them on the SIX Swiss Exchange. On March 15, 2023 (Swiss time), the Company completed the issuance of GDRs and listed them on the SIX Swiss Exchange, the full name of the GDRs is Fangda Carbon New Material Co. On March 15, 2023 (Swiss time), the Company completed the GDR issuance and listed on the SIX Swiss Exchange, the full name of the GDR securities is Fangda Carbon New Material Co., Ltd. and the GDR listing code is FDCB. 22,000,000 GDRs were issued, which corresponded to the addition of 220,000,000 A shares of the Company as new base securities. The GDRs issued by the Company expired on July 12, 2023 (Swiss time), and as of the close of trading on Shanghai Stock Exchange on July 14, 2023 (Beijing time), Citibank, National Association, the depositary of the GDRs of the Company, as the nominee holder of the Company's A shares, held 70,024,950 shares, which was less than the actual number of shares approved by the CSRC. which was less than 50% of the number of underlying A shares corresponding to the actual issuance of GDRs by the Company as approved by the China Securities Regulatory Commission.

(ii) Chengdu Carbon, a controlling subsidiary of the Company, has been listed on the National Small and Medium-sized Enterprises Stock Transfer System for public transfer since March 16, 2023, with the following stock name: Chengdu Carbon, stock code: 874035, trading mode: pooled bidding, and tier: basic tier. In order to further optimize the financial structure, maintain the sustainable growth of the business scale, guarantee the realization of the business objectives and future development strategy, enhance market competitiveness, improve profitability and risk resistance, Chengdu Carbon will conduct a directional share issuance of not more than 39,760,450,000 shares, at an issuance price of CNY 4.05/share, with the total amount of funds raised expected to be not more than CNY 16,102,800,000, all of which will be used to supplement liquidity. All of which will be used to supplement working capital. 2023 June 29, 2023 National Small and Medium-sized Enterprises Stock Transfer System Limited Liability Company issued the "Letter on the Consent to the Directed Stock Offering of Chengdu Fangda Carbon Carbon Composites Company Limited" (Stock Transfer Letter [2023] No. 1230), which agreed to the directed stock offering of Chengdu Carbon Materials. Chengdu Carbon will handle matters relating to this directed offering in accordance with the relevant regulations.

(III) Considering the current progress of the fund-raising project and the capital reserve of Chengdu Carbon Materials, based on the cost saving, efficiency enhancement and subsequent planning of the project, and in order to improve the efficiency of fund-raising and assist the development of the main business of the listed company, the Company adjusted the amount of fund-raising for "30,000 ton/year of Special Graphite Manufacturing and Processing Project". Adjustment. In addition to the invested savings of 378,570,000 CNY (including interest) from

the 2008 non-public offering, the rest of the capital investment of "30,000 ton/year Special Graphite Manufacturing and Processing Project" will be invested by Chengdu Carbon Materials with its own or self-financing funds. At the same time, the total amount of principal and interest of the 2013 proceeds to be invested in the 30,000 ton/year special graphite manufacturing and processing project, amounting to CNY230,730,300, will be returned and deposited to the company's other special account for the 2013 proceeds on February 28, 2023, at the same time.

(iv) In order to further integrate resources, reduce management costs, optimize the governance structure and improve operational efficiency, the former joint venture of the Company, Fangda Xi Kemo, absorbed and merged the subsidiary of the Company, Jiangsu Fangda. 27 June 2023, Fangda Xi Kemo received a new business license, and the independent legal personality of Jiangsu Fangda was cancelled, and all of its assets, liabilities, business and personnel, etc., were assumed by Fangda Xi Kemo, with the equity ratio of Fangda Xi Kemo to be 65% after the merger. After the merger, Fangda Xi Kemo will hold 65% of the shares of Fangda Xi Kemo, and Nippon Steel Chemical Materials Corporation will hold 35% of the shares of Fangda Xi Kemo. After the Merger, the Board of Directors of Fangda Xi Kemo will consist of three directors, of which Fangda Carbon has the right to recommend two and Nippon Steel Chemical Materials Corporation has the right to recommend one, and the chairman of the board of directors will be a person recommended by Fangda Carbon.

(v) Influenced by multiple factors such as macro environment and capital market trend, the Company's share price fluctuates greatly, and the current share price fails to truly reflect the Company's intrinsic value. Based on the confidence in the company's future development and recognition of the company's value, in order to safeguard the interests of shareholders, enhance investor confidence, and improve the long-term investment value of the company's shares, and at the same time, in order to establish and perfect the company's long-term incentive mechanism and benefit-sharing mechanism, fully mobilize the enthusiasm of the company's employees to enhance the cohesion of the enterprise and its core competitiveness, and to effectively integrate the interests of the shareholders, the interests of the company and the interests of the employees' personal interests in close proximity to one another to Promote the healthy and sustainable development of the Company, the Company intends to use its own funds to repurchase the Company's shares through centralized bidding transactions. As at March 31, 2024, the Company has repurchased a total of 49,577,408,000 shares through centralized bidding transactions, accounting for 1.23% of the total share capital of the Company, and the total amount paid was CNY285,036,400 (excluding transaction fees such as transaction commissions).

(vi) Chengdu Carbon, a controlling subsidiary of the Company, has been listed on the basic tier of the National Stock Transfer System since March 2023 and has been operating in good condition, and has applied for the public offering of not more than 70,511,103 shares (inclusive of the number and without taking into account the over-allotment option) to unspecified qualified investors and listed on the Beijing Stock Exchange after the shareholders' general meeting has approved the application. Chengdu Carbon has entered the innovation layer.

Section VII. Changes in share capital and shareholders

I. Changes in share capital

(I) Statement of Changes in Shares

1. Table of changes in shares

Unit: Share

	Prior to this change		Increase/decrease (+, -) in current changes					After this change	
	quantities	Proportion (%)	issue new shares	a share grant	conversion of provident fund	other	Subtotal	quantities	Proportion (%)
I. Restricted shares									
1. Shares held by the state									
2. Shares held by state-owned corporations									
3 、 Other domestic shares									
Of which: shares held by domestic non-state legal persons									
Shares held by domestic natural persons									
4 、 Foreign Capital									
Among them: shares held by overseas legal persons									
Shares held by overseas natural persons									
Unlimited shares in circulation	3,805,970,368	100	220,000,000				220,000,000	4,025,970,368	100
1 、 CNY common	3,805,970,368	100	220,000,000				220,000,000	4,025,970,368	100

shares									
2、Domestic listed foreign shares									
3、Overseas listed foreign shares									
4、Others									
Total number of shares	3,805,970,368	100	220,000,000				220,000,000	4,025,970,368	100

2. Explanation of share changes

☒ Applicable ☐ Not applicable

The Company held the Fourth Extraordinary General Meeting of 2022 on June 15, 2022, at which it considered and passed the "Proposal on the Issuance of GDRs by the Company and Listing on the SIX Swiss Exchange and Conversion into a Company Limited by Shares Raised Overseas", the "Proposal on the Plan for the Issuance of GDRs by the Company and Listing on the SIX Swiss Exchange" and other relevant proposals. The number of GDRs issued by the Company is 22,000,000, of which each GDR represents 10 A shares of the Company, corresponding to an additional base security of 220,000,000 A shares of the Company, and has been listed on March 15, 2023 on the SIX Swiss Exchange. Upon completion of the issue, the total share capital of the Company changed to 4,025,970,368 shares.

II. Issuance and listing of securities

☐ Applicable ☒ Not applicable

III. Shareholders and de facto controllers

(i) Total number of shareholders

Total number of common shareholders as of the end of the reporting period (households)	258,175
Total number of common shareholders at the end of the previous month before the annual report disclosure date (households)	249874

(II) Table showing the shareholdings of the top ten shareholders and the top ten outstanding shareholders (or unlimited shareholders) as at the end of the reporting period

Unit: Share

Shareholdings of Top 10 equityholders							
Name of Shareholders (Full name)	Increase and decrease in reporting period	Number of shares held at the end of the period	Percentage (%)	Restricted shares held	Shares Pledged, labeled and locked up		Shareholder Type
					Shares status	Number	
Liaoning Fangda Group Industrial Co., Ltd.	0	1,524,413,321	37.86	0	Pledge	1,081,200,000	Domestic non-state legal person
Citibank, National Association	5,125,396	71,373,756	1.77	0	No		Unknown
Hong Kong Securities Clearing Company Ltd.	22,001,500	22,001,500	0.55	0	No		Unknown
Fang Wei	0	18,480,200	0.46	0	No		Domestic natural person
Agricultural Bank of China - CSI 500 Exchange Open-ended Traded Fund	157,400	15,086,553	0.37	0	No		Unknown
Ye Yajun	5,265,409	6,526,909	0.16	0	No		Unknown
Yang Shiguang	0	6,500,004	0.16	0	No		Unknown
Industrial Bank Co., LTD-Western Profit China Securities 500 Index Enhanced Securities Investment Fund (LOF)	5,790,000	5,790,000	0.14	0	No		Unknown
Yuan Lidong	0	5,039,512	0.13	0	No		Unknown
Fan Donghui	0	4,990,000	0.12	0	No		Unknown
Shareholdings of non-restricted top 10 equityholders							
Name of shareholder	Number of non-restricted shares held				Number and type of shares		

Liaoning Fangda Group Industry Co.	1,524,413,321	CNY ordinary shares	1,524,413,321
Hong Kong Securities Clearing Company Limited	71,373,756	CNY ordinary shares	71,373,756
CITIC Lyon Securities (UK)	22,001,500	CNY ordinary shares	22,001,500
Fang Wei	18,480,200	CNY ordinary shares	18,480,200
Agricultural Bank of China Limited - CSI 500 Traded Open-End Index Securities Investment Fund	15,086,553	CNY ordinary shares	15,086,553
China Pacific Life Insurance Company Limited - Traditional - General Insurance Products	6,526,909	CNY ordinary shares	6,526,909
Ye Yajun	6,500,004	CNY ordinary shares	6,500,004
Citibank,NationalAssociation	5,790,000	CNY ordinary shares	5,790,000
Yang Shiguang	5,039,512	CNY ordinary shares	5,039,512
Chen Xinghong	4,990,000	CNY ordinary shares	4,990,000
Explanation of repurchase special account among the top ten shareholders	None		
Explanation of the above shareholders' proxy voting rights, entrusted voting rights and waiver of voting rights	Inapplicable		
Description of the above shareholders' affiliation or concerted action	Among the above shareholders, Liaoning Fangda Group Industry Co., Ltd. and Mr. Fang Wei, a natural person shareholder, are acting in concert, and there is no connected relationship with the remaining shareholders. Except for Mr. Fang Wei, a natural person shareholder, the remaining shareholders are not known to be related or acting in concert.		
Description of preferred shareholders whose voting rights have been restored and the number of shares they hold	Inapplicable		

Note: 1. Citibank, National Association is the depositary of the Company's GDRs, in whose name the domestic underlying A-shares corresponding to the GDRs are registered in accordance with the law. According to the statistics of the Depositary, as at the end of the reporting period, the number of the Company's GDRs in existence was 57,900, accounting for 0.26% of the Company's issued GDRs.

2. As at the end of the reporting period, the special securities account for repurchase of Fangda Carbon New Material Technology Co., Ltd. held an unlimited number of 48,446,408 shares in circulation, accounting for 1.20% of the total share capital of the Company, and was located in the third position in the shareholders' register of the Company as at December 31, 2023.

Participation of top ten shareholders in the lending of shares in the transfer and financing business

☒ Applicable ☐ Not applicable

Unit: Share

Participation of the top ten shareholders in lending shares in the margin trading and short selling transactions								
Name of Shareholder (full name)	General and credit account holdings at the beginning of the period		Shares lent on the opening transfer facility and not yet returned		General and credit account holdings at the end of the period		Shares lent on the transfer facility at the end of the period and not yet returned	
	Total quantity	Proportion (%)	Total quantity	Proportion (%)	Total quantity	Proportion (%)	Total quantity	Proportion (%)
Agricultural Bank of China Limited - CSI 500 Traded Open-End Index Securities Investment Fund	14,929,153	0.39	6,115,100	0.4053	15,086,553	0.37	4,888,700	0.3240

Change in the top ten shareholders from the previous period

☒ Applicable ☐ Not applicable

Changes in the top ten shareholders from the end of the previous period					
Name of Shareholder (full name)	Additions/withdraw als during the reporting period	Number of shares lent and not yet returned under the margin trading and short selling transactions at the end of the period		Number of shares held in shareholders' ordinary accounts and credit accounts and outstanding shares lent on transfer at the end of the period	
		Total quantity	Proportion (%)	Total quantity	Proportion (%)
CITIC Lyon Securities (UK)	Later comer	0	0	22,001,500	0.55

China Pacific Life Insurance Company Limited - Traditional - General Insurance Products	Later comer	0	0	6,526,909	0.16
Citibank,NationalAssociation	Later comer	0	0	5,790,000	0.14
Chen Xinghong	Later comer	0	0	4,990,000	0.12
Zhejiang Yiwu Tanjin Investment Management Partnership (Limited Partnership) - Zhengxingu (Tanjin) Value China Preferred Private Equity Fund	Exit			5,143,849	0.14
Fan Donghui	Exit	0	0	4,953,056	0.13
Yuan Lidong	Exit	0	0	4,798,188	0.13
Huatai Securities Co.	Exit	0	0	4,631,573	0.12

Unit: Share

IV. Controlling Shareholders and Actual Controllers

(1) controlling shareholders

1 legal person

☒ Applicable ☐ Not applicable

Name	Liaoning Fangda Group Industry Co.
Unit Head or Legal Representative	Yan Kui Xing
Date of Establishment	April 24, 2000

Main business operations	Industrial investment and management of the enterprise's investment products, metal materials, construction materials, electrical equipment, automobile parts, hardware tools, rubber products, instruments and meters, office supplies, chemical products (excluding hazardous chemicals), coke, mineral powder, limestone sales, metallurgical materials sales, self-supporting and agent for all kinds of commodities and technology imports and exports, but the state limited to the operation of the company or prohibit the import and export of commodities and technologies Except for the items which are subject to approval by law, the business activities can only be carried out after approval by the relevant departments.
Equity interests in other domestic and overseas listed companies held and participated in during the reporting period	Holding of listed companies: Fangda Group's wholly-owned subsidiary Jiangxidai Iron & Steel Group Co., Ltd. and its subsidiary Jiangxi Automobile Plate Spring Co., Ltd. together hold 38.72% of the equity interest in Fangda Special Steel Technology Co. Ltd. (000597.SZ); Fangda Group holds 15.34% equity interest in zhongxing-Shenyang Commercial Building (Group) Company Limited (000715.SZ); Fangda Group, through Hainan Hanwei Investment Company Limited and concerted party Fang Wei, Hainan South China Grand Aviation Development Company Limited, Daxinhua Aviation Company Limited, AmericanAviationLdc, Haikou Henghe Electronic Technology Company Limited, Hainan Shangpin E-commerce Co. Ltd., Hainan Shangpin E-commerce Co., Ltd. and HNA Flying Aviation Club Co., Ltd. hold 42.59% of the equity of Hainan Airlines Holdings Co.
Description of other situations	Participation in listed companies:

2. The ownership and control relationship between the Company and its controlling shareholders

☒ Applicable ☐ Not applicable

Liaoning fangda group owns 37.86% shares of Fangda Carbon

2. De facto controllers

Natural person

☒ Applicable ☐ Not applicable

Name and surname	Fang Wei
Nationality	China
Whether he/she has acquired the right of abode in other countries or regions	No
Major Occupation and Position	Chairman of Beijing Fangda International Industrial Investment Company Limited, Chairman of Liaoning Fangda Group Industry Co.
Listed companies, both domestic and overseas, in which he has had a controlling interest in the past 10 years	Ltd., Fangda Special Steel Technology Co., Ltd., Northeast Pharmaceutical Group Co., Ltd., zhongxing-Shenyang Commercial Building (Group) Co., Ltd. and Hainan Airlines Holdings Co. He was the de facto controller of Hang Jin Technology Company Limited (formerly known as Fonda Jinhua Chemical Technology Company Limited).

5 The ownership and control relationship between the company and the actual controller

☒ Applicable ☐ Not applicable

Fangwei individually owns 0.45% of Fangda Carbon, and He owns 100% shares of Beijing fangda international group Co., Ltd. And Beijing fangda international group Co., Ltd. Owns 99.20% shares of Liaoning fangda Group Co., Ltd. and Liaoning fangda Group Co., Ltd. Owns 37.86% share of Fangda Carbon.

VII. Specific implementation of share repurchases during the reporting period

☒ Applicable ☐ Not applicable

Name of Share Repurchase Program	Proposal for Repurchase of the Company's Shares by means of Centralized Auction Trading
Time of disclosure of share repurchase program	August 29, 2023
Number of shares to be repurchased and percentage of total share capital (%)	27.5 million shares (inclusive) to 38.4 million shares (inclusive); 0.68-0.95
Amount to be repurchased	(measured at the upper limit of share price of CNY9.10 per share under the repurchase program)
Period to be repurchased	Not less than CNY250 million (inclusive) and not more than CNY350 million (inclusive)
Purpose of repurchase	August 29, 2023 to August 29, 2024

Number of shares repurchased (10,000 shares)	To be used for the implementation of the Employee Share Ownership Plan or/and Share Incentive Scheme
Number of shares already repurchased as a percentage of the underlying shares involved in the share incentive scheme (%) (if any)	4,844.6408
Progress of the Company's reduction of repurchased shares by means of centralized bidding transactions	Nil

Section VIII. Information on preferred shares

☒ Applicable ☐ Not applicable

Section IX. Bond-related information

☒ Applicable ☐ Not applicable

Section X. Financial reporting

I. Audit report

☒ Applicable ☐ Not applicable

Tianjiao [2024] No. 21319

All shareholders of Fangda Carbon New Material Technology Co:

I. Audit Opinion

We have audited the accompanying financial statements of Fangda Carbon New Material Technology Company Limited (hereinafter referred to as "Fangda Carbon"), which comprise the consolidated and parent company balance sheets as at 31 December 2023, the consolidated and parent company income statements, the consolidated and parent company statements of cash flows, the consolidated and parent company statements of changes in shareholders' equity and the notes to the financial statements, statements of changes in equity, and notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated and parent company financial position of Fangda Carbon as of 31 December 2023 and the consolidated and parent company results of operations and cash flows for the year ended 31 December 2023 in conformity with accounting principles for business enterprises.

II. Basis for Forming the Audit Opinion

We conducted our audit in accordance with the provisions of the Chinese Standards on Auditing for Certified Public Accountants. Our responsibilities under those standards are further described in the section "Responsibilities of Certified Public Accountants for the Audit of Financial Statements" of the audit report. In accordance with the Code of Ethics for Certified Public Accountants in China, we are independent of Fangda Carbon and have fulfilled our other responsibilities in respect of professional ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

III. Key Audit Matters

Key audit matters are those matters that we consider, based on our professional judgement, to be of most significance to the audit of the current financial statements. These matters are addressed in the context of the audit of the financial statements as a whole and the formation of an audit opinion, and we do not express an opinion on them individually.

Key Audit Matters	How the matter was addressed in the audit
Revenue Recognition	
The revenue recognition criteria and the time point for revenue recognition of Fangda Carbon's sales of goods are as follows: for domestic sales, the time point for revenue recognition is when the customer signs for the goods; for foreign sales, the time point for revenue recognition is when the goods have been	Relevant audit procedures include, but are not limited to: (1) Understood and tested internal controls related to revenue recognition; (2) Selected samples to examine sales contracts, identified contractual terms and conditions related to the transfer of control of goods, and evaluated whether the accounting

declared for customs clearance offshore and the company obtains invoices, packing lists and bills of lading corresponding to the transactions.

policy for revenue recognition complied with the requirements of the ASBE;

(3) Perform analytical procedures on revenues and costs, including analytical procedures such as comparative analyses of the current period's revenues, costs, and gross margins of major products with those of the previous period;

(4) Examine the supporting documents related to revenue recognition, including sales contracts, sales invoices, product release orders, delivery receipts, check catty notes, waybills, settlement statements, etc. related to domestic sales revenues; and invoices, packing lists, bills of lading, etc. related to foreign revenues;

(5) Select customer correspondence balance and sales in accordance with the sampling principle to check the authenticity of operating income;

(6) For domestic sales revenue recognised before or after the balance sheet date, check whether the shipping receipt and the finished goods release form are consistent with the revenue recognition period; for foreign sales revenue recognised before or after the balance sheet date, check whether the dates of invoices, customs declarations, packing lists, bills of lading and so on are consistent with the revenue recognition period; and in conjunction with the audit of post-period events, check whether there is any sales return on the warehousing of finished goods after the balance sheet date, so as to assess whether the sales revenue is in line with the sales return period. In conjunction with the audit of post-period events, the Company checks whether there are any sales returns on the receipt of finished goods after the balance

	sheet date in order to assess whether the sales revenue is recognised in the appropriate period.
In FY2023, Fangda Carbon had operating revenue of CNY5,132 million, of which CNY4,707 million was revenue from carbon products, accounting for 91.72% of the operating revenue, which is an important component of the income statement. Whether the revenue recognition is recorded in the appropriate financial statement period may be potentially misleading, and therefore, we have identified the recognition of revenue as a key audit matter.	
For related information, please refer to the disclosure in "III. (27)", "VI. (43)" and "XVIII. (4)" in the notes to the financial statements.	Relevant audit procedures include, but are not limited to: (1) Understood and tested internal controls related to money funds; (2) Analyses were conducted to address the reasonableness of bank deposit balances; (3) Obtained a list of opened bank accounts and enterprise credit report, reconciled the list of opened bank accounts with the bank ledger and checked the completeness of the bank accounts; checked the enterprise credit report and paid attention to the existence of monetary funds with restricted rights of use and external guarantees; (4) Obtaining and checking bank account statements to confirm whether the closing balance of each bank account is correct, and also performing correspondence procedures; (5) Selecting samples to perform bank flow checking procedures, paying attention to whether there is any abnormality in the incurred amount and whether there is any appropriation of funds by related parties; (6) Focusing on checking whether the operations corresponding to receipts before the balance sheet date and payments after the balance sheet date and their account processing are normal.

IV. Other Information

The management of Fangda Carbon (hereinafter referred to as "management") is responsible for other information. Other information includes the information covered in Fangda Carbon's 2023 Annual Report, but excludes the

financial statements and our audit report.

Our audit opinion on the financial statements does not cover the other information, and we do not express an assurance conclusion of any kind on the other information.

In conjunction with our audit of the financial statements, our responsibility is to read the other information and, in doing so, to consider whether the other information is materially inconsistent with the financial statements or with what we have learned in the course of our audit or appears to be materially misstated.

Based on the work we have performed, if we determine that other information is materially misstated, we should report that fact. In this regard, we have no matters to report.

IV. Other Information

The management of Fangda Carbon (hereinafter referred to as "management") is responsible for other information. Other information includes the information covered in Fangda Carbon's 2023 Annual Report, but excludes the financial statements and our audit report.

Our audit opinion on the financial statements does not cover the other information, and we do not express an assurance conclusion of any kind on the other information.

In conjunction with our audit of the financial statements, our responsibility is to read the other information and, in doing so, to consider whether the other information is materially inconsistent with the financial statements or with what we have learned in the course of our audit or appears to be materially misstated.

Based on the work we have performed, if we determine that other information is materially misstated, we should report that fact. In this regard, we have no matters to report.

VI. CPA's Responsibility for the Audit of Financial Statements

Our objective is to obtain reasonable assurance about whether the financial statements, taken as a whole, are free of material misstatements due to fraud or error and to issue an audit report that includes an audit opinion.

Reasonable assurance is a high level of assurance but does not guarantee that an audit performed in accordance with auditing standards will always detect a material misstatement when it exists. Misstatements may result from fraud or error and are generally considered to be material if they could reasonably be expected, individually or in the aggregate, to affect the economic decisions of users of financial statements based on the financial statements.

In performing the audit in accordance with auditing standards, we use professional judgement and maintain professional scepticism. Also, we perform the following:

- (1) Identifying and assessing the risks of material misstatement of the financial statements due to fraud or error, designing and performing audit procedures to address those risks, and obtaining audit evidence that is sufficient and appropriate to serve as a basis for an audit opinion. The risk of failing to detect a material misstatement due to fraud is higher than the risk of failing to detect a material misstatement due to error because fraud may involve collusion, forgery, intentional omissions, misrepresentation or overriding internal controls.
- (2) Understand internal control relevant to the audit in order to design appropriate audit procedures.
- (3) Evaluating the appropriateness of management's selection of accounting policies and the reasonableness of accounting estimates and related disclosures.
- (4) To draw conclusions about the appropriateness of management's use of the going concern assumption. At the same time, based on the audit evidence obtained, we conclude whether there is a material uncertainty about the existence of matters or circumstances that may cast significant doubt on the ability of Fonda Carbon to continue as a going concern. If we conclude that a material uncertainty exists, auditing standards require that we draw the attention of the users of the statements to the relevant disclosures in the financial statements in our audit report; if the disclosures are not adequate, we should express an unqualified opinion. Our conclusions are based on the information available as at the date of the audit report. However, future events or circumstances may cause Fangda Carbon to be unable to continue as a going concern.

(5) To evaluate the overall presentation, structure and content of the financial statements and to evaluate whether the financial statements fairly reflect the underlying transactions and events.

(6) To obtain sufficient and appropriate audit evidence about the financial information of the entities or business activities in Fangda Carbon to express an audit opinion on the financial statements. We are responsible for directing, supervising and performing the Group's audits, and we take full responsibility for the audit opinion. We communicate with governance on matters such as the scope, timing and significant findings of the planned audit, including communicating internal control weaknesses of concern identified in our audit.

We also provide governance with a statement that we have complied with ethical requirements related to independence and communicate with governance all relationships and other matters that may reasonably be perceived to affect our independence, as well as related precautions, if applicable.

From the matters communicated with governance, we determined which matters were most significant to the audit of the current consolidated financial statements and therefore constituted key audit matters. We describe these matters in our audit report except where public disclosure of the matters is prohibited by law or regulation or, in rare circumstances, where we determine that a matter should not be communicated in the audit report if the negative consequences of communicating the matter in the audit report could reasonably be expected to outweigh the benefits in the public interest.

Certified Public Accountant, China
(Project Partner): Dan Liu

China - Beijing
31 March 2024

Certified Public Accountant of China: Cheng Lu

Certified Public Accountant, China: Li Yaxiong

II. Financial statements

Consolidated Balance Sheet

As at 31 December 2023

Prepared by: Fangda Carbon New Material Co., Ltd.

Unit: Yuan Currency: CNY

Items	Annotation	31 December 2023	31 December 2022
Current Assets:			
Cash and Cash equivalents		6,191,289,792.28	3,152,026,939.80
Settlements Provision			
Loans to banks and other financial institutions			
Financial assets held for trading		586,500,429.15	1,545,366,189.88
Derivative financial assets			
Notes receivable		1,010,610,568.62	1,073,121,552.32

Accounts receivable		554,633,294.53	531,773,870.25
Financing receivables		208,553,904.66	453,554,021.98
Prepayments		86,188,667.68	163,753,973.06
Insurance premium receivable			
Due from reinsurers			
Reserve for reinsurance contracts receivable			
Other receivables		126,018,356.65	131,782,915.15
Including: Interest receivable			
Dividends receivable			
Buying back the sale of financial assets			
Inventories		1,867,205,104.86	2,298,822,676.14
Contract assets		29,940,384.33	22,889,002.46
Assets classified as held for sale			
Current portion of non-current assets			
Other current assets		10,884,767.33	23,062,827.16
Total current assets		10,671,825,270.09	9,396,153,968.20
Non-current assets:			
Loans and advances			
Debt investment			
Other debt investments			
Long-term receivables			
Long-term equity investments		6,775,094,315.15	6,983,946,267.84
Other equity instruments investments			
Other non-current financial assets		501,990,183.96	324,090,101.94
Investment properties			
Fixed assets		2,666,109,049.83	2,406,736,640.31
Construction in progress		468,360,001.51	416,772,500.95
Productive biological assets			

Oil and gas assets			
Right-of-use asset		8,759,664.03	12,652,848.07
Intangible assets		443,093,608.15	433,348,830.18
Development expenditures			
Goodwill			
Long-term prepaid expense		413,791.94	936,725.70
Deferred tax assets		91,497,402.83	81,271,208.90
Other non-current assets		80,458,901.07	119,381,622.84
Total non-current assets		11,035,776,918.47	10,779,136,746.73
Total assets		21,707,602,188.56	20,175,290,714.93
Current liabilities:			
Short-term borrowings		431,485,273.89	432,899,589.49
Borrowing from the central bank			
Deposits and balances from banks and other financial institutions			
Financial liabilities held for trading			
Derivative financial liabilities			
Notes payable		400,770,815.15	600,689,256.80
Accounts payable		465,314,302.24	496,895,732.75
Receipts in advance			
Contract Liabilities		272,526,035.77	281,962,674.31
Financial assets sold for repurchase			
Deposits from customers and interbank			
Customer brokerage deposits			
Securities underwriting brokerage deposits			
Payroll and employee benefits payable		77,481,657.06	92,255,967.84

Taxes payable		48,001,121.08	89,608,564.20
Other payables		182,295,376.45	215,407,518.63
Including: Interest payable		219,899.12	219,899.12
Dividend payable		2,139,998.15	2,139,998.15
Fees and commission payable			
Payable reinsurance			
Liabilities classified as held for sale			
Current portion of non-current liabilities		4,059,272.50	3,822,398.80
Other current liabilities		298,504,510.84	312,351,774.04
Total current liabilities		2,180,438,364.98	2,525,893,476.86
Non-current liabilities:			
Insurance reserves			
Long-term borrowings		638,279,169.17	396,344,850.00
Bonds payable			
Including: Preference share			
Perpetual debt			
Lease liabilities		5,573,625.59	9,632,898.09
Long-term Payable		742,900.54	
Long-term payroll and employee benefits payable			
Provisions			
Deferred income		297,351,336.91	323,498,267.33
Deferred tax liabilities		63,885,038.25	51,033,207.16
Other non-current liabilities		78,992,065.50	80,485,240.27
Total non-current liabilities		1,084,824,135.96	860,994,462.85
Total liabilities		3,265,262,500.94	3,386,887,939.71
Shareholders' equity:			
Paid-up capital		4,025,970,368.00	3,805,970,368.00
Other equity instruments			

Including: Preference share			
Perpetual debt			
Capital reserve		1,979,914,143.59	951,333,086.41
Less: treasury shares		279,998,779.45	
Other comprehensive income		33,658,277.07	7,931,983.08
Special reserve		28,465,014.70	48,061,404.95
Surplus reserve		1,423,851,110.49	1,413,211,549.29
General reserve			
Retained earnings		9,861,867,181.77	9,456,269,111.61
Total Equity Attributable To Owners Of Parent		17,073,727,316.17	15,682,777,503.34
Minorities interests		1,368,612,371.45	1,105,625,271.88
Total shareholders' equity		18,442,339,687.62	16,788,402,775.22
Total liabilities and Shareholders' equity		21,707,602,188.56	20,175,290,714.93

The financial statements were signed by the following persons:

Legal Representative: Ma Zhuo Chief Accountant: Zhao Erqin Head of Accounting
Department: Tan Hong

Parent Company Balance Sheet

As at 31 December 2023

Prepared by: Fangda Carbon New Material Co., Ltd.

Unit: Yuan Currency: CNY

Items	Annotation	31 December 2023	31 December 2022
Current Assets:			
Cash and Cash equivalents		4,087,245,863.45	1,885,834,637.95
Financial assets held for trading		276,013,401.88	292,219,527.04
Derivative financial assets			
Notes receivable		366,393,065.70	461,532,889.36
Accounts receivable		362,222,690.03	330,785,070.56
Financing receivables		90,199,220.92	286,752,932.58
Prepayments		59,019,576.89	82,928,767.80
Other receivables		883,549,287.67	1,278,107,823.57
Including: Interest receivable			
Dividends receivable			158,235,723.88
Inventories		804,820,088.36	1,114,939,721.03
Contract assets		29,654,956.33	21,739,474.46
Assets classified as held for sale			
Current portion of non-current assets			
Other current assets		3,452,173.54	1,742,434.75
Total current assets		6,962,570,324.77	5,756,583,279.10
Non-current assets:			
Debt investment			
Other debt investments			
Long-term receivables			
Long-term equity investments		7,892,239,322.62	7,979,280,414.11
Other equity instruments investments			
Other non-current financial assets		501,990,183.96	324,090,101.94

Investment properties			
Fixed assets		821,369,301.63	820,675,123.85
Construction in progress		4,995,526.05	3,606,061.61
Productive biological assets			
Oil and gas assets			
Right-of-use asset			
Intangible assets		98,811,979.08	102,924,978.12
Development expenditures			
Goodwill			
Long-term prepaid expense			
Deferred tax assets		47,225,324.01	45,371,871.41
Other non-current assets		20,877,040.00	25,334,272.31
Total non-current assets		9,387,508,677.35	9,301,282,823.35
Total assets		16,350,079,002.12	15,057,866,102.45
Current liabilities:			
Short-term borrowings		204,568,123.91	352,276,833.34
Financial liabilities held for trading			
Derivative financial liabilities			
Notes payable		286,634,037.00	418,229,937.62
Accounts payable		201,592,924.06	227,721,827.73
Receipts in advance			
Contract Liabilities		104,865,112.27	190,182,463.40
Payroll payable		20,355,969.97	36,920,824.43
Taxes payable		645,931.76	15,921,478.45
Other payable		900,233,654.30	469,460,842.11
Including: Interest payable			
Dividend payable			
Liabilities classified as held for sale			
Current portion of non-current liabilities			

Other current liabilities		108,148,157.03	136,043,709.01
Total current liabilities		1,827,043,910.30	1,846,757,916.09
Non-current liabilities:			
Long-term borrowings		638,279,169.17	396,344,850.00
Bonds payable			
Including: Preference share			
Perpetual debt			
Lease liabilities			
Long-term Payable		742,900.54	
Long-term payroll payable			
Provisions			
Deferred income		6,942,624.34	8,212,613.69
Deferred tax liabilities			
Other non-current liabilities			
Total non-current liabilities		645,964,694.05	404,557,463.69
Total liabilities		2,473,008,604.35	2,251,315,379.78
Shareholders' equity:			
Paid-up capital		4,025,970,368.00	3,805,970,368.00
Other equity instruments			
Including: Preference share			
Perpetual debt			
Capital reserve		2,317,477,169.79	1,310,518,694.63
Less: treasury shares		279,998,779.45	
Other comprehensive income		33,693,797.96	7,964,833.97
Special reserve		15,278,331.68	23,842,928.28
Surplus reserve		1,393,061,959.12	1,382,422,397.92
Retained earnings		6,371,587,550.67	6,275,831,499.87
Total shareholders' equity		13,877,070,397.77	12,806,550,722.67
Total liabilities and Shareholders' equity		16,350,079,002.12	15,057,866,102.45

The financial statements were signed by the following persons:

Legal Representative: Ma Zhuo Chief Accountant: Zhao Erqin Head of Accounting
Department: Tan Hong

Consolidated Income Statement

For the period from 1 January to 31 December 2023

Unit: Yuan Currency: CNY

Items	Notes	Twelve Month ended 31 December 2023	Twelve Month ended 31 December 2022
I. Total revenue		5,131,908,843.35	5,320,293,391.07
Including: Operating revenue		5,131,908,843.35	5,320,293,391.07
Interest income			
Net earned premiums			
Net fee and commission revenue			
II. Total operating cost		4,671,981,067.61	4,438,632,100.09
Including: COGS		4,155,103,191.13	3,943,208,334.94
Interest expenses			
Fees and commission expenses			
Surrender Charge			
Net payments for insurance claims			
Net provision of insurance reserve			
Policyholder dividends			
Reinsurance expenses			
Taxes and surcharges		61,169,183.06	57,547,611.54
Selling expenses		119,762,649.55	130,785,567.96
General and Administrative expenses		381,772,844.62	362,243,031.32
R&D expenses		90,485,410.77	95,571,741.10
Financial expenses		-136,312,211.52	-150,724,186.77
Including: Interest expense		336,393,24.56	347,205,89.88
Interest income		169,003,041.83	178,584,640.84
Plus: Other profit		538,524,99.80	631,270,98.38

Investment profit/ (loss)		152104716.92	224465173.06
Including: gains from investment of associates and joint ventures		40801157.02	79637607.52
Gains from derecognition of financial assets measured at amortized cost			
Exchange gains or losses			
Net exposure hedging gains/ (losses)			
Gain/ (loss) on the changes in fair value		-66268747.02	-159583653.99
Credit impairment losses		-16119459.72	-34111289.90
Assets impairment losses		-65706002.61	-34359163.36
Gain/ (loss) from disposal of assets		967941.88	222893469.07
III. Operating profit		518758724.99	1164092924.24
Plus: Non-operating income		36593585.79	10446582.11
Less:Non-operating expenses		43257826.13	22682362.24
IV. EBT		512094484.65	1151857144.11
Less:Income tax expenses		90793970.64	218216656.88
V. Net income		421300514.01	933640487.23
(I) Categorized by operation continuity			
i. Net profit from continuing operations		421300514.01	933640487.23
ii. Net profit from discontinuing operations			
(II) Categorized by ownership			
i. Net profit attributable to owners of the parent company		416237631.36	839939033.95
ii.Net profit attributable to Minorities interests		5062882.65	93701453.28
VI. Other comprehensive income (net of tax)		25726293.99	-5354900.71
(I) Other comprehensive income, net of tax, attributable to owners of the parent		25726293.99	-5354900.71
i. Other comprehensive income that cannot be reclassified to profit or loss			
(i) Remeasurement gains or losses of a defined benefit plan			
(ii) Other comprehensive income using the equity method that will not be reclassified to profit or loss			
(iii) Changes in fair value of other equity			

instrument investments			
(iv) Changes in fair value of enterprise's own credit risk			
ii. Other comprehensive income to be reclassified to profit or loss		25726293.99	-5354900.71
(i) Other comprehensive income that can be reclassified to profit or loss in equity method		25728963.9	-5350121.02
(ii) Changes in fair value of other debt investments			
(iii) Reclassification of financial assets to other comprehensive income			
(iv) Provision for credit impairment of other debt investments			
(v) Cash flow hedge reserve			
(vi) Discounting differences on foreign currency financial statements		-2670.00	-4779.69
(vii) Others			
(II) Other comprehensive income, net of tax, attributable to non-controlling interests			
VII. Total comprehensive income		447026808.00	928285586.52
(I) Total comprehensive income attributable to owners of the parent		441963925.35	834584133.24
(II) Total comprehensive income attributable to non-controlling interests		5062882.65	93701453.28
VIII. EPS			
(I) Basic earnings per share (yuan / share)		0.11	0.22
(II) Diluted earnings per share (yuan / share)		0.11	0.22

Legal Representative: Ma Zhuo

Chief Accountant: Zhao Erqin

Head of Accounting

Department: Tan Hong

Income Statement of Parent Company

For the period from 1 January to 31 December 2023

Unit: Yuan Currency: CNY

Items	Annotation	Twelve Month ended 31 December 2023	Twelve Month ended 31 December 2022
I. Total revenue		2,644,423,400.53	2,906,822,694.14
Less: Total cost of sales		2,301,184,822.51	2,287,842,573.48
Taxes and surcharges		23,773,857.20	20,764,026.59
Selling expenses		72,102,035.47	78,506,721.65
Administrative expenses		142,501,873.79	143,620,292.57
Research and development expenses		47,624,546.17	68,569,512.57
Finance expenses		-94,887,074.45	-97,944,472.89
Including: Interest expenses		27,704,863.89	31,081,366.57
Interest income		120,804,217.86	122,477,930.18
Plus: Other income		18,246,277.17	20,852,428.00
Investment income/(loss)		27,329,775.04	1,978,736,250.08
Including: Share of profits or loss of associates and joint ventures		40,450,196.42	88,829,538.80
Gain from derecognition of financial assets measured at amortized cost			
Net exposure hedging gains/ (losses)			
Gain/ (loss) on the changes in fair value		-14,317,087.91	-125,902,682.20
Credit impairment losses		-12,611,342.92	-33,725,846.66
Assets impairment losses		-10,095,995.98	-32,326,132.11
Gain/ (loss) from disposal of assets			
II. Operating profit/Loss		160,674,965.24	2,213,098,057.28
Plus: Non-operating income		2,024,663.89	1,640,817.86
Less: Non-operating expenses		41,438,482.23	20,812,409.72
III. EBT		121,261,146.90	2,193,926,465.42
Less: Income tax expense		14,865,534.90	32,076,796.69
IV. Net profit /(loss)		106,395,612.00	2,161,849,668.73
(I) Net profit from continuing operations		106,395,612.00	2,161,849,668.73
(II) Net profit from discontinuing operations			
V. Other comprehensive income, net of tax		25,728,963.99	-5,350,121.02
(I) Other comprehensive income, net of tax			

i. Other comprehensive income that will not be reclassified to profit or loss			
ii. Other comprehensive income using the equity method that will not be reclassified to profit or loss			
iii. Changes in fair value of other equity instrument investments			
iv. Changes in fair value of enterprise's own credit risk			
(II) Other comprehensive income to be reclassified to profit or loss		25,728,963.99	-5,350,121.02
i. Other comprehensive income that can be reclassified to profit or loss in equity method		25,728,963.99	-5,350,121.02
ii. Changes in fair value of other debt investments			
iii. Value of financial assets reclassified into other comprehensive income			
iv. Provision for credit impairment of other debt investments			
v. Cash flow hedging reserves (effective part of profit and loss of cash flow hedging)			
vi. Exchange differences on translation of foreign currency financial statements			
vii. Others			
VI. Total comprehensive income		132,124,575.99	2,156,499,547.71
VII. EPS			
(I) Basic earnings per share (yuan / share)			
(II) Diluted earnings per share (yuan / share)			

The financial statements were signed by the following persons:

Legal Representative: Ma Zhuo Chief Accountant: Zhao Erqin Head of Accounting Department:
Tan Hong

Consolidated statement of cash flows

For the year ended 31 December 2023

Unit: Yuan Currency: CNY

Items	Annotation	Twelve Month ended 31 December 2023	Twelve Month ended 31 December 2022
I. Cash flows from operating activities:			
Cash receipts from the sale of goods and the rendering of services		5,213,179,028.34	5,003,068,592.47
Net increase in customer bank deposits and due to banks and other financial institutions			
Net increase in loans from the central bank			
Net increase in funds borrowed from other financial institutions			
Cash premiums received on original insurance contracts			
Net cash received from re-insurance business			
Net increase in deposits and investments from insurers			
Cash received from interest, fees and commission			
Net increase in funds deposit			
Net increase in repurchase business funds			
Net income from securities trading brokerage business			
Tax refunds received		21,551,813.79	85,738,150.02
Cash received relating to other operating activities		383,466,840.90	754,201,062.12
Sub-total of cash inflows		5,618,197,683.03	5,843,007,804.61
Cash paid for purchase of goods and services		3,155,823,786.89	3,877,456,369.12
Net increase in loans and payments on behalf of customers			
Net increase in deposits with central bank and other financial institutions			
Payments for claims for origial insurance contracts			
Net increase in funds lent			
Cash paid for interest, fees and commission			

Commissions on insurance policies paid			
Cash paid to and on behalf of employee		761,594,780.58	811,980,541.14
Cash paid for taxes		403,606,886.91	473,617,143.79
Cash paid relating to other operating activities		441,167,470.21	443,836,392.83
Sub-total of cash outflows		4,762,192,924.59	5,606,890,446.88
Net cash flows from operating activities		856,004,758.44	236,117,357.73
II. Cash flows generated by investment activities:			
Cash received from disposal of investments		1,787,392,610.83	787,461,513.39
Cash received from investment income		89,510,889.85	18,162,090.50
Net proceeds from disposal of property, plant and equipment, intangible assets and other long-term assets		37,050,262.32	74,768,535.02
Cash received from disposal of subsidiaries and other business units			
Cash received relating to other investing activities		108,240,932.88	
Sub-total of cash inflows		2,022,194,695.88	880,392,138.91
Purchase of property, plant and equipment, intangible assets and other non-current assets		166,765,280.12	152,941,418.47
Cash paid for investments		1,046,540,813.52	6,082,131,945.86
Net increase in secured loans			
Net cash paid for acquisition of a subsidiary and other operating units			
Cash paid relating to other investing activities			
Sub-total of cash outflows		1,213,306,093.64	6,235,073,364.33
Net cash flows from investing activities		808,888,602.24	-5,354,681,225.42
III. Cash flows from financing activities			
Cash received from investment		1,463,813,296.16	26,572,899.00
Including: Cash receipts from capital contributions from non-controlling interests of subsidiaries		160,229,826.00	26,572,899.00
Proceeds from borrowings		1,041,887,931.97	1,627,297,392.90
Cash receipts relating to other financing activities			
Subtotal of cash inflows		2,505,701,228.13	1,653,870,291.90
Repayments for debts		669,821,224.11	990,525,546.08
Cash payments for distribution of dividends or profit and interest expenses		29,810,798.63	34,249,207.65

Including: Dividends or profit paid to non-controlling shareholders of subsidiaries			
Cash payments relating to other financing activities		294,919,508.60	2,218,055.00
Subtotal of cash outflows		994,551,531.34	1,026,992,808.73
Net cash flows from financing activities		1,511,149,696.79	626,877,483.17
IV. Impact of exchange rate changes on cash and cash equivalents		1,210,552.03	10,094,802.49
V. Net increase in cash and cash equivalents		3,177,253,609.50	-4,481,591,582.03
Plus: Cash and cash equivalents at beginning of year		2,939,933,397.36	7,421,524,979.39
VI. cash and cash equivalents at ending of period		6,117,187,006.86	2,939,933,397.36

The financial statements were signed by the following persons:

Legal Representative: Ma Zhuo Chief Accountant: Zhao Erqin Head of Accounting
Department: Tan Hong

Parent Company Statement of Cash Flows

For the year ended 30 June 2023

Unit: Yuan Currency: CNY

Items	Annotation	Twelve Month ended 31 December 2023	Twelve Month ended 31 December 2022
I. Cash flows from operating activities:			
Cash receipts from the sale of goods and the rendering of services		2,689,960,378.39	2,664,779,180.85
Tax refunds received		633,951.86	864,803.37
Cash received relating to other operating activities		1,667,678,940.52	3,938,629,583.62
Sub-total of cash inflows		4,358,273,270.77	6,604,273,567.84
Cash paid for purchase of goods and services		1,700,746,941.83	2,045,363,014.50
Cash paid to and on behalf of employee		394,488,203.49	406,839,600.90
Cash paid for taxes		154,043,872.87	158,369,876.86
Cash paid relating to other operating activities		1,305,786,965.24	4,187,505,300.84
Sub-total of cash outflows		3,555,065,983.43	6,798,077,793.10
Net cash flows from operating activities		803,207,287.34	-193,804,225.26
II. Cash flows generated by investment activities:			
Cash received from disposal of investments		23,140,456.84	24,210,897.89
Cash received from investment income		232,430,057.71	1,753,800,697.73
Net proceeds from disposal of property, plant and equipment, intangible assets and other long-term assets		1,169,187.75	
Cash received from disposal of subsidiaries and other business units			
Cash received relating to other investing activities		236,248,450.00	
Sub-total of cash inflows		492,988,152.30	1,778,011,595.62
Purchase of property, plant and equipment, intangible assets and other non-current assets		7,268,802.12	11,813,021.58
Cash paid for investments		200,000,000.00	4,523,310,523.00
Cash Paid for disposal of subsidiaries and other business units			
Cash paid relating to other investing activities			
Sub-total of cash outflows		207,268,802.12	4,535,123,544.58
Net cash flows from investing activities		285,719,350.18	-2,757,111,948.96

III. Cash flows from financing activities			
Cash received from investment		1,303,583,470.16	
Proceeds from borrowings		690,657,888.44	1,333,187,926.00
Cash receipts relating to other financing activities			
Subtotal of cash inflows		1,994,241,358.60	1,333,187,926.00
Repayments for debts		558,200,000.00	851,800,000.00
Cash payments for distribution of dividends or profit and interest expenses		25,135,447.98	33,084,127.47
Cash payments relating to other financing activities		290,478,299.66	
Subtotal of cash outflows		873,813,747.64	884,884,127.47
Net cash flows from financing activities		1,120,427,610.96	448,303,798.53
IV. Effect of exchange rate changes on cash and cash equivalents		858,478.30	9,927,296.82
V. Net increase incash and cash equivalents		2,210,212,726.78	-2,492,685,078.87
Plus: Cash and cash equivalents at beginning of year		1,859,765,242.94	4,352,450,321.81
VI. Cash and cash equivalents at end of year		4,069,977,969.72	1,859,765,242.94

The financial statements were signed by the following persons:

Legal Representative: Ma Zhuo

Chief Accountant:Zhao Erqin

Head of

Accounting Department: Tan Hong

Consolidated Statement of Changes in Equity

For the year ended 31 December 2023

Unit: yuan Currency: CNY

2023															
Item	Equity attributable to the parent company													Minorities interests	Total shareholders' equity
	Paid-in capital	Other equity instruments			Capital reserve	Less: Treasury Shares	Other comprehensive income	Special reserve	Surplus reserve	General reserve	Retained earnings	Others	Subtotal		
		preference share	Perpetual debt	Others											
I. Balance at the end of previous year	3,805,970,368.00				951,333,086.41		7,931,983.08	48,061,404.95	1,413,211,549.29		9,456,269,111.61		15,682,777,503.34	1,105,625,271.88	16,788,402,775.22
Plus: Changes in accounting policies															
Corrections of prior period errors															
Others															
II. Balance in the beginning of the year	3,805,970,368.00				951,333,086.41		7,931,983.08	48,061,404.95	1,413,211,549.29		9,456,269,111.61		15,682,777,503.34	1,105,625,271.88	16,788,402,775.22
III. Increase/(decrease) during the period	220,000,000.00				1,028,581,057.18	279,998,779.45	25,726,293.99	-19,596,390.25	10,639,561.20		405,598,070.16		1,390,949,812.83	262,987,099.57	1,653,936,912.40
(I) Total comprehensive income							25,726,293.99				416,237,631.36		441,963,925.35	5,062,882.65	447,026,808.00

(II) Capital contribution and capital reduction	220,000,000.00				1,097,469,972.01	279,998,779.45							1,037,471,192.56	262,323,118.82	1,299,794,311.38
(i) Common shares invested by owners	220,000,000.00				1,097,469,972.01	279,998,779.45							1,037,471,192.56	262,323,118.82	1,299,794,311.38
(ii) Invested capital by holders of other equity instruments															
(iii) Value of share-based payments recognized in equity															
(iv) Others															
(III). Profit allocation									10,639,561.20		-10,639,561.20				
(i) Earned surplus withdrawn									10,639,561.20		-10,639,561.20				
(ii) General risk reserve withdrawn															
(iii) Distribution to shareholders															
(iv) Others															
(IV) Transfer within shareholders' equity															
(i) Capital reserves converted to share capital															

(ii) Surplus reserves converted to share capital															
(iii) Earned surplus cover up losses															
(iv) Changes in the defined benefit plan transferred to retained earnings															
(v) Other comprehensive income transferred to retained earnings															
(vi) Others															
(V). Special reserve								-19,596,390.25					-19,596,390.25	-4,398,901.90	-23,995,292.15
(i) Appropriation for the period								14,270,788.41					14,270,788.41	937,539.38	15,208,327.79
(ii) Used in the period								-33,867,178.66					-33,867,178.66	-5,336,441.28	-39,203,619.94
(VI) Others					-68,888,914.83								-68,888,914.83		-68,888,914.83
IV. Balance at the end of the period	4,025,970,368.00				1,979,914,143.59	279,998,779.45	33,658,277.07	28,465,014.70	1,423,851,110.49		9,861,867,181.77		17,073,727,316.17	1,368,612,371.45	18,442,339,687.62

2022															
Item	Equity attributable to the parent company												Minorities interests	Total shareholders' equity	
	Paid-in capital	Other equity instruments			Capital reserve	Less: Treasury Shares	Other comprehensive income	Special reserve	Surplus reserve	General reserve	Retained earnings	Others			Subtotal
		preference share	Perpetual debt	Others											
I. Balance at the end of previous year	3,805,970,368.00				897,279,729.09		13,286,883.79	46,248,649.20	1,197,026,582.42		8,804,875,836.65		14,764,688,049.15	986,156,685.32	15,750,844,734.47
Plus: Changes in accounting policies															
Corrections of prior period errors															
Others															
II. Balance in the beginning of the year	3,805,970,368.00				897,279,729.09		13,286,883.79	46,248,649.20	1,197,026,582.42		8,804,875,836.65		14,764,688,049.15	986,156,685.32	15,750,844,734.47
III. Increase/(decrease) during the period					54,053,357.32		-5,354,900.71	1,812,755.75	216,184,966.87		651,393,274.96		918,089,454.19	119,468,586.56	1,037,558,040.75
(I) Total comprehensive income							-5,354,900.71				839,939,033.95		834,584,133.24	93,701,453.28	928,285,586.52
(II) Capital contribution and capital														26,572,899.00	26,572,899.00

reduction															
(i) Common shares invested by owners														26,572,899.00	26,572,899.00
(ii) Invested capital by holders of other equity instruments															
(iii) Value of share-based payments recognized in equity															
(iv) Others															
(III). Profit allocation									216,184,966.87		-216,184,966.87				
(i) Earned surplus withdrawn									216,184,966.87		-216,184,966.87				
(ii) General risk reserve withdrawn															
(iii) Distribution to shareholders															
(iv) Others															
(IV) Transfer within shareholders' equity															
(i) Capital reserves converted to share capital															
(ii) Surplus reserves converted to share															

capital															
(iii) Earned surplus cover up losses															
(iv) Changes in the defined benefit plan transferred to retained earnings															
(v) Other comprehensive income transferred to retained earnings															
(vi) Others															
(V). Special reserve								1,812,755.75					1,812,755.75	-805,765.72	1,006,990.03
(ii) Appropriation for the period								35,441,581.18					35,441,581.18	4,333,098.76	39,774,679.94
(ii) Used in the period								-33,628,825.43					-33,628,825.43	-5,138,864.48	-38,767,689.91
(VI) Others					54,053,357.32						27,639,207.88		81,692,565.20		81,692,565.20
IV. Balance at the end of the period	3,805,970,368.00				951,333,086.41		7,931,983.08	48,061,404.95	1,413,211,549.29		9,456,269,111.61		15,682,777,503.34	1,105,625,271.88	16,788,402,775.22

The financial statements were signed by the following persons:

Legal Representative: Ma Zhuo

Chief Accountant: Zhao Erqin

Head of Accounting Department: Tan Hong

Parent Company Statement of Changes in Equity

For the year from 1 January to 31 December 2023

Unit: Yuan Currency: CNY

Item	Semi-annual 2023										
	Share capital	Other equity instruments			Capital reserve	Less: Treasury Shares	Other comprehensive income	Special reserve	Surplus reserve	Retained earnings	Total shareholders' equity
		preference share	Perpetual debt	Others							
I. Balance at the end of previous year	3,805,970,368.00				1,310,518,694.63		7,964,833.97	23,842,928.28	1,382,422,397.92	6,275,831,499.87	12,806,550,722.67
Plus: Changes in accounting policies											
Corrections of prior period errors											
Others											
II. Balance in the beginning of the year	3,805,970,368.00				1,310,518,694.63		7,964,833.97	23,842,928.28	1,382,422,397.92	6,275,831,499.87	12,806,550,722.67
III. Increase/(decrease) during the period	220,000,000.00				1,006,958,475.16	279,998,779.45	25,728,963.99	-8,564,596.60	10,639,561.20	95,756,050.80	1,070,519,675.10
(I) Total comprehensive income							25,728,963.99			106,395,612.00	132,124,575.99
(II) Capital contribution and capital reduction	220,000,000.00				1,073,103,949.95	279,998,779.45					1,013,105,170.50
(i) Common shares invested by owners	220,000,000.00				1,073,103,949.95	279,998,779.45					1,013,105,170.50

(ii) Invested capital by holders of other equity instruments											
(iii) Value of share-based payments recognized in equity											
(iv) Others											
(III). Profit allocation									10,639,561.20	-10,639,561.20	
(i) Earned surplus withdrawn									10,639,561.20	-10,639,561.20	
(ii) General risk reserve withdrawn											
(iii) Distribution to shareholders											
(iv) Others											
(IV) Transfer within shareholders' equity											
(i) Capital reserves converted to share capital											
(ii) Surplus reserves converted to share capital											
(iii) Earned surplus cover up losses											
(iv) Changes in the defined benefit plan transferred to retained earnings											
(v) Other comprehensive income transferred to retained earnings											
(vi) Others											

(V). Special reserve								-8,564,596.60			-8,564,596.60
(i) Appropriation for the period											
(ii) Used in the period								-8,564,596.60			-8,564,596.60
(VI) Others					-66,145,474.79						-66,145,474.79
IV. Balance at the end of the period	4,025,970,368.00				2,317,477,169.79	279,998,779.45	33,693,797.96	15,278,331.68	1,393,061,959.12	6,371,587,550.67	13,877,070,397.77

Item	2022										
	Share capital	Other equity instruments			Capital reserve	Less: Treasury Shares	Other comprehensive income	Special reserve	Surplus reserve	Retained earnings	Total shareholders' equity
		preference	Perpetual	Other							

		share	debt	s							
I. Balance at the end of previous year	3,805,970,368.00				1,311,536,078.57		13,314,954.99	22,711,639.68	1,166,237,431.05	4,330,166,798.01	10,649,937,270.30
Plus: Changes in accounting policies											
Corrections of prior period errors											
Others											
II. Balance in the beginning of the year	3,805,970,368.00				1,311,536,078.57		13,314,954.99	22,711,639.68	1,166,237,431.05	4,330,166,798.01	10,649,937,270.30
III. Increase/(decrease) during the period					-1,017,383.94		-5,350,121.02	1,131,288.60	216,184,966.87	1,945,664,701.86	2,156,613,452.37
(I) Total comprehensive income							-5,350,121.02			2,161,849,668.73	2,156,499,547.71
(II) Capital contribution and capital reduction											
(i) Common shares invested by owners											
(ii) Invested capital by holders of other equity instruments											

(iii) Value of share-based payments recognized in equity											
(iv) Others											
(III). Profit allocation									216,184,966.87	-216,184,966.87	
(i) Earned surplus withdrawn									216,184,966.87	-216,184,966.87	
(ii) General risk reserve withdrawn											
(iii) Distribution to shareholders											
(iv) Others											
(IV) Transfer within shareholders' equity											
(i) Capital reserves converted to share capital											
(ii) Surplus reserves converted to share capital											
(iii) Earned surplus cover up losses											

(iv) Changes in the defined benefit plan transferred to retained earnings											
(v) Other comprehensive income transferred to retained earnings											
(vi) Others											
(V). Special reserve								1,131,288.60			1,131,288.60
(i) Appropriation for the period								8,869,701.84			8,869,701.84
(ii) Used in the period								-7,738,413.24			-7,738,413.24
(VI) Others					-1,017,383.94						-1,017,383.94
IV. Balance at the end of the period	3,805,970,368.00				1,310,518,694.63		7,964,833.97	23,842,928.28	1,382,422,397.92	6,275,831,499.87	12,806,550,722.67

The financial statements were signed by the following persons:

Legal Representative: Ma Zhuo

Chief Accountant: Zhao Erqin

Head of Accounting Department: Tan Hong

III. GENERAL INFORMATION OF THE COMPANY

1. Company profile

☒Applicable ☐Not applicable

Fangda Carbon New Material Technology Co., Ltd (former Lanzhou Hailong New Material Technology Co., Ltd, hereinafter referred to as Company or the Company) was approved by the People's Government of Gansu Province on 16 December , 1998, Gansu Government Letter [1998] No. 87 and on 24 December , 1998 by the Gansu Provincial Economic System Reform Commission, Ganshi Reform Development [1998] No. 76, approved by Lanzhou Carbon Group Co. Economic System Reform Commission approved by Gansu Province on December 16, 1998 GanZhengHua [1998] No. 87 and on 24 December , 1998 by Gansu Province Economic System Reform Commission GanShiReformFa [1998] No. 76 document, by Lanzhou Carbon Group Co., Ltd. as the main sponsor, the joint YaoJie Mining Bureau, TaiWei Group Co., Ltd. (the former ShichanJing Mining Bureau of the overall restructuring), Gansu Qilianshan Cement Co. On 20 August , 2002, the company issued 80,000,000 ordinary shares (A shares) to the public by way of pricing and placing to secondary market investors on the Shanghai Stock Exchange and Shenzhen Stock Exchange system, and was listed on the Shanghai Stock Exchange on 30 August , 2002, with the abbreviation of Hailong Science and Technology (now changed to Fanta Carbon) and the stock exchange code: 600516; The Company was approved by CSRC to be listed on the SIX Swiss Exchange on 15 March , 2023, and the actual number of GDRs issued was 22,000,000, representing 220,000,000 A-share shares of the underlying securities.

The parent company of the Company is Liaoning Fangda Group Industry Co., Ltd. which holds 1,524,413,321 shares, with a shareholding ratio of 37.86%, and the ultimate controller is Mr. Fang Wei.

Company's unified social credit code: 91620000710375560A;

Legal representative: Ma Zhuo

Registered Address: No. 11, Carbon Road, Haishiwan Town, Honggu District, Lanzhou City, Gansu Province.

Business scope: licensed items: the second type of medical device reduction production, catering services, medical mouth production (projects subject to approval by law, approved by the relevant departments before carrying out business activities, the specific business projects to the relevant departments to approve the documents or permits shall prevail). General items: new materials technology research and development: new materials technology promotion services; graphite and carbon products manufacturing; graphite and carbon products sales; graphene materials sales; seals manufacturing; refractory production; refractory sales; coal activated carbon and other coal processing; carbon fibre regeneration technology research and development; emerging energy technology research and development; high-performance fibres and composites manufacturing; high performance fibres and composites sales Sales of coal and products; import and export of goods; import and export of technology; import and export agency; sales of Class II medical devices; wholesale of medical masks; retail of medical masks; leasing of land use rights; leasing of housing; leasing of non-residential real estate; leasing of machinery and equipment; manufacture of non-metallic mineral products; sales of non-metallic minerals and products; sales of metal materials; sales of chemical products (excluding licensed chemical products); construction materials Sales; hotel management; catering management; sales of hygiene products and single-use medical supplies; production of daily-use masks (non-medical); sales of daily-use masks (non-medical); labour services (excluding labour dispatch); sales of non-ferrous metal alloys (in addition to projects subject to approval in accordance with the law, carry out business activities independently in accordance with the law with business licences).

The scope of consolidation of the Company's consolidated financial statements is determined on the basis of control and includes the financial statements of the Company and all of its subsidiaries. Subsidiaries are businesses or entities that are controlled by the Company.

The financial report of the Company was approved for reporting on 31 March 2024 by the Board of Directors of

the Company.

IV. PREPARATION BASIS OF FINANCIAL STATEMENTS

1. Basis of Preparation

The Company's financial statements have been prepared on a going concern basis. It has been prepared in accordance with the relevant provisions of the Accounting Standards for Business Enterprises on the basis of the significant accounting policies and accounting estimates described below, based on transactions that have actually occurred.

2. Continuous operation

☒Applicable ☒Not applicable

There are no matters or circumstances that cast significant doubt on the Company's ability to continue as a going concern for the twelve months from the end of the reporting period.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

Specific Accounting Policies and Accounting Estimates notice

☐Applicable ☒Not applicable

1. Statement of compliance with accounting standards for business enterprises

The financial statements prepared by the Company based on the above basis of preparation comply with the requirements of the latest Enterprise Accounting Standards ("EAS") and its application guidelines, interpretations and other relevant regulations (collectively referred to as EAS) that have been issued by the Ministry of Finance, and give a true and complete picture of the financial position of the Company's consolidated and parent companies, the results of the consolidated and parent company's operations and the cash flows, and other relevant information. In addition, this financial report has been prepared with reference to the presentation and disclosure requirements of the "Rules Governing the Preparation of Disclosure of Information by Companies Issuing Public Securities No. 15 - General Provisions on Financial Reporting" (Revised 2023) issued by the Securities and Futures Commission (SFC).

2. Accounting period

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

3. Operating cycle

☒Applicable ☐Not applicable

The operating cycle is the period from the purchase of assets for processing to the realization of cash or cash equivalents by the Company. The Company utilizes a 12-month operating cycle and uses it as a criterion for classifying the liquidity of its assets and liabilities.

4. Account currency

The Company's account currency is Renminbi.

5. Methodology for determining materiality criteria and basis for selection

☒Applicable ☐Not applicable

Items	Materiality criteria
Significant individually bad debt provisioned receivables	CNY 10 million

Receivables for which the amount of provision for bad debts recovered or reversed during the period is significant	CNY 10 million
Significant write-offs of receivables and other receivables during the period	CNY 10 million
Significant construction in progress	CNY 10 million
Significant accounts payable and contractual liabilities aged over 1 year	CNY 1 million
Significant non-wholly owned subsidiaries	Net assets CNY 100 million

6 .Accounting treatments of “Business combination involving entities under common control” and “Business combination involving entities not under common control”

☒Applicable ☐Not applicable

(1) Accounting for business combinations under the same control

When the Company acquires a business combination under the same control in a single transaction or realizes a business combination in stages through multiple transactions, the assets and liabilities acquired in the business combination are measured at the carrying value of the party to be combined in the consolidated financial statements of the party ultimately in control as of the date of the combination. The difference between the book value of net assets acquired by the Company and the book value of merger consideration paid (or the total par value of shares issued) is adjusted to capital surplus; if capital surplus is not sufficient for elimination, it is adjusted to retained earnings.

(2) Accounting treatment for business combinations not under common control

The Company recognizes goodwill on the date of purchase for the difference between the cost of the combination and the share of the fair value of the identifiable net assets of the acquiree acquired in the combination; if the cost of the combination is less than the share of the fair value of the identifiable net assets of the acquiree acquired in the combination, the Company firstly reviews the fair value of each of the acquiree's identifiable assets, liabilities and contingent liabilities acquired as well as the measurement of the cost of the combination, and the cost of the combination is still less than the share of the fair value of the acquiree's identifiable assets, liabilities and contingent liabilities acquired in the combination after review. If the cost of consolidation after review is still less than the fair value of the acquiree's identifiable net assets acquired in the consolidation, the difference is recognized in profit or loss for the current period.

The step-by-step realization of a non-identical control business combination through multiple transactions shall be handled in the following order:

(a) Adjustment of initial investment cost of long-term equity investment. If the equity interest held prior to the purchase date is accounted for under the equity method, the equity interest shall be remeasured in accordance with the fair value of the equity interest at the purchase date, and the difference between the fair value and its book value shall be recognized as investment income for the current period; if the equity interest held prior to the purchase date in the purchased party involves other comprehensive income and other changes in owners' equity under the equity method, it shall be transferred to the current period's income belonging to the purchase date, and the difference shall be recognized in the current period's income as a result of remeasurement of net liabilities or

changes in net assets of the investee for the defined benefit plan, except for other comprehensive income resulting from the remeasurement of the investee's net liabilities or changes in net assets of the defined benefit plan.

(b) Recognition of goodwill (or amount recognized in profit or loss). Comparing the initial investment cost of the long-term equity investment adjusted in the first step with the share of the fair value of the identifiable net assets of the subsidiary at the date of purchase, if the former is greater than the latter, the difference is recognized as goodwill; if the former is less than the latter, the difference is recognized in profit or loss for the current period.

Disposal of equity interest in a subsidiary through multiple transactions to the point of losing control of the subsidiary:

(1) Principles for determining whether each transaction in the process of disposal of equity interest to loss of control of a subsidiary is a "package deal".

The terms, conditions, and economic impacts of transactions involving the disposal of equity investments in subsidiaries that meet one or more of the following conditions generally indicate that multiple transactions should be accounted for as a package:

- 1) The transactions are entered into simultaneously or with consideration of each other's effects;
- 2) It takes the transactions as a whole to reach a complete business result;
- 3) the occurrence of one transaction is dependent on the occurrence of at least one other transaction;
- 4) A transaction is uneconomic when viewed in isolation, but is economic when considered together with the other transactions.

(2) Accounting treatment of transactions in the process of step-by-step disposal of an equity interest in a subsidiary up to the loss of control of the subsidiary as a "package deal".

If each transaction in the process of disposal of equity investment in a subsidiary up to the loss of control is a package transaction, each transaction shall be accounted for as one transaction of disposal of a subsidiary and loss of control; however, the difference between the disposal price and the share of the net assets of the subsidiary corresponding to the disposal of the investment in each transaction prior to the loss of control shall be recognized in the consolidated financial statements as other comprehensive income, and transferred to the loss of control when the loss of control occurs. However, the difference between the disposal price and the share of net assets of the subsidiary corresponding to each disposal before the loss of control shall be recognized as other comprehensive income in the consolidated financial statements and transferred to profit or loss in the period of loss of control.

In the consolidated financial statements, the remaining equity interest shall be remeasured at its fair value at the date of loss of control. The difference between the sum of the consideration received for the disposal of the equity interest and the fair value of the remaining equity interest, less the share of Atomic's net assets on a continuing basis from the date of acquisition based on the proportion of the original shareholding, is recognized as investment income in the period in which the control is lost. Other comprehensive income related to the equity investment in Atomic should be transferred to investment income in the current period when control is lost.

(3) Accounting treatment of transactions in the process of step-by-step disposal of equity interests to the loss of control over subsidiaries that are not "package transactions"

If the disposal of an investment in a subsidiary does not result in a loss of control, the difference between the disposal price in the consolidated financial statements and the corresponding share of the net assets of the subsidiary is recognized as capital surplus (capital premium or equity premium), and if the capital premium is not sufficient to offset the difference, retained earnings should be adjusted.

If the Company loses control over a subsidiary by disposing of its investment in the subsidiary, the remaining equity interest in the consolidated financial statements shall be remeasured at its fair value at the date of loss of control. The difference between the sum of the consideration obtained from the disposal of the equity interest and the fair value of the remaining equity interest, less the share of the original subsidiary's net assets calculated on the basis of the original percentage of ownership on an ongoing basis from the date of purchase, is recognized as investment income in the period in which the loss of control occurs. Other comprehensive income related to the equity investment in the original subsidiary should be transferred to investment income in the current period when control is lost.

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

☒Applicable ☐Not applicable

The scope of consolidation of the Company's consolidated financial statements should be determined on a control basis.

Control means that the Company has power over the investee, enjoys variable returns through participation in the investee's underlying activities and has the ability to use its power over the investee to affect the amount of its returns. Underlying activities are activities that have a significant impact on the investee's returns. An investee's underlying activities should be judged on a case-by-case basis and typically include sales and purchases of goods or services, management of financial assets, purchases and disposals of assets, research and development activities and financing activities.

The Company makes a judgement on whether it controls an investee based on a consideration of all relevant facts and circumstances. The Company reassesses if changes in relevant facts and circumstances result in changes in the relevant elements involved in the definition of control.

The consolidated financial statements are based on the financial statements of the Parent Company and its subsidiaries and have been prepared by the Company in accordance with Accounting Standard for Business Enterprises (ASBE) No. 33, Consolidated Financial Statements, based on other relevant information.

8. Classification of joint venture arrangements and accounting for joint operations

☒Applicable ☐Not applicable

(1) Identification and classification of joint arrangements

Joint venture arrangement means an arrangement that is jointly controlled by two or more participants. A joint venture arrangement has the following characteristics: 1) each participant is bound by the arrangement; and 2) two or more participants exercise joint control over the arrangement. No one participant is able to control the arrangement alone, and any one participant that has joint control over the arrangement is able to prevent the other participant or combination of participants from controlling the arrangement alone.

Common control means control over an arrangement that is shared in accordance with the relevant agreement and

where the relevant activities of the arrangement require the unanimous agreement of the participants sharing control before decisions can be made.

Joint arrangements are classified as joint operations and joint ventures. A joint venture is a joint arrangement in which the joint venturers have rights to the assets and assume the liabilities associated with the arrangement. A joint venture is a joint arrangement in which the joint venturers have rights only to the net assets of the arrangement.

(2) Accounting for joint venture arrangements

Participants in a joint operation shall recognise the following items relating to their share of the benefits of the joint operation and account for them in accordance with the provisions of the relevant enterprise accounting standards: 1) recognise assets held separately and, in proportion to their share, jointly; 2) recognise liabilities incurred separately and, in proportion to their share, jointly; 3) recognise revenue arising from the sale of their share of the output of the joint operation; 4) recognise revenue arising from the sale of the output of the joint operation in proportion to their share; 5) recognise expenses incurred separately and, in proportion to their share, expenses incurred in the joint operation; and 6) recognise expenses incurred in the joint operation. 4) recognising revenue from the sale of output from the joint operation in proportion to its share; and 5) recognising expenses incurred individually, and expenses incurred in the joint operation in proportion to its share.

Participants in a joint venture should account for the investment in the joint venture in accordance with the provisions of ASBE No. 2 - Long-Term Equity Investments.

9. Criteria for determining cash and cash equivalents

Cash equivalents are investments held by an enterprise that have a short maturity (generally maturing within three months from the date of purchase), are highly liquid, are readily convertible into known amounts of cash, and are subject to an insignificant risk of changes in value.

10. Foreign currency business and exchange of foreign currency statements

☒Applicable ☐Not applicable

(1) Foreign currency business exchange

Foreign currency transactions are translated into Renminbi amounts at initial recognition using the spot exchange rate at the date of the transaction. At the balance sheet date, foreign currency monetary items are translated using the spot exchange rate at the balance sheet date, and exchange differences arising from the difference in exchange rates, except for the exchange differences on the principal of and interest on specialised borrowings in foreign currencies relating to the acquisition and construction of assets eligible for capitalisation, are recognised in profit or loss for the current period; foreign currency non-monetary items measured at historical cost continue to be translated using the spot exchange rate at the date of the transaction, with no change in the Renminbi amount; foreign currency non-monetary items measured at fair value are translated using the spot exchange rate at the date of determination of the fair value, with the difference being recognised in profit or loss for the current period. Non-monetary items measured at fair value in foreign currencies are translated using the spot exchange rate at the date of determination of fair value, with the difference being recognised in profit or loss or other comprehensive income for the current period.

(2) Exchange of foreign currency financial statements

Assets and liabilities in the balance sheet are exchanged by the spot exchange rate at the balance sheet date; items in equity, except for "undistributed earnings", are exchanged by the spot exchange rate at the date of the transaction; and items in income statement are exchanged by the spot exchange rate at the date of the transaction. Differences in the exchange of financial statements denominated in foreign currencies arising from the above translations are recognised as other comprehensive income.

11. Financial instruments

☒Applicable ☐Not applicable

(1) Recognition and derecognition of financial instruments

Regular method of purchasing and selling of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales of financial assets mean that the financial assets are received or delivered within the period stipulated by regulations or common practice in accordance with the terms of the contract. The trade date is the date on which the Company commits to buy or sell the financial asset.

A financial asset (or part of a financial asset, or part of a group of similar financial assets) is derecognised, i.e. written off from its accounts and balance sheet, if the following conditions are met:

- 1) The right to receive cash flows from a financial asset expires;
- 2) The right to receive cash flows from a financial asset is transferred or the obligation to pay the received cash flows in full and on time to a third party is assumed under a pass-through agreement; and either (a) substantially all the risks and rewards of ownership of the financial asset are transferred or (b) control of the financial asset is relinquished even though substantially all the risks and rewards of ownership of the financial asset have neither been transferred nor retained. (b) while neither transferring nor retaining substantially all of the risks and rewards of ownership of the financial asset, relinquishes control over the financial asset.

(2) Classification and measurement of financial assets

The Company's financial assets are classified at initial recognition based on the Company's business model for managing financial assets and the contractual cash flow characteristics of the financial assets as follows: financial assets at amortised cost, financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss. Subsequent measurement of financial assets depends on their classification.

The Company classifies financial assets based on the Company's business model for managing financial assets and the cash flow characteristics of the financial assets.

1) Financial assets carried at amortised cost

A financial asset is classified as financial assets carried at amortised cost if it simultaneously meets the following criteria: the Company's business model for managing the financial asset is to collect the contractual cash flows; and the contractual terms of the financial asset stipulate that the cash flows to be generated at a specific date will be solely payments of principal and interest based on the outstanding principal amount. For this type of financial assets, the effective interest rate method is used and subsequent measurement is based on amortised cost, with gains or losses arising from amortisation or impairment being recognised in profit or loss for the period.

2) Investments in debt instruments at fair value through other comprehensive income

A financial asset is classified as financial assets at fair value through other comprehensive income if it meets the following conditions at the same time: the Company's business model for managing the financial asset is to collect the contractual cash flows with the objective of both collecting the contractual cash flows and selling the financial asset; and the contractual terms of the financial asset stipulate that, at a specific date, the cash flows generated will be solely payments of principal and interest based on the amount of principal outstanding. payments. For such financial assets, fair value is used for subsequent measurement. The discount or premium is amortised using the effective interest method and recognised as interest income or expense. Changes in the fair value of such financial assets are recognised as other comprehensive income until the financial assets are derecognised, at which time the cumulative gain or loss is transferred to current profit or loss, except for impairment losses and exchange differences on foreign-currency monetary financial assets, which are recognised in current profit or loss. Interest income related to such financial assets is recognised in profit or loss for the current period.

3) Investments in equity instruments at fair value through other comprehensive income

The Company has irrevocably elected to designate certain non-trading investments in equity instruments as financial assets at fair value through other comprehensive income, with only the related dividend income

recognised in profit or loss and changes in fair value recognised as other comprehensive income until the financial asset is derecognised, at which time the cumulative gain or loss is transferred to retained earnings.

4) Financial assets at fair value through profit or loss

Financial assets other than those measured at amortised cost and those at fair value through other comprehensive income as described above are classified as financial assets at fair value through profit or loss. At initial recognition, financial assets can be designated as financial assets at fair value through profit or loss in order to be able to eliminate or significantly reduce accounting mismatches. For such financial assets, fair value is used for subsequent measurement and all changes in fair value are recognised in profit or loss.

All affected underlying financial assets are reclassified when, and only when, the Company changes its business model for managing financial assets.

For financial assets at fair value through profit or loss, the related transaction costs are recognised directly in profit or loss; for other categories of financial assets, the related transaction costs are included in their initial recognition amounts.

(3) Classification and measurement of financial liabilities

The Company's financial liabilities are classified at initial recognition as financial liabilities at amortised cost and financial liabilities at fair value through profit or loss.

Financial liabilities may be designated as financial liabilities at fair value through profit or loss at initial measurement if one of the following conditions is met: (1) the designation eliminates or significantly reduces accounting mismatches; (2) the portfolio of financial liabilities or the combination of financial assets and financial liabilities is managed and its performance evaluated on the basis of fair value in accordance with the Company's risk management or investment strategy as set out in a formal written document, and reporting to key management personnel within the Company on this basis; and (3) the financial liability contains embedded derivatives that are subject to separate spin-off.

The Company determines the classification of financial liabilities at initial recognition. For financial liabilities at fair value through profit or loss, the related transaction costs are recognised directly in profit or loss, while for other financial liabilities, the related transaction costs are included in their initial recognition amounts.

Subsequent measurement of financial liabilities depends on their classification:

1) Financial liabilities measured at amortised cost

Financial liabilities in this category are subsequently measured at amortised cost using the effective interest method.

2) Financial liabilities at fair value through profit or loss (FVTPL)

Financial liabilities at fair value through profit or loss include financial liabilities held for trading (including derivatives that are financial liabilities) and financial liabilities designated on initial recognition as at fair value through profit or loss.

(4) Offsetting financial instruments

Financial assets and financial liabilities are presented in the balance sheet at their net amounts after offsetting each other if the following conditions are simultaneously met: there is a legal right to offset the recognised amounts and the legal right is currently enforceable; and there is a plan to settle the financial instruments on a net basis or to realise the financial assets and settle the financial liabilities simultaneously.

(5) Impairment of financial assets

The Company recognises a provision for losses based on expected credit losses for financial assets measured at amortised cost, investments in debt instruments measured at fair value through other comprehensive income and financial guarantee contracts. Credit losses represent the difference between all contractual cash flows receivable under the contract and all cash flows expected to be collected, discounted at the original effective interest rate, i.e.,

the present value of all cash shortfalls.

The Company estimates expected credit losses on financial assets measured at amortised cost and financial assets at fair value through other comprehensive income (debt instruments), either individually or in combination, taking into account all reasonable and supportable information, including forward-looking information.

1) General model of expected credit losses

If the credit risk of a financial instrument has increased significantly since initial recognition, the Company measures the allowance for losses at an amount equal to the expected credit losses over the entire life of the financial instrument; if the credit risk of a financial instrument has not increased significantly since initial recognition, the Company measures the allowance for losses at an amount equal to the expected credit losses of the financial instrument in the next 12 months. The resulting increase or reversal amount of the loss allowance is recognised as an impairment loss or gain in profit or loss. The Company's assessment of credit risk is described in Note 12, "Risks associated with financial instruments".

Specifically, the Company classifies the process of credit impairment of financial instruments that are not impaired at the time of purchase or origination into three stages, and has different accounting treatments for impairment of financial instruments at different stages:2)

Stage 1: Credit risk has not increased significantly since initial recognition

For financial instruments in this stage, the enterprise should measure the loss allowance based on the expected credit losses in the next 12 months and calculate the interest income based on its carrying amount (i.e. before deducting the impairment allowance) and the effective interest rate (if the instrument is a financial asset, the same below).

Stage 2: Credit risk has increased significantly since initial recognition but credit impairment has not yet occurred.

For financial instruments in this stage, an enterprise should measure the allowance for losses based on the expected credit losses over the life of the instrument and calculate interest income based on its carrying amount and effective interest rate.

Stage 3: Credit impairment after initial recognition

For financial instruments in this stage, an enterprise should measure the loss provision based on the expected credit losses over the entire life of the instrument, but the calculation of interest income is different from that for financial assets in the first two stages. For financial assets that have suffered credit impairment, an enterprise shall calculate interest income based on their amortised cost (carrying amount less provision for impairment, i.e. book value) and effective interest rate.

For financial assets that are credit-impaired at the time of purchase or origination, an enterprise shall recognise as a provision for loss only the change in expected credit losses over the entire duration of the asset after initial recognition, and calculate interest income on the basis of its amortised cost and the credit-adjusted effective interest rate.

2) For financial instruments with low credit risk at the balance sheet date, the Company chooses not to compare the credit risk with its credit risk at the time of initial recognition, and instead directly makes the assumption that the instrument's credit risk has not increased significantly since initial recognition.

A financial instrument may be considered to have a low credit risk if the Corporation determines that the risk of default on the instrument is low, the borrower's ability to meet its contractual cash flow obligations in the short term is strong, and even if there are unfavourable changes in the economic situation and business environment over a longer period of time, it will not necessarily decrease the borrower's ability to meet its contractual cash flow obligations.

(3) Receivables and lease receivables

The Company uses a simplified model of expected credit losses for receivables that do not have a significant

financing component (including cases where the financing component of a contract that does not exceed one year is not taken into account in accordance with the standard) as defined in ASBE No. 14, Revenue, and always measures its loss provision in accordance with the amount of expected credit losses over the entire period of its existence Provision.

For receivables with significant financing components and lease receivables governed by ASBE No. 21 - Leases, the Company has made an accounting policy election to elect to apply a simplified model of expected credit losses, which is to measure the allowance for losses at an amount equal to the expected credit losses over the entire duration.

(6) Transfer of financial assets

The Company derecognises a financial asset if it has transferred substantially all the risks and rewards of ownership of the financial asset to the transferor; it does not derecognise a financial asset if it has retained substantially all the risks and rewards of ownership of the financial asset.

If the Company neither transfers nor retains substantially all of the risks and rewards of ownership of a financial asset, the Company shall: derecognise the financial asset and recognise the resulting assets and liabilities if it has relinquished control of the financial asset; recognise the financial asset to the extent of its continuing involvement in the transferred financial asset and recognise the related liabilities accordingly if it has not relinquished control of the financial asset.

If the continued involvement is achieved by providing a financial guarantee over the transferred financial asset, the asset resulting from the continued involvement is recognised at the lower of the carrying amount of the financial asset and the amount of the financial guarantee. The amount of the financial guarantee is the maximum amount of consideration received that will be required to be repaid.

12. Notes receivable

☒ Applicable ☐ Not applicable

Method of determining and accounting for expected credit losses on notes receivable

☒ Applicable ☐ Not applicable

The Company measures the allowance for losses for notes receivable at an amount equal to the expected credit losses over the entire life of the notes. Notes receivable are classified into different portfolios based on their credit risk characteristics:

Items	Criterion for confirmation of the portfolio
Notes receivable portfolio A	Commercial Acceptance Bill
Notes receivable portfolio B	Bank Acceptance Bill

Portfolio Categories and Basis for Determining the Allowance for Bad Debts by Credit Risk Characteristics

Portfolio For notes receivable classified as bankers' acceptances portfolio, the Company generally does not recognize expected credit losses by reference to historical credit loss experience and the credit ratings of the accepting banks, taking into account the current conditions as well as forecasts of future economic conditions. For notes receivable classified in the commercial acceptance portfolio, the Company measures its allowance for losses by reference to Accounts Receivable Portfolio A - Receivables from External Customers.

13. Accounts receivables

☒ Applicable ☐ Not applicable

Methods of determining and accounting for expected credit losses on receivables

☒ Applicable ☐ Not applicable

For receivables that do not contain a significant financing component, the Company measures the allowance for losses at an amount equal to the expected credit losses over the entire life of the receivable; for receivables that contain a significant financing component, the Company has elected to always measure the allowance for losses at

an amount equal to the expected credit losses over the life of the receivable.

As part of the Company's credit risk management, the Company uses the aging of accounts receivable as a basis for evaluating expected credit losses for each class of receivables. For receivables for which there is objective evidence of credit impairment, such as receivables that are in dispute with the counterparty or involved in litigation or arbitration, or receivables for which there are clear indications that the debtor will likely be unable to meet its repayment obligations, the Company recognises the receivables as impaired and measures the allowance for loss based on the amount of expected credit losses over the life of the individual instruments.

In addition to receivables that are individually assessed for credit risk, they are classified into different portfolios based on their credit risk characteristics:

Items	Criterion for confirmation of the portfolio
Notes receivable portfolio A	Receivables from external customers, the portfolio uses the ageing of receivables as a credit risk characteristic
Notes receivable portfolio B	Receivables from related parties within the scope of consolidation

For receivables classified as a portfolio of credit risk characteristics, the Company calculates expected credit losses by reference to historical credit loss experience, taking into account current conditions and projections of future economic conditions through the default risk exposure and the expected credit loss rate over the entire duration.

For receivables classified as a portfolio of related parties, the Company generally does not recognise expected credit losses by reference to historical credit loss experience, taking into account current conditions and forecasts of future economic conditions.

14 .Receivables financing

☒ Applicable ☐ Not applicable

Method of determining and accounting for expected credit losses on receivables financing

☒ Applicable ☐ Not applicable

A financial asset is classified as a financial asset at fair value through other comprehensive income if it meets the following conditions at the same time: the Company's business model for managing the financial asset is one in which the objective is to collect the contractual cash flows as well as to sell the financial asset; and the contractual terms of the financial asset stipulate that, at a specific date, the cash flows will be generated solely from the payment of the principal amount and the interest based on the amount of the principal amount outstanding payments.

If the receivables held by the Company are transferred by discounting or endorsement, and such operations are frequent and involve significant amounts, the management business model is essentially to collect contractual cash flows and sell them, and they are classified as financial assets at fair value through other comprehensive income in accordance with the relevant provisions of the Guidelines Governing Financial Instruments.

15. Other receivables

☒ Applicable ☐ Not applicable

Method of determining and accounting for expected credit losses on other receivables

☒ Applicable ☐ Not applicable

Other receivables include other accounts receivable, interest receivable and dividends receivable. The Company calculates expected credit losses by reference to historical credit loss experience, current conditions and forecasts of future economic conditions through the exposure to default risk and the expected credit loss rate within the next 12 months or over the entire period of existence.

For other receivables for which there is objective evidence of credit impairment, such as other receivables that are in dispute with the counterparty or involved in litigation or arbitration, or other receivables for which there are

clear indications that the debtor will likely be unable to meet its repayment obligations, the Company treats such other receivables as other receivables that are impaired and measures the allowance for losses based on the expected credit losses over the entire duration of the individual instruments.

In addition to other receivables that are individually assessed for credit risk, they are classified into different portfolios based on their credit risk characteristics:

Items	Criterion for confirmation of the portfolio
Notes receivable portfolio A	Other receivables such as deposits, bonds and imprests (excluding other receivables portfolio B)
Notes receivable portfolio B	Receivables from related parties within the scope of consolidation

16. Inventory

☒ Applicable ☐ Not applicable

Inventory categories, issue valuation method, inventory system, amortisation method for low value consumables and packages

☒ Applicable ☐ Not applicable

(1) Classification of Inventories

Inventories include finished goods or commodities held for sale in daily activities, products in the production process, materials and supplies consumed in the production process or in the provision of labour services. The main categories are: raw materials, work-in-process and self-made semi-finished products, working capital materials, finished goods, commodities in stock, commissioned materials, and issued commodities.

(2) Method of valuation of inventories issued

The cost of the Company's inventories is determined at the time of issue on the basis of a lump sum weighted average method at the end of the month.

(3) Inventory system

The inventory system is a perpetual inventory system.

(4) Amortisation method for low-value consumables and packaging materials

The Company's low-value consumables and packaging are purchased on the basis of actual requirements and recognised in the cost of the relevant assets or in profit or loss using the lump-sum transfer method.

Recognition criteria and accrual method for provision for decline in value of inventories At the balance sheet date, inventories are measured at the lower of cost or net realizable value, and provision for decline in value of inventories is made on the basis of the excess of the cost of individual inventories over their net realizable value. The net realizable value of inventories used directly for sale is determined in the normal course of production and operation by the estimated selling price of the inventories less estimated selling expenses and related taxes; the net realizable value of inventories requiring processing is determined in the normal course of production and operation by the estimated selling price of the finished goods produced less estimated costs to be incurred to completion, estimated selling expenses and related taxes; At the balance sheet date, if there is a contract price agreed for one part of the same inventory and no contract price exists for the other part, the net realizable value is determined separately and compared with its corresponding cost, and the amount of provision or reversal of allowance for decline in value of inventories is determined separately.

(5) Criteria for recognising and providing for provision for decline in value of inventories

At the balance sheet date, inventories are measured at the lower of cost or net realisable value, and provision for

decline in value of inventories is made on the basis of the excess of the cost of individual inventories over their net realisable value. The net realisable value of inventories used directly for sale is determined in the normal course of production and operation by the estimated selling price of the inventories, less estimated selling expenses and related taxes; the net realisable value of inventories requiring processing is determined in the normal course of production and operation by the estimated selling price of finished goods produced, less estimated costs to be incurred up to the time of completion, estimated selling expenses and related taxes; At the balance sheet date, if there is a contract price agreed for one part of the same inventory and no contract price exists for the other part, the net realisable value is determined separately and compared with its corresponding cost, and the amount of provision or reversal of allowance for decline in value of inventories is determined separately.

17. Contractual assets

☒ Applicable ☐ Not applicable

Methods and criteria for recognition of contract assets

☒ Applicable ☐ Not applicable

The Company presents as receivables the right to receive consideration from customers that it owns and is unconditional (i.e., dependent only on the passage of time), and as contract assets the right to receive consideration for merchandise that has been transferred to a customer and that is dependent on something other than the passage of time.

The Company uses a simplified model of expected credit losses for contract assets that do not have a significant financing component as defined in ASBE No. 14, "Revenue," (including the exclusion of the financing component of contracts not exceeding one year in accordance with the standard), which means that it always measures its allowance for losses based on the amount of expected credit losses throughout the period of existence. The resulting increase or reversal of the allowance for losses is recognised as an impairment loss or gain in profit or loss.

For contract assets with significant financing components, the Company has elected to use the simplified model of expected credit losses, i.e., to always measure the allowance for losses based on the amount of expected credit losses over the life of the contract.

Method of determining and accounting for expected credit losses on contract assets

☒ Applicable ☐ Not applicable

The Company's method of determining expected credit losses on contract assets and its accounting treatment refer to the method of measuring expected credit losses on accounts receivable in "V. Significant Accounting Policies and Accounting Estimates; (XIII) Accounts Receivable".

18. Non-current assets or disposal groups held for sale

☒ Applicable ☐ Not applicable

(1) Recognition criteria and accounting treatment for non-current assets or disposal groups classified as held for sale

The Company classifies as held for sale those components of an enterprise (or non-current assets) that simultaneously meet the following conditions: (1) they are available for immediate sale under current conditions based on the customary practice for the sale of such assets or disposal groups in similar transactions; (2) it is highly probable that the sale will occur, a resolution has been reached on a plan of sale and a firm commitment to purchase has been obtained (a firm commitment to purchase is a legally binding purchase agreement between the enterprise and another party that contains important terms such as the transaction price, timing and sufficiently severe penalties for default to make a material adjustment to the agreement or a material adjustment to the agreement). binding purchase agreement that contains important terms such as transaction price, timing and penalties for breach of contract that are sufficiently severe to make material adjustments to or cancellation of the

agreement highly unlikely). The sale is expected to be completed within one year. Approvals have been obtained from the relevant authorities or regulators in accordance with the relevant regulations.

The Company adjusts the estimated net residual value of assets held for sale to reflect their fair value less costs to sell (but not to exceed the original carrying amount of the item held for sale), and the difference between the original carrying amount and the adjusted estimated net residual value is recognised as an asset impairment loss in profit or loss for the current period, together with a provision for impairment of assets held for sale. The amount of asset impairment loss recognised for a disposal group held for sale shall be offset against the carrying value of goodwill in the disposal group, and then against the carrying value of each non-current asset in the disposal group on a pro rata basis in accordance with its proportionate share of the carrying value of each non-current asset subject to the measurement provisions of this Standard.

If the fair value of non-current assets held for sale increases at a subsequent balance sheet date, net of costs to sell, the amount previously written down shall be restored and reversed within the amount of the impairment loss recognised on the asset after classification as held for sale, with the amount of the reversal recognised in profit or loss for the current period. Impairment losses recognised on assets before classification as held for sale shall not be reversed. If the fair value of a disposal group held for sale increases at a subsequent balance sheet date, net of costs to sell, the amount previously written down shall be restored and reversed within the amount of the asset impairment loss recognised for non-current assets for which the measurement provisions of this Standard have been applied after classification into the held-for-sale category, with the amount of the reversal recognised in the current period's profit or loss. The carrying amount of goodwill that has been set off, and the impairment loss on assets recognised before classification as held for sale for non-current assets to which the measurement provisions of this standard apply, shall not be reversed. The amount of subsequent reversal of an asset impairment loss recognised for a disposal group held for sale shall be increased proportionately to the carrying value of each non-current asset in the disposal group to which the measurement provisions of this Standard apply, except for goodwill. If an enterprise loses control of a subsidiary due to the sale of its investment in the subsidiary, regardless of whether the enterprise retains a portion of the equity investment after the sale, the enterprise shall classify the investment in the subsidiary as a whole as held-for-sale in the individual financial statements of the parent company, and classify all the assets and liabilities of the subsidiary as held-for-sale in the consolidated financial statements, if the conditions for classification of held-for-sale are met with respect to the investment in the subsidiary to be sold.

(2) Recognition Criteria and Presentation of Discontinued Operations

A discontinued operation is a separately distinguishable component of an enterprise that meets one of the following conditions and the component has been disposed of or classified as held for sale: (1) the component represents a separate principal business or a separate principal operating area; (2) the component is part of a related plan to dispose of a separate principal business or a separate principal operating area; (3) the component is a subsidiary acquired specifically for resale; (4) the component is a subsidiary acquired specifically for resale; and (5) the component is a separately distinguishable component of an enterprise. part; and (3) the component - part is a subsidiary acquired exclusively for resale.

The definition of Discontinued Operations has the following three meanings:

- 1) A discontinued operation should be a separately distinguishable component of the enterprise. The operations and cash flows of that component are clearly distinguishable from those of the rest of the enterprise in the operation of the enterprise and in the preparation of the financial statements.
- 2) The discontinued operation should be of a certain size. The discontinued operation should represent a separate principal business or a separate principal operating area, or be part of a related plan to dispose of a separate

principal business or a separate principal operating area.

3) Discontinued operations should fulfil certain point-in-time requirements. A component that meets the definition of a discontinued operation should fall into one of the following two categories: the component has been disposed of before the balance sheet date, including being sold and brought out of use (e.g. shut down or scrapped, etc.); and the component has been classified as held for sale before the balance sheet date.

19. Long-term equity investments

☒ Applicable ☐ Not applicable

(1) Determination of investment costs

1) When a business combination under the same control results in a merger in which the merging parties pay cash, transfer non-cash assets, assume liabilities or issue equity securities as consideration for the merger, the initial cost of the investment is determined as the share of the book value of the equity interests of the party to be merged in the consolidated financial statements of the party ultimately controlling the company at the date of the merger. The difference between the initial investment cost of a long-term equity investment and the book value of the merger consideration paid or the total nominal value of the shares issued is adjusted to capital surplus (capital premium or equity premium); if capital surplus is insufficient for elimination, it is adjusted to retained earnings.

If a business combination under the same control is effected in stages, the initial investment cost of the investment shall be the share of the consolidated party's book ownership interest at the date of consolidation calculated on the basis of the percentage of shareholding. The difference between the initial investment cost and the sum of the book value of the original long-term equity investment and the book value of the new consideration paid for the acquisition of further shares at the date of the merger shall be adjusted to capital surplus (capital premium or equity premium), or, if capital surplus is insufficient to make such an adjustment, to retained earnings.

2) The initial investment outlay of a business combination not under the same control is based on the fair value of the merger consideration paid at the date of purchase.

3) Except for those resulting from a business combination: if acquired by paying cash, the purchase price actually paid is recognised as the initial investment cost; if acquired by issuing equity securities, the fair value of the equity securities issued is recognised as the initial investment cost; and if invested by an investor, the initial investment cost is recognised at the value agreed upon in the investment contract or agreement (unless the value agreed upon in the contract or agreement is not fair).

(2) Subsequent measurement and profit or loss recognition methods

Long-term equity investments in which the Company is able to exercise control over the investee are accounted for using the cost method in the Company's individual financial statements; long-term equity investments in which the Company has joint control or significant influence are accounted for using the equity method.

When the cost method is adopted, long-term equity investments are valued at initial investment cost. Except for the cash dividends or profits declared but not yet distributed included in the price or consideration actually paid when the investment is acquired, investment income is recognised as current investment income on the basis of entitlement to the cash dividends or profits declared by the investee, and whether the long-term investment is impaired is considered in accordance with the policy on impairment of relevant assets.

Under the equity method, if the initial investment cost of a long-term equity investment is greater than the fair value of the investee's share of the investee's identifiable net assets at the time of investment, it is classified as the initial investment cost of the long-term equity investment; if the initial investment cost of a long-term equity investment is less than the fair value of the investee's share of the investee's identifiable net assets at the time of investment, the difference is recognised in profit or loss for the current period and the cost of the long-term equity investment is adjusted at the same time.

When the equity method is adopted, after the long-term equity investment is acquired, the investment gain or loss

is recognised and the carrying value of the long-term equity investment is adjusted in accordance with the share of the net profit or loss of the investee. In recognising the share of net profit or loss of the investee, the fair value of the identifiable assets of the investee at the time of investment acquisition is used as the basis for calculating the portion of gains and losses on internal transactions with associates and joint ventures attributable to the investor in proportion to its shareholding in the investee, in accordance with the Company's accounting policies and accounting periods (except for losses on internal transactions attributable to the impairment of an asset which shall be recognised in full). Adjustments to the net profit of the investee are recognised. The carrying value of long-term equity investments is reduced accordingly by the portion of profits or cash dividends declared by the investee. The Company recognises net losses incurred by an investee to the extent that the carrying amount of the long-term equity investment and other long-term equity interests that in substance constitute the Company's net investment in the investee are written down to zero, except to the extent that the Company has an obligation to assume additional losses. Changes in equity in the investee other than net losses or gains are adjusted to the carrying amount of the long-term equity investment and included in equity.

(3) Basis for determining control and significant influence over an investee

Control means having power over the investee, enjoying variable returns through participation in the investee's relevant activities and having the ability to use the power over the investee to affect the amount of the returns; significant influence means that the investor has the power to participate in decision-making with respect to the investee's financial and operating policies, but does not have the ability to control, or to join with others in controlling, the formulation of those policies.

(4) Disposal of long-term equity investments

1) Partial disposal of long-term equity investments in subsidiaries without loss of control

When a long-term equity investment in a subsidiary is partially disposed of without loss of control, the difference between the disposal price and the corresponding carrying amount of the investment disposed of shall be recognised as investment income for the current period.

2) Partial Disposal of Equity Investments or Other Loss of Control over a Subsidiary

In the event of partial disposal of equity investments or other reasons for loss of control over subsidiaries, for the equity interests disposed of, the carrying value of the long-term equity investment corresponding to the equity interests sold shall be carried forward, and the difference between the sale proceeds and the carrying value of the long-term equity investment disposed of shall be recognised as investment income (loss); at the same time, for the residual equity interest, it shall be recognised as a long-term equity investment or other related financial assets at its carrying value. If the remaining equity interest after disposal is capable of exercising joint control or significant influence over a subsidiary, it should be accounted for in accordance with the relevant provisions on the conversion of the cost method to the equity method.

(5) Impairment testing method and provision for impairment

For investments in subsidiaries, associates and joint ventures, if there is objective evidence of impairment at the balance sheet date, a corresponding provision for impairment is made based on the difference between the carrying amount and the recoverable amount.

20. Investment property

☐ Applicable ☒ Not applicable

21. Fixed assets

☒ Applicable ☐ Not applicable

(1) Recognition conditions

☒ Applicable ☐ Not applicable

Fixed assets are tangible assets that are held for use in the production of goods, provision of services, rental or business management and have a useful life of more than one fiscal year. Fixed assets are recorded at the actual cost at the time of acquisition and are depreciated using the average annual life method from the month following the month in which they reach their intended useable condition.

(2) Method of depreciation

☒ Applicable ☐ Not applicable

Category	Depreciation method	Depreciable life (years)	Residual value rate Annual	depreciation rate
Housing & Buildings	life-cycle averaging (LCA)	25-45	5%	2.11%-3.80%
Specialised equipment	life-cycle averaging (LCA)	10-15	5%	6.33%-9.50%
General purpose equipment	life-cycle averaging (LCA)	5-18	5%	5.28%-19.00%
Transport	life-cycle averaging (LCA)	8-12	5%	7.92%-11.88%

22. Construction in progress

☒ Applicable ☐ Not applicable

(1) When the construction in progress reaches the intended state of use, it is transferred to fixed assets at the actual cost of construction. If the project has reached the intended state of use but has not yet been finalised, it will be transferred to fixed assets at the estimated value first, and the original provisional value will be adjusted according to the actual cost after the finalisation of the project, but no further adjustment will be made to the depreciation that has already been provided for.

(2) If, at the balance sheet date, there is an indication that construction in progress is impaired, a corresponding provision for impairment is made for the difference between the carrying amount and the recoverable amount.

23 Borrowing costs

☒ Applicable ☐ Not applicable

(1) Recognition principle of capitalisation of borrowing costs

Borrowing costs incurred by the Company that are directly attributable to the acquisition, construction or production of assets eligible for capitalisation are capitalised and included in the cost of the relevant assets; other borrowing costs are recognised as an expense when incurred and included in profit or loss for the current period.

(2) Period in which borrowing costs are capitalised

1) Capitalisation of borrowing costs begins when the following conditions are simultaneously met: a) expenditure on the asset has been incurred; b) borrowing costs have been incurred; and c) acquisition, construction or production activities necessary to bring the asset to its intended use or saleable condition have commenced.

2) If there is an abnormal interruption in the acquisition or production of an asset eligible for capitalisation and the interruption lasts for more than three consecutive months, the capitalisation of borrowing costs is suspended; borrowing costs incurred during the interruption period are recognised as a current expense until the acquisition or production of the asset recommences.

3) Capitalisation of borrowing costs ceases when the assets acquired or produced that qualify for capitalisation are in a state that is intended to be used or marketable.

(3) Amount of borrowing costs capitalised

In the case of specialised borrowings for the purpose of acquisition, construction or production of assets eligible for capitalisation, the amount of interest to be capitalised shall be determined on the basis of the actual interest

expenses incurred during the period of specialised borrowings (including amortisation of discounts or premiums determined in accordance with the effective interest rate method), less the amount of interest income derived from the deposit of unused borrowed funds in a bank or the amount of investment income derived from the investment of temporary investments. If general borrowings are used for the acquisition or production of assets eligible for capitalisation, the amount of interest to be capitalised on general borrowings shall be calculated on the basis of the weighted average number of cumulative asset expenditures in excess of the asset expenditures on specialised borrowings multiplied by the capitalisation rate of the general borrowings used.

24. Biological assets

☐ Applicable ☒ Not applicable

25. Oil and gas assets

☐ Applicable ☒ Not applicable

26. Intangible assets

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

☒ Applicable ☐ Not applicable

Intangible assets, including land use rights, patents and non-patented technologies, are initially measured at cost.

Intangible assets with finite useful lives are amortised systematically and reasonably over their useful lives in accordance with the expected manner of realisation of the economic benefits associated with the intangible asset, or on a straight-line basis if the expected manner of realisation cannot be reliably determined. The specific lives are as follows:

Item Amortisation period (years)	Item Amortisation period (years)
Land Use Rights	50
Mining Rights	6-10
Forestry and land acquisition	8.75
Royalties	5
Computer Software	3

For intangible assets with a definite useful life, if there are indications of impairment at the balance sheet date, a corresponding provision for impairment is made for the difference between the carrying amount and the recoverable amount; for intangible assets with an indefinite useful life and those that have not yet reached the state of being ready for use, an impairment test is carried out annually, irrespective of whether or not there are indications of impairment.

(2) Scope of attribution of R&D expenditure and related accounting treatment

☒ Applicable ☐ Not applicable

1) Scope of R&D expenditure

The scope of research and development expenditures includes: employee compensation, material costs, depreciation and amortisation, outsourced research and development expenses, and other research and development expenses.

2) Accounting treatment related to research and development expenditure

Expenditures incurred in the research phase of an internal research and development project are recognised in profit or loss when incurred. Expenditure in the development phase of an internal research and development project is recognised as an intangible asset if the following conditions are simultaneously met: (1) it is technically feasible to complete the intangible asset so as to enable it to be used or sold; (2) there is an intention to complete the intangible asset and to use or sell it; (3) the manner in which the intangible asset generates economic benefits includes the ability to demonstrate that a market exists for the product to be produced by the application of the

intangible asset or that the intangible asset market exists for itself, and the usefulness of the intangible asset can be demonstrated if the intangible asset will be used internally; (4) there are sufficient technical, financial and other resources to support the completion of the development of the intangible asset and the ability to use or sell the intangible asset; and (5) the expenditures attributable to the development phase of the intangible asset can be measured reliably.

Expenditure on in-house research and development projects is distinguished between research-phase expenditure and development-phase expenditure.

a) The research phase of an internal research and development project is defined as an original and planned investigation to acquire or understand new scientific or technological knowledge. Expenditure incurred by the Company in the research phase is charged to profit or loss as incurred.

b) The development stage of an internal research and development project is the stage at which the results of research are applied to a plan or design to produce new or materially improved materials, devices, products, etc., prior to commercial production or use.

The Company recognises expenditures in the development stage as intangible assets only when the following conditions are simultaneously met:

- i) It is technically feasible to complete the intangible asset so that it can be used or sold;
- ii) There is an intention to complete the intangible asset and use or sell it;
- iii) The manner in which an intangible asset generates economic benefits, including the ability to demonstrate the existence of a market for the product produced using the intangible asset or the existence of a market for the intangible asset itself, and the ability to demonstrate the usefulness of the intangible asset if it is to be used internally;
- iv) have sufficient technical, financial and other resource support to complete the development of the intangible asset and the ability to use or sell the intangible asset;
- v) Expenditure attributable to the development phase of the intangible asset can be measured reliably.

Expenditure incurred during the development phase that does not fulfil the conditions listed above is charged to profit or loss as incurred.

27. Impairment of long-term assets

☒ Applicable ☐ Not applicable

An enterprise should determine at the balance sheet date whether there is any indication that an asset may be impaired.

Goodwill and intangible assets with an indefinite useful life resulting from a business combination should be tested for impairment annually, regardless of whether there is any indication of impairment.

The existence of the following indications suggests that an asset may be impaired:

- (1) the market value of the asset has fallen substantially in the current period, by an amount significantly higher than the decline expected as a result of the passage of time or normal use;
- (2) the economic, technological or legal environment in which the enterprise operates, as well as the market in which the asset is located, has changed significantly in the current period or will change significantly in the near future, which will have an adverse effect on the enterprise;
- (3) the market interest rate or other market rate of return on investment has increased in the current period, which will affect the discount rate used by the enterprise to calculate the present value of the expected future cash flows from the asset, resulting in a significant decrease in the recoverable amount of the asset;
- (4) there is evidence that the asset is old and obsolete or that its entity has been physically damaged;
- (5) the asset has been or will be idle, terminated, or is scheduled to be disposed of prematurely; and
- (6) the enterprise internally reports evidence that the economic performance of the asset is or will be lower than expected, such as net cash flows generated or net cash flows realised from the asset, or that the asset is or will be less than expected.

flow or realised operating profit (or loss) of the asset is much lower (or higher) than the expected amount; (7) other indications that the asset may have been impaired.

Where an indication of impairment exists, the recoverable amount of the asset shall be estimated.

The recoverable amount shall be determined on the basis of the higher of the asset's fair value less disposal costs and the present value of the asset's estimated future cash flows.

Disposal costs include legal costs associated with the disposal of an asset, related taxes, removal costs and direct costs incurred to bring the asset to a saleable condition.

The present value of an asset's expected future cash flows shall be determined by selecting an appropriate discount rate to discount the expected future cash flows from the asset over its continued use and eventual disposal. The present value of an asset's expected future cash flows should be determined by taking into account the asset's expected future cash flows, useful life and discount rate.

If the results of the recoverable amount measurement indicate that the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset shall be written down to the recoverable amount, and the amount of the write-down shall be recognised as an asset impairment loss and included in profit or loss for the current period, together with a corresponding provision for asset impairment.

28. Long-term amortisation

☒ Applicable ☐ Not applicable

Long-term amortised expenses are recorded at the actual amount incurred and are amortised equally over the period of benefit or a specified period. If a long-term amortised expense item does not benefit a future accounting period, the entire amortised value of the item that has not yet been amortised is transferred to profit or loss for the current period. The Company's long-term amortised expenses include community housing renovation, renovation of leased office space and forest land rentals, etc. Long-term amortised expenses are amortised on a straight-line basis over the period of expected benefit.

29 Contractual liabilities

☒ Applicable ☐ Not applicable

The Company presents as contract liabilities obligations to transfer merchandise to customers for consideration received or receivable from customers, such as amounts received by the Company prior to the transfer of promised merchandise.

The Company presents contract assets and contract liabilities under the same contract net of each other.

30 Payroll

(1) Accounting treatment of short-term remuneration

☒ Applicable ☐ Not applicable

The Company recognises a liability for short-term compensation actually incurred in the accounting period in which the employee provides the service and recognises it in profit or loss or in the cost of the related asset. Of these, non-monetary benefits are measured at fair value.

(2) Accounting for termination benefits

☒ Applicable ☐ Not applicable

When the Company terminates the employment relationship with an employee before the expiration of the employee's employment contract or offers compensation to encourage the employee to voluntarily accept a downsizing, the liability arising from the compensation for the termination of the employment relationship with the employee is recognised as a liability in profit or loss at the earlier of the date on which the Company is unable to unilaterally revoke the plan to terminate the relationship or the proposal for a downsizing or the date on which the Company recognises the costs related to the restructuring involving the payment of severance benefits, and the liability arising from the compensation for termination of employment relationship with the employee is

recognised. The liability for compensation for the termination of labour relations with employees is recognised and charged to current profit or loss.

(3) Accounting treatment of other long-term employee benefits

☒ Applicable ☐ Not applicable

The Company's employees participate in the basic social pension insurance organised and implemented by the local labour and social security departments. The Company pays monthly pension insurance premiums to the local social basic pension insurance organisations based on the locally stipulated social basic pension insurance contribution base and ratio. Upon the retirement of employees, the local labour and social security authorities have the responsibility to pay social basic pension to retired employees. The Company recognises a liability for the amount payable, calculated in accordance with the above social security regulations, in the accounting period in which the employee renders the service, which is included in profit or loss for the period or in the cost of the related assets.

31. Projected liabilities

☒ Applicable ☐ Not applicable

(1) The Company recognises an obligation as a projected liability when the obligation arises from contingencies such as guarantees provided to external parties, litigation matters, product quality assurance, loss contracts, etc., and becomes a present obligation to be assumed by the Company, it is probable that the fulfilment of the obligation will result in an outflow of economic benefits to the Company and the amount of the obligation can be measured reliably.

(2) The Company initially measures a projected liability on the basis of the best estimate of the expenditure required to settle the relevant present obligation and reviews the carrying amount of the projected liability at the balance sheet date.

32. Share-based payment

☒ Applicable ☐ Not applicable

(1) Types of share-based payment

Includes equity-settled share-based payments and cash-settled share-based payments.

(2) Methods of determining the fair value of equity instruments

1) If an active market exists, it is determined according to the quoted prices in the active market.

2) Where an active market does not exist, it is determined using valuation techniques, including reference to prices used in recent market transactions between knowledgeable and willing parties, reference to the current fair value of other financial instruments that are substantially the same, discounted cash flow techniques and option pricing models.

(3) Basis for recognising the best estimate of an equity instrument with a viable right

Estimates are based on the latest available subsequent information such as changes in the number of employees with viable rights.

(4) Accounting treatment related to the implementation, modification and termination of share-based payment plans

1) Equity-settled share-based payments

Equity-settled share-based payments in exchange for employee services that are exercisable immediately after the grant are recorded at the fair value of the equity instruments at the date of grant in the relevant cost or expense, with a corresponding adjustment to capital surplus. Equity-settled share-based payments in exchange for employee services that are exercisable only upon completion of services within the waiting period or fulfilment of specified performance conditions are recognised at each balance sheet date during the waiting period at the fair value of the

equity instruments at the date of grant of the equity instruments based on the best estimate of the number of equity instruments that will become exercisable, with the services acquired during the period charged to the relevant costs or expenses and the capital surplus adjusted accordingly.

Equity-settled share-based payments in exchange for services from other parties are measured at the fair value of the services from other parties at the date of acquisition if the fair value of the services from other parties can be measured reliably; if the fair value of the services from other parties cannot be measured reliably but the fair value of the equity instrument can be measured reliably, the equity instrument is measured at the fair value of the equity instrument at the date of acquisition of the services and is included in the related cost or expense, with a corresponding increase in Owners' equity.

2) Cash-settled share-based payments

Cash-settled share-based payments in exchange for employee services that are exercisable immediately after the grant are measured at the fair value of the liability assumed by the Company at the date of grant and are included in the related costs or expenses, with a corresponding increase in liabilities. For cash-settled share-based payments in exchange for employee services that are exercisable only after completion of the waiting period or fulfilment of specified performance conditions, the services acquired in the current period are included in the relevant costs or expenses and the corresponding liabilities at the fair value of the liabilities assumed by the Company on the basis of the best estimation of the circumstances under which the rights will become exercisable at each balance sheet date during the waiting period.

3) Modification and termination of share-based payment plans

If the modification increases the fair value of the equity instruments granted, the Company recognises the increase in services acquired accordingly to the increase in the fair value of the equity instruments; if the modification increases the number of equity instruments granted, the Company recognises the increase in the fair value of the equity instruments granted as an increase in services acquired accordingly; if the Company modifies the conditions for exercisability in a manner that is favourable to the employees, the Company takes into account the modified conditions for exercisability when dealing with the conditions of viability, the Company considers the modified conditions of viability when dealing with the conditions of viability.

If the modification reduces the fair value of the equity instruments granted, the Company continues to recognise the amount of services acquired based on the fair value of the equity instruments at the date of grant, regardless of the reduction in the fair value of the equity instruments; if the modification reduces the number of equity instruments granted, the Company treats the reduction as a cancellation of the equity instruments granted; if the conditions for exercisability are modified in a way that benefits employees, the Company takes into account the modified conditions for exercisability when dealing with the conditions for exercisability. conditions, the modified feasible conditions are disregarded in the treatment of the feasible conditions.

If the Company cancels an equity instrument granted or settles an equity instrument granted during the waiting period (except for cancellation due to failure to satisfy the conditions for exercisability), the cancellation or settlement is treated as an acceleration of exercisability, and the amount that would otherwise have been recognised over the remaining waiting period is recognised immediately.

33. Preference shares, perpetual bonds and other financial instruments

☐ Applicable ☒ Not applicable

34. Income

(1). Disclosure of accounting policies used for revenue recognition and measurement by type of business

☒ Applicable ☐ Not applicable

1) Revenue recognition

The Company recognises revenue when it has fulfilled its performance obligations under a contract, i.e. when the

customer obtains control of the underlying merchandise. Acquiring control of the related merchandise means being able to dominate the use of the merchandise and derive substantially all of the economic benefits therefrom.

2) The Company determines whether a performance obligation is a "performance obligation to be fulfilled within a certain period of time" or a "performance obligation to be fulfilled at a certain point in time" in accordance with the relevant provisions of the Revenue Standards, and recognises revenue in accordance with the following principles, respectively.

a) If the Company meets one of the following conditions, it is considered to have fulfilled its performance obligations within a certain period of time:

(i) The customer acquires and consumes the economic benefits of the Company's performance at the same time as the Company's performance.

(ii) The customer is able to control the assets under construction in the course of the Company's performance.

(iii) The assets produced in the course of the Company's performance have a non-substitutable use and the Company is entitled to receive payment for the portion of the performance performed to date, cumulatively, throughout the term of the contract.

For performance obligations that are to be fulfilled within a certain period of time, the Company recognises revenue in accordance with the progress of performance over that period of time, unless the progress of performance is not reasonably determinable. The Company determines the appropriate progress of performance using either the output method or the input method, taking into account the nature of the commodity.

b) For performance obligations that are not to be satisfied within a certain period of time and that are to be satisfied at a certain point in time, the Company recognises revenue at the point in time when the customer obtains control of the relevant merchandise.

The Company considers the following indications when determining whether a customer has obtained control of merchandise:

i) The Company has a present right to receive payment for the goods, i.e. the customer has a present obligation to pay for the goods.

ii) The Company has transferred legal ownership of the goods to the customer, i.e. the customer has legal ownership of the goods.

iii) The Company has physically transferred the goods to the Customer, i.e. the Customer has taken physical possession of the goods.

iv) The Company has transferred the main risks and rewards of ownership of the commodity to the Customer, i.e. the Customer has acquired the main risks and rewards of ownership of the commodity.

v) The customer has accepted the commodity.

vi) Other indications that the customer has acquired control of the merchandise.

(3) Measurement of revenue

The Company shall measure revenue based on the transaction price apportioned to each individual performance obligation. In determining the transaction price, the Company considers the impact of variable consideration, the existence of significant financing elements in the contract, non-cash consideration, consideration payable to the customer and other factors.

1) variable price

The Company determines the best estimate of variable consideration on the basis of the expected or most probable amount to be incurred, provided that the transaction price that includes variable consideration does not exceed the amount by which it is more likely than not that the cumulative amount of revenue recognised will not be reversed to a material extent when the related uncertainty is removed. When assessing whether it is highly probable that a material reversal of accumulated recognised revenue will not occur, an enterprise should also consider the

likelihood of revenue reversal and its weighting.

2) Significant financing components

If there is a significant financing component in a contract, the Company shall determine the transaction price on the basis of the amount payable in cash assuming that the customer obtains control of the merchandise as soon as the customer obtains control of the merchandise. The difference between this transaction price and the contractual consideration shall be amortised over the term of the contract using the effective interest method.

3) Non-cash consideration

If a customer pays non-cash consideration, the Company determines the transaction price based on the fair value of the non-cash consideration. If the fair value of the non-cash consideration cannot be reasonably estimated, the Company indirectly determines the transaction price by reference to the individual selling price of the goods that it undertakes to transfer to the customer.

4) Consideration payable to customers

In the case of consideration payable to customers, such consideration payable shall be offset against the transaction price, and shall be offset against current revenue at the later of the recognition of the related revenue and the payment (or promise to pay) of the consideration to customers, unless the consideration payable to customers is for the purpose of obtaining other clearly distinguishable commodities from customers.

Where the consideration payable by an enterprise to a customer is for the purpose of obtaining other clearly distinguishable goods from the customer, the goods purchased shall be recognised in a manner consistent with other purchases made by the enterprise. If the consideration payable by an enterprise to a customer exceeds the fair value of the clearly distinguishable goods acquired from the customer, the excess amount shall be reduced by the transaction price. If the fair value of the clearly distinguishable goods obtained from the customer cannot be reasonably estimated, the enterprise shall reduce the transaction price by the full amount of the consideration payable to the customer.

(4) The Company's specific policy on revenue recognition

Revenue from domestic sales is recognised when the customer signs for the goods; revenue from foreign sales is recognised when the goods have been declared for customs clearance and the Company obtains the invoice, packing list and bill of lading corresponding to the transaction.

35. Contract costs

☒ Applicable ☐ Not applicable

Contract costs are classified as contract performance costs and contract acquisition costs.

Costs incurred by the Company to perform a contract are recognised as an asset as contract performance costs when both of the following conditions are met:

1. the cost is directly related to a current or anticipated acquired contract and includes direct labour, direct materials, manufacturing overheads (or similar costs), costs explicitly attributable to the customer, and other costs incurred solely in connection with that contract;
2. the cost increases the company's future resources available to meet its performance obligations;
3. the cost is expected to be recovered.

If the incremental costs incurred by the Company to acquire a contract are expected to be recovered, they are recognised as an asset as contract acquisition costs; however, the asset may be amortised over no more than one year and recognised in profit or loss as incurred.

Assets related to contract costs are amortised using the same basis as revenue recognition for the goods or services to which the asset relates.

If the carrying amount of an asset related to contract costs is more than the difference between the following two items, the Company makes an allowance for impairment and recognises an asset impairment loss for the excess:

1. the remaining consideration expected to be received for the transfer of goods or services related to the asset;
2. the estimated costs to be incurred for the transfer of the related goods or services.

In the event of a subsequent reversal of the provision for impairment of an asset, the carrying amount of the asset after the reversal does not exceed the asset's carrying amount that would have been determined as of the date of the reversal had no provision for impairment been made.

36. Government subsidies

☒ Applicable ☐ Not applicable

1. Government grants include asset-related government grants and revenue-related government grants.
2. If government grants are monetary assets, they are measured at the amount received or receivable; if government grants are non-monetary assets, they are measured at fair value, and if the fair value cannot be reliably obtained, they are measured at nominal amounts.
3. Government grants are accounted for using the aggregate method:
 - (1) Asset-related government grants are recognised as deferred income and are phased into profit or loss over the useful life of the related assets in a reasonable and systematic manner. If the related assets are sold, transferred, retired or destroyed before the end of their useful lives, the unallocated balance of the related deferred income is transferred to profit or loss in the period in which the assets are disposed of.
 - (2) For government grants related to income, if they are used to compensate for the related expenses or losses in future periods, they are recognised as deferred income and are credited to current profit or loss in the period in which the related expenses are recognised; if they are used to compensate for the related expenses or losses that have already been incurred, they are credited directly to the current profit or loss.
4. For government grants that contain both asset-related and revenue-related components, the different components are accounted for separately; if it is difficult to distinguish between them, the whole is classified as revenue-related government grants.
5. Government grants that are related to the Company's daily activities are recognised as other income in accordance with the substance of the economic operations; government grants that are not related to the Company's daily activities should be recognised as non-operating income and expenditure.
6. The Company handles the policy preferential loan interest subsidy in accordance with the two situations that the finance disburses the subsidy funds to the lending bank and the finance disburses the subsidy funds directly to the Company:
 - (1) If the treasury disburses the interest rate subsidy funds to the lending bank, and the lending bank provides loans to the Company at the policy preferential interest rate, the Company chooses to account for the loans in accordance with the following methods:
The actual amount of the loan received is used as the recorded value of the loan, and the related borrowing costs are calculated based on the principal amount of the loan and such policy preferential interest rate.
 - (2) If the treasury allocates the subsidised interest rate funds directly to the Company, the Company will offset the corresponding subsidised interest rate against the relevant borrowing costs.

37. Deferred income tax assets/deferred income tax liabilities

☒ Applicable ☐ Not applicable

1. Deferred tax assets or deferred tax liabilities are recognised for the difference between the carrying amount of an asset or liability and its tax base (or, if the tax base of an item not recognised as an asset or liability can be determined in accordance with the provisions of the tax laws, the difference between that tax base and its carrying amount) calculated using the tax rates that are expected to apply in the period in which the asset is recovered or the liability is settled.
2. Deferred tax assets are recognised to the extent that it is probable that taxable income will be available against

which deductible temporary differences can be utilised. Deferred tax assets not recognised in prior periods are recognised when it is probable that sufficient taxable income will be available against which deductible temporary differences can be utilised in future periods.

3. The carrying amount of deferred tax assets is reviewed at the balance sheet date, and if it is more likely than not that sufficient taxable income will not be available to allow the deferred tax assets to be utilised in future periods, the carrying amount of the deferred tax assets is written down. The amount of the write-down is reversed when it is more likely than not that sufficient taxable income will be available.

4. The Company's current and deferred income taxes are recorded as income tax expense or benefit in profit or loss, excluding income taxes arising from: (1) business combinations; and (2) transactions or events that are recognised directly in equity.

38. Leasing

☒ Applicable ☐ Not applicable

Judgemental basis and accounting treatment of short-term leases and leases of low-value assets as a simplified treatment for lessees

☒ Applicable ☐ Not applicable

(1) Basis for judgement

A short-term lease is a lease with a term of not more than 12 months at the commencement date of the lease term. Leases that include an option to purchase are not short-term leases.

A low-value asset lease is a lease with a lower value when the single leased asset is a brand new asset.

In determining whether a lease is a low-value asset lease, the lessee shall assess the value of the leased asset based on the value of the leased asset in its brand-new condition and shall not take into account the number of years the asset has been used.

(2) Accounting treatment

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases and leases of low-value assets. Lease payments for short-term leases and leases of low-value assets are charged to the cost of the related assets or to current profit or loss on a straight-line basis in each period during the lease term.

Criteria for classification and accounting treatment of leases as lessors

☒ Applicable ☐ Not applicable

(1) Finance leases

The Company, as lessor, recognises finance lease receivables and derecognises the assets under finance leases on the commencement date of the lease term, and calculates and recognises interest income at a fixed periodic rate for each period during the lease term.

(2) Operating leases

The Company, as lessor, recognises lease receipts under operating leases as rental income using the straight-line method in each period during the lease term. Initial direct costs incurred in connection with operating leases are capitalised and apportioned over the lease term on the same basis as rental income is recognised, and are charged to current profit or loss in instalments.

For fixed assets under operating leases, the Company shall depreciate them using the depreciation policy for similar assets; for other assets under operating leases, they shall be amortised using a systematic and reasonable method in accordance with the applicable corporate accounting standards for such assets. The Company determines whether an operating lease asset is impaired and accounts for it accordingly in accordance with the provisions of ASBE No. 8 - Impairment of Assets.

39. Other significant accounting policies and accounting estimates

☒ Applicable ☐ Not applicable

40.Changes in significant accounting policies and accounting estimates

(1). Changes in significant accounting policies

☒ Applicable ☐ Not applicable

Other Notes

1. The Ministry of Finance ("MOF") issued Interpretation No. 16 of the Accounting Standards for Business Enterprises ("ASBE") (Caijing [2022] No. 31) (hereinafter referred to as Interpretation No. 16) in November 2022, and Interpretation No. 16 stipulates that a single transaction that is not a business combination, and that at the time of occurrence of the transaction affects neither the accounting profit nor the taxable income (or tax-deductible losses) and the initial recognition of the assets and liabilities leads to the creation of taxable temporary differences and deductible temporary differences in equal amounts, shall be recognised in accordance with ASBE No. 18 - Income Taxes. For individual transactions that do not affect either accounting profit or taxable income (or deductible losses) at the time of the transaction, and the initial recognition of assets and liabilities results in an equal amount of taxable temporary differences and deductible temporary differences, deferred tax liabilities and deferred tax assets should be recognised at the time of the transaction in accordance with the relevant provisions of "Accounting Standard for Business Enterprises (ASBE) No. 18 - Income Taxes" and other relevant regulations. For the above transactions occurring between the beginning of the earliest period of financial statement presentation in which the above provisions are first applied and the effective date of this Interpretation, the enterprise shall adjust the cumulative effect to the beginning of the earliest period of financial statement presentation for retained earnings and other related financial statement items in accordance with the above provisions. Effective from 1 January 2023, the Company will implement the provisions of Interpretation No. 16. The implementation of the relevant provisions of Interpretation 16 did not have a material impact on the Company's financial statements for the reporting period. The Company's implementation of this regulation did not have a significant impact on the Company's financial position and results of operations.

2. On 25 October 2023, the Ministry of Finance ("MOF") issued Interpretation No. 17 of the Accounting Standards for Business Enterprises ("ASBE") (Caijing [2023] No. 21) (hereinafter referred to as Interpretation No. 17), which is effective from 1 January 2024 onwards. Effective from 1 January 2024, the Company implemented the provisions of Interpretation 17. The implementation of the relevant provisions of Interpretation No. 17 had no significant impact on the financial statements of the Company for the reporting period.

41. Other

☐ Applicable ☒ Not applicable

VI. Taxation

1. Major tax types and tax rates

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Tax Type	Tax basis	Tax rate
Value Added Tax (VAT)	Sales of goods or provision of taxable services	3%、6%、9%、13%
Urban Maintenance and Construction Tax	Actual amount of turnover tax paid	1%、7%
Enterprise Income Tax	Taxable income	15%、25%
Education Fee and Surcharge	Actual amount of turnover tax paid	5%
Property Tax	Property rental income	12%
Property Tax	70% of the original value of fixed assets of owned properties	1.2%
Land Use Tax	Land use area	3.00-10.50 yuan/m ²

Resource Tax	If ad valorem, 70% of product sales revenue excluding freight charges	5%
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ajor tax types and tax rates

☒ Applicable ☐ Not applicable

2. Tax relief

☒ Applicable ☐ Not applicable

1. According to the Announcement of the Ministry of Finance and the State Administration of Taxation on Improving the VAT Policy on Comprehensive Utilisation of Resources (No. 40 of 2021), graphite shaped parts, graphite lumps, graphite powder and graphite carbon-increasing agents produced from waste graphite as raw materials are subject to the policy of immediate 50% refund of VAT, and the Company has implemented the policy of immediate 50% refund of VAT for the period for the eligible ones.

2. in accordance with paragraph (4) of the second paragraph of Article 6 of the Resource Tax Law of the People's Republic of China, the resource tax is reduced by 30% for mineral resources extracted from mines with a depletion period (with a remaining service life of no more than 5 years) with an actual mining life of 15 years or more, and the Company's subsidiary, Fushun Laihe Mining Co., Ltd. has been enjoying the policy of 30% reduction of the resource tax from 1 July 2016 onwards.

3. Pursuant to the Announcement of the Ministry of Finance, the State Administration of Taxation and the National Development and Reform Commission on the Continuation of the Enterprise Income Tax Policy for the Development of the Western Region (Announcement of the Ministry of Finance No. 23 of 2020), from 1 January 2021 to 31 December 2030, enterprises in encouraged industries located in the western region shall be subject to a reduced enterprise income tax at a tax rate of 15%. Currently, the main business of the Company and its subsidiary, Chengdu Fangda Carbon Composite Materials Co., Ltd. is in line with the industrial projects stipulated in the Catalogue of Encouraged Industries in the Western Region, and the revenue from the main business accounts for more than 60% of the total revenue of the enterprise, the Company may file tax returns at the rate of 15% enterprise income tax rate. the Company's business operation has not been changed in 2023, and the Company and its subsidiary, Chengdu Fangda Carbon Composite Materials Co. Ltd. will be subject to an enterprise income tax rate of 15%.

4. Pursuant to the Announcement of the Ministry of Finance and the State Administration of Taxation on the Policy of Value-added Tax Credits for Enterprises in the Advanced Manufacturing Industry (Announcement No. 43 of the Ministry of Finance and the State Administration of Taxation of the People's Republic of China of 2023), from 1 January 2023 to 31 December 2027, enterprises in the advanced manufacturing industry are permitted to apply an additional 5% credit to the VAT payable based on the creditable input tax amount for the current period. The Company and its subsidiary, Chengdu Fangda Carbon Composites Company Limited, enjoyed this preferential policy for the current period.

VII. Notes to the consolidated financial statements

1. Cash and Cash equivalents

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: CNY

Item	Closing balance	Opening balance
Vault Cash	95,620.62	127,528.10
Bank deposits	6,089,422,190.83	2,937,298,305.32
Other monetary funds	101,771,980.83	214,601,106.38
Deposits with finance companies	0	0

Total	6,191,289,792.28	3,152,026,939.80
Of which: Total amount deposited outside Hong Kong	3,097.56	55,032.69

Other notes

Funds restricted for use in monetary funds at the end of the period include ¥74,102,785.42 for notes, bonds and other security deposits.

2. Financial assets held for trading

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: CNY

Item	Closing balance	Opening balance	Reasons and basis for designation
Financial assets at fair value through profit or loss	586,500,429.15	1,545,366,189.88	/
Including:			
Investment in Debt Instruments			
Investments in equity instruments	586,500,429.15	1,545,366,189.88	/
Total	586,500,429.15	1,545,366,189.88	/

3. Derivative financial assets

☐ Applicable ☒ Not applicable

4. Notes receivable

(1). Notes receivable are classified and presented

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: CNY

Item	Closing balance	Opening balance
Banker's Acceptances	960,183,646.35	1,028,267,156.36
Commercial Acceptances	50,426,922.27	44,854,395.96
Total	1,010,610,568.62	1,073,121,552.32

(2). Notes receivable pledged by the company at the end of the period

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: CNY

Item	Value pledged at the end of the period
Banker's Acceptances	185,195,544.59
Commercial Acceptances	1,180,480.00
Total	186,376,024.59

(3). Notes receivable that have been endorsed or discounted by the company at the end of the period and are not yet due at the balance sheet date

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: CNY

Item	Value derecognised at end of period Amount not derecognised at end of period	Value derecognised at end of period Amount not derecognised at end of period
Banker's Acceptances		367,905,129.99

Commercial Acceptances		26,559,817.33
Total		394,464,947.32

(4). Disclosure by bad debt accrual method
☒ Applicable ☐ Not applicable

Unit: Yuan Currency: CNY

Category	Closing balance					Opening balance				
	Book balance		Bad debt provision		Book value	Book balance		Bad debt provision		Book value
	Value	Proportion (%)	Value	Proportion (%)		Value	Proportion (%)	Value	Proportion (%)	
Bad debt provision assessed individually										
Bad debt provision assessed by groups	1,011,017,237.35	100.00	406,668.73	0.04	1,010,610,568.62	1,073,346,951.29	100.00	225,398.97	0.02	1,073,121,552.32
Including:										
Portfolio of Bank acceptances	960,183,646.35	94.97			960,183,646.35	1,028,267,156.36	95.80			1,028,267,156.36
Portfolio of Commercial acceptances	50,833,591.00	5.03	406,668.73	0.80	50,426,922.27	45,079,794.93	4.20	225,398.97	0.50	44,854,395.96
Total	1,011,017,237.35	100.00	406,668.73	/	1,010,610,568.62	1,073,346,951.29	100.00	225,398.97	/	1,073,121,552.32

(5) Details of bad debt provision
☒ Applicable ☐ Not applicable

Unit: Yuan Currency: CNY

Category	Opening balance	Changes in the current period			Closing balance
		Provision	Recovery or reversal	Write-off	

Notes receivable with bad debt provision on an individual basis					
Notes receivable with bad debt provision based on a combination of credit risk characteristics	225,398.97	181,269.76			406,668.73
Total	225,398.97	181,269.76			406,668.73

(6). Actual write-off of notes receivable during the period

☐ Applicable ☒ Not applicable

5. Accounts receivable

(1). Disclosure by ageing

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: CNY

Aging	Closing balance	Opening balance
Within 1 year		
Including: Item aged within 1 year		
Within 1 year (including 1 year)	523,465,745.17	508,491,752.45
Within 1 year subtotal	523,465,745.17	508,491,752.45
1-2 years	35,696,296.44	30,775,688.56
2-3 years	6,393,293.86	4,060,635.05
More than 3 years	83,835,378.02	104,857,892.67
Total	649,390,713.49	648,185,968.73

(2). Disclosed by bad debt accrual methods

☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

Category	Closing balance					Opening balance				
	Book balance		Bad debt provision		Book value	Book balance		Bad debt provision		Book value
	Value	Proportion (%)	Value	Proportion (%)		Value	Proportion (%)	Value	Proportion (%)	
Provision for bad debts on an individual basis	77,196,818.12	11.89	77,196,818.12	100.00		101,732,321.48	15.70	101,732,321.48	100.00	
Including:										
Accounts receivable with individually significant amounts and individually bad debt provisions	18,248,012.65	2.81	18,248,012.65	100.00		31,296,289.33	4.83	31,296,289.33	100.00	
Accounts receivable that are individually insignificant but individually provided for bad debts	58,948,805.47	9.08	58,948,805.47	100.00		70,436,032.15	10.87	70,436,032.15	100.00	
Bad debt provision assessed by groups	572,193,895.37	88.11	17,560,600.84	3.07	554,633,294.53	546,453,647.25	84.30	14,679,777.00	2.69	531,773,870.25
Including:										
Portfolio account receivable A	572,193,895.37	88.11	17,560,600.84	3.07	554,633,294.53	546,453,647.25	84.30	14,679,777.00	2.69	531,773,870.25
Total	649,390,713.49	100.00	94,757,418.96		554,633,294.53	648,185,968.73	100.00	116,412,098.48		531,773,870.25

Bad debt provision assessed individually:

☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

Name	Closing balance			
	Book balance	Bad debt provision	Accrued Proportion (%)	Reason
Accounts receivable that are individually significant and for which a separate provision for bad debts has been made	18,248,012.65	18,248,012.65	100.00	Not expected to be recoverable
Accounts receivable that are not individually material but for which a separate provision for bad debts has been made	58,948,805.47	58,948,805.47	100.00	Not expected to be recoverable
Total	77,196,818.12	77,196,818.12	100.00	/

Bad debt provision assessed by groups:

☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

Name	Closing balance		
	Accounts receivable	Bad debt provision	Accrued Proportion (%)
Within 1 year(Including 1 year)	523,465,745.17	4,187,725.97	0.80
1-2 years (Including 2 year)	35,696,296.44	3,997,985.20	11.20
2-3 years (Including 3 year)	6,393,293.86	2,736,329.77	42.80
More than 3 years	6,638,559.90	6,638,559.90	100.00
Total	572,193,895.37	17,560,600.84	

(3). Details of bad debt provision

☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

Category	Opening balance	Changes in the current period				Closing balance
		Provision	Recovery or reversal	Elimination or write-off	Other changes	
Accounts receivable that are individually significant and individually provisioned for bad debts	101,732,321.48	524,864.48	4,202,750.55	20,857,617.29		77,196,818.12
Accounts receivable with individual bad debt provision although the individual amount is not material	14,679,777.00	2,953,961.96			-73,138.12	17,560,600.84
Total	116,412,098.48	3,478,826.44	4,202,750.55	20,857,617.29	-73,138.12	94,757,418.96

(4) Actual write-off of notes receivable during the period

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: CNY

Item	Value being written off
Actual write-off of notes receivable	20,857,617.29

Of which significant accounts receivable write-offs

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: CNY

Entity Name	Nature of receivables	Value being written off	Reason for write-off	Procedures of Write-offs performed	Whether the amount is arising from a connected transaction
Sichuan Southwest Stainless Steel Co.	Goods	13,048,276.68	Confirmed uncollectible	Internal write-off approval	No
Total		13,048,276.68			

(5). Top five accounts receivable and contract assets with closing balances, grouped by party owed money

☒ Applicable ☐ Not applicable

Entities name	Closing balance of accounts receivable	Closing balance of contract assets	Closing balance of accounts receivable and contract assets	Proportion of combined accounts receivable and contract assets closing balance (%)	Closing balance of provision for bad debts
1	33,279,668.75	3,616,210.88	36,895,879.63	5.43	295,167.04
2	24,555,666.48		24,555,666.48	3.61	196,445.33
3	24,091,734.90		24,091,734.90	3.54	2,603,807.95
4	19,286,703.39	3,129,898.09	22,416,601.48	3.30	179,332.81
5	21,176,883.00		21,176,883.00	3.12	169,415.06
合计	122,390,656.52	6,746,108.97	129,136,765.49	19.00	3,444,168.19

Unit: Yuan Currency: CNY

6. Contract assets

(1). Status of contract assets

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: CNY

Item	Closing balance			Opening balance		
	Book balance	provision for impairment	Book value	Book balance	provision for impairment	Book value
Retention sum	30,393,109.19	452,724.86	29,940,384.33	23,418,218.07	529,215.61	22,889,002.46
Total	30,393,109.19	452,724.86	29,940,384.33	23,418,218.07	529,215.61	22,889,002.46

(2). Disclosed by bad debt accrual methods

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: CNY

Category	Closing balance					Opening balance				
	Book balance		Bad debt provision		Book value	Book balance		Bad debt provision		Book value
	Value	Proportion (%)	Value	Proportion (%)		Value	Proportion (%)	Value	Proportion (%)	
Bad debt provision assessed by groups	30393109.19	100.00	452724.86	1.00	29940384.33	23418218.07	100.00	529215.61	2.00	22889002.46
Including:										
portfolio of credit risk	30393109.19	100.00	452724.86	1.00	29940384.33	23418218.07	100.00	529215.61	2.00	22889002.46
Total	30393109.19		452724.86		29940384.33	23418218.07		529215.61		22889002.46

(3) Provision for impairment of contract assets for the period

☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

Item	Current provision	Reversal during the period	Write-offs/cancellations during the period	Reasons
Provision for bad debts on contract assets	-76,490.75			
Total	-76,490.75			/

7. Receivables Financing

(1)The financing of receivables is listed by category

☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

Item	Closing balance	Opening balance
Bank acceptance bill	208,553,904.66	453,554,021.98
Commercial acceptance bill		
Total	208,553,904.66	453,554,021.98

(2) Receivable financing endorsed or discounted but not yet due at period end

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: CNY

Items	Amounts derecognized at the end of the period	Amounts not derecognized at the end of the period
Bank acceptance bill	513,482,598.40	513,482,598.40
Total	513,482,598.40	513,482,598.40

8. Prepayments

(1). Aging analysis of prepayments

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: CNY

Aging	Closing balance		Opening balance	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year	85,923,537.41	99.69	163,329,816.10	99.74
1-2 years	244,997.47	0.29	384,416.55	0.24
2-3 years	2,621.55		1,929.16	

More than 3 years	17,511.25	0.02	37,811.25	0.02
Total	86,188,667.68	100.00	163,753,973.06	100.00

(2). Top five prepayments with closing balances, grouped by prepayment object

☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

Entities name	Value	Proportion of total closing balance of accounts receivable (%)
1	24,000,000.00	27.85
2	7,878,430.00	9.14
3	7,407,647.93	8.59
4	6,291,924.33	7.30
5	5,641,037.00	6.54
Total	51,219,039.26	59.42

9. Other receivables

Illustration of items

☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

Item	Closing balance	Opening balance
Interest receivable		
Dividends receivable		
Other receivables	126,018,356.65	131,782,915.15
Total	126,018,356.65	131,782,915.15

Other receivables

(1). Disclosed by Age

☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

Aging	Opening Book balance	Closing book balance
Within 1 year	24,437,302.16	21,610,889.45
Including: Items aged within 1 year		
Subtotal within 1 year	24,437,302.16	21,610,889.45
1 to 2 years	11,015,019.35	7,017,142.33
2 to 3 years	5,833,499.56	76,411,891.68
More than 3 years	256,632,231.20	185,483,218.18
Total	297,918,052.27	290,523,141.64

(2). Details of classification by nature of receivables

☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

Nature	Book balance at the end of the reporting period	Book balance as at the beginning of the reporting period
Account current	261,423,724.01	254,319,672.08
Security deposit	15,955,799.94	14,707,561.86
Reserve fund	1,225,454.52	2,302,461.26
Other	19,313,073.80	19,193,446.44
Total	297,918,052.27	290,523,141.64

(3). Details of bad debt provision

☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

Bad debt provision	Stage I	Stage II	Stage III	Total
	Expected credit losses in the next 12 months	Expected credit losses before maturity (no credit impaired occurred)	Expected credit losses before maturity (credit losses occurred)	
Balance as at 1 January 2023	4,913,913.96		153,826,312.53	158,740,226.49
Changes due to financial instruments recognised as at 1 January 2019				
--Transfer to stage II				
--Transfer to stage III				
--Reverse to stage II				
--Reverse to stage I				
Provision	1,847,561.00		14,814,553.07	16,662,114.07
Write-off			3,500,000.00	3,500,000.00
Other changes	-2,644.94			-2,644.94
Balance as at 30 June 2023	6,758,830.02		165,140,865.60	171,899,695.62

(4) .Status of provision for bad debts

☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

Category	Opening balance	Changes in the current period				Closing balance
		Provision	Recovery or reversal	Transfer or write-off	Other changes	
1st stage	4,913,913.96	1,847,561.00			-2,644.94	6,758,830.02
2nd stage						
3rd stage	153,826,312.53	14,814,553.07		3,500,000.00		165,140,865.60
Total	158,740,226.49	16,662,114.07		3,500,000.00	-2,644.94	171,899,695.62

(5) . Other receivables actually written off during the period

☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

Items	Value written off
Other receivables actually written-off	3,500,000.00

(6) Top five other receivables with closing balances aggregated by party owed to them

☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

Entity	Closing balance	Proportion to the total closing balance of other receivables (%)	Nature	Aging	Closing balance of bad debt provision
1	6,380,763.94	61.97	Account current	Within 1 year	86,101,111.40
	6,374,124.79			Within 1-2 years	
	3,957,468.35			Within 2-3 years	
	167,914,840.44			More than 3 years	
2	93,699.62	5.74	Account current	Within 1 year	17,109,235.45
	111,674.81			Within 1-2 years	
	65,627.71			Within 2-3 years	
	16,838,233.31			More than 3 years	
3	12,000,000.00	4.03	Account current	More than 3 years	12,000,000.00
4	10,068,251.18	3.38	Account current	More than 3 years	10,068,251.18
5	7,553,562.57	2.54	Account current	More than 3 years	7,553,562.57

Total	231,358,246.72	77.66	/	/	132,832,160.60
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10 . Inventories

(1). Categories of inventories

☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

Item	Closing balance			Opening balance		
	Book balance	Inventories write down	Book value	Book balance	Inventories write down	Book value
Raw materials	247,748,331.29	1,398,106.34	246,350,224.95	417,698,961.79	19,826.29	417,679,135.50
Products in process	1,080,656,523.08	26,242,753.05	1,054,413,770.03	1,256,522,504.74	28,618,041.89	1,227,904,462.85
Merchandise inventory	397,341,133.57	9,804,458.92	387,536,674.65	373,599,053.68	2,716,902.10	370,882,151.58
Revolving materials						
Consumable biological assets						
Contract fulfillment cost						
Packaging and low value consumables	11,547,587.55		11,547,587.55	607,506.05		607,506.05
Consigned Processed Goods	147,788,291.02		147,788,291.02	266,696,256.70		266,696,256.70
Delivered goods	15,342,829.22		15,342,829.22	10,175,265.72		10,175,265.72
Construction (completed but not settled amount)	4,225,727.44		4,225,727.44	4,877,897.74		4,877,897.74
Total	1,904,650,423.17	37,445,318.31	1,867,205,104.86	2,330,177,446.42	31,354,770.28	2,298,822,676.14

(2) Provision for decline in value of inventories and impairment of contractual performance costs

☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

Item	Opening balance	Increase		Decrease		Closing balance
		Provision	Others	Reversal or transfer	Others	
Raw materials	19,826.29	2,493,456.65		1,115,176.60		1,398,106.34
Products in process	28,618,041.89	26,242,753.05	780,019.74	29,398,061.63		26,242,753.05
Merchandise inventory	2,716,902.10	14,171,747.83	10,923,710.55	18,007,901.56		9,804,458.92
Revolving materials						
Consumable biological assets						
Completed but unsettled assets arising from construction contracts						
Total	31,354,770.28	42,907,957.53	11,703,730.29	48,521,139.79		37,445,318.31

Reasons for reversal or write-off of provision for decline in value of inventories during the period

☒Applicable ☐Not applicable

Sold during the period.

11.Assets held for sale

☐Applicable ☒Not applicable

12.Non-current assets due within one year

☐Applicable ☒Not applicable

13. Other current assets

☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

Item	Closing balance	Opening balance
Contract acquisition costs		
Cost of returned goods receivable		
Prepaid taxes	3,478,296.36	5,029,740.26
Tax retained at end of VAT payable	7,406,470.97	18,033,086.90
Total	10,884,767.33	23,062,827.16

14.Debt investments

☐Applicable ☒Not applicable

15. Other debt investments

☐Applicable ☒Not applicable

16. Long-term receivables

☐Applicable ☒Not applicable

17. Long-term equity investments

☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

Investee	Opening balance	Changes for the current period								Closing balance	Closing balance of provision for impairment
		Addi tiona l inves tmen t	Inv est men t red ucti on	Investment income or losses recognised under equity method	Adjustments of other comprehensiv e income	Other equity changes	Declared cash dividend or profit	Provisio n for impair ment	Others		
I. Joint ventures											
Fangda Xikemo	146,675,617.25			-15,265,001.98		83,045.70			-131,493,660.97		
Subtotal	146,675,617.25			-15,265,001.98		83,045.70			-131,493,660.97		
II. Associated company											
Baofang Carbon	619,752,595.58			-26,726,649.52		1,438,392.85				594,464,338.91	
Jiujiang Bank Co.,Ltd	1,591,079,564.83			21,908,054.57	25,728,963.99	-67,666,913.34	13,607,000.00			1,557,442,670.05	425,684,011.01

Jilin huaxian Co., Ltd.	457,980,656.52			350,960.60		-2,743,440.04				455,588,177.08	
Tianjin Haihe Fangda Industrial Investment Fund Partnership (Limited Partnership)	32,749,346.77			-2,905,921.42						29,843,425.35	
Nanchang Huxu	4,561,392,497.90			63,439,714.77			61,392,497.90			4,563,439,714.77	
Subtotal	7,262,954,661.60			56,066,159.00	25,728,963.99	-68,971,960.53	74,999,497.90			7,200,778,326.16	425,684,011.01
Total	7,409,630,278.85			40,801,157.02	25,728,963.99	-68,888,914.83	74,999,497.90		-131,493,660.97	7,200,778,326.16	425,684,011.01

(2) Impairment testing of long-term equity investments

Fangda Xikmo (Jiangsu) Needle Coke Technology Co., Ltd. was a joint venture of the Company from January to June 2023, and was included in the Company's scope of consolidation thereafter.

18. Investment in other equity instruments

☐Applicable ☒Not applicable

19. Other non-current financial assets

☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

Item	Closing balance	Opening balance
Ningbo Meishan Free Trade Port Zone Fosun Weiying Equity Investment Fund Partnership (Limited Partnership)	309,447,583.96	324,090,101.94
Bank of Hainan Perpetual Bond	192,542,600.00	
Total	501,990,183.96	324,090,101.94

20. Investment property

☐ Applicable ☒ Not applicable

21. Fixed assets

Presentation of items

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: CNY

Item	Closing balance	Opening balance
Fixed assets	2,665,947,243.38	2,406,552,908.42
Disposal of fixed assets	161,806.45	183,731.89
Total	2,666,109,049.83	2,406,736,640.31

Fixed assets

(1). Details of fixed assets

☐ Applicable ☐ Not applicable

Unit: Yuan Currency: CNY

Item	Houses and buildings	Machinery and equipment	Vehicles	General purpose equipment	Total

I. Original book value:					
1.Opening balance	1,673,613,372.00	2,352,960,546.19	71,799,152.93	764,268,767.41	4,862,641,838.53
2.Increase in the current period	266,916,871.70	804,055,450.35	-2,216,587.05	91,623,211.88	1,160,378,946.88
(1) Purchase	2,837,223.21	14,104,948.02	4,416,692.70	15,668,436.00	37,027,299.93
(2) Transfer from construction in progress	128,108,991.77	210,692,492.96		48,648,088.49	387,449,573.22
(3) Increase arising from firm merger	135,970,656.72	585,298,009.37	865,758.65	13,767,648.99	735,902,073.73
(4) Other		-6,040,000.00	-7,499,038.40	13,539,038.40	
3.Decrease in the current period	6,871,771.95	69,628,284.38	8,037,878.01	28,506,547.30	113,044,481.64
(1) Disposal or scrapping	5,049,939.53	70,514,268.73	7,941,216.73	27,676,659.23	111,182,084.22
(2) Transferred to construction in progress					
(3) Transferred from renewal of property, plant and equipment				878,067.02	878,067.02
(4) Decrease in scope of consolidation		865,848.06	96,661.28	21,821.06	984,330.40
(5) Others	1,821,832.42	-1,751,832.41		-70,000.01	
4. Closing balance	1,933,658,471.75	3,087,387,712.16	61,544,687.87	827,385,431.99	5,909,976,303.77
II.Accumulated depreciation					
1.Opening balance	656,699,787.02	1,324,739,554.41	57,948,497.60	399,165,413.01	2,438,553,252.04
2.Increase in the current period	85,185,521.55	396,043,000.64	3,723,673.49	66,441,221.13	551,393,416.81
(1) Accruals	60,219,346.93	174,020,556.10	5,623,849.37	55,717,089.96	295,580,842.36
(2) Increase arising from firm merger	24,843,319.38	222,125,453.78	708,863.68	8,134,937.61	255,812,574.45

(3)Other	122,855.24	-103,009.24	-2,609,039.56	2,589,193.56	
3.Decrease in the current period	3,855,088.18	65,003,090.93	6,326,710.10	25,473,203.38	100,658,092.59
(1) Disposal or retirement	3,855,088.18	64,800,416.32	6,265,444.36	24,843,821.19	99,764,770.05
(2) Transfer of fixed assets for renewal and reconstruction				615,892.44	615,892.44
(3) Decrease due to change in scope of consolidation		202,674.61	61,265.74	13,489.75	277,430.10
4. Closing balance	738,030,220.39	1,655,779,464.12	55,345,460.99	440,133,430.76	2,889,288,576.26
III. Provision for impairment					
1.Opening balance	4,656,293.39	12,877,599.07		1,785.61	17,535,678.07
2.Increase in the current period	43,345,766.82	292,162,181.38	156,894.97	1,539,962.89	337,204,806.06
(1) Accruals	11,130,186.22	9,791,220.95		26.26	20,921,433.43
(2) Increase arising from firm merger	32,215,580.60	282,370,960.43	156,894.97	1,539,936.63	316,283,372.63
3.Decrease in the current period					
(1) Disposal or retirement					
(2) Other					
4.Closing balance	48,002,060.21	305,039,780.45	156,894.97	1,541,748.50	354,740,484.13
IV. Book value					
1.Book value at the end of the reporting period	1,147,626,191.15	1,126,568,467.59	6,042,331.91	385,710,252.73	2,665,947,243.38
2.Book value at the beginning of the period	1,012,257,291.59	1,015,343,392.71	13,850,655.33	365,101,568.79	2,406,552,908.42

(2). Status of temporarily idle fixed assets
☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

Item	Net book value	Accumulated depreciation	Provision for impairment	Book value	Notes
Houses and building	46,803,780.56	35,589,315.39		11,214,465.17	
Specialized equipment	275,292,952.44	188,442,056.97	8,971,115.81	77,879,779.66	
General purpose equipment	15,845,944.13	7,387,782.99	1,837.68	8,456,323.46	
Transportation equipment	1,550,268.30	180,554.86		1,369,713.44	
Total	339,492,945.43	231,599,710.21	8,972,953.49	98,920,281.73	

(3) Status of fixed assets for which certificates of title have not been issued
☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

Item	Book value	Reasons why certificates of title have not been obtained
Fangda Carbon New Material Co.,Ltd.	151,000,300.18	Pre-conversion (from state-owned enterprise to Private firm) building, which has not been processed.
Fushun Fangda High-tech and New Co.,Ltd.	7,659,770.37	Not yet done.
Chengdu Fangda Carbon Composite Material Co.,Ltd	197,723,656.62	New plant, to be processed simultaneously when the other plants are completed.

Fushun Laihe Mining Co.,Ltd.	2,175,044.98	Self-constructed, can't get a real estate license.
Hefei Carbon Co.,Ltd.	9,855,574.56	No land title.
Meishan Rongguang Carbon Co.,Ltd.	166,306,299.99	Temporarily unavailable due to municipal planning.
Fushun Carbon Co.,Ltd.	9,078,708.59	Transition in 2002, before the restructuring due to have been mortgaged to the bank, the government, historical reasons have not been the transfer procedures, the new construction has not been for the real estate license.
Fonda Xikmo (Jiangsu) Needle Coke Technology Co.	10,306,350.57	Not yet done.
Total	554,105,705.86	/

(4) Impairment testing of fixed assets

☒Applicable ☐Not applicable

The recoverable amount is determined as fair value less costs of disposal.

☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

Items	Book Value	Recoverable Value	Value impaired	Determination of fair value and cost of disposal	Key Indicators	Basis for determining key parameters
300,000 tonnes tar treatment project and 60,000 tonnes	641,322,662.37	286,582,178.24	354,740,484.13	Fair value is determined using the replacement cost method, and the cost of disposal is the cost associated with the	Replacement cost, combined salvage rate, disposal cost	① housing construction (structures) assets replacement cost: according to the construction project information and completion of the settlement information according to the amount of building works, the current fixed standards, construction fees, loan interest rates calculated the replacement cost of the building. ② machinery and equipment replacement

needle coke project				disposal of the asset.		cost: by the purchase of equipment, transportation and miscellaneous expenses, installation costs, equipment foundation costs, other costs and other components. ③ Comprehensive rate of replacement: Combined with the age method and on-site survey method to determine the rate of replacement. (iv) Disposal costs: Including legal fees, related taxes, removal costs, and direct costs incurred to bring the assets to a marketable condition, etc., in connection with the disposal of assets.
Total	641,322,662.37	286,582,178.24	354,740,484.13	/	/	/

22. Construction in progress

Presentation of items

☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

Item	Closing balance	Opening balance
Construction in progress	468,322,758.48	416,715,196.45
Materials for construction of fixed assets	37,243.03	57,304.50
Total	468,360,001.51	416,772,500.95

Constructions in progress

(1). Details of construction in progress

☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

Item	Closing balance			Opening balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
3100 ton of carbon fiber project	218,957,399.33	34,635,099.33	184,322,300.00	218,957,399.33	32,702,058.40	186,255,340.93
30,000 ton/year special graphite manufacturing and processing project	71,471,469.58		71,471,469.58	111,415,144.31		111,415,144.31
5.0 Million ton/Year Ultra-High Power Graphite Electrodes and Special Graphite Project	60,109,476.36		60,109,476.36	47,504,340.87		47,504,340.87
Annual output of 25,000 ton of ultra-high power graphite electrodes and special graphite project				525,940.13		525,940.13
New Plant in Xiaitang Town, Changfeng County	147,141,454.49		147,141,454.49	66,600,286.01		66,600,286.01
Fangda Hotel Project	4,908,613.23		4,908,613.23	2,618,439.08		2,618,439.08
Graphite Electrode Anti-counterfeiting System Software Project	56,724.14		56,724.14	56,724.14		56,724.14
Other	312,720.68		312,720.68	1,738,980.98		1,738,980.98
Total	502,957,857.81	34,635,099.33	468,322,758.48	449,417,254.85	32,702,058.40	416,715,196.45

(2). Changes in significant construction in progress

☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

Project name	Budget	Opening balance	Amount Increased in the current period	Transfer to fixed assets	Other decreases	Closing balance	The proportion of Cumulative investment out of budget (%)	Construction progress	Amount of accumulated capitalized interest	Including: capitalized interest for the current period	Interest capitalization rate for the current period (%)	Source of funds
3100 ton of carbon fiber project	1,470,000,000.	218,957,399.33				218,957,399.33	28.35	35.00	51,762,672.18			Borrowings and self-financing
30,000 ton/year special graphite manufacturing and processing project	2,101,911,700.00	111,415,144.31	164,756,142.63	204,699,817.36		71,471,469.58	33.08	42.00				self-financing
5.0 Million ton/Year Ultra-High Power Graphite Electrodes and Special Graphite Project	624,720,620.00	47,504,340.87	89,640,154.56	77,035,019.07		60,109,476.36	86.00	92.00				self-financing

Annual output of 25,000 ton of ultra-high power graphite electrodes and special graphite project	189,717,210.00	525,940.13	675,201.93	1,201,142.06			97.00	100.00				self-financing
New Plant in Xiaitang Town, Changfeng County	446,250,700.00	66,600,286.01	95,524,218.39	14,983,049.91		147,141,454.49	70.32	89.47				self-financing
Fangda Hotel Project	59,268,800.00	2,618,439.08	2,290,174.15			4,908,613.23	8.28	7.00				self-financing
Shinagawa kiln renovation project of roasting plant	40,100,000.00		31,333,532.46	31,333,532.46			78.14	100.00				self-financing
No.2 impregnation line renovation project of roasting plant	36,700,000.00		29,390,592.35	29,390,592.35			80.08	100.00				self-financing
Graphite electrode anti-counterfeiting system software project		56,724.14				56,724.14						self-financing
Others (small projects)		1,738,980.98	27,428,972.72	28,806,420.01	48,813.01	312,720.68						self-financing
Total	4,968,669,030.00	449,417,254.85	441,038,989.19	387,449,573.22	48,813.01	502,957,857.81			51,762,672.18			

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

☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

Items	Opening balance	Increase during the period	Decrease during the period	Closing balance	Reason for provision
3100 tonnes carbon fibre project	32,702,058.40	1,933,040.93		34,635,099.33	Idle assets
Total	32,702,058.40	1,933,040.93		34,635,099.33	/

(3) . Impairment testing of construction in progress

☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

Items	Book Value	Recoverable Value	Value impaired	Determination of fair value and cost of disposal	Key Indicators	Basis for determining key parameters
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300,000 tonnes tar treatment project	218,957,399.33	184,322,300.00	34,635,099.33	Fair value is determined using the replacement cost method, and the cost of disposal is the cost associated with the disposal of the asset.	Replacement cost, combined salvage rate, disposal cost	① housing construction (structures) assets replacement cost: according to the construction project information and completion of the settlement information according to the amount of building works, the current fixed standards, construction fees, loan interest rates calculated the replacement cost of the building. ② machinery and equipment replacement cost: by the purchase of equipment, transportation and miscellaneous expenses, installation costs, equipment foundation costs, other costs and other components. ③ Comprehensive rate of replacement: Combined with the age method and on-site survey method to determine the rate of replacement. (iv) Disposal costs: Including legal fees, related taxes, removal costs, and direct costs incurred to bring the assets to a marketable condition, etc., in connection with the disposal of assets.
Total	218,957,399.33	184,322,300.00	34,635,099.33	/	/	/

Construction Materials

☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

Item	Closing balance			Opening balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Construction Materials	57,304.50	20,061.47	37,243.03	57,304.50		57,304.50
Total	57,304.50	20,061.47	37,243.03	57,304.50		57,304.50

23.Productive biological assets

☐Applicable ☒Not applicable

24. Oil and gas assets

☐Applicable ☒Not applicable

25. Right-to-use assets

☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

Item	Houses and buildings	Total
I. Net book value		
1.Opening balance	19,465,920.13	19,465,920.13
2.Increase in the current period		
3.Decrease in the current period		
4.Closing balance	19,465,920.13	19,465,920.13
II. Accumulated depreciation		
1.Opening balance	6,813,072.06	6,813,072.06
2.Increase in the current period	3,893,184.04	3,893,184.04
(1) Accruals	3,893,184.04	3,893,184.04
3.Decrease in the current period		
(1)Disposal		
4.Closing balance	10,706,256.10	10,706,256.10
III. Provision for impairment		
1.Opening balance		
2.Increase in the current period		

(1) Accruals		
3.Decrease in the current period		
(1)Disposal		
4.Closing balance		
IV.Book value		
1.Book value at the end of the reporting period	8,759,664.03	8,759,664.03
2.Book value at the beginning of the reporting period	12,652,848.07	12,652,848.07

26. Intangible assets

(1). Intangible assets

☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

Item	Land use rights	Patents	Non-patents technologies	Mining right	Concession	Requisition forests and land	Total
I. Net book value							
1.Opening balance	617,348,697.44	12,523,132.00	41,619.84	78,973,821.58	116,433,093.74	50,000.00	825,370,364.60
2.Increase in the current period	23,430,662.10		373,478.55			2,654,400.00	26,458,540.65
(1)Purchase							
(2) Internal R&D							
(3) Increase arising from business merge	23,430,662.10		373,478.55			2,654,400.00	26,458,540.65
3.Decrease in the current period			10,170.94				10,170.94

(1)Disposal			10,170.94				10,170.94
(2)Disposal of subsidiaries							
(3) Other							
4.Closing balance	640,779,359.54	12,523,132.00	404,927.45	78,973,821.58	116,433,093.74	2,704,400.00	851,818,734.31
II. Accumulated amortization							
1.Opening balance	183,999,867.26	12,523,132.00	41,619.84	78,973,821.58	116,433,093.74	50,000.00	392,021,534.42
2.Increase in the current period	15,862,492.13		373,478.55			477,792.00	16,713,762.68
(1) Accruals	13,405,041.68					26,544.00	13,431,585.68
(2) Increase arising from business merge	2,457,450.45		373,478.55			451,248.00	3,282,177.00
3.Decrease in the current period			10,170.94				10,170.94
(1) Disposal			10,170.94				10,170.94
(2)Disposal of subsidiaries							
(3) Other							
4.Closing balance	199,862,359.39	12,523,132.00	404,927.45	78,973,821.58	116,433,093.74	527,792.00	408,725,126.16
III.Provision for impairment							
1.Opening balance							
2.Increase in the current period							
(1)Accruals							
3.Decrease in the current period							
(1)Disposal							

(2) Disposal of subsidiaries							
(3) Other							
4. Closing balance							
IV. Book value							
1. Book value at the end of the reporting period	440,917,000.15					2,176,608.00	443,093,608.15
2. Book value at the beginning of the reporting period	433,348,830.18						433,348,830.18

27 . Goodwill

(1). Net book value of goodwill

☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

Name of the investee or item resulting in goodwill	Opening balance	Increase in the current period		Decrease in the current period		Closing balance
		Arising from company merge	Other	Disposal	Other	
Hefei Carbon	8,887,445.58					8,887,445.58
Fushun Carbon	13,202,293.98					13,202,293.98
Jiangsu Fangda Carbon Chemicals Co.,Ltd.	19,633,402.63					19,633,402.63
Total	41,723,142.19					41,723,142.19

(2). Provision for impairment of goodwill

☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

Name of the investee and item resulting in goodwill	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
		Provision	Disposal	
Hefei Carbon	8,887,445.58			8,887,445.58
Fushun Carbon	13,202,293.98			13,202,293.98
Jiangsu Fangda Carbon Chemicals Co.,Ltd.	19,633,402.63			19,633,402.63
Total	41,723,142.19			41,723,142.19

28 . Long-term prepaid expenses

☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

Item	Opening balance	Increase in the current period	Amortization for the current period	Other reductions	Closing balance
Forest land rent	165,573.25		32,787.60		132,785.65
Exploration expenditures	418,364.78		137,358.49		281,006.29
Decoration and technical maintenance fees	78,949.99		26,949.99	52,000.00	
Pipeline service costs	273,837.68		16,938.42	256,899.26	
Total	936,725.70		214,034.50	308,899.26	413,791.94

Note: Other decreases are due to changes in the scope of consolidation.

29 . Deferred tax assets/deferred tax liabilities

(1). Deferred tax assets before offset
☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

Item	Closing balance		Opening balance	
	Deductible temporary differences	Deferred tax assets	Deductible temporary differences	Deferred tax assets
Provision for impairment of assets	304,895,527.82	56,841,143.88	312,570,246.51	56,905,209.95
Unrealized profit of internal transactions	5,331,583.62	1,332,895.90	6,150,999.31	922,649.90
Deductible losses				
Government subsidies	39,723,520.35	8,376,037.65	43,668,362.09	9,071,329.15
Unpaid Payroll	836,733.16	209,183.29	837,178.70	209,294.68
Financial instruments for trading	102,459,665.87	15,368,949.88	88,142,577.96	13,221,386.69
Compensable losses	26,700,203.48	6,675,050.87	3,765,354.12	941,338.53
Donation expenditure carried forward for credit in future years	17,960,942.37	2,694,141.36		
Total	497,908,176.67	91,497,402.83	455,134,718.69	81,271,208.90

(2). Deferred tax liabilities before offset
☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

Item	Closing balance	Opening balance
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	Taxable temporary differences	Deferred tax liabilities	Taxable temporary differences	Deferred tax liabilities
Assets appreciation arising from company merger not under control of same entity	194,206,880.64	48,551,720.16	155,506,825.32	38,876,706.33
Changes in fair value of other debt investments				
Changes in fair value of in other equity instruments investments				
Trading securities	72,857.56	18,214.39	72,857.56	18,214.39
Fixed assets and intangible assets amortization	101,765,724.34	15,315,103.70	80,921,909.59	12,138,286.44
Total	296,045,462.54	63,885,038.25	236,501,592.47	51,033,207.16

(3). Deferred tax assets or liabilities presented at the net amount after offset

☐Applicable ☒Not applicable

(4). Unrecognized deferred tax assets
☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

Item	Closing balance	Opening balance
Deductible temporary differences	708,937,277.39	243,089,947.88
Deductible losses	527,467,331.09	189,957,484.96
Total	1,236,404,608.48	433,047,432.84

(5). Deductible losses for which deferred tax assets are not recognised will be expired in the following year
☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

Year	Amount at the end of the reporting period	Amount at the beginning of the reporting period	Notes
2023	/	21,870,749.37	
2024	67,519,364.24	21,612,774.63	
2025	123,953,078.36	70,523,813.22	
2026	129,608,098.98	18,700,848.78	
2027	96,040,442.08	57,249,298.96	
2028	110,346,347.43	/	/
Total	527,467,331.09	189,957,484.96	

30. Other non-current assets
☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

Item	Closing balance			Opening balance		
	Book balance	Provision of impairment	Book value	Book balance	Provision of impairment	Book value
Contract acquisition costs						
Contract fulfillment costs						
Returns receivable cost						
Contract assets						

Prepayments for long-term assets and land premiums	39,668,780.53		39,668,780.53	70,326,560.14		70,326,560.14
Laihe Mining Community Project	47,651,832.18	22,636,001.99	25,015,830.19	47,651,832.18	22,636,001.99	25,015,830.19
Allowance for input tax and SOP compensation agreement VAT	776,790.35		776,790.35	11,039,232.51		11,039,232.51
Investment measured in amortized cost	14,997,500.00		14,997,500.00	13,000,000.00		13,000,000.00
Total	103,094,903.06	22,636,001.99	80,458,901.07	142,017,624.83	22,636,001.99	119,381,622.84

31.Assets with restricted ownership or right-of-use assets

☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

Item	End of period				Beginning of period			
	Balance of book value	Book value	Type of restriction	Restrictions	Balance of book value	Book value	Type of restriction	Restrictions
Monetary capital	74,102,785.42	74,102,785.42	other	Guarantee deposit, notes payable and letter of credit deposit	212,093,542.44	212,093,542.44	other	Guarantee deposit, notes payable and letter of credit deposit
Notes receivable	580,840,971.91	580,840,971.91	pledge	Pledge bills receivable to issue bills payable.	378,922,290.00	378,922,290.00	pledge	Pledge bills receivable to issue bills payable.

Fixed assets	3,330,990.53	3,330,990.53	mortgage		1969,532.41	1969,532.41	mortgage	
Financial assets held for trading	323,177,400.73	323,177,400.73	pledge	Financing guarantee	392,887,380.22	392,887,380.22	pledge	Financing guarantee
Total	981,452,148.59	981,452,148.59			985,872,745.07	985,872,745.07		

32. Short-term borrowings

(1). Categories of short-term borrowings

☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

Item	Closing balance	Opening balance
Pledged loans		
Mortgaged loan	107,614,686.20	68,652,115.73
Guaranteed loans	40,030,555.55	
Credit loans	150,112,908.73	350,276,833.34
Outstanding discounted notes	133,727,123.41	13,970,640.42
Total	431,485,273.89	432,899,589.49

(2) Status of overdue short-term loans

Significant of these overdue short-term borrowings are shown below:

Unit: Yuan Currency: CNY

Borrowing entity	Borrowing amount	Collateral
Guoyuan Securities Dalian Yellow River Road Securities Business Department	107,614,686.20	Certain trading financial assets held by Shanghai Fangda Investment Management Co.
Total	107,614,686.20	/

33. Financial liabilities held for trading

☐Applicable ☒Not applicable

34. Derivative financial liabilities

☐Applicable ☒Not applicable

35. Notes payable

(1). Presentation of notes payable

☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

Category	Closing balance	Opening balance
commercial acceptance bill		
Bank acceptances bill	400,770,815.15	287,189,256.80
Domestic letter of credit		313,500,000.00
Total	400,770,815.15	600,689,256.80

36 . Accounts payable

(1). Accounts payable

☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

Item	Closing balance	Opening balance
Freight payable	290,332,750.57	340,237,067.11
Construction payable	160,882,099.37	140,109,686.78
Equipment payable	14,099,452.30	16,548,978.86
Total	465,314,302.24	496,895,732.75

(2). Significant accounts payable aged over 1 year

☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

Item	Closing balance	Reasons for not been repaid or transferred
1	7,416,068.12	Not yet closed
2	7,381,592.16	Construction of the project has not been completed
3	6,977,051.56	Not yet settled
4	4,665,392.44	Not yet settled
5	3,427,040.24	Payment terms have not been met
6	3,372,843.50	Formed before restructuring
7	2,829,060.19	Project construction not yet completed
8	2,825,688.07	Not yet settled
9	2,660,000.00	Not yet settled
10	2,314,023.10	Not yet settled
11	2,101,771.08	Not yet settled 4.
12	2,030,183.14	Formed before restructuring
13	2,013,946.19	Project construction not yet completed
14	1,894,758.00	No collection from counter-party

15	1,888,717.93	No collection from counter-party
16	1,446,191.32	Not called for by the other party
17	1,422,892.55	Not yet settled
18	1,390,000.00	Not yet settled
19	1,362,450.28	Not yet settled
20	1,023,600.00	No collection from counterparty
Total	60,443,269.87	/

37. Receipts in advance

☐Applicable ☒Not applicable

38. Contract liabilities

(1) Contract liabilities

☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

Item	Closing balance	Opening balance
Payments received in advance	272,526,035.77	281,962,674.31
Total	272,526,035.77	281,962,674.31

39 . Payroll and employee benefits payable

(1). Payroll and employee benefits payable

☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
I. Short-term benefits	74,524,827.37	666,616,925.52	683,127,021.96	58,014,730.93
II.Post-employment benefits–Defined deposit plan	17,731,140.47	84,866,761.78	86,324,640.56	16,273,261.69
III. Termination benefits		3,193,664.44		3,193,664.44
IV.Other benefits due within one year				
Total	92,255,967.84	754,677,351.74	769,451,662.52	77,481,657.06

(2). Short-term benefits

☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
I.Wages or salaries,	51,444,809.95	531,591,149.77	530,726,209.50	52,309,750.22

bonuses, allowances and subsidies				
II. Staff welfare		32,464,290.79	32,464,290.79	
III.Social security contributions	3,823,969.12	49,060,380.40	52,115,499.25	768,850.27
Including: Medical insurance	3,755,538.79	43,865,059.45	46,852,052.22	768,546.02
Work injury insurance	68,430.33	5,082,649.91	5,150,775.99	304.25
Maternity insurance		112,671.04	112,671.04	
IV. Housing funds	16,491,400.51	45,534,843.31	59,989,119.02	2,037,124.80
V.Labor union and employee education costs	2,764,647.79	7,966,261.25	7,831,903.40	2,899,005.64
VI. Short-term paid leave				
VII.Short-term profit-sharing plan				
Total	74,524,827.37	666,616,925.52	683,127,021.96	58,014,730.93

(3)Presentation of the defined contribution plan

☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
1.Basic pension insurance	15,513,745.51	81,672,645.01	83,091,082.26	14,095,308.26
2.Unemployment insurance	2,217,394.96	3,194,116.77	3,233,558.30	2,177,953.43
3. Enterprise annuity				
Total	17,731,140.47	84,866,761.78	86,324,640.56	16,273,261.69

(4) With regard to benefits of terminated employment

☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

Projects	Funds paid during the period	Payable outstanding at the end of the period
Indemnity for dismissal		3,193,664.44
Total		3,193,664.44

40 .Taxes payable

☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

Item	Closing balance	Opening balance
Enterprise income tax	28,521,350.79	76,407,274.33

Value added tax	12,398,817.50	9,162,082.89
Land Use Tax	1,070,594.98	1,004,784.83
Property Tax	432,173.16	366,450.40
Urban construction and maintenance tax	74,093.13	332,498.14
Education surcharge	185,087.76	248,446.12
Withholding Individual Income Tax	534,406.46	1,115,415.31
Resource Tax	3,871,150.92	
Stamp Duty	682,558.73	743,385.30
Other	230,887.65	228,226.88
Total	48,001,121.08	89,608,564.20

41. Other payables

(1).Presentation of items

☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

Item	Closing balance	Opening balance
Interest payable	219,899.12	219,899.12
Dividends payable	2,139,998.15	2,139,998.15
Other payables	179,935,479.18	213,047,621.36
Total	182,295,376.45	215,407,518.63

(2).Interest payable

☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

Item	Closing balance	Opening balance
Interest of long-term borrowings with interest payable by installments and principal payable on maturity		
Interest on corporate debenture		
Interest payable on short-term borrowings	219,899.12	219,899.12
Interest on preference shares\perpetual bonds classified as financial liabilities		
Total	219,899.12	219,899.12

(3).Dividends payable

☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

Item	Closing balance	Opening balance
Dividends on Common shares	2,139,998.15	2,139,998.15
Total	2,139,998.15	2,139,998.15

(4).Other payable

1).Other payable presented by nature

☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

Item	Closing balance	Opening balance
Withholding payable and Payment of Withheld payable	2,789,191.00	12,925,100.48
Accounts current payable	35,238,023.46	43,342,876.99
Security deposits payable	87,064,791.42	84,880,735.57
Other payable	54,843,473.30	71,898,908.32
Total	179,935,479.18	213,047,621.36

2). Significant other payable aged over 1 year

☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

Item	Closing balance	Reasons for not being repaid or transferred
1	9,073,161.40	Payment terms not reached
2	8,991,588.29	Formed before conversion
3	3,020,000.00	Deposit not yet due
4	2,000,000.00	Formed before conversion
5	1,903,000.00	Margin not due
6	1,889,000.00	Margin not due
7	1,856,000.43	Formed before conversion
8	1,677,886.04	Margin not yet due
9	1,584,489.46	Margin not expired
10	1,500,000.00	Margin not yet due
11	1,390,000.00	Margin not expired
12	1,254,685.94	Margin not yet due
13	1,216,185.08	Formed before conversion
14	1,200,000.00	Margin not due
15	1,000,000.00	Margin not yet due

Total	39,555,996.64	/
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42. Liabilities held for sale

☐Applicable ☒Not applicable

43 . Current portion of non-current liabilities

☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

Item	Closing balance	Opening balance
Long-term payables due within one year		
Lease liabilities due within one year	4,059,272.50	3,822,398.80
Total	4,059,272.50	3,822,398.80

44 . Other current liabilities

Other current liabilities

☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

Item	Closing balance	Opening balance
Short-term bonds payable		
Returns payable		
Sales tax pending to transfer	37,840,648.33	36,655,147.71
Non-derecognition of notes receivable	260,663,862.51	275,696,626.33
Total	298,504,510.84	312,351,774.04

45 . Long-term borrowings

(1). Categories of long-term borrowings

☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

Item	Closing balance	Opening balance
Pledged loans		
Secured loans		
Guaranteed loans	249,994,635.83	
Unsecured loans	388,284,533.34	396,344,850.00
Total	638,279,169.17	396,344,850.00

Note:Long-term loan interest rate range: 2.55%-2.85%.

46. Bonds payable

☐Applicable ☒Not applicable

47 . Lease liabilities

☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

Item	Closing balance	Opening balance
Rental of housing	5,573,625.59	9,632,898.09
Total	5,573,625.59	9,632,898.09

48. Long-term payables

Presentation of items

☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

Item	Closing balance	Opening balance
Long-term payables		
Special payables	742,900.54	
Total	742,900.54	

(1). Special payables presented by nature

☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance	Reason of arising
Allocated to earmarked funds		742,900.54		742,900.54	
Total		742,900.54		742,900.54	/

49 . Long-term payroll and employee benefits payable

☐Applicable ☒Not applicable

50. Estimated Liabilities

☐Applicable ☒Not applicable

51 . Deferred income

☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance	Reasons of arising
Government subsidies	323,498,267.33		26,146,930.42	297,351,336.91	

Total	323,498,267.33		26,146,930.42	297,351,336.91	/
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52 . Other non-current liabilities

☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

Item	Closing balance	Opening balance
Contract Liabilities		
Relocation compensation	78,992,065.50	49,710,999.27
SOP compensation		30,774,241.00
Total	78,992,065.50	80,485,240.27

53 . Paid-in capital

☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

	Opening balance	Changes in the current period (+, -)					Closing balance
		New shares issued	Share donation	Capitalization of capital reserve	Others	Subtotal	
Total number of shares	3,805,970,368.00	220,000,000.00				220,000,000.00	4,025,970,368.00

Note: On 15 March , 2023, the actual number of GDRs issued by the Company was 22,000,000 GDRs representing 220,000,000 A shares of the underlying securities, the final price of the offering was \$8.63 per GDR, and the total gross proceeds raised were \$189,860,000.00, and the net proceeds raised, after deducting some of the underwriting expenses and the transit bank fees, were US\$188,964,397.96.

54 . Other equity instruments

☐Applicable ☒Not applicable

55 . Capital reserve

☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
Capital premium (share premium)	869,430,716.31	1,073,103,949.95		1,942,534,666.26
Other capital reserves	81,902,370.10	25,887,460.61	70,410,353.38	37,379,477.33
Total	951,333,086.41	1,098,991,410.56	70,410,353.38	1,979,914,143.59

Other explanations, including the increase or decrease of changes during the period, and explanations of reasons for the changes:

1. The Company recognized the increase of capital surplus-other capital reserve amount of CNY83,045.70 from January to June 2023 of the former joint venture Fangda Xikomo (Jiangsu) Needle Coke Technology Company Limited due to the increase of special reserve in accordance with the proportion of shareholding.

2. The Company recognized an increase in capital surplus - other capital reserves of CNY1,438,392.85 due to the increase in special reserve of Baofang Carbon Materials Technology Co.Ltd
3. The Company recognized an increase in capital surplus - other capital reserves of NT\$24,366,022.06 due to the increase in funds raised from the directional issue of subsidiary Chengdu Fangda Carbon Composite Materials Co.ltd
4. The Company recognized other changes in equity of Jilin Chemical Fiber Co., Ltd. as an associate in accordance with the proportion of shareholding, which decreased capital surplus - other capital reserve by CNY2,743,440.04.
5. The Company recognized a decrease of NT\$67,666,913.34 in capital surplus - other capital surplus due to the additional shares issued by an associate, Jiujiang Bank Co.ltd

56 . Treasury stock

☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

Items	Opening balance	Increase during the period	Decrease during the period	Closing balance
Restricted Shares		279,998,779.45		279,998,779.45
Total		279,998,779.45		279,998,779.45

Other explanations, including the increase or decrease of changes during the period and explanations of the reasons for the changes:

Note: The Company held the Ninth Meeting of the Eighth Session of the Board of Directors on 28 August8, 2023, at which the Meeting considered and passed the Proposal on the Plan for the Repurchase of the Company's Shares by means of Concentrated Auction Transactions, and agreed that the Company would use its own funds to repurchase the Company's shares by means of concentrated auction transactions for the purpose of implementing the Employee Stock Ownership Plan or/and the Equity Incentive Plan, and the Company has cumulated the repurchase of shares for the current year in the total amount of 48,446,408 shares, with a cumulative Total payment amounted to CNY279,998,779.45.

57 . Other comprehensive income

☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

Item	Opening balance	Amount incurred in the current period						Closing balance
		Amount incurred before income tax in the current period	Less: Amount included in other comprehensive income in the prior periods that is transferred to profit or loss for the current period	Less: Amount included in other comprehensive income in the prior periods that is transferred to retained earnings for the current period	Less: Income tax expenses	Attributable to the Company after tax	Attributable to minority interests after tax	
I.Other comprehensive income that cannot be reclassified to profit or loss								
Including: Remeasurement of changes in defined benefit plan								
Other comprehensive income that cannot be transferred to profit or loss under equity method								
Changes in fair value of investments in other equity instruments								
Changes in fair value of the Company's own credit risk								
II. Other comprehensive income to be reclassified to profit or loss	7,931,983.08	25,726,293.99				25,726,293.99		33,658,277.07
Including: Other comprehensive income	7,964,83	25,728,963.99				25,728,963.9		33,693,79

that may be transferred to profit or loss under equity method	3.97					9		7.96
Changes in fair value of other debt investments								
Amount of financial assets reclassified to other comprehensive income								
Provision for credit impairment of other debt investments								
Effective portion of gains or losses on cash flow hedging								
Translation differences of financial statements denominated in foreign currencies	-32,850.89	-2,670.00				-2,670.00		-35,520.89
Total other comprehensive income	7,931,983.08	25,726,293.99				25,726,293.99		33,658,277.07

Other explanations, including adjustments to the effective portion of cash flow hedge gains and losses transferred to the initial recognized amount of the hedged item:

Other comprehensive income available for transfer to profit or loss under the equity method was recognized by the Company in accordance with its proportionate shareholding in an associate, Jiujiang Bank Co., Ltd. and the amount of other comprehensive income was increased by NT\$25,728,963.99 due to the change in other comprehensive income as a result of the change in the revaluation reserve for investments.

58 . Special reserve
☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
safety production costs	38,508,012.59	14,270,788.41	33,867,178.66	18,911,622.34
Environmental Governance Rehabilitation Fund	9,553,392.36			9,553,392.36
Total	48,061,404.95	14,270,788.41	33,867,178.66	28,465,014.70

59 . Surplus reserve
☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
Statutory surplus reserve	1,413,211,549.29	10,639,561.20		1,423,851,110.49
Discretionary surplus reserve				
Total	1,413,211,549.29	10,639,561.20		1,423,851,110.49

60. Retained earnings
☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

Item	Current period	Prior period
Before adjustment: retained earnings of the prior period	9,456,269,111.61	8,804,875,836.65
Adjustment: Total retained earnings at the beginning of the reporting period (increase "+", decrease "-")		
After adjustment: retained earnings at the beginning of the reporting period	9,456,269,111.61	8,804,875,836.65
Add: Net profit attributable to owners of the Company for the current period	416,237,631.36	839,939,033.95
Less: Transfer to statutory surplus reserve	10,639,561.20	216,184,966.87
Transfer to discretionary surplus reserve		
Transfer to general risk reserve		
Declaration of dividends on ordinary shares		
Conversion of ordinary shares' dividends into share capital		
Retained earnings at the end of the reporting period		27,639,207.88
Total	9,861,867,181.77	9,456,269,111.61

61 . Operating revenue and costs of sales

(1) Operating revenue and costs of sales
☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

Item	Amount incurred in the current period		Amount incurred in the prior period	
	Revenue	Cost	Revenue	Cost
Principal operating activities	4,822,712,304.11	4,045,089,467.53	5,038,822,351.27	3,845,514,919.08
Others	309,196,539.24	110,013,723.60	281,471,039.80	97,693,415.86
Total	5,131,908,843.35	4,155,103,191.13	5,320,293,391.07	3,943,208,334.94

(2) Breakdown information of operating revenues and operating costs

For details, please refer to Section III "Management's Discussion and Analysis" of this report V. Major Operations during the Reporting Period 2.

62 . Taxes and surcharges
☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

Item	Amount incurred in the current period	Amount incurred in the prior period
Land use tax	17,140,777.87	17,451,225.13
City construction and maintenance tax	12,135,062.92	10,251,571.61
Resource tax	4,192,428.20	5,115,782.26
Education surcharges	8,821,205.79	7,850,378.81
Stamp duty	12,434,046.54	11,513,511.41
Property tax	4,378,679.99	3,651,031.35
Environment protection tax	1,173,216.34	1,329,318.45
Vehicle and vessel usage tax	219,991.09	201,335.93
Others	673,774.32	183,456.59
Total	61,169,183.06	57,547,611.54

63 . Selling expenses
☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

Item	Amount incurred in the current period	Amount incurred in the prior period
Payroll	36,325,537.06	57,957,617.07
Packaging fee	29,822,554.54	32,157,151.37
Business hospitality expense	17,851,508.49	12,472,002.96

Miscellaneous fees of Port	7,676,362.19	7,073,303.72
Labor service fee	2,132,482.06	4,331,656.26
Sales service fee	8,924,163.50	2,506,939.80
Business development and bidding fees	1,240,486.16	4,114,283.51
Travel costs	6,077,601.56	3,555,248.67
Office expenses	3,015,727.50	932,613.36
Terminal handling charge	1,132,702.30	366,464.65
Advertising and exhibition costs	281,250.67	
Depreciation and amortization expense	181,831.67	169,325.78
Others	5,100,441.85	5,148,960.81
Total	119,762,649.55	130,785,567.96

64 . General and administrative expenses

☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

Item	Amount incurred in the current period	Amount incurred in the prior period
Payroll	230,056,476.53	229,153,827.88
Depreciation and amortization fee	64,247,737.23	59,828,179.98
Repair fee	10,082,916.51	6,638,369.64
safety production costs	8,534,720.67	19,707,544.57
Utility costs (energy)	12,286,330.64	14,140,064.94
service fee	11,636,899.36	4,022,849.13
Business hospitality expense	5,915,148.25	3,528,405.77
travel costs	8,262,820.04	2,252,106.67
office expenses	6,147,743.95	6,420,423.96
Material Consumption	2,468,318.21	3,208,001.96
Insurance premium	4,150,193.91	3,976,315.30
rental fee	2,471,718.46	1,990,820.88
Transport costs	2,134,439.66	1,641,106.27
Labor service fee	1,425,050.21	2,059,677.85
Sewage charge	1,026,794.67	1,858,313.43
Environment Governance Rehabilitation Fund	68,828.34	67,114.84
Others	10,856,707.98	1,749,908.25

Total	381,772,844.62	362,243,031.32
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65 . Research and development expenses

☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

Item	Amount incurred in the current period	Amount incurred in the prior period
Payroll	39,818,007.69	50,638,043.97
Commissioned external research and development costs	15,384,096.30	22,339,979.20
Material cost	25,858,258.91	14,147,459.22
Depreciation and amortization	6,823,696.86	5,637,508.31
Other expenses	2,601,351.01	2,808,750.40
Total	90,485,410.77	95,571,741.10

66 . Financial expenses

☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

Item	Amount incurred in the current period	Amount incurred in the prior period
Interest expense	33,639,324.56	34,720,589.88
Less: Interest income	169,003,041.83	178,584,640.84
Gain or loss on Currency Exchange	-2,753,632.20	-9,348,910.98
Commission fee	1,242,216.55	1,758,197.72
Unrecognized financing costs	562,721.40	730,577.45
Others	200.00	
Total	-136,312,211.52	-150,724,186.77

67 . Other income

☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

Item	Amount incurred in the current period	Amount incurred in the prior period
Tax Deduction	1,533,680.41	483,943.20
Advanced Manufacturing Input Tax Credits	12,386,523.30	
Debt restructuring gains	5,192,730.74	5,434,467.47
Individual Income Tax Procedure Refund	305,719.68	326,664.05

Science and technology funding for 3,100 ton of carbon fiber production project	6,343,483.68	6,343,483.68
Government subsidy for the first phase of the site leveling project of the plant	623,768.40	623,768.40
East-West Outfall Project	2,777.76	2,777.76
200,000.04	49,999.63	200,000.04
High-temperature gas-cooled reactor project	582,805.44	582,805.44
Amortization of financial support funds for 30,000-ton project	1,639,200.00	1,229,400.00
Natural gas boiler project	222,222.24	222,222.24
Compensation for land use right	474,068.23	474,068.24
New Electrode Joint Line Project	350,000.04	350,000.04
Amortization of Central Strategic Emerging Industries Special Funds	5,000,000.00	3,750,000.00
Investment Incentives for Industrial Projects	750,000.00	750,000.00
Policy housing purchase subsidy	691,525.00	691,525.00
Industrial support incentives and subsidies	7,000,000.00	2,916,666.67
Amortization of Provincial Special Funds for the Development of Strategic Emerging Industries	1,493,000.00	1,119,750.00
Policy property management subsidies	924,080.00	924,080.00
Policy compensation, subsidies		6,672,000.00
Honggu District Taxation Bureau Resource Comprehensive Utilization Ready-to-Use Refund Tax Refund	890,435.31	879,398.53
Export credit insurance subsidy allocation	1,500,000.00	1,500,000.00
Payment of training fees by the Employment Bureau of Honggu District, Lanzhou City		881,160.00
Payment for Stabilizing Foreign Trade and Foreign Trade Transformation and Upgrading Project of Lanzhou Municipal Bureau of Commerce		2,000,000.00
Receipt of subsidies for trade relief and legal aid projects from Lanzhou Municipal Finance Bureau	812,000.00	2,984,000.00
Receipt of funds for foreign trade transformation and upgrading for high-quality development from Longquanyi District Bureau of Commerce		25,800.00

Tax Benefits for Veterans		282,750.00
Subsidies for stabilizing jobs	1,121,337.19	2,701,506.91
Funds for training by labor		155,400.00
Freight Subsidy	98,866.36	91,115.75
Subsidy for Retaining Workers		1,273,700.00
Innovation Platform Construction Subsidy Fund of Lanzhou Municipal Finance Bureau		500,000.00
Special Funds for High-Tech Informatization in 2022 from the Development and Reform Bureau of Honggu District, Lanzhou City		1,300,000.00
Disbursement of 2022 Central Guided Local Science and Technology Development Funds by Lanzhou Municipal Finance Bureau		4,000,000.00
Quality Award Funds for Energy Management System Certification		100,000.00
Scholarship Funds for Not Stopping Work or Production during Spring Festival		380,000.00
Lanzhou Municipal Finance Bureau allocates the first batch of provincial science and technology program projects in 2022		1,000,000.00
Lanzhou Municipal Bureau of Commerce allocated funds for the project of foreign trade enterprises to enhance international business capacity		120,000.00
Lanzhou Municipal Science and Technology Bureau High-tech Enterprises Science and Technology Innovation Award and Subsidy Funds		50,000.00
Subsidies for Special Funds for the Development of Small and Medium-sized Enterprises		500,000.00
Subsidy income from Quanyi Business Bureau		92,000.00
The first batch of industrial development funds for 2020 and the first batch of provincial industrial development funds for 2021 paid by the Administrative Committee of Ganmei Industrial Park		4,770,000.00
Ganmei Industrial Park Management Committee paid 2021		111,600.00

provincial-level foreign trade and economic development special funds		
Financial Award and Subsidy Funds for Major Projects in 2020		400,000.00
Funds for Promoting High-Quality Economic Development Projects in Meishan in 2020		50,000.00
Ganmei Industrial Park Management Committee to Pay the First Batch of Provincial-level Industrial Development Special Funds in 2021		960,000.00
Talent Living Subsidy for Enterprises Above Scale at Municipal Level in 2021 Transferred by Meishan Human Resources and Social Security Bureau		9,600.00
Energy Saving Trading Award Subsidy		2,400.00
Demand Response Compensation Fee for Power Supply Companies		93,444.96
Luyang District Economy and Information Technology Bureau 2021 Upward Incentive Funds		47,300.00
Luyang District Economic and Information Technology Bureau Encouragement of Manufacturing Enterprises to Increase Production and Revenue Incentive Payment for the 1st Quarter of 2022		100,000.00
National Specialized Incentive		200,000.00
Subsidy for the first batch of projects to be established by Longquanyi District New Economy and Science and Technology Bureau for pre-funded projects of science and technology programs and science base projects		250,000.00
Subsidy for the first batch of new materials for market-oriented application		2,218,300.00
Finance Bureau of Honggu District, Lanzhou City, allocated 2023 balanced transfer payment strong science and technology award subsidy funds	700,000.00	
Lanzhou Municipal Bureau of Industry and Information Technology 2021 citywide special support funds for the integration of dualization	500,000.00	

Lanzhou Municipal Bureau of Industry and Information Technology allocated 2023 Provincial Key Talent Project Funds	500,000.00	
Collecting Qingyuan County Finance Bureau's refund of the credit of enterprise income tax for the poor people with documented records	140,400.00	
Special Funds for Financial Industry at District Level	500,000.00	
Subsidy for Reducing Closed-loop Costs	50,000.00	
Reward for stable growth of industrial economy	800,000.00	
Subsidy funds for industrial internet support projects (dual-integration management)	200,000.00	
Subsidy for Electricity Charges of Regulated Industrial Enterprises	273,519.96	
Other sporadic government subsidies	200,356.43	
Total	53,852,499.80	63,127,098.38

68 . Investment income

☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

Item	Amount incurred in the current period	Amount incurred in the prior period
Income from long-term equity investments accounted for under the equity method	40,801,157.02	79,637,607.52
Investment income from disposal of long-term equity investments	3,142,800.77	181,267,798.42
Investment income from trading financial assets during the holding period	14,533,650.16	4,584,068.27
Dividend income from investments in other equity instruments during the holding period		
Interest income earned on debt investments during the holding period		
Interest income earned on other debt investments during the holding period		
Investment income from disposal of trading financial assets	24,032,319.38	-42,373,234.68
Investment income from disposal of other equity instrument investments		
Investment income from disposal of debt investments		
Investment income from disposal of other debt		

investments		
income on debt restructuring	-923,462.82	584,545.35
Investment income from holding other non-current assets	599,056.60	430,094.34
Income on derecognition of financial assets	-1,832,768.48	-2,499,698.84
Income recognized on merger by absorption of Siveco Murray	71,742,128.36	
Others	9,835.93	2,833,992.68
Total	152,104,716.92	224,465,173.06

69 . Net exposure hedging gains

☐Applicable ☒Not applicable

70 . Gains from changes in fair value

☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

Source resulting in gains from changes in fair values	Amount incurred in the current period	Amount incurred in the prior period
Held-for-trading financial assets	-61,472,277.84	-170,328,067.45
Including: Gains from changes in fair values arising from derivatives		
Held-for-trading financial liabilities		
Investment properties carried at fair value		
Other non-current financial assets	-4,796,469.18	10,744,413.46
Total	-66,268,747.02	-159,583,653.99

71 . Credit impairment losses

☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

Item	Amount incurred in the current period	Amount incurred in the prior period
Bad debt losses on notes receivable	-181,269.76	41,544.10
Bad debt losses on accounts receivable	723,924.11	-7,974,403.62
Bad debt losses on other receivables	-16,662,114.07	-26,178,430.38
Impairment losses on debt investments		
Impairment loss on other debt investments		
Bad debt losses on long-term receivables		
Impairment losses on contract assets		

Total	-16,119,459.72	-34,111,289.90
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72 . Assets impairment losses

☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

Item	Amount incurred in the current period	Amount incurred in the prior period
I. Impairment losses on contract assets	76,490.75	-449,187.69
II. Impairment loss on inventories and impairment loss on contract performance costs	-42,907,957.53	-33,909,975.67
III. Impairment loss on long-term equity investments		
IV. Impairment loss on investment properties		
V. Impairment loss on fixed assets	-20,921,433.43	
VI. Impairment loss on construction materials	-20,061.47	
VII. Impairment loss on construction in progress	-1,933,040.93	
Total	-65,706,002.61	-34,359,163.36

73 . Gains from disposal of assets

☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

Item	Amount incurred in the current period	Amount incurred in the prior period
Net gain on disposal of fixed assets	967,941.88	125,353,264.43
Net gain on disposal of intangible assets		97,840,704.64
Gain on disposal of other non-current assets		-300,500.00
Total	967,941.88	222,893,469.07

74 . Non-operating income

Non-operating income

☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

Item	Amount incurred in the current period	Amount incurred in the prior period	Amount included in non-recurring profit or loss in the current period
Total gains on disposal of non-current assets	4,087,742.46	306,666.04	4,087,742.46
Including: Gains on disposal of fixed assets	4,087,742.46	306,666.04	4,087,742.46

Gains on disposal of intangible assets			
Gain on exchange of non-monetary assets			
Acceptance of donations			
Government grants	24,073,816.45	5,097,400.00	24,073,816.45
Proceeds from confiscation	2,635,594.39	3,615,987.20	2,635,594.39
Claims for breach of contract	536,827.09	4,190.00	536,827.09
Others	5,259,605.40	1,422,338.87	5,259,605.40
Total	36,593,585.79	10,446,582.11	36,593,585.79

75 . Non-operating expenses

☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

Item	Amount incurred in the current period	Amount incurred in the prior period	Amount included in non-recurring profit or loss for the current period
Total losses on disposal of non-current assets	3,638,571.15	10,214,831.27	3,638,571.15
Including: Losses on disposal of fixed assets	3,638,571.15	10,214,831.27	3,638,571.15
Losses on disposal of intangible assets			
Losses on exchange of non-monetary assets			
Donations	32,515,286.92	10,651,216.00	32,515,286.92
Others	7,103,968.06	1,816,314.97	7,103,968.06
Total	43,257,826.13	22,682,362.24	43,257,826.13

76 . Income tax expenses

(1). Income tax expenses

☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

Item	Amount incurred in the current period	Amount incurred in the prior period
Current tax expenses	104,664,262.60	243,112,324.02
Deferred tax expenses	-13,870,291.96	-24,895,667.14
Total	90,793,970.64	218,216,656.88

(2). Reconciliation of income tax expenses to the accounting profit

☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

Item	Amount incurred in the current period
Total profit	512,094,484.65

Income tax expenses calculated at statutory/applicable tax rate	76,814,172.70
Effect of different tax rates applicable to subsidiaries	822,214.69
Effect of adjustment to income tax of prior periods	13,192,340.83
Effect of non-taxable income	-17,054,758.52
Effect of non-deductible costs, expenses and losses	938,004.07
Effect of using deductible losses for which deferred tax assets were previously not recognised	-4,431,690.94
Effect of deductible temporary differences or deductible losses unrecognized in the current period	30,598,155.84
Additional Deduction	-10,084,468.03
Income tax expense	90,793,970.64

77 . Other comprehensive income

☐Applicable ☒Not applicable

78 . Items of the cash flow statement

(1). Cash received relating to other operating activities

☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

Item	Amount incurred in the current period	Amount incurred in the prior period
Accounts current, imprests and guarantee deposits received	179,805,909.07	510,960,384.44
Government subvention received	33,642,545.15	60,058,369.30
Interest income received	162,910,431.85	178,584,640.84
Income received from fines and settlements, etc.	7,107,954.83	4,597,667.54
Total	383,466,840.90	754,201,062.12

Cash paid relating to other operating activities

☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

Item	Amount incurred in the current period	Amount incurred in the prior period
Cash paid for Administrative expense , R&D expense	133,453,847.43	110,537,038.26
Cash paid for selling expenses	52,794,435.92	61,063,715.12
Cash paid in non-operating expenses	39,619,254.98	11,005,110.76

Paid commission fee	1,261,174.00	1,758,197.72
Accounts current, imprests and guarantee deposits paid	214,038,757.88	259,472,330.97
Total	441,167,470.21	443,836,392.83

(2). Cash related to investing activities

Other cash received related to investing activities

☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

Item	Amount incurred in the current period	Amount incurred in the prior period
Net cash received from acquisition of subsidiaries	108,240,932.88	
Total	108,240,932.88	

(3) . Cash related to financing activities

☒Applicable ☐Not applicable

Items	Amount incurred in the current period	Amount incurred in the prior period
Payment of finance charges	10,479,520.21	
Lease payments	4,441,208.94	2,218,055.00
Purchase of treasury stock	279,998,779.45	
Total	294,919,508.60	2,218,055.00

Changes in liabilities arising from financing activities

☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

items	Opening balance	Increase during the period		Decrease during the period		Closing balance
		Cash changes	Non-cash changes	Cash changes	Non-cash changes	
Short-term Borrowings	432,899,589.49	791,887,931.97	24,559,262.84	685,476,004.41	132,385,506.00	431,485,273.89
Long-term borrowings	396,344,850.00	250,000,000.00	6,090,337.50	14,156,018.33		638,279,169.17
Lease liabilities	9,632,898.09				4,059,272.50	5,573,625.59
Non-current liabilities due within one year	3,822,398.80		4,678,082.64	4,441,208.94		4,059,272.50
Total	838,877,337.58	1,041,887,931.97	30,649,600.34	699,632,022.74	136,444,778.50	1,075,338,068.65

79 . Supplementary information to the cash flow statement

(1). Supplementary information to the cash flow statement

☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

Supplementary information	Current period	Prior period
I. Reconciliation of net profit to cash flow from operating activities:		
Net profit	421,300,514.01	933,640,487.23
Plus: Provision for impairment losses of assets	17,184,862.82	13,177,310.19
Depreciation of fixed assets, depletion of oil and gas assets, depreciation of productive biological assets	16,119,459.72	34,111,289.90
Amortization of right-of-use assets	295,580,842.36	253,531,916.34
Amortization of intangible assets	3,893,184.04	1,780,750.70
Amortization of long-term prepaid expenses	13,431,585.68	13,392,763.21
Losses on disposal of fixed assets, intangible assets and other long-term assets (gains are indicated by "—")	214,034.50	263,822.26
Losses on retirement of fixed assets (gains are indicated by "—")	-967,941.88	-222,893,469.07
Losses on changes in fair values (gains are indicated by "—")	-449,171.31	9,908,165.23
Financial expenses (income is indicated by "—")	66,268,747.02	159,583,653.99
Losses arising from investments (gains are indicated by "—")	25,234,497.24	25,500,425.03
Decrease in deferred tax assets (increase is indicated by "—")	-153,164,467.99	-224,465,173.06
Increase in deferred tax liabilities (decrease is indicated by "—")	-10,226,193.93	-18,735,283.36
Decrease in inventories (increase is indicated by "—")	12,851,831.09	-6,160,383.78
Decrease in receivables from operating activities (increase is indicated by "—")	482,163,343.10	-573,399,303.13
Increase in payable from operating activities (decrease is indicated by "—")	-238,765,166.99	-492,899,406.69
Others	-94,665,201.04	329,779,792.74
Net cash flow from operating activities		
Net cash flow from operating activities	856,004,758.44	236,117,357.73
II. Significant investing and financing activities that do not involve cash receipts and payments		
Conversion of debt into capital		
Convertible bonds due within one year		
Fixed assets acquired under finance leases		
III. Net changes in cash and cash equivalents:		
Closing balance of cash		
Closing balance of cash	6,117,187,006.86	2,939,933,397.36
Less: Opening balance of cash	2,939,933,397.36	7,421,524,979.39

Plus: Closing balance of cash equivalents		
Less: Opening balance of cash equivalents		
Net increase in cash and cash equivalents	3,177,253,609.50	-4,481,591,582.03

(2). Composition of cash and cash equivalents

☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

Item	Closing balance	Opening balance
I. Cash	6,117,187,006.86	2,939,933,397.36
Including: Cash on hand	95,620.62	127,528.10
Bank deposits	6,089,422,190.83	2,937,298,305.32
Other monetary funds	27,669,195.41	2,507,563.94
Deposits with the central bank		
Deposits with other banks		
Placements with banks		
II. Cash equivalents		
Including: Investments in debt securities due within three months		
III. Closing balance of cash and cash equivalents	6,117,187,006.86	2,939,933,397.36
Including: Restricted cash and cash equivalents of the Company and subsidiaries within the Group		

(4) . Monetary funds not classified as cash and cash equivalents

☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

item	Amount for the current period	Amount for the current period	Reasons
Note Deposit	72,099,238.08	201,287,308.84	restriction on use
Guarantee Deposit	2,000,000.00	796,212.48	restriction on use
Bank Frozen Funds		10,010,000.00	restriction on use
Others	3,547.34	21.12	restriction on use
Total	74,102,785.42	212,093,542.44	/

80 . Notes to items in the statement of changes in owners' equity

Indicate the name of the "Other" item and the amount of adjustment made to the closing balance of the previous year:

☒Applicable ☐Not applicable

81 . Foreign currency monetary items

☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

Item	Carrying amount at the end of the reporting period	Exchange rate	Closing balance in CNY
Currency funds			10,578,895.27
Of which: US dollars	1,362,059.63	7.08270	9,647,059.74
Euro	115,887.84	7.85920	910,785.72
Korean Won	561,774.00	0.00551	3,097.56
Japanese Yen	357,522.00	0.05020	17,952.25
Accounts receivable			52,199,377.48
Of which: U.S. Dollar	7,321,468.83	7.08270	51,855,767.28
Euro	43,720.76	7.85920	343,610.20
Hong Kong Dollar			

82. Leasing

(1) As lessee

☒Applicable ☐Not applicable

Lease expense for short-term leases or low-value assets with simplified treatment

☒Applicable ☐Not applicable

The lease expense for short-term leases or low-value assets with simplified treatment for the period was CNY 2,471,718.46.

Sale and leaseback transactions and basis of judgment

The total cash outflow related to lease was CNY 6,912,927.40.

VIII. Research and development expenditure

☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

Item	Amount incurred in the current period	Amount incurred in the prior period
Payroll	39,818,007.69	50,638,043.97
Commissioned external research and development costs	15,384,096.30	22,339,979.20
Material cost	25,858,258.91	14,147,459.22
Depreciation and amortization	6,823,696.86	5,637,508.31
Other expenses	2,601,351.01	2,808,750.40
Total	90,485,410.77	95,571,741.10
Of which: Expensed R&D expenditure	90,485,410.77	95,571,741.10
Capitalized research and development expenditure		

IX. Changes of the scope of consolidation

1. Company merger of which companies are not controlled by same entity

☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

(1). Non-same-control business combination transactions occurring during the period

Name of Purchased Party	Time of Acquisition of Equity	Equity acquisition cost	Equity acquisition ratio(%)	Acquisition of Equity Interests	Purchase Date	Basis for determining the purchase date	Revenue of the purchased party from the purchase date to the end of the period	Net profit of the purchased party at the end of the period from the date of purchase to the end of the period	Cash flows of the purchased party from the purchase date to the end of the period
Fangda Xikemo (Jiangsu) Needle Coke Technology Co.,Ltd.	20 September , 2017	228,279,303.55	51.00	Transfer and capital increase					
Fangda Xikemo (Jiangsu) Needle Coke Technology Co.,Ltd.	30 June , 2023	38,080,680.96	14.00	Merger by absorption	30 June, 2023	Transfer of effective control	142,802,754.57	-13,979,598.60	-26,531,351.98

Other notes:

Note: The Company held the Eighth Meeting of the Eighth Session of the Board of Directors on 26 April, 2023 and considered and passed the "Proposal on Absorption and Merger between Joint Ventures and Subsidiaries", in which the Company's former joint venture, Fangda Xikemo (Jiangsu) Needle Coke Technology Co., Ltd. intends to absorb and merge with the Company's subsidiary, Jiangsu Fanta Carbon Chemical Company Limited, and after the completion of the absorption and merger, the independent legal personality of Jiangsu Fanta Carbon Chemical Company Limited will be canceled. Upon completion of the merger, the independent legal personality of Jiangsu Fangda Carbon Chemicals Co., Ltd. will be canceled, and all of its assets,

liabilities, business and personnel will be inherited by Fangda Xi Ke Mo (Jiangsu) Needle Coke Technology Co. The Company used to hold 51% equity interest in Fangda Xikemo (Jiangsu) Needle Coke Technology Co., Ltd. and 80% equity interest in Jiangsu Fangda Carbon Chemicals Co. After the friendly negotiation between the shareholders of both parties to the merger, the Company's equity interest in the merged Fonda Xikemo (Jiangsu) Needle Coke Technology Co.,Ltd.

(2). Cost of consolidation and goodwill

☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

Consolidated costs	Fangda Xikmo (Jiangsu) Needle Coke Technology Co.,Ltd.
--Cash	
--Fair value of non-cash assets	41,217,853.05
--Fair value of debt issued or assumed	
--Fair value of equity securities issued	
--Fair value of contingent consideration	
-Fair value at purchase date of equity interests held prior to purchase date	155,865,333.73
- - Other	
Total cost of consolidation	197,083,186.78
Less: share of fair value of identifiable net assets acquired	198,651,895.94
Amount by which goodwill/cost of combination is less than share of fair value of identifiable net assets acquired	-1,568,709.16

Method of determining the fair value of the cost of consolidation:

☒Applicable ☐Not applicable

By reference to the fair value of each identifiable asset and liability of the subject company at the date of consolidation.

(3). Identifiable assets and liabilities of the purchased party at the date of purchase

☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

	Fangda Xikmo (Jiangsu) Needle Coke Technology Co.,Ltd.	
	Fair value at date of purchase	Book value at the date of purchase
Assets:	346,323,975.18	280,340,258.70
Monetary funds	108,240,932.88	108,240,932.88
Accounts receivable		
Prepayments	1,973,350.99	1,973,350.99
Other receivables	1,683,225.36	1,683,225.36
Inventories	45,642,084.54	45,642,084.54
Other current assets	1,541,769.09	1,541,769.09
Fixed assets	163,806,126.65	108,650,760.87
Intangible assets	23,176,363.65	12,348,012.95
Construction in progress	11,320.75	11,320.75
Long-term amortized expenses	248,801.27	248,801.27
Liabilities:	40,705,673.74	24,209,744.62
Borrowings		
Payables	18,726,937.28	18,726,937.28
Deferred income tax liabilities	16,495,929.12	
Contract liabilities	296,994.50	296,994.50
Taxes payable	189,588.18	189,588.18
Other payables	1,838,496.89	1,838,496.89
Other current liabilities	3,157,727.77	3,157,727.77
Net assets	305,618,301.44	256,130,514.08
Less: Minority interests	106,966,405.50	89,645,679.93
Net assets acquired	198,651,895.94	166,484,834.15

Method of determining the fair value of identifiable assets and liabilities:

The Company engaged Woxson (Beijing) International Asset Appraisal Co.,Ltd.

Other Notes:

The data in the above table represent the data of Fangda Xikemo (Jiangsu) Needle Coke Technology Co., Ltd. as of the date of purchase before the absorption and merger.

(4). Gains or losses arising from the remeasurement to fair value of equity interests held prior to the date of purchase

Existence of transactions in which the business combination was achieved in stages through multiple transactions and control was obtained during the reporting period

☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

Name of Purchased Party	Time of Acquisition of Equity Interests Previously Held Prior to the Purchase Date	Percentage of acquisition of equity interest formerly held prior to the date of purchase (%)	Acquisition cost of equity interest previously held prior to the date of purchase	Acquisition of equity interests previously held prior to the date of purchase	Book value at the purchase date of equity interests previously held prior to the purchase date	Fair value of equity interest formerly held prior to the date of purchase at the date of purchase	Gains or losses arising from the remeasurement of previously held equity interests at fair value prior to the date of purchase	Method of determining the fair value of equity interests previously held prior to the purchase date and key assumptions	Amounts transferred to investment income or retained earnings from other comprehensive income related to previously held equity interests prior to the date of purchase
Fonda Xiakmo (Jiangsu) Needle Coke Technology Co.	20 September , 2017	51.00	228,279,303.55	Transfer and capital increase	131,493,660.97	155,865,333.73	24,371,672.76	Reference to the latest appraised value	

2. Disposal of subsidiaries

Whether there were any transactions or events to lose control of subsidiaries during the period

☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

Subsidiary Name	Time of loss of control	Disposal price at point of loss of control	Proportion of disposals at point of loss of control (%)	Disposal at point of loss of control	Basis for determining the point of loss of control	Difference between the disposal price and the share of net assets of the subsidiary at the level of the consolidated financial statements corresponding to the disposal of the investment	Proportion of remaining equity at the date of loss of control (%)	Book value of remaining equity at the level of consolidated financial statements at the date of loss of control	Fair value of remaining equity at the consolidated financial statement level at the date of loss of control	Gains or losses arising from the remeasurement of the remaining equity at fair value	Method of determining the fair value of the remaining equity interest at the level of the consolidated financial statements at the date of loss of control and key assumptions	Amount of other comprehensive income related to equity investments in atomic companies transferred to investment profit or loss or retained earnings
Gansu Fangda Jiuxing Formwork Co.,Ltd.	30 April , 2023	252,500.00	5.94	Transfer	Date of signing of the agreement by both parties		47.00	1,997,500.00	1,997,500.00		Fair value of identifiable assets and liabilities	

3. Changes in the scope of consolidation due to other reasons

☒Applicable ☐Not applicable

Describe changes in the scope of consolidation due to other reasons (e.g., establishment of new subsidiaries, liquidation of subsidiaries, etc.) and the related information:The company cancelled its subsidiary Fangda (Moscow) International Trading Co., Ltd. in this period.

X. Equities in other entities

1. Equities in subsidiaries

(1). Composition of the enterprise group

☒Applicable ☐Not applicable

Unit: Ten thousand Yuan Currency: CNY

Name of Subsidiary	Primary Place of Business	Registered Capital	Place of Registration	Business Nature	Shareholding (%)		Method of acquisition
					Direct	Indirect	
Fushun Fangda High-tech Material Co.,Ltd.	Fushun, Liaoning	5,000.00	Fushun, Liaoning	Manufacturers	60.00		Newly established
Shanghai Fangda Investment Management Co.,Ltd.	Shanghai	6,000.00	Shanghai	Investment enterprises	100.00		Newly established
Fushun Laihe Mining Co.,Ltd.	Fushun, Liaoning	2,198.00	Fushun, Liaoning	Manufacturers	97.99		Merger under the same control
Chengdu Fangda Carbon Composite Material Co.,Ltd.	Chengdu, Sichuan	39,956.29	Chengdu, Sichuan	Manufacturers	89.20	0.90	Same-control merger
Fushun Fangtai Precision Carbon Materials Co.,Ltd.	Fushun, Liaoning	18,000.00	Fushun, Liaoning	Manufacturers	100.00		Merger under the same control
Fushun Carbon Co.,Ltd.	Fushun, Liaoning	6,326.00	Fushun, Liaoning	Manufacturers	65.54		Non-same control combination

Hefei Carbon Co.,Ltd.	Hefei, Anhui	5,000.00	Hefei, Anhui	Manufacturers	100.00		Non-same control combination
Chengdu Rongguang Carbon Co.,Ltd.	Chengdu, Sichuan	10,000.00	Chengdu, Sichuan	Manufacturers	60.00		Non-identical Control Consolidation
Chengdu Fangda Carbon Research Institute Co.,Ltd.	Chengdu, Sichuan	5,000.00	Chengdu, Sichuan	Scientific research	100.00		Newly established
Gansu Classical Shengdong Construction Poverty Alleviation Development Co.,Ltd.	Linxia Prefecture, Gansu Province	10,000.00	Linxia Prefecture, Gansu Province	Building construction	76.92		Newly established
Gansu Benju Handicraft Development Co.,Ltd.	Linxia Prefecture, Gansu Province	100.00	Linxia Prefecture, Gansu Province	Manufacturers	85.71		Newly established
Dongxiang Autonomous County Fangda Tengda Clothing Co.,Ltd.	Linxiashou, Gansu Province	510.00	Linxiashou, Gansu Province	Production companies	54.12		Newly established
Fangda Xikemo (Jiangsu) Needle Coke Technology Co.,Ltd.	Xuzhou, Jiangsu	178,088.34	Xuzhou, Jiangsu	Manufacturing companies	65.00		Non-common control merger
Fangda (Korea) International Trading Co.,Ltd.	Korea	58.91	Korea	Trading Company	100.00		New
Fangda Carbon & Industrial Products Trading Co.,Ltd.	Turkey	\	Turkey	Trading Company	100.00		New

Other notes:

1. The proportion of shareholding is the proportion of paid-in capital.
2. The Company has contributed 40% of the equity of Gansu Classical Shengdong Construction and Poverty Alleviation Development Co., Ltd. but the Company is able to decide on its related production and operation, return, financing, investment and asset disposal activities, so the Company has included it in the scope of the consolidated financial statements.

(3) . Important non-wholly owned subsidiaries

☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

Subsidiary	Shareholding of minority shareholders proportion	Profit and loss attributable to minority shareholders in the current period	Dividends declared and distributed to minority shareholders in the current period	Closing balance of minority shareholders' equity for the period
Fushun Fangda High-tech and New Material Co.,Ltd.	40.00	4,658,728.75		79,722,852.90
Fushun Laihe mining Co.,Ltd	2.01	394,931.82		35,258,399.85
Fushun Carbon Co.,Ltd.	34.46	-8,305,133.95		386,253,476.94
Chengdu Rongguang Carbon Co., Ltd.	40.00	12,550,753.75		522,050,484.73
Jiangsu Fangda Carbon Chemicals Co., Ltd.	53.27	-4,892,859.51		190,710,359.82

(3) Major financial information of significant non-wholly owned subsidiaries

☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

Subsidiary	urrent period				Prior period			
	Operating revenue	Net profit	Total comprehensive income	Cash flow from operating activities	Revenue	Net profit	Total comprehensive income	Cash flow from operating activities
Fushun Fangda High-tech and New Material Co.,Ltd.	414,072,913.19	11,646,821.87	11,646,821.87	57,078,461.73	528,735,711.70	11,915,021.93	11,915,021.93	-30,608,531.41

Fushun Laihe mining Co.,Ltd	121,529,003.66	19,648,349.26	19,648,349.26	656,071,800.81	141,614,934.86	39,245,254.69	39,245,254.69	-596,736,387.43
Fushun Carbon Co.,Ltd.	420,732,314.85	-24,100,095.59	-24,100,095.59	-10,098,269.98	533,988,690.27	34,713,460.20	34,713,460.20	2,574,008.65
Chengdu Rongguang Carbon Co., Ltd.	520,109,425.21	31,376,884.35	31,376,884.35	38,577,054.61	509,427,847.41	211,246,093.85	211,246,093.85	-120,969,857.29
Fushun Fangda High-tech and New Material Co.,Ltd.	142,802,754.57	-13,979,598.60	-13,979,598.60	10,843,080.06				

Subsidiary	Closing balance						Opening balance					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Fushun Fangda High-tech and New Material Co.,Ltd.	150,466,771.63	48,560,388.35	199,027,159.98	9,821,696.93	125,612.62	9,947,309.55	155,423,428.83	52,656,961.41	208,080,390.24	30,309,092.78		30,309,092.78
Fushun Laihe mining Co.,Ltd	812,353,087.47	125,615,440.28	937,968,527.75	73,582,884.72		73,582,884.72	758,613,469.54	133,567,706.53	892,181,176.07	47,443,882.30		47,443,882.30
Fushun Carbon Co.,Ltd.	1,170,699,474.50	80,589,553.92	1,251,289,028.42	127,465,505.26	2,950,359.89	130,415,865.15	1,224,867,002.53	79,973,752.88	1,304,840,755.41	156,022,636.16	3,053,847.65	159,076,483.81
Chengdu Rongguang Carbon Co.,	881,186,798.29	683,605,000.80	1,564,791,799.09	203,695,569.77	56,357,001.56	260,052,571.33	923,310,099.76	621,207,982.30	1,544,518,082.06	202,698,187.79	59,877,215.74	262,575,403.53

Ltd.												
Fangda Xikemo (Jiangsu) Needle Coke Technology Co., Ltd.	188,173, 883.57	427,382,64 8.01	615,556,531. 58	29,294,057. 55	41,375,731 .68	70,669,789. 23						

2.Transactions in which the share of ownership interest in a subsidiary changes and the subsidiary is still controlled

(1) Explanation of changes in the share of ownership interests in subsidiaries

On 22 May,2023, the Company held the Twenty-fifth Extraordinary Meeting of the Eighth Session of the Board of Directors, which considered and passed the "Proposal on Directed Issue and Connected Transaction of the Controlling Subsidiary", and agreed that the Controlling Subsidiary, Chengdu Carbon, should issue shares to raise funds from investors in a directed offering.The directed offering of shares of Chengdu Carbon was completed in September 2023, with a total number of shares of 39,562,920 shares issued, raising funds of CNY160,229,826.00. The total amount of shares issued was 39,562,920 shares, raising capital of CNY160,229,826.00. The new shares of this directional issue were listed and publicly transferred in the National Small and Medium-sized Enterprises Stock Transfer System from 24 October, 2023 onwards.

(2)Effect of the transaction on minority interests and equity attributable to owners of the parent company

Unit: Yuan Currency: CNY

	Chengdu Fangda Carbon Composite Material Co.
Purchase cost/consideration for disposal	
--Cash	160,229,826.00
--Fair value of non-cash assets	
Total purchase cost/disposal consideration	160,229,826.00
Less: share of net assets of subsidiaries in proportion to equity interests acquired/disposed of	135,863,803.94

Difference	24,366,022.06
Of which: Adjustment to capital surplus	24,366,022.06
Adjustment to surplus reserves	
Adjustment to undistributed profit	

3.Entities in joint ventures or associates

☒Applicable ☐Not applicable

(1). Significant joint ventures or associates

☒Applicable ☐Not applicable

Joint-ventures /associates	Main place of business	Place of registration	Business nature	Shareholding ratio (%)		Accounting treatment for Joint-ventures /associates
				Direct	Indirect	
Baofang Carbon Material Technology Co., Ltd.	Gansu Lanzhou	Jia tan Village, Ping'an Town, Honggu District, Lanzhou City, Gansu Province, China	Manufacturer	49.00		Equity method
Jilin Chemical Fibers Co.,Ltd.	Jilin Province Jilin	No.216 Kunlun Street, Jilin Economic and Technological Development Zone, Jilin City, Jilin Province, China	Manufacturer	7.95		Equity method
Jiujiang Bank Co.,Ltd.	Jiangxi Province Jiujiang	No. 619, Changhong Avenue, Lianxi District, Jiujiang City, Jiangxi Province, China	Finance	4.78		Equity method
Tianjin Haihe Fangda Industrial Investment Fund Partnership (Limited Partnership)	Shanghai Huangpu district	Tianjin Binhai New Area Lingang Economic Zone Harbor Venture Park	Wealth management	59.02		Equity method
Nanchang Huxu Steel Industry	Jiangxi	No. 527, Metallurgical Avenue, Nangang Street, Qingshanhu	Wealth	49.17		Equity method

Investment Partnership (Limited Partnership)	Province Nanchang city	District, Nanchang City, Jiangxi Province, China	management			
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Explanation of the proportion of shareholding in joint ventures or associates different from the proportion of voting rights:

1. According to the Articles of Association of Baofang Carbon Material Science & Technology Co., Ltd, the Board of Directors of Baofang Carbon Material Science & Technology Co., Ltd consists of seven members, of which Baowu Carbon Industry Science & Technology Co. Therefore, Baofang Carbon Material Technology Co., Ltd. is jointly operated by Baowu Carbon Technology Co., Ltd. and the Company, and the Company accounts for Baofang Carbon Material Technology Co., Ltd. under the equity method of accounting, and is not included in the scope of consolidation.

2. According to the "Tianjin Haihe Fangda Industrial Investment Fund Partnership (Limited Partnership) Partnership Agreement", the Investment Decision-making Committee shall make decisions on the investment and withdrawal of the investment projects of the partnership. Valid resolutions of the Investment Decision-making Committee shall be passed by all members present at the meeting, and the members appointed by Tianjin Haihe Industrial Fund Management Co. The Company has the right to appoint members to the Investment Decision-making Committee and has significant influence over Tianjin Haihe Fangda Industrial Investment Fund Partnership (Limited Partnership), but does not control its operation, therefore the Company accounts for the investment under the equity method and is not included in the scope of consolidation.

3. According to the "Nanchang Huxu Steel Industry Investment Partnership (Limited Partnership) Partnership Agreement", the Company's contribution ratio is 37.50%, and the fund has an investment decision-making committee consisting of 5 persons, of which 2 are appointed by the executive partner Shanghai Huxu Investment Management Company Limited, and 1 each (totaling 2 persons) is appointed by the limited partners, namely, Fangda Special Steel Science and Technology Company Limited, Fangda Carbonin New Material Science and Technology Company Limited, and Jiangxi Sea Gull Trading Company Limited. Ltd. and Jiangxi Hai-O Trading Company Limited each appoints one member (3 members in total). The Investment Decision-making Committee shall have a convenor or director, who shall be appointed by the managing partner. The duties of the Investment Decision-making Committee shall be the highest decision-making body for the partnership's foreign investment, and the resolution made by the Investment Decision-making Committee shall be valid only with the consent of more than two-thirds (including two-thirds) of the members. The Company has significant influence over Nanchang Huxu Steel Industry Investment Partnership (Limited Partnership) but does not control its operation, therefore the Company accounts for its investment under the equity method and is not included in the scope of consolidation.

(2) Main financial information of important joint ventures

☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

	Closing balance/ current period	Opening balance/ prior period
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	Baofang Carbon Material Technology Co., Ltd.	Jiujiang Bank Co.,Ltd.	Baofang Carbon Material Technology Co., Ltd.	Jiujiang Bank Co.,Ltd.
Current assets	469,614,201.69	489,302,600,000.00	598,284,794.02	465,334,662,000.00
Non-current assets	1,974,144,289.84	14,546,600,000.00	1,766,117,172.83	14,368,878,000.00
Total assets	2,443,758,491.53	503,849,200,000.00	2,364,401,966.85	479,703,540,000.00
Current liabilities	757,010,772.60	458,703,800,000.00	483,592,236.77	439,806,125,000.00
Non-current liabilities	433,030,012.71	4,188,900,000.00	553,467,877.41	3,481,134,000.00
Total liabilities	1,190,040,785.31	462,892,700,000.00	1,037,060,114.18	443,287,259,000.00
Minorities interests		800,000,000.00		788,620,000.00
Equity attributable to owners of the parent	1,253,717,706.22	40,156,500,000.00	1,327,341,852.67	35,627,661,000.00
Share of net assets calculated by shareholding ratio	614,321,676.05	1,584,587,293.41	650,397,507.80	1,618,224,188.19
Adjustments	-19,857,337.14	-452,828,634.37	-30,644,912.22	-452,828,634.37
--Goodwill				
----Unrealized profit of internal transaction	-19,857,337.14		-30,644,912.22	
--Others		-452,828,634.37		-452,828,634.37
Book value of equity investment in joint venture	594,464,338.91	1,131,758,659.04	619,752,595.58	1,165,395,553.82
Fair value of equity investment of joint venture with public offer		952,490,000.00		1,306,272,000.00
Operating revenue	389,439,424.26	10,358,400,000.00	288,803,101.37	10,869,945,000.00
Net profit	-76,559,642.07	745,400,000.00	31,066,114.27	1,680,366,000.00

Net profit from discontinuing operations				
Other comprehensive income		461,200,000.00		-94,650,000.00
Total comprehensive income	-76,559,642.07	1,206,600,000.00	31,066,114.27	1,585,716,000.00
Dividends received from joint ventures in the current year		13,607,000.00		13,607,000.00

	Closing balance/ current period		Opening balance/ prior period	
	Jilin Chemical Fiber Co.,Ltd.	Nanchang Huxu Steel Industry Investment Partnership (Limited Partnership)	Jilin Chemical Fiber Co.,Ltd.	Nanchang Huxu Steel Industry Investment Partnership (Limited Partnership)
Current assets	3,132,648,208.15	600,034,092.57	2,366,478,098.93	713,861.70
Non-current assets	9,354,774,058.89	8,679,974,091.85	9,251,724,132.60	8,621,331,602.11
Total assets	12,487,422,267.04	9,280,008,184.42	11,618,202,231.53	8,622,045,463.81
Current liabilities	5,503,386,367.41		5,068,692,003.53	
Non-current liabilities	1,849,255,974.16		1,384,636,221.55	
Total liabilities	7,352,642,341.57		6,453,328,225.08	
Minorities interests				
Equity attributable to owners of the parent	5,134,779,925.47	9,280,008,184.42	5,164,874,006.45	8,622,045,463.81
Share of net assets calculated by shareholding ratio	408,215,004.07	4,563,439,714.77	410,607,483.51	4,561,392,497.90
Adjustments	47,373,173.01		47,373,173.01	
--Goodwill	47,373,173.01		47,373,173.01	

----Unrealized profit of internal transaction				
--Others				
Book value of equity investment in joint venture	455,588,177.08	4,563,439,714.77	457,980,656.52	4,561,392,497.90
Fair value of equity investment of joint venture with public offer	569,111,167.68		866,378,856.64	
Operating revenue	3,735,820,774.77		3,655,802,436.82	
Financing cost		-15,944,798.80		-778,185.79
Net profit	4,414,598.72	129,008,184.41	-101,971,699.94	116,045,463.81
Net profit from discontinuing operations				
Other comprehensive income			277,174,394.88	
Total comprehensive income	4,414,598.72	129,008,184.41	175,202,694.94	116,045,463.81
Dividends received from joint ventures in the current year		61,392,497.90		

Note: The 2023 data of Baofang Carbon Material Technology Co., Ltd, Jiujiang Bank Co., Ltd and Jilin Chemical Fiber Co. are unaudited.

(3). Summary of financial information of unimportant joint ventures and associates

☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

	Closing balance/ current period	Opening balance/ prior period
Joint ventures:		
Total carrying value of investment		
Items calculated according to shareholding ratio		

--Net profit		
--Other comprehensive income		
--Total comprehensive income		
Associates:		
Total Book value of investment	29,843,425.35	32,749,346.77
Sum of the following by percentage of shareholding		
--Net profit	-2,905,921.42	-8,747,982.66
--Other comprehensive income		
--Total comprehensive income	-2,905,921.42	-8,747,982.66

Note: The associate is Tianjin Haihe Fangda Industrial Investment Fund Partnership (Limited Partnership).

XI. Government subsidies

1. Liability items involving government grants

☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

Financial statement items	Opening balance	Amount of new grants for the period	Amount included in non-operating income for the period	Transfer to other gains for the period	Other changes during the period	Closing balance	Asset/revenue related
Deferred income	319,801,947.33			25,222,850.42		294,579,096.91	Asset-related
Deferred income	3,696,320.00			924,080.00		2,772,240.00	Revenue Related
Total	323,498,267.33			26,146,930.42		297,351,336.91	

2. Government subsidies recognized in profit or loss for the period

☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

Type	Value in current period	Value in prior period
Asset-related	25,222,850.42	19,256,467.51
Revenue Related	33,284,811.70	42,722,956.15
Total	58,507,662.12	61,979,423.66

XII. Risks related to financial instruments

1. Risks related to financial instruments

☒Applicable ☐Not applicable

The Company's major financial instruments, including monetary funds, financial assets held for trading, receivables, payables and borrowings, etc. Detailed descriptions of each financial instrument are set out in the relevant items of this Note 7. The risks associated with these financial instruments and the risk management policies adopted by the Company to mitigate these risks are described below. The management of the Company manages and monitors these risk exposures to ensure that the said risks are kept within limits.

Risk Management Objectives and Policies: The Company engages in risk management with the objective of striking an appropriate balance between risk and return, minimizing the negative impact of risk on the Company's operating results and maximizing the benefits to shareholders and other equity investors. Based on this risk management objective, the basic strategy of the Company's risk management is to identify and analyze the various risks faced by the Company, to establish an appropriate risk tolerance floor and conduct risk management, and to monitor the various risks in a timely and reliable manner to keep the risks within limits.

The main risks resulting from the Company's financial instruments are credit risk, liquidity risk and market risk.

(I) Classification of financial instruments

1. Book value of each class of financial assets at the balance sheet date

(1) December 31, 2023

Unit: Yuan Currency: CNY

Financial assets items	Financial assets measured at amortized cost	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income	Total
Cash and Cash equivalents	6,191,289,792.28			6,191,289,792.28
Financial assets held for trading		586,500,429.15		586,500,429.15
Notes receivable	1,010,610,568.62			1,010,610,568.62
Account receivable	554,633,294.53			554,633,294.53
Financing receivable			208,553,904.66	208,553,904.66
Other receivable	126,018,356.65			126,018,356.65
Other non-current financial assets		501,990,183.96		501,990,183.96
Total	7,882,552,012.08	1,088,490,613.11	208,553,904.66	9,179,596,529.85

(2) December 31, 2022

Unit: Yuan Currency: CNY

Financial assets items	Financial assets measured at amortized cost	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income	Total
Cash and Cash equivalents	3,152,026,939.80			3,152,026,939.80
Financial assets held for trading		1,545,366,189.88		1,545,366,189.88
Notes receivable	1,073,121,552.32			1,073,121,552.32
Account receivable	531,773,870.25			531,773,870.25
Financing receivable			453,554,021.98	453,554,021.98
Other receivable	131,782,915.15			131,782,915.15
Other non-current financial assets		324,090,101.94		324,090,101.94
Total	4,888,705,277.52	1,869,456,291.82	453,554,021.98	7,211,715,591.32

2. Book value of each class of financial liabilities at the balance sheet date

(1) December 31, 2023

Unit: Yuan Currency: CNY

Financial liabilities items	Financial liabilities at fair value included in profit or loss	Other financial liabilities	Total
Short term borrowings		431,485,273.89	431,485,273.89
Notes payable		400,770,815.15	400,770,815.15
Accounts payable		465,314,302.24	465,314,302.24
Other payable		180,155,378.30	180,155,378.30
Total		1,477,725,769.58	1,477,725,769.58

(3) December 31, 2022

Unit: Yuan Currency: CNY

Financial liabilities items	Financial liabilities at fair value included in profit or loss	Other financial liabilities	Total
Short term borrowings	432,899,589.49	432,899,589.49	432,899,589.49
Notes payable	600,689,256.80	600,689,256.80	600,689,256.80
Accounts payable	496,895,732.75	496,895,732.75	496,895,732.75
Other payable	213,267,520.48	213,267,520.48	213,267,520.48
Total	1,743,752,099.52	1,743,752,099.52	1,743,752,099.52

(II) Credit risk

The maximum exposure to credit risk that may cause the Company to incur financial losses at the end of the current period arises primarily from losses on the Company's financial assets arising from the failure of the other party to a contract to fulfill its obligations. In order to minimize credit risk, the Company establishes credit policies for its customers, reviews the creditworthiness of its customers and implements other monitoring procedures to ensure that necessary measures are taken to recover overdue claims. In addition, the Company reviews the collection status of each individual receivable at each balance sheet date to ensure that adequate bad debt provisions are made for uncollectible amounts. As a result, the Company's management believes that the Company's exposure to credit risk has been significantly reduced.

The Company's liquidity is deposited with banks with high credit ratings; therefore, the credit risk on liquidity is low.

(III) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations at the maturity date. The Company manages liquidity risk by ensuring that it has sufficient liquidity to meet its obligations as they fall due without incurring unacceptable losses or causing damage to its corporate reputation.

Financial liabilities are analyzed for maturity on the basis of undiscounted contractual cash flows:

Unit: Yuan Currency: CNY

Items	30 June 2023			
	Within 1 year	1-3 years	More than 3 years	Total
Short term borrowings	431,485,273.89			431,485,273.89
Notes payable	400,770,815.15			400,770,815.15
Account payable	354,631,565.76	38,979,643.16	71,703,093.32	465,314,302.24

Other Payable	96,994,592.29	46,887,945.60	36,272,840.41	180,155,378.30
Total	1,283,882,247.09	85,867,588.76	107,975,933.73	1,477,725,769.58

Continue the above table:

Unit: Yuan Currency: CNY

Items	31 December 2022			
	Within 1 year	1-3 years	More than 3 years	Total
Short term borrowings	432,899,589.49			432,899,589.49
Notes payable	600,689,256.80			600,689,256.80
Account payable	371,865,931.02	56,419,400.51	68,610,401.22	496,895,732.75
Other Payable	69,830,385.39	109,841,115.20	33,596,019.89	213,267,520.48
Total	1,475,285,162.70	166,260,515.71	102,206,421.11	1,743,752,099.52

(IV) Market risk

1. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk mainly from bank borrowings. The interest expense incurred on the Company's bank borrowings relating to floating interest rates will be recognized in profit or loss for the current period. Reasonable changes in interest rates that may occur have an impact on profit or loss and shareholders' equity for the current period.

2. Foreign exchange risk

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company matches foreign currency revenues with foreign currency expenses to minimize exchange rate risk to the extent possible. The Company's exposure to foreign exchange risk is primarily related to the U.S. dollar and the euro. Except for the Company and several subsidiaries that make purchases and sales in U.S. dollars and euros, the Company's other major business activities are denominated and settled in CNY.

The following table presents a sensitivity analysis of exchange rate risk, reflecting the impact that a reasonable and probable change in foreign currency exchange rates would have on total profit (due to changes in the fair value of monetary assets and monetary liabilities) under the assumption that all other variables remain unchanged.

Unit: Yuan Currency: CNY

Items	Current period		
	[USD]Exchange rate premium/discount	Total profit/Net income premium/discount	Shareholders' equity increase/decrease
CNY depreciated against [USD]	5.00%	3,075,141.35	3,075,141.35
CNY appreciated against [USD]	5.00%	-3,075,141.35	-3,075,141.35
CNY depreciated against [Euro]	5.00%	62,719.80	62,719.80
CNY appreciated against [Euro]	5.00%	-62,719.80	-62,719.80

CNY depreciated against [Won]	5.00%	154.88	154.88
CNY appreciated against [Won]	5.00%	-154.88	-154.88
CNY depreciated against [Russian Ruble]	5.00%	897.61	897.61
CNY appreciated against [Russian Ruble]	5.00%	-897.61	-897.61

Continue with the above table:

Unit: Yuan Currency: CNY

Items	Previous period		
	[USD]Exchange rate premium/discount	Total profit/Net income premium/discount	Shareholders' equity increase/decrease
CNY depreciated against [USD]	5.00%	4,040,413.93	4,040,413.93
CNY appreciated against [USD]	5.00%	-4,040,413.93	-4,040,413.93
CNY depreciated against [Euro]	5.00%	873,134.96	873,134.96
CNY appreciated against [Euro]	5.00%	-873,134.96	-873,134.96
CNY depreciated against [Won]	5.00%	1,621.12	1,621.12
CNY appreciated against [Won]	5.00%	-1,621.12	-1,621.12
CNY depreciated against [Russian Ruble]	5.00%	1,130.51	1,130.51
CNY appreciated against [Russian Ruble]	5.00%	-1,130.51	-1,130.51

3. Equity instrument investment price risk

Equity instrument investment price risk is the risk that the fair value of equity securities will decrease as a result of changes in the level of equity indices and the value of individual securities.

As of December 31, 2023, the Company is exposed to equity instrument investment price risk arising from individual equity instrument investments classified as trading equity instrument investments. The Company holds investments in listed equity instruments that are listed on the Shanghai and Shenzhen stock exchanges and are measured at quoted market prices at the balance sheet date.

The market equity indices of the following stock exchanges at the close of business on the trading day nearest to the balance sheet date, and their respective high and low closing points during the year, are set out below:

Unit: Yuan Currency: CNY

Securities Exchange	Closing balance	Highest/Lowest in current period	Opening balance	Highest/Lowest in previous period
Shanghai-A-share index	2,974.93	3,418.95/2,635.09	3,089.26	3,651.89/2,863.65
Shenzhen-A-share index	9,524.69	12,246.01/9,106.15	11,015.99	14,941.19/10,087.53

The following table illustrates the sensitivity of the Company's net income and shareholders' equity to each 5% change in the fair value of investments in equity instruments (based on the carrying value at the balance sheet date), assuming all other variables remain constant.

2023 annual:

Unit: Yuan Currency: CNY

Items	Book value	Total Profit/Net income increase/decrease	Shareholders' equity increase/decrease
Investments of listed equity instruments	580,860,198.26	29,043,009.91	29,043,009.91
Shanghai	395,725,083.88	19,786,254.19	19,786,254.19
Investments in trading equity instruments	395,725,083.88	19,786,254.19	19,786,254.19
Shenzhen	185,135,114.38	9,256,755.72	9,256,755.72
Investments in trading equity instruments	185,135,114.38	9,256,755.72	9,256,755.72
Hongkong			
Investments in trading equity instruments			
Investments in unlisted equity instruments measured at fair value	507,630,414.85	25,381,520.74	25,381,520.74

2022 annual:

Unit: Yuan Currency: CNY

Items	Book value	Total Profit/Net income increase/decrease	Shareholders' equity increase/decrease
Investments of listed equity instruments	1,084,498,755.31	54,224,937.77	54,224,937.77
Shanghai	896,677,443.87	44,833,872.19	44,833,872.19
Investments in trading equity instruments	896,677,443.87	44,833,872.19	44,833,872.19
Shenzhen	187,821,311.44	9,391,065.57	9,391,065.57
Investments in trading equity instruments	187,821,311.44	9,391,065.57	9,391,065.57
Hongkong			
Investments in trading equity instruments			

Investments in unlisted equity instruments measured at fair value	784,957,536.51	39,247,876.83	39,247,876.83
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(V) Capital management

The primary objective of the Company's capital management is to ensure the Company's ability to continue as a going concern and to maintain healthy capital ratios to support business development and maximize shareholder value.

The Company manages its capital structure and adjusts it in response to changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may adjust profit distributions to shareholders, issue new shares to return capital to shareholders or sell assets to reduce debt. The Company is not subject to external mandatory capital requirements and utilizes the return on capital to monitor capital.

At December 31, 2023 and 2022, the Company's return on capital is presented below:

Items	Ratio at the end of the period	Ratio at the beginning of the period
ROC(%)	7.73	17.76

XIII. Disclosure of fair value

1. Fair value of assets and liabilities measured at fair value at the end of the period

☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

Item	Fair value at the end of the period			
	Fair value measurement at the level 1	Fair value measurement at the level 2	Fair value measurement at the level 3	Total
I. Continuous fair value measurement				
(I) Financial assets held for trading	581,145,026.88		5,355,402.27	586,500,429.15
1. Financial assets at fair value through profit or loss	581,145,026.88		5,355,402.27	586,500,429.15
(1) Debt instrument investment				
(2) Equity instrument investment	581,145,026.88		5,355,402.27	586,500,429.15
(3) Derivative financial assets				
2. Financial assets designated at fair value through profit or loss				
(1) Investments in debt instruments				
(2) Investments in equity instruments				
(II) Other debt investments				
(III) Other investments in equity instruments				
(IV) Investment properties				
1. Land use rights for lease				

2. Buildings for lease				
3. Land use rights held for transfer after appreciation in value				
(v) Biological assets				
1. Expendable biological assets				
2. Productive biological assets				
(VI) Receivables financing		208,553,904.66		208,553,904.66
(VII) Other non-current financial assets			501,990,183.96	501,990,183.96
Total assets measured at fair value on an ongoing basis	581,145,026.88	208,553,904.66	507,345,586.23	1,297,044,517.77

2. Basis for determining the market value of items measured at fair value in the first level of the continuity and discontinuity hierarchy

☒Applicable ☐Not applicable

The Company's financial assets at fair value through profit or loss are listed stocks, whose fair value is the closing price at the end of the period on the stock exchange.

3. Continuing and discontinued Level 2 fair value measurement items, qualitative and quantitative information on valuation techniques and significant parameters used

☒Applicable ☐Not applicable

For held-for-trading receivables financing, the fair value is determined using the face amount.

4. Continuing and discontinued Level 3 fair value measurement items, qualitative and quantitative information of valuation techniques and significant parameters adopted

☒Applicable ☐Not applicable

1. As the business environment and operating conditions and financial position of the investee companies, Ningbo Meishan Free Trade Port Zone Fosun Weiying Equity Investment Fund Partnership (Limited Partnership) and Mianyang Science and Technology City Industrial Investment Fund (Limited Partnership), have changed, the Company's audited net assets attributable to the partners were measured as a reasonable estimate of fair value.

2. For the unfixed maturity capital bonds of Bank of Hainan Co., Ltd. held by the Company, they were measured according to the valuation of the debt market.

5. Fair value of financial assets and financial liabilities not measured at fair value

☒Applicable ☐Not applicable

The Company's financial assets and financial liabilities that are measured at amortized cost mainly include: cash funds, notes receivable, accounts receivable, other receivables, short-term loans, notes payable, accounts payable and other payables.

XIV. Affiliated parties and related party transactions

1. The company's parent company

☒Applicable ☐Not applicable

Unit: Ten thousand Yuan Currency: CNY

Parent company	Place of registration	Business nature	Registered capital	Shareholding ratio of parent company to the company	Proportion of voting rights of parent company to the company
Liaoning Fangda Group Industrial Co.,Ltd.	Shenyang	Investment management	100,000.00	37.86	37.86

The ultimate controlling party of the company is Fangwei.

2. Subsidiaries of the company

Please refer to the appendix for details of the company's subsidiaries

☒Applicable ☐Not applicable

See appendix "X. Equities in other entities" for details.

3. Joint venture and associates of the enterprise

Please refer to the notes for details of the company's joint venture and associates

☒Applicable ☐Not applicable

For details, please refer to the appendix "X. Equities in joint venture arrangements or associates".

Other joint ventures or associates with which the Company has entered into related-party transactions during the current period, or with which the Company has entered into related-party transactions in prior periods, resulting in balances, are as follows:

☒Applicable ☐Not applicable

Name of joint ventures/associates	Relationship with the company
Baofang Carbon material technology Co., Ltd.	Directors of companies acting as directors of joint ventures

4. Other affiliated parties

☒Applicable ☐Not applicable

Name of other related parties	Relationship between other related parties and the Company
Liaoning Fangda Group International Trade Co.,Ltd.	The same actual controller
Fangda Special Steel Technology Co.,Ltd.	The same actual controller
Jiujiang Pinggang Steel Co.,Ltd.	The same actual controller
Pingxiang Pinggang Anyuan Steel Co.,Ltd.	The same actual controller
Beijing Fangda Carbon Technology Co.,Ltd.	The same actual controller
Suifenhe Fangda International Trade Co.,Ltd.	The same actual controller
Beifang Heavy Industry Group Co.,Ltd.	The same actual controller

Shenyang Northeast Pharmacy Chain Co.,Ltd.	The same actual controller
Shenyang Zhongxing Commercial Building (Group) Co.,Ltd.	The same actual controller
Sichuan Daxingbao Chemical Co.,Ltd.	The same actual controller
Tianjin Department Store Business & Trading Corporation	The same actual controller
Hainan hantu Trading Co.,Ltd.	The same actual controller
Shengjing Fangda Real Estate Development Co.,Ltd.	The same actual controller
Hainan Airlines Holdings Co.,Ltd.	The same actual controller
Shenyang Fangdi Real Estate Co.,Ltd.	The same actual controller
Tianjin Total Logistics & Distribution Co.,Ltd.	The same actual controller
Sichuan Dazhou Iron and Steel Group Co.,Ltd.	The same actual controller
Beijing Fangda (Tianjin) International Trade Co.,Ltd.	The same actual controller
Gansu Fangda Tongte New Material Co.,Ltd.	The same actual controller
Gansu Fangda Zhanyao New Material Packaging Co.,Ltd.	The same actual controller
Liaoning Fangda New City Real Estate Co.,Ltd.	The same actual controller
Dongxiang Autonomous County Fangda Liming Textile Co.,Ltd.	The same actual controller
Gansu Fangda Fuhuang East-West Collaborative Garment Co.,Ltd.	The same actual controller
Gansu Fangda Nine Sheds Science and Technology Development Co.,Ltd.	The same actual controller
Gansu Fangda Youerta Herding Development Co.,Ltd.	The same actual controller
China Xinhua Aviation Group Co.,Ltd.	The same actual controller
Dongxiang Autonomous County East-West Collaboration Meijia Rainwear Co.,Ltd.	The same actual controller
Dongxiang Autonomous County East-West Collaboration Shengweitang Food Co.,Ltd.	The same actual controller
Dongxiang Autonomous County Western Region Clothing Co.,Ltd.	The same actual controller
Gansu Fangda Jiuxing Formwork Co.,Ltd.	The same actual controller
Gansu Helsinki Craft Products Co.,Ltd.	The same actual controller
Golden Deer (Beijing) Business Aviation Co.,Ltd.	The same actual controller
Hainan Fushun Investment Development Co.,Ltd.	The same actual controller
Tianjin Huan Tong Electrical Equipment Co.,Ltd.	The same actual controller
Hainan Fushun Investment Development Co.,Ltd.	The same actual controller
Linxia Huimizhai Food Co., Ltd.	The same actual controller
Lanzhou Fangda Carbon Real Estate Development Co.,Ltd.	The same actual controller
Shenyang Fangda Property Management Co.,Ltd.	The same actual controller
Dongxiang Autonomous County Zhendong Zhiyuan Public Passenger Transportation Co.,Ltd.	The same actual controller

Jiujiang Fangda Hotel Co.,Ltd.	The same actual controller
Benxi Manzu Autonomous County Tongda Iron Selection Co.,Ltd.	The same actual controller
Liaoning Fangda Real Estate Group Co.,Ltd.	The same actual controller
Liaoning Baisha Island Industrial Development Co.,Ltd.	The same actual controller
Jiangxi Fangda Iron and Steel Group Co.,Ltd.	The same actual controller

5. Affiliated transactions

(1). Purchase and sale of goods, provision and acceptance of labor service affiliated transactions

Purchase of goods/acceptance of labor

☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

Affiliated Parties	Affiliated Transactions	Value occurred in current period	Amount of approved transactions (if applicable)	Whether the transaction limit is exceeded (if applicable)	Value occurred in previous period
Baofang Carbon Material Technology Co., Ltd.	Acceptance of labor	122,047,231.99	150,000,000	no	124,307,733.20
Beijing Fangda Carbon Technology Co., Ltd.	Purchase of goods	70,576,108.50	150,000,000	no	95,755,993.66
Sichuan Daxing Baohua Chemical Co., Ltd.	Purchased goods	60,843,885.74	130,000,000	no	73,353,963.38
Liaoning Fangda Group International Trade Co., Ltd.	Purchased goods		80,000,000	no	60,339,453.83
Hainan Fangda Aviation Development Co., Ltd.	Purchased goods				25,711,397.17
Gansu Fangda Jiuzhangshang Technology Development Co., Ltd.	Purchased goods	56,130.00			1,782,337.15
zhongxing-Shenyang Commercial Building (Group) Co., Ltd.	Purchased goods	140,832.00			1,438,939.30
Gansu Fangda Tongte New Material Co., Ltd.	Purchased goods	1,335,929.21			1,233,716.80
Shenyang Fonda Real Estate Co., Ltd.	Acceptance of labor	134,067.80			617,795.36
Beifang Heavy Industry Group Co., Ltd.	Purchased goods	238,938.06			284,070.80
Gansu Fangda Zhanyao New Material Packaging Co., Ltd.	Purchased goods	592,035.40			212,389.38
Gansu Fangda Youerta Herding Development Co., Ltd.	Purchased goods				58,252.21

Dongxiang Autonomous County East-West Collaboration Shengmaitang Food Co., Ltd.	Purchased goods				28,355.75
Shenyang Fangdi Real Estate Co., Ltd.	Purchased goods				24,905.66
Fangda Special Steel Technology Co., Ltd.	Purchased goods	33,877,105.80	75000,000		22,300.89
Gansu Fangda Fuhuang East-West Collaboration Garment Co., Ltd.	Purchased goods				11,469.03
Hainan Hantu Trading Co., Ltd.	Purchased goods	114,360,530.25	120.000.000.00		
Suifenhe Fangda International Trade Co., Ltd.	Acceptance of labor				10,387.80
Jiujiang Pinggang Steel Co., Ltd.	Acceptance of labor				7,555.37
Shenyang Northeast Pharmacy Chain Co., Ltd.	Purchased goods				5,125.15
Jing Fangda (Tianjin) International Trade Co., Ltd.	Purchased goods	8,097.35			
Gansu Helsinki Craft Products Co., Ltd.	Purchased goods	7,079.65			
Golden Deer (Beijing) Business Aviation Co., Ltd.	Purchased goods	4,424,778.76			
China Xinhua Airlines Group Co., Ltd.	Purchased goods	17,860.68			

Statement of sale of goods/provision of services

☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

Affiliated Parties	Affiliated Transactions	Value occurred in current period	Value occurred in current period
Fangda Special Steel Technology Co., Ltd.	Sales of goods	39,406,012.79	25,629,952.45
Jiujiang Pinggang Iron & Steel Co., Ltd.	Sales of goods	17,923,222.81	30,381,776.12
Jiujiang Pinggang Steel Co., Ltd.	Provision of labor		2,774.40
Pingxiang Pinggang Anyuan Steel Co., Ltd.	Sales of goods	7,027,754.31	16,883,120.16
Baofang Carbon Material Technology Co., Ltd.	Sales of goods	29,753,759.75	16,579,418.33
Beijing Fangda Carbon Technology Co., Ltd.	Sales of goods	10,731,470.90	34,962,939.29
North Heavy Industry Group Co., Ltd.	Sales of goods	1,327.43	1,327.43
Dongxiang Autonomous County Western Region Clothing Co., Ltd.	Products for sale	240,208.85	365,218.81
Shenyang Fangdi Real Estate Co., Ltd.	Products for sale		8,849.56

Shengjing Fangda Real Estate Development Co., Ltd.	Sales of goods		5,221.24
Liaoning Fangda New City Real Estate Co., Ltd.	Sales of goods		1,592.92
Gansu Hull Pixel Craft Products Co.	Selling goods	403,412.39	346,930.97
Gansu Fangda Zhanyao New Material Packaging Co., Ltd.	Provision of labor		5,296.46
Gansu Fangda Zhanyao New Material Packaging Co., Ltd.	Sales of goods	730,667.14	142,212.40
Liaoning Fangda Group International Trade Co., Ltd.	Sales of goods		2,849,203.58
Sichuan Dazhou Iron and Steel Group Co., Ltd.	Sales of goods		2,739,581.32
Lanzhou Fonda Carbon Real Estate Development Co., Ltd.	Sales of goods		699.12
Shenyang Fangda Property Management Co., Ltd.	Sales of goods		884.96
Dongxiang Autonomous County Zhendong Zhiyuan Public Passenger Transportation Co., Ltd.	Products for sale		2,522.12
Jiujiang Fangda Hotel Co., Ltd.	Products for sale		1,106.19
Hai Nan Fangda Aviation Development Co., Ltd.	Products for sale		8,032,503.12
Golden Deer (Beijing) Business Aviation Co., Ltd.	Products for sale		4,778.76
Benxi Manchu Autonomous County Tongda Iron Election Co., Ltd.	Products for sale	272,757.51	1,681.42
Liaoning Fangda Real Estate Group Co., Ltd.	Products for sale		2,035.40
Liaoning Baisha Island Industrial Development Co., Ltd.	Products for sale		1,681.42
Tianjin Department Store Commerce and Trade General Corporation	Products for sale		566.04
Dongxiang Autonomous County East-West Collaboration Meijia Rainwear Co., Ltd.	Products for sale	97,798.23	
Dongxiang Autonomous County East-West Collaboration Shengweitang Food Co., Ltd.	Products for sale	4,601.77	
Dongxiang Autonomous County Fangda Liming Textile Co., Ltd.	Products for sale	63,716.81	
Gansu Fangda Juxing Formwork Co., Ltd.	Products for sale	2,300.88	
Hainan Hantu Trading Co., Ltd.	Products for sale	8,417,636.02	
Hainan Airlines Holding Co., Ltd.	Products for sale	56,281.42	

(2) Affiliated lease

The company as the lessor

☐Applicable ☒Not applicable

The company as the lessee

☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

Lessor	Types of leased assets	Rental costs for short-term leases and leases of low-value assets with simplified treatment (if applicable)		Variable lease payments not included in the measurement of the lease liability (if applicable)		Rent paid		Interest expense on lease liabilities assumed		Increased right-to-use assets	
		Current value	Previous value	Current value	Previous value	Current value	Previous value	Current value	Previous value	Current value	Previous value
Jiangx Fangda Steel Group Co., Ltd.	building	25,198.20	40,697.00			25,198.20	40,697.00				

(3) Affiliated party guarantee

The company as the guarantor

☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

Guaranteed Party	Guarantee Value	Guarantee start date	Guarantee expiry date	Whether the guarantee has been fulfilled
Fangda Special Steel Technology Co., Ltd.	25,000	2023/1/30	2025/1/29	No

Description of affiliated guarantees

☒Applicable ☐Not applicable

On 16 January, 2023, Fangda Carbon passed the "Motion on Mutual Guarantee with Fangda Special Steel Technology Co., Ltd." by the resolution of the First Extraordinary Shareholders' General Meeting of 2023, the amount of mutual guarantee shall not be more than CNY 1 billion, the mutual guarantee agreement shall be for a term of 10 years, the guarantee shall be in the form of guarantee, and the contents of the agreement shall be that either party, in the range of not more than CNY 1 billion for the issuance of corporate bonds or application for consolidated credit facilities from the banks. has the right to request the other party to provide an irrevocable joint and several liability guarantee, which may be utilized at one time or in separate installments within this amount, the term of the mutual guarantee consolidated credit facility shall not exceed 5 years, and the maximum period for which the guarantor shall bear the guarantee liability shall not exceed the duration of the bonds (or loans) and 3 years from the date of maturity of the bonds (or loans).

On 30 January, 2023, Fangda Special Steel Technology Co., Ltd. entered into a maximum guarantee contract with the Export-Import Bank of China, Gansu Branch, with contract number HETO22800000720221200000008, the guaranteed person being the Company, with the maximum guarantee amount of CNY250 million (CNY250 million of the current guarantee is included in the mutual guarantee amount). As of 31 December, 2023, the outstanding principal amount of the loan under the guarantee was \$249.8 million.

(4) . Transfer of assets and debt restructuring by Affiliated parties

☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

Affiliated Party	Contents of Affiliated transactions	Value occurred in current period	Value occurred in current period
Tianjin Department Store Commerce and Trade General Corporation	Procurement of air conditioners		875,221.24
Beifang Heavy Industry Group Co., Ltd.	Procurement of equipment		1,995,309.74

(5). Remuneration of key management personnel

☒Applicable ☐Not applicable

Unit: Ten thousand Yuan Currency: CNY

Item	Amount in the current period	Amount in the prior
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		period
Remuneration of key management personnel	505.44	527.60

(6) Other affiliated party transactions

☒Applicable ☐Not applicable

(1) Bank deposits in Jiujiang Bank Co., Ltd.

Deposit entity	Closing balance	Interest income on current deposits
Jinpeng Aviation Co., Ltd.	49,499.70	49,499.70
Hainan Hanwei Investment Co., Ltd.	1,407,486.87	7,047,312.97
HNA Aviation Group Co., Ltd.	487.60	2,528,189.87
Hainan Fushun Investment Development Co., Ltd.	102,312,495.52	62,012,299.67
Fuzhou Airlines Co., Ltd.		468,515.53
Hainan Fushun Investment Development Co., Ltd.	3,000,586.13	402,316.63
Jiang Xi Da Iron and Steel Group Co., Ltd.		790,715.06
Jiang Xi Da Iron & Steel Group Co., Ltd.	4,826,548.21	17,922,857.60
Jiang Xi Da Iron & Steel Group Co., Ltd.	50,000,000.00	1,671,729.05
Jiangxi Pinggang Industry Co., Ltd.		5,435.79
Jiangxi Pinggang Industry Co., Ltd.	6,767.17	204,504.09
Lanzhou Fangda Ganxing Trading Co., Ltd.	260,000,101.17	2.17
Ningbo Pinggang Trading Co., Ltd.	1,894,655.56	4,635,538.86
Ningbo Pinggang Trading Co., Ltd.		148,533.64
Jiangxi Fangda Steel International Trading Co., Ltd.		27,833.79
Ningbo Ganxing International Trading Co., Ltd.		41.00
Pingxiang Pinggang Anyuan Iron & Steel Co., Ltd.		6,006,731.54
Pingxiang Pinggang Anyuan Iron & Steel Co., Ltd.		14,000,000.00
Pingxiang Pinggang Anyuan Iron & Steel Co., Ltd.		6,366,266.67
Pingxiang Pinggang Anyuan Iron & Steel Co., Ltd.	8,890,940.00	101,920.00

Pingxiang Pinggang Anyuan Iron & Steel Co., Ltd.		61,334.55
Pingxiang Fangda Renewable Resources Development Co., Ltd.	29,443.02	134,965.94
Pingxiang Fangda Building Materials Distribution Co., Ltd.	23,974.87	23,418.41
Pingxiang Fangyuan Technology Co., Ltd.	5,355.20	94.00
Gansu Yuerong Clothing Co., Ltd.	552,270.23	17,986.39
Gansu Fangda Baiquan Agricultural Technology Co., Ltd.	6,957,721.23	409,969.14
Jiujiang Dahong Steel Co., Ltd.	72,615.48	143.48
Jiujiang Pinggang Steel Co., Ltd.	192,099,453.09	15,860,729.62
Jiujiang Pinggang Steel Co., Ltd.	896.16	7,800,002.57
Jiujiang Fangda Technology Co., Ltd.	638.65	9.34
Jiangxi Jinfang Industry & Trade Co., Ltd.	4,392.85	41,195.54
Hukou Fangda Property Service Co., Ltd.	54,510.92	60.26
Hukou Fangda Hengyuan Real Estate Development Co., Ltd.	0.04	0.04
Sichuan Dazhou Steel Group Co., Ltd.	56,215,116.07	3,701,557.16
Fangda Special Steel Technology Co., Ltd.	86.86	587.35
Fangda Special Steel Technology Co., Ltd.	108,272.42	108,512.42
Fangda Special Steel Technology Co., Ltd.	167,550,592.60	7,114,797.30
Fangda Special Steel Technology Co., Ltd.	6,347,079.34	304,800.51
Fangda Special Steel Technology Co., Ltd.	673,554,964.97	59,409,382.94
Gansu Fangda Yurta Herding Development Co., Ltd.	6,018,018.79	51,473.99
Gansu Fangda Zhanyao New Material Packaging Co., Ltd.	3,341,221.72	10,479.65
Dongxiang Autonomous County East-West Collaboration Shengweitang Food Co., Ltd.	3,528,380.03	27,134.94
Dongxiang Autonomous County Fangda Liming Textile Co., Ltd.	1,275.84	174.80
Ningbo Fangda Seagull Trading Co., Ltd.	399,851.30	13,898,878.01
Ningbo Fonda Steel Trading Co., Ltd.		4,479.74
Jiangxi Fangda Steel Group Enterprise Investment Co., Ltd.	3,075,330,899.08	98,978,853.12

Hefei Carbon Material Co., Ltd.	1,138,103.36	4,631,282.67
Changfeng Fangda Carbon Material Co., Ltd.	23,014,200.09	452,237.71
Liaoning Fangda Group Industry Co., Ltd.	1,844,410.84	72,331.81

(2) Notes payable at Jiujiang Bank Co., Ltd.

Deposit entity	Closing balance	Amount of notes issued	Discounted amount	Discounted interest
Jiang Xi Da Iron & Steel Group Co., Ltd.	300,000,000.00	300,000,000.00	600,000,000.00	5,490,416.69
Pingxiang Pinggang Anyuan Steel Co., Ltd.	182,000,000.00	189,000,000.00	112,500,000.00	1,072,708.35
Pingxiang Fangda Building Materials Distribution Co., Ltd.	112,500,000.00	112,500,000.00		
Jiujiang Pinggang Steel Co., Ltd.	583,000,000.00	907,000,000.00		
Fangda Special Steel Technology Co., Ltd.		194,000,000.00		
Ningbo Ganxing International Trade Co., Ltd.	200,000,000.00	200,000,000.00		

(8) Guarantees with Jiujiang Bank Co., Ltd.

Guarantor	Beneficiary	Value of guarantee
Jiujiang Pinggang Iron & Steel Co., Ltd.	Jiang Xi Da Iron & Steel Group Co., Ltd.	200,000,000.00
Jiujiang Pinggang Iron & Steel Co., Ltd.	Jiang Xi Da Iron & Steel Group Co., Ltd.	400,000,000.00
Liaoning Fangda Group Industry Co., Ltd.	Jiang Xi Da Iron & Steel Group Co., Ltd.	500,000,000.00
Liaoning Fangda Group Industry Co., Ltd.	Jiang Xi Da Iron & Steel Group Co., Ltd.	500,000,000.00
Pingxiang Pinggang Anyuan Steel Co., Ltd.	Jiang Xi Da Iron & Steel Group Co., Ltd.	700,000,000.00
Jiang Xi Da Iron and Steel Group Co., Ltd.	Jiujiang Pinggang Iron & Steel Co., Ltd.	500,000,000.00
Jiang Xi Da Steel Group Co., Ltd.	Liaoning Fangda Group Industry Co., Ltd.	600,000,000.00

Guarantor	Beneficiary	Value of guarantee
	Ltd.	
Jiujiang Pinggang Iron & Steel Co., Ltd.	Liaoning Fangda Group Industry Co., Ltd.	600,000,000.00
Jiang Xi Da Iron & Steel Group Co., Ltd.	Pingxiang Pinggang Anyuan Steel Co., Ltd.	600,000,000.00

6. Unsettled items such as receivables and payables to Affiliated parties

(1) Receivables

☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

Items	Affiliated parties	Closing balance		Opening balance	
		Balance of book value	provision for bad debts	Balance of book value	provision for bad debts
Accounts receivable	Fangda Special Steel Technology Co., Ltd.	11,175,554.96	89,404.44	20,783,345.01	216,544.27
Accounts receivable	Jiujiang Pinggang Steel Co., Ltd.	6,795,954.26	54,367.63	8,380,633.55	41,903.17
Accounts Receivable	Pingxiang Pinggang Anyuan Steel Co., Ltd.	6,779,387.33	54,235.10	4,929,835.22	24,649.18
Accounts receivable	Beijing Fangda Carbon Technology Co., Ltd.	3,389,696.00	27,117.57	3,719,727.25	18,598.63
Accounts receivable	Sichuan Dazhou Iron and Steel Group Co., Ltd.			50,000.00	250.00
Accounts receivable	Baofang Carbon Material Technology Co., Ltd.	1,176,528.50	9,412.23	15,540.00	77.70
Accounts receivable	Gansu Helsinki Craft Products Co., Ltd.	86,192.00	689.54	71,584.00	357.92
Accounts receivable	Gansu Fangda Zhanyao New Material Packaging Co., Ltd.			700.00	3.50
Accounts receivable	Dongxiang Autonomous County Western Region Clothing Co., Ltd.			132,703.24	663.52
Accounts receivable	Dongxiang Autonomous County Fangda Liming Textile Co., Ltd.	72,000.00	576.00		
Prepayments	Beijing Fangda Carbon Technology Co., Ltd.	4,689,700.00		21,840,086.00	
Prepayments	Sichuan Daxing Baohua Chemical Co., Ltd.	7,407,647.93		3,926,438.95	

Prepayments	Golden Deer (Beijing) Business Aviation Co., Ltd.			5,000,000.00	
Prepayments	Beifang Heavy Industry Group Co., Ltd.	74,400.00			
Prepayments	Hainan hantu Trading Co., Ltd.	5,641,037.00			
Prepayments	Fangda Special Steel Technology Co., Ltd.	182,306.05			
Other receivables	Shenyang Fangdi Real Estate Co., Ltd.	123,255.82	11,757.25	157,323.62	8,697.16
Other receivables	Baofang Carbon Material Technology Co., Ltd.	6,461,660.80	327,942.39	117,187.00	5,859.35
Other receivables	Hainan Fushun Investment Development Co., Ltd.			24,345.00	1,217.25
Other receivables	Fangda Special Steel Technology Co., Ltd.	20,000.00	1,000.00		
Contract assets	Fonda Special Steel Technology Co., Ltd.	898,067.10	7,184.54	272,449.36	1,362.25
Contract assets	Baofang Carbon Material Technology Co., Ltd.	89,626.50	717.01		
Contract assets	Pingxiang Pinggang Anyuan Steel Co., Ltd.	420,318.00	3,362.54		

(2) Payable

☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

Items	Affiliated parties	Closing balance of book value	Opening balance of book value
Accounts payable	Sichuan Daxing Baohua Chemical Co., Ltd.		4,315,351.33
Accounts Payable	Gansu Fangda Tongte New Material Co., Ltd.	48,000.00	197,618.14
Accounts Payable	Gansu Fangda Zhan Yao New Material Packaging Co., Ltd.		
Accounts Payable	Tianjin Total Logistics & Distribution Co., Ltd.		
Accounts payable	Beifang Heavy Industry Group Co., Ltd.	154,000.00	1,143,700.00
Accounts payable	Baofang Carbon Material Technology Co., Ltd.	8,510,269.16	16,301,686.79
Accounts	Tianjin Department Store Business &	296,700.00	296,700.00

payable	Trading Corporation		
Accounts payable	Dongxiang Autonomous County Zhendong Zhiyuan Public Passenger Transportation Co., Ltd.	6,000.00	
Accounts payable	Gansu Fangda Jiuxing Formwork Co., Ltd.	452,238.00	
Accounts payable	Hainan hantu Trading Co., Ltd.	4,978,659.81	
Accounts payable	Beijing Fangda (Tianjin) International Trade Co., Ltd.	9,150.00	
Accounts payable	Beijing Fangda Carbon Technology Co., Ltd.	1,266,371.68	
Other payables	Beifang Heavy Industry Group Co., Ltd.	27,000.00	133,570.00
Other payables	Fangda Xikomo (Jiangsu) Needle Coke Technology Co., Ltd.		135,917.84
Other payables	Tianjin Huan Tong Electrical Equipment Co., Ltd.	250,000.00	250,000.00
Other payables	Tianjin Department Store Business & Trading Corporation	148,900.00	148,900.00
Other payables	zhongxing-Shenyang Commercial Building (Group) Co., Ltd.		433,582.00
Other payables	Gansu Fangda Jiuxing Formwork Co., Ltd.	253,552.00	
Other payables	Shenyang Fangda Property Management Co., Ltd.	34,462.00	
Contract liabilities	Beijing Fangda Carbon Technology Co., Ltd.	364,761.95	
Contract liabilities	Baofang Carbon Material Technology Co., Ltd.	1,216,909.60	329,765.13
Other current liabilities	Beijing Fangda Carbon Technology Co., Ltd.	47,419.05	
Other current liabilities	Baofang Carbon Material Technology Co., Ltd.	158,198.25	42,869.47

7. Commitment of affiliated parties

☒Applicable ☐Not applicable

The Company's parent company, Liaoning Fangda Group Industry Co., Ltd. undertook to: "(1) expedite the processing of land certificates, real estate certificates and other ownership documents in respect of the land, houses and other assets, and to complete the processing of all of them by the end of 2007. (2) The costs and expenses involved in the process of processing the ownership documents of the land and houses to be injected shall be borne by the Company in proportion to its original shareholding. (3) The Company will bear the compensation liability for any loss caused by the impact on the normal operation of Hailong Technology due to the ownership issues of the land, houses, etc. involved in this transaction and will fulfill its compensation obligations within one month."

Affected by local policies and government relocation planning and other factors, the Company's subsidiaries, Fushun Carbon Limited Liability Company and Hefei Carbon Limited Liability Company, failed to obtain the relevant warrants. According to the relevant government documents, the subsidiaries Fushun Carbon Limited Liability Company, Hefei Carbon Limited Liability Company and Chengdu Rongguang Carbon Limited Company will apply for the land use right certificates and house ownership certificates of ownership documents together after the completion of the relocation work. Details are as follows:

(1) Hefei Carbon Co., Ltd. and the original shareholder Hefei Aluminum Co., Ltd. share the same piece of land, in the same area of the office, the land use right is still Hefei Aluminum Co., Ltd. and belongs to the state appropriation of the land. 2002 according to the requirements of Hefei Municipal Government, all of the state-owned land title certificate all by the Hefei City Industrial Investment Holding Company Limited to recover the unified management. 2004 July Hefei Aluminum policy bankruptcy, the land use right certificate of Hefei Aluminum Company Limited. The land used by Hefei Carbon Limited Liability Company is leased. In order to speed up the optimization of the layout of the central city, the government requested Hefei Carbon to relocate to the gathering area for business development, and Hefei Carbon has prepared a relocation plan. There has been no ownership dispute or impact on the normal production and operation of the enterprise, and Hefei Carbon Limited Liability Company's land use right and house ownership certificate will be processed after the completion of the relocation work. In October 2017, the Company successfully acquired 47.89% equity interest in Hefei Carbon Limited Liability Company held by CITIC Investment Holding Company Limited, and Hefei Carbon Limited Liability Company became a wholly-owned subsidiary of the Company. According to the spirit of the Opinions on Accelerating the Optimization of Layout and Transformation and Development of Hefei City's Central City Industry, Hefei Carbon Limited Liability Company and the People's Government of Xiaitang Town, Changfeng County, signed the "Changfeng County Investment Cooperation Agreement for Merchandising Projects" in 2019, and Hefei Carbon Limited Liability Company was relocated to invest in and construct the project of 50,000 ton of carbon products with an annual output of 50,000 ton in the territory of Xiaitang Town, Changfeng County, and the relocation work proceeded in an orderly manner according to the plan.

(2) Fushun Carbon Co., Ltd. is an enterprise which was restructured and established under the leadership of the local government in 2002, and some of the land use rights and house ownerships have not been transferred due to historical reasons during the restructuring. Since 2006, Fushun Carbon has taken measures to actively promote the transfer of the above land and property, and has handled the necessary preliminaries for the transfer procedures, and has communicated with the municipal government and the land management department on several occasions, but has failed to achieve any results due to the constraints imposed by the policy. 2008 Liaoning Provincial Party Committee and Government Proposed the implementation of the Shenfu co-citization strategy, in view of Fushun carbon limited liability company is located in the core of the Shenfu co-citization, Fushun City Government has Fushun carbon limited liability company relocation and transformation plan included in the government's work agenda. 2010, Fushun City Government and Fushun carbon limited liability company relocation formally included in the "Fushun City, the twelfth Five-Year Plan for the National Economic and Social Development Program," Fushun carbon limited liability company has also prepared a "relocation" of the "Fushun carbon limited liability company", "Fushun carbon limited liability company". Fushun Carbon Limited Liability Company also prepared a "relocation and transformation technology program". The land use right certificate and house ownership certificate will be processed together after the completion of the relocation and transformation of the enterprise.

Fushun Carbon is in the process of negotiating with the government for relocation and transformation.

8、Others

☒Applicable ☐Not applicable

As at 31 December , 2023, Liaoning Fangda Group Industry Co., Ltd. held 1,524,413,321 shares of the Company,

accounting for 37.86% of the total share capital of the Company, of which 1,081,200,000 shares had been pledged, accounting for 70.93% of the total number of shares held by it, and accounting for 26.86% of the total share capital of the Company.

2023 Chengdu Fangda Carbon Composite Material Co. Ltd. raised funds of CNY160,229,826.00 through directional issue of shares to investors, and the connected legal persons and some connected natural persons of the Company participated in the directional issue of shares of Chengdu Fangda Carbon Composite Material Company Limited by subscribing in cash, and this matter constituted a connected transaction.

XVI. Commitments and contingencies

1. Contingencies

(1). Important contingencies existing at the balance sheet date

☒Applicable ☐Not applicable

In 2023, the Company received a Civil Suit and other documents by mail from the People's Court of Qingyuan Manchu Autonomous County, Liaoning Province, Case No. ([2023] Liao 0423 Min Chu 1247). Fushun Xinfu Steel Limited Liability Company, a shareholder of Fushun Laihe Mining Co., Ltd., a subsidiary of the Company, has filed a lawsuit requesting for the reinstatement of its 22.2% equity interest in Fushun Laihe Mining Co., Ltd. and dividend distribution of 22.2% of its shareholding in Fushun Laihe Mining Co.

As at the date of this announcement, the litigation has not yet commenced and the final outcome of the judgment is uncertain.

XVII. Events after the balance sheet date

☒Applicable ☐Not applicable

1. Distribution of profits

Profit or dividend to be distributed	0
Profit or dividend declared after consideration and approval	0

According to the operation situation of the Company and the long-term interests of all shareholders, the Board of Directors has decided that the Company has formulated a profit distribution proposal for the year 2023 as follows: no cash dividend, no bonus shares, and no capitalization of capital surplus. The profit distribution proposal is yet to be submitted to the annual general meeting of the Company in 2023 for consideration. On 28 August, 2023, the Company held the ninth meeting of the eighth session of the Board of Directors, which considered and passed the "Proposal on Repurchase of the Company's Shares by means of Centralized Bidding", and agreed to use its own funds to repurchase part of the issued CNY ordinary shares (A shares) of the Company by means of centralized bidding transactions. The total amount of funds for the repurchase shall not be less than CNY250,000,000 (inclusive) and not exceeding CNY350,000,000 (inclusive). As at 31 December, 2023, the Company has used its own funds of CNY279,998,800 (excluding transaction costs) to repurchase 48,446,408,000 shares of the Company. Pursuant to Article 8 of the Self-Regulatory Guidelines for Listed Companies of the Shanghai Stock Exchange No. 7 - Repurchase of Shares, "If a listed company repurchases its shares by means of centralized bidding or offer with cash as consideration, the amount of share repurchase that has been implemented in that year is regarded as a cash dividend and will be included in the calculation of the relevant proportion of the cash dividend for that year." The

aforesaid amount is regarded as cash dividend, and the proportion of the Company's cash dividend for the year 2023 to the net profit attributable to shareholders of the listed company in the Company's consolidated statement for the year 2023 is calculated in this way as 67.27%. At the same time, combined with the Company's strategic development planning and taking into account the current macroeconomic environment, the Company's operating status quo and the future development of capital requirements and other factors, the Board of Directors has decided that the Company proposes not to pay cash dividends for the year 2023, not to distribute bonus shares, and not to increase share capital by capital surplus.

XVIII. Other significant matters

1. Segment information

(1) Determination basis and accounting policy of reporting segment

☒Applicable ☐Not applicable

In accordance with the Company's internal organizational structure, management requirements and internal reporting system, the Company's operating business is divided into operating segments based on regions, and the Company's management periodically evaluates the results of operations of these segments to determine the allocation of resources to them and to evaluate their performance. The Company has identified five reportable segments, which are Northwest, Northeast, Southwest, East China and Overseas. These reportable segments are identified on a regional basis.

Segment reporting information is disclosed in accordance with the accounting policies and measurement criteria used by the segments in reporting to management, and these measurement bases are consistent with the accounting and measurement bases used in the preparation of the financial statements.

(2) Financial information by region

☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

Items	North West region	North East region	South West region	South East region	overs eas	Inter-segment set-off	Total
Revenue from operations	2,514,843,703.92	883,785,769.04	1,369,652,686.64	482,950,702.48		-428,520,557.97	4,822,712,304.11
Main operating costs	2,259,764,678.46	806,312,248.26	856,339,995.78	522,974,197.78		-400,301,652.75	4,045,089,467.53
Total assets	16,374,611,031.60	2,692,170,035.07	3,605,226,427.92	2,076,058,639.55	10,085.11	-3,040,474,030.69	21,707,602,188.56
Total liabilities	2,474,289,678.68	591,219,206.81	832,810,419.58	950,605,611.33		-1,583,662,415.46	3,265,262,500.94

Other significant transactions and matters affecting investors' decision-making

(1) In order to broaden the Company's international financing channels, enhance the Company's international brand and image, meet the Company's international business development needs, and actively promote the

internationalization strategy, the Company planned to issue GDRs overseas and list them on the SIX Swiss Exchange. On 15 March 2023 (Swiss time), the Company completed the issuance of GDRs and listed them on the SIX Swiss Exchange, with the full name of the GDRs: Fangda Carbon New Material Co. On 15 March, 2023 (Swiss time), the Company completed the GDR issuance and listed on the SIX Swiss Exchange, the full name of the GDR securities is: Fangda Carbon New Material Co., Ltd. and the listing code of the GDR securities is: FDCB. the total number of GDRs issued is 22,000,000, which corresponds to the new base securities of 220,000,000 A-shares of the Company. The GDRs issued by the Company expired on 12 July, 2023 (Swiss time), and as of the close of trading on Shanghai Stock Exchange on 14 July, 2023 (Beijing time), Citibank, National Association, the depository of the GDRs of the Company, as the nominee holder of the Company's A-shares, held 70,024,950 shares, which was less than the actual number of shares approved by the CSRC. which was less than 50% of the number of underlying A shares corresponding to the actual issuance of GDRs by the Company as approved by the China Securities Regulatory Commission.

(2) Chengdu Carbon, a controlling subsidiary of the Company, has been listed on the National Small and Medium-sized Enterprises Stock Transfer System for public transfer since 16 March , 2023, with the following stock name: Chengdu Carbon, stock code: 874035, trading mode: pooled bidding, and tier: basic tier. In order to further optimize the financial structure, maintain the sustainable growth of the business scale, guarantee the realization of the business objectives and future development strategy, enhance market competitiveness, improve profitability and risk resistance, Chengdu Carbon will conduct a directional share issuance of no more than 39,760,450,000 shares, at an issue price of CNY 4.05/share, with the total amount of funds raised expected to be no more than CNY 161,028,800,000, all of which will be used to supplement working capital. All of which will be used to supplement working capital. 29 June, 2023 National Small and Medium-sized Enterprises Stock Transfer System Limited Liability Company issued the "Letter on the Consent to the Directed Stock Offering of Chengdu Fangda Carbon Carbon Composites Company Limited" (Stock Transfer Letter [2023] No. 1230), which agreed to the directed stock offering of Chengdu Carbon Materials. Chengdu Carbon will handle matters relating to this directed offering in accordance with the relevant regulations.

(3) Considering the current progress of the fund-raising project and the capital reserve of Chengdu Carbon Materials, based on cost saving, efficiency enhancement and subsequent planning of the project, and in order to improve the efficiency of fund-raising and assist the development of the main business of the listed company, the Company adjusted the amount of fund-raising for "30,000 ton/year of Special Graphite Manufacturing and Processing Project". Adjustment. In addition to the invested savings of 378,570,000 Yuan (including interest) from the 2008 non-public offering, the rest of the capital investment of "30,000 ton/year Special Graphite Manufacturing and Processing Project" will be invested by Chengdu Carbon Materials with its own or self-financing funds. At the same time, the total amount of principal and interest of the 2013 proceeds to be invested in the 30,000 ton/year special graphite manufacturing and processing project, amounting to

CNY230,730,300, will be returned and deposited to the company's other special account for the 2013 proceeds on 28 February , 2023, at the same time. (4) In order to further integrate resources, reduce management costs, optimize the governance structure and improve operational efficiency, the former joint venture of the Company, Fangda Xi Kemo, absorbed and merged the subsidiary of the Company, Jiangsu Fangda. 27 June 2023, Fangda XiKemo received a new business license, and the independent legal personality of Jiangsu Fangda was cancelled, and all of its assets, liabilities, business and personnel, etc., were assumed by Fangda Xi Kemo, with the equity ratio of Fangda Xi Kemo to be 65% after the merger. After the merger, Fangda Xi Kemo held 65% of the shares and Nippon Steel Chemical Materials Co. After the Merger, the Board of Directors of Fangda Kikkomo consists of three directors, of which Fangda Carbon has the right to recommend two and Nippon Steel Chemical Materials Co., Ltd. has the right to recommend one, and the chairman of the board of directors will be the person recommended by Fangda Carbon. In July 2023, Fangda Kikkomo will be included in the scope of the Company's consolidation.

(5) Influenced by multiple factors such as macro environment and capital market trend, the Company's share price fluctuates greatly, and the current share price fails to truly reflect the Company's intrinsic value. Based on the confidence in the company's future development and recognition of the company's value, in order to safeguard the interests of shareholders, enhance investor confidence, and improve the long-term investment value of the company's shares, and at the same time, in order to establish and perfect the company's long-term incentive mechanism and benefit-sharing mechanism, fully mobilize the enthusiasm of the company's employees to enhance the cohesion of the enterprise and its core competitiveness, and to effectively integrate the interests of the shareholders, the interests of the company and the interests of the employees' personal interests in close proximity to one another to Promote the healthy and sustainable development of the Company, the Company intends to use its own funds to repurchase the Company's shares through centralized bidding transactions. As at 31 March, 2024, the Company has repurchased a total of 49,577,408,000 shares through centralized bidding transactions, accounting for 1.23% of the total share capital of the Company, and the total amount paid was CNY285,036,400 (excluding transaction fees such as transaction commission).

(6) Chengdu Carbon, a controlling subsidiary of the Company, has been listed on the basic tier of the National Stock Transfer System since March 2023 and has been operating in good condition, and has applied for the public offering of not more than 70,511,103 shares (inclusive of the number and without taking into account the over-allotment option) to unspecified qualified investors and listed on the Beijing Stock Exchange after the shareholders' general meeting has approved the application. Chengdu Carbon has entered the innovation layer.

XIX. Notes to major items in the parent company's financial statements**1. Accounts receivable****(1). Disclosed by ageing**☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

More than 3 years

Age	Closing balance	Opening balance
Within 1 year		
Including sub-items Within 1 year		
Within 1 year	332,124,153.62	311,034,891.12
Within 1 year subtotal	332,124,153.62	311,034,891.12
1-2 year	35,684,975.71	25,728,131.63
2-3 year	1,833,872.43	3,970,779.87
More than 3 years	28,670,890.27	44,143,133.87
Total	398,313,892.03	384,876,936.49

Disclosed by bad debt provision methods

☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

Category	Closing balance					Opening balance				
	Book balance		Bad debt provision		Book Value	Book balance		Bad debt provision		Book Value
	Value	Proportion (%)	Value	Proportion (%)		Value	Proportion (%)	Value	Proportion (%)	
Bad debt provision assessed individually	22,037,185.55	5.53	22,037,185.55	100.00		41,542,427.16	10.79	41,542,427.16	100.00	
Bad debt provision assessed by groups						13,048,276.68	3.39	13,048,276.68	100.00	
Accounts receivable that are not individually significant but for which a separate provision for bad debts has been made	22,037,185.55	5.53	22,037,185.55	100.00		28,494,150.48	7.40	28,494,150.48	100.00	
Accounts receivable portfolio A	373,989,683.78	93.89	14,054,016.45	3.76	359,935,667.33	341,044,699.02	88.61	12,549,438.77	3.68	328,495,260.25
Accounts receivable portfolio B	2,287,022.70	0.58			2,287,022.70	2,289,810.31	0.60			2,289,810.31
Total	398,313,892.03	100.00	36,091,202.00		362,222,690.03	384,876,936.49	100.00	54,091,865.93	/	330,785,070.56

Provision for bad debts is made on an individual basis:

☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

Name	Closing balance			
	Book balance	Bad debt provision	Proportion (%)	Reason
Accounts receivable at the end of the period that are individually significant and for which a separate provision for bad debts has been made				
Accounts receivable at the end of the period that are not individually material but for which a separate provision for bad debts has been made	22,037,185.55	22,037,185.55	100	Not expected to be recoverable
Total	22,037,185.55	22,037,185.55	100	/

Provision portfolio: Accounts receivable A

Unit: Yuan Currency: CNY

Name	Closing balance		
	Accounts receivable	Bad debt provision	Proportion of provision (%)
Less than 1 year (including 1 year)	329,837,130.92	2,638,697.05	0.80
1-2 years (including 2 years)	35,684,975.71	3,996,717.28	11.20
2-3 years (including 3 years)	1,833,872.43	784,897.40	42.80
More than 3 years	6,633,704.72	6,633,704.72	100.00
Total	373,989,683.78	14,054,016.45	

Provision portfolio: Accounts receivable B

Unit: Yuan Currency: CNY

Name	Closing balance		
	Accounts receivable	Bad debt provision	Proportion of provision (%)
Receivables from Affiliatede parties within the scope of consolidation	2,287,022.70		
Total	2,287,022.70		

(2). Details of bad debt provision

☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

Category	Opening balance	Changes in the current period				Closing balance
		Provision	Recovery or reversal	Elimination or write-off	Other changes	

Accounts receivable that are individually significant and individually provisioned for bad debts	13,048,276.68			13,048,276.68		
Accounts receivable that are individually insignificant but individually provided for bad debts	28,494,150.48		4,199,738.87	2,257,226.06		22,037,185.55
Accounts receivable portfolio A	12,549,438.77	1,504,577.68				14,054,016.45
Total	54,091,865.93	1,504,577.68	4,199,738.87	15,305,502.74		36,091,202.00

(3). Accounts receivable written off as at the end of the reporting period

☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

Items	Value written off
Accounts receivable actually written off	15,305,502.74

of which significant accounts receivable write-offs

☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

1	Nature of receivables	Value written off	Reason for write-off	Write-off procedures performed	Whether the amount is generated from a Affiliated transaction
1	Funds of selling Goods	13,048,276.68	Recognized as uncollectible	Internal write-off approval	No
Total	/	13,048,276.68	/	/	/

(4). Top five accounts receivables and Contractual assets based on debtors

☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

Entity name	Closing balance of account receivables	Closing balance of contractual assets	Closing balance of accounts receivable and contract assets	Percentage of total closing balance of accounts receivable (%)	Closing balance of provision for bad debts
1	33,279,668.75	3,616,210.88	36,895,879.63	8.62	295,167.04
2	24,555,666.48		24,555,666.48	5.73	196,445.33
3	24,091,734.90		24,091,734.90	5.63	2,603,807.95
4	19,286,703.39	3,129,898.09	22,416,601.48	5.23	179,332.81
5	21,176,883.00		21,176,883.00	4.95	169,415.06
Total	122,390,656.52	6,746,108.97	129,136,765.49	30.16	3,444,168.19

2、 Other receivables

Presentation of items

☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

Item	Closing balance	Opening balance
Interest receivable		
Dividends receivable		158,235,723.88
Other receivables	883,549,287.67	1,119,872,099.69
Total	883,549,287.67	1,278,107,823.57

Interest receivable

☐Applicable ☒Not applicable

Dividends receivable

☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

Item (or investee)	Closing balance	Opening balance
Fushun Fangda High-tech Material Co., Ltd.		13,695,723.88
Chengdu Fangda Carbon Composite Material Co., Ltd.		144,540,000.00
Total		158,235,723.88

Other receivables

(1). Aging analysis

☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

Aging	Closing balance of book value	Opening balance of book value
Within 1 year		
Including: Items aged within 1 year		
Within 1 year (Including 1 year)	17,150,472.58	47,201,739.13
Within 1 year (subtotal)	17,150,472.58	47,201,739.13
1 to 2 years	18,753,733.12	15,412,657.36
2 to 3 years	6,029,796.16	321,700,709.70
More than 3 years	982,625,719.58	861,282,178.89
Total	1,024,559,721.44	1,245,597,285.08

(2). Details of classification by nature

☐Applicable ☐Not applicable

Unit: Yuan Currency: CNY

Nature	Closing balance of book value	Opening balance of book value
Accounts current	1,015,588,545.17	1,236,380,149.81
Guarantee deposits	8,568,948.70	7,877,967.06
Reserve fund	351,308.07	1,151,061.41
Others	50,919.50	188,106.80
Total	1,024,559,721.44	1,245,597,285.08

(3). Details of allowance for bad debt provision

☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

Bad debt provision	Stage I	Stage II	Stage III	Total
	12 month ECL	Lifetime ECL (not impaired)	Lifetime ECL (impaired)	
As at 1 January 2023	765,730.16		124,959,455.23	125,725,185.39
Changes due to financial instruments recognised as at 1 January 2023				
--Transfer to stage II				
--Transfer to stage III				
--Reverse to stage II				
--Reverse to stage I				
Provision	450,454.60		14,834,793.78	15,285,248.38
Reversal				
Elimination				
Write-off				
Other changes				
As at 31 December 2023	1,216,184.76		139,794,249.01	141,010,433.77

(4). Details of bad debt provision

☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

Category	Opening balance	Changes in the current period				Closing balance
		Provision	Recovery or reversal	Verification or write-off	Other changes	
1st stage	765,730.16	450,454.60				1,216,184.76
2nd stage						
3rd stage	124,959,455.23	14,834,793.78				139,794,249.01
Total	125,725,185.39	15,285,248.38				141,010,433.77

(6). Top five other receivables based on debtors

☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

Entity	Closing balance	Percentage of total closing balance of other receivables (%)	Nature of items	Age	Closing balance of provision of bad debt
1	7,696,104.17	46.30	Account	2-3 years	

	466,657,265.43		current	More than 3 years	
2	3,437,766.00	29.45	Account current	Within 1 year	
	3,469,100.00			1-2 years	
	1,720,744.10			2-3 years	
	293,094,164.24			More than 3 years	
3	6,380,763.94	18.02	Account current	Within 1 year	86,101,111.40
	6,374,124.79			1-2 years	
	3,957,468.35			2-3 years	
	167,914,840.44			More than 3 years	
4	93,699.62	1.67	Account current	Within 1 year	17,109,235.45
	111,674.81			1-2 years	
	65,627.71			2-3 years	
	16,838,233.31			More than 3 years	
5	12,000,000.00	1.17	Account current	More than 3 years	12,000,000.00
合计	989,811,576.91	96.61	/	/	115,210,346.85

3. Long term equity investment

☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

Item	Closing balance			Opening balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Investments in subsidiaries	1,733,126,036.74	160,392,852.19	1,572,733,184.55	1,613,707,654.98	160,392,852.19	1,453,314,802.79
Investments in associates and joint ventures	6,745,190,149.08	425,684,011.01	6,319,506,138.07	6,951,649,622.33	425,684,011.01	6,525,965,611.32
Total	8,478,316,185.82	586,076,863.20	7,892,239,322.62	8,565,357,277.31	586,076,863.20	7,979,280,414.11

(1) Investment on subsidiaries

☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

Investee	Opening balance	Increase in current	Decrease in current	Closing balance	Provision for impairment	Closing balance of provision for
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		period	period		for the period	impairment
Fushun Carbon Co., Ltd.	159,874,721 .44			159,874,721 .44		
Hefei Carbon Co., Ltd.	150,650,328 .77			150,650,328 .77		
Chengdu Rongguang Carbon Co., Ltd.	71,721,550. 34			71,721,550. 34		
Shanghai Fangda Investment Management Co., Ltd.	52,008,530. 00			52,008,530. 00		
Fushun Laihe Mining Co., Ltd.	185,510,031 .75			185,510,031 .75		
Fushun Fangda High-tech Material Co., Ltd.	30,000,000. 00			30,000,000. 00		
Chengdu Fangda Carbon Composite Co.,Ltd	446,816,768 .89			446,816,768 .89		
Fushun Fangtai Precision Carbon Material Co., Ltd.						160,392,852.19
Gansu Classical Shengdong Construction Poverty Alleviation Development Co., Ltd.	10,000,000. 00			10,000,000. 00		
Gansu Benju Handicraft Development Co., Ltd.	600,000.00			600,000.00		
Dongxiang Autonomous County Fangda Tengda Clothing Co., Ltd.	2,760,000.0 0			2,760,000.0 0		
Gansu Fangda Juxing Formwork Co., Ltd.	2,250,000.0 0		2,250,000. 00			
Jiangsu Fangda Carbon Chemicals Co., Ltd.	339,678,047 .69		339,678,04 7.69			
Fangda (Korea) International Trading Co., Ltd.	1,353,398.8 0			1,353,398.8 0		

Fangda (Moscow) International Trading Co., Ltd.	91,425.11		91,425.11			
Fangda Xikemo (Jiangsu) Needle Coke Technology Co., Ltd.		461,437,85 4.56		461,437,854 .56		
Total	1,453,314,8 02.79	461,437,85 4.56	342,019,47 2.80	1,572,733,1 84.55		160,392,852.19

(3)Investment on Associates and Joint ventures

☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

Investee	Opening balance	Addi tional invest ments	Reduce invest ment	Gains and losses on investments recognized under the equity method	Adjustment s to other comprehens ive income	Other changes in equity	Declaration of cash dividends or profits	provid e for impai rment	Others	Closing balance	Ending balance of house impair ment reserve
I. Joint ventures											
Fangda Xikemo	146,675,6 17.25			-15,265,001.98		83,045.70			-131,4 93,660. 97		
Subtotal	146,675,6 17.25			-15,265,001.98		83,045.70			-131,4 93,660. 97		
II. Associates											
Baofang Carbon Material Technology Co.	619,752,5 95.58			-26,726,649.52		1,438,392. 85				594,464 ,338.91	
Jiujiang Bank Co.	1,591,079 ,564.83			21,908,054.57	25,728,963. 99	-67,666,91 3.34	13,607,000.0 0			1,557,4 42,670. 05	425,684 ,011.01
Tianjin Haihe Fangda Industrial Investment Fund Partnership (Limited Partnership)	32,749,34 6.77			-2,905,921.42						29,843, 425.35	
Nanchang Huxu Steel Industry Investment Partnership (Limited Partnership)	4,561,392 ,497.90			63,439,714.77			61,392,497.9 0			4,563,4 39,714. 77	
Subtotal	6,804,974 ,005.08			55,715,198.40	25,728,963. 99	-66,228,52 0.49	74,999,497.9 0			6,745,1 90,149.	425,684 ,011.01

										08	
Total	6,951,649 ,622.33			40,450,196.42	25,728,963. 99	-66,145,47 4.79	74,999,497.9 0		-131,4 93,660. 97	6,745,1 90,149. 08	425,684 ,011.01

4. Operating revenue and costs of sales

(1). Operating revenue and costs of sales

☒Applicable ☐Not applicable

Item	Amount incurred in the current period		Amount incurred in the prior period	
	Revenue	Cost	Revenue	Cost
Principal operating activities	2,498,543,027.44	2,246,615,611.82	2,735,244,023.89	2,213,922,724.45
Others	145,880,373.09	54,569,210.69	171,578,670.25	73,919,849.03
Total	2,644,423,400.53	2,301,184,822.51	2,906,822,694.14	2,287,842,573.48

(2)Breakdown information of operating revenues and operating costs

Carbon products	Value in current period		Value in Prior period	
	Operating income	Operating cost	Operating income	Operating cost
Carbon Products	2,498,543,027.44	2,246,615,611.82	2,735,244,023.89	2,213,922,724.45
Total	2,498,543,027.44	2,246,615,611.82	2,735,244,023.89	2,213,922,724.45

8. Investment income

☒Applicable ☐Not applicable

Item	Amount incurred in the current period	Amount incurred in the prior period
Income from long-term equity investments under equity method		1,884,303,603.39
Long term equity investment income measured by cost method	40,450,196.42	88,829,538.80
Long term equity investment income measured by equity method	-9,825,279.21	2,707,203.47
Investment income on disposal of long-term equity investments		
Investment income during the holding period of trading financial assets		
Dividend income from investments in other equity instruments during the holding period		
Interest income earned on debt investments during the holding period		
Interest income earned on other debt investments during the holding period	-1,100,998.39	1,093,338.03

Investment income during the holding period of trading financial assets Investment income from disposal of trading financial assets		
Investment income from disposal of other equity instrument investments		
Investment income from disposal of debt investments		
Investment income from disposal of other debt investments	-2,033,287.94	-233,277.16
Gain on debt restructuring Investment income from holding other non-current assets	599,056.60	430,094.34
Investment income from holding other non-current assets	-769,748.37	-1,228,243.47
Gain on derecognition of financial assets	9,835.93	2,833,992.68
Total	27,329,775.04	1,978,736,250.08

XX. Supplementary information

.1. Details of current non-recurring profit and loss

☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

Item	Amount	Description
Gains and losses on disposal of non-current assets	4,110,742.65	
Tax rebates and exemptions that exceeded the authority of the Company or for which there were no formal approval documents or that were occasional in nature	58,732,662.12	
Government grants recognized in profit or loss for the current period, except for government grants that are closely related to the Company's normal business operations, in compliance with national policies, and in accordance with certain standards for fixed or quantitative continuous enjoyment.	-22,582,666.55	
Capital occupancy fees charged to non-financial enterprises recognized as current profit or loss		
Gains arising from the difference between the cost of investments in subsidiaries, associates and joint ventures and the fair value of the investee's identifiable net assets at the time of investment acquisition	599,056.60	
Gain or loss on exchange of non-monetary assets		
Gain or loss on entrusting others to invest or manage assets		
Provision for impairment of assets due to force majeure, such as natural disasters	4,202,750.55	
Gains and losses on debt restructuring	1,568,709.16	
Corporate restructuring costs, such as employee relocation expenses, integration costs, etc.		
Gains or losses in excess of fair value arising from transactions where		

the transaction price is significantly unfair.		
Net gain or loss of subsidiaries for the period from the beginning of the period to the date of consolidation arising from a business combination under the same control.	4,269,267.92	
Gains or losses arising from contingencies unrelated to the Company's normal business operations		
Gains or losses from changes in fair value of financial assets held for trading, derivative financial assets, financial liabilities held for trading, derivative financial liabilities and investment gains on disposal of financial assets held for trading, derivative financial assets, financial liabilities held for trading, derivative financial liabilities and other debt investments, except for effective hedging operations related to the Company's normal business operations		
Reversal of provision for impairment of receivables and contract assets individually tested for impairment		
Gains or losses from external entrusted loans		
Gains and losses arising from changes in the fair value of investment properties subsequently measured using the fair value model		
Impact on current profit and loss from one-off adjustments to current profit and loss in accordance with the requirements of tax, accounting and other laws and regulations		
Custodian fee income from entrusted operations		
Non-operating income and expenses other than those mentioned above		
External donations	-32,306,765.95	
Other profit and loss items that meet the definition of non-recurring profit and loss	68,157,310.18	
Less: Income tax effect	6,880,795.97	
Minority interests impact amount (after tax)	20,522,934.04	
Total	59,347,336.67	

2. Return on net assets and earnings per share

☒Applicable ☐Not applicable

Profit in the reporting period	Weighted average return on net assets	Earnings per share	
		Basic earnings per share	Diluted earnings per share
Net profit attributable to ordinary shareholders of the company	2.48	0.11	0.11
Net profit attributable to ordinary shareholders of the company after deducting non-recurring profit and loss	2.13	0.09	0.09

Chairman: Ma Zhuo

Board of Directors Approval Date of Submission: 2 April, 2024