

Ad hoc announcement pursuant to Art. 53 LR

Fangda Carbon New Material Co., Ltd. Annual Report of 2024



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. Da Xin accounting firm (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**

VI. The Risk declaration of forward-looking statements.

☒Applicable ☐Not applicable

This report involves forward-looking statements such as development strategies and business plans that are subject to market changes and other factors, and does not constitute a material commitment by the company to investors, therefore, investors are advised to 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

The Company has described in details in this report the main risks that may exist in the Company's operations, please refer to Section III "Management's Discussion and Analysis" for more information on the risks that the Company may face in its future development.

XI. Others

☐Applicable ☒Not applicable

Section I. Definitions

Section II. Company Profile and Key Financial Indicators

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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 seal 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.
CSRC/China securities regulatory commission	Means	China securities regulatory commission
SSE/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
Rules of Procedure for Shareholders' Meetings	Means	Company Rules of Procedure for Shareholders' Meetings of Fangda Carbon New Material Co., Ltd.
Rules of Procedure for Board of Directors' Meetings	Means	Company Rules of Procedure for Board of Directors' Meetings of Fangda Carbon New Material Co., Ltd.
Rules of Procedure for Supervisory Board Meetings	Means	Company Rules of Procedure for Supervisory Board Meetings of Fangda Carbon New Material Co., Ltd.
Information Disclosure Management System	Means	Information Disclosure Management System of Fangda Carbon New Material Co., Ltd.
Yuan,Ten thousand Yuan, 100 million Yuan		CNY, CNY 10,000,CNY 100,000,000
Reporting Period	Means	Financial year 2024

Section II Company Profile and Key Financial Indicators

I. Company profile

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

II. Contact Details

	Secretary of the board of directors	Securities affairs representative
Name	Zhuang Xiaoru	Zhang Aiyan
Address	No.11 Tansu Road Haishiwan Town Honggu District Lanzou City Gansu Province	No.11 Tansu Road Haishiwan Town Honggu District Lanzou City Gansu Province
Tel:	0931-6239106	0931-6239195
Fax:	0931-6239221	0931-6239221

Email:	fdts730084@fangdacarbon.com	fdts730084@fangdacarbon.com
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III. General Information

Company Registered Address	No.11, Carbon Road, Haishiwan Town, Honggu District, Lanzhou City, Gansu Province, China
Historical changes in the company's registered address	According to the requirement of “one mark, three facts” two-dimensional code standard address registration of Gansu public security organs, approved by public security organs and civil affairs departments, the registered address of the Company was changed to No. 11, Charcoal Road, Hai Shi Wan Town, Honggu District, Lanzhou City, Gansu Province, China. On September 8, 2020 and September 24, 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 “Motion on Revision of Partial Provisions of the Articles of Association of the Company”, and completed the industrial and commercial change registration procedures on September 28, 2020 to receive the new business license.
Company's office address	No. 11, Carbon Road, Haishiwan 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	Office of the Secretary of the Board of Directors

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	Daxin Accounting Firm (Special General Partnership)
	Office Address	2206, 22/F, Academy International Building, No. 1 Zhichun Road, Haidian District, Beijing, China
	Name of Signatory Accountant	Gong Yan, Zhang Hongxing
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	Mao Shaomeng, Tian Lijun
	Period of Continuous Supervision	1 January 2024 - 31 December 2024

VII. Financial highlights and key operating measures

(I). Financial highlights

Unit: yuan Currency: CNY

Major accounting data	2024	2023	Percentage change (%)	2022
Operating revenue	3,872,039,880.46	5,131,908,843.35	-24.55	5,320,293,391.07
Net income attributable to shareholders of the listed company	186,021,771.78	416,237,631.36	-55.31	839,939,033.95
Net income attributable to shareholders before non-recurring gains and losses	46,447,295.98	356,890,294.69	-86.99	727,684,725.65
Net cash flows from operating activities	639,281,366.00	856,004,758.44	-25.32	236,117,357.73
/	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	16,170,077,933.65	17,073,727,316.17	-5.29	15,682,777,503.34
Total assets	20,371,965,197.78	21,707,602,188.56	-6.15	20,175,290,714.93

(II). Key operating measures

Main financial indicators	2024	2023	Percentage change(%)	2022
Basic EPS (Yuan / share)	0.05	0.11	-54.55	0.22
Diluted EPS (Yuan /share)	0.05	0.11	-54.55	0.22
Adjusted EPS (Yuan /share)	0.01	0.09	-88.89	0.19
Weighted average ROE (%)	1.10	2.48	Decreased by 1.38%	5.53
Weighted average ROE (%), net of non-recurring gains and losses	0.27	2.13	Decreased by 1.88%	4.79

Description of the Company's principal accounting data and key operating measures for the previous three years at the end of the reporting period

☐Applicable ☒Not applicable

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

☐Applicable ☒Not applicable

IX. Key Financial Data of 2024 by Quarter

Unit: yuan Currency: CNY

	First quarter (January-March)	Second quarter (April-June)	Third quarter (July-September)	Fourth quarter (October-December)
Operating Income	1,388,029,229.24	963,842,393.01	798,987,033.98	721,181,224.23
Net profit attributable to shareholders of listed companies	171,285,330.47	806,197.67	84,515,005.66	-70,584,762.02
Net profit after extraordinary gains and losses attributable to	199,568,219.16	8,812,548.31	-41,056,045.10	-120,877,426.39

shareholders of the listed company				
Net cash flows from operating activities	-18,590,779.34	340,152,123.08	236,684,237.06	81,035,785.20

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
Gains and losses from the disposal of non-liquid assets, including the write-off portion of previously accrued asset impairment provisions.	-13,546,071.66		4,110,742.65	404,161,267.49
Government grants recognized in current period earnings, except those closely related to the company's normal business operations, conforming to national policy regulations, entitled to according to fixed standards, and having a continuous impact on the company's earnings.	39,571,448.95		58,732,662.12	61,979,423.66
Gains and losses from fair value changes of financial assets and financial liabilities held by non-financial enterprises, as well as gains and losses from the disposal of such financial assets and liabilities, excluding effective hedging activities related to normal business operations.	114,642,947.07		-22,582,666.55	-197,372,820.40
Fees for the use of funds charged to non-financial enterprises, recognized in current period earnings.				
Gains and losses from entrusting others to invest or manage assets.	599,056.59		599,056.60	
Gains and losses from external entrusted loans.				
Losses of various assets caused by force majeure factors, such as natural disasters.				
Reversal of impairment provisions for receivables tested individually for impairment.	19,090,067.69		4,202,750.55	1,178,590.26
Gains arising when the investment cost of acquiring subsidiaries, joint ventures, or associates is less than the investor's share of the fair value of the investee's identifiable net assets at the time of acquisition.			1,568,709.16	
The net earnings of subsidiaries from the beginning of the period to the date of merger in a				

business combination under common control.				
Gains and losses from non-monetary asset exchanges.				
Gains and losses from debt restructuring.	2,226,608.82		4,269,267.92	6,019,012.82
One-time expenses incurred by an enterprise due to the discontinuation of relevant operating activities, such as expenditures for employee resettlement.				
One-time impacts on current period earnings due to adjustments in tax, accounting, and other laws and regulations.				
One-time recognition of share-based payment expenses due to the cancellation or modification of equity incentive plans.				
For cash-settled share-based payments, gains and losses arising from changes in the fair value of employee compensation payable after the vesting date.				
Gains and losses from fair value changes of investment properties measured using the fair value model.				
Gains from transactions with clearly abnormal transaction prices.				
Gains and losses from contingent matters unrelated to the company's normal business operations.				
Trust management fee income obtained from entrusted operations.				
Other non-operating income and expenses aside from the items listed above.	4,638,705.60		-32,306,765.95	-17,333,180.13
Other income and expense items that meet the definition of non-recurring gains and losses.	2,533,381.02		68,157,310.18	3,644,599.93
Less: Income tax effects.	31,363,879.84		6,880,795.97	76,553,280.88
Minority interest effects (after tax).	-1,182,211.56		20,522,934.04	73,469,304.45
Total.	139,574,475.80		59,347,336.67	112,254,308.30

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	586,500,429.15	1,014,860,385.06	428,359,955.91	84,654,627.04
Receivable financing	208,553,904.66	126,856,196.64	-81,697,708.02	
Other non-current financial assets	501,990,183.96	505,726,485.92	3,736,301.96	29,665,822.01
Total	1,297,044,517.77	1,647,443,067.62	350,398,549.85	114,320,449.05

Section III. Management discussion and analysis

I. Discussion and Analysis of Operating Conditions

The company has been deeply engaged in the field of carbon element industry for nearly sixty years. Carbon materials, as the indispensable fundamental functional materials for modern industry, provide key basic material support to the downstream basic and pillar industries and advanced productivity fields. The company's products include graphite electrodes, lump carbon bricks, Isostatic graphite, Carbon/graphite materials for nuclear power generation, graphene materials and the main raw materials for the production of carbon element products, such as coal-based needle coke, low-sulfur calcined petroleum coke and coal pitch. The company has developed into one of the world's leading production and supply bases of high-quality carbon element products and a research and production base of nuclear-related carbon materials. While consolidating and expanding the high-end market of graphite electrodes, various types of carbon bricks and special graphite market, the company has increased its investment in research and development, and continued to make great efforts in the research and development of new materials such as charcoal-carbon composites and graphene, so as to push the industry chain to expand to the depths, and is committed to continue to write a new chapter in China's carbon element industry.

In 2024, under the circumstances that the international and domestic economic situation was intricate, the iron and steel industry and the carbon element industry suffered a severe winter, and the market competition became more and more intense, all managers and employees made collective efforts, insisting on the commercial philosophy of market orientation, remaining motivated to seize the market opportunities, accurately meeting the market demand, being innovated and seeking changes, and playing the role in leading the industry and coordinate the industry, and the Company's gross profit on sales of products continued to be maintained at the advanced level in the industry. The company's production and operation as a whole ran smoothly and maintained its leading position in the industry.

(I) Marketing ability significantly improved, leading position continued to maintained. In 2024, the company maintained strategic focus, strengthened refined management, deepened efficiency optimization across its four major processes, and established a full-chain supply guarantee system. Product sales emphasized tiered customer management and improved service responsiveness. The sales team enhanced market information sharing and built a cross-regional collaboration mechanism. Sales efforts highlighted the technical advantages of large-sized electrodes, deepened synergies across business segments, and ensured efficient resource allocation through collaboration, thereby boosting brand pricing power. Amid a market environment marked by supply-demand imbalances and intensified competition in 2024, the company achieved rational sales growth, precise sales

execution, and continuous expansion of market share, further solidifying its industry-leading position.

(II)Comprehensively advance refined management and sustain cost reduction and efficiency improvement initiatives. The company will strengthen benchmarking practices to identify gaps, address weaknesses, and leverage strengths. It will conduct periodic evaluations of refined management measures, pinpoint shortcomings in implementation, and focus on resolving prominent issues and vulnerabilities. By adopting multifaceted approaches tailored to specific roles, the company will ensure the effective execution of all tasks, enhancing operational efficiency through quality improvement, cost reduction, and efficiency gains. Additionally, it will refine institutional and management systems by optimizing processes and regulations, thereby solidifying foundational management practices and strengthening operational execution. With a problem-solving mindset, the company will meticulously implement all initiatives to ensure precise and sustainable outcomes, driving continuous elevation of refined management standards.

(III) Uphold Safety and Environmental Protection as Non-Negotiable Priorities.Safety and environmental protection are essential pathways to the company's high-quality development. Adhering to the principles of“people and lives first”and“safety first, prevention-focused, and comprehensive management,”the company will rigorously implement a holistic strategy that“balances prevention and correction while tackling root causes.”It will establish robust mechanisms for responsibility assignment, assessment, inspection, feedback, and adjustment, while strengthening daily oversight and control. By comprehensively identifying safety risks across all operations, the company will prioritize preventive and real-time control measures, reinforce the principle that“safety in production is everyone's responsibility,”and continuously consolidate foundational safety management.Safety training and education will be intensified to elevate employee awareness and self-management capabilities. Environmental protection equipment will undergo rigorous operation, maintenance, and upkeep, and proactive efforts will be made to address pollutants at their source. These initiatives will drive steady progress in the company's green and low-carbon transformation, ensuring alignment with sustainable development goals.

(IV) Emphasizing shareholder returns and actively communicating the company's value. To implement the development philosophy centered on "investors," and to promote the high-quality development and long-term investment value of the company, we have implemented share repurchase and dividend plans. In 2023 and 2024, the company cumulatively repurchased 249,372,465 shares, with a total repurchase expenditure of 130 million yuan (of which 300 million yuan for share repurchase is considered equivalent to cash dividends). To stabilize investors' dividend expectations and boost their confidence in holding shares, and taking into comprehensive consideration the company's operating conditions and development plans, the company proposed a profit distribution plan for the first quarter of 2024 and a subsequent dividend plan for the year 2024. In the first quarter of 2024, the company distributed cash dividends totaling 127 million yuan (including tax), accounting for 74.29% of the net profit attributable to shareholders of the listed company for the first quarter of 2024. The company highly values investor relations management, strengthens daily investor maintenance work, and establishes and improves various communication channels, allowing investors to communicate with the company's governance and management through on-site research, roadshows, investor hotlines, and company email, thereby enhancing investors' recognition of the industry and the company's investment value.

II. Industry conditions of the company during the reporting period

In 2024, the global carbon industry, after experiencing a post-pandemic recovery and adjustment period, demonstrated new development patterns and characteristics. Despite challenges such as slowing global economic growth and increasing environmental protection pressures, the industry maintained steady growth driven by strong demand from downstream sectors such as new energy and aerospace. Particularly, China's dominant position in the global market was further consolidated. At the same time, the industry is undergoing profound structural transformations, with high-end, green, and intelligent development becoming the main themes for the future.

The regional divergence in growth within the carbon industry is primarily driven by the strong pull of the Asian market, especially in China, while developed economies in Europe and the Americas have seen relatively weak demand growth due to sluggish economic recovery.

According to incomplete statistics from BaiChuan YingFU, China's total production of graphite electrodes in 2024 was approximately 845,600 tons, an increase of 70,100 tons compared to the previous year. Although the growth rate has slowed compared to previous years, it remains higher than the global average. This growth is mainly attributed to China's complete industrial chain support, continuous technological innovation, and strong demand from downstream application fields. In 2024, the graphite electrode market experienced an initial decline followed by a weak stabilization and stagnation. On one hand, this was influenced by fluctuations in raw material prices; on the other hand, reduced operating rates and profits at blast furnace and electric furnace steel plants significantly suppressed price increases for graphite electrodes. There remains a noticeable supply gap for high-tech, high value-added products such as large-sized and high-quality graphite electrodes, nuclear graphite, and specialty graphite used in aerospace. Market share continues to concentrate among large enterprises with strong supply chain control and R&D capabilities.

III. Business Operations of the Company during the Reporting Period

According to the industry classification results for listed companies by the China Securities Regulatory Commission (CSRC), the company belongs to the "Manufacturing - Non-Metallic Mineral Products Industry." Its main business involves the research, production, and sales of graphite electrodes, block carbon bricks, isostatic graphite, nuclear-grade carbon/graphite materials, graphene materials, carbon/carbon composites, and primary raw materials for carbon products such as coal-based needle coke, low-sulfur calcined petroleum coke, and coal tar pitch.

The graphite electrodes produced by the company are mainly used in electric arc furnace steelmaking, ore smelting furnaces for phosphorus production, abrasives, and industrial silicon industries, with electric furnace steelmaking being the largest demand driver. Block carbon bricks are primarily applied in steel smelting, electrolytic aluminum production, and graphitization processes. Isostatic graphite products are widely used in fields such as semiconductors, solar photovoltaics, mold processing, nuclear energy, metallurgy, and petrochemicals. The company has achieved breakthroughs in nuclear-grade carbon/graphite materials, graphene materials, and carbon/carbon composites. Driven by the national "dual carbon" economy and green development initiatives, the rapid growth of the new energy industry has become a trend, creating significant opportunities for the development of advanced carbon materials.

The company operates five carbon product production bases, two raw material research and development bases, and three advanced materials R&D and production bases. This geographical layout is strategically designed to achieve resource sharing, centralized R&D, complementary advantages, integrated industrial operations, and coordinated marketing. Guided by market demands, the company focuses on deeply optimizing product performance, precisely increasing the differentiation rate of high-end products, stabilizing and expanding the high-end graphite electrode market, and seizing opportunities in various carbon brick markets, specialty graphite, and other product markets to maximize product profitability.

The company has now developed into one of the world's leading high-quality carbon product production and supply bases, as well as a scientific research and production base for nuclear-related carbon materials. Its products are sold across more than 30 provinces, autonomous regions, and municipalities in China and exported to over 60 countries and regions across five continents worldwide.

IV. Analysis of core competitiveness during the reporting period

☒Applicable ☐Not applicable

The company boasts extensive experience in the production, research and development, and sales of carbon products, enabling it to deeply understand the development trends of the carbon products industry. Its production technologies and product categories are constantly evolving with innovations, steadily enhancing its competitiveness. As one of China's leading carbon product manufacturing enterprises, the company has consistently ranked among the world's top suppliers of high-quality carbon products for many years. Its product quality enjoys a prestigious reputation both domestically and internationally. Through its unique and flexible institutional advantages, technological innovation capabilities, financial strength, talent resources, and the long-term recognition and trust of customers at home and abroad, the company has further solidified its leading position in the carbon products sector. At the same time, the company is actively advancing the research and development of new carbon materials, laying a solid foundation for the next phase of growth.

(I) Continuously Intensifying Efforts in Scientific and Technological Innovation, Deepening Research and Application.

The company upholds the banner of technology leadership, continuously intensifying its efforts in scientific and technological innovation to break through bottlenecks hindering corporate development with the sharp edge of technology. It legally possesses independent intellectual property rights over core key technologies, achieving import substitution for products such as ultra-high power graphite electrodes and nuclear-grade carbon/graphite materials. Particularly in cutting-edge fields like graphene, the company's developed graphene-chitosan composite hemostatic dressing has reached international advanced levels, showcasing the innovative capabilities of an industry benchmark. The enterprise will continue to establish "industry-academia-research-application" collaborative innovation platforms with top scientific research institutions, forming a long-term strategic partnership with Lanzhou University. Relying on joint laboratories such as the "Graphene Research Institute" and the "Nuclear Graphite R&D Center," the company conducts original, forward-looking, and leading scientific research endeavors in areas including graphene energy storage materials, new types of carbon-based composite materials, nuclear graphite materials, and the preparation of high-end carbon bricks. Meanwhile, the company is actively laying out its presence in the new energy sector, leveraging a diversified industrial system led by innovation. This further cements its role as an industry leader, striving to accelerate the pace of innovation and reach new heights of technological advancement.

(II) Advantages of an Outstanding Management Team.

An efficient core management team is the driving force behind the company's clear forward-looking development strategy, strong execution, cohesion, and rapid yet healthy growth. The management team possesses rich practical experience in the carbon industry, enabling them to accurately identify industry trends and seize fleeting development opportunities. They have developed a unique management model that ensures continuous improvement in production and operational efficiency. While continuously enhancing the management skills of existing leaders, the company places significant emphasis on nurturing promising new talent, ensuring that every production process and management position is staffed by dedicated, contributing, and efficient teams. The stability of the core management team is a critical factor; many members have witnessed the company's journey from operational lows to its rise, giving them a profound understanding and recognition of the company's tradition of low-cost, large-scale, high-efficiency production management. This deep-seated comprehension and endorsement serve as a robust guarantee for the company's sustained healthy operations. This combination of seasoned leadership and fresh talent not only supports the company's ongoing success but also fosters an environment of innovation and excellence, positioning the company well for future challenges and opportunities.

(III) Continuously Enhancing Industry Leadership.

Leveraging its remarkable technological and quality advantages, the company has grown into a globally leading supplier of carbon products, with notable competitive advantages within the industry. Currently, due to stricter

environmental protection requirements and increased competitive pressures, smaller domestic enterprises with outdated capacities are gradually exiting the market, raising the barriers to entry for new competitors. The company is well-equipped to solidify its leading position, further optimize product performance, and precisely increase the differentiation rate of high-end products. This strategy aims to enhance both revenue and profit scales, fill market demand gaps, and further expand its competitive edge, thereby achieving and maintaining its leadership role in the industry. By continuously improving and innovating, the company not only meets the evolving demands of the market but also sets new standards for quality and performance in the carbon products sector. This approach ensures that it remains ahead of the curve, capable of navigating future challenges while capitalizing on emerging opportunities.

(IV) Advantages of Precision Management.

The company remains committed to "precision management," meticulously organizing procurement assurance, cost reduction, and efficiency enhancement efforts. It conducts in-depth market research and innovates procurement models to further improve the efficiency and quality of procurement activities. Regular meetings are held for quick responses on raw material procurement, where sales, production, technical departments, among others, closely collaborate. Market information is shared across departments, and procurement optimization is achieved according to formulas and processes. Particularly during periods of price volatility, decisions are made swiftly based on inventory levels and production needs, taking advantage of favorable opportunities for purchasing. The company has refined its coordination between production and sales, resulting in significant product cost advantages. With a complete product system, various types and specifications of products produced can complement each other in the market. As a result, economies of scale are gradually emerging, making unit costs more competitive. This approach not only ensures optimal use of resources but also enhances the company's ability to respond quickly to market changes, securing its competitive edge in the industry.

(V) Quality Improvement and Upgrade, Building a Transformation and Development Advantage.

As a leading company in the industry, it has long been committed to creating a "digital factory" and a "smart factory," promoting the deep integration of digitalization and intelligence. A newly developed digital platform has been successfully launched, connecting various third-party application systems as well as various business systems independently developed by the company. This integration consolidates fragmented information, making the information chain fully and efficiently utilized, thus achieving significant progress towards a "digitalized factory." This leap forward injects new vitality into the company's data management and business process optimization. The involvement of robots in connector processing operations has notably increased work efficiency, highlighting cost advantages per unit. The company will continue to accelerate the digital transformation of manufacturing, developing or introducing advanced automated intelligent control systems. These efforts effectively promote the renovation and upgrade of traditional industries, speeding up the construction of a modern industrial system. Through these initiatives, the company not only enhances its own operational efficiency and product quality but also sets a benchmark for industry transformation and high-quality development.

(VI) Firmly Establishing Red Line Awareness, Strictly Managing Safety and Environmental Protection.

Safety and environmental protection are the prerequisites for corporate development and also the lifelines for sustainable business growth. By firmly establishing a red line awareness regarding safety and environmental protection, increasing the intensity of hidden danger investigation and rectification, and strengthening accountability, the company aims to effectively eliminate major accident risks and build a long-term mechanism. The company focuses on creating inherently safe positions and enhancing employees' self-management levels as key measures, promoting zero-hidden-danger management and standardized safety management. Efforts are also made to break down barriers in safety management, genuinely improving safety management standards.

The company adheres to management innovation, pursuing practicality and efficiency. It continues to focus on graded control of environmental protection equipment, optimizing and perfecting standards for such controls. Continuous implementation of ultra-low emission upgrades is pursued, ensuring high-efficiency operation of environmental protection facilities. This maximizes their effectiveness in improving on-site environments and reducing pollution emissions. The company's efforts in ultra-low emission upgrades have yielded results, with environmental protection indicators showing continuous improvement.

This comprehensive approach not only ensures compliance with safety and environmental regulations but also actively promotes a culture of safety and environmental stewardship within the organization, contributing to sustainable development.

V. Main operating conditions during the reporting period

In 2024, due to the continuous fluctuation of upstream raw material prices, shrinkage of market demand in downstream iron and steel industry and complicated international economic situation, graphite electrode market price still showed a downward trend as a whole, and profitability level decreased. The Company actively coordinated and deployed resources and insisted on market orientation, implemented the general requirements of “change, work and reality” in depth and in detail, adhered to the general keynote of fine management, optimized and enhanced the efficiency of resource allocation, and made efforts to cultivate the new quality of productivity, so as to ensure the orderly and efficient operation of production and operation and to continue to maintain the leading profitability in the industry.

In 2024, the company produced 1.912 hundred thousand tons of carbon products, a year-on-year decrease of 12.11%; sales volume of carbon products reached 2.002 hundred thousand tons, a year-on-year decrease of 4.98%; total revenue amounted to CNY 3.872 billion, a year-on-year decrease of 24.55%; net profit attributable to shareholders of the listed company was CNY 186 million, a year-on-year decrease of 55.31%. As of the end of the reporting period, the company's total assets were CNY 20.372 billion, net assets attributable to shareholders of the listed company were CNY 16.170 billion, and the asset-liability ratio was 14.13%.

(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	2024	2023	Percentage change (%)
Revenue	3,872,039,880.46	5,131,908,843.35	-24.55
Operating Costs	3,330,228,783.17	4,155,103,191.13	-19.85
Selling expenses	72,828,724.68	119,762,649.55	-39.19
Administrative expenses	-150,350,291.62	-136,312,211.52	不适用
Finance costs	57,392,504.47	90,485,410.77	-36.57
Research and development expenses	639,281,366.00	856,004,758.44	-25.32
Net cash flows from operating activities	-461,354,185.21	808,888,602.24	-157.04
Net cash flows from investing activities	-907,555,126.80	1,511,149,696.79	-160.06

Net cash flows from financing activities	3,872,039,880.46	5,131,908,843.35	-24.55
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Explanation for changes in operating income: mainly due to the decline in product sales prices during the period.

Explanation for the changes in operating costs: mainly due to the decrease in raw material prices during the period.

Explanation for the changes in selling expenses: mainly due to the fact that the packaging fees, port charges, labor costs and handling charges were reported as operating costs in the current period.

Explanation for the changes in administrative expenses: mainly due to the decrease in energy costs during the period.

Explanation for the changes in finance costs: mainly due to the increase in interest income during the period.

Explanation for the changes in research and development expenses: mainly due to the decrease in commissioned external research and development expenses and material expenses during the period..

Explanations for the changes in net cash flows from operating activities: mainly due to the decrease in operating income during the period, which affected the decrease in repayment.

Explanation for the changes in net cash flows from investing activities: mainly due to the increase in secondary market investments during the period.

Explanation for the change in net cash flows from financing activities: mainly due to the share buyback in the current period.

2. Revenue and cost analysis

☒Applicable ☐Not applicable

(1). Breakdown of Main Business Operations by Industry, Product, Region, and Sales Model

Unit: yuan Currency: CNY

Main business by sector						
Sub-Industry	Operating revenue	Operating Cost	Profit margin(%)	YOY growth(%) of operating revenue	YOY growth(%) of operating cost	YOY growth(%) of Profit margin
Carbon products	3,353,085,745.44	3,100,069,294.53	7.55	-28.77	-21.98	Decreased by 8.04%
Other	289,562,798.88	141,640,773.46	51.08	151.07	98.19	Increased by 13.05%
Total	3,642,648,544.32	3,241,710,067.99	11.01	-24.47	-19.86	Decreased by 5.12%
Main business by product						
Sub-products	Operating revenue	Operating Cost	Profit margin(%)	YOY growth(%) of operating revenue	YOY growth(%) of operating cost	YOY growth(%) of Profit margin
Carbon products	3,353,085,745.44	3,100,069,294.53	7.55	-28.77	-21.98	Decreased by 8.04%
Other	289,562,798.88	141,640,773.46	51.08	151.07	98.19	Increased by 13.05%
Total	3,642,648,544.32	3,241,710,067.99	11.01	-24.47	-19.86	Decreased by 5.12%
Main business by region						
Sub-region	Operating revenue	Operating Cost	Profit margin(%)	YOY growth(%) of operating revenue	YOY growth(%) of operating cost	YOY growth(%) of Profit margin
Domestic	2,770,920,462.58	2,477,703,395.84	10.58	-26.08	-20.10	Decreased by 6.69%
Overseas	871,728,081.74	764,006,672.15	12.36	-18.84	-19.07	Decreased by 0.25%
Other	3,642,648,544.32	3,241,710,067.99	11.01	-24.47	-19.86	Decreased by 5.12%

(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	191,212.58	200,236.52	11,292.09	-12.11	-4.98	-34.02

(3) Cost analysis table

Unit: Yuan

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 Industry	Raw Materials	1,798,466,318.36	63.53	2,317,424,179.06	67.34	-22.39
	Labor	301,086,384.33	10.64	370,259,568.14	10.76	-18.68
	Energy	464,475,853.56	16.41	465,202,756.09	13.52	-0.16
	Manufacturing Costs	266,737,806.08	9.42	288,403,589.53	8.38	-7.51
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	1,798,466,318.36	63.53	2,317,424,179.06	67.34	-22.39
	Labor	301,086,384.33	10.64	370,259,568.14	10.76	-18.68
	Energy	464,475,853.56	16.41	465,202,756.09	13.52	-0.16
	Manufacturing Costs	266,737,806.08	9.42	288,403,589.53	8.38	-7.51

(4) Equities change of major subsidiaries causing the change of consolidation scope
☒Applicable ☐Not applicable
(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 864.0736 million, accounting for 22.32% 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 sales proportion to a single customer exceeded 50% of the total sales, there were new customers among the top five clients, or there was significant dependence on a small number of customers.

☒Applicable ☒Not applicable

B. Major suppliers of the Company

☒Applicable ☐Not applicable

Purchases from the top five suppliers amounted to CNY 10.035375 billion, accounting for 30.13% of the total annual purchases; among them, purchases from related parties among the top five suppliers amounted to CNY 167,448,300, accounting for 5.03% of the total annual purchases.

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 (%)
Selling Expenses	72,828,724.68	119,762,649.55	-39.19
Administrative Expenses	374,701,091.53	381,772,844.62	-1.85
Financing costs	-150,350,291.62	-136,312,211.52	Inapplicable
R&D expenses	57,392,504.47	90,485,410.77	-36.57

4 .R&D

(1) Table of R&D

☒Applicable ☐Not applicable

Unit: yuan Currency: CNY

R&D inputs expensed during the period	57,392,504.47
Capitalized R&D investment for the period	0
Total R&D investment	57,392,504.47
Total R&D investment as a percentage of operating revenue (%)	1.48
Share of capitalized R&D investment (%)	0

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

☒Applicable ☐Not applicable

Number of R&D personnel in the company	309
Proportion of the number of R&D personnel to the total number of employees of the company (%)	12.84
Educational structure of R&D staff	
Category of academic structure	Number of academic structures
PHD	30
Master's Degree	33
Bachelor's Degree	127
Deploma	101
High school and below	18
Age structure of R&D staff	
Age structure category	Age structure
Below 30 years old (including 30 years old, not including 30 years old)	77
30-40 years old (including 30 years old, excluding 40 years old)	131
40-50 years old (including 40 years old, excluding 50 years old)	54

50-60 years old (including 50 years old, excluding 60 years old)	45
Age 60 and above	2

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	639,281,366.00	856,004,758.44	-25.32
Net cash flows from investing activities	-461,354,185.21	808,888,602.24	-157.04
Net cash flows from financing activities	-907,555,126.80	1,511,149,696.79	-160.06

(II)Analysis of assets and liabilities

1.Analysis of aassets 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
Financial assets held for trading	1,014,860,385.06	4.98	586,500,429.15	2.70	73.04
Note Receivable	531,308,592.00	2.61	1,010,610,568.62	4.66	-47.43
Receivables financing	126,856,196.64	0.62	208,553,904.66	0.96	-39.17
Other current assets	26,924,359.30	0.13	10,884,767.33	0.05	147.36
Other non-current assets	54,492,163.46	0.27	80,458,901.07	0.37	-32.27
Notes payable	101,605,855.43	0.50	400,770,815.15	1.85	-74.65
Taxes payable	27,625,873.84	0.14	48,001,121.08	0.22	-42.45

Other notes:

Explanation for Changes in trading financial assets: Mainly as a result of the increase in secondary market investments during the period.

Explanation for Changes in notes receivable: Mainly as a result of the decrease in operating income during the period, which affected the decrease in repayment.

Explanation for Changes in financing receivables: Mainly as a result of the decrease in operating income during the period, which affected the decrease in repayment.

Explanation for Changes in other current assets:mainly due to an increase in prepaid taxes..

Explanation for changes in long-term amortized expenses: mainly due to the decrease in amortized expenses in the current period.

Explanation of changes in other non-current assets: mainly due to the decrease in prepayment of long-term assets in the current period.

Notes on changes in notes payable: mainly due to the decrease in notes issued during the period.

Explanation for Changes in taxes payable: mainly due to the decrease in total revenue and profit for the reporting period..

2. Overseas Assets

☒Applicable ☐Not applicable

(1) Assets Scale

Of which: Overseas assets 6228.92 (Unit: Yuan, Currency: CNY), 0.00003% out of total assets.

3. Status of major assets with restrictions as of the end of the reporting period

☒Applicable ☐Not applicable

Items	At the end of the period				At the beginning of the period			
	Book balance	Book value	Type of restriction	Restricted situation	Book balance	Book value	Type of restriction	Restricted situation
Cash and cash equivalents	50,556,033.55	50,556,033.55	Other	Note(1)	74,102,785.42	74,102,785.42	Security deposit	
Trading financial assets	403,949,689.95	403,949,689.95	Pledge	Note(2)	323,177,400.73	323,177,400.73	Pledge	
Notes receivable	42,194,237.44	42,194,237.44	Pledge	Note(3)	580,840,971.91	580,840,971.91	Pledge	
Fixed assets	24,042,138.13	2,977,694.45	Mortgage	/	24,042,138.13	3,330,990.53	Mortgage	
Total	520,742,099.07	499,677,655.39	/	/	1,002,163,296.19	981,452,148.59		

Notes:

(1) The following funds are subject to usage restrictions: bill security deposit of 28,869,486.21 yuan, guarantee letter security deposit of 15,552,000.00 yuan, letter of credit security deposit of 6,131,000.00 yuan, and frozen account funds of 3,547.34 yuan. Aside from these, there are no other mortgaged, frozen, or potentially recoverable amounts at risk.

(2) Our subsidiary, Shanghai Fangda Investment Management Co., Ltd., has pledged trading financial assets with a book value of 403,949,689.95 yuan as collateral to obtain a loan of 204,552,785.31 yuan from the Dalian Huanghe Road Securities Branch of Guoyuan Securities Co., Ltd.

(3) Our company has pledged receivable bills amounting to 42,194,237.44 yuan to issue payable bills.

(III) Analysis of industry business information

☒Applicable ☐Not applicable

For details, please Refer to Section Three, Part Two of this report, "Industry Conditions During the Reporting Period."

(IV) Analysis of investment status

1. Financial assets measured at fair value

☒Applicable ☐Not applicable

Unit: yuan Currency: CNY

Asset Category	Beginning Balance	Gains/Losses from Fair Value Changes in the Current Period	Accumulated Fair Value Changes Recognized in Equity	Impairment Losses Recognized in the Current Period	Purchase Amount in the Current Period	Sale/Redemption Amount in the Current Period	Other Changes	Ending Balance
Stock	586,500,429.15	116,892,869.90			5,622,499,048.27	5,309,444,349.70	1,587,612.56	1,014,860,385.06
Private equity	309,447,583.96	6,158,896.52				19,643,194.56		295,963,285.92
Other	401,096,504.66	17,220,600.00					-81,697,708.02	336,619,396.64
Total	1,297,044,517.77	140,272,366.42			5,622,499,048.27	5,329,087,544.26	-80,110,095.46	1,647,443,067.62

2. 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	586,500,429.15							
Private equity fund	309,447,583.96							
Other	401,096,504.66							
Total	1,297,044,517.77							

3. Specific progress of major asset restructuring and integration during the reporting period

(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 enterprises	Industrial investment, high-tech project investment, investment management, entrusted	6,000.00	106,708.98	26,740.33	-	7,231.6	7,227.56

Investment Management Co., Ltd.		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, sales of metal products, consulting services. (Items subject to approval by law can only be operated after approval by relevant departments)					2	
Fushun Carbon Co., Ltd.	Manufacturer	Manufacture of carbon products, sales of steel and metallurgical materials, development and design of new carbon products (Projects subject to approval by relevant departments before carrying out business activities.)	6,326.00	118,688.98	106,826.18	27,849.35	-4,472.12	-4,381.49
Hefei Carbon Co., Ltd.	Manufacturer	Production, processing and sales of carbon products and by-products, export business of the enterprise's self-produced products and import business of mechanical equipment, spare parts, raw and auxiliary materials required by the enterprise	5,000.00	78,968.26	47,028.39	21,230.97	-2,365.44	-2,554.54
Chengdu Rongguang Carbon Co., Ltd.	Manufacturer	Production and sale of carbon series products, chemical products (excluding dangerous goods), import and export business of self-produced products and related technologies, raw and auxiliary materials required for the production and scientific research of the plant, machinery and equipment, instruments and meters, spare parts, machining, water and electricity installation, science and technology development business	10,000.00	143,204.28	126,847.44	40,959.50	-3,491.13	-2,587.81
Fushun Fangda High-Tech Materials Co., Ltd.	Manufacturer	Calcined coke, needle coke manufacturing, sales, petroleum coke sales, industrial water sales, heating	5,000.00	20,605.20	19,607.42	29,740.95	1,031.98	716.24

Chengdu Fangda Carbon-Carbon Composite Materials Co., Ltd.	Manufacturer	Production and sales: carbon products, chemical products (excluding dangerous goods); the import and export business of self-produced products and related technologies; the raw and auxiliary materials required for the production and scientific research of the enterprise, mechanical equipment, instruments and meters, spare parts, machining; scientific research and development of carbon products [projects subject to approval according to the law, approved by the relevant departments before carrying out business activities; without obtaining the relevant administrative licenses (approvals), shall not carry out Business activities].	39,956.29	194,888.49	156,431.5 5	57,054. 14	9,656.2 3	8,624.83
Fangda Xikemo (Jiangsu) Needle Coke Technology Co., Ltd.	Manufacturer	R&D and production of needle coke, coal coke pitch, carbon black oil and gas; production and supply of heat; sale of self-produced products as well as wholesale and import/export of the above 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)	178,088.34	39,243.19	36,470.43	24,230. 47	-6,948.3 7	-6,955.39

VI. Discussion and analysis of the company's future development

(I) Industry pattern and trend

☒Applicable ☐Not applicable

With the recovery of the global economy and the rise of emerging markets, the demand for carbon products will continue to grow, especially in fields such as steel, metallurgy, chemical industry, and new energy, where the application of carbon materials will become more widespread, providing the industry with vast development opportunities. At the same time, the industry is undergoing profound structural changes. From the perspective of technological development trends, the carbon industry will continue to evolve towards high performance, green low-carbon, and intelligent directions. Technological innovation will become the core driving force for industry development, with new carbon materials, environmental protection technologies, and smart manufacturing technologies being widely applied to drive the transformation and upgrading of the industry.

In terms of the policy environment, governments will continue to increase policy support for the carbon industry, promoting its healthy development. Meanwhile, with the growing awareness of environmental protection, carbon companies will place greater emphasis on environmental protection, energy conservation, and emissions reduction, achieving green production.

(II) Corporate development strategy

☒Applicable ☐Not applicable

Guided by Xi Jinping's Thought on Socialism with Chinese Characteristics for a New Era, the company firmly aims at the corporate development goal of "serving the nation through industry and building a world-leading carbon enterprise." It adheres to the corporate values of "operating businesses in a way that benefits the country, the enterprise, and its employees," upholds the corporate spirit of "people-oriented, integrity first," and practices the corporate mission of "taking from society and giving back to society." By relying on technological progress and meticulous management, the company accelerates product structure adjustments, optimizes resource allocation, leverages equipment advantages, and implements a brand strategy. The overall development approach focuses on prioritizing the development of advanced carbon materials, emphasizing the growth of graphite electrodes, and steadily advancing carbon bricks and key raw materials. This strategy continuously extends the carbon industry chain, strengthens integration efforts, and paves the way for sustainable, international development as a technology innovation-driven, resource-conserving, and environmentally friendly enterprise. In doing so, the company writes a new chapter in China's carbon industry.

(III) Business Plan

☒Applicable ☐Not applicable

In 2025, the company will focus on its production and operation targets, adhere to market-oriented priorities, strengthen management foundations, tap into potential, and comprehensively improve the efficiency of resource allocation. It will enhance technological breakthroughs, ensure the technical upgrading and iteration of traditional products, and maintain its industry leadership. The company will continue to promote the integrated development of technological and industrial innovation, constantly demonstrate new capabilities, achieve new accomplishments, and resolutely complete the final push of the "14th Five-Year Plan" while laying the groundwork for the "15th Five-Year Plan."

1. Implement precise measures and seize new opportunities in the sales market. Centering on the company's production and operation goals, adhere to a market-oriented approach, and continuously explore new fields and markets while consolidating traditional ones. Through measures such as technological upgrades, ensuring quality

and supply, a comprehensive after-sales service system, and brand influence, stabilize existing customers and develop new users. Select orders based on the principles of "prioritizing profitability, strategic cooperation, and long-term vision," with a focus on laying out key positions in niche markets and high value-added product markets. Leverage the resource advantages of the consolidated external sales team, promote the performance of the entire carbon sector with a mindset of maximizing sector-wide benefits, take proactive actions, actively explore international markets, strive to improve sales performance, and maximize profit contributions.

2.Focus on meticulous operations to enhance the efficiency of procurement, production, and sales while reducing costs and increasing benefits. Conduct in-depth research on raw material market trends based on market conditions, improve market forecasting capabilities, and continuously strengthen the development of new raw material suppliers. Effectively establish a bidding mechanism to reduce procurement costs, flexibly grasp procurement timing, and dynamically adjust procurement strategies in a timely manner. Strengthen the connection between production and sales, balance production capacity, meticulously schedule production, improve production efficiency, and accelerate product structure adjustments to enhance the efficiency of production and sales. Promote lean production initiatives such as direct raw material supply and direct shipment of finished electrodes from packaging sites. Strengthen production process management, reduce inventory buildup and secondary handling between processes, maintain reasonable inventory levels, and ensure stable production. Deeply implement cost reduction and efficiency improvement efforts by addressing waste, leaks, and losses. Apply the meticulous management philosophy of "finding bones in eggs" throughout the entire production and operation process, ensuring precise implementation of all tasks without regression. Effectively enhance the level of refined management to promote comprehensive improvements in cost reduction and operational efficiency, thereby boosting overall business performance.

3.Adhere to innovation-driven development and continuously cultivate new quality productivity. The company remains committed to technological innovation, actively implementing a development strategy for new quality productivity. From optimizing production processes and enhancing intelligence levels to upgrading digital management platforms, promoting business model innovation, and achieving technological breakthroughs, the company leverages new quality productivity to expand its base of high-value customers. By driving enterprise development through technological innovation, the company enhances its competitiveness in the global carbon industry. The company will further increase R&D efforts, focusing on new products and applications of advanced materials. It will concentrate resources on technical breakthroughs, particularly in the research and development of new materials such as carbon-carbon composites and graphene, driving technological innovation and product upgrades while deepening the extension of the industrial chain. At the same time, the company will accelerate the digital transformation of manufacturing. It will comprehensively review existing production equipment, process flows, and operational management systems, aligning with industry trends and corporate strategic goals to formulate detailed automation upgrade plans. In a planned, step-by-step, and targeted manner, the company will develop or introduce advanced automated intelligent control systems, effectively promoting the transformation and upgrading of traditional industries and accelerating the construction of a modern industrial system.

4.Strengthen foundational equipment management and advance key project construction. Focus on the basic management of equipment, continuously conduct cyclic inspections of equipment, and carry out special inspections on key equipment, environmental protection equipment, and special equipment to eliminate potential equipment hazards. Ensure proper maintenance and repair of equipment and facilities to fully explore and maximize the potential of the equipment, improving operational efficiency and maximizing equipment performance. Key projects will be prioritized, such as the renovation of Ring Furnace No. 6 in the Baking Plant and the renovation of Impregnation Line No. 3 in the Baking Plant. Scientifically and efficiently advance the implementation of these projects, closely track and control construction quality, timelines, and costs, ensuring

timely completion and smooth commissioning.

5. Adhere to talent aggregation and continuously build developmental synergy. Continuously advance the construction of a talent highland by creating a three-dimensional talent magnet characterized by "global vision, top-tier platforms, and humanistic care." This fosters fertile ground for talent growth, provides an enabling environment, and builds platforms to cultivate a workforce capable of taking on challenges and achieving success. Promote a clear entrepreneurial orientation, vigorously uphold the spirit of hard work, and adhere to a people-centric philosophy that values contributors. Deepen the "three-tier" talent development system and comprehensively implement a management model governed by systems. Establish a three-dimensional compensation model based on "position value $\times$ performance contribution $\times$ innovation premium," emphasizing performance and contribution. Foster an environment that encourages innovation and supports reform, continuously inspiring and consolidating developmental synergy to drive sustainable enterprise growth.

(IV) Risks

☒Applicable ☐Not applicable

1. Market Risk

Ongoing geopolitical tensions, coupled with the sluggish performance of the downstream steel industry and intense competition in the market environment, have impacted the profit margins of the company's products.

Countermeasures: The company closely monitors macroeconomic policies and proactively adapts to new trends in industry development. Adhering to a market-oriented approach, the company embraces innovation and change, and earnestly implements the work requirements of "change, action, pragmatism" and "depth, substance, detail, precision, and effectiveness." By leveraging its advantages of large scale, diverse product range, and technological leadership, the company optimizes its product mix, accelerates technological and product innovation, enhances product added value, and builds a diversified industrial system to maximize profitability.

2. Environmental Risk

Under the policy backdrop of carbon peaking and carbon neutrality, environmental standards continue to rise, and the requirements for environmental governance in the carbon industry are becoming increasingly stringent.

Countermeasures: The company adheres to the guidance of the "dual carbon" goals, implements measures to reduce energy consumption, emissions, pollution, and carbon output, and strengthens supervision based on "dual control" policies. In accordance with environmental protection and 5S management standards, the company comprehensively carries out upgrades to clean production processes and environmental protection equipment. By implementing clean production plans and upgrading environmental protection equipment, the company effectively enhances its environmental management capabilities, paving the way for green carbon production.

3. Exchange Rate Risk

Due to the influence of international political and economic factors, the global situation remains complex and volatile, with political instability in some regions. As part of the company's products are sold in international markets, exchange rate fluctuations may impact export revenues and result in foreign exchange losses.

Countermeasures: The company strives to match foreign currency income with foreign currency expenditures to mitigate exchange rate risks. It also strengthens the collection and analysis of foreign exchange market information, closely monitors foreign exchange market dynamics, and timely negotiates adjustments to settlement currencies and methods as needed, enhancing its ability to withstand risks.

Section IV. Corporate governance

I. Explanation on Corporate Governance

☒Applicable ☐Not applicable

During the reporting period, the company strictly adhered to the requirements of laws, regulations, and normative documents related to the governance of listed companies, such as the Company Law, the Securities Law, the Corporate Governance Guidelines for Listed Companies, the Listing Rules of the Shanghai Stock Exchange, and the Self-Regulatory Guidance No. 1 for Listed Companies on Standardized Operations issued by the Shanghai Stock Exchange and the China Securities Regulatory Commission (CSRC). The company continuously improved its corporate governance structure, enhanced the level of standardized operations, strengthened awareness of information disclosure responsibilities, established and improved internal control systems, increased operational transparency, and comprehensively upgraded its overall governance standards.

Shareholders and Shareholders' Meetings: The company strictly adhered to the provisions and requirements of the Company Law, the Articles of Association, and the Rules of Procedure for Shareholders' Meetings to standardize the convening, holding, and voting procedures of shareholders' meetings. During the reporting period, the company held nine shareholders' meetings. The convening, holding, and voting procedures of these meetings were conducted in strict accordance with relevant laws, regulations, and stipulations. All motions were passed, and the voting results were legally valid. Each meeting was witnessed by an invited attorney in compliance with regulations. The shareholders' meetings adopted both on-site and online voting methods to ensure that shareholders enjoyed equal rights, allowing them to fully exercise their rights. This improved the convenience for small and medium shareholders to participate in the meetings and ensured they could exercise their rights effectively. The controlling shareholder and actual controller of the company fulfilled their obligations of integrity. There was no instance of directly or indirectly interfering in the company's decision-making or production and operations beyond the authority of the shareholders' meetings. No harm was caused to the interests of the company or other shareholders, and there was no occurrence of misappropriation of company funds.

Directors and the Board of Directors: During the reporting period, the company held 18 board meetings. The convening, holding, and voting procedures of the board meetings were in compliance with relevant laws and regulations, including the Company Law, the Articles of Association, and the Rules of Procedure for the Board of Directors. The directors of the company actively attended the board meetings, familiarized themselves with relevant laws and regulations, fully exercised their rights, and fulfilled their duties and responsibilities as directors, safeguarding the legitimate rights and interests of all shareholders of the company. The board has established various specialized committees and formulated detailed implementation rules for each committee.

Independent directors played a significant role in formulating the company's development strategies, selecting senior management personnel, financial auditing, and internal control, making the company's decision-making process more efficient, standardized, and scientific.

Supervisors and the Supervisory Committee: During the reporting period, the company held [insert number] meetings of the supervisory committee. The number and composition of the supervisory committee members comply with the requirements of laws and regulations. The supervisory committee meetings were strictly convened in accordance with the Rules of Procedure for the Supervisory Committee. Each supervisor earnestly fulfilled their duties in accordance with the relevant provisions of the Company Law, the Articles of Association, and the Rules of Procedure for the Supervisory Committee. They supervised the company's financial status, significant matters, and the legality and compliance of the performance of duties by the directors and senior management, safeguarding the legitimate rights and interests of the company and its shareholders.

Information Disclosure: The company strictly enforced the Information Disclosure Management System to

ensure that all company information was disclosed truthfully, accurately, promptly, and completely. It treated all shareholders fairly, ensuring they had equal access to relevant company information, and continuously strengthened its information disclosure practices. During the reporting period, the company completed 153 information disclosures. The content and procedures of these disclosures strictly adhered to the listing rules of both exchanges and the relevant regulations on information disclosure, meeting the disclosure requirements of both markets. The related announcements were disclosed on the Shanghai Stock Exchange, the SIX Swiss Exchange, as well as in the Shanghai Securities News and the China Securities Journal. By doing so, the company fully fulfilled its obligations as a listed company regarding information disclosure, achieving transparency, fairness, impartiality, timeliness, completeness, and effectiveness in its disclosures.

Investor Relations Management: The company places great importance on investor relations management, focusing on safeguarding the interests of investors, particularly small and medium shareholders, and continuously enhancing investor confidence to improve the long-term investment value of the company's stock. To enable investors to stay informed about the company's operations, production, and major developments, the company actively communicates with investors through various channels, including a dedicated investor hotline, email, on-site visits, and online investor communication platforms. It responds to investor inquiries and listens to their suggestions and feedback. During the reporting period, the company held earnings briefings for the 2023 annual results, the first half of 2024, and the third quarter of 2024 in video format. Additionally, the company actively participated in on-site and teleconference meetings organized by institutions, adopting an approach of "reaching out and inviting in." It invited investors to visit the company for on-site research and discussions, fostering effective communication, deepening investors' understanding of the company, and building greater recognition and trust.

II. Specific measures taken by the company's controlling shareholder and De facto controller to ensure the independence of the company in terms of assets, personnel, finance, organization, and business, as well as solutions, progress, and follow-up plans to address issues affecting the company's independence.

☒Applicable ☐Not applicable

The company independently accounts for and assumes responsibility and risks separately from its controlling shareholder and related parties in terms of assets, personnel, finance, organization, and business. During the reporting period, no instances were found where the controlling shareholder or actual controller affected the company's independence, and there were no circumstances that harmed the rights and interests of the company or other shareholders.

III. Overview of the Shareholders' Meeting ☒Applicable ☐Not applicable

Session of Meetings	Date of meeting	Query Index of the designated website of resolutions	Disclosure date of resolution publication	Resolution
First Extraordinary Shareholders' Meeting of 2024	April 11, 2024	http://www.sse.com.cn	April 12, 2024	For details, see the "Resolution Announcement of Fangda Carbon's First Extraordinary Shareholders' Meeting of 2024."

Annual Shareholders' Meeting of 2023	April 24, 2024	http://www.sse.com.cn	April 25, 2024	For details, see the "Resolution Announcement of Fangda Carbon's Annual Shareholders' Meeting of 2023."
Second Extraordinary Shareholders' Meeting of 2024	April 30, 2024	http://www.sse.com.cn	May 1, 2024	For details, see the "Resolution Announcement of Fangda Carbon's Second Extraordinary Shareholders' Meeting of 2024."
Third Extraordinary Shareholders' Meeting of 2024	May 31, 2024	http://www.sse.com.cn	June 1, 2024	For details, see the "Resolution Announcement of Fangda Carbon's Third Extraordinary Shareholders' Meeting of 2024."
Fourth Extraordinary Shareholders' Meeting of 2024	June 5, 2024	http://www.sse.com.cn	June 6, 2024	For details, see the "Resolution Announcement of Fangda Carbon's Fourth Extraordinary Shareholders' Meeting of 2024."
Fifth Extraordinary Shareholders' Meeting of 2024	July 3, 2024	http://www.sse.com.cn	July 4, 2024	For details, see the "Resolution Announcement of Fangda Carbon's Fifth Extraordinary Shareholders' Meeting of 2024."
Sixth Extraordinary Shareholders' Meeting of 2024	October 10, 2024	http://www.sse.com.cn	October 11, 2024	For details, see the "Resolution Announcement of Fangda Carbon's Sixth Extraordinary Shareholders' Meeting of 2024."
Seventh Extraordinary Shareholders' Meeting of 2024	December 5, 2024	http://www.sse.com.cn	December 6, 2024	For details, see the "Resolution Announcement of Fangda Carbon's Seventh Extraordinary Shareholders' Meeting of 2024."
Eighth Extraordinary Shareholders' Meeting of 2024	December 25, 2024	http://www.sse.com.cn	December 26, 2024	For details, see the "Resolution Announcement of Fangda Carbon's Eighth Extraordinary Shareholders' Meeting of 2024."

IV. Information on Directors, Supervisors, and Senior Management

(I) Shareholdings and Compensation Changes of Current and Former 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 remuneration received from the company in 2024 (Yuan)	Whether remuneration was received from the company's affiliated parties
Ma Zhuo	Chairman of the Board	Male	53	July 3, 2024	July 3, 2027	2,000	2,000	0		63.78	no
Qiu Yaping	Director	Male	44	October 10, 2024	July 3, 2027	0	0	0		0	no
Zhang Tianjun	Director, General Manager	Male	61	July 3, 2024	July 3, 2027	1,594,320	1,594,320	0		48.04	no
Hou Xulong	Director	Male	55	December 5, 2024	July 3, 2027	900,600	900,600	0		15.07	no
	Employee Supervisor (Departed)			June 14, 2024	November 17, 2024						
Xu Longfu	Director, Vice General Manager	Male	51	July 3, 2024	July 3, 2027	0	0	0		41.56	yes
Jiang Guoli	Director	Male	57	July 3, 2024	July 3, 2027	0	0	0		32.27	no
Shu Wenbo	Director	Male	57	July 3, 2024	July 3, 2027	1,386,380	1,386,380	0		89.18	yes
Liu Zhijun	Independent director	Female	52	July 3, 2024	July 3, 2027	0	0	0		0	no
Huang	Independent	Female	62	July 3,	July	0	0	0		10	no

Jun	dent director	ale		2024	3, 2027						
Peng Shuyu an	Indepen dent director	Fem ale	60	July 3, 2024	July 3, 2027	0	0	0		10	no
Wu Ye	Indepen dent director	Fem ale	39	July 3, 2024	July 3, 2027	0	0	0		10	no
Li Xin	Chairm an of the Supervi sory Board	Fem ale	45	July 3, 2024	July 3, 2027	0	0	0		0	yes
Shi Jinhua	Supervi sor	Mal e	56	July 3, 2024	July 3, 2027	0	0	0		0	yes
Guo Linshe ng	Employ ee Supervi sor	Mal e	48	July 3, 2024	July 3, 2027	0	0	0		18.19	no
Wu Yahon g	Employ ee Supervi sor	Mal e	40	July 3, 2024	July 3, 2027	0	0	0		2.47	no
Lu Lu	Supervi sor	Fem ale	43	Novembe r 18, 2024	July 3, 2027	0	0	0		12.42	no
Zhao Erqin	Chief Financi al Officer	Fem ale	42	July 3, 2024	July 3, 2027	10,000	10,00 0	0		37.17	no
Gou Zenge heng	Vice General Manage r	Mal e	53	July 3, 2024	July 3, 2027	30,700	30,70 0	0		10.78	no
Zhuan g Xiaoru	Secretar y of the Board	Fem ale	40	July 3, 2024	July 3, 2027	0	0	0		36.59	no
Dang Xijian g (depar ted)	/	Mal e		June 29, 2021	April 30, 2024	2,801,95 7	2,801, 957	0		0	

Zhang Zirong (departed)	/	Male		June 29, 2021	June 14, 2024	81,200	81,200	0		20.91	
Wu Li (departed)	/	Female		June 29, 2021	July 3, 2024	0	0	0		10	
Wu Feng (Departed)	/	Male		July 3, 2024	September 19, 2024	0	0	0		0	
Xu Peng (Departed)	/	Male		July 3, 2024	September 19, 2024	670,560	670,560	0		28.40	
Li Xiao (Departed)	/	Male		October 10, 2024	November 18, 2024	0	0	0		2.60	
Total	/	/	/	/	/	7,477,717	7,477,717	0	/	499.43	/

Name	Main work experience
Ma Zhuo	Previously served as the Minister of the Finance Department, Minister of the Asset Management Department, and Assistant to the General Manager of Fangda Carbon New Material Technology Co., Ltd.; Minister of the Audit Department, Deputy Minister and Minister of the Finance Department, and Financial Deputy Director of Fangda Group; and Chief Financial Officer of Northeast Pharmaceutical Group Co., Ltd. Currently serves as the Vice President of Liaoning Fangda Group Industrial Co., Ltd., Chairman of the Supervisory Committee of Beijing Fangda International Industrial Investment Group Co., Ltd., Supervisor of Jiangxi Fangda Iron and Steel Group Co., Ltd., Director of Shanghai Huxu Investment Management Co., Ltd., Director of Liaoning Fangda Real Estate Group Co., Ltd., Director of Beijing Fangda Carbon Technology Co., Ltd., Chairman of the Supervisory Committee of Fangda Special Steel Technology Co., Ltd., and Chairman of Fangda Carbon New Material Technology Co., Ltd.
Qiu Yapeng	Previously served as the Deputy Minister of the Human Resources Department, Director of the Board Secretary Office, Board Secretary, and Assistant to the Chairman of the Board of Liaoning Fangda Group Industrial Co., Ltd., and as a director of Fangda Carbon New Material Technology Co., Ltd. Currently serves as a director of Fangda Special Steel Technology Co., Ltd., a director and Vice President of Liaoning Fangda Group Industrial Co., Ltd., a director of Jiangxi Fangda Iron and Steel Group Co., Ltd., a director of Beijing Fangda International Industrial Investment Group Co., Ltd., a director of Tianjin Yishang Group Co., Ltd., and a director of Liaoning Fangda Real Estate Group Co., Ltd.

Zhang Tianjun	He was the director of the Party Committee Office of Lantan 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.
Hou Xulong	Previously served as the Minister of the General Management Department, Minister of the General Department of the International Trade Company, Deputy Director of the Carbon Sector Office, Deputy Minister and Minister of Human Resources, Assistant to the General Manager, and Employee Representative Supervisor of Fangda Carbon New Material Technology Co., Ltd.; Deputy General Manager of Fushun Laihe Mining Co., Ltd.; Director of the Company Office of Lanzhou Fangda Carbon Real Estate Development Co., Ltd.; and Supervisor of Fangda Carbon New Material Technology Co., Ltd. Currently serves as a director and Party Secretary of Fangda Carbon New Material Technology Co., Ltd., and a director of Baofang Carbon Material Co., Ltd.
Xu Longfu	Previously served as the Minister of the Finance Department of Jiangxi Jinde Aluminum Co., Ltd., Chief Financial Officer of Chongqing Hongyan Fangda Automotive Suspension Co., Ltd., Vice General Manager of Jiangxi Fangda Special Steel Automotive Suspension Group Co., Ltd., and General Manager of Nanchang Fangda Special Steel Industrial Co., Ltd. Currently serves as the Chairman of Chengdu Fangda Carbon-Carbon Composite Materials Co., Ltd., and a director and Vice General Manager of Fangda Carbon New Material Co., Ltd.
Jiang Guoli	Previously served as the Deputy General Manager of Fushun Special Steel Co., Ltd.; Executive Deputy General Manager, Party Secretary, General Manager, and Chairman of Fushun Carbon Co., Ltd.; General Manager of Haicheng Dongsi Steel Co., Ltd.; General Manager of Liaoning Kairuite Steel Co., Ltd.; and Deputy General Manager of Northeast Special Steel Group Dalian Special Steel Co., Ltd. Currently serves as the Chairman of Fushun Laihe Mining Co., Ltd. and a Director of Fangda Carbon New Material Co., Ltd.
Shu Wenbo	Previously served as the Assistant General Manager, Deputy General Manager, General Manager, and Chairman of Chengdu Rongguang Carbon Co., Ltd.; Deputy General Manager and General Manager of Fangda Carbon New Material Co., Ltd.; General Manager and Chairman of Chengdu Fangda Carbon-Carbon Composite Materials Co., Ltd.; and Vice President of Liaoning Fangda Group Industrial Co., Ltd. Currently serves as a Director of Fangda Carbon New Material Co., Ltd., and a Director and General Manager of Baofang Carbon Material Co., Ltd.
Liu Zhijun	Currently serves as a professor at Lanzhou University of Finance and Economics, a master's supervisor for finance students, an independent director of Lanzhou Foci Pharmaceutical Co., Ltd., an independent director of Lanzhou Yellow River Enterprise Co., Ltd., and an independent director of Fangda Carbon New Material Co., Ltd.
Huang Jun	Previously served as an associate professor and professor at the School of Economics, Renmin University of China. Currently serves as a professor at the School of Applied Economics, Renmin University of China, and an independent director of Fangda Carbon New Material Co., Ltd.
Peng Shuyuan	Previously served as the Chief Financial Officer, Board Secretary, and Deputy General Manager of Beijing Tianhui Ginseng Industry Co., Ltd., and as the Director of External Relations at Beijing Zhongwai Mingren Culture Industry Group. Currently serves as an independent director of Fangda Carbon New Material Co., Ltd.
Wu Ye	Previously taught at Northwestern Polytechnical University and has been working at Lanzhou

	University since January 2021. Currently serves as an associate professor at the Law School of Lanzhou University, an independent director of Gansu Longshen Rongfa Pharmaceutical Co., Ltd., and an independent director of Fangda Carbon New Material Co., Ltd.
Li Xin	Previously served as an accountant, assistant minister, and deputy minister in the Finance Department of Liaoning Fangda Group Industrial Co., Ltd., and as the Finance Minister of Jiujiang Pinggang Steel Co., Ltd. Currently serves as the deputy minister and supervisor of the Finance Department at Liaoning Fangda Group Industrial Co., Ltd., and as the chairman of the supervisory committee of Fangda Carbon New Material Co., Ltd.
Shi Jinhua	Previously served as an accountant in the Finance Department of Jinhua Chemical (Group) Co., Ltd., deputy section chief and section chief of the Finance Department at Jinhua Chemical (Group) Co., Ltd., deputy minister of the Finance Department at Fangda Jinhua Chemical Technology Co., Ltd., assistant minister of the Finance Department at Liaoning Fangda Group Industrial Co., Ltd., and as the financial director of Yingkou Fangda Hospital and Liaoning Fangda General Hospital Co., Ltd. Currently serves as the financial director of Fangda Healthcare (Yingkou) Co., Ltd., financial director of Fangda Healthcare Investment Management Co., Ltd., and a supervisor of Fangda Carbon New Material Co., Ltd.
Guo Linsheng	Previously served as a management staff member, planner, and assistant minister in the General Management Department of Fangda Carbon New Material Technology Co., Ltd., and as the deputy director and director of the company's general office. Currently serves as a supervisor of Fangda Carbon New Material Co., Ltd.
Wu Yahong	Previously served as a technical officer in the Equipment Department of Fangda Carbon New Material Technology Co., Ltd.; an engineering auditor and audit supervisor in the Audit and Supervision Department of Liaoning Fangda Group Industrial Co., Ltd. Currently serves as the deputy minister of the Audit and Legal Affairs Department and a supervisor of Fangda Carbon New Material Co., Ltd.
Lu Lu	Previously worked in the office of Lanzhou Hailong New Materials Technology Co., Ltd., and served as the assistant director of the office at Fangda Carbon New Material Co., Ltd. Currently serves as the deputy general manager of comprehensive business and a supervisor at the Import & Export Company of Fangda Carbon New Material Co., Ltd.
Zhao Erqin	Previously served as the Financial Director of Fushun Carbon Co., Ltd. and Fushun Fangtai Precision Carbon Materials Co., Ltd.; Section Chief, Deputy Minister, and Minister in the Finance Department of Fangda Carbon New Material Co., Ltd. Currently serves as the Financial Director of Fangda Carbon New Material Co., Ltd.
Gou Zengcheng	Previously served as the Deputy Minister of Human Resources and Plant Manager of the Pressing Plant at Fangda Carbon New Material Technology Co., Ltd.; Chairman of Fangda Xikemo (Jiangsu) Needle Coke Technology Co., Ltd.; Chairman of Jiangsu Fangda Carbon New Material Co., Ltd.; and Executive Deputy General Manager of Meishan Fangda Rongguang Carbon Co., Ltd. Currently serves as the Deputy General Manager of Fangda Carbon New Material Co., Ltd. and a Director of Baofang Carbon Material Co., Ltd.
Zhuang Xiaoru	Previously served as the Deputy Minister of the Party Mass Work Department, Deputy Minister of Securities Investment Department, and Assistant General Manager of the Investment Management Center at Liaoning Fangda Group Industrial Co., Ltd. Currently serves as the Board Secretary of Fangda Carbon New Material Co., Ltd.

Other Information

☒Applicable ☐Not applicable

1. On April 10, 2024, and April 30, 2024, the company held the 33rd extraordinary meeting of the eighth session of the Board of Directors and the second extraordinary shareholders' meeting of 2024, respectively. The meetings reviewed and approved the "Proposal on Changing Directors." Due to a job transfer, Mr. Dang Xijiang will no longer serve as a director of the company. Mr. Xu Longfu was elected as a director of the eighth session of the company's Board of Directors, with his term starting from the date of approval by the shareholders' meeting until the end of the term of the eighth session of the Board of Directors.

2. On June 14, 2024, the company convened the 36th extraordinary meeting of the eighth session of the Board of Directors, the 27th meeting of the eighth session of the Supervisory Committee, and the joint meeting of the presidium of the third session of the fourth employee representative conference. On July 3, 2024, the fifth extraordinary shareholders' meeting of 2024, the first extraordinary meeting of the ninth session of the Board of Directors, and the first meeting of the ninth session of the Supervisory Committee were held. These meetings reviewed and approved the election of the new session of the Board of Directors and Supervisory Committee members as well as the appointment of senior management. The meetings elected Mr. Ma Zhuo, Mr. Wu Feng, Mr. Zhang Tianjun, Mr. Xu Peng, Mr. Xu Longfu, Mr. Jiang Guoli, and Mr. Shu Wenbo as non-independent directors of the ninth session of the company's Board of Directors, with Mr. Ma Zhuo serving as the Chairman. Ms. Liu Zhijun, Ms. Huang Jun, Ms. Peng Shuyuan, and Ms. Wu Ye were elected as independent directors of the ninth session of the Board of Directors. Ms. Li Xin, Mr. Shi Jinhua, and Ms. Lu Lu were elected as non-employee representative supervisors of the ninth session of the Supervisory Committee, while Mr. Hou Xulong and Mr. Guo Linsheng were elected as employee representative supervisors of the ninth session of the Supervisory Committee, with Ms. Li Xin appointed as the Chairperson of the Supervisory Committee. Additionally, Mr. Zhang Tianjun was appointed as the company's General Manager, Ms. Zhao Erqin as the Financial Director, Mr. Xu Longfu and Mr. Gou Zengcheng as Deputy General Managers, and Ms. Zhuang Xiaoru as the Board Secretary. This completed the election for the renewal of the ninth session of the Board of Directors and Supervisory Committee, along with the appointment of senior management personnel.

3. On September 20, 2024, the company convened the fourth extraordinary meeting of the ninth session of the Board of Directors, where the "Proposal on Supplemental Election of Directors" was reviewed and approved. Due to job transfers, Mr. Xu Peng applied to resign from his positions as a director of the ninth session of the company's Board of Directors and member of the Audit Committee, and Mr. Wu Feng also applied to resign from his position as a director of the ninth session of the Board of Directors. Mr. Qiu Yapeng and Mr. Li Xiao were nominated as candidates for directors of the ninth session of the company's Board of Directors. Subsequently, on October 10, 2024, the company held the sixth extraordinary shareholders' meeting of 2024. At this meeting, Mr. Qiu Yapeng and Mr. Li Xiao were elected as directors of the ninth session of the company's Board of Directors. Additionally, Mr. Li Xiao was appointed as a member of the Board's Audit Committee. Their terms began from the date of approval by the shareholders' meeting and will last until the end of the term of the ninth session of the Board of Directors.

4. Due to job adjustment, Mr. Hou Xulong applied to resign from his position as an employee representative supervisor of the ninth session of the company's Supervisory Committee. On November 18, 2024, the company convened an enlarged joint meeting of the presidium of the employee representatives. At this meeting, Mr. Wu Yahong was elected to fill the vacancy as an employee representative supervisor of the ninth session of the company's Supervisory Committee. His term began on the date of this election and will last until the end of the term of the ninth session of the Supervisory Committee.

5. Due to personal reasons, Mr. Li Xiao applied to resign from his positions as a director of the ninth session of the company's Board of Directors and member of the Audit Committee. On November 19, 2024, the company held the seventh extraordinary meeting of the ninth session of the Board of Directors, where the "Proposal on Supplemental Election of Directors" was reviewed and approved. The board agreed to nominate Mr. Hou Xulong as a candidate for director of the ninth session of the company's Board of Directors. Subsequently, on December 5, 2024, the company convened the seventh extraordinary shareholders' meeting of 2024. At this meeting, Mr. Hou Xulong was elected as a director of the ninth session of the company's Board of Directors. Additionally, Mr. Hou Xulong was appointed as a member of the Board's Audit Committee. His term began from the date of approval by the shareholders' meeting and will last until the end of the term of the ninth session of the Board of Directors.

(II) Current and outgoing directors, supervisors, and senior management personnel during the reporting period:

1. Occupation in shareholders' organizations

☒ Applicable ☐ Not applicable

Name	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.	Vice President		
Ma Zhuo	Beijing Fangda International Industrial Investment Group Co., Ltd.	Chairman of the Supervisory Board		
Ma Zhuo	Jiang Xi Fangda Iron and Steel Group Co., Ltd.	Supervisor		
Ma Zhuo	Shanghai Huxu Investment Management Co., Ltd.	Director		
Ma Zhuo	Liaoning Fangda Real Estate Group Co., Ltd.	Director		
Ma Zhuo	Fangda Special Steel Technology Co., Ltd.	Chairman of the Supervisory Board		
Ma Zhuo	Beijing Fangda Carbon Technology Co., Ltd.	Director		
Qiu Yapeng	Liaoning Fangda Group Industry Co., Ltd.	Director and Deputy Secretary of the Party Committee, Vice President		
Qiu Yapeng	Beijing Fangda International Industrial Investment Group Co., Ltd.	Director		
Qiu Yapeng	Liaoning Fangda Group Industry Co., Ltd.	Director, Vice President		

Qiu Yapeng	Jiang Xi Fnagda Iron and Steel Group Co., Ltd.	Director		
Qiu Yapeng	Tianjin Yishang Group Co., Ltd.	Director		
Qiu Yapeng	Liaoning Fangda Real Estate Group Co., Ltd.	Director		
Qiu Yapeng	Fangda Special Steel Technology Co., Ltd.	Director		
Li Xin	Liaoning Fangda Group Industry Co., Ltd.	Supervisor, Deputy Minister of Finance		
Shi Jinhua	Fangda Healthcare (Yingkou) Co., Ltd.	Chief Financial Officer		
Shi Jinhua	Fangda Healthcare Investment Management Co., Ltd.	Chief Financial Officer		
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., 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 Li	Northeastern University	Professor		
Wu Li	Shenyang Chemical Industry Co., Ltd.	Independent Director		
Wu Li	Jinzhou Shengong Semiconductor Co., Ltd.	Independent Director		
Huang Jun	School of Applied Economics, Renmin University of China	Professor		
Wu Ye	Lanzhou University	Associate Professor		
Wu Ye	Gansu Longshen Rongfa Pharmaceutical Co., Ltd.	Independent Director		
Liu Zhijun	Lanzhou University of Finance and Economics	Professor		
Liu Zhijun	Lanzhou Foci Pharmaceutical Co., Ltd.	Independent Director		
Liu Zhijun	Lanzhou Yellow River Enterprise Co., Ltd.	Independent Director		
Shu Wenbo	Baofang Carbon Material	Director, General		

	Technology Co., Ltd.	manager		
Hou Xulong	Baofang Carbon Material Technology Co., Ltd.	Director		
Gou Zengcheng	Baofang Carbon Material Technology Co., Ltd.	Director		
Description of employment in other organizations	Baofang Carbon Material Technology Co., Ltd. is the affiliated party of Company while other entities mentioned above are not related to the Company.			

(III) Remunerations 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 directors, supervisors, and senior management personnel is resolved by the Remuneration and Assessment Committee of the Board of Directors, and is submitted to the Board of Directors, the Supervisory Committee, and the shareholders' meeting for review and approval before implementation.
Whether a director recuses himself/herself from the Board of Directors' discussion of his/her remuneration matters	Yes
Specific details of the recommendations made by the Remuneration and Assessment Committee or the special meeting of independent directors regarding the remuneration matters of directors, supervisors, and senior management personnel.	At the first meeting of the Remuneration and Assessment Committee of the Board of Directors in 2025, the annual remuneration for the directors, supervisors, and senior management personnel for 2024 was reviewed and approved. The following opinions were expressed: The 2024 annual remuneration for the directors, supervisors, and senior management personnel aligns with the actual status of the company's operations and management, and is implemented in accordance with relevant regulations. This is conducive to strengthening the diligence and responsibility of the company's executives, and promoting improvements in work efficiency and operational performance. The committee agreed to the 2024 annual remuneration for the directors, supervisors, and senior management personnel and agreed to submit it to the Board of Directors for review.
Criterion for Determining the Remuneration of Directors, Supervisors, and Senior Management Personnel	The salary standards for directors, supervisors, and senior management personnel who work full-time in the company are determined based on their actual management roles within the company, taking into account the company's actual profitability and individual contributions, and are comprehensively evaluated in accordance with the company's remuneration assessment system. Directors (excluding independent directors) and supervisors who do not work full-time in the company do not receive remuneration from the company. The allowances for independent directors are proposed by the Board of Directors based on actual circumstances and submitted to the shareholders' meeting for approval.
Actual payments of remuneration	For details, please refer to the section above titled "Shareholding Changes

to Directors, Supervisors and senior management	and Remuneration of Current and Former Directors, Supervisors, and Senior Management Personnel During the Reporting Period."
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 4,994,300

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

☒Applicable ☐Not applicable

Name	Position held	Circumstances of change	Reason for change
Dang Xijiang	Director	Leave office	Job change
Xu Longfu	Director	Elected	Elected
Wu Li	Independent Director	Leave office	Expiration of term
Liu Zhijun	Independent Director	Elected	Elected
Zhang Zirong	Employee Representative Supervisor	Leave office	Leave office
Hou Xulong	Employee Representative Supervisor	Elected	Elected
Gou Zengcheng	Deputy General Manager	Appointment	Appointment
Xu Peng	Director	Leave office	Job change
Wu Feng	Director	Leave office	Job change
Qiu Yapeng	Director	Elected	Elected
Li Xiao	Director	Elected	Elected
Hou Xulong	Employee Representative Supervisor	Leave office	Job change
Wu Yahong	Employee Representative Supervisor	Elected	Elected
Li Xiao	Director	Leave office	Leave office
Hou Xulong	Director	Elected	Elected

V. Information on board meetings held during the reporting period

Session of the Meeting	Date of Convening	Meeting Resolutions
The 31st Extraordinary Meeting of the Eighth Board of Directors	January 26, 2024	Reviewed and approved the "Proposal on Estimating Daily Related Party Transactions for the Year 2024."
The 32nd Extraordinary Meeting of the Eighth Board of Directors	March 22, 2024	Reviewed and approved the "Proposal on Changing Some Funded Investment Projects" and the "Notice on Convening the First Extraordinary Shareholders' Meeting of 2024."
The 11th Meeting of the	March 31,	Reviewed and approved the "2023 Annual Board Work Report," "2023

Eighth Board of Directors	2024	Annual General Manager Work Report," "2023 Annual Report and Summary," and other 17 proposals.
The 33rd Extraordinary Meeting of the Eighth Board of Directors	April 10, 2024	Reviewed and approved the "Proposal on Changing Directors" and the "Proposal on Convening the Second Extraordinary Shareholders' Meeting of the Company in 2024."
The 12th Meeting of the Eighth Board of Directors	April 29, 2024	Reviewed and approved the "Fangda Carbon 2024 First Quarter Report."
The 34th Extraordinary Meeting of the Eighth Board of Directors	May 10, 2024	Reviewed and approved the "Proposal on Using Idle Raised Funds to Temporarily Supplement Working Capital," and the "Proposal on Convening the Third Extraordinary Shareholders' Meeting of 2024."
The 35th Extraordinary Meeting of the Eighth Board of Directors	May 12, 2024	Reviewed and approved the "Proposal on Profit Distribution for the First Quarter of 2024 and Subsequent Dividend Plan for 2024" and the "Proposal on Convening the Fourth Extraordinary Shareholders' Meeting of the Company in 2024."
The 36th Extraordinary Meeting of the Eighth Board of Directors	June 14, 2024	Reviewed and approved the "Proposal on the Election of the Board of Directors," the "Proposal on Independent Director Allowances for the Ninth Session of the Board," and the "Proposal on Convening the Fifth Extraordinary Shareholders' Meeting of the Company in 2024."
The 1st Extraordinary Meeting of the Ninth Board of Directors	July 3, 2024	Reviewed and approved the "Proposal on Electing the Chairman," the "Proposal on Electing Members of Various Special Committees of the Ninth Session of the Board," and the "Proposal on Appointing Senior Management Personnel and Securities Affairs Representatives."
The 2nd Extraordinary Meeting of the Ninth Board of Directors	July 7, 2024	Reviewed and approved the "Proposal on Securities Investment and Related Party Transactions."
The 1st Meeting of the Ninth Board of Directors	August 28, 2024	Reviewed and approved the "Fangda Carbon 2024 Semi-Annual Report and Summary," the "Special Report on the Storage and Actual Usage of Raised Funds for the First Half of 2024," and the "Proposal on Using Idle Raised Funds to Temporarily Supplement Working Capital."
The 3rd Extraordinary Meeting of the Ninth Board of Directors	September 18, 2024	Reviewed and approved the "Proposal on Repurchasing Shares Through Centralized Bidding."
The 4th Extraordinary Meeting of the Ninth Board of Directors	September 20, 2024	Reviewed and approved the "Proposal on Supplemental Election of Directors" and the "Proposal on Convening the Sixth Extraordinary Shareholders' Meeting of the Company in 2024."
The 5th Extraordinary Meeting of the Ninth Board of Directors	October 7, 2024	Reviewed and approved the "Proposal on Adjusting the Upper Limit Price for Share Repurchase."
The 6th Extraordinary Meeting of the Ninth Board of Directors	October 24, 2024	Reviewed and approved the "Proposal on Using Acceptance Bills to Pay for Funded Project Expenses and Equivalent Replacement with Raised Funds."

The 2nd Meeting of the Ninth Board of Directors	October 30, 2024	Reviewed and approved the "Fangda Carbon 2024 Third Quarter Report."
The 7th Extraordinary Meeting of the Ninth Board of Directors	November 19, 2024	Reviewed and approved the "Proposal on Supplemental Election of Directors" and the "Proposal on Convening the Seventh Extraordinary Shareholders' Meeting of the Company in 2024."
The 8th Extraordinary Meeting of the Ninth Board of Directors	December 9, 2024	Reviewed and approved the "Proposal on Hiring an Accounting Firm" and the "Proposal on Convening the Eighth Extraordinary Shareholders' Meeting of 2024."

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 year	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
Ma Zhuo	No	18	18	0	0	0	No	9
Qiu Yapeng	No	6	6	6	0	0	No	2
Zhang Tianjun	No	18	18	0	0	0	No	9
Hou Xulong	No	1	1	0	0	0	No	1
Xu Longfu	No	13	13	8	0	0	No	6
Jiang Guoli	No	18	18	0	0	0	No	9
Shu Wenbo	No	18	18	0	0	0	No	9
Liu Zhijun	Yes	10	10	0	0	0	No	3
Huang Jun	Yes	18	18	0	0	0	No	9
Peng Shuyuan	Yes	18	18	0	0	0	No	9
Wu Ye	Yes	18	18	0	0	0	No	9
Dang Xijiang	No	5	5	0	0	0	No	3
Wu Li	Yes	8	8	8	0	0	No	6

Wu Feng	No	12	12	12	0	0	No	7
Xu Peng	No	12	12	12	0	0	No	7
Li Xiao	No	2	2	0	0	0	No	0

(II) Directors' attendance at Board of Directors and shareholders' meetings

Number of Board meetings held during the year	18
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	18

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	Liu Zhijun, Peng Shuyuan, Hou Xulong; Chairperson: Liu Zhijun.
Nomination Committee	Wu Ye, Ma Zhuo, Huang Jun; Chairperson: Wu Ye.
Remuneration and Evaluation Committee	Peng Shuyuan, Ma Zhuo, Liu Zhijun; Chairperson: Peng Shuyuan.
Strategy Committee	Ma Zhuo, Zhang Tianjun, Wu Ye; Chairperson: Ma Zhuo.

(II) 6 meetings of the Audit Committee held during the reporting period

Date of Convening	Conference	Important Comments and Recommendations	Other performance of duties
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January 25, 2024	Proposal on the Estimated Routine Related Party Transactions for the Year 2024	The routine related party transactions between the company, its subsidiaries, and associated parties meet the needs of the company's business development. These transactions are executed at market prices and follow the principles of fairness and impartiality, without causing any harm to the interests of the company or its shareholders, especially small and medium shareholders. We agree to submit these related party transaction matters to the company's board of directors for deliberation, with any related-party directors abstaining from voting.	
March 30, 2024	Fangda Carbon 2023 Annual Report and Summary, 2023 Internal Control Evaluation Report, Proposal on Changes to Accounting Policies	The 2023 Annual Report compiled by the company contains information that objectively and accurately reflects the company's operational management and financial status throughout the year 2023. We agree to submit it for board approval; the company's internal control system is designed to suit the company's management needs, strictly implementing all laws, regulations, the Articles of Association, and internal management systems, effectively safeguarding the rights and interests of the company and its shareholders. No significant deficiencies were found, and we agree to submit it for board approval; this accounting policy change is in accordance with requirements under the national unified accounting system. This change will not have a significant impact on the company's current financial position, operating results, and cash flows, nor does it involve retrospective adjustments for previous years. Implementing the changed accounting policy can objectively and fairly reflect the company's financial position and operating results, providing investors with more reliable and accurate accounting information, and does not harm the interests of the company and its shareholders. We agree to submit this proposal to the board of directors for deliberation.	
April 28, 2024	Fangda Carbon First Quarter Report for 2024	The first quarter report of 2024 compiled by the company contains information that objectively and accurately reflects the company's operational management and financial status during the first quarter of 2024, agreeing to submit it for board deliberation.	
August 18, 2024	Fangda Carbon Semi-Annual Report for 2024	The semi-annual report of 2024 compiled by the company contains sufficient, objective, and accurate information reflecting the company's operational management and financial status in the first half of 2024, agreeing to submit it for board deliberation.	
October 20, 2024	Fangda Carbon Third Quarter Report	The third quarter report of 2024 compiled by the company contains information that objectively and accurately reflects the company's operational management and financial status from January to September 2024, agreeing to submit it for board deliberation.	
December 6, 2024	Proposal on the Appointment of an Accounting Firm	Daxin Accounting Firm possesses the professional qualifications and capabilities required to provide auditing services to the company, ensuring sufficient independence, integrity, and investor protection capability. It can satisfy the demands of the company's financial statement audit and internal control audit for the fiscal year 2024. We agree to appoint Daxin Accounting Firm (Special	

		General Partnership) as the company's auditor for the 2024 financial statement audit and internal control audit and submit this matter to the board of directors for deliberation.	
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(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 9, 2024	Proposal on Changing Directors	The Nomination Committee of the Board of Directors, after carefully reviewing the personal profiles of each candidate director, did not find any circumstances where they are prohibited from serving as directors of a listed company according to laws, regulations, normative documents such as the Company Law and the Articles of Association, nor were they identified by the China Securities Regulatory Commission (CSRC) and related regulations as market ban entrants whose bans have not been lifted. Their qualifications for appointment comply with the relevant provisions of the Company Law and the Articles of Association. We agree to nominate Mr. Xu Longfu as a non-independent director candidate for the Eighth Board of Directors and submit it to the board for deliberation.	
June 10, 2024	Proposal on Recommending Candidates for the Board of Directors	After carefully reviewing the personal profiles of each candidate director, the Nomination Committee of the Board of Directors did not find any circumstances where they are prohibited from serving as directors of a listed company according to laws, regulations, normative documents such as the Company Law and the Articles of Association, nor were they identified by the CSRC and related regulations as market ban entrants whose bans have not been lifted. Their qualifications for appointment comply with the relevant provisions of the Company Law and the Articles of Association. We agree to nominate Mr. Ma Zhuo, Mr. Wu Feng, Mr. Zhang Tianjun, Mr. Xu Peng, Mr. Xu Longfu, Mr. Jiang Guoli, and Mr. Shu Wenbo as non-independent director candidates for the Ninth Board of Directors; and nominate Ms. Liu Zhijun, Ms. Huang Jun, Ms. Peng Shuyuan, and Ms. Wu Ye as independent director candidates for the Ninth Board of Directors, and submit these nominations to the board for deliberation.	

June 28, 2024	Proposal on Recommending Candidates for Chairman and Senior Management Personnel	As the Eighth Board of Directors has expired, according to the provisions of the Company Law and the Articles of Association, a reshuffle should be conducted. After carefully reviewing the personal resumes, educational backgrounds, and work experiences of the new candidates, the Nomination Committee of the Board of Directors agreed to nominate Mr. Ma Zhuo as Chairman of the Board, Mr. Zhang Tianjun as General Manager, Mr. Xu Longfu and Mr. Gou Zengcheng as Deputy General Managers, Ms. Zhao Erqin as Chief Financial Officer, and Ms. Zhuang Xiaoru as Secretary of the Board of Directors.	
September 19, 2024	Proposal on Filling Vacancies by Electing Additional Directors	After carefully reviewing the personal profiles of two candidate directors, the Nomination Committee of the Board of Directors did not find any circumstances where they are prohibited from serving as directors of a listed company according to laws, regulations, normative documents such as the Company Law and the Articles of Association, nor were they identified by the CSRC and related regulations as market ban entrants whose bans have not been lifted. Their qualifications for appointment comply with the relevant provisions of the Company Law and the Articles of Association. We agree to nominate Mr. Qiu Yapeng and Mr. Li Xiao as non-independent director candidates for the Ninth Board of Directors and submit it to the board for deliberation.	
November 18, 2024	Proposal on Filling Vacancies by Electing Additional Directors	After carefully reviewing the personal profile of the candidate director, the Nomination Committee of the Board of Directors did not find any circumstances where they are prohibited from serving as directors of a listed company according to laws, regulations, normative documents such as the Company Law and the Articles of Association, nor were they identified by the CSRC and related regulations as market ban entrants whose bans have not been lifted. Their qualifications for appointment comply with the relevant provisions of the Company Law and the Articles of Association. We agree to nominate Mr. Hou Xulong as a non-independent director candidate for the Ninth Board of Directors and submit it to the board for deliberation.	

(IV) 2 meetings of the Remuneration and Evaluation Committee held during the reporting period

Date of Convening	Contents of the Meeting	Important suggestions and comments	Other performance of
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			duties
March 31, 2024	Proposal on New Remuneration for Certain Directors and Senior Management of the Company for the Year 2023	Taking into account the actual situation of the Company, the remuneration of the Directors and senior management who are receiving remuneration from the Company for the year 2023 is in line with the actual situation and will be remunerated after assessment in accordance with the Company's relevant remuneration and performance appraisal management system. The Remuneration and Evaluation Committee of the Board of Directors is of the view that the remuneration of the Directors and senior management of the Company for the year 2023 is in line with the remuneration level of the industry in which the Company operates and the actual operating conditions of the Company, and that the procedures for the granting of the remuneration are in accordance with the relevant provisions, in compliance with the relevant laws and regulations and the Articles of Association of the Company, and that there are no circumstances that would be detrimental to the interests of the Company and its shareholders, and agrees to submit this proposal to the Board of Directors for consideration.	
June 11, 2024	Proposal on the Allowance for Independent Directors of the Ninth Board of Directors	In accordance with the relevant provisions of the Articles of Association, the Rules of Procedure of the Board of Directors, and the Independent Director Management System, it is proposed that the annual allowance for independent directors of the Ninth Board of Directors be set at 100,000 CNY per year (including tax). Accommodation, transportation, and other expenses incurred by independent directors attending board meetings, shareholders' meetings, and other related events will be borne by the company. The Remuneration and Assessment Committee of the Board of Directors has provided recommendations, stating that the proposed allowance standard for independent directors complies with national laws, regulations, and the provisions of the Articles of Association, and does not harm the interests of the company or its shareholders. The committee agrees to submit this proposal to the Board of Directors for deliberation.	

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	2,407
Number of active employees of major subsidiaries	2,966
Total number of employees in service	5,013
Parent company and major subsidiaries subject to expenses	
Professional Composition	
Professional Composition Category	Professional composition
Production staff	3,300
Salespersons	128
Technical staff	492
Finance	72
Administrative staff	542
Other staff	479
Total	5,013
educational attainment	
Educational attainment category	Number (persons)
Undergraduate and above	648
College	1,101
High School	1,606
Technical school and below	1,658
Total	5,103

(II) Remuneration policy

☒Applicable ☐Not applicable

In order to fully mobilize employees' enthusiasm, initiative, and creativity, a scientific and reasonable compensation incentive mechanism has been established to cultivate and attract various types of talent that align with the company's development needs, ensuring sustainable growth. Adhering to the principle of "three benefits" and strictly complying with relevant national laws and regulations, a comprehensive compensation and benefits system, as well as a performance evaluation system, have been established. These systems ensure job-based rank determination, rank-based salary setting, person-to-position matching, and salary adjustments based on position changes. Differentiated assessment indicators are set for different roles and responsibilities, with a focus on tilting towards workers, innovation-driven efficiency, and quality and productivity improvements. At the same time, with the core goal of maximizing enterprise benefits, and considering work that is beneficial to both short-term and long-term enterprise performance, a phased special reward system has been developed based on actual conditions. This effectively stimulates employee enthusiasm and promotes innovation and efficiency improvements, supporting the high-quality and sustainable development of the enterprise.

(III) Training Program

☒Applicable ☐Not applicable

The company continues to implement the development of a learning-oriented enterprise and places high importance on training. It establishes and constantly improves a training system that aligns with the company's development needs. Guided by the principles of "focusing on strategy, basing on job roles, optimizing resources, enhancing quality, improving efficiency, and strengthening the company's core competitiveness," the company formulates scientific and reasonable annual training plans and employee development programs in accordance with its development strategy, annual business plans, and work guidelines, while taking into account the actual situation of talent team building. The company also refines the mechanisms for talent cultivation and utilization, establishing a systematic and comprehensive talent training and management system. The 2024 training plan emphasizes practicality, effectiveness, innovation, and service to the overall development goals, aiming to better meet employee development needs and focus on enhancing business capabilities. Key areas of training include leadership development, technical skills operation, and the implementation of various welfare policies. These efforts aim to support the company in achieving its annual production and operation targets and key tasks, fostering new contributions and enabling new leaps toward high-quality development.

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 due consideration given to the scale of the Company's earnings, cash flow situation, stage of development 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 is convened.

According to the "Proposal on Profit Distribution for the First Quarter of 2024 and Planning for Subsequent Dividend Distribution for the Year 2024" considered and approved at the Fourth Extraordinary General Meeting of the Company for the year 2024, the profit distribution for the first quarter of 2024 shall be based on the total share capital of 4,025,970,368 shares registered on the share registry date as determined in the Announcement on the Implementation of the Distribution of Equity Interests, less the shares held in the Company's repurchase-specific securities account of 53,048,008 shares, i.e. a cash dividend of CNY0.032 per share (including tax) based on 3,972,922,360 shares. On July 16, 2024, the Company disclosed the "Announcement on the Implementation of the First Quarterly Equity Distribution of Fonda Carbonin for the First Quarter of 2024", and completed the distribution of cash dividend on July 24, 2024.

The Company held the Third Meeting of the Ninth Session of the Board of Directors on April 24, 2025, and considered and approved the "2024 Profit Distribution Proposal", and the Company formulated the 2024 profit distribution plan as follows: based on the total share capital registered on the date of registration of the implementation of the equity distribution minus the number of shares in the Company's repurchase special securities account, a cash dividend of CNY0.20 (tax included) will be paid for every 10 shares, and the cash dividend to be paid is CNY75,531,958.06 (including tax), no bonus shares and no capitalization of capital surplus. This proposal has yet to be submitted to the shareholders' meeting for consideration.

(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
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) Profit Distribution and Capital Reserve Conversion to Share Capital Plan for the Reporting Period
☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

Number of bonus shares distributed per 10 shares (shares)	0
Dividend distributed per 10 shares (yuan) (including tax)	0.2
Number of capital reserve shares converted per 10 shares (shares)	0
Cash dividend amount (including tax)	75,531,958.06
Net profit attributable to ordinary shareholders of the listed company in the consolidated financial statements	186,021,771.78
Ratio of cash dividend amount to net profit attributable to ordinary shareholders of the listed company in the consolidated financial statements (%)	40.60
Amount of share repurchases counted as cash dividends	20,014,470.71
Total dividend amount (including tax)	95,546,428.77
Ratio of total dividend amount to net profit attributable to ordinary shareholders of the listed company in the consolidated financial statements (%)	51.36

(IV) Cash Dividend Distribution in the Last Three Accounting Years
☒Applicable ☐Not applicable

Total cash dividend distributed over the last three accounting years (including tax) (1)	202,665,473.58
Total amount of shares repurchased and canceled over the last three accounting years (2)	0
Total amount of cash dividends and repurchased/canceled shares over the last three accounting years (3) = (1) + (2)	202,665,473.58
Average annual net profit over the last three accounting years (4)	480,732,812.36
Cash dividend payout ratio over the last three accounting years (%) (5) = (3) / (4)	42.16
Net profit attributable to ordinary shareholders of the listed company in the consolidated financial statements for the most recent accounting year	186,021,771.78
Undistributed profit at the end of the year in the parent company's financial statements for the most recent accounting year	6,319,647,970.69

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 During the Reporting Period, and the Establishment and Implementation of Incentive Mechanisms

☒Applicable ☐Not applicable

The Remuneration and Assessment Committee of the company's Board of Directors is responsible for comprehensively evaluating the work capabilities, performance of duties, and completion of responsibility targets of senior management personnel. It reviews the annual compensation plan and submits it to the company's Board of Directors and shareholders' meeting for approval according to institutional requirements before disbursement. By strengthening the incentive and restraint mechanisms of compensation, the company aims to enhance the sense of responsibility and diligence among senior management personnel, improve operational efficiency and work productivity, and align the interests of the company with those of its senior management. This facilitates the full mobilization and active engagement of senior management personnel, promoting the stable and robust development of the company.

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

☒Applicable ☐Not applicable

For details, please refer to the "2024 Internal Control Evaluation Report of Fangda Carbon New Material Co., Ltd.

XIII. Management control over subsidiaries during the reporting period

☒Applicable ☐Not applicable

The company has formulated regulations such as the "Management System for Subsidiaries of Fangda Carbon New Material Technology Co., Ltd.," the "Management Measures for Participating Companies of Fangda Carbon New Material Technology Co., Ltd.," and the "Supervision and Assessment Plan for Cost Reduction and Efficiency Improvement in the Carbon Sector." These documents clarify the asset rights, interests, and operational management responsibilities between Fangda Carbon and its controlled and participating companies. An effective operational mechanism and incentive-constraint system have been established. The company has set up a Carbon Sector Office to oversee the production and operations of the company and its controlled and participating companies. The Carbon Sector Office continuously strengthens its functions by focusing on the main responsibilities of various management departments, formulating annual business plans, and establishing daily supervision mechanisms. It fully leverages the sector's coordination mechanisms, effectively controls the operational risks of subsidiaries, and promotes the collective improvement of enterprises within the carbon sector.

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

☒Applicable ☐Not applicable

Daxin Certified Public Accountants (Special General Partnership) conducted an audit of the company's internal control and issued an audit opinion. The disclosure can be found at <http://www.sse.com.cn>.

Whether the internal control audit report is disclosed: Yes

Type of opinion in 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	yes
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environmental protection	
Investment in environmental protection during the reporting period (unit: CNY)	17,572,500

(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 by the company's headquarters are wastewater and exhaust gases, with characteristic pollutants including COD, ammonia nitrogen, particulate matter, asphalt fumes, SO₂, and NO_x. The generated wastewater is centrally treated by a sewage treatment plant to meet discharge standards, while exhaust gases are purified through bag filters, electrostatic precipitators, and desulfurization towers before being discharged in compliance with standards. There is one wastewater discharge outlet located on the south side of the factory area. The wastewater discharge from the company's headquarters complies with the "Integrated Wastewater Discharge Standard" (GB8978-1996) Level I standard, where pH is between 6-9, COD ≤ 100mg/L, and ammonia nitrogen ≤ 15mg/L. During the reporting period, the company discharged 200,369 tons of wastewater, with COD emissions of 3.37 tons and ammonia nitrogen emissions of 0.19 tons. The average COD concentration was 12.12mg/L, and the average ammonia nitrogen concentration was 0.83mg/L. There are 122 exhaust gas discharge outlets, among which 8 are primary process exhaust gas discharge outlets located in the calcination workshop, 10 are boiler (including thermal oil boiler) discharge outlets, and the rest are general discharge outlets. Exhaust gas emissions comply with the "Emission Standards for Air Pollutants from Industrial Furnaces and Kilns" (GB9078—1996), where asphalt fumes ≤ 50mg/m³, particulate matter ≤ 200mg/m³, SO₂ ≤ 850mg/m³; and the secondary standards of the "Comprehensive Emission Standards for Air Pollutants" (GB16297-1996), particulate matter ≤ 120mg/m³. During the reporting period, the particulate matter emission from major discharge outlets was 13.582 tons, asphalt fume emissions were 20.872 tons, SO₂ emissions were 185.6601 tons, and NO_x emissions were 210.0293 tons. These indicators meet the total allowable emission requirements. Noise emissions comply with the "Environmental Noise Emission Standards for Boundaries of Industrial Enterprises" (GB12348-2008), where daytime noise levels ≤ 60dB and nighttime noise levels ≤ 50dB. Noise at the eastern, southern, western, and northern boundaries of the company all meet discharge standards. These indicators comply with total emission requirements and relevant emission standards.

The main pollutants involved in Chengdu Fangda Carbon-Carbon Composite Materials Co., Ltd. are wastewater, exhaust gases, and solid waste. Production wastewater is not discharged externally, while domestic wastewater is treated in a septic tank and then discharged into the municipal pipeline system after meeting standards. The primary pollutants in exhaust gases include particulate matter, asphalt fumes, SO₂, and NO_x. Exhaust gases are purified through bag filters, electrostatic precipitators, activated carbon, and desulfurization-denitrification environmental protection equipment before being discharged in compliance with standards. The factory has one wastewater discharge outlet located next to the main gate on the south side of the plant area, and two main exhaust gas discharge outlets, which are for the exhaust gases from the calcination process in workshops one and two of the impregnation and baking branch factory. Wastewater discharge complies with the "Integrated Wastewater Discharge Standard" (GB8978-1996) Level III standard, where COD ≤ 500mg/L, SS ≤ 400mg/L, and pH 6-9. The main exhaust gas discharge outlets comply with the "Emission Standards for Air Pollutants from Industrial Furnaces and Kilns" (GB9078—1996), where smoke and dust ≤ 200mg/m³, asphalt fumes ≤ 40mg/m³, and SO₂ ≤

850mg/m³. In 2024, all pollution factors were fully compliant with emission standards. Noise emissions comply with the "Environmental Noise Emission Standards for Boundaries of Industrial Enterprises" (GB12348-2008), where daytime noise levels ≤ 60 dB and nighttime noise levels ≤ 50 dB. Noise levels at the eastern, southern, western, and northern boundaries of the company all meet discharge standards. During the reporting period, the wastewater discharge volume was 65,000 tons, with COD emissions of 30.5 tons and ammonia nitrogen emissions of 1.38 tons. The average COD concentration was 469mg/L, and the average ammonia nitrogen concentration was 21.2mg/L. Asphalt fume emissions were 1.03 tons, SO₂ emissions were 6.48 tons, and NO_x emissions were 4.4 tons. These indicators comply with total emission requirements and relevant emission standards.

The main pollutant involved in Fushun Carbon Co., Ltd. is exhaust gas, with characteristic pollutants being asphalt fumes. The generated exhaust gas is purified through electrostatic precipitators and then discharged in compliance with standards. The plant has 15 standard exhaust gas discharge outlets, distributed across relevant workshops. Exhaust gas emissions comply with the "Emission Standards for Air Pollutants from Industrial Furnaces and Kilns" (GB9078-1996) and the secondary standards of the "Comprehensive Emission Standards for Air Pollutants" (GB16297-1996). The emission concentration limits are as follows: particulate matter ≤ 200 mg/m³ (for the first and second calcination furnaces), asphalt fumes ≤ 40 mg/m³, SO₂ ≤ 550 mg/m³, NO_x ≤ 240 mg/m³, and particulate matter ≤ 120 mg/m³. During the reporting period, the emissions were as follows: particulate matter 13.44172 tons, SO₂ 26.048022 tons, and NO_x 16.47169 tons. These indicators comply with total emission requirements and relevant emission standards.

The main pollutants involved in Meishan Fangda Rongguang Carbon Co., Ltd. are wastewater, exhaust gases, and solid waste. Production wastewater is not discharged externally, while domestic wastewater is treated in a septic tank and then discharged into the municipal pipeline system after meeting standards. The primary pollutants in exhaust gases include asphalt fumes, benzo[a]pyrene, particulate matter, SO₂, NO_x, fluorides, and Ringelmann blackness. Exhaust gases are purified through bag filters, electrostatic precipitators, and desulfurization towers before being discharged in compliance with standards. The plant has three wastewater discharge outlets, located next to the logistics channel main gate, beside the 50,000-ton project sewage treatment station, and near the front-area main gate. There are two main exhaust gas discharge outlets: one for the calcination process of the 36-chamber workshop in the impregnation and baking branch factory, and the other for the tunnel kiln calcination process in the third workshop of the impregnation and baking branch factory. Wastewater discharge complies with the "Integrated Wastewater Discharge Standard" (GB8978-1996) and the "Water Quality Standard for Discharge into Urban Sewers" (GB/T 31962-2015), where suspended solids ≤ 400 mg/L, biochemical oxygen demand (5-day) ≤ 300 mg/L, chemical oxygen demand (COD) ≤ 500 mg/L, petroleum substances ≤ 20 mg/L, ammonia nitrogen (NH₃-N) ≤ 45 mg/L, total phosphorus (as P) ≤ 8 mg/L, and pH value: 6-9. Exhaust gas emissions from the main outlets comply with the "Emission Standards for Air Pollutants from Industrial Furnaces and Kilns" (GB 9078-1996), the "Comprehensive Emission Standards for Air Pollutants" (GB16297-1996), the "Emission Standards for Pollutants in the Aluminum Industry" (GB 25465-2010), and the "Emission Standards for Air Pollutants from Boilers" (GB13271-2014). The emission concentration limits are as follows: particulate matter ≤ 10 mg/Nm³, asphalt fumes ≤ 20 mg/Nm³, SO₂ ≤ 100 mg/Nm³, benzo[a]pyrene ≤ 0.0003 mg/Nm³, and NO_x ≤ 100 mg/Nm³. During the reporting period, the total emissions from the main outlets were as follows: particulate matter 0.08659 tons, SO₂ 2.85044 tons, and NO_x 2.07855 tons. These indicators comply with the total allowable emission requirements of the pollution discharge permit. Noise emissions comply with the "Environmental Noise Emission Standards for Boundaries of Industrial Enterprises" (GB12348-2008), where daytime noise levels ≤ 65 dB and nighttime noise levels ≤ 55 dB. Noise at the eastern, southern, western, and northern boundaries of the

company all meet discharge standards. These indicators comply with total emission requirements and relevant emission standards.

The main pollutants involved in Fushun Fangda High-Tech Materials Co., Ltd. are exhaust gases, with characteristic pollutants being particulate matter, SO₂, and NO_x. There are three main flue gas discharge outlets, distributed across the calcination workshop. Exhaust gas emissions comply with the "Emission Standards for Air Pollutants from Industrial Furnaces and Kilns" (GB9078—1996) and the "Comprehensive Emission Standards for Air Pollutants" (GB16297-1996), where particulate matter $\leq 200\text{mg/m}^3$, SO₂ $\leq 550\text{mg/m}^3$, and NO_x $\leq 240\text{mg/m}^3$. During the reporting period, the emissions were as follows: particulate matter 1.16 tons, SO₂ 13.94 tons, and NO_x 3.72 tons. These values comply with relevant emission standards.

The main pollutants involved in Hefei Carbon Co., Ltd. are exhaust gases and wastewater. The characteristic pollutants of exhaust gases are asphalt fumes, benzo[a]pyrene, smoke (particulate matter), SO₂, and NO_x; the characteristic pollutants of wastewater are COD, suspended solids, ammonia nitrogen, and pH. The generated exhaust gases are purified through electrostatic precipitators and discharged in compliance with standards; the generated wastewater is centrally treated and discharged in compliance with standards. The plant originally had six main exhaust gas discharge outlets and nine general discharge outlets distributed across relevant workshops, as well as one standard domestic sewage discharge outlet. During the reporting period, the company was advancing project relocation, and some processes were suspended. Currently, there are no main exhaust gas discharge outlets, but 12 general discharge outlets remain distributed across relevant workshops. Exhaust gas emissions comply with the "Emission Standards for Air Pollutants from Industrial Furnaces and Kilns" (GB9078-1996) and the secondary standards of the "Comprehensive Emission Standards for Air Pollutants" (GB16297-1996). Organized emissions at the plant boundary have the following concentration limits: smoke (particulate matter) $\leq 200\text{mg/m}^3$, asphalt fumes $\leq 50\text{mg/m}^3$, SO₂ $\leq 850\text{mg/m}^3$, NO_x $\leq 240\text{mg/m}^3$, and benzo[a]pyrene $\leq 0.0003\text{mg/m}^3$. Unorganized emissions at the plant boundary have the following concentration limits: smoke (particulate matter) $\leq 1\text{mg/m}^3$, SO₂ $\leq 0.4\text{mg/m}^3$, and benzo[a]pyrene $\leq 0.000008\text{mg/m}^3$. Wastewater discharge complies with the Level III standards of the "Integrated Wastewater Discharge Standard" (GB8978-1996), where COD $\leq 500\text{mg/L}$, suspended solids $\leq 400\text{mg/L}$, ammonia nitrogen $\leq 28\text{mg/L}$, and pH value 6-9. During the reporting period, the wastewater discharge outlet had the following values: COD concentration 11mg/L, suspended solids concentration 13mg/L, pH value 7.4, and ammonia nitrogen concentration 0.162mg/L. These indicators comply with relevant emission standards.

The main pollutants involved in Changfeng Fangda Carbon Materials Co., Ltd. are exhaust gases and wastewater. The characteristic pollutants of exhaust gases include asphalt fumes, benzo[a]pyrene, smoke (particulate matter), SO₂, and NO_x; the characteristic pollutants of wastewater include pH, COD, suspended solids, ammonia nitrogen, biochemical oxygen demand (BOD), total phosphorus, total nitrogen, petroleum substances, and animal and vegetable oils. The generated exhaust gases are purified through electrostatic precipitators, carbon powder adsorption systems, three-stage alkali desulfurization, and bag filters before being discharged in compliance with standards. As the Xiatai Industrial Park is currently under construction, the generated wastewater is not yet connected to the municipal sewage network. The plant has one main exhaust gas discharge outlet, four general discharge outlets distributed across relevant workshops, one standard domestic sewage discharge outlet, and one standard rainwater discharge outlet (currently, neither the rainwater nor the domestic sewage pipelines are connected, and no discharge occurs). The company is currently advancing project construction, and some processes are operational. Exhaust gas emissions comply with the "GB25465-2010 Emission Standards for Pollutants in the Aluminum Industry" and the secondary standards of the "Comprehensive Emission Standards for Air Pollutants" (GB16297-1996). Organized emissions at the plant boundary have the following concentration

limits: smoke (particulate matter) $\leq 10\text{mg/m}^3$, asphalt fumes $\leq 20\text{mg/m}^3$, $\text{SO}_2 \leq 100\text{mg/m}^3$, $\text{NOX} \leq 100\text{mg/m}^3$, and benzo[a]pyrene $\leq 0.0003\text{mg/m}^3$. Unorganized emissions at the plant boundary have the following concentration limits: smoke (particulate matter) $\leq 1\text{mg/m}^3$, $\text{SO}_2 \leq 0.5\text{mg/m}^3$, and benzo[a]pyrene $\leq 0.00001\text{mg/m}^3$. Wastewater discharge complies with the "Urban Wastewater Reuse - Water Quality Standards for Industrial Use" (GB/T19923-2005) for washing water and cooling water, where $\text{COD} \leq 60\text{mg/L}$, suspended solids $\leq 30\text{mg/L}$, ammonia nitrogen $\leq 10\text{mg/L}$, pH value 6.5-9, $\text{BOD} \leq 30\text{mg/L}$, total phosphorus $\leq 1\text{mg/L}$, total nitrogen $\leq 10\text{mg/L}$, and petroleum substances $\leq 1\text{mg/L}$. During the reporting period, the emissions were as follows: particulate matter 0.153 tons, SO_2 10.703 tons, and NOX 2.4675 tons. No wastewater was discharged due to the lack of connection to the municipal sewage network. These indicators are below the approved total emission limits and comply with relevant emission standards.

The main pollutants involved in Fangda Xikemo (Jiangsu) Needle Coke Technology Co., Ltd. are wastewater and exhaust gases, with characteristic pollutants including COD, ammonia nitrogen, particulate matter, SO_2 , and NOX . The generated wastewater is centrally treated at the sewage treatment station and then discharged to the industrial park's sewage treatment plant. Exhaust gases from the tar distillation, industrial naphthalene distillation, creosote tube heating furnace, and thermal oil boiler in the asphalt plant are treated through incineration and denitrification facilities before being discharged in compliance with standards. Boiler exhaust gases from the needle coke plant are treated through denitrification and desulfurization before being discharged in compliance with standards. Particulate matter from various processes is recovered using bag filters. Process tail gases are collected and sent to an incinerator for incineration before being discharged in compliance with standards. Exhaust gases from the hazardous waste storage facility are treated through primary filtration and activated carbon adsorption before being discharged in compliance with standards. Odorous gases from the sewage treatment station are treated through an alkaline spray tower and biofilter before being discharged in compliance with standards. Emissions from the columnar asphalt forming outlet are treated through bag filters before being discharged in compliance with standards. The plant has one wastewater discharge outlet located on the northwest side of the main gate and 19 organized exhaust gas discharge outlets distributed across various plant areas and public auxiliary facilities. Wastewater discharge complies with the "Emission Standards for Pollutants in Coking Chemical Industry" (GB16171-2012). Exhaust gas emissions from the main outlets comply with the "Emission Standards for Pollutants in Coking Chemical Industry" (GB16171-2012), the "Comprehensive Emission Standards for Air Pollutants" (DB32/4041-2021), and the "Emission Standards for Air Pollutants from Boilers" (DB32/4385-2022), meeting all relevant emission standards. During the reporting period, the wastewater discharge volume was 900.2 tons, with COD emissions of 0.03871 tons and ammonia nitrogen emissions of 0.00028 tons. Exhaust gas emissions were as follows: particulate matter 0.657274 tons, SO_2 0.605748 tons, and NOX 3.665012 tons. These indicators comply with total emission requirements and relevant emission standards.

2. Construction and operation of pollution prevention facilities

☒ Applicable ☐ Not applicable

The company has constructed corresponding environmental protection facilities for each pollution-generating process. The main environmental protection facilities include bag filters, electrostatic precipitators, limestone-gypsum desulfurization towers, and sewage treatment stations. These environmental protection facilities are managed in synchronization with production facilities and undergo regular inspections and maintenance to ensure their proper operation. For the prevention and control of construction dust, measures such as water spraying for dust suppression and the use of dust-proof nets for covering are primarily implemented. Material handling operations are conducted indoors, supplemented by misting systems for dust suppression. In terms of project construction, the company strictly adheres to the Environmental Impact Assessment (EIA) system and the "Three

Simultaneous" system, ensuring that all pollution control facilities are designed, constructed, and put into operation simultaneously with the main production facilities. In the area of pollution control facility construction, the company continues to increase investment, upgrading and improving pollution control facilities to continuously enhance their performance and equipment standards.

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

☒ Applicable ☐ Not applicable

The company strictly conducts environmental impact assessment work in accordance with environmental protection laws and regulations. All construction projects have undergone environmental impact assessments as required, and all environmental protection procedures are complete. The company's Pollutant Discharge Permits are all within their validity period, ensuring compliant discharge of pollutants under the authorized permits.

4. Contingency plan for environmental emergencies

☒ Applicable ☐ Not applicable

The company has established a comprehensive environmental risk emergency mechanism and developed the "Emergency Response Plan for Sudden Environmental Pollution Incidents." Based on the severity of environmental pollution accidents, the scope of impact, the company's internal ability to control the situation, and the need to mobilize emergency resources, the plan specifies the warning levels and corresponding measures to be taken after an incident occurs. The "Emergency Response Plan for Sudden Environmental Pollution Incidents" has been filed with the government's environmental protection authorities and remains valid within its filing period. In response to the emergency plan for sudden environmental incidents, the company regularly organizes employees to participate in training, education, and emergency drills. This continuously enhances employees' ability to prevent and handle sudden environmental incidents and effectively improves the company's emergency response capabilities in dealing with such events.

5. Environmental self-monitoring program

☒ Applicable ☐ Not applicable

The company has formulated an environmental self-monitoring plan as required and entrusted qualified third-party testing agencies to carry out regular environmental self-monitoring. Online monitoring facilities have been installed at the wastewater discharge outlets and major exhaust gas emission outlets. These online monitoring facilities are connected to and operate in sync with the government environmental protection department's monitoring platform. The daily operation and maintenance of the online monitoring facilities are entrusted to professional organizations.

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

☒ Applicable ☐ Not applicable

The company actively implements the important concept that "clear waters and lush mountains are invaluable assets" and adheres to the development philosophy of "treating the ecological environment as we treat life." In line with the environmental protection goal of "carrying out upgrades that will remain viable for ten or even twenty years, and ensuring compliance with international standards at advanced levels of developed countries," the company continuously increases investment in environmental protection construction. With a strong sense of social responsibility, it advances the construction of ecological civilization, adapts to the new situation of the "dual carbon" goals, implements deep-level pollution control, promotes tiered management of environmental protection equipment, and strives to create a "blue sky and clear water" and "garden-like factory." During the reporting period, all greening areas in the plant were fully covered with various types of greenery, ensuring year-round greenery and

blooms during three seasons. Key projects included the addition of cooling units at the graphitization plant, flue gas treatment projects (e.g., desulfurization engineering in Workshop 1), the renovation of Impregnation Line No. 3 at the baking plant, the installation of a water chiller unit for Press No. 5 at the forming plant, the construction of an emergency water storage pool, and improvements to power factor optimization for electricity supply. After completion and operation of these projects, they will effectively reduce flue gas emissions from graphitization furnaces, decrease the consumption of fresh water, improve on-site working conditions, enhance ambient air quality, increase the recycling rate of water resources, significantly reduce grid losses, and improve the efficiency of electric energy utilization. The company successfully earned the title of a national-level "Green Factory" and was awarded the honorary title of "Zero Waste Enterprise" in Lanzhou's 14th Five-Year Plan for waste-free city construction.

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

Specific description

☒ Applicable ☐ Not applicable

During the reporting period, the company closely aligned with the goals and tasks of carbon peaking and carbon neutrality, fully implemented a conservation strategy, and actively carried out energy-saving and carbon-reduction education and publicity. It promoted the concepts and knowledge of ecological civilization and green development among employees, encouraging the adoption of green and low-carbon production methods and lifestyles. Through meticulous daily energy management, refined control in product manufacturing processes, enhanced reuse of old materials, and practical small-scale improvements and innovations, the company effectively addressed issues such as leaks, spills, drips, and seepages. These efforts achieved comprehensive, multi-level, and wide-ranging improvements in efficiency, quality, and energy savings. The completion and operation of the graphitization furnace cooling unit project significantly reduced water and electricity consumption, saving the company 250,000 yuan annually in water resource fees. The reclaimed water utilization project recycled and reused treated wastewater from across the company, greatly reducing external wastewater discharge and the consumption of fresh water. Additionally, the company organized competitions focused on clean production, energy conservation, emission reduction, and recycling to promote green and low-carbon development. It also encouraged innovation activities such as "small inventions, small creations, small reforms, small designs, and small suggestions," fostering the integration of energy-saving, emission-reduction, and green low-carbon concepts into the enterprise, workshops, and work teams.

II. Status of social responsibility work

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

☒ Applicable ☐ Not applicable

For details, please refer to the "2024 Annual Social Responsibility Report of Fangda Carbon New Material Co., Ltd.

(II) Specifics of Social Responsibilities Work

The company continued to do charity and public welfare, showing its responsibility. 2024 continued to promote the implementation of the charity project "Fangwei Foundation - Landa University No. 2 Hospital Hospice", which provides free analgesic treatment, psychological counseling, nursing guidance and other services for patients with advanced cancer pain in Gansu Province; visited the families under the jurisdiction of the support and rehabilitation of employees with serious illnesses; representatives of grass-roots Party members went to The company's fire department went deep into the district school to carry out "Learning from Thunderbolt to send peace" fire prevention and propaganda into the campus supporter activities, teaching fire prevention and

extinguishing as well as evacuation and escape skills for teachers and students, which is a true portrayal of the company's in-depth practice of the principle of "what is taken from the society, is returned to the society". This is a true reflection of the company's in-depth practice of "take from society, return to society", with the heart committed to public welfare undertakings, social responsibility into the enterprise's own development, and contribute to the construction of a harmonious society Fangda power. The company has been awarded "Top Ten Charity Units in Gansu Province", "National Advanced Private Enterprise in Employment and Social Security", "Backbone Enterprise of Gansu Strategic Emerging Industries", "Most Influential Gansu Famous Enterprise", "Most Influential Gansu Enterprise", "Most Influential Gansu Enterprise" and "Most Influential Gansu Enterprise". The company has been honored as "Top Ten Charity Units in Gansu Province", "National Advanced Private Enterprise in Employment and Social Security", "Backbone Enterprise in Gansu Province for Strategic Emerging Industries", "Most Influential Famous Enterprise in Gansu", etc., and was awarded the "China Red Cross Medal of Dedication" in 2024.

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

☒ Applicable ☐ Not applicable

In 2024, the staff of the company's rural revitalization project team continued to uphold the spirit of poverty alleviation, characterized by "unity of purpose, full commitment, precision and pragmatism, innovation, overcoming difficulties, and serving the people." Building on the healthy and sustainable development of already operational projects—including garment manufacturing, construction engineering, hand embroidery, pastry food processing, taxi and bus services, and formwork processing—the team actively expanded markets, secured orders, negotiated collaborations, broadened sales channels, and strengthened employee training. These efforts continuously drove the expansion of industrial scale and improvement in efficiency, effectively helping local communities achieve their aspirations for prosperity.

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 type	Committed Parties	Commitment content	Commitment time and duration	Is there a performance period?	performance period	Whether timely and strictly fulfilled	Failure to perform in a timely manner should indicate the specific reasons for the failure to complete the performance	If the obligations are not fulfilled on time, the specific reasons for the incomplete fulfillment should be explained.
Commitments made in the acquisition report or equity change report	Resolve defects in land and other property rights	Liaoning Fangda Group Industry Company Limited and its de facto controller	Fangda Group commits: “(1) To expedite the processing of land certificates, property certificates, and other ownership documents for all land, buildings, and other assets, and complete all procedures by the end of 2007. (2) Costs and expenses incurred during the process of obtaining ownership documents for the proposed injection of land, buildings, and other assets will be borne by our company in accordance	2006	Yes	Before the end of 2007	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 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:	Due to factors such as local policies and government relocation plans, the subsidiaries of Fangda Group, Fushun Carbon Co., Ltd. and Hefei Carbon Co., Ltd., have not been able to obtain the relevant ownership certificates. According to relevant government documents, after the completion of the relocation work, Fushun Carbon Co., Ltd. and Hefei Carbon Co., Ltd. will simultaneously process the land use rights certificates and property ownership certificates. The specific situations are as follows: (1) Hefei Carbon Co., Ltd. shares the same plot of land with its original shareholder, Hefei Aluminum Co., Ltd., and operates in the same area. The land use rights still belong to Hefei Aluminum Co., Ltd., which is state-allotted land. In 2002, in accordance with the requirements of the Hefei Municipal Government, all state-owned land ownership certificates were collected and uniformly managed by Hefei Industrial Investment Holding Co., Ltd. In July 2004, Hefei Aluminum Co., Ltd. underwent a policy-driven bankruptcy, and the land used by Hefei Carbon Co., Ltd. was leased. To accelerate the optimization of the central urban area layout, the government required Hefei Carbon Co., Ltd. to relocate entirely to an industrial cluster zone for

			with the original shareholding ratio. (3) For any losses caused to Hailong Technology's normal operations due to ownership issues related to the land, buildings, and other assets involved in this transaction, our company will assume liability for compensation and fulfill the compensation obligation within one month."						development. Hefei Carbon Co., Ltd. has already prepared a relocation plan. There have been no ownership disputes, nor has it affected the normal production and operation of the enterprise. After the relocation work is completed, the land use rights certificate and property ownership certificate of Hefei Carbon Co., Ltd. will be processed. In October 2017, the company successfully acquired 47.89% of the equity in Hefei Carbon Co., Ltd. held by CITIC Investment Holdings Co., Ltd., making Hefei Carbon Co., Ltd. a wholly-owned subsidiary. In accordance with the spirit of the "Opinions on Accelerating the Optimization and Layout Transformation of Industrial Development in the Central Urban Area of Hefei," in 2019, Hefei Carbon Co., Ltd. signed the "Changfeng County Investment Promotion Project Investment Cooperation Agreement" with the Xiaotang Town Government of Changfeng County. Hefei Carbon Co., Ltd. relocated to Xiaotang Town, Changfeng County, to invest in and construct an annual production project of 50,000 tons of carbon products, and the relocation work is proceeding in an orderly manner according to plan. (2) Fushun Carbon Co., Ltd. was a company restructured in 2002 under the leadership of the local government. At the time of restructuring, due to historical reasons, the transfer procedures for part of the land use rights and property ownership were not completed. To date, there have been no ownership disputes regarding these lands and properties, nor have they affected the normal production and operation of the enterprise. Since 2006, Fushun Carbon Co., Ltd. has actively promoted the transfer of the above-mentioned land and property, completing the necessary preliminary work for the transfer procedures and communicating multiple times with the municipal government and land management departments. However, due to policy constraints, the efforts have not yet succeeded. In 2008, the Liaoning Provincial Party Committee and Provincial Government proposed the implementation of the Shenyang-Fushun integration strategy. Given that Fushun Carbon Co., Ltd. is located in the core area of
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									the Shenyang-Fushun integration, the Fushun Municipal Government has included the relocation and renovation plan of Fushun Carbon Co., Ltd. in its government agenda. In 2010, the Fushun Municipal Government officially included the relocation of Fushun Carbon Co., Ltd. in the "Outline of the Twelfth Five-Year Plan for National Economic and Social Development of Fushun City," and Fushun Carbon Co., Ltd. prepared the "Relocation and Renovation Technical Plan." After the completion of the enterprise's relocation and renovation, the land use rights certificate and property ownership certificate will be processed together. Fushun Carbon Co., Ltd. is currently negotiating the relocation and renovation matters with the government.
	Resolve competition among peers	Liaoning Fangda Group Industry Co., Ltd. and its de facto controller	Fangda Group and its actual controller commit: "1) Neither the company nor the enterprises under its control will directly or indirectly engage in any business that competes with Hailong Technology (now renamed Fangda Carbon), or participate in or invest in any business that may compete with the business operated by Hailong Technology. 2) If the company or any enterprise under its control has any business opportunity to engage in, participate in, or invest in any	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. 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.	

			business that may compete with Hailong Technology's graphite and carbon business, the company will notify Hailong Technology of such business opportunities. Within a reasonable period specified in the notice, if Hailong Technology provides an affirmative response indicating its willingness to utilize the business opportunity, the company will abandon the opportunity; if Hailong Technology does not respond or provides a negative response, it will be deemed as abandoning the business opportunity. 3) If the above commitments are violated, resulting in losses to the listed company, our company will fully compensate Hailong Technology."					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	
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								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.	
	Resolution of affiliated transactions	Liaoning Fangda Group Industry Co., Ltd. and its	Fangda Group and its actual controller commit: "The company will continue to strictly exercise shareholder rights in accordance with the	2006	No	/	Yes	(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	

		de facto controller	relevant provisions of the Company Law and other laws and regulations, as well as the articles of association of the listed company; when voting on related-party transactions involving the company at the shareholders' meeting, the company will fulfill the obligation to abstain from voting; the company commits to eliminating all illegal occupation of the listed company's funds and assets; under no circumstances will the company request Hailong Technology to provide any form of guarantee; in terms of related-party transactions between the two parties, the company will strictly adhere to market principles, minimize unnecessary related-party transactions, and for necessary related-party transactions required for ongoing					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	
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			operations, such transactions will be handled in accordance with the methods stipulated in agreements between the two parties, following market-based pricing principles to avoid harming the interests of the majority of small and medium shareholders; Fangda Group and its actual controller commit: "The company will make every effort to avoid and reduce related-party transactions with Hailong Technology. For related-party transactions that cannot be avoided or that occur for reasonable reasons, the company commits to adhering to the principles of fairness, equity, and transparency in the market, and will legally sign agreements, follow legal procedures, and fulfill					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.	
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			information disclosure obligations and relevant approval procedures in accordance with Hailong Technology's articles of association, relevant laws and regulations, and the Shanghai Stock Exchange Listing Rules. The company guarantees that it will not harm the lawful rights and interests of Hailong Technology or other shareholders through related-party transactions."						
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VI. Appointment and dismissal of accounting firms

Unit: ten thousand Yuan Currency: CNY

	Original appointment	Current appointment
Name of Domestic Accounting Firm	Baker Tilly International LLP (Special General Partnership)	Da Xin Accounting firm(Special General Partnership)
Remuneration of Domestic Accounting Firm	80	70
Years of audit experience of domestic accounting firm	8	1
Name of the domestic accounting firm's certified public accountant	/	Gong Yan,Zhang Hongxing
Cumulative number of years of audit service by the domestic accounting firm's CPAs	/	1,1

	Name	Remuneration
Internal control audit accounting firm	Da Xin Accounting firm(Special General Partnership)	10

Appointment and Dismissal of Accounting Firms

☒Applicable ☐Not applicable

Tianzhi International Certified Public Accountants (Special General Partnership) has provided auditing services to the company for many years. In order to further enhance the independence and objectivity of the audit work for the listed company, and in accordance with the requirements of the *Measures for the Selection and Appointment of Accounting Firms by State-Owned Enterprises and Listed Companies* and other relevant regulations, after comprehensive evaluation and approval at the eighth extraordinary shareholders' meeting of the company in 2024, the company has engaged Daxin Certified Public Accountants (Special General Partnership) as the auditing firm for the company's 2024 financial report and internal control audits. The financial audit fee for 2024 is 700,000 yuan, and the internal control audit fee is 100,000 yuan.

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
In June 2024, the company received a Case Acceptance Notice (Document No. [2024] Liao 01 Min Chu 1335) issued by the Shenyang Intermediate People's Court of Liaoning Province on June 6, 2024. The company has filed a lawsuit against the State-owned Assets Supervision and Administration Commission of the Gansu Provincial Government regarding contractual and quasi-contractual disputes arising from the assumption of social functions	For specific details, please refer to the announcement titled Fangda Carbon's Announcement on Major Litigation (Announcement No.: 2024-041) disclosed on June 12, 2024, in the designated media,

such as community water supply. As of the end of the reporting period, this litigation has not yet been heard in court. As at the date of this announcement, the litigation has not yet commenced and the final outcome of the judgement is uncertain.	China Securities Journal, Shanghai Securities News, and the Shanghai Stock Exchange website (http://www.sse.com.cn).
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(iii) Other notes

☒Applicable ☐Not applicable

In July 2023, the company received via mail a Civil Complaint and other documents from the Qingyuan Manchu Autonomous County People's Court of Liaoning Province, with the case number ([2023] Liao 0423 Min Chu 1247). The shareholder of the subsidiary, Fushun Laihe Mining Co., Ltd., namely Fushun Xinfu Steel Co., Ltd., filed a lawsuit requesting the restoration of its 22.2% equity interest in Fushun Laihe Mining Co., Ltd., as well as dividends amounting to 22.2% of the financial data audited by an intermediary agency designated by the court from the establishment of Fushun Laihe Mining Co., Ltd. to the present. On July 21, 2023, Fangda Carbon submitted a jurisdictional objection to the Qingyuan Manchu Autonomous County People's Court of Liaoning Province, requesting that the case be transferred to the jurisdiction of the Fushun Intermediate People's Court. In April 2024, the company received via mail a Civil Ruling from the Fushun Intermediate People's Court of Liaoning Province, with the case number ([2024] Liao 04 Min Xia 5), ruling that: this case will be heard by the Fushun Intermediate People's Court of Liaoning Province.

XII. Significant Affiliated transactions

(1) Litigation and arbitration matters that have been disclosed in temporary announcements and have no further updates.

☒Applicable ☐Not applicable

Summary and Type of Matter	Query Index
On June 6, 2024, the company received the "Notice of Acceptance of Case" (Case No. (2024) Liao 01 Min Chu 1335) issued by the Intermediate People's Court of Shenyang City, Liaoning Province. The company has filed a lawsuit against the State-owned Assets Supervision and Administration Commission of the Gansu Provincial Government regarding contract and quasi-contract disputes arising from the assumption of social functions such as community water supply. As of the end of the reporting period, this case has not yet been heard in court.	For more details, please refer to the announcement titled "Fangda Carbon's Announcement on Significant Litigation" (Announcement No.: 2024-041) disclosed on June 12, 2024, in the designated media outlets <i>China Securities Journal</i> , <i>Shanghai Securities News</i> , and the Shanghai Stock Exchange website (http://www.sse.com.cn).

(II) Other explanations

☒Applicable ☐Not applicable

In July 2023, the company received via mail a "Civil Complaint" and other related documents from the Qingyuan Manchu Autonomous County People's Court of Liaoning Province, bearing case number ([2023] Liao 0423 Min Chu 1247). The lawsuit was filed by Fushun Xinfu Steel Co., Ltd., a shareholder of the subsidiary Fushun Laihe Mining Co., Ltd., requesting the restoration of its 22.2% equity stake in Fushun Laihe Mining Co., Ltd., as well as dividends calculated at 22.2% based on the financial data audited by an intermediary agency designated by the court from the establishment of Fushun Laihe Mining Co., Ltd. to the present. On July 21, 2023, Fangda Carbon submitted an objection regarding jurisdiction to the Qingyuan Manchu Autonomous County People's Court of Liaoning Province, requesting that the case be transferred to the Intermediate People's Court of Fushun City for

jurisdiction. In April 2024, the company received via mail a "Civil Ruling" from the Intermediate People's Court of Fushun City, Liaoning Province, with case number ([2024] Liao 04 Min Xia 5), which ruled that: this case shall be tried by the Intermediate People's Court of Fushun City, Liaoning Province.

XII. Significant affiliated transactions

(I) Affiliated transactions related to Daily operations

1. Matters that have been disclosed in temporary announcements but have subsequent progress or changes in implementation.

(1) The company and its subsidiaries sold carbon products and provided services to Fangda Special Steel Technology Co., Ltd., Jiangxi Pinggang Industry Co., Ltd., and their subsidiaries (see the "Fangda Carbon Announcement on Estimated Daily Related Party Transactions for 2024" disclosed on January 27, 2024, on the Shanghai Stock Exchange website and published in the China Securities Journal and Shanghai Securities News, Announcement No. 2024-003). The actual sales amount (excluding tax) in 2024 was CNY 51.6092 million.

(2) The company and its subsidiaries sold carbon products and raw materials to Beijing Fangda Carbon Technology Co., Ltd. and its subsidiaries (see the "Fangda Carbon Announcement on Estimated Daily Related Party Transactions for 2024" disclosed on January 27, 2024, on the Shanghai Stock Exchange website and published in the China Securities Journal and Shanghai Securities News, Announcement No. 2024-003). The actual sales amount (excluding tax) in 2024 was CNY 2.6781 million.

(3) The company and its subsidiaries sold carbon products and raw materials to Baofang Carbon Material Technology Co., Ltd. (see the "Fangda Carbon Announcement on Estimated Daily Related Party Transactions for 2024" disclosed on January 27, 2024, on the Shanghai Stock Exchange website and published in the China Securities Journal and Shanghai Securities News, Announcement No. 2024-003). The actual sales amount (excluding tax) in 2024 was CNY 11.6015 million.

(4) The company sold carbon products and raw materials to Hainan Hantu Trading Co., Ltd. (see the "Fangda Carbon Announcement on Estimated Daily Related Party Transactions for 2024" disclosed on January 27, 2024, on the Shanghai Stock Exchange website and published in the China Securities Journal and Shanghai Securities News, Announcement No. 2024-003). The actual sales amount (excluding tax) in 2024 was CNY 2.0008 million.

(5) The company and its subsidiaries purchased coal tar pitch from Sichuan Daxing Chemical Co., Ltd. (see the "Fangda Carbon Announcement on Estimated Daily Related Party Transactions for 2024" disclosed on January 27, 2024, on the Shanghai Stock Exchange website and published in the China Securities Journal and Shanghai Securities News, Announcement No. 2024-003). The actual procurement amount (excluding tax) in 2024 was CNY 49.8756 million.

(6) The company and its subsidiaries purchased needle coke and other raw materials and accepted services from Beijing Fangda Carbon Technology Co., Ltd. and its subsidiaries (see the "Fangda Carbon Announcement on Estimated Daily Related Party Transactions for 2024" disclosed on January 27, 2024, on the Shanghai Stock Exchange website and published in the China Securities Journal and Shanghai Securities News, Announcement No. 2024-003). The actual procurement amount (excluding tax) in 2024 was CNY 42.2996 million.

(7) The company purchased needle coke and other raw materials from Hainan Hantu Trading Co., Ltd. (see the "Fangda Carbon Announcement on Estimated Daily Related Party Transactions for 2024" disclosed on January 27, 2024, on the Shanghai Stock Exchange website and published in the China Securities Journal and Shanghai

Securities News, Announcement No. 2024-003). The actual procurement amount (excluding tax) in 2024 was CNY 152.5902 million.

(8) The company and its subsidiaries received labor services from Baofang Carbon Material Technology Co., Ltd. (see the "Fangda Carbon Announcement on Estimated Daily Related Party Transactions for 2024" disclosed on January 27, 2024, on the Shanghai Stock Exchange website and published in the China Securities Journal and Shanghai Securities News, Announcement No. 2024-003). The actual labor service amount (excluding tax) in 2024 was CNY 27.4506 million.

(9) The company's subsidiary purchased coal tar from Fangda Special Steel Technology Co., Ltd. (see the "Fangda Carbon Announcement on Estimated Daily Related Party Transactions for 2024" disclosed on January 27, 2024, on the Shanghai Stock Exchange website and published in the China Securities Journal and Shanghai Securities News, Announcement No. 2024-003). The actual procurement amount (excluding tax) in 2024 was CNY 41.1223 million.

(10) The company's subsidiary conducted deposit transactions with Jiujiang Bank Co., Ltd. (see the "Fangda Carbon Announcement on Estimated Daily Related Party Transactions for 2024" disclosed on January 27, 2024, on the Shanghai Stock Exchange website and published in the China Securities Journal and Shanghai Securities News, Announcement No. 2024-003).

3. Matters not disclosed in the interim announcement

☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

Affiliated parties	Affiliated Relation	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 Tongte New Material Co., Ltd.	Other related parties	Purchase of goods	Materials	Market price or agreed price	Market price or agreed price			Terms of agreement		
Dongxiang Autonomous County East-West Collaboration Shengwei Hall Food Co., Ltd.	Other related parties	Purchase of goods	Materials	Market price or agreed price	Market price or agreed price			Terms of agreement		
Northern Heavy Industries Group Co., Ltd.	Other related parties	Purchase of goods	Materials	Market price or agreed price	Market price or agreed price			Terms of agreement		
Gansu Fangda Zhanyao New Material Packaging Co., Ltd.	Other related parties	Purchase of goods	Materials	Market price or agreed price	Market price or agreed price			Terms of agreement		
ZTE - Shenyang Commercial Building (Group) Co., Ltd.	Other related parties	Purchase of goods	Materials	Market Price or Agreement Price	Market price or agreed price			Terms of agreement		
Shenyang Fangdi Real Estate Co., Ltd. Hunnan Branch	Other related parties	Purchase of goods	Materials, Hospitality Expenses	Market Price or Agreement Price	Market price or agreed price			Terms of agreement		
Shenyang Northeast Big Pharmacy Chain Co., Ltd.	Other related parties	Purchase of goods	Materials	Market or Agreed Price	Market price or agreed price			Terms of agreement		
Gansu Fangda Jiu Jianpeng Technology Development Co., Ltd.	Other related parties	Purchase of goods	Materials	Market or Agreed Price	Market price or agreed price			Terms of agreement		
Guizhou Fangda Huangguoshu Food and Beverage Co., Ltd.	Other related parties	Purchase of goods	Materials	Market or Agreed Price	Market price or agreed price			Terms of agreement		
Tianjin Department Store Business and Trade Corporation	Other related parties	Purchase of goods	Materials	Market or Agreed Price	Market price or agreed price			Terms of agreement		

Hainan Airlines Holding Co., Ltd.	Other related parties	Purchase of goods	Materials	Market or Agreed Price	Market price or agreed price			Terms of agreement		
Jiangxi Fangda Iron and Steel Group Co., Ltd.	Other related parties	Lease in and out	Rent	Market or Agreed Price	Market price or agreed price			Terms of agreement		
China Xinhua Airlines Group Co., Ltd.	Other related parties	Other outflows	Accommodation Fees	Market or Agreed Price	Market price or agreed price			Terms of agreement		
Dongxiang Autonomous County East-West Collaboration Meijia Umbrella Co., Ltd.	Other related parties	Sale of goods	Materials	Market or Agreed Price	Market price or agreed price			Terms of agreement		
Dongxiang Autonomous County Xiyuxing Garment Co., Ltd.	Other related parties	Sale of goods	Materials	Market or Agreed Price	Market price or agreed price			Terms of agreement		
Gansu Herp Silk Craft Products Co., Ltd.	Other related parties	Sale of goods	Materials	Market or Agreed Price	Market price or agreed price			Terms of agreement		
Dongxiang Autonomous County Fangda Liming Textile Co., Ltd.	Other related parties	Sale of goods	Materials	Market or Agreed Price	Market price or agreed price			Terms of agreement		
Liaoning Fangda General Hospital Co., Ltd.	Other related parties	Sale of goods	Materials	Market or Agreed Price	Market price or agreed price			Terms of agreement		
Gansu Fangda Zhanyao New Material Packaging Co., Ltd.	Other related parties	Sale of goods	Commission fees	Market price or agreement price	Market price or agreed price			Terms of agreement		
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

I. Entrustment, Contracting, and Leasing Matters

(I) Lease

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: CNY

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	23,088,167.84	April 11, 2021	April 10, 2026	0	0	0	no	other

(II) Guarantees

☒ Applicable ☐ Not applicable

Unit: Hundred million Yuan Currency: CNY

The company's external guarantee situation (excluding guarantees for subsidiaries)														
Guarantor	Relationship between the guarantor and the listed company	Guaranteed party	Guarantee amount	Date of guarantee occurrence (agreement signing date)	Guarantee start date	Guarantee end date	Type of guarantee	Collateral (if any)	Whether the guarantee has been fully performed	Whether the guarantee is overdue	Overdue guarantee amount	Counter-guarantee situation	Whether it is a related party guarantee	Relationship with the related party
Fangda Carbon	The company's headquarters	Fangda Special Steel	2.5	January 30 2023	January 30 2023	January 24 2025	Joint liability guarantee	None	Yes	No	0	Fangda Carbon provides counter-guarantee for Fangda Special Steel	Yes	Affiliated company within the

														group
Fangda Carbon	The company's headquarters	Fangda Special Steel	4	January 26 2023	January 26 2025	January 25 2028	Joint liability guarantee	None	No	No	0	Fangda Carbon provides counter-guarantee for Fangda Special Steel	Yes	Affiliated company within the group
Total incidence of guarantees during the reporting period (excluding guarantees to subsidiaries)						0								
Total balance of guarantees at the end of the reporting period (A) (excluding guarantees to subsidiaries)						10								
Guarantees by the Company and its subsidiaries to subsidiaries														
Total incidence of guarantees to subsidiaries during the reporting period						0.5								
Total balance of guarantees to subsidiaries at the end of the reporting period (B)						5								
Status of total guarantees of the company (including guarantees to subsidiaries)														
Total amount of guarantees (A+B)						15								
Total guarantees as a percentage of the company's net assets (%)						9.28								
Among them:														
Amount of guarantees for shareholders, de facto controllers and their related parties (C)						10								
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)						10								
Explanation of possible joint and several liability for outstanding guarantees						Not applicable								

Description of guarantees	As of the end of the reporting period, the total amount of external guarantees provided by the company was CNY 1.5 billion. The mutual guarantee limit between the company and Fangda Special Steel Technology Co., Ltd. is CNY 1 billion (of which CNY 400 million in counter-guarantees provided by the company to Fangda Special Steel is included in the above mutual guarantee limit), accounting for 6.18% of the company's most recent audited net assets. The company has a guarantee limit of CNY 500 million for its subsidiaries, with actual guarantees provided amounting to CNY 50 million, representing 3.09% of the company's most recent audited net assets. There are no overdue guarantees.
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(III) Situations of Entrusting Others to Manage Cash Assets

1. Entrusted Wealth Management Situation

(1) Overall situation of Entrusted Wealth Management

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: CNY

Type	Funds source	Amount occurred	Unexpired balance	Amounts overdue for collection
Bank wealth management products	Self-owned funds	140 million	0	0

(2) Individual Entrusted Wealth Management Situation

☒ Applicable ☐ Not applicable

Unit: Ten thousand yuan Currency: CNY

Trustee	Type of Entrusted Wealth Management	Amount of Entrusted Wealth Management	Start Date of Entrusted Wealth Management	End Date of Entrusted Wealth Management	Source of Funds	Allocation of Funds	Existence of Restricted Conditions	Method of Compensation Determination	Annualized Rate of Return	Expected Gains (if applicable)	Actual Gains or Losses	Unexpired Amount	Overdue Unrecovered Amount	Whether Legal Procedures Have Been Followed	Future Plans for Entrusted Wealth Management	Provision for Impairment Losses (if applicable)
Bank of Bohai Co., Ltd.	Bank wealth management	50,000	June 14, 2024	September 12, 2024	Self-owned	Note 1	No	Fixed income+Floating income	1.6%-2.75%	200-343.75		0	0	Yes	Yes	0

	nt products				funds											
Bank of Bohai Co., Ltd.	Bank wealth management products	50,000	September 25, 2024	March 25, 2025	Self-owned funds	Note 1	No	Fixed income+Floating income	1.55%-2.5%	390-628		0	0	Yes	Yes	0
China Minsheng Bank Co., Ltd.	Bank wealth management products	20,000	October 18, 2024	December 17, 2024	Self-owned funds	Note 2	No	Fixed income+Floating income	1.3%+0.8%*n/N	42.74-69.04		0	0	Yes	Yes	0
China Minsheng Bank Co., Ltd.	Bank wealth management products	20,000	December 20, 2024	February 18, 2025	Self-owned funds	Note 2	No	Fixed income+Floating income	1.2%+1%*n/N	40.29-72.33		0	0	Yes	Yes	0

Note 1: This product is a structured deposit product, with its derivative component linked to the midpoint exchange rate of the euro against the US dollar.

Note 2: The principal portion of the funds raised from the sale of this structured deposit product is managed as a deposit, and the interest portion is used to engage in financial derivative transactions with counterparties, linked to the euro-to-US dollar exchange rate.

The 500 million yuan structured deposit wealth management product purchased from Bohai Bank Co., Ltd. matured on March 25, 2025, and the principal and interest have been recovered. Additionally, the 200 million yuan structured deposit wealth management product purchased by the subsidiary Chengdu Carbon Materials from China Minsheng Banking Corp., Ltd. matured on February 18, 2025, and the principal and interest have also been recovered.

XIV. Progress of Raised funds

(I) Overall utilization of funds raised

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: CNY

Source of Raised Funds	Fundraising completion time	Total amount of raised funds	Net proceeds of raised funds(1)	Promised Investment Total Amount of Raised Funds as Stated in the Prospectus or Offering Circular (2)	Excess Raised Funds Total Amount (3) = (1) - (2)	Cumulative Total Amount of Invested Raised Funds by the End of the Reporting Period (4)	Including: Cumulative Total Amount of Excess Raised Funds Invested by the End of the Reporting Period (5)	Cumulative Investment Progress of Raised Funds by the End of the Reporting Period (%) (6) = (4)/(1)	Cumulative Investment Progress of Excess Raised Funds by the End of the Reporting Period (%) (7) = (5)/(3)	Amount Invested in the Current Year (8)	Percentage of Amount Invested in the Current Year (%) (9) = (8)/(1)	Total Amount of Raised Funds with Changed Purpose
Issue of shares to specific recipients	June 20, 2013	182,239.96	179,601.54	179,601.54	0	74,761.87	0	41.63	0	3,230.48	1.80	112,362.00
Others	March 23, 2023	130,358.32	130,358.32	130,358.32	0	0	0	-	-	-	-	-

Note 1: The total amount of raised funds, 1,303,583,200 yuan, includes undeducted other issuance expenses of 10,624,300 yuan.

Note 2: For further details regarding the raised funds, please refer to the "Special Report on the Placement and Actual Use of the Company's Raised Funds for the Year 2024" disclosed on the Shanghai Stock Exchange website (<http://www.sse.com.cn>) on April 26, 2025.

(II) Details of the fund-raising project

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: CNY

Source of Raised Funds	Project Name	Project Nature	Whether it is a committed investment project in the	Whether it involves a change in the use of	Total planned investment amount of raised funds	Amount invested in the current	Cumulative total amount of invested raised funds	Cumulative investment amount	Date when the project	Whether the project has	Whether the investment	Specific reasons for the investment	Benefits realized in the current	Benefits realized or research and	Whether there have been significant	Remaining amount
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			prospectus or offering circular	funds	(1)	year	by the end of the reporting period (2)	progress by the end of the reporting period (%) (3) = (2)/(1)	reaches its intended usable state	been completed	progress meets the planned schedule (3) = (2)/(1)	ent progress not meeting the planned schedule	year	development achievements from this project	changes in the feasibility of the project. If yes, please explain the specific situation	
Issue of shares to specific recipients	30,000 ton/year Specialty Graphite Manufacturing and Processing Project	Production and Construction	Yes	Yes, This project has been canceled	119,560.03	0	0	0	Inapplicable	No	No	Note 4	Inapplicable	Inapplicable	Inapplicable	Inapplicable
	Green Factory Construction and Intelligent Equipment Upgrade Project	Production and Construction	No	Yes, This project has been canceled		3,230.48	3,230.48 40,167.93	1.80	No	Yes	Inapplicable	Inapplicable	Inapplicable	Inapplicable	Inapplicable	Inapplicable
	Acquisition	Others	No	Yes	40,167.93	0		100	October	Yes	Yes	Inapplicable	Inapplicable	Inapplicable	Inapplicable	Inapplicable

of equity interest in Sikemo Needle Coke								2017			able	able	e		able
Acquisition of equity in Jiangsu Fangda	Others	No	Yes	34,500.00	0	31,363.46	100	September 2022	Yes	Inapplicable	Note 5	Inapplicable	Inapplicable	Inapplicable	Inapplicable

Note:4. On February 10, 2023, the 20th interim meeting of the eighth Board of Directors of the Company reviewed and approved the "Proposal on Terminating the Implementation of Certain Projects Using Raised Funds and Adjusting the Scale of Raised Fund Usage in Certain Funded Projects." This proposal was subsequently approved at the second extraordinary shareholders' meeting of 2023 held on February 27, 2023. The Company decided to terminate the implementation of the "30,000 Tons/Year Special Graphite Manufacturing and Processing Project" using raised funds. On February 28, 2023, Chengdu Carbon Materials returned the principal and interest totaling 230,730,300 yuan (including 146,833,000 yuan of previously invested 2013 non-public offering raised funds (including interest) and the balance of 83,897,300 yuan in the dedicated fundraising account at Chengdu Bank as of December 31, 2022) originally intended for the "30,000 Tons/Year Special Graphite Manufacturing and Processing Project" to the other dedicated accounts for the 2013 raised funds. These funds will be used when a good investment opportunity arises after fulfilling the relevant legal procedures.

On March 22, 2024, the 32nd interim meeting of the eighth Board of Directors reviewed and approved, and on April 12, 2024, the first extraordinary shareholders' meeting of 2024 passed the "Proposal on Changing Certain Funded Projects." The Company agreed to use raised funds for the "Green Factory Construction and Intelligent Equipment Upgrade Project," which aims to enhance the Company's industrial upgrading capabilities and align with its development plans for green factory construction and intelligent equipment improvement. The total estimated investment for the project is 376,940,700 yuan, all of which will come from raised funds. The sponsor institution issued a no-objection opinion on this matter. As of December 31, 2024, the "Green Factory Construction and Intelligent Equipment Upgrade Project" had utilized 32,304,800 yuan (including interest) of the raised funds.

5.The difference between the adjusted total raised fund investment amount of 345,000,000 yuan for the acquisition of Jiangsu Fangda equity and the cumulative total raised fund investment amount of 313,634,600 yuan as of the end of the reporting period is due to settlement refunds and differences caused by multiple currency exchanges. The cumulative investment progress has reached 100%.

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

☒ Applicable ☐ Not applicable

Unit: Ten thousand Yuan

Project name before change	Change Time (First Announce ment Disclosure Time)	Type of Change	Total Raised Funds Allocated to the Project Before Change/Term ination	Total Invested Raised Funds in the Project Before Change/Term ination	Name of the Project After Change	Reason for Change/Termination	Amount of Raised Funds Used for Working Capital After Change/Termination al After Change/Termination	Decision-Making Process and Information Disclosure Explanation
30,000 ton/year special graphite manufacturing and processing project	February 27, 2023	Canceled project	104,933.61	23,073.03	Green Factory Constructio n and Intelligent Equipment Upgrade Project	After comprehensively considering the current progress of the funded projects, the subsidiary's capital reserves, and based on cost savings, efficiency improvements, and subsequent project planning, the Company plans to adjust the amount of raised funds allocated to the "30,000 Tons/Year Special Graphite Manufacturing and Processing Project" in order to enhance the efficiency of raised fund utilization and support the development of the listed company's core business. The remaining funding for the "30,000 Tons/Year Special Graphite Manufacturing and Processing Project" will be invested by Chengdu Carbon Materials using its own or self-raised funds. Meanwhile, the principal and interest totaling 230,730,300 yuan (including 146,833,000 yuan of previously invested 2013 non-public offering raised funds (including interest) and the balance of 83,897,300 yuan in the dedicated fundraising account at Chengdu Bank), originally intended for the "30,000 Tons/Year Special Graphite Manufacturing and Processing Project," have been returned and deposited into other dedicated	0	On February 10, 2023, the 20th interim meeting of the eighth Board of Directors of the Company reviewed and approved the "Proposal on Terminating the Implementation of Certain Projects Using Raised Funds and Adjusting the Scale of Raised Fund Usage in Certain Funded Projects." This proposal was subsequently approved at the second extraordinary shareholders' meeting of 2023 held on February 27, 2023. The Company decided to terminate the implementation of the "30,000 Tons/Year Special Graphite Manufacturing and Processing Project" using raised funds. For further details, please refer to the corresponding announcements disclosed on the Shanghai Stock Exchange website. On March 22, 2024, the 32nd interim meeting of the eighth Board of Directors reviewed and approved, and on April 12, 2024, the first extraordinary shareholders' meeting of 2024 passed the "Proposal on Changing Certain Funded Projects." The Company agreed to use raised funds for the "Green Factory Construction and Intelligent Equipment Upgrade Project," which aims to enhance the Company's

						accounts for the 2013 raised funds. In line with the Company's development plan, the terminated raised funds will be used for updating existing equipment and conducting technological upgrades to improve energy conservation, carbon reduction, ultra-low emissions, safety production, digital transformation, and intelligent upgrades.		industrial upgrading capabilities and align with its development plans for green factory construction and intelligent equipment improvement. The total estimated investment for the project is 376,940,700 yuan, all of which will come from raised funds. The sponsor institution issued a no-objection opinion on this matter. For further details, please refer to the corresponding announcements disclosed on the Shanghai Stock Exchange website.
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(IV) Other use of proceeds during the reporting period

☒ Applicable ☐ Not applicable

2、Temporary replenishment of liquidity with idle raised funds

☒ Applicable ☐ Not applicable

On May 10, 2024, the Company convened the 34th interim meeting of the eighth Board of Directors, which reviewed and approved the "Proposal on the Company's Use of Idle Raised Funds to Temporarily Supplement Working Capital." The proposal allows the Company to temporarily use 250 million yuan of idle raised funds to supplement working capital. The usage period shall not exceed 12 months from the date of approval by the Board of Directors. The Company's Supervisory Committee and sponsor institution expressed their agreement with the decision.

On August 28, 2024, the Company convened the first meeting of the ninth Board of Directors, which reviewed and approved the "Proposal on the Company's Use of Idle Raised Funds to Temporarily Supplement Working Capital." The proposal allows the Company to temporarily use 1 billion yuan of idle raised funds to supplement working capital. The usage period shall not exceed 12 months from the date of approval by the Board of Directors. The Company's Supervisory Committee and sponsor institution expressed their agreement with the decision.

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

☒ Applicable ☐ Not applicable

(I) Since its listing on the basic tier of the National Equities Exchange and Quotations (NEEQ) system in March 2023, Chengdu Carbon Materials, a controlled subsidiary of the Company, has demonstrated good operating performance. It meets the standards for entering the innovation tier as stipulated in the "Rules for Tiered Management of the National Equities Exchange and Quotations System for Small and Medium Enterprises." Following the market tier adjustment process, Chengdu Carbon Materials was promoted to the innovation tier starting from March 15, 2024.

(II) On March 22, 2024, the Company convened the 32nd interim meeting of the eighth Board of Directors, which reviewed and approved the "Proposal on Changing Certain Funded Projects." This proposal was subsequently approved at the first extraordinary shareholders' meeting of 2024 held on April 12, 2024. The Company agreed to use raised funds for the "Green Factory Construction and Intelligent Equipment Upgrade Project," aiming to enhance industrial upgrading capabilities in line with its development plans. The total estimated investment for the project is CNY 376.94 million, all of which will come from raised funds. As of December 31, 2024, the project had utilized CNY 32.30 million of raised funds (including interest).

(III) On April 22, 2024, Chengdu Carbon Materials, a controlled subsidiary of the Company, received the "Notice on Issuing the Civilian Nuclear Safety Equipment Manufacturing License to Chengdu Fangda Carbon-Carbon Composite Materials Co., Ltd." (No. [2024] 65 issued by the National Nuclear Safety Administration). After review, the National Nuclear Safety Administration decided to issue the "Civilian Nuclear Safety Equipment Manufacturing License" (License No. Z(24)20). Equipment Category: In-core components, Nuclear Safety Level, Nuclear safety-related level, License Validity Period: Until June 30, 2029.

(IV) On May 12, 2024, the Company convened the 35th interim meeting of the eighth Board of Directors, which reviewed and approved the "Proposal on the Profit Distribution Plan for Q1 2024 and Subsequent Dividend Planning for 2024." This proposal was subsequently approved at the fourth extraordinary shareholders' meeting of 2024 held on June 5, 2024. The Company agreed to the following: The profit distribution plan for Q1 2024: The Company will distribute cash dividends of CNY 0.032 per share (tax included) to shareholders based on the total shares determined in the equity distribution implementation announcement for Q1 2024, excluding treasury shares.

No stock dividends or capital reserve transfers to increase share capital will be made.

To stabilize investor dividend expectations and boost confidence, the Board of Directors proposed authorizing the Board to decide and implement subsequent (including semi-annual and Q3) profit distribution plans for 2024 under conditions that meet dividend requirements (the Company must be profitable in the current period, have positive accumulated undistributed profits, and sufficient cash flow to meet normal operations and sustainable development needs). The total cash dividends planned for 2024 are expected to exceed CNY 200 million.

On July 16, 2024, the Company published the "Fangda Carbon Q1 2024 Equity Distribution Implementation Announcement," and on July 24, 2024, completed the Q1 2024 cash dividend distribution.

(V) On June 14, 2024, the Company convened the 36th interim meeting of the eighth Board of Directors, the 27th meeting of the eighth Supervisory Committee, and the joint session of the Presidium of the third plenary session of the fourth Workers' Congress. On July 3, 2024, the fifth extraordinary shareholders' meeting of 2024, the first interim meeting of the ninth Board of Directors, and the first meeting of the ninth Supervisory Committee were held. These meetings reviewed and approved the reelection of the Board of Directors and Supervisory Committee, as well as the appointment of senior management personnel. Elected Ma Zhuo, Wu Feng, Zhang Tianjun, Xu Peng, Xu Longfu, Jiang Guoli, and Shu Wenbo as non-independent directors of the ninth Board of Directors, with Ma Zhuo serving as Chairman. Elected Liu Zhijun, Huang Jun, Peng Shuyuan, and Wu Ye as independent directors of the ninth Board of Directors. Elected Li Xin, Shi Jinhua, and Lu Lu as non-employee representatives of the ninth Supervisory Committee, with Hou Xulong and Guo Linsheng serving as employee representatives. Li Xin was elected as Chairperson of the Supervisory Committee. Appointed Zhang Tianjun as General Manager, Zhao Erqin as Chief Financial Officer, Xu Longfu and Gou Zengcheng as Deputy General Managers, and Zhuang Xiaoru as Secretary of the Board of Directors. This completed the re-election of the ninth Board of Directors and Supervisory Committee, as well as the appointment of senior management personnel.

(VI) On September 18, 2024, the Company convened the third interim meeting of the ninth Board of Directors, which reviewed and approved the "Proposal on the Share Repurchase Plan via Centralized Competitive Bidding." The Company agreed to use its own funds to repurchase shares via centralized competitive bidding to maintain corporate value and shareholder rights. The total repurchase funds will range from no less than CNY 500 million (inclusive) to no more than CNY 1 billion (inclusive), with a repurchase price not exceeding CNY 4.33 per share (inclusive). The repurchase period will last for three months from the date of approval of this repurchase plan by the Board of Directors. Given that the Company's share price consistently exceeded the repurchase price cap of CNY 4.33 per share (inclusive), to ensure smooth implementation of the repurchase plan, the Company convened the fifth interim meeting of the ninth Board of Directors on October 7, 2024, which reviewed and approved the "Proposal on Adjusting the Repurchase Price Cap." The repurchase price cap was adjusted from CNY 4.33 per share (inclusive) to CNY 6.33 per share (inclusive). Except for this adjustment, other aspects of the repurchase plan remain unchanged. As of November 4, 2024, the Company completed the repurchase. A total of 196,324,457 shares were repurchased, representing 4.88% of the Company's total shares, at a total cost of CNY 999,924,520 (excluding transaction fees). Over 2023 and 2024, the Company cumulatively repurchased 249,372,465 shares, spending a total of CNY 1.3 billion on repurchases.

(VII) On July 7, 2024, the Company convened the second interim meeting of the ninth Board of Directors, which reviewed and approved the "Proposal on Securities Investment and Related Party Transactions." The Company agreed that its wholly owned subsidiary, Shanghai Fangda Investment Management Co., Ltd. (hereinafter referred to as "Shanghai Fangda"), would invest between CNY 60 million and CNY 119 million in A-shares of Hainan Airlines Holding Co., Ltd. (hereinafter referred to as "HNA Holdings") over the next six months. As of January 4, 2025, Shanghai Fangda had cumulatively purchased 99,689,822 A-shares of HNA Holdings via centralized competitive bidding, representing 0.23% of HNA Holdings' total shares, at a total cost of CNY 118,999,204.78.

(VIII)To broaden investor outreach channels, expand the coverage and influence of corporate information disclosure, and further enhance investor relations management, the Company added the Securities Times as an official designated information disclosure medium. After this addition, the Company's designated information disclosure media are the Shanghai Securities News, China Securities Journal, Securities Times, and the Shanghai Stock Exchange website (www.sse.com.cn). All publicly disclosed information will be based on formal announcements published in the aforementioned designated newspapers and websites. Investors are advised to take note.

(IX)During the reporting period:The Company was included in the national list of green factories.The Company ranked among the top 100 private enterprises in Gansu Province in 2024.Three innovative products independently developed by the Company—graphene electric blankets, graphene hemostatic dressings, and graphene heat dissipation pastes—were awarded the "Outstanding Scientific Research Innovation Award" at the 26th China International High-Tech Fair.The Company's independently developed boron-containing graphite for fast reactors won the second prize for scientific and technological innovation achievements at the second Gansu Provincial Enterprise Science and Technology Innovation Competition and the Excellence Award for Product Design at the fifth "Innovation Cup" Industrial Design Competition of Gansu Province.The independently developed "Φ750mm Ultra-High Power Graphite Electrode" obtained Gansu Province's new product certification.The magnesium electrolysis graphite anode product, which has independent intellectual property rights, achieved its first export.The independently developed 600KVA graphitized cathode for aluminum electrolysis successfully rolled off the production line.The 15th International Needle Coke and Carbon Materials Technology and Industry Development Summit awarded the Company the "2024 Global Graphite Electrode Excellence Brand Award."

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.Unlisted shares									
I.1FOUNDERS' Shares									
Including:									
Shares held by state									
Shares held by domestic legal person									
Shares held by Foreign legal person									

Including									
2. Shares of legal person who raised funds									
1. Shares of Employees									
3. Preferred shares or others									
II. Listed shares									
Unlimited shares in circulation	4,025,970,368	100						4,025,970,368	100
1. Renminbi common shares	4,025,970,368	100						4,025,970,368	100
2 、 Domestic listed foreign shares									
3 、 Overseas listed foreign shares									
4、 Others									
Total number of shares	4,025,970,368	100						4,025,970,368	100

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)	214,543
Total number of common shareholders at the end of the previous month before the annual report disclosure date (households)	209,648

(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	731,728,590	Domestic non-state legal person
Agricultural Bank of China Co., Ltd. - CSI 500 Exchange-Traded Open-Ended Index Securities Investment Fund	24,557,787	39,644,340	0.98	0	No		Unknown
Hong Kong Securities Clearing Company Limited	-38,586,007	32,787,749	0.81	0	No		Unknown
Fang Wei	0	18,480,200	0.46	0	No		Domestic natural person
Dai Deming	10,980,000	11,000,000	0.27	0	No		Unknown
China Pacific Life Insurance Co., Ltd. - Traditional - General Insurance Product	463,000	6,989,909	0.17	0	No		Unknown
Ye Yajun	-4	6,500,000	0.16	0	No		Unknown
Kuang Fahong	1,377,700	6,188,040	0.15	0	No		Unknown
Chen Xinghong	910,000	5,900,000	0.15	0	No		Unknown
China Construction Bank Co., Ltd. - Huaxia CSI 500 Exchange-Traded Open-Ended Index Securities Investment Fund		5,409,474	0.13	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 Industrial Co., Ltd.	1,524,413,321		CNY ordinary shares		1,524,413,321		
Agricultural Bank of China Co., Ltd. - CSI 500 Exchange-Traded	39,644,340		CNY ordinary shares		39,644,340		

Open-Ended Index Securities Investment Fund			
Hong Kong Securities Clearing Company Limited	32,787,749	CNY ordinary shares	32,787,749
Fang Wei	18,480,200	CNY ordinary shares	18,480,200
Dai Deming	11,000,000	CNY ordinary shares	11,000,000
China Pacific Life Insurance Co., Ltd. - Traditional - General Insurance Product	6,989,909	CNY ordinary shares	6,989,909
Ye Yajun	6,500,000	CNY ordinary shares	6,500,000
Kuang Fahong	6,188,040	CNY ordinary shares	6,188,040
Chen Xinghong	5,900,000	CNY ordinary shares	5,900,000
China Construction Bank Co., Ltd. - Huaxia CSI 500 Exchange-Traded Open-Ended Index Securities Investment Fund	5,409,474	CNY ordinary shares	5,409,474
Explanation of repurchase special account among the top ten shareholders	As of the end of this reporting period, the Company's dedicated repurchase securities account held 249,372,465 shares, representing 6.19% of the Company's total share capital.		
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		

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	15,086,553	0.37	4,888,700	0.3240	39,644,340	0.98	0	0

Changes in the top ten shareholders and top ten unrestricted tradable shareholders compared to the previous period due to securities lending/repayment through the securities margin and short selling business.

☒ Applicable ☐ Not applicable

Changes in the top ten shareholders and top ten unrestricted tradable shareholders compared to the previous period due to securities lending or repayment activities under the securities margin and short selling business.					
Name of Shareholder (full name)	Additions/withdrawals 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 (%)
Agricultural Bank of China Co., Ltd. - CSI 500 Exchange-Traded Open-Ended Index Securities Investment Fund	Withdrawn	0	0	39,644,340	0.98

Unit: Share

IV. Controlling Shareholders and Actual Controllers

(I) 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 company's invested assets; sales of metal materials, building materials, electrical equipment, auto parts, hardware tools, rubber products, instruments and meters, office supplies, chemical products (excluding hazardous chemicals), coke, mineral powder, limestone; sales of metallurgical materials; self-operated and agency import and export of various goods and technologies, except for goods and technologies restricted or prohibited by the state for operation or import/export. (Projects that are required to be approved by law may only be carried out after approval by relevant departments.)
Equity interests in other domestic and overseas listed companies held and participated in during the reporting period	Fangda Group's wholly-owned subsidiary, Jiangxi Fangda Steel Group Co., Ltd., and its subsidiary Jiangxi Auto Leaf Spring Co., Ltd. collectively hold 39.94% of Fangda Special Steel Technology Co., Ltd. (600507.SH); Fangda Group and its wholly-owned subsidiary Jiangxi Fangda Steel Group Co., Ltd. collectively hold 54.15% of Northeast Pharmaceutical Group Co., Ltd. (000597.SZ); Fangda Group holds 15.34% of Zhongxing-Shenyang Commercial Building (Group) Co., Ltd. (000715.SZ); through Hainan Hanwei Investment Co., Ltd. and concert parties including Fang Wei, Hainan Fangda Aviation Development Co., Ltd., Grand China Air Co., Ltd., American Aviation Ldc, Haikou Henghe Electronics Technology Co., Ltd., Hainan Shangpin Yigou E-Commerce Co., Ltd., Hainan Airlines Flying Club Co., Ltd., Shanghai Fangda Investment Management Co., Ltd., and Hainan Hangnong Investment Co., Ltd., Fangda Group holds 43.25% of Hainan Airlines Holding Co., Ltd. (600221.SH, 900945.SH). Through indirectly controlled Jiujiang Pinggang Iron & Steel Co., Ltd., the group holds 10.91% of Lingyuan Iron & Steel Co., Ltd. (600231.SH); through indirectly controlled Shanghai Fangda Investment Management Co., Ltd., it holds 7.95% of Jilin Chemical Fiber Co., Ltd. (000420.SZ); through indirectly controlled Jiangxi Pinggang Industrial Co., Ltd., it holds 9.89% of Henan Jinma Energy Co., Ltd. (06885.HK); through Fangda Carbon New Material Technology Co., Ltd. and Jiangxi Pinggang Industrial Co., Ltd., it collectively holds 6.01% of Jiujiang Bank Co., Ltd. (06190.HK); through Jiangxi Pinggang Industrial Co., Ltd., it indirectly holds 0.83% of Jiangxi Bank Co., Ltd. (01916.HK); through Shenzhen Xinghang Rongtou Equity Investment Fund Partnership (Limited Partnership), which is controlled by HNA Aviation Group Co., Ltd., it holds 2.13% of Bohai Leasing Co., Ltd. (000415.SZ); through HNA Aviation Group Co., Ltd. and Hainan Airlines Holding Co., Ltd., it collectively holds 1.95% of Caesar Travel Development Co., Ltd. (000796.SZ); through Shanxi Airlines Co., Ltd., a subsidiary of Hainan Airlines Holding Co., Ltd., it holds 0.36% of Shanghai Rural Commercial Bank Co., Ltd.

	(601825.SH); through Hainan Airlines Holding Co., Ltd., it holds 1.12% of Hainan Meilan International Airport Co., Ltd. (00357.HK); through Hainan Airlines Holding Co., Ltd. and its subsidiaries China Xinhua Airlines Group Co., Ltd. and Chang'an Airlines Co., Ltd., it collectively holds 1.99% of China Civil Aviation Information Network Co., Ltd. (00696.HK).
Description of other situations	None

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

1.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 the Board of Directors of Beijing Fangda International Industrial Investment Company Limited, Chairman of the Board of Directors 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	He is currently the de facto controller of Fangda Carbon New Material Technology Co., Ltd., Fangda Special Steel Technology Co., Ltd., Northeast Pharmaceutical Group Co., Ltd., Zhongxing-Shenyang Commercial Building (Group) Co., Ltd., and Hainan Airlines Holding Co., Ltd. He was previously the actual controller of Hangjin Technology Co., Ltd. (formerly known as Fangda Jinhua Chemical Technology Co., Ltd.).

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

☒ Applicable ☐ Not applicable

Fangwei individually owns 0.46% of Fangda Carbon, and He owns 100% shares of Beijing Fangda International Group Co., Ltd. Which 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

Unit: Ten thousand Yuan Currency: CNY

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	Inapplicable

Unit: Ten thousand Yuan Currency: CNY

Name of Share Repurchase Program	Share Repurchase Plan via Centralized Competitive Bidding
Time of disclosure of share repurchase program	September 19, 2024
Number of shares to be repurchased and percentage of total share capital (%)	78,988,941 to 157,977,883 shares; 1.96%-3.92% (calculated based on the upper limit of the repurchase price)

Amount to be repurchased	No less than 50,000 (inclusive) and no more than 100,000 (inclusive)
Period to be repurchased	Not less than CNY250 million (inclusive) and not more than CNY350 million (inclusive)
Purpose of repurchase	From September 18, 2024, to November 4, 2024
Number of shares repurchased (10,000 shares)	To maintain corporate value and protect shareholder rights
Number of shares already repurchased as a percentage of the underlying shares involved in the share incentive scheme (%) (if any)	19,632.4457
Progress of the Company's reduction of repurchased shares by means of centralized bidding transactions	Inapplicable

In view of the Company's stock price consistently exceeding the repurchase price cap of CNY 4.33 per share (inclusive) stipulated in the share repurchase plan in late September 2024, to ensure the smooth implementation of the repurchase plan, the Company convened the fifth interim meeting of the ninth Board of Directors on October 7, 2024. The meeting reviewed and approved the "Proposal on Adjusting the Repurchase Price Cap," agreeing to adjust the repurchase price cap from CNY 4.33 per share (inclusive) to CNY 6.33 per share (inclusive). Except for the aforementioned adjustment, the other contents of the share repurchase plan remain unchanged. For further details, please refer to the announcement titled "Fangda Carbon's Announcement on Adjusting the Repurchase Price Cap" published by the Company on October 8, 2024, on the Shanghai Stock Exchange website (<http://www.sse.com.cn>) and in the China Securities Journal and Shanghai Securities News.

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

Daxin Audit Report No. [2025] 9-00070

All shareholders of Fangda Carbon New Material Technology Co., Ltd.:

I. Audit Opinion

We have audited the financial statements of Fangda Carbon New Material Technology Co., Ltd. (hereinafter referred to as "your company" or "Fangda Carbon"), which include the consolidated and parent company balance sheets as of December 31, 2024, the consolidated and parent company income statements, consolidated and parent company cash flow statements, consolidated and parent company statements of changes in shareholders' equity for the year ended December 31, 2024, as well as the 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 your company as of December 31, 2024, and the consolidated and parent company results of operations and cash flows for the year ended December 31, 2024, in accordance with the requirements of the Accounting Standards for Business Enterprises.

II. Basis for Forming the Audit Opinion

We conducted our audit in accordance with the provisions of the Chinese Certified Public Accountants (CPA) Auditing Standards. The section titled "The Responsibility of the CPA for the Audit of Financial Statements" in the audit report further elaborates on our responsibilities under these standards. In compliance with the Chinese CPA Code of Professional Ethics, we are independent from your company and have fulfilled other ethical responsibilities as required.

We believe that the audit evidence we have obtained is sufficient and appropriate, providing a basis for our audit opinion.

III. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements for the current period. The responses to these matters were considered in the context of the audit of the financial statements as a whole and in forming our audit opinion. We do not provide a separate opinion on these matters.

(1) Revenue Recognition

1. Description of the Matter

As described in Appendix Accounting Policies, Operating revenue and operating cost, your company is primarily engaged in the research, production, and sales of graphite and carbon-based new materials. For the year 2024, your company's main business revenue amounted to CNY 36,426.485 million, accounting for 94.08% of total operating revenue, representing a decrease of 24.47% compared to 2023. This is a significant item in the income statement, and there may be risks of misstatement or inherent risks associated with revenue recognition. Therefore, we identified revenue recognition as a key audit matter.

2. Audit Tactics

In addressing revenue recognition, we primarily performed the following audit procedures:

(1) Evaluated the design and tested the operating effectiveness of internal controls related to sales and collection processes as established by management;

- (2) Conducted interviews with management to understand the company's business model and revenue recognition policies. We selected samples of sales contracts to review key terms and conditions and assessed the reasonableness of the revenue recognition policies;
- (3) Performed sampling tests to inspect supporting documentation related to revenue, including sales contracts, delivery orders or packing lists, shipping records, sales invoices, and customer acceptance documents;
- (4) Conducted analytical procedures to analyze the reasons for fluctuations in revenue and assess whether there were any unusual trends or anomalies;
- (5) Based on the characteristics and nature of customer transactions, selected samples to perform confirmation procedures to verify the accuracy of sales revenue amounts and accounts receivable balances;
- (6) Performed cut-off tests on revenue recognized before and after the balance sheet date to ensure that revenue was recorded in the correct accounting period.

(II) Inventory Write-Down

1. Description of the Matter

As described in Appendix, Accounting Policies and Inventories, as of December 31, 2024, your company's inventory balance was CNY 1,645,720,000, with an inventory write-down provision of CNY 100,894,600, resulting in a net book value of CNY 1,544,825,400, representing 7.58% of total assets. Given that the adequacy of inventory write-down provisions has a significant impact on the financial statements, and management is required to make critical accounting estimates and judgments when determining the net realizable value of inventory, we identified inventory write-down provisions as a key audit matter.

2. Audit Response

In addressing the inventory write-down provision, we performed the following key audit procedures:

- (1) Evaluated the design and tested the operating effectiveness of internal controls related to inventory write-downs established by management;
- (2) Obtained the detailed inventory list as of the end of the period, conducted physical inventory observations, and inspected the quality condition of the inventory;
- (3) Gathered information on product market prices, raw material supply prices, etc., to assess whether there were any indications of impairment;
- (4) Examined whether the basis and methodology for calculating inventory write-down provisions were reasonable and consistent across periods;
- (5) Obtained the inventory write-down calculation table and verified the accuracy of the calculated write-down amounts;
- (6) Checked whether information related to the net realizable value of inventory was appropriately presented and disclosed in the financial statements.

IV. Other Information

The management of your company (hereinafter referred to as "management") is responsible for other information. Other information includes the information covered in your company's 2024 annual report, but excludes the financial statements and our audit report.

Our audit opinion on the financial statements does not extend to other information, and we do not express any form of assurance conclusion on other information.

In conjunction with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or with the knowledge we have obtained during the audit process, or whether there appears to be a material misstatement.

Based on the work we have performed, if we determine that there is a material misstatement in the other information, we are required to report that fact. In this regard, we have no matters to report.

V. Responsibility of Management and Those Charged with Governance for the Financial Statements

Management is responsible for preparing the financial statements in accordance with the requirements of the Accounting Standards for Business Enterprises to achieve a fair presentation. Management is also responsible for designing, implementing, and maintaining necessary internal controls to ensure that the financial statements are free from material misstatements caused by fraud or error.

In preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing matters related to going concern (where applicable), and applying the going concern assumption, unless management intends to liquidate the company, cease operations, or has no other realistic alternative.

Those charged with governance are responsible for overseeing the company's financial reporting process.

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

Our objective is to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatements caused by fraud or error, and to issue an audit report containing our audit opinion.

Reasonable assurance is a high level of assurance, but it does not guarantee that an audit conducted in accordance with auditing standards will always detect a material misstatement if one exists. Misstatements can arise from fraud or error, and a misstatement is considered material if, individually or in aggregate, it could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

In the process of performing our audit in accordance with auditing standards, we apply professional judgment and maintain professional skepticism. Additionally, we perform the following tasks:

- (1) Identify and assess the risks of material misstatement in the financial statements due to fraud or error, design and implement audit procedures to address these risks, and obtain sufficient and appropriate audit evidence to form the basis for our audit opinion. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one due to error, as fraud may involve collusion, forgery, intentional omission, false representation, or overriding internal controls.
- (2) Understand the internal controls relevant to the audit to design appropriate audit procedures.
- (3) Evaluate the appropriateness of the accounting policies selected by management and the reasonableness of accounting estimates and related disclosures made by management.
- (4) Conclude on the appropriateness of management's use of the going concern assumption. Additionally, based on the audit evidence obtained, conclude whether there is significant uncertainty regarding matters or conditions that may raise substantial doubt about the company's ability to continue as a going concern. If we conclude that significant uncertainty exists, auditing standards require us to draw attention to the relevant disclosures in the financial statements in our audit report; if such disclosures are insufficient, we should issue a non-unmodified opinion. Our conclusion is based on the information available as of the date of the audit report. However, future events or circumstances may cause the company to be unable to continue as a going concern.
- (5) Evaluate the overall presentation, structure, and content of the financial statements, and assess whether the financial statements fairly present the related transactions and events.

We communicate with those charged with governance regarding the planned scope and timing of the audit, as well as significant audit findings, including communication of deficiencies in internal control that we identify during the audit and consider noteworthy.

We also provide a statement to those charged with governance regarding compliance with ethical requirements related to independence and communicate all relationships and other matters that could reasonably be thought to affect our independence, along with any related safeguards (if applicable).

From the matters communicated with those charged with governance, we determine which matters are most significant to the audit of the current period's financial statements and, therefore, constitute key audit matters. We

describe these matters in the audit report unless laws or regulations prohibit public disclosure of such matters, or in very rare cases, if we determine that the negative consequences of communicating a matter in the audit report would outweigh the benefits to the public interest, in which case we determine that the matter should not be communicated in the audit report.

Daxin Accounting firm (special general partnership)

Certified Public Accountant of China: Gong Yan

Beijing, China

Certified Public Accountant of China: Zhang Hongxing

April 24, 2025

II. Financial statements

Consolidated Balance Sheet

As at 31 December 2024

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

Unit: Yuan Currency: CNY

Items	Annotation	31 December 2024	31 December 2023
Current Assets:			
Cash and Cash equivalents		5,455,024,332.33	6,191,289,792.28
Settlements Provision			
Loans to banks and other financial institutions			
Financial assets held for trading		1,014,860,385.06	586,500,429.15
Derivative financial assets			
Notes receivable		531,308,592.00	1,010,610,568.62
Accounts receivable		420,588,447.82	554,633,294.53
Financing receivables		126,856,196.64	208,553,904.66
Prepayments		79,772,526.80	86,188,667.68
Insurance premium receivable			
Due from reinsurers			
Reserve for reinsurance contracts receivable			
Other receivables		102,055,634.62	126,018,356.65
Including: Interest receivable			
Dividends receivable			
Buying back the sale of financial assets			
Inventories		1,544,825,414.07	1,867,205,104.86
Including: Data Resources			
Contract assets		33,891,482.04	29,940,384.33
Assets classified as held for sale			

Current portion of non-current assets			
Other current assets		26,924,359.30	10,884,767.33
Total current assets		9,336,107,370.68	10,671,825,270.09
Non-current assets:			
Loans and advances			
Debt investment			
Other debt investments			
Long-term receivables			
Long-term equity investments		6,832,955,594.88	6,775,094,315.15
Other equity instruments investments			
Other non-current financial assets		505,726,485.92	501,990,183.96
Investment properties			
Fixed assets		2,676,399,735.93	2,666,109,049.83
Construction in progress		460,780,242.81	468,360,001.51
Productive biological assets			
Oil and gas assets			
Right-of-use asset			8,759,664.03
Intangible assets		415,567,442.93	443,093,608.15
Including: Data Resources			
Development expenditures			
Goodwill			
Long-term prepaid expense		99,999.22	413,791.94
Deferred tax assets		89,836,161.95	91,497,402.83
Other non-current assets		54,492,163.46	80,458,901.07
Total non-current assets		11,035,857,827.10	11,035,776,918.47
Total assets		20,371,965,197.78	21,707,602,188.56
Current liabilities:			
Short-term borrowings		540,804,238.65	431,485,273.89

Borrowing from the central bank			
Deposits and balances from banks and other financial institutions			
Financial liabilities held for trading			
Derivative financial liabilities			
Notes payable		101,605,855.43	400,770,815.15
Accounts payable		437,370,504.40	465,314,302.24
Receipts in advance			
Contract Liabilities		267,581,615.70	272,526,035.77
Financial assets sold for repurchase			
Deposits from customers and interbank			
Customer brokerage deposits			
Securities underwriting brokerage deposits			
Payroll and employee benefits payable		74,815,962.89	77,481,657.06
Taxes payable		27,625,873.84	48,001,121.08
Other payables		177,246,052.95	182,295,376.45
Including: Interest payable			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		630,173,224.58	4,059,272.50
Other current liabilities		220,056,487.75	298,504,510.84
Total current liabilities		2,477,279,816.19	2,180,438,364.98
Non-current liabilities:			
Insurance reserves			
Long-term borrowings			638,279,169.17
Bonds payable			

Including: Preference share			
Perpetual debt			
Lease liabilities			5,573,625.59
Long-term Payable			742,900.54
Long-term payroll and employee benefits payable			
Provisions			
Deferred income		272,286,532.01	297,351,336.91
Deferred tax liabilities		52,503,739.76	63,885,038.25
Other non-current liabilities		75,836,083.26	78,992,065.50
Total non-current liabilities		400,626,355.03	1,084,824,135.96
Total liabilities		2,877,906,171.22	3,265,262,500.94
Shareholders' equity:			
Paid-up capital		4,025,970,368.00	4,025,970,368.00
Other equity instruments			
Including: Preference share			
Perpetual debt			
Capital reserve		1,980,387,751.44	1,979,914,143.59
Less: treasury shares		1,300,035,900.58	279,998,779.45
Other comprehensive income		97,953,623.54	33,658,277.07
Special reserve		21,195,543.16	28,465,014.70
Surplus reserve		1,432,205,992.27	1,423,851,110.49
General reserve			
Retained earnings		9,912,400,555.82	9,861,867,181.77
Total Equity Attributable To Owners Of Parent		16,170,077,933.65	17,073,727,316.17
Minorities interests		1,323,981,092.91	1,368,612,371.45
Total shareholders' equity		17,494,059,026.56	18,442,339,687.62
Total liabilities and Shareholders' equity		20,371,965,197.78	21,707,602,188.56

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 2024

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

Unit: Yuan Currency: CNY

Items	Annotation	31 December 2024	31 December 2023
Current Assets:			
Cash and Cash equivalents		4,306,615,336.97	4,087,245,863.45
Financial assets held for trading		417,134,424.01	276,013,401.88
Derivative financial assets			
Notes receivable		231,218,003.85	366,393,065.70
Accounts receivable		263,957,268.35	362,222,690.03
Financing receivables		35,559,562.35	90,199,220.92
Prepayments		34,663,447.94	59,019,576.89
Other receivables		982,848,208.71	883,549,287.67
Including: Interest receivable			
Dividends receivable			
Inventories		677,606,180.41	804,820,088.36
Including: Data resources			
Contract assets		34,219,306.24	29,654,956.33
Assets classified as held for sale			
Current portion of non-current assets			
Other current assets		16,600,810.71	3,452,173.54
Total current assets		7,000,422,549.54	6,962,570,324.77
Non-current assets:			
Debt investment			
Other debt investments			
Long-term receivables			
Long-term equity investments		7,948,610,738.20	7,892,239,322.62
Other equity instruments investments			

Other non-current financial assets		505,726,485.92	501,990,183.96
Investment properties			
Fixed assets		789,239,324.99	821,369,301.63
Construction in progress		31,160,283.31	4,995,526.05
Productive biological assets			
Oil and gas assets			
Right-of-use asset			
Intangible assets		94,044,695.30	98,811,979.08
Including: Data resources			
Development expenditures			
Goodwill			
Long-term prepaid expense			
Deferred tax assets		35,228,034.20	47,225,324.01
Other non-current assets		14,997,500.00	20,877,040.00
Total non-current assets		9,419,007,061.92	9,387,508,677.35
Total assets		16,419,429,611.46	16,350,079,002.12
Current liabilities:			
Short-term borrowings		282,795,928.74	204,568,123.91
Financial liabilities held for trading			
Derivative financial liabilities			
Notes payable		36,697,509.80	286,634,037.00
Accounts payable		242,472,442.56	201,592,924.06
Receipts in advance			
Contract Liabilities		103,878,555.37	104,865,112.27
Payroll payable		42,913,760.22	20,355,969.97
Taxes payable		798,874.20	645,931.76
Other payable		2,093,836,387.63	900,233,654.30
Including: Interest payable			
Dividend payable			

Liabilities classified as held for sale			
Current portion of non-current liabilities		630,173,224.58	
Other current liabilities		107,936,740.93	108,148,157.03
Total current liabilities		3,541,503,424.03	1,827,043,910.30
Non-current liabilities:			
Long-term borrowings			638,279,169.17
Bonds payable			
Including: Preference share			
Perpetual debt			
Lease liabilities			
Long-term Payable			742,900.54
Long-term payroll payable			
Provisions			
Deferred income		6,523,308.32	6,942,624.34
Deferred tax liabilities			
Other non-current liabilities			
Total non-current liabilities		6,523,308.32	645,964,694.05
Total liabilities		3,548,026,732.35	2,473,008,604.35
Shareholders' equity:			
Paid-up capital		4,025,970,368.00	4,025,970,368.00
Other equity instruments			
Including: Preference share			
Perpetual debt			
Capital reserve		2,317,950,777.64	2,317,477,169.79
Less: treasury shares		1,300,035,900.58	279,998,779.45
Other comprehensive income		97,989,487.35	33,693,797.96
Special reserve		8,463,335.11	15,278,331.68
Surplus reserve		1,401,416,840.90	1,393,061,959.12
Retained earnings		6,319,647,970.69	6,371,587,550.67

Total shareholders' equity		12,871,402,879.11	13,877,070,397.77
Total liabilities and Shareholders' equity		16,419,429,611.46	16,350,079,002.12

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 2024

Unit: Yuan Currency: CNY

Items	Notes	Twelve Month ended 31 December 2024	Twelve Month ended 31 December 2023
I. Total revenue		3,872,039,880.46	5,131,908,843.35
Including: Operating revenue		3,872,039,880.46	5,131,908,843.35
Interest income			
Net earned premiums			
Net fee and commission revenue			
II. Total operating cost		3,748,437,365.14	4,671,981,067.61
Including: COGS		3,330,228,783.17	4,155,103,191.13
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		63,636,552.91	61,169,183.06
Selling expenses		72,828,724.68	119,762,649.55
General and Administrative expenses		374,701,091.53	381,772,844.62
R&D expenses		57,392,504.47	90,485,410.77
Financial expenses		-150,350,291.62	-136,312,211.52
Including: Interest expense		32,366,541.28	33,639,324.56
Interest income		173,364,606.18	169,003,041.83

Plus: Other profit		52,488,037.23	53,852,499.80
Investment profit/ (loss)		-28,293,624.90	152,104,716.92
Including: gains from investment of associates and joint ventures		1,256,182.49	40,801,157.02
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		143,835,299.78	-66,268,747.02
Credit impairment losses		11,696,422.23	-16,119,459.72
Assets impairment losses		-103,360,166.53	-65,706,002.61
Gain/ (loss) from disposal of assets		-11,852,116.44	967,941.88
III. Operating profit		188,116,366.69	518,758,724.99
Plus: Non-operating income		8,296,944.47	36,593,585.79
Less: Non-operating expenses		5,352,194.09	43,257,826.13
IV. EBT		191,061,117.07	512,094,484.65
Less: Income tax expenses		49,670,623.83	90,793,970.64
V. Net income		141,390,493.24	421,300,514.01
(I) Categorized by operation continuity			
i. Net profit from continuing operations		141,390,493.24	421,300,514.01
ii. Net profit from discontinuing operations			
(II) Categorized by ownership			
i. Net profit attributable to owners of the parent company		186,021,771.78	416,237,631.36
ii. Net profit attributable to Minorities interests		-44,631,278.54	5,062,882.65
VI. Other comprehensive income (net of tax)		64,295,346.47	25,726,293.99
(I) Other comprehensive income, net of tax, attributable to owners of the parent		64,295,346.47	25,726,293.99
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		64,295,346.47	25,726,293.99
(i) Other comprehensive income that can be reclassified to profit or loss in equity method		64,295,689.39	25,728,963.99
(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		-342.92	-2,670.00
(vii) Others			
(II) Other comprehensive income, net of tax, attributable to non-controlling interests			
VII. Total comprehensive income		205,685,839.71	447,026,808.00
(I) Total comprehensive income attributable to owners of the parent		250,317,118.25	441,963,925.35
(II) Total comprehensive income attributable to non-controlling interests		-44,631,278.54	5,062,882.65
VIII. EPS			
(I) Basic earnings per share (yuan / share)		0.05	0.11
(II) Diluted earnings per share (yuan / share)		0.05	0.11

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 2024

Unit: Yuan Currency: CNY

Items	Annotation	Twelve Month ended 31 December 2024	Twelve Month ended 31 December 2023
I. Total revenue		2,002,087,888.15	2,644,423,400.53
Less: Total cost of sales		1,816,099,896.56	2,301,184,822.51
Taxes and surcharges		20,809,258.40	23,773,857.20
Selling expenses		44,196,876.08	72,102,035.47
Administrative expenses		154,110,526.62	142,501,873.79
Research and development expenses		30,377,305.36	47,624,546.17
Finance expenses		-107,571,136.32	-94,887,074.45
Including: Interest expenses		28,381,310.05	27,704,863.89
Interest income		128,571,682.61	120,804,217.86
Plus: Other income		21,630,853.43	18,246,277.17
Investment income/(loss)		-22,876,695.97	27,329,775.04
Including: Share of profits or loss of associates and joint ventures		-233,681.66	40,450,196.42
Gain from derecognition of financial assets measured at amortized cost			
Net exposure hedging gains/ (losses)			
Gain/ (loss) on the changes in fair value		54,212,953.56	-14,317,087.91
Credit impairment losses		14,923,554.46	-12,611,342.92
Assets impairment losses		-8,468,851.96	-10,095,995.98
Gain/ (loss) from disposal of assets			
II. Operating profit/Loss		103,486,974.97	160,674,965.24
Plus: Non-operating income		2,796,756.77	2,024,663.89
Less: Non-operating expenses		4,043,821.10	41,438,482.23
III. EBT		102,239,910.64	121,261,146.90
Less: Income tax expense		18,691,092.89	14,865,534.90
IV. Net profit /(loss)		83,548,817.75	106,395,612.00
(I) Net profit from continuing operations		83,548,817.75	106,395,612.00
(II) Net profit from discontinuing operations			
V. Other comprehensive income, net of tax		64,295,689.39	25,728,963.99

(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		64,295,689.39	25,728,963.99
i. Other comprehensive income that can be reclassified to profit or loss in equity method		64,295,689.39	25,728,963.99
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		147,844,507.14	132,124,575.99
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 2024

Unit: Yuan Currency: CNY

Items	Annotation	Twelve Month ended 31 December 2024	Twelve Month ended 31 December 2023
I. Cash flows from operating activities:			
Cash receipts from the sale of goods and the rendering of services		4,573,040,839.57	5,213,179,028.34
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		2,996,408.95	21,551,813.79
Cash received relating to other operating activities		409,139,065.46	383,466,840.90
Sub-total of cash inflows		4,985,176,313.98	5,618,197,683.03
Cash paid for purchase of goods and services		3,000,544,812.45	3,155,823,786.89
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		694,743,261.98	761,594,780.58
Cash paid for taxes		340,544,483.95	403,606,886.91
Cash paid relating to other operating activities		310,062,389.60	441,167,470.21
Sub-total of cash outflows		4,345,894,947.98	4,762,192,924.59
Net cash flows from operating activities		639,281,366.00	856,004,758.44
II. Cash flows generated by investment activities:			
Cash received from disposal of investments		4,934,733,265.04	1,787,392,610.83
Cash received from investment income		32,627,812.74	89,510,889.85
Net proceeds from disposal of property, plant and equipment, intangible assets and other long-term assets		540,674.67	37,050,262.32
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		4,967,901,752.45	2,022,194,695.88
Purchase of property, plant and equipment, intangible assets and other non-current assets		120,101,309.79	166,765,280.12
Cash paid for investments		5,309,154,627.87	1,046,540,813.52
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		5,429,255,937.66	1,213,306,093.64
Net cash flows from investing activities		-461,354,185.21	808,888,602.24
III. Cash flows from financing activities			
Cash received from investment			1,463,813,296.16
Including: Cash receipts from capital contributions from non-controlling interests of subsidiaries			160,229,826.00
Proceeds from borrowings		1,089,873,286.58	1,041,887,931.97
Cash receipts relating to other financing activities			
Subtotal of cash inflows		1,089,873,286.58	2,505,701,228.13
Repayments for debts		812,708,205.69	669,821,224.11

Cash payments for distribution of dividends or profit and interest expenses		161,187,737.84	29,810,798.63
Including: Dividends or profit paid to non-controlling shareholders of subsidiaries			
Cash payments relating to other financing activities		1,023,532,469.85	294,919,508.60
Subtotal of cash outflows		1,997,428,413.38	994,551,531.34
Net cash flows from financing activities		-907,555,126.80	1,511,149,696.79
IV. Impact of exchange rate changes on cash and cash equivalents		6,852,897.28	1,210,552.03
V. Net increase in cash and cash equivalents		-722,775,048.73	3,177,253,609.50
Plus: Cash and cash equivalents at beginning of year		6,117,187,006.86	2,939,933,397.36
VI. cash and cash equivalents at ending of period		5,394,411,958.13	6,117,187,006.86

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 2024

Unit: Yuan Currency: CNY

Items	Annotation	Twelve Month ended 31 December 2024	Twelve Month ended 31 December 2023
I. Cash flows from operating activities:			
Cash receipts from the sale of goods and the rendering of services		2,341,853,269.63	2,689,960,378.39
Tax refunds received		2,657,308.10	633,951.86
Cash received relating to other operating activities		2,211,130,268.08	1,667,678,940.52
Sub-total of cash inflows		4,555,640,845.81	4,358,273,270.77
Cash paid for purchase of goods and services		1,647,578,231.75	1,700,746,941.83
Cash paid to and on behalf of employee		323,818,240.78	394,488,203.49
Cash paid for taxes		105,261,857.91	154,043,872.87
Cash paid relating to other operating activities		1,067,580,674.53	1,305,786,965.24
Sub-total of cash outflows		3,144,239,004.97	3,555,065,983.43
Net cash flows from operating activities		1,411,401,840.84	803,207,287.34
II. Cash flows generated by investment activities:			
Cash received from disposal of investments		21,404,206.71	23,140,456.84
Cash received from investment income		21,216,797.49	232,430,057.71
Net proceeds from disposal of property, plant and equipment, intangible assets and other long-term assets		404,895.03	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		43,025,899.23	492,988,152.30
Purchase of property, plant and equipment, intangible assets and other non-current assets		8,874,453.49	7,268,802.12
Cash paid for investments		180,000,000.00	200,000,000.00
Cash Paid for disposal of subsidiaries and other business units			
Cash paid relating to other investing activities			
Sub-total of cash outflows		188,874,453.49	207,268,802.12

Net cash flows from investing activities		-145,848,554.26	285,719,350.18
III. Cash flows from financing activities			
Cash received from investment			1,303,583,470.16
Proceeds from borrowings		590,429,484.44	690,657,888.44
Cash receipts relating to other financing activities			
Subtotal of cash inflows		590,429,484.44	1,994,241,358.60
Repayments for debts		458,100,000.00	558,200,000.00
Cash payments for distribution of dividends or profit and interest expenses		155,380,033.76	25,135,447.98
Cash payments relating to other financing activities		1,020,037,121.13	290,478,299.66
Subtotal of cash outflows		1,633,517,154.89	873,813,747.64
Net cash flows from financing activities		-1,043,087,670.45	1,120,427,610.96
IV. Effect of exchange rate changes on cash and cash equivalents		6,296,013.80	858,478.30
V. Net increase in cash and cash equivalents		228,761,629.93	2,210,212,726.78
Plus: Cash and cash equivalents at beginning of year		4,069,977,969.72	1,859,765,242.94
VI. Cash and cash equivalents at end of year		4,298,739,599.65	4,069,977,969.72

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 2024

Unit: yuan Currency: CNY

2024															
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	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
Plus: Changes in accounting policies															
Corrections of prior period errors															
Others															
II. Balance in the beginning of the year	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
III. Increase/(decrease) during the period					473,607.85	1,020,037,121.13	64,295,346.47	-7,269,471.54	8,354,881.78		50,533,374.05		-903,649,382.52	-44,631,278.54	-948,280,661.07

(I) Total comprehensive income						64,295,346.4				186,021,7		250,317,	-44,631,27	205,685,839.7
						7				71.78		118.25	8.54	1
(II) Capital contribution and capital reduction					1,020,037							-1,020,0		-1,020,037,121
					,121.13							37,121.1		.13
												3		
(i) Common shares invested by owners					1,020,037							-1,020,0		-1,020,037,121
					,121.13							37,121.1		.13
												3		
(ii) Invested capital by holders of other equity instruments														
(iii) Value of share-based payments recognized in equity														
(iv) Others														
(III). Profit allocation								8,354,8		-135,488,		-127,133		-127,133,515.9
								81.78		397.73		,515.95		5
(i) Earned surplus withdrawn								8,354,8		-8,354,88				
								81.78		1.78				
(ii) General risk reserve withdrawn										-127,133,		-127,133		-127,133,515.9
										515.95		,515.95		5
(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								-7,269,471.54					-7,269,471.54		-7,269,471.54
(i) Appropriation for the period															
(ii) Used in the period								7,269,471.54					7,269,471.54		7,269,471.54
(VI) Others					473,607.85								473,607.85		473,607.85

IV. Balance at the end of the period	4,025,9 70,368. 00				1,980,3 87,751. 44	1,300,035 ,900.58	97,953,623.5 4	21,195, 543.16	1,432,2 05,992. 27		9,912,400 ,555.82		16,170,0 77,933.6 5	1,323,981, 092.91	17,494,059,02 6.56
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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				1,097,4 69,972. 01	279,998,7 79.45							1,037,47 1,192.56	262,323,11 8.82	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		-10,639,5 61.20				
(i) Earned surplus withdrawn									10,639, 561.20		-10,639,5 61.20				
(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
(ii) 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

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 2024

Unit: Yuan Currency: CNY

Item	2024										
	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	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
Plus: Changes in accounting policies											
Corrections of prior period errors											
Others											
II. Balance in the beginning of the year	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
III. Increase/(decrease) during the period					473,607.85	1,020,037,121.13	64,295,689.39	-6,814,996.57	8,354,881.78	-51,939,579.98	-1,005,667,518.66
(I) Total comprehensive income							64,295,689.39			83,548,817.75	147,844,507.14
(II) Capital contribution and capital reduction						1,020,037,121.13					-1,020,037,121.13

(i) Common shares invested by owners						1,020,037						-1,020,037,121.1
						,121.13						3
(ii) Invested capital by holders of other equity instruments												
(iii) Value of share-based payments recognized in equity												
(iv) Others												
(III). Profit allocation									8,354,881.78	-135,488,397.73		-127,133,515.95
(i) General risk reserve withdrawn									8,354,881.78	-8,354,881.78		
(ii) Distribution to shareholders										-127,133,515.95		-127,133,515.95
(iii) 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								-6,814,996.57			-6,814,996.57
(i) Appropriation for the period											
(ii) Used in the period								6,814,996.57			6,814,996.57
(VI) Others					473,607.85						473,607.85
IV. Balance at the end of the period	4,025,970,368.00				2,317,950,777.64	1,300,035,900.58	97,989,487.35	8,463,335.11	1,401,416,840.90	6,319,647,970.69	12,871,402,879.11

Item	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	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

year	0,368.00										
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) General risk reserve withdrawn									10,639,561.20	-10,639,561.20	
(ii) Distribution to shareholders											
(iii) 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

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

I. Company profile

(I) Enterprise's registered address and headquarters location

Fangda Carbon New Material Co., Ltd. (English full name: Fangda Carbon New Material Co., Ltd., formerly Lanzhou Hailong New Material Technology Co., Ltd.) was approved by the Gansu Provincial Government's official letter [1998] No. 87 on December 16, 1998, and the Gansu Provincial Economic System Reform Commission's document [1998] No. 76 on December 24, 1998. The company was jointly established as a joint-stock company with Lanzhou Carbon Group Co., Ltd. as the main sponsor, along with Yaojie Mining Bureau, Taixi Group Co., Ltd. (formerly Shitancun Mining Bureau after overall restructuring), Gansu Qilian Mountain Cement Co., Ltd., and Lanzhou Kejin Technology Company. On August 20, 2002, the company issued 80 million ordinary shares (A-shares) online to secondary market investors through pricing allocation via the Shanghai Stock Exchange and Shenzhen Stock Exchange systems. It was listed and began trading on the Shanghai Stock Exchange on August 30, 2002, under the stock abbreviation "Hailong Technology" (now changed to Fangda Carbon), with the stock trading code 600516. On October 28, 2022, the company was approved by the China Securities Regulatory Commission to issue 22,000,000 Global Depositary Receipts (GDRs), representing 220,000,000 A-shares based on the company's conversion ratio, and was listed on the SIX Swiss Exchange on March 15, 2023. The company's unified social credit code is 91620000710375560A; legal representative: Ma Zhuo; registered address: No. 11, Tansu Road, Haishiwan Town, Honggu District, Lanzhou City, Gansu Province.

Scope of business: Licensed projects: Production of Class II medical devices, catering services, and production of medical masks (projects requiring approval must be approved by relevant departments before operations can commence, and specific business activities are subject to approvals or licenses from relevant authorities). General projects: Research and development of new materials; promotion of new material technologies; manufacturing of graphite and carbon products; sales of graphite and carbon products; sales of graphene materials; manufacturing of sealing components; production of refractory materials; sales of refractory materials; production of coal-based activated carbon and other coal processing; research and development of carbon fiber recycling technology; research and development of new energy technologies; manufacturing of high-performance fibers and composite materials; sales of high-performance fibers and composite materials; sales of coal and related products; import and export of goods; import and export of technology; import and export agency services; sales of Class II medical devices; wholesale and retail of medical masks; land use rights leasing; housing leasing; non-residential real estate leasing; machinery and equipment leasing; manufacturing of non-metallic mineral products; sales of non-metallic minerals and related products; sales of metal materials; sales of chemical products (excluding licensed chemical products); sales of building materials; hotel management; catering management; sales of hygiene products and disposable medical supplies; production and sales of daily-use masks (non-medical); labor services (excluding labor dispatch services); sales of non-ferrous metal alloys (except for projects requiring approval, all business activities are independently conducted in accordance with the law based on the business license).

The financial report of this company has been reviewed and approved by the board of directors for issuance on April 24, 2025.

IV. PREPARATION BASIS OF FINANCIAL STATEMENTIS

1.Basis of Preparation

The financial statements of the Company are prepared on a going concern basis and in accordance with the transactions and events that have actually occurred. They are compiled in line with the "Basic Standards of Enterprise Accounting Principles" and specific accounting standards issued by the Ministry of Finance (hereinafter referred to as the Enterprise Accounting Standards), as well as the significant accounting policies and estimates formulated by the Company.

2.Continuous operation

There are no events or circumstances within 12 months from the end of the reporting period that raise significant doubts about the Company's ability to continue as a going concern.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

1.Statement of compliance with accounting standards for business enterprises

The financial statements prepared by the Company comply with the requirements of the "Enterprise Accounting Standards," and truthfully and completely reflect the financial position as of December 31, 2024, as well as the operating results and cash flows for the year 2024, along with other relevant information.

2. Accounting period

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

3. Operating cycle

The Company considers a normal operating cycle to be 12 months in a year and uses this cycle as the basis for classifying assets and liabilities by liquidity.

4. Account currency

The Company's account currency is Renminbi.

5.Methodology for determining materiality criteria and basis for selection

☒Applicable ☐Not applicable

The Company determines the significance of detailed items in the notes to financial statement items based on a specific proportion of the item or a combination of amount and qualitative considerations, while also taking into account the nature of the specific item. Certain items may not be significant to the financial statements themselves but could be significant to the notes and therefore still require separate disclosure in the notes. The relevance and materiality thresholds for disclosures in the notes to financial statement items are as follows:

Items	Materiality criteria
Significant individually bad debt provisioned receivables	Individual amounts exceeding CNY 10 million
Receivables for which the amount of provision for bad debts	Individual amounts exceedingCNY 10 million, or impacting changes in the

recovered or reversed during the period is significant	current period's profit or loss
Significant write-offs of receivables and other receivables during the period	Individual amounts exceeding CNY 10 million
Significant construction in progress	Current period transactions accounting for more than 10% of the total construction-in-progress amount for the period (or ending balances exceeding 10%), and amounts exceeding
Significant accounts payable and contractual liabilities aged over 1 year	Amounts exceeding CNY 1 million
Significant non-wholly owned subsidiaries	Net assets of 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. Business Combinations under Common Control

For business combinations under common control, the combining party uses cash payments, transfers of non-cash assets, or assumption of debt as consideration for the combination. On the combination date, the initial investment cost of the long-term equity investment is determined based on the share of the book value of the combined entity's equity in the consolidated financial statements of the ultimate controlling party. If the combining party issues equity instruments as consideration for the combination, the total par value of the issued shares is recorded as share capital. The difference between the initial investment cost of the long-term equity investment and the book value of the consideration (or the total par value of the issued shares) is adjusted against additional paid-in capital. If the additional paid-in capital is insufficient to absorb the adjustment, retained earnings are adjusted.

2. Business Combinations Not under Common Control

For business combinations not under common control, the combination cost is the sum of the fair values of the assets given up, liabilities incurred or assumed, and equity securities issued by the acquirer on the acquisition date to obtain control over the acquiree. In a business combination not under common control, identifiable assets, liabilities, and contingent liabilities of the acquiree that meet recognition criteria are measured at fair value on the acquisition date. If the combination cost exceeds the acquirer's share of the fair value of the acquiree's identifiable net assets acquired in the combination, the excess is recognized as goodwill. If the combination cost is less than the acquirer's share of the fair value of the acquiree's identifiable net assets, the difference is reviewed. If, after review, the combination cost is still less than the fair value of the identifiable net assets, the difference is recognized in profit or loss as non-operating income for the current period.

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

☒Applicable ☐Not applicable

1. Criteria for Determining Control

The consolidation scope of the consolidated financial statements is determined based on control. An investee is deemed to be under control if it meets the following three elements: (i) having power over the investee, (ii) being entitled to variable returns through involvement in the investee's relevant activities, and (iii) having the ability to use power over the investee to affect the amount of return.

2. Method for Preparing Consolidated Financial Statements

(1) Alignment of Accounting Policies and Reporting Periods

If the accounting policies or reporting periods of subsidiaries differ from those of the parent company, adjustments are made to the subsidiaries' financial statements during the preparation of the consolidated financial statements to

align with the parent company's accounting policies or reporting periods.

(2) Elimination of Intercompany Transactions

The consolidated financial statements are prepared based on the financial statements of the parent company and its subsidiaries, with intercompany transactions between the parent and subsidiaries, as well as among subsidiaries, eliminated. The portion of a subsidiary's equity not attributable to the parent company is recognized as non-controlling interest and presented under the "Non-Controlling Interest" line item in the shareholders' equity section of the consolidated balance sheet. If a subsidiary holds long-term equity investments in the parent company, such investments are treated as treasury shares of the parent company, deducted from shareholders' equity, and presented under the "Less: Treasury Shares" line item in the shareholders' equity section of the consolidated balance sheet.

(3) Accounting Treatment for Acquiring Subsidiaries

For subsidiaries acquired through business combinations under common control, the combination is treated as if it occurred when the ultimate controlling party first implemented control. The assets, liabilities, operating results, and cash flows of the subsidiary are included in the consolidated financial statements from the beginning of the reporting period. For subsidiaries acquired through business combinations not under common control, the subsidiary's individual financial statements are adjusted based on the fair value of identifiable net assets as of the acquisition date when preparing the consolidated financial statements.

(4) Accounting Treatment for Disposing of Subsidiaries

In cases where part of a long-term equity investment in a subsidiary is disposed of without losing control, the difference between the disposal proceeds and the share of the subsidiary's net assets (calculated continuously from the acquisition date or combination date) corresponding to the disposed portion is adjusted against additional paid-in capital in the consolidated financial statements. If additional paid-in capital is insufficient, retained earnings are adjusted. If control over the investee is lost due to the disposal of part of the equity investment, the remaining equity is remeasured at its fair value as of the date control is lost when preparing the consolidated financial statements. The sum of the consideration received from the disposal of equity and the fair value of the remaining equity, less the difference between the share of the original subsidiary's net assets (calculated continuously from the acquisition date or combination date) based on the original ownership percentage, is recognized as investment income in the period when control is lost. Goodwill is also reduced accordingly. Other comprehensive income related to the original subsidiary's equity investment is reclassified to investment income in the period when control is lost.

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

☒Applicable ☐Not applicable

1. Classification of Joint Arrangements

Joint arrangements are classified into joint operations and joint ventures. A joint arrangement that is not conducted through a separate entity is categorized as a joint operation. A separate entity refers to an entity with a distinct and identifiable financial structure, including a separate legal entity or an entity that lacks legal personality but is recognized by law. A joint arrangement conducted through a separate entity is typically classified as a joint venture. Changes in relevant facts and circumstances that affect the rights and obligations of the parties involved in the joint arrangement will lead to a reassessment of the classification of the joint arrangement.

2. Accounting Treatment for Joint Operations

As a participant in a joint operation, the Company recognizes the following items related to its interest share in the joint operation and accounts for them in accordance with the relevant enterprise accounting standards: recognizing assets and liabilities held solely by the Company, as well as recognizing assets and liabilities held jointly on a pro-rata basis; recognizing revenue generated from the sale of its share of the output from the joint operation;

recognizing revenue on a pro-rata basis from the sale of output by the joint operation; recognizing expenses incurred solely by the Company, as well as recognizing expenses incurred by the joint operation on a pro-rata basis. If the Company participates in a joint operation but does not have joint control over it, and if it holds assets and assumes liabilities related to the joint operation, it accounts for such participation in accordance with the provisions applicable to participants in joint operations. Otherwise, it accounts for such participation in accordance with the relevant enterprise accounting standards.

3. Accounting Treatment for Joint Ventures

As a joint venture participant, the Company accounts for its investment in the joint venture in accordance with the provisions of Accounting Standard for Business Enterprises No. 2 – Long-Term Equity Investments. If the Company is not a participant in the joint venture, it accounts for its involvement based on the degree of influence it has over the joint venture in accordance with the relevant enterprise accounting standards.

9. Criteria for determining cash and cash equivalents

When preparing the cash flow statement, the Company defines cash as cash on hand and deposits that are readily available for payment. Cash equivalents, as determined in the preparation of the cash flow statement, refer to short-term, highly liquid investments that are easily convertible into known amounts of cash and carry minimal risk of value fluctuations.

10. Foreign currency business and exchange of foreign currency statements

☒Applicable ☐Not applicable

1. Translation of Foreign Currency Transactions

For foreign currency transactions that occur, the Company converts them into the functional currency using the spot exchange rate on the transaction date. On the balance sheet date, monetary items denominated in foreign currencies are translated using the spot exchange rate on that date. Exchange differences arising from the difference between the spot exchange rate on the balance sheet date and the rate at initial recognition or the rate on the previous balance sheet date are recognized in profit or loss for the period, except for exchange differences related to qualifying foreign currency specific borrowings, which are capitalized during the capitalization period as part of the cost of the related asset. Non-monetary items measured at historical cost in foreign currencies continue to be translated using the spot exchange rate on the transaction date, without changing their functional currency amounts. Non-monetary items measured at fair value in foreign currencies are translated using the spot exchange rate on the date when the fair value is determined. The difference between the translated functional currency amount and the original functional currency amount is treated as a change in fair value (including exchange rate fluctuations) and recognized in profit or loss or other comprehensive income.

2. Translation of Foreign Currency Financial Statements

For subsidiaries, joint ventures, associates, and other entities of the Company that use a different functional currency, their foreign currency financial statements are translated before accounting treatment and consolidation. Assets and liabilities in the balance sheet are translated using the spot exchange rate on the balance sheet date. Equity items, except for the "undistributed profits" item, are translated using the spot exchange rate at the time of occurrence. Income and expense items in the income statement are translated using the spot exchange rate on the transaction date or an approximate exchange rate near the transaction date. Translation differences arising from the conversion of foreign currency financial statements are presented under other comprehensive income in the equity section of the balance sheet. Cash flows in foreign currencies are translated using the spot exchange rate on the date of the cash flow. The effect of exchange rate changes on cash is disclosed separately in the cash flow statement. Upon disposal of a foreign operation, the cumulative translation differences related to that foreign

operation are transferred in full or proportionally (based on the extent of the disposal) to profit or loss for the period.

11. Financial instruments

☒Applicable ☐Not applicable

1. Recognition and Derecognition of Financial Instruments

The Company recognizes a financial asset or financial liability when it becomes a party to the contractual provisions of a financial instrument.

Financial assets bought or sold in the normal course of business are recognized and derecognized on the transaction date. The normal course of business refers to the collection or delivery of financial assets within the period stipulated by regulations or customary practices, as specified in the contract terms. The transaction date is the date on which the Company commits to buy or sell a financial asset.

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

- (1) The right to receive cash flows from the financial asset has expired;
- (2) The right to receive cash flows from the financial asset has been transferred, or under a "pass-through arrangement," the Company has assumed an obligation to pay the collected cash flows in full to a third party in a timely manner; and substantially all risks and rewards of ownership of the financial asset have been transferred, or neither substantially all risks nor rewards have been retained, but control over the financial asset has been relinquished.

2. Classification and Measurement of Financial Assets

At initial recognition, the Company classifies its financial assets based on the business model for managing financial assets and the contractual cash flow characteristics of the financial assets. They are classified into: financial assets measured at amortized cost, financial assets measured at fair value through other comprehensive income, and financial assets measured at fair value through profit or loss. Subsequent measurement of financial assets depends on their classification.

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

(1) Financial Assets Measured at Amortized Cost

A financial asset is classified as measured at amortized cost if it meets both of the following conditions: the business model for managing the financial asset targets the collection of contractual cash flows; and the contractual terms of the financial asset specify that cash flows on specific dates are solely payments of principal and interest based on the outstanding principal amount. For such financial assets, the effective interest rate method is applied, and subsequent measurement is performed at amortized cost. Any gains or losses arising from amortization or impairment are recognized in profit or loss.

(2) Debt Instrument Investments Measured at Fair Value Through Other Comprehensive Income

A financial asset is classified as measured at fair value through other comprehensive income if it meets both of the following conditions: the business model for managing the financial asset targets both the collection of contractual cash flows and the sale of the financial asset; and the contractual terms of the financial asset specify that cash flows on specific dates are solely payments of principal and interest based on the outstanding principal amount. For such financial assets, subsequent measurement is performed at fair value. Discounts or premiums are amortized using the effective interest rate method and recognized as interest income or expense. Except for impairment losses and foreign exchange differences on monetary financial assets, which are recognized in profit or loss, changes in fair value are recognized in other comprehensive income. Upon derecognition of the financial

asset, the cumulative gains or losses are reclassified to profit or loss. Interest income related to such financial assets is recognized in profit or loss.

(3) Equity Instrument Investments Measured at Fair Value Through Other Comprehensive Income

The Company irrevocably designates certain non-trading equity instrument investments as financial assets measured at fair value through other comprehensive income. Only dividend income related to these investments is recognized in profit or loss, while changes in fair value are recognized in other comprehensive income. Upon derecognition of the financial asset, the cumulative gains or losses are transferred to retained earnings.

(4) Financial Assets Measured at Fair Value Through Profit or Loss

Financial assets that do not meet the criteria for classification as measured at amortized cost or at fair value through other comprehensive income are classified as measured at fair value through profit or loss. At initial recognition, to eliminate or significantly reduce accounting mismatches, financial assets may be designated as measured at fair value through profit or loss. For such financial assets, subsequent measurement is performed at fair value, and all changes in fair value are recognized in profit or loss.

Reclassification of financial assets is only performed when the Company changes its business model for managing financial assets.

For financial assets measured at fair value through profit or loss, transaction costs are directly recognized in profit or loss. For other categories of financial assets, transaction costs are included in their initial recognition amounts.

3. Classification and Measurement of Financial Liabilities

At initial recognition, the Company classifies its financial liabilities into: financial liabilities measured at amortized cost and financial liabilities measured at fair value through profit or loss.

A financial liability may be designated at initial measurement as measured at fair value through profit or loss if one of the following conditions is met: (1) the designation eliminates or significantly reduces accounting mismatches; (2) the Company manages and evaluates the performance of a portfolio of financial liabilities or a combined portfolio of financial assets and liabilities based on fair value, as documented in formal written policies, and reports internally to key management personnel on this basis; or (3) the financial liability contains an embedded derivative that must be separately accounted for.

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

Subsequent measurement of financial liabilities depends on their classification:

(1) Financial Liabilities Measured at Amortized Cost

For such financial liabilities, the effective interest rate method is applied, and subsequent measurement is performed at amortized cost.

(2) Financial Liabilities Measured at Fair Value Through Profit or Loss

Financial liabilities measured at fair value through profit or loss include trading financial liabilities (including derivative financial liabilities) and financial liabilities designated at initial recognition as measured at fair value through profit or loss.

4. Offsetting of Financial Instruments

Financial assets and financial liabilities are presented net in the balance sheet if the following conditions are simultaneously met: there is a legally enforceable right to offset the recognized amounts, and the right is currently exercisable; and the Company plans to settle on a net basis, or simultaneously realize the financial asset and settle the financial liability.

5. Impairment of Financial Assets

The Company measures loss allowances for financial assets measured at amortized cost, debt instrument investments measured at fair value through other comprehensive income, and financial guarantee contracts based on expected credit losses. Credit loss is the present value of the difference between all contractual cash flows due under the contract and all expected cash flows, discounted at the original effective interest rate.

The Company considers all reasonable and supportable information, including forward-looking information, to estimate expected credit losses for financial assets measured at amortized cost and financial assets measured at fair value through other comprehensive income (debt instruments), either individually or collectively.

(1) General Model for Expected Credit Losses

If the credit risk of a financial instrument has significantly increased since initial recognition, the Company measures its loss allowance based on expected credit losses over the remaining life of the financial instrument. If the credit risk has not significantly increased since initial recognition, the Company measures its loss allowance based on expected credit losses over the next 12 months. Increases or reversals of loss allowances are recognized as impairment losses or gains in profit or loss. For details on the Company's assessment of credit risk, see the notes under "X. Risks Related to Financial Instruments."

Specifically, the Company divides the credit impairment process of financial instruments that were not credit-impaired at initial recognition into three stages, with different accounting treatments for each stage:

Stage 1: Credit risk has not significantly increased since initial recognition. For financial instruments in this stage, the Company measures loss allowances based on expected credit losses over the next 12 months and calculates interest income based on the carrying amount (i.e., without deducting impairment allowances) and the effective interest rate.

Stage 2: Credit risk has significantly increased since initial recognition but has not yet resulted in credit impairment. For financial instruments in this stage, the Company measures loss allowances based on expected credit losses over the remaining life of the instrument and calculates interest income based on the carrying amount and the effective interest rate.

Stage 3: Credit impairment has occurred since initial recognition. For financial instruments in this stage, the Company measures loss allowances based on expected credit losses over the remaining life of the instrument, but the calculation of interest income differs from that of financial assets in the first two stages. For credit-impaired financial assets, interest income is calculated based on the amortized cost (carrying amount less impairment allowances, i.e., net book value) and the effective interest rate.

For financial assets that were credit-impaired at initial recognition, the Company recognizes changes in expected credit losses over the remaining life of the instrument as loss allowances and calculates interest income based on the amortized cost and the credit-adjusted effective interest rate.

(2) Financial Instruments with Low Credit Risk

For financial instruments with low credit risk at the balance sheet date, the Company does not compare their credit risk with that at initial recognition but assumes that the credit risk has not significantly increased since initial recognition.

A financial instrument is considered to have low credit risk if the default risk is low, the borrower's ability to fulfill its payment obligations is strong in the short term, and adverse changes in economic conditions or operating environments over a longer period would not necessarily reduce the borrower's ability to fulfill its payment obligations.

(3) Receivables and Lease Receivables

For receivables defined under Accounting Standard for Business Enterprises No. 14 – Revenue, excluding

significant financing components (including cases where financing components in contracts of up to one year are disregarded under the standard), the Company applies a simplified model for expected credit losses and measures loss allowances based on expected credit losses over the remaining life of the instrument.

For receivables with significant financing components and lease receivables governed by Accounting Standard for Business Enterprises No. 21 – Leases, the Company elects to apply the simplified model for expected credit losses, measuring loss allowances based on expected credit losses over the remaining life of the instrument.

6. Transfers of Financial Assets

If the Company has transferred substantially all risks and rewards of ownership of a financial asset to the transferee, the financial asset is derecognized. If substantially all risks and rewards of ownership are retained, the financial asset is not derecognized.

If the Company has neither transferred nor retained substantially all risks and rewards of ownership, the following treatments apply:

If control over the financial asset is relinquished, the financial asset is derecognized, and the resulting assets and liabilities are recognized.

If control over the financial asset is retained, the Company recognizes related financial assets and liabilities to the extent of its continuing involvement in the transferred financial asset.

If continuing involvement arises from providing financial guarantees for the transferred financial asset, the Company recognizes the lower of the carrying amount of the financial asset and the financial guarantee amount as the asset arising from continuing involvement. The financial guarantee amount is the maximum amount that may be required to be repaid from the consideration received.

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 loss provisions for notes receivable based on the expected credit loss amount over the entire duration of the notes. Based on the credit risk characteristics of the notes receivable, they are categorized into different combinations:

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

For notes receivable classified as bank acceptance bill combinations, the company refers to historical credit loss experience and the credit ratings of the accepting banks, taking into account the current situation and forecasts of future economic conditions. Typically, no expected credit losses are recognized. For notes receivable classified as commercial acceptance bill combinations, the company refers to the accounts receivable combination A — receivables from external customers — to measure their loss provisions.

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 significant financing components, the company measures loss provisions based on the expected credit loss amount over the entire duration of the receivables. For receivables that include

significant financing components, the company chooses to consistently measure loss provisions based on the expected credit loss amount over the duration of the receivables.

As part of the company's credit risk management, the company uses the aging of accounts receivable as a basis to assess the expected credit losses for various types of receivables. For receivables where there is objective evidence indicating that credit impairment has occurred—such as accounts receivable involved in disputes, litigation, or arbitration, or receivables where there are clear signs that the debtor is highly likely unable to fulfill repayment obligations—the company classifies such accounts receivable as having already incurred credit impairment and measures the loss provisions based on the expected credit loss over the entire duration of the individual financial instrument.

In addition to accounts receivable assessed individually for credit risk, they are categorized into different combinations 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 measured at fair value with changes recognized in other comprehensive income if it meets the following conditions: the company's business model for managing the financial asset targets both collecting contractual cash flows and selling the financial asset; and the contractual terms of the financial asset stipulate that the cash flows generated on specific dates consist solely of payments of principal and interest based on the outstanding principal amount.

The company holds receivables, which are frequently transferred in forms such as discounting or endorsement, and these transactions involve significant amounts. The substance of the company's management business model is to both collect contractual cash flows and sell the assets. In accordance with the relevant provisions of the financial instruments standards, these assets are classified as financial assets measured at fair value with changes recognized in other comprehensive income.

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 receivables, interest receivable, and dividends receivable. The company refers to historical credit loss experience, combines the current situation, and considers forecasts of future economic

conditions to calculate expected credit losses using default risk exposure and the expected credit loss rate over the next 12 months or the entire duration.

For other receivables where there is objective evidence indicating that credit impairment has occurred—such as other receivables involved in disputes, litigation, or arbitration, or other receivables where there are clear signs that the debtor is highly likely unable to fulfill repayment obligations—the company classifies such other receivables as having already incurred credit impairment and measures the loss provisions based on the expected credit loss over the entire duration of the individual financial instrument.

In addition to other receivables assessed individually for credit risk, they are categorized into different combinations based on their credit risk characteristics.

Items	Criterion for confirmation of the portfolio
Notes receivable portfolio A	Other receivables such as deposits, guarantees, and advances (excluding Other Receivables Combination 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 the provision of labor services. Mainly: raw materials, in-process products and self-made semi-finished products, working capital materials, finished goods, inventory, commissioned materials, issued commodities.

2. Valuation method of issued inventories

The cost of the Company's inventories is determined by the weighted average method at the end of the month when the inventories are issued.

3. Inventory system

The inventory system is a perpetual inventory system.

4. Amortization method of consumables and packages

The Company purchases low-value consumables and packaging materials on the basis of actual requirements and recognizes them in the cost of the related assets or in profit or loss using the lump-sum transfer method.

Criteria for recognizing and providing for provision for decline in value of inventories

☒ Applicable ☐ Not applicable

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 for the difference between the cost of individual inventories and 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 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 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.

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 that standard), which means that it always measures its allowance for losses based on the amount of expected credit losses throughout the duration of the The resulting increase or reversal of the allowance for losses is recognized as an impairment loss or gain in profit or loss.

For contract assets with significant financing components, the Company has elected to use a simplified model of expected credit losses, which consistently measures the allowance for losses at the amount of expected credit losses over the entire life of the asset.

The Company's method of determining and accounting for expected credit losses on contract assets is based on the measurement of expected credit losses on accounts receivable in this section of "Accounts receivable".

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

The Company classifies components of a business (or non-current assets) as held for sale when both of the following conditions are met: (1) the sale is imminent under current conditions based on the customary practice of selling such assets or disposal groups in similar transactions; and (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 that is entered into by the business with other parties and contains important terms such as the transaction price and timing and penalties sufficiently severe to make a material adjustment to or rescission of the agreement highly unlikely). binding purchase agreement with other parties that contains important terms such as the transaction price, timing and penalties for breach of contract that are sufficiently severe to make material adjustments to or rescission 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.

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

☒ Applicable ☐ Not applicable

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 recognized as an asset impairment loss in profit or loss, and a provision for impairment of assets held for sale is also made. The amount of asset impairment

loss recognized for a disposal group held for sale shall be offset against the carrying value of goodwill in the disposal group first, 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 to which the measurement provisions of this Standard apply.

If the fair value of non-current assets held for sale increases at a subsequent balance sheet date, net of selling expenses, the amount previously written down shall be restored and reversed within the amount of impairment loss recognized for the asset after classification as held for sale, with the reversal amount recognized in profit or loss for the current period. Impairment losses recognized 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 selling expenses, the amount previously written down shall be restored and reversed within the amount of the asset impairment loss recognized 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 recognized in profit or loss for the current period. The carrying amount of goodwill that has been set off, and the impairment loss on assets recognized before the classification as held for sale of 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 recognized for a disposal group held for sale shall be increased proportionately to the carrying value of each non-current asset in the disposal group that is subject to the measurement provisions of this Standard except for goodwill, based on the proportion of the carrying value of each non-current asset in the disposal group that is subject to the measurement provisions of this Standard. 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, it 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.

Recognition criteria and presentation of discontinued operations

☒ Applicable ☐ Not applicable

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 a part of a related plan for the proposed disposition of a separate principal business or a separate principal operating area part; and (3) the component - part is a subsidiary acquired exclusively for resale.

The definition of discontinued operation contains the following three meanings:

- (1) A discontinued operation should be a separately distinguishable component of an enterprise. The operations and cash flows of the component are clearly distinguishable from those of the rest of the business at the time the business is operated and the financial statements are prepared.
- (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 an associated plan to dispose of a separate principal business or a separate principal operating area.
- (3) Discontinued operations should meet 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 service (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) For business combinations under common control, where the combining party pays cash, transfers non-cash assets, assumes debt, or issues equity securities as consideration for the combination, the initial investment cost is determined based on the share of the book value of the combined entity's equity in the consolidated financial statements of the ultimate controlling party as of the combination date. The difference between the initial investment cost of the long-term equity investment and the book value of the consideration paid (or the total par value of shares issued) is adjusted against capital reserve (capital premium or share premium). If the capital reserve is insufficient to absorb the adjustment, retained earnings are adjusted.

For step-by-step business combinations under common control, the initial investment cost should be based on the share of the book value of the combined entity's equity as of the combination date, calculated according to the ownership percentage. The difference between the initial investment cost and the sum of the original carrying amount of the long-term equity investment and the book value of additional consideration paid for acquiring further shares on the combination date is adjusted against the capital reserve (capital premium or share premium). If the capital reserve is insufficient, retained earnings are reduced accordingly.

(2) For business combinations not under common control, the initial investment cost is determined based on the fair value of the consideration paid as of the acquisition date.

(3) For investments other than those formed through business combinations: If acquired by paying cash, the initial investment cost is determined based on the actual purchase price paid. If acquired by issuing equity securities, the initial investment cost is determined based on the fair value of the equity securities issued. For investments contributed by investors, the initial investment cost is determined based on the value stipulated in the investment contract or agreement (unless the stipulated value is not fair).

2. Subsequent measurement and profit or loss recognition methods

The long-term equity investments over which the company has control are accounted for using the cost method in the company's individual financial statements. For long-term equity investments involving joint control or significant influence, the equity method is applied.

Under the cost method, long-term equity investments are measured at their initial investment cost. Except for cash dividends or profits declared but not yet distributed that are included in the actual payment or consideration paid at the time of acquisition, the company recognizes its share of the cash dividends or profits declared by the investee as current-period investment income. At the same time, the company considers whether there is any impairment of the long-term investment in accordance with relevant asset impairment policies.

Under the equity method, if the initial investment cost of a long-term equity investment exceeds the fair value share of the investee's identifiable net assets at the time of investment, the excess is included in the initial investment cost of the long-term equity investment. If the initial investment cost is less than the fair value share of the investee's identifiable net assets at the time of investment, the difference is recognized in current-period profit or loss, and the cost of the long-term equity investment is adjusted accordingly.

Under the equity method, after obtaining the long-term equity investment, the company recognizes its share of the investee's net profit or loss and adjusts the carrying value of the long-term equity investment accordingly. When determining its share of the investee's net profit or loss, the company uses the fair value of the investee's identifiable assets at the time of investment as the basis, applies the company's accounting policies and accounting periods, and eliminates the portion of internal transaction gains or losses between the company and its associates

or joint ventures (calculated based on the ownership percentage). However, if the internal transaction loss is an asset impairment loss, it is fully recognized. The investee's net profit is adjusted accordingly before confirmation. The portion of the declared dividends or cash distributions attributable to the company reduces the carrying value of the long-term equity investment. The company recognizes the investee's net losses to the extent that the carrying value of the long-term equity investment and other long-term interests that substantially constitute a net investment in the investee are written down to zero, unless the company is obligated to bear additional losses. For changes in the investee's equity other than net profit or loss, the company adjusts the carrying value of the long-term equity investment and includes such adjustments in equity.

3. Basis for determining control and significant influence over an investee

Control refers to having power over an investee, enjoying variable returns through participation in the investee's relevant activities, and having the ability to use that power to influence the amount of return. Significant influence refers to the power to participate in the decision-making of an investee's financial and operating policies, but without the ability to control or jointly control the formulation of these policies with other parties.

4. Disposal of long-term equity investments

(1) Partial Disposal of Long-Term Equity Investments in Subsidiaries Without Loss of Control

In cases where part of a long-term equity investment in a subsidiary is disposed of but control is not lost, the difference between the disposal proceeds and the carrying value of the disposed investment should be recognized as current-period investment income.

(2) Partial Disposal of Equity Investments or Loss of Control Over a Subsidiary Due to Other Reasons

In cases where part of an equity investment is disposed of or control over a subsidiary is lost due to other reasons, the carrying value of the long-term equity investment corresponding to the disposed equity should be derecognized. The difference between the proceeds from the sale and the carrying value of the disposed long-term equity investment should be recognized as investment income (or loss). At the same time, for the remaining equity, it should be recognized at its carrying value as a long-term equity investment or other related financial asset. If the remaining equity after disposal allows the investor to exercise joint control or significant influence over the subsidiary, the relevant provisions for transitioning from the cost method to the equity method should be applied for accounting treatment.

5. Impairment testing method and provision for impairment

Investments in subsidiaries, associates, and joint ventures are assessed for impairment at the balance sheet date if there is objective evidence indicating that they have been impaired. Impairment provisions are recognized for 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 refer to tangible assets held for the production of goods, provision of services, leasing, or operational management, with a useful life exceeding one accounting year. They are recognized when the following conditions are met: it is probable that economic benefits associated with the fixed asset will flow to the enterprise; and the cost of the fixed asset can be measured reliably.

(2) Method of depreciation

☒ Applicable ☐ Not applicable

(1) The company's fixed assets are mainly categorized into: buildings and structures, specialized equipment, general-purpose equipment, transportation tools, etc. The depreciation method used is the straight-line method. Based on the nature and usage of each type of fixed asset, the useful life and estimated residual value of the fixed assets are determined. At the end of each year, the useful life, estimated residual value, and depreciation method of the fixed assets are reviewed. If there are differences from the original estimates, corresponding adjustments are made. Depreciation is provided for all fixed assets, except for those that have been fully depreciated but are still in use and land that is accounted for separately at cost.

Category	Depreciation method	Depreciable life (years)	Residual value rate Annual	depreciation rate
Housing & Buildings	life-cycle averaging (LCA)	25-45	5.00	2.11-3.80
Specialised equipment	life-cycle averaging (LCA)	10-15	5.00	6.33-9.50
General purpose equipment	life-cycle averaging (LCA)	5-18	5.00	5.28-19.00
Transport	life-cycle averaging (LCA)	8-12	5.00	7.92-11.88

22. Construction in progress

☒ Applicable ☐ Not applicable

The company's construction in progress primarily involves self-operated construction and outsourced construction. The criteria and timing for transferring construction in progress to fixed assets are based on the construction reaching its intended usable state. The standards for determining the intended usable state should meet one of the following conditions: the physical construction (including installation) of the fixed asset has been fully completed or is substantially complete; trial production or trial operation has been conducted, and the results indicate that the asset can operate normally or stably produce qualified products, or the trial operation results show it can function properly or commence operations; the expenditure incurred on the construction of the fixed asset is minimal or has almost ceased; the constructed fixed asset has met the design or contractual requirements, or is largely in compliance with such requirements.

23 Borrowing costs

☒ Applicable ☐ Not applicable

1.Principle for Recognizing Capitalization of Borrowing Costs

Borrowing costs incurred by the company that can be directly attributed to the acquisition, construction, or production of assets that meet the capitalization criteria are capitalized and included in the cost of the related assets. Other borrowing costs are recognized as expenses in the period they are incurred and recorded in the current period's profit or loss. Assets that meet the capitalization criteria refer to fixed assets, investment properties, inventory, and other assets that require a substantial period of time for acquisition, construction, or production activities to reach their intended usable or saleable state.

2.Method for Calculating Capitalized Amounts

The capitalization period refers to the time from when borrowing costs begin to be capitalized until they cease to be capitalized, excluding any periods during which the capitalization of borrowing costs is suspended. If an abnormal interruption occurs during the acquisition or production process and the interruption lasts continuously for more than three months, the capitalization of borrowing costs should be suspended.

3.For specific borrowings made to acquire or produce assets that meet the capitalization criteria, the amount of

interest eligible for capitalization is determined by taking the actual interest expenses incurred during the period (including amortization of discounts or premiums calculated using the effective interest rate method) and deducting any interest income earned from depositing unused borrowed funds in the bank or temporary investment income obtained. For general borrowings used to acquire or produce assets that meet the capitalization criteria, the amount of interest eligible for capitalization is calculated based on the weighted average of cumulative asset expenditures exceeding specific borrowings, multiplied by the capitalization rate of the general borrowings.

24. Biological assets

☐ Applicable ☒ Not applicable

25. Oil and gas assets

☐ Applicable ☒ Not applicable

26. Intangible assets

☒ Applicable ☐ Not applicable

1.Measurement Method for Intangible Assets

The company's intangible assets include land use rights, patents, non-patent technologies, and others, which are initially measured at cost. For purchased intangible assets, the actual cost is determined based on the actual payment made and related expenditures. For intangible assets contributed by investors, the actual cost is determined based on the value stipulated in the investment contract or agreement; however, if the stipulated value is not fair, the actual cost is determined based on fair value. For internally developed intangible assets, the cost is the total expenditure incurred to bring the asset to its intended use.

2.Useful Life, Determination Basis, Estimation, Amortization Method, or Review Procedures

Intangible assets with finite useful lives are amortized systematically and rationally over their useful lives in accordance with the expected pattern of economic benefits associated with the asset. If the expected pattern of economic benefits cannot be reliably determined, the straight-line method is used for amortization. The specific durations 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 determinable useful life, if there are indications of impairment at the balance sheet date, an impairment provision is recognized 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 their usable state, an impairment test is performed annually, regardless of whether there are any 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 the company's research and development (R&D) expenditures is primarily determined based on the company's R&D projects and mainly includes: employee compensation, material costs, depreciation and amortization, outsourced R&D expenses, and other R&D-related expenses.

Expenditures incurred during the development phase of internal R&D projects are recognized as intangible assets if all of the following conditions are met:(1) The technical feasibility of completing the intangible asset so that it

can be used or sold has been established;(2) There is an intention to complete, use, or sell the intangible asset;(3) The intangible asset is expected to generate economic benefits, including evidence that products produced using the intangible asset have a market or that the intangible asset itself has a market. If the intangible asset will be used internally, its usefulness can be demonstrated;(4) Adequate technical, financial, and other resources are available to complete the development of the intangible asset and to use or sell it;(5) The expenditures attributable to the development phase of the intangible asset can be reliably measured.

The expenditures for the company's internal research and development (R&D) projects are classified into expenses incurred during the research phase and those incurred during the development phase.

1) Research Phase of Internal R&D Projects

The research phase refers to original and planned investigations undertaken to obtain or understand new scientific or technological knowledge. Expenditures incurred during the research phase are recognized as expenses in the current period when they occur.

2) Development Phase of Internal R&D Projects

The development phase refers to the application of research findings to a specific plan or design prior to commercial production or use, with the aim of producing new materials, devices, products, or achieving substantial improvements to existing ones.

Expenditures incurred during the development phase are recognized as intangible assets only if all of the following conditions are met:(1) The technical feasibility of completing the intangible asset so that it can be used or sold has been established;(2) There is an intention to complete, use, or sell the intangible asset;(3) The intangible asset is expected to generate economic benefits, including evidence that products produced using the intangible asset have a market or that the intangible asset itself has a market. If the intangible asset will be used internally, its usefulness can be demonstrated;(4) Adequate technical, financial, and other resources are available to complete the development of the intangible asset and to use or sell it;(5) The expenditures attributable to the development phase of the intangible asset can be reliably measured.

If the expenditures incurred during the development phase do not meet the above conditions, they are recognized as expenses in the current period when they occur.

27. Impairment of long-term assets

☒ Applicable ☐ Not applicable

Long-term assets such as long-term equity investments, investment properties measured using the cost model, fixed assets, construction in progress, right-of-use assets, and intangible assets are tested for impairment if there are indications of impairment at the balance sheet date. If the results of the impairment test indicate that the recoverable amount of an asset is lower than its carrying amount, an impairment provision is recognized for the difference and recorded as an impairment loss.

The recoverable amount is the higher of the net amount of the asset's fair value less disposal costs and the present value of the asset's expected future cash flows. Impairment provisions are calculated and recognized on an individual asset basis. If it is difficult to estimate the recoverable amount of an individual asset, the recoverable amount is determined based on the asset group to which the asset belongs. An asset group is the smallest grouping of assets that can independently generate cash inflows.

Goodwill separately presented in the financial statements is tested for impairment at least annually, regardless of whether there are any indications of impairment. During the impairment test, the carrying amount of goodwill is allocated to the asset groups or combinations of asset groups expected to benefit from the synergies of the business combination. If the test results indicate that the recoverable amount of the asset group or combination of asset groups, including the allocated goodwill, is lower than its carrying amount, the corresponding impairment loss is

recognized. The impairment loss first reduces the carrying amount of the goodwill allocated to the asset group or combination of asset groups, and then proportionally reduces the carrying amounts of other assets within the asset group or combination of asset groups (excluding goodwill) based on their respective carrying value proportions.

Once an asset impairment loss is recognized, it is not reversed in subsequent periods, even if the value of the asset recovers.

28. Long-term amortisation

☒ Applicable ☐ Not applicable

Long-term prepaid expenses are recorded at their actual cost and amortized on a straight-line basis over the benefit period or the specified period. If a long-term prepaid expense item cannot provide benefits to future accounting periods, the remaining unamortized balance of the item is fully transferred to the current period's profit or loss. The company's long-term prepaid expenses include community housing renovations, office rental decoration costs, forest land rent, etc., and these expenses are amortized using the straight-line method over the expected benefit period.

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

During the accounting period in which employees provide services to the company, actual short-term employee benefits incurred are recognized as liabilities and recorded in the current period's profit or loss, unless the enterprise accounting standards require or permit them to be included in asset costs. Employee welfare expenses incurred by the company are recognized in the current period's profit or loss or related asset costs based on the actual amounts when they occur. Non-monetary employee welfare expenses are measured at fair value. The company's contributions for social insurance premiums such as medical insurance, work-related injury insurance, maternity insurance, as well as housing provident fund, union funds, and employee education funds extracted in accordance with regulations, are calculated based on the prescribed accrual basis and accrual ratios during the accounting period in which employees provide services. The corresponding employee compensation amount is determined, recognized as a liability, and recorded in the current period's profit or loss or related asset costs.

(2) Accounting for termination benefits

☒ Applicable ☐ Not applicable

During the accounting period in which employees provide services, the company recognizes the amount calculated under a defined contribution plan as a liability and records it in the current period's profit or loss or related asset costs. For defined benefit plans, the company attributes the welfare obligations arising from the plan to the periods in which employees provide services using a formula based on the expected accumulated benefit units method, and records the corresponding expenses in the current period's profit or loss or related asset costs.

(3). Accounting Treatment for Termination Benefits

When the company provides termination benefits to employees, it recognizes the employee compensation liability related to the termination benefits and records it in the current period's profit or loss on the earlier of the following two dates: when the company cannot unilaterally withdraw the termination benefits offered due to a plan to

terminate employment relationships or a layoff proposal; or when the company confirms the costs or expenses associated with a restructuring involving the payment of termination benefits.

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

☒ Applicable ☐ Not applicable

For other long-term employee benefits provided by the company, if they meet the conditions of a defined contribution plan, they should be accounted for in accordance with the relevant provisions of the defined contribution plan. Otherwise, the net liability or net assets of other long-term employee benefits shall be recognized and measured in accordance with the relevant provisions of the defined benefit plan.

31. Projected liabilities

☒ Applicable ☐ Not applicable

A provision is recognized as a liability when the obligation related to a contingent matter represents a present obligation of the company, and it is probable that the settlement of the obligation will result in an outflow of economic benefits, and the amount can be measured reliably. The company initially measures the provision at the best estimate of the expenditure required to settle the related present obligation. If the required expenditure exists within a continuous range, and all possible outcomes within that range are equally likely, the best estimate is determined as the midpoint of the range. If multiple items are involved, the best estimate is calculated based on the various possible outcomes and their associated probabilities.

At the balance sheet date, the carrying value of the provision should be reviewed. If there is conclusive evidence indicating that the carrying value does not reflect the current best estimate, the carrying value should be adjusted to align with the current best estimate.

32. Share-based payment

☒ Applicable ☐ Not applicable

1.Types of Share-Based Payments

These include share-based payments settled in equity and share-based payments settled in cash.

2.Methods for Determining the Fair Value of Equity Instruments

- (1) If an active market exists, the fair value is determined based on the quoted price in the active market.
- (2) If no active market exists, valuation techniques are used to determine the fair value. These techniques include referencing prices used in recent market transactions by knowledgeable and willing parties, referring to the current fair value of substantially similar financial instruments, discounted cash flow analysis, and option pricing models, among others.

3.Basis for Estimating the Best Estimate of Vested Equity Instruments

The estimate is based on the latest information regarding changes in the number of employees eligible to vest, among other subsequent information.

4.Accounting Treatment Related to the Implementation, Modification, or Termination of Share-Based Payment Plans

(1) Share-Based Payments Settled in Equity

For share-based payments settled in equity that are immediately exercisable upon grant in exchange for employee services, the fair value of the equity instruments is recognized as related costs or expenses on the grant date, with a corresponding adjustment to capital reserves. For share-based payments settled in equity that become exercisable only after completing the service period or achieving specified performance conditions, at each balance sheet date during the waiting period, the current services received are recognized as related costs or expenses based on the best estimate of the number of exercisable equity instruments, using the fair value of the equity instruments at the grant date. Capital reserves are adjusted accordingly.

For equity-settled share-based payments exchanged for services from other parties, if the fair value of the services provided by the other party can be reliably measured, it is measured at the fair value of the services on the acquisition date. If the fair value of the services provided by the other party cannot be reliably measured but the fair value of the equity instruments can be reliably measured, the fair value of the equity instruments on the date the services are acquired is used. This amount is recognized as related costs or expenses, with a corresponding increase in owners' equity.

(2) Share-Based Payments Settled in Cash

For share-based payments settled in cash that are immediately exercisable upon grant in exchange for employee services, the fair value of the liability assumed by the company is recognized as related costs or expenses on the grant date, with a corresponding increase in liabilities. For share-based payments settled in cash that become exercisable only after completing the service period or achieving specified performance conditions, at each balance sheet date during the waiting period, the current services received are recognized as related costs or expenses and corresponding liabilities based on the best estimate of exercisability, using the fair value of the liability assumed by the company.

(3) Modification or Termination of Share-Based Payment Plans

If a modification increases the fair value of the granted equity instruments, the company recognizes an increase in the acquired services corresponding to the increase in the fair value of the equity instruments. If a modification increases the number of granted equity instruments, the company recognizes the increase in the fair value of the additional equity instruments as an increase in acquired services. If the company modifies the exercisability conditions in a manner favorable to employees, the modified exercisability conditions are considered when determining the treatment of exercisability conditions.

If a modification reduces the fair value of the granted equity instruments, the company continues to recognize the amount of acquired services based on the fair value of the equity instruments at the grant date, disregarding the reduction in fair value. If a modification reduces the number of granted equity instruments, the company treats the reduction as a cancellation of the previously granted equity instruments. If the exercisability conditions are modified in a manner unfavorable to employees, the modified exercisability conditions are not considered when determining the treatment of exercisability conditions.

If the company cancels or settles the granted equity instruments during the waiting period (except for cancellations due to non-achievement of exercisability conditions), the cancellation or settlement is treated as accelerated exercisability, and the amount that would have been recognized over the remaining waiting period is immediately recognized.

33. Preference shares, perpetual bonds and other financial instruments

☐ Applicable ☒ Not applicable

40.Changes in significant accounting policies and accounting estimates

(1). Changes in significant accounting policies

☒ Applicable ☐ Not applicable

Other Notes

In December 2024, the Ministry of Finance (“MOF”) issued the “Notice on the Issuance of ASBE Interpretation No. 18”, which clarifies that the accounting treatment of guarantee-type quality assurance deposits that are not part of a single performance obligation should be based on the provisions of ASBE No. 13 - Contingent Matters, and that the related amount should be recognized as an estimated liability while to operating costs and present the projected liabilities based on liquidity. The Company's implementation of ASBE Interpretation No. 18 had no impact on the financial statements for the reporting period.

Effective January 1, 2024, the Company implemented the provisions of “ASBE Interpretation No. 17” issued by

the Ministry of Finance on the classification of current and non-current liabilities, and the change in accounting policy had no impact on the Company's financial statements.

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 recognizes revenue upon fulfilling its performance obligations under the contract, which occurs when the customer obtains control of the related goods. Obtaining control of the related goods means having the ability to direct the use of the goods and obtain substantially all of the economic benefits from them.

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.

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

- 1) The customer acquires and consumes the economic benefits arising from the Company's performance at the same time as the Company's performance.
- 2) The customer is able to control the assets under construction in the course of the Company's performance.
- 3) The assets produced in the course of the Company's performance have an irreplaceable use and the Company is entitled to receive payment for the cumulative portion of performance completed to date throughout the contract period.

For performance obligations that are to be fulfilled within a certain period of time, the Company recognizes revenue based on the progress of performance over that period of time, unless the progress of performance is not reasonably determinable. The Company uses either the output method or the input method to determine the appropriate progress of performance, taking into account the nature of the goods.

For performance obligations that are not to be performed within a certain period of time, but are to be performed at a certain point in time, the Company recognizes revenue at the point in time when the customer obtains control of the related merchandise.

In determining whether a customer has obtained control of a commodity, the Company considers the following indications:

- 1) The Company has a present right to receive payment for the merchandise, which means that the customer has a present obligation to pay for the merchandise.
- 2) The Company has transferred legal title to the merchandise to the customer, i.e., the customer has legal title to the merchandise.
- 3) The Company has physically transferred the goods to the Customer, i.e. the Customer has taken physical possession of the goods.
- 4) 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.
- 5) The customer has accepted the merchandise.
- 6) 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, significant financing components present in the contract, non-cash consideration, and consideration payable to

customers.

1) Variable consideration

The Company determines the best estimate of variable consideration on the basis of expectation or the most probable amount to be incurred; however, the transaction price including variable consideration should not exceed the amount by which it is highly probable that the cumulative revenue recognized will not be materially reversed when the related uncertainty is removed. When assessing whether it is highly probable that a material reversal of cumulative recognized revenue will not occur, an enterprise shall also consider the likelihood of revenue reversal and its weighting.

(2) Significant financing elements

If there is a significant financing component in a contract, the Company shall determine the transaction price on the basis of the amount payable that is assumed to be paid in cash by the customer as soon as the customer obtains control of the merchandise. The difference between this transaction price and the contractual consideration shall be amortized 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 separate selling price of the merchandise it has committed to transfer to the customer.

(4) Consideration payable to customers

In response to a consideration payable to a customer, the 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 customer's consideration, unless the consideration payable to the customer is for the purpose of obtaining other clearly distinguishable merchandise from the customer.

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

35. Contract costs

☒ Applicable ☐ Not applicable

Contract costs include incremental costs incurred to obtain the contract and contract performance costs. Incremental costs incurred to obtain a contract ("contract acquisition costs") are costs that would not have been incurred had the contract not been obtained. Where such costs are expected to be recovered, the Company recognizes them as an asset as contract acquisition costs.

Costs incurred to perform a contract that do not fall within the scope of other corporate accounting standards, such as inventory, are recognized as an asset as contract performance costs when the following conditions are simultaneously met: the cost is directly related to a current or anticipated contract to be acquired and includes direct labor, direct materials, manufacturing overheads, costs explicitly attributable to the user, and other costs

incurred solely as a result of the contract; the cost increases the amount of resources that will be used in the future to resources to fulfill performance obligations; and the cost is expected to be recovered.

If the amortization period of the contract performance costs recognized as assets does not exceed one year or one normal business cycle, the costs are included in “Inventories” on the balance sheet; if the amortization period of the contract performance costs is more than one year or one normal business cycle, the costs are included in “Other non-current assets” on the balance sheet. The amortization period at the time of initial recognition is more than one year or one normal business cycle.

If the amortization period of the contract acquisition cost recognized as an asset does not exceed one year or one normal business cycle, it is included in “other current assets” on the balance sheet; if the amortization period of the contract acquisition cost recognized as an asset exceeds one year or one normal business cycle, it is included in “other non-current assets” on the balance sheet. If the amortization period at initial recognition is more than one year or one normal business cycle, the amortization period is included in “other non-current assets” on the balance sheet.

The Company amortizes the assets recognized for contract acquisition costs and contract performance costs on the same basis as the revenue recognition of the merchandise to which the assets relate, and recognizes them in profit or loss for the current period. Assets resulting from the incremental cost of acquiring a contract that are amortized over a period of not more than one year are recognized in profit or loss when incurred.

If the carrying amount of an asset related to the cost of a contract exceeds the difference between the following two items, the Company makes an allowance for impairment and recognizes an asset impairment loss for the excess: the remaining consideration expected to be received for the transfer of the merchandise to which the asset relates; and the estimated costs to be incurred for the transfer of the related merchandise.

If there is a subsequent change in the factors that impaired the asset in a prior period that results in the difference between the two aforementioned items being greater than the carrying amount of the asset, the reversal of the provision for impairment should be recognized in profit or loss, provided that the carrying amount of the asset after the reversal does not exceed the carrying amount of the asset at the date of the reversal, assuming that no provision for impairment had been made.

36. Government subsidies

☒ Applicable ☐ Not applicable

1. Types of government grants and accounting treatment

Government grants are monetary assets or non-monetary assets acquired by the Company from the government at no cost (but excluding the capital invested by the government as the owner). If government grants are monetary assets, they should be measured at the amount received or receivable. Government grants that are non-monetary assets shall be measured at fair value; if the fair value cannot be reliably obtained, they shall be measured at a nominal amount.

Government grants related to ordinary activities are recognized in other income in accordance with the substance of the economic operations. Government grants not related to ordinary activities are recognized as non-operating income.

Government grants that are explicitly stipulated in government documents to be used for the purchase, construction or other formation of long-term assets are recognized as asset-related government grants.

Government grants other than asset-related government grants are recognized as revenue-related government grants. If the government grants related to income are used to compensate the enterprise for the related expenses or losses in the subsequent periods, they are recognized as deferred income and are credited to current profit or loss in the period in which

the related expenses are recognized; if they are used to compensate the enterprise for the related expenses or losses already incurred, they are directly credited to current profit or loss.

If the Company obtains policy preferential loan interest rate subsidies and the treasury disburses the subsidized funds to the lending bank, and the lending bank provides the loan to the Company at the policy preferential interest rate, the actual amount of the loan received is used as the recorded value of the loan, and the related borrowing costs are calculated in accordance with the principal amount of the loan and the policy preferential interest rate; and if the treasury disburses the subsidized funds directly to the Company, the Company reduces the corresponding subsidized interest rate by the related borrowing costs. The Company will offset the corresponding subsidized interest rate against the relevant borrowing costs.

2. Recognition of government grants

Government grants are recognized when the conditions attached to the grants are met and the grants can be received. Government grants measured at receivable amounts are recognized when there is conclusive evidence at the end of the period that the conditions set forth in the financial support policy have been met and the funds are expected to be received. Government grants other than those measured at receivable amounts are recognized when the grants are actually received.

37. Deferred income tax assets/deferred income tax liabilities

☒ Applicable ☐ Not applicable

1. Recognition of deferred income taxes

Deferred income tax assets or deferred income tax liabilities are recognized based on the difference between the carrying amount of an asset or liability and its tax basis (if the tax basis of an item not recognized as an asset or liability can be determined in accordance with the provisions of the tax laws, the tax basis is determined to be the difference between the tax bases of the item), 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. Measurement of deferred income tax

Deferred income tax assets are recognized to the extent that it is probable that taxable income will be available against which deductible temporary differences can be utilized. Deferred tax assets not recognized in prior periods are recognized when it is probable that sufficient taxable income will be available in future periods to allow the deductible temporary differences to be utilized. If it is more likely than not that sufficient taxable income will not be available to offset the deferred tax assets in future periods, the carrying amount of the deferred tax assets is written down.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, unless the Company can control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets are recognized for deductible temporary differences associated with investments in subsidiaries and associates when it is probable that the temporary differences will reverse in the foreseeable future and it is probable that future taxable income will be available against which the deductible temporary differences can be utilized.

3. Basis for offsetting net deferred income taxes

Deferred income tax assets and deferred income tax liabilities are stated at net amounts when

the following conditions are simultaneously met: the Company has the legal right to settle current income tax assets and current income tax liabilities on a net basis; the deferred income tax assets and deferred income tax liabilities are related to income taxes levied by the same tax authority on the same taxable entity or on different taxable entities, but are not expected to be realized in the future; and the deferred income tax assets and deferred income tax liabilities are not expected to be realized in the future. Deferred tax assets and deferred tax liabilities are related to income taxes levied by the same tax authority or on different taxable entities, but in each future period in which the deferred tax assets and deferred tax liabilities are reversed in a material way, the taxable entities involved intend to either settle the current income tax assets and current tax liabilities on a net basis or to realize the assets and settle the liabilities simultaneously.

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 of judgment

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 considered short-term leases.

A low-value asset lease is a lease that has 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 that the asset has been used.

(2) Accounting treatment

The Company has elected not to recognize 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 over the lease term in each period.

Criteria for classification and accounting treatment of leases as lessors

☒ Applicable ☐ Not applicable

(1) Finance leases

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

(2) Operating leases

The Company, as lessor, recognizes 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 capitalized and amortized over the lease term on the same basis as rental income recognition and recognized in profit or loss in the current period.

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 amortized 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

41. Other

☐ Applicable ☒ Not applicable

VI. Taxation**1. Major tax types and tax rates**

☐ Applicable ☒ Not applicable

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%、5%、7%
Enterprise Income Tax	Taxable income	5%、15%、25%
Education Fee and Surcharge	Actual amount of turnover tax paid	3%
Property Tax	Property rental income	2%
Property Tax	70% of the original value of fixed assets of owned properties	12%
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%

Disclosure of the existence of taxable entities with different corporate income tax rates

☒ Applicable ☐ Not applicable

Name of taxable entity	Tax rate
Fangda Carbon New Material Co., Ltd.	15
Fushun Carbon Co., Ltd.	25
Chengdu Rongguang Carbon Co., Ltd.	25
Meishan Fangda Rongguang Carbon Co., Ltd.	25
Hefei Carbon Material Co., Ltd.	25
Changfeng Fangda Carbon Material Co., Ltd.	25
Fushun Fangda High-tech Material Co., Ltd.	25
Chengdu Fangda Charcoal Composite Material Co., Ltd.	15
Fangda Xikomo (Jiangsu) Needle Coke Technology Co., Ltd.	25
Fushun Laihe Mining Co., Ltd.	25
Shanghai Fangda Investment Management Co., Ltd.	25
Fushun Fangtai Precision Carbon Materials Co., Ltd.	25
Chengdu Fangda Carbon Research Institute Co., Ltd.	5
Gansu Classical Shengdong Construction Poverty Alleviation Development Co., Ltd.	5
Gansu Benju Handicraft Development Co., Ltd.	5
Dongxiang Autonomous County Fangda Tengda Clothing Co., Ltd.	5

2. Tax relief

☒ Applicable ☐ Not applicable

1. Enterprise Income Tax

According to the Notice of the State Administration of Taxation on Relevant Issues Concerning the Implementation of Income Tax Preferences for High and New Technology Enterprises (Guo Shui Han [2009] No. 203), Notice of the Ministry of Science and Technology, Ministry of Finance and the State Administration of Taxation on the Issuance of (Administrative Measures for the Determination of High and New Technology Enterprises) (Guoshuifa Huo [2008] No. 172), the Company has been determined as a high and new technology enterprise since September 29, 2014. 2023 On October 16, 2023, it passed the review and certification of high-tech enterprises in Gansu Province in 2023, which is valid for three years, and declared the enterprise income tax at a tax rate of 15% for the year 2024.

According 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 January 1, 2021 to December 31, 2030, the enterprise income tax for enterprises of encouraging industries located in the western region is reduced to a tax rate of 15%. Chengdu Fangda Charcoal Composite Materials Company Limited, the Company's holding subsidiary, whose main business is in line with the industrial projects stipulated in the Catalogue of Encouraged Industries in the Western Region, and whose revenue from its main business accounts for more than 60% of the total revenue of the enterprise, may file tax returns at an enterprise income tax rate of 15%. 2024 Chengdu Fangda Charcoal Composite Materials Company Limited, the Company's holding subsidiary, filed tax returns at an enterprise income tax rate of 15%. tax rate.

According to the conditions set out in the "Announcement of the Ministry of Finance and the State Administration of Taxation on Preferential Policies on Income Tax for Small and Micro Enterprises and Individual Entrepreneurs" (Announcement of the Ministry of Finance and the State Administration of Taxation No. 6 of 2023), the portion of the taxable income of small and micro-profit enterprises not exceeding 1,000,000 yuan is subject to an effective tax rate of 5%. The Company's controlling subsidiaries, Gansu Classical Shengdong Construction Poverty Alleviation Development Company Limited, Gansu Benju Handicraft Development Company Limited, Dongxiang Autonomous County Fangda Tengda Garment Company Limited and Chengdu Fangda Carbon Research Institute Company Limited, fulfilled the conditions of small and micro-profitable enterprises and were entitled to the preferential policies on income tax for small and micro-profitable enterprises in accordance with the policy for the current period.

2. Value-added tax

(1) According to the Announcement of the Ministry of Finance and the State Administration of Taxation on the Improvement of Value-added Tax Policy on Comprehensive Utilization of Resources (No. 40 of 2021), graphite shaped parts, graphite lumps, graphite powder and graphite carbon enhancers produced from waste graphite as raw materials are subject to the policy of immediate 50% refund of value-added tax, and the Company was subject to the policy of immediate 50% refund of value-added tax for the period for the eligible ones.

(2) Pursuant to the Announcement of the Ministry of Finance and the State Administration of Taxation on the Policy of Value-added Tax Credits and Reductions for Enterprises in the Advanced Manufacturing Industry (Announcement No. 43 of the Ministry of Finance and the State Administration of Taxation of 2023), from 1 January 2023 to 31 December 2027, enterprises in the advanced manufacturing industry are allowed to offset the amount of value-added tax payable by an addition of 5% to the amount of creditable input tax of the current period. The Company and its controlling subsidiary, Chengdu Fangda Charcoal Composites Company Limited, enjoyed this preferential policy for the current period.

3. Other Preferences

Pursuant to 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 controlling subsidiary, Fushun Laihe Mining Co., Ltd. has been entitled to the policy of 30% reduction of the resource tax since July 1, 2016 onwards.

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	74,163.29	95,620.62
Bank deposits	5,363,342,123.56	6,089,422,190.83
Other monetary funds	91,608,045.48	101,771,980.83
Deposits with finance companies		
Total	5,455,024,332.33	6,191,289,792.28
Of which: Total amount deposited outside Hong Kong	2,901.94	3,097.56

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	1,014,860,385.06	586,500,429.15	/
Including:			
Investment in Debt Instruments			
Investments in equity instruments	1,014,860,385.06	586,500,429.15	/
Total	1,014,860,385.06	586,500,429.15	/

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	465,889,971.66	960,183,646.35
Commercial Acceptances	65,418,620.34	50,426,922.27
Total	531,308,592.00	1,010,610,568.62

(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	42,194,237.44
Commercial Acceptances	
Total	42,194,237.44

(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		244,841,331.98
Commercial Acceptances		35,657,920.43
Total		280,499,252.41

(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	531,902,706.62	100.00	594,114.62	0.11	531,308,592.00	1,011,017,237.35	100.00	406,668.73	0.04	1,010,610,568.62
Including:										
Portfolio of Bank acceptances	465,889,971.66	87.59			465,889,971.66	960,183,646.35	94.97			960,183,646.35
Portfolio of Commercial acceptances	66,012,734.96	12.41	594,114.62	0.90	65,418,620.34	50,833,591.00	5.03	406,668.73	0.80	50,426,922.27
Total	531,902,706.62	/	594,114.62	/	531,308,592.00	1,011,017,237.35	/	406,668.73	/	1,010,610,568.62

(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	406,668.73	187,445.89				594,114.62
Total	406,668.73	187,445.89				594,114.62

(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 subtotal	403,218,130.31	523,465,745.17
1-2 years	18,722,282.56	35,696,296.44
2-3 years	10,549,549.19	6,393,293.86
More than 3 years	87,783,098.72	83,835,378.02
Total	520,273,060.78	649,390,713.49

(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	76,080,278.30	14.62	76,080,278.30	100.00		77,196,818.12	11.89	77,196,818.12	100.00	
Including:										
Accounts receivable with individually significant amounts and individually bad debt provisions	21,865,703.77	28.74	21,865,703.77	100.00		18,248,012.65	23.64	18,248,012.65	100.00	
Accounts receivable that are individually insignificant but individually provided for bad debts	54,214,574.53	71.26	54,214,574.53	100.00		58,948,805.47	76.36	58,948,805.47	100.00	
Bad debt provision assessed by groups	444,192,782.48	85.38	23,604,334.66	5.31	420,588,447.82	572,193,895.37	88.11	17,560,600.84	3.07	554,633,294.53
Including:										
Portfolio account receivable A	444,192,782.48	85.38	23,604,334.66	5.31	420,588,447.82	572,193,895.37	100	17,560,600.84	3.07	554,633,294.53
Total	520,273,060.78	—	99,684,612.96	—	420,588,447.82	649,390,713.49	/	94,757,418.96	/	554,633,294.53

Bad debt provision assessed individually:

☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

Name	Closing balance			
	Book balance	Bad debt provision	Accrued Proportion (%)	Reason
1	18,248,012.65	18,248,012.65	100.00	Not expected to be recoverable
Total	18,248,012.65	18,248,012.65	100.00	/

Bad debt provision assessed by groups:

☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

Name	Closing balance			Opening balance		
	Accounts receivable	Bad debt provision	Accrued Proportion (%)	Accounts receivable	Bad debt provision	Accrued Proportion (%)
Within 1 year(Including 1 year)	403,218,130.31	3,628,963.17	0.90	523,465,745.17	4,187,725.97	0.80
1-2 years (Including 2 year)	18,722,282.56	2,396,452.17	12.80	35,696,296.44	3,997,985.20	11.20
2-3 years (Including 3 year)	10,549,549.19	5,876,098.90	55.70	6,393,293.86	2,736,329.77	42.80
More than 3 years	11,702,820.42	11,702,820.42	100.00	6,638,559.90	6,638,559.90	100.00
Total	444,192,782.48	23,604,334.66	—	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
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		Provision	Recovery or reversal	Elimination or write-off	Other changes	
Accounts receivable that are individually significant and individually provisioned for bad debts	77,196,818.12		162,063.44	954,476.38		76,080,278.30
Accounts receivable with individual bad debt provision although the individual amount is not material	17,560,600.84	5,854,169.46			189,564.36	23,604,334.66
Total	94,757,418.96	5,854,169.46	162,063.44	954,476.38	189,564.36	99,684,612.96

(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	954, 476. 38

Of which significant accounts receivable write-offs

☐ Applicable ☒ Not applicable

(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	30,150,397.94	4,482,028.71	34,632,426.65	6.22	2,015,664.54
2	21,672,863.89		21,672,863.89	3.89	195,055.78
3	19,686,297.46		19,686,297.46	3.53	177,176.68
4	18,248,012.65		18,248,012.65	3.28	18,248,012.65
5	17,370,626.40		17,370,626.40	3.12	156,335.64
合计	107,128,198.34	4,482,028.71	111,610,227.05	20.04	20,792,245.29

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	36,809,770.56	2,918,288.52	33,891,482.04	30,393,109.19	452,724.86	29,940,384.33
Total	36,809,770.56	2,918,288.52	33,891,482.04	30,393,109.19	452,724.86	29,940,384.33

(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	36,809,770.56	100.00	2,918,288.52	7.93	33,891,482.04	30,393,109.19	100.00	452,724.86	1.00	29,940,384.33
Including:										

portfolio of credit risk	36,809,770.56	100.00	2,918,288.52	7.93	33,891,482.04	30,393,109.19	100.00	452,724.86	1.49	29,940,384.33
Total	36,809,770.56	/	2,918,288.52	/	33,891,482.04	30,393,109.19	/	452,724.86	/	29,940,384.33

Bad debt provision calculated by portfolio:

☒Applicable ☐Not applicable

Portfolio provision item: Credit risk portfolio

Explanation of bad debt provision calculated by portfolio:

☒Applicable ☐Not applicable

Age	Closing balance			Opening balance		
	Book balance	provision for impairment	Accrual ratio	Book balance	provision for impairment	Accrual ratio
Less than 1 year	15,070,269.87	135,632.43	0.90	29,894,109.19	239,152.86	0.80
1-2 years	21,739,500.69	2,782,656.09	12.80			
2-3 years				499,000.00	213,572.00	42.80
Total	36,809,770.56	2,918,288.52	—	30,393,109.19	452,724.86	—

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

☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

Item	Opening balance					Closing balance	Reason
		Current Accrued	Recovered or reversed	Written off	Other changes		
Provision for bad debts on contract assets	452,724.86	2,465,563.66				2,918,288.52	/

Total	452,724.86	2,465,563.66				2,918,288.52	/
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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	126,856,196.64	208,553,904.66
Commercial acceptance bill		
Total	126,856,196.64	208,553,904.66

(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	172,247,578.79	
Total	172,247,578.79	

8. Prepayments

(1). Aging analysis of prepayments

☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

Aging	Closing balance	Opening balance
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	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year	79,464,629.17	99.61	85,923,537.41	99.69
1-2 years	307,897.63	0.39	244,997.47	0.29
2-3 years			2,621.55	
More than 3 years			17,511.25	0.02
Total	79,772,526.80	100.00	86,188,667.68	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	22,824,242.61	28.61
2	10,086,264.10	12.64
3	9,899,755.63	12.41
4	6,754,640.41	8.47
5	6,223,980.13	7.80
Total	55,788,882.88	69.93

9. Other receivables

Illustration of items

☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

Item	Closing balance	Opening balance
Interest receivable		
Dividends receivable		
Other receivables	102,055,634.62	126,018,356.65
Total	102,055,634.62	126,018,356.65

Other receivables

(1). Disclosed by Age

☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

Aging	Opening Book balance	Closing book balance
Within 1 year		
Including: Items aged within 1 year		
Subtotal within 1 year	24,035,603.68	24,437,302.16
1 to 2 years	24,035,603.68	24,437,302.16
2 to 3 years	16,021,693.10	11,015,019.35
More than 3 years	8,541,079.46	5,833,499.56
Total	206,306,014.63	256,632,231.20
	254,904,390.87	297,918,052.27

(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	1,067,498.66	1,225,454.52
Security deposit	16,411,887.37	15,955,799.94
Reserve fund	217,309,224.56	261,423,724.01
Other	20,115,780.28	19,313,073.80
Total	254,904,390.87	297,918,052.27

(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	6,758,830.02		165,140,865.60	171,899,695.62
Changes due to financial instruments recognised as at 1 January 2019	6,758,830.02		165,140,865.60	171,899,695.62
--Transfer to stage II				
--Transfer to stage III				
--Reverse to stage II				
--Reverse to stage I				
Provision	140,134.87		1,211,895.24	1,352,030.11
Reversal			18,928,004.25	18,928,004.25
Write-off			1,474,965.23	1,474,965.23
Write-off				
Other changes				
Balance as at 30 June 2023	6,898,964.89		145,949,791.36	152,848,756.25

(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	
Other receivables with a single provision for bad debts	165,140,865.60	1,171,895.24	18,928,004.25	1,473,965.23		145,910,791.36
Other receivables portfolio A	6,758,830.02	1,155,697.54	975,562.67	1,000.00		6,937,964.89
Total	171,899,695.62	2,327,592.78	19,903,566.92	1,474,965.23		152,848,756.25

of which the amount of provision for bad debts reversed or recovered during the period is significant:

☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

Name of entity	Amount reversed or recovered	Reason for reversal	Method of recovery	Basis for determining the proportion of the original provision for bad debts and its reasonableness
1	18,777,142.06	reverse	wire transfers	Individual bad debt provision
Total	18,777,142.06			

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

☐Applicable ☒Not applicable

(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	137,492,535.69	53.94	Account current	Segmented ageing	62,403,368.18
2	16,958,373.26	6.65	Account current	Segment ageing	16,958,373.26
3	12,000,000.00	4.71	Account current	More than 3 years	12,000,000.00

4	10,068,251.18	3.95	Account current	More than 3 years	10,068,251.18
5	8,180,675.26	3.21	Account current	Segment ageing	636,642.05
Total	184,699,835.39	72.46	/	/	102,066,634.67

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	230,086,579.77	10,950,920.03	219,135,659.74	247,748,331.29	1,398,106.34	246,350,224.95
Products in process	1,044,376,428.84	78,218,800.57	966,157,628.27	1,080,656,523.08	26,242,753.05	1,054,413,770.03
Merchandise inventory	201,422,414.79	11,724,882.27	189,697,532.52	397,341,133.57	9,804,458.92	387,536,674.65
Revolving materials						
Consumable biological assets						
Contract fulfillment cost						
Packaging and low value consumables	10,817,678.12		10,817,678.12	11,547,587.55		11,547,587.55
Consigned Processed Goods	124,110,583.95		124,110,583.95	147,788,291.02		147,788,291.02
Delivered goods	30,417,226.07		30,417,226.07	15,342,829.22		15,342,829.22
Construction (completed but not settled amount)	4,489,105.40		4,489,105.40	4,225,727.44		4,225,727.44
Total	1,645,720,016.94	100,894,602.87	1,544,825,414.07	1,904,650,423.17	37,445,318.31	1,867,205,104.86

(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	1,398,106.34	10,950,920.03		1,398,106.34		10,950,920.03
Products in process	26,242,753.05	78,218,800.57		26,242,753.05		78,218,800.57
Merchandise inventory	9,804,458.92	11,724,882.27		9,804,458.92		11,724,882.27
Total	37,445,318.31	100,894,602.87		37,445,318.31		100,894,602.87

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

☒Applicable ☐Not applicable

Item	Specific basis for determining net realizable value	Reasons for reversal of provision for decline in value of inventories	Reasons for reversal of provision for decline in value of inventories
Inventory goods	The net realizable value is determined by the estimated selling price of the inventory, less estimated selling expenses and related taxes.		Sold during the period
Raw materials, self-manufactured semi-finished goods and products in process	The net realizable value is determined by the estimated selling price of the related finished goods, less costs estimated to be incurred until completion, estimated selling expenses and related taxes		Received or 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	18,068,792.02	3,478,296.36

Tax retained at end of VAT payable	8,855,567.28	7,406,470.97
Total	26,924,359.30	10,884,767.33

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
		Additi onal invest ment	Inves tment reduc tion	Investment income or losses recognised under equity method	Adjustments of other comprehensive income	Other equity changes	Declared cash dividend or profit	Provisio n for impair ment	Others		
I. Joint ventures											
II. Associated company											
Baofang Carbon Material Technology Co., Ltd.	594,464,338.91			-62,530,710.51		110,705.73				532,044,334.13	
Jiujiang Bank Co., Ltd.	1,131,758,659.04			19,517,133.34	64,295,689.39	362,902.12	8,164,200.00			1,207,770,183.89	425,684,011.01
Jilin Chemical Fiber Co., Ltd.	455,588,177.08			1,489,864.15						457,078,041.23	
Tianjin Haihe Fangda Industrial Investment Fund Partnership (Limited Partnership)	29,843,425.35			4,364,273.32						34,207,698.67	

Nanchang Huxu Steel Industry Investment Partnership (Limited Partnership)	4,563,439,714.77			38,415,622.19						4,601,855,336.96	
Subtotal	6,775,094,315.15			1,256,182.49	64,295,689.39	473,607.85	8,164,200.00			6,832,955,594.88	425,684,011.01
Total	6,775,094,315.15			1,256,182.49	64,295,689.39	473,607.85	8,164,200.00			6,832,955,594.88	425,684,011.01

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 Weiyang Equity Investment Fund Partnership (Limited Partnership)	505,726,485.92	501,990,183.96
Bank of Hainan Perpetual Bond	505,726,485.92	501,990,183.96
Total	505,726,485.92	501,990,183.96

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	2,675,149,590.34	2,665,947,243.38
Disposal of fixed assets	1,250,145.59	161,806.45
Total	2,676,399,735.93	2,666,109,049.83

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	1,933,658,471.75	3,087,387,712.16	827,385,431.99	61,544,687.87	5,909,976,303.77
2.Increase in the current period	83,373,742.83	223,996,189.21	29,317,507.71	2,366,999.26	339,054,439.01
(1) Purchase	271,894.34	2,537,185.17	6,296,621.11	2,146,320.03	11,252,020.65
(2) Transfer from construction in progress	65,094,610.97	218,900,566.91	23,020,886.60	220,679.23	307,236,743.71
(3) Increase arising from firm merger					

(4) Other	18,007,237.52	2,558,437.13			20,565,674.65
3.Decrease in the current period	34,967,644.10	64,847,979.63	24,273,018.95	3,631,232.91	127,719,875.59
(1) Disposal or scrapping	34,008,860.43	59,847,254.37	23,612,773.53	3,631,232.91	121,100,121.24
(2) Others	958,783.67	5,000,725.26	660,245.42		6,619,754.35
4. Closing balance	1,982,064,570.48	3,246,535,921.74	832,429,920.75	60,280,454.22	6,121,310,867.19
II.Accumulated depreciation					
1.Opening balance	738,030,220.39	1,655,779,464.12	440,133,430.76	55,345,460.99	2,889,288,576.26
2.Increase in the current period	67,502,906.47	178,650,604.28	51,658,703.76	1,997,636.52	299,809,851.03
(1) Accruals	67,502,906.47	178,650,604.28	51,658,703.76	1,997,636.52	299,809,851.03
3.Decrease in the current period	12,981,626.83	59,163,343.37	22,268,116.20	2,758,546.24	97,171,632.64
(1) Disposal or retirement	12,981,626.83	55,881,625.22	22,268,116.20	2,758,546.24	93,889,914.49
(2) Other		3,281,718.15			3,281,718.15
4. Closing balance	792,551,500.03	1,775,266,725.03	469,524,018.32	54,584,551.27	3,091,926,794.65
III. Provision for impairment					
1.Opening balance	48,002,060.21	305,039,780.45	1,541,748.50	156,894.97	354,740,484.13
2.Increase in the current period					
(1) Accruals					
3.Decrease in the current period		506,001.93			506,001.93
(1) Disposal or retirement		506,001.93			506,001.93
4.Closing balance	48,002,060.21	304,533,778.52	1,541,748.50	156,894.97	354,234,482.20

IV. Book value					
1.Book value at the end of the reporting period	1,141,511,010.24	1,166,735,418.19	361,364,153.93	5,539,007.98	2,675,149,590.34
2.Book value at the beginning of the period	1,147,626,191.15	1,126,568,467.59	385,710,252.73	6,042,331.91	2,665,947,243.38

(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	42,803,279.61	21,738,564.01	1,239,854.83	19,824,860.77	
Specialized equipment	442,761,292.10	276,002,545.68	94,034,847.52	72,723,898.90	
General purpose equipment	22,216,171.61	17,856,268.81	767,285.27	3,592,617.53	
Transportation equipment	1,546,468.30	1,460,110.90		86,357.40	
Total	509,327,211.62	317,057,489.40	96,041,987.62	96,227,734.60	

(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.	102,144,805.92	Pre-conversion (from state-owned enterprise to Private firm) building, which has not been processed.

Fushun Fangda High-tech and New Co.,Ltd.	6,421,319.03	Not yet done.
Chengdu Fangda Carbon Composite Material Co.,Ltd	194,218,659.95	New plant, to be processed simultaneously when the other plants are completed.
Fushun Laihe Mining Co.,Ltd.	2,082,013.53	Self-constructed, can't get a real estate license.
Hefei Carbon Co.,Ltd.	79,552,821.35	No land title.
Meishan Rongguang Carbon Co.,Ltd.	78,508,152.86	Temporarily unavailable due to municipal planning.
Fushun Carbon Co.,Ltd.	8,229,873.57	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.	13,903,491.98	Not yet done.
Total	485,061,138.19	/

Disposal of fixed assets

☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

Items	Closing balance	Opening balance
Fixed assets scrapped	1,250,145.59	161,806.45
Total	1,250,145.59	161,806.45

22. Construction in progress

Presentation of items

☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

Item	Closing balance	Opening balance
Construction in progress	459,645,264.59	468,322,758.48
Materials for construction of fixed assets	1,134,978.22	37,243.03
Total	460,780,242.81	468,360,001.51

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
Fangda Hotel Project	29,326,274.48		29,326,274.48	4,908,613.23		4,908,613.23
Reconstruction of Impregnation Line No. 3 at the Baking Plant	143,396.23		143,396.23			
30,000 Tons/Year Special Graphite Manufacturing and Processing Project	28,249,547.37		28,249,547.37	71,471,469.58		71,471,469.58
Annual Production of 50,000 Tons of Ultra-High Power Graphite Electrodes and Special Graphite Project	45,535,779.26		45,535,779.26	60,109,476.36		60,109,476.36

3,100 Tons Carbon Fiber Project	218,957,399.33	34,635,099.33	184,322,300.00	218,957,399.33	34,635,099.33	184,322,300.00
New Factory in Xiatai Town, Changfeng County	169,658,978.38		169,658,978.38	147,141,454.49		147,141,454.49
Others	2,408,988.87		2,408,988.87	369,444.82		369,444.82
Total	494,280,363.92	34,635,099.33	459,645,264.59	502,957,857.81	34,635,099.33	468,322,758.48

(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
Fangda Hotel Project	1,470,000,000.00	218,957,399.33				218,957,399.33	28.35	35.00	51,762,672.18			Borrowings and self-financing
Reconstruction of Impregnation Line No. 3 at the Baking Plant	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
30,000 Tons/Year Special Graphite Manufacturing and Processing 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 Production of 50,000 Tons 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
3,100 Tons Carbon Fiber Project	446,250,700.00	66,600,286.01	95,524,218.39	14,983,049.91		147,141,454.49	70.32	89.47				Borrowings and self-financing
New Factory in Xiatai Town, Changfeng County	59,268,800.00	2,618,439.08	2,290,174.15			4,908,613.23	8.28	7.00				self-financing
Total	40,100,000.00		31,333,532.46	31,333,532.46			78.14	100.00				/

(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	34,635,099.33			34,635,099.33	Idle assets
Total	34,635,099.33			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	1,155,039.69	20,061.47	1,134,978.22	57,304.50	20,061.47	37,243.03
Total	1,155,039.69	20,061.47	1,134,978.22	57,304.50	20,061.47	37,243.03

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	19,465,920.13	19,465,920.13
4.Closing balance	19,465,920.13	19,465,920.13
II. Accumulated depreciation		
1.Opening balance	10,706,256.10	10,706,256.10
2.Increase in the current period	2,919,888.03	2,919,888.03
(1) Accruals	2,919,888.03	2,919,888.03

3.Decrease in the current period	13,626,144.13	13,626,144.13
(1)Disposal	13,626,144.13	13,626,144.13
4.Closing balance		
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		
2.Book value at the beginning of the reporting period	8,759,664.03	8,759,664.03

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	640,779,359.54	404,927.45	116,433,093.74	12,523,132.00	2,704,400.00	78,973,821.58	851,818,734.31
2.Increase in the current period							
(1)Purchase							
(2) Internal R&D							
(3) Increase arising from business merge							
3.Decrease in the current period	21,244,766.42						21,244,766.42
(1)Disposal	21,244,766.42						21,244,766.42
4.Closing balance	619,534,593.12	404,927.45	116,433,093.74	12,523,132.00	2,704,400.00	78,973,821.58	830,573,967.89
II. Accumulated amortization							
1.Opening balance	199,862,359.39	404,927.45	116,433,093.74	12,523,132.00	527,792.00	78,973,821.58	408,725,126.16
2.Increase in the current period	14,321,555.22				53,088.00		14,374,643.22
(1) Accruals	14,321,555.22				53,088.00		14,374,643.22
3.Decrease in the current period	8,093,244.42						8,093,244.42
(1) Disposal	8,093,244.42						8,093,244.42
4.Closing balance	206,090,670.19	404,927.45	116,433,093.74	12,523,132.00	580,880.00	78,973,821.58	415,006,524.96
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	413,443,922.93				2,123,520.00		415,567,442.93
2. Book value at the beginning of the reporting period	440,917,000.15				2,176,608.00		443,093,608.15

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	104,999.25		5,000.03		99,999.22
Prospecting fees	281,006.29			281,006.29	
Wasteland rent	27,786.40		27,786.40		
Decoration and technical maintenance fees					
Pipeline service fees					

Total	413,791.94		32,786.43	281,006.29	99,999.22
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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
Asset impairment provision	339,062,935.59	62,136,664.55	304,895,527.82	56,841,143.88
Government grants	41,637,484.19	9,932,435.27	26,700,203.48	6,675,050.87
Deductible losses	903,373.60	225,843.40	836,733.16	209,183.29
Accrued but unpaid compensation	48,246,712.31	7,237,006.85	102,459,665.87	15,368,949.88
Trading financial instruments	9,662,848.05	1,449,427.21	5,331,583.62	1,332,895.90
Unrealized profit from internal transactions	6,692,153.09	1,003,822.96	17,960,942.37	2,694,141.36
Donation expenses carried forward for deduction in future years	483,066,310.92	89,836,161.95	497,908,176.67	91,497,402.83
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	
	Taxable temporary differences	Deferred tax liabilities	Taxable temporary differences	Deferred tax liabilities
Assets appreciation arising from company merger not under control of same entity	246,519,215.66	36,977,882.35	194,206,880.64	48,551,720.16
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	102,834,665.45	15,507,643.02	101,765,724.34	15,315,103.70
Total	349,426,738.67	52,503,739.76	296,045,462.54	63,885,038.25

(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	1,040,694,789.50	708,937,277.39
Deductible losses	630,200,109.15	527,467,331.09
Total	1,670,894,898.65	1,236,404,608.48

(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
2024	/	67,519,364.24	
2025	123,951,346.58	123,953,078.36	
2026	129,607,352.23	129,608,098.98	
2027	96,041,110.38	96,040,442.08	
2028	121,793,935.20	110,346,347.43	
2029	158,806,364.76		
Total	630,200,109.15	527,467,331.09	/

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 performance costs						
Cost of returned goods receivable						
Contract assets						
Prepayments for long-term assets and land premiums	12,439,312.81		12,439,312.81	39,668,780.53		39,668,780.53
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	788,953.22		788,953.22	776,790.35		776,790.35
Investments measured at amortized cost	14,997,500.00		14,997,500.00	14,997,500.00		14,997,500.00

Exploration and development costs	1,250,567.24		1,250,567.24			
Total	77,128,165.45	22,636,001.99	54,492,163.46	103,094,903.06	22,636,001.99	80,458,901.07

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
Cash and cash equivalence	50,556,033.55	50,556,033.55	Other	Note 1	74,102,785.42	74,102,785.42	other	
Notes receivable	42,194,237.44	42,194,237.44	Pledged	Note 2	580,840,971.91	580,840,971.91	Pledged	
Inventory								
Fixed assets	24,042,138.13	2,977,694.45	mortgaged		24,042,138.13	3,330,990.53	mortgaged	
Intangible assets								
Financial assets held for trading	403,949,689.95	403,949,689.95	Pledged	Note 2	323,177,400.73	323,177,400.73	Pledged	
Total	520,742,099.07	499,677,655.39	/	/	1,002,163,296.19	981,452,148.59		

Other explanations:

Notes:

(1) The following funds are restricted in use: bill deposit of 28,869,486.21 yuan, guarantee letter deposit of 15,552,000.00 yuan, letter of credit deposit of 6,131,000.00 yuan, and frozen account funds of 3,547.34 yuan.

Aside from these, there are no other mortgaged, frozen, or potentially unrecoverable amounts.

(2) Our subsidiary, Shanghai Fangda Investment Management Co., Ltd., has pledged trading financial assets with a book value of 403,949,689.95 yuan as collateral to obtain a loan of 204,552,785.31 yuan from the Dalian Huanghe Road Securities Branch of Guoyuan Securities Co., Ltd.

(3) Our company has pledged accounts receivable bills amounting to 42,194,237.44 yuan to issue payable bills.

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	204,552,785.31	106,639,045.75
Guaranteed loans		40,000,000.00

Credit loans	240,000,000.00	150,000,000.00
Outstanding discounted notes	94,917,734.65	133,727,123.41
Accrued interest	1,333,718.69	1,119,104.73
Total	540,804,238.65	431,485,273.89

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	101,605,855.43	400,770,815.15
Total	101,605,855.43	400,770,815.15

36. Accounts payable

(1). Accounts payable

☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

Item	Closing balance	Opening balance
Less than 1 year (including 1 year)	284,830,164.42	403,899,658.90
More than 1 year	152,540,339.98	61,414,643.34
Total	437,370,504.40	465,314,302.24

(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	7,483,820.08	Project construction not yet completed
2	4,665,392.44	Not yet closed
3	3,427,040.24	Payment terms have not been met
4	3,372,843.50	Formed before restructuring
5	3,184,000.00	The other party has not called for collection
6	2,868,239.94	Project not yet completed

7	2,041,837.40	Project not yet completed
8	2,030,183.14	Formed before restructuring
9	1,894,758.00	The other party has not called for collection
10	1,888,717.93	The other party has not called for collection
11	1,446,191.32	Formed before restructuring
12	1,390,000.00	The other party has not called for collection
13	1,362,450.28	Uncollected
14	1,012,280.00	Uncollected
Total	38,067,754.27	/

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	267,581,615.70	272,526,035.77
Total	267,581,615.70	272,526,035.77

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	58,014,730.93	612,006,221.05	611,592,579.06	58,428,372.92
II.Post-employment benefits–Defined deposit plan	16,273,261.69	80,292,131.67	80,236,858.17	16,328,535.19
III. Termination benefits	3,193,664.44	8,036.19	3,142,645.85	59,054.78
IV.Other benefits due within one year				
Total	77,481,657.06	692,306,388.91	694,972,083.08	74,815,962.89

(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, bonuses, allowances and subsidies	52,309,750.22	471,673,615.80	470,559,872.55	53,423,493.47
II. Staff welfare		39,069,351.18	39,069,351.18	
III.Social security contributions	768,850.27	44,842,022.32	44,956,401.91	654,470.68
Including: Medical insurance	768,546.02	40,689,064.66	40,803,408.38	654,202.30
Work injury insurance	304.25	4,152,957.66	4,152,993.53	268.38
Maternity insurance				
IV. Housing funds	2,037,124.80	48,308,205.50	48,435,013.30	1,910,317.00
V.Labor union and employee education costs	2,899,005.64	8,113,026.25	8,571,940.12	2,440,091.77
VI. Short-term paid leave				
VII.Short-term profit-sharing plan				
Total	58,014,730.93	612,006,221.05	611,592,579.06	58,428,372.92

(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	14,095,308.26	77,008,769.61	77,239,221.99	13,864,855.88
2.Unemployment insurance	2,177,953.43	3,283,362.06	2,997,636.18	2,463,679.31
3. Enterprise annuity				
Total	16,273,261.69	80,292,131.67	80,236,858.17	16,328,535.19

40 .Taxes payable

☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

Item	Closing balance	Opening balance
Value Added Tax (VAT)	3,261,157.13	12,398,817.50
Consumption tax		
Business Tax		
Enterprise Income Tax	20,743,040.84	28,521,350.79
Individual Income Tax		
Urban Maintenance and Construction Tax	152,105.81	74,093.13
Land Use Tax	1,070,594.97	1,070,594.98
Property Tax	632,181.97	432,173.16

Education surcharge	150,117.07	185,087.76
Withholding Individual Income Tax	653,179.19	534,406.46
Resource Tax	192,413.66	3,871,150.92
Stamp Duty	463,182.74	682,558.73
Others	307,900.46	230,887.65
Total	27,625,873.84	48,001,121.08

41. Other payables

(1).Presentation of items

☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

Item	Closing balance	Opening balance
Interest payable		219,899.12
Dividends payable	2,139,998.15	2,139,998.15
Other payables	175,106,054.80	179,935,479.18
Total	177,246,052.95	182,295,376.45

(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
Interest on preference shares\perpetual bonds classified as financial liabilities		
Total		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	2,603,990.83	2,789,191.00
Accounts current payable	29,602,281.88	35,238,023.46
Security deposits payable	83,675,237.35	87,064,791.42
Other payable	59,224,544.74	54,843,473.30
Total	175,106,054.80	179,935,479.18

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	10,221,189.17	Not yet due for settlement
2	8,991,588.29	Formed before restructuring
3	6,277,000.00	Not yet due
4	2,623,000.00	Not yet due for settlement
5	2,000,000.00	Formed before restructuring
6	1,903,000.00	Not yet due
7	1,889,000.00	Not yet due
8	1,874,000.00	Not yet due
9	1,300,000.00	Not yet due
10	1,254,685.94	Not yet due
11	1,200,000.00	Not yet due
12	1,200,000.00	Not yet due
13	1,200,000.00	Not yet due
14	1,094,000.00	Not yet due
15	1,065,000.00	Not yet due
16	1,000,000.00	Not yet due
Total	45,092,463.40	Not yet due for settlement

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 loans due within 1 year	630,173,224.58	
Bonds payable due within 1 year		
Long-term payables due within 1 year		
Lease liabilities due within 1 year		4,059,272.50
Total	630,173,224.58	4,059,272.50

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	34,779,666.62	37,840,648.33
Non-derecognition of notes receivable	185,276,821.13	260,663,862.51
Total	220,056,487.75	298,504,510.84

45 . Long-term borrowings**(1). Categories of long-term borrowings**
☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

Item	Closing balance	Opening balance
Pledge Borrowing		
Collateralized Loans		
Guarantee	249,700,000.00	249,800,000.00
Credit borrowings	380,000,000.00	388,000,000.00
Outstanding interest payable	473,224.58	479,169.17
Subtotal	630,173,224.58	638,279,169.17
Less: Long-term loans due within one year	630,173,224.58	
Total		638,279,169.17

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		9,632,898.09
Less: Lease liabilities due within one year		4,059,272.50
Total		5,573,625.59

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

Long-term accounts payable**(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 grants related to assets	294,579,096.91		25,172,850.75	269,406,246.16	
Government grants related to income	2,772,240.00	1,379,641.02	1,271,595.17	2,880,285.85	/
Total	297,351,336.91	1,379,641.02	26,444,445.92	272,286,532.01	

52 . Other non-current liabilities

☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

Item	Closing balance	Opening balance
Relocation compensation	75,836,083.26	78,992,065.50
Total	75,836,083.26	78,992,065.50

53 . Paid-in capital

☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

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

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)	1,942,534,666.26			1,942,534,666.26
Other capital reserves	37,379,477.33	473,607.85		37,853,085.18
Total	1,979,914,143.59	473,607.85		1,980,387,751.44

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

The Company recognized the increase in special reserve of Baofang Carbon Material Technology Co., Ltd., an

associate, which increased the amount of capital surplus-other capital reserve by CNY 110,705.73, and the purchase of minority interests in subsidiaries by Jiujiang Bank Co., Ltd. which increased the amount of capital surplus-other capital reserve by CNY 362,902.12.

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	1,020,037,121.13		1,300,035,900.58
Total	279,998,779.45	1,020,037,121.13		1,300,035,900.58

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

The Company held the Third Interim Meeting of the Ninth Session of the Board of Directors on September 18, 2024, at which the Meeting considered and passed the Proposal on the Plan of Repurchasing the Company's Shares by means of Centralized Bidding Transactions, and agreed that the Company would use its own funds to repurchase the Company's shares by means of Centralized Bidding Transactions, for the purpose of safeguarding the Company's value and shareholders' rights and interests, and that it would repurchase an aggregate of 196,324,457 shares during the current year with a total cumulative payment of CNY1 The total number of shares repurchased this year is 196,324,457, and the total amount paid is CNY1,020,037,121.13(Commission fee included).

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	33,658,277.07	64,295,346.47				64,295,346.47		97,953,623.54
Including: Other comprehensive income that may be transferred to profit or loss under equity method	33,693,797.96	64,295,689.39				64,295,689.39		97,989,487.35

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	-35,520.89	-342.92				-342.92		-35,863.81
Total other comprehensive income	33,658,277.07	64,295,346.47				64,295,346.47		97,953,623.54

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	18,911,622.34		7,269,471.54	11,642,150.80
Environmental Governance Rehabilitation Fund	9,553,392.36			9,553,392.36
Total	28,465,014.70		7,269,471.54	21,195,543.16

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	1,423,851,110.49	8,354,881.78		1,432,205,992.27
Total	1,423,851,110.49	8,354,881.78		1,432,205,992.27

60. Retained earnings
☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

Item	Current period	Prior period
Before adjustment: retained earnings of the prior period	9,861,867,181.77	9,456,269,111.61
Adjustment: Total retained earnings at the beginning of the reporting period (increase "+", decrease "-")		
After adjustment: retained earnings at the beginning of the reporting period	9,861,867,181.77	9,456,269,111.61
Add: Net profit attributable to owners of the Company for the current period	186,021,771.78	416,237,631.36
Less: Transfer to statutory surplus reserve	8,354,881.78	10,639,561.20
Transfer to discretionary surplus reserve		
Transfer to general risk reserve		
Declaration of dividends on ordinary shares	127,133,515.95	
Conversion of ordinary shares' dividends into share capital		
Retained earnings at the end of the reporting period		
Total	9,912,400,555.82	9,861,867,181.77

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	Amount incurred in the prior period
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	period			
	Revenue	Cost	Revenue	Cost
Principal operating activities	3,642,648,544.32	3,241,710,067.99	4,822,712,304.11	4,045,089,467.53
Others	229,391,336.14	88,518,715.18	309,196,539.24	110,013,723.60
Total	3,872,039,880.46	3,330,228,783.17	5,131,908,843.35	4,155,103,191.13

62 . Taxes and surcharges

☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

Item	Amount incurred in the current period	Amount incurred in the prior period
Resource tax	11,308,982.77	4,192,428.20
Property Tax	13,688,017.44	12,434,046.54
Land Use Tax	17,215,758.17	17,140,777.87
Urban Maintenance and Construction Tax	8,436,874.09	12,135,062.92
Education Fee Surcharge	7,720,688.21	8,821,205.79
Vehicle and Ship Use Tax	153,694.48	219,991.09
Stamp Duty	2,533,060.58	4,378,679.99
Others	2,579,477.17	1,846,990.66
Total	63,636,552.91	61,169,183.06

63 . Selling expenses

☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

Item	Amount incurred in the current period	Amount incurred in the prior period
Employee compensation	31,697,982.21	36,325,537.06
Packaging costs		29,822,554.54
Business hospitality	14,470,637.74	17,851,508.49
Sales service fee	9,919,343.88	8,924,163.50
Travel expenses	6,371,113.47	6,077,601.56
Hong Kong miscellaneous expenses		7,676,362.19
Labor cost		2,132,482.06
Business development and bidding fees	2,347,612.76	1,240,486.16
Office expenses	1,073,276.49	3,015,727.50
Loading and unloading fees		1,132,702.30

Advertising and exhibition expenses	927,679.47	281,250.67
Depreciation and amortization	182,056.56	181,831.67
Others	5,839,022.10	5,100,441.85
Total	72,828,724.68	119,762,649.55

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
Employee compensation	228,559,594.59	230,056,476.53
Depreciation and amortization expense	59,987,042.41	64,247,737.23
Repair costs	13,381,838.36	10,082,916.51
Production safety expenses	5,739,114.09	8,534,720.67
Utilities (energy)	4,248,931.52	12,286,330.64
Service charge	13,881,364.05	11,636,899.36
Business hospitality expenses	4,754,562.30	5,915,148.25
Travel expenses	5,166,713.95	8,262,820.04
Office expenses	5,711,754.47	6,147,743.95
Material Consumption	2,505,928.78	2,468,318.21
Insurance	4,062,416.04	4,150,193.91
Lease Fee	5,065,546.15	2,471,718.46
Transportation	1,855,062.85	2,134,439.66
Labor cost	1,257,668.12	1,425,050.21
Sewage Disposal Fee	661,955.76	1,026,794.67
Environmental Management and Restoration Fund	57,007.02	68,828.34
Others	17,804,591.07	10,856,707.98
Total	374,701,091.53	381,772,844.62

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	39,058,024.84	39,818,007.69
Commissioned external research and	4,893,803.40	15,384,096.30

development costs		
Material cost	6,333,749.45	25,858,258.91
Depreciation and amortization	5,691,103.12	6,823,696.86
Other expenses	1,415,823.66	2,601,351.01
Total	57,392,504.47	90,485,410.77

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	32,366,541.28	33,639,324.56
Less: Interest income	173,364,606.18	169,003,041.83
Gain or loss on Currency Exchange	-10,364,690.31	-2,753,632.20
Commission fee	710,286.48	1,242,216.55
Unrecognized financing costs	302,177.11	562,721.40
Others		200.00
Total	-150,350,291.62	-136,312,211.52

67 . Other income

☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

Item	Amount incurred in the current period	Amount incurred in the prior period
Government Subsidies	39,571,448.95	34,433,845.67
Tax Benefits	10,299,048.37	13,920,203.71
Debt restructuring gains	2,441,035.98	5,192,730.74
Personal Tax Fee Refund	176,503.93	305,719.68
Total	52,488,037.23	53,852,499.80

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	1,256,182.49	40,801,157.02
Investment income from disposal of long-term equity investments		3,142,800.77

Investment income from trading financial assets during the holding period	10,285,477.02	14,533,650.16
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 financial assets held for trading	-52,196,895.56	24,032,319.38
Investment income from disposal of other equity instrument investments		
Investment income from disposal of debt investments		
Investment income from disposal of other debt investments		
Gain on debt restructuring	-214,427.16	-923,462.82
Investment income from holding other non-current assets	599,056.59	599,056.60
Gain on other non-current financial assets acquired during the holding period	12,445,222.01	
Gain on derecognition of financial assets	-476,559.18	-1,832,768.48
Gain recognized on merger by absorption of Siveco Murray		71,742,128.36
Others	8,318.89	9,835.93
Total	-28,293,624.90	152,104,716.92

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	126,614,699.78	-61,472,277.84
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	17,220,600.00	-4,796,469.18
Total	143,835,299.78	-66,268,747.02

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	-187,445.89	-181,269.76
Bad debt losses on accounts receivable	-5,692,106.02	723,924.11
Bad debt losses on other receivables	17,575,974.14	-16,662,114.07
Impairment losses on debt investments		
Impairment loss on other debt investments		
Bad debt losses on long-term receivables		
Impairment losses on contract assets		
Total	11,696,422.23	-16,119,459.72

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	-2,465,563.66	76,490.75
II. Impairment loss on inventories and impairment loss on contract performance costs	-100,894,602.87	-42,907,957.53
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
VIII. Impairment loss on productive biological assets		
IX. Impairment loss on oil and gas assets		
X. Impairment loss on intangible assets		
XI. Impairment loss on goodwill		
XII. Others		
Total	-103,360,166.53	-65,706,002.61

73 . Gains from disposal of assets

☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

Item	Amount incurred in	Amount incurred in
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	the current period	the prior period
Net gain on disposal of fixed assets	533,009.89	967,941.88
Net gain on disposal of intangible assets	-13,151,522.00	
Gain on disposal of other non-current assets	766,395.67	
Total	-11,852,116.44	967,941.88

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 gain on disposal of non-current assets	655,970.96	4,087,742.46	655,970.96
Of which: Gain on disposal of fixed assets	655,970.96	4,087,742.46	655,970.96
Gain on disposal of intangible assets			
Gain on exchange of non-monetary assets			
Acceptance of donations			
Government subsidies		24,073,816.45	
Proceeds from confiscation	3,436,115.86	2,635,594.39	3,436,115.86
Claims for breach of contract		536,827.09	
Insurance claims	2,437,485.66		2,437,485.66
Others	1,767,371.99	5,259,605.40	1,767,371.99
Total	8,296,944.47	36,593,585.79	8,296,944.47

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 loss on disposal of non-current assets	2,349,926.18	3,638,571.15	2,349,926.18
Of which: Loss on disposal of fixed assets	2,349,926.18	3,638,571.15	2,349,926.18
Loss on disposal of intangible assets			
Loss on exchange of non-monetary			

assets			
External donations			
Donation expenditure	1,002,995.32	32,515,286.92	1,002,995.32
Expenditure on fines	802,701.00	4,229,450.55	802,701.00
Others	1,196,571.59	2,874,517.51	1,196,571.59
Total	5,352,194.09	43,257,826.13	5,352,194.09

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	47,700,312.32	104,664,262.60
Deferred tax expenses	1,970,311.51	-13,870,291.96
Total	49,670,623.83	90,793,970.64

(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	191,061,117.07
Income tax expenses calculated at statutory/applicable tax rate	28,659,167.56
Effect of different tax rates applicable to subsidiaries	11,667,218.46
Effect of adjustment to income tax of prior periods	5,962,182.35
Effect of non-taxable income	-610,573.56
Effect of non-deductible costs, expenses and losses	7,256,627.10
Effect of using deductible losses for which deferred tax assets were previously not recognised	
Effect of deductible temporary differences or deductible losses unrecognized in the current period	4,705,327.21
Additional Deduction	-7,969,325.29
Income tax expense	49,670,623.83

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	223,584,313.73	179,805,909.07
Government subvention received	13,303,506.96	33,642,545.15
Interest income received	166,377,643.25	162,910,431.85
Income received from fines and settlements, etc.	5,873,601.52	7,107,954.83
Total	409,139,065.46	383,466,840.90

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	67,707,820.95	133,453,847.43
Cash paid for selling expenses	44,742,190.39	52,794,435.92
Cash paid in non-operating expenses	2,406,157.89	39,619,254.98
Paid commission fee	3,521,653.26	1,261,174.00
Accounts current, imprests and guarantee deposits paid	191,684,567.11	214,038,757.88
Total	310,062,389.60	441,167,470.21

(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

(2) . 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	3,495,348.72	4,441,208.94
Purchase of treasury stock	1,020,037,121.13	279,998,779.45
Total	1,023,532,469.85	294,919,508.60

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 loans	431,485,273.89	1,089,873,286.58	6,438,246.76	804,608,205.69	182,384,362.89	540,804,238.65
Dividends payable			127,133,515.95	127,133,515.95		
Long-term loans	638,279,169.17		473,224.58	8,579,169.17	630,173,224.58	
Lease liabilities	5,573,625.59				5,573,625.59	
Non-current liabilities due within one year	4,059,272.50		630,173,224.58	3,328,903.53	730,368.97	630,173,224.58
Total	1,079,397,341.15	1,089,873,286.58	764,218,211.87	943,649,794.34	818,861,582.03	1,170,977,463.23

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
Reconciliation of net profit to cash flow from operating activities:		
Net profit	141,390,493.24	421,300,514.01
Add: Provision for asset impairment	103,360,166.53	17,184,862.82
Credit impairment loss	-11,696,422.23	16,119,459.72
Depreciation of fixed assets, depletion of oil and gas assets, depreciation of productive biological assets	299,809,851.03	295,580,842.36
Amortization of right-of-use assets	2,919,888.03	3,893,184.04
Amortization of intangible assets	14,374,643.22	13,431,585.68
Amortization of long-term amortized expenses	32,786.43	214,034.50

Loss on disposal of fixed assets, intangible assets and other long-lived assets (Gains are recognized with a “-” sign)	11,852,116.44	-967,941.88
Loss on retirement of fixed assets (Gain is recognized as “-”)	163,390.55	-449,171.31
Loss on change in fair value (Gain is recognized as “-”)	-143,835,299.78	66,268,747.02
Finance costs (Gain is recognized as “-”)	32,366,541.28	25,234,497.24
Loss on investments (Gain is recognized as “-”)	28,293,624.90	-153,164,467.99
Decrease in deferred income tax assets (increase is symbolized by “-”)	1,661,240.88	-10,226,193.93
Increase in deferred income tax liabilities (Decrease is recorded with a “-” sign)	-11,381,298.49	12,851,831.09
Decrease in inventories (increase is denoted by “-”)	258,930,406.24	482,163,343.10
Decrease in operating receivables (Increase recorded as “-”)	230,308,734.36	-238,765,166.99
Increase in operating payables (Decrease recognized as “-”)	-319,269,496.63	-94,665,201.04
Other		
Net cash flows from operating activities	639,281,366.00	856,004,758.44
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	5,394,411,958.13	6,117,187,006.86
Less: Opening balance of cash	6,117,187,006.86	2,939,933,397.36
Plus: Closing balance of cash equivalents		
Less: Opening balance of cash equivalents		
Net increase in cash and cash equivalents	-722,775,048.73	3,177,253,609.50

(2). Composition of cash and cash equivalents

☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

Item	Closing balance	Opening balance
I. Cash	5,394,411,958.13	6,117,187,006.86
Including: Cash on hand	74,163.29	95,620.62
Bank deposits	5,353,282,235.57	6,089,422,190.83
Other monetary funds	41,055,559.27	27,669,195.41
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	5,394,411,958.13	6,117,187,006.86
Including: Restricted cash and cash equivalents of the Company and subsidiaries within the Group		

(3) . 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 Margin	28,869,486.21	72,099,238.08	restriction on use
Guarantee deposits	15,552,000.00	2,000,000.00	restriction on use
Accrued Interest	10,056,340.65		Cannot be withdrawn freely
Letter of credit deposits	6,131,000.00		restriction on use
Others	3,547.34	3,547.34	restriction on use
Total	50,556,033.55	74,102,785.42	/

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	-	-	
Of which: US dollars	3,704,250.00	7.1884	26,627,630.70
Euro	159,073.24	7.5257	1,197,137.48
Japanese Yen	357,522.00	0.046233	16,529.31
Korean Won	587,701.00	0.004938	2,902.07
Accounts receivable	-	-	

U.S. Dollar	7,791,668.89	7.1884	56,009,632.65
Euro	407,460.54	7.5257	3,066,425.79
Accounts Payable	-	-	
Euro	1,341,689.21	7.5257	10,097,150.49

82. Leasing

(1) As lessee

☒Applicable ☐Not applicable

Lease expense for short-term leases or low-value assets with simplified treatment

☒Applicable ☐Not applicable

Simplified treatment of short-term lease expenses included in the cost of related assets or current profit or loss

1,980,408.32 (in CNY) Currency.Sale and leaseback transactions and basis of judgment

Total cash outflows related to leases 5,475,757.04 (in CNY) Currency.

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	39,058,024.84	39,818,007.69
Commissioned external research and development costs	4,893,803.40	15,384,096.30
Material cost	6,333,749.45	25,858,258.91
Depreciation and amortization	5,691,103.12	6,823,696.86
Other expenses	1,415,823.66	2,601,351.01
Total	57,392,504.47	90,485,410.77
Of which: Expensed R&D expenditure	57,392,504.47	90,485,410.77
Capitalized research and development expenditure		

IX. Changes of the scope of consolidation

☒Applicable ☐Not applicable

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.

(2) . 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%	2,864,947.27		82,587,800.17
Fushun Laihe mining Co.,Ltd	2.01%	1,766,470.23		37,024,870.08
Fushun Carbon Co.,Ltd.	34.46%	-14,992,050.41		371,261,426.53
Chengdu Rongguang Carbon Co., Ltd.	40.00%	-6,432,345.40		515,618,139.33
Jiangsu Fangda Carbon Chemicals Co., Ltd.	35.00%	-21,364,678.97		169,345,680.85

(3) Major financial information of significant non-wholly owned subsidiaries

☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

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.	158,170,157.98	47,881,810.61	206,051,968.59	9,771,651.08	206,108.00	9,977,759.08	150,466,771.63	48,560,388.35	199,027,159.98	9,821,696.93	125,612.62	9,947,309.55
Fushun Laihe	878,660,	118,132,55	996,792,848.	44,163,988.		44,163,988.	812,353,087.	125,615,44	937,968,527.	73,582,884.		73,582,884.

mining Co.,Ltd	292.11	6.49	60	16		16	47	0.28	75	72		72
Fushun Carbon Co.,Ltd.	1,123,186,136.46	63,703,708.19	1,186,889,844.65	118,609,812.68	18,214.39	118,628,027.07	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
Chengdu Rongguang Carbon Co., Ltd.	762,068,701.35	669,974,055.73	1,432,042,757.08	113,995,827.74	49,572,495.94	163,568,323.68	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
Fangda Xikemo (Jiangsu) Needle Coke Technology Co., Ltd.	173,574,389.29	218,857,471.17	392,431,860.46	27,727,554.27		27,727,554.27	188,173,883.57	427,382,648.01	615,556,531.58	29,294,057.55	41,375,731.68	70,669,789.23

Subsidiary	Current 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.	297,409,477.45	7,162,368.18	7,162,368.18	-106,935,214.42	414,072,913.19	11,646,821.87	11,646,821.87	57,078,461.73
Fushun Laihe mining Co.,Ltd	302,414,058.78	88,243,217.41	88,243,217.41	-644,811,125.07	121,529,003.66	19,648,349.26	19,648,349.26	656,071,800.81
Fushun Carbon Co.,Ltd.	278,493,457.16	-43,814,909.19	-43,814,909.19	-3,914,207.05	420,732,314.85	-24,100,095.59	-24,100,095.59	-10,098,269.98
Chengdu Rongguang Carbon Co., Ltd.	409,594,955.45	-25,878,147.67	-25,878,147.67	-11,997,740.59	520,109,425.21	31,376,884.35	31,376,884.35	38,577,054.61

Fushun Fangda High-tech and New Material Co.,Ltd.	242,304,675.60	-69,553,862.32	-69,553,862.32	-89,478,285.48	142,802,754.57	-13,979,598.60	-13,979,598.60	10,843,080.06
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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	Jietan Village, Ping'an Town, Honggu District, Lanzhou City, Gansu Province, China	Manufacturer	49.00		Equity method
Jilin Chemical Fiber Co., Ltd.	Jilin Province	No.216 Kunlun Street, Jilin Economic and Technological Development Zone, Jilin City, Jilin Province	Manufacturer	7.95		Equity method
Jiujiang Bank Co., Ltd.	Jilin	No.619, Changhong Avenue, Lianxi District, Jiujiang City, Jiangxi Province	Finance	4.78		Equity method
Nanchang Huxu Steel Industry Investment Partnership (Limited Partnership)	Jiujiang, Jiangxi Province	No.527, Metallurgical Avenue, Nangang Street, Qingshanhu District, Nanchang City, Jiangxi Province	Wealth management	49.17		Equity method
Baofang Carbon Material Technology Co., Ltd.	Shanghai	Jietan Village, Ping'an Town, Honggu District, Lanzhou City, Gansu Province, China	Wealth management	49.00		Equity method

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, with four recommended by 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 “Nanchang Huxu Steel Industry Investment Partnership (Limited Partnership) Partnership Agreement”, the company's contribution ratio is 37.50%, and the fund has set up 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 (total of 1) is appointed by the limited partners Fonda Special Steel Science and Technology Co. Ltd. and Jiangxi Hai-O Trading Company Limited each appoints one (total 3). 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 it under the equity method and does not include it 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	
	Baofang Carbon Material Technology Co., Ltd.	Jilin Chemical Fiber Co., Ltd.	Baofang Carbon Material Technology Co., Ltd.	Jilin Chemical Fiber Co., Ltd.
Current assets	342,795,001.73	2,904,545,558.24	469,614,201.69	3,132,648,208.15
Non-current assets	2,067,583,141.36	10,790,330,341.85	1,974,144,289.84	9,354,774,058.89
Total assets	2,410,378,143.09	13,694,875,900.09	2,443,758,491.53	12,487,422,267.04
Current liabilities	711,143,608.29	6,035,433,786.44	757,010,772.60	5,503,386,367.41
Non-current liabilities	577,967,094.06	2,004,750,467.74	433,030,012.71	1,849,255,974.16

Total liabilities	1,289,110,702.35	8,040,184,254.18	1,190,040,785.31	7,352,642,341.57
Minorities interests		501,171,290.94		
Equity attributable to owners of the parent	1,121,267,440.74	5,153,520,354.97	1,253,717,706.22	5,134,779,925.47
Share of net assets calculated by shareholding ratio	549,421,045.96	409,704,868.22	614,321,676.05	408,215,004.07
Adjustments	-17,376,711.83	47,373,173.01	-19,857,337.14	47,373,173.01
--Goodwill		47,373,173.01		47,373,173.01
----Unrealized profit of internal transaction	-17,376,711.83		-19,857,337.14	
--Others				
Book value of equity investment in joint venture	532,044,334.13	457,078,041.23	594,464,338.91	455,588,177.08
Fair value of equity investment of joint venture with public offer		706,010,761.28		569,111,167.68
Operating revenue	233,853,842.40	3,883,475,565.13	389,439,424.26	3,735,820,774.77
Net profit	-132,676,195.55	28,884,120.52	-76,559,642.07	4,414,598.72
Net profit from discontinuing operations				
Other comprehensive income				
Total comprehensive income	-132,676,195.55	28,884,120.52	-76,559,642.07	4,414,598.72
Dividends received from joint ventures in the current year				

	Closing balance/ current period		Opening balance/ prior period	
	Jiujiang Bank Co.,Ltd.	Nanchang Huxu Steel Industry Investment Partnership (Limited Partnership)	Jiujiang Bank Co.,Ltd.	Nanchang Huxu Steel Industry Investment Partnership (Limited Partnership)
Current assets	501,017,344,000.00	549,181,738.72	489,302,600,000.00	600,034,092.57
Non-current assets	15,441,277,000.00	8,808,946,747.63	14,546,600,000.00	8,679,974,091.85

Total assets	516,458,621,000.00	9,358,128,486.35	503,849,200,000.00	9,280,008,184.42
Current liabilities	424,536,623,000.00		458,703,800,000.00	
Non-current liabilities	49,389,060,000.00		4,188,900,000.00	
Total liabilities	473,925,683,000.00		462,892,700,000.00	
Minorities interests	785,818,000.00		800,000,000.00	
Equity attributable to owners of the parent	41,747,120,000.00	9,358,128,486.35	40,156,500,000.00	9,280,008,184.42
Share of net assets calculated by shareholding ratio	1,660,598,818.26	4,601,855,336.96	1,584,587,293.41	4,563,439,714.77
Adjustments	-452,828,634.37		-452,828,634.37	
--Goodwill				
----Unrealized profit of internal transaction				
--Others	-452,828,634.37		-452,828,634.37	
Book value of equity investment in joint venture	1,207,770,183.89	4,601,855,336.96	1,131,758,659.04	4,563,439,714.77
Fair value of equity investment of joint venture with public offer	661,532,879.70		952,490,000.00	
Operating revenue	10,014,467,000.00		10,358,400,000.00	
Net profit	684,704,000.00	78,120,301.93	745,400,000.00	129,008,184.41
Net profit from discontinuing operations				
Other comprehensive income	1,327,987,000.00		461,200,000.00	
Total comprehensive income	2,012,691,000.00	78,120,301.93	1,206,600,000.00	129,008,184.41
Dividends received from joint ventures in the current year	8,164,200.00		13,607,000.00	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	34,207,698.67	29,843,425.35
Sum of the following by percentage of shareholding		
--Net profit	4,364,273.32	-2,905,921.42
--Other comprehensive income		
--Total comprehensive income	4,364,273.32	-2,905,921.42

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	294,579,096.91			25,172,850.75		269,406,246.16	Asset-relevant
Deferred income	2,772,240.00	1,379,641.02		1,271,595.17		2,880,285.85	Revenue relevant
Total	297,351,336.91	1,379,641.02		26,444,445.92		272,286,532.01	

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	25,172,850.75	34,433,845.67
Revenue Related	14,398,598.2	24,073,816.45
Total	39,571,448.95	58,507,662.12

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, are described in detail for each financial instrument in the relevant item in Note V to this financial report. 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 results of operations 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 arising 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, 2024

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	5,455,024,332.33			5,455,024,332.33
Financial assets held for trading		1,014,860,385.06		1,014,860,385.06
Notes receivable	531,308,592.00			531,308,592.00
Account receivable	420,588,447.82			420,588,447.82
Financing receivable			126,856,196.64	126,856,196.64
Other receivable	102,055,634.62			102,055,634.62
Other non-current financial assets		505,726,485.92		505,726,485.92
Total	6,508,977,006.77	1,520,586,870.98	126,856,196.64	8,156,420,074.39

(2) 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. Book value of each class of financial liabilities at the balance sheet date

(1) December 31, 2024

Unit: Yuan Currency: CNY

Financial liabilities items	Financial liabilities at fair value included in profit or loss	Other financial liabilities	Total
------------------------------------	---	------------------------------------	--------------

Short term borrowings		540,804,238.65	540,804,238.65
Notes payable		101,605,855.43	101,605,855.43
Accounts payable		437,370,504.40	437,370,504.40
Other payable		175,106,054.80	175,106,054.80
Total		1,254,886,653.28	1,254,886,653.28

(2) 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

(II) Credit risk

The maximum exposure to credit risk that could cause the Company to incur a financial loss at the end of the current period arises primarily from losses on the Company's financial assets due to the failure of the other party to perform its obligations under the contract. 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 placed 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 as they fall due. The Company manages liquidity risk by ensuring that it has sufficient financial liquidity to meet its obligations as they fall due without incurring unacceptable losses or causing damage to the corporate reputation.

Financial liabilities are analyzed for maturity on the basis of undiscounted contractual cash flows:

Unit: Yuan Currency: CNY

Items	30 June 2024			
	Within 1 year	1-3 years	More than 3 years	Total
Short term borrowings	540,804,238.65			540,804,238.65
Notes payable	101,605,855.43			101,605,855.43
Account payable	284,830,164.42	109,325,575.82	43,214,764.16	437,370,504.40
Other Payable	82,191,876.79	38,339,552.13	54,574,625.88	175,106,054.80
Total	1,009,432,135.29	147,665,127.95	97,789,390.04	1,254,886,653.28

Continue the above table:

Unit: Yuan Currency: CNY

Items	31 December 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

(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 related 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 mainly 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 Renminbi.

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 depreciates against [USD]	5.00%	3,627,005.64	3,627,005.64
CNY appreciates against [USD]	5.00%	-3,627,005.64	-3,627,005.64
CNY depreciates against [Euro]	5.00%	213,178.16	213,178.16
CNY appreciated against [Euro]	5.00%	-213,178.16	-213,178.16
CNY depreciates	5.00%	145.10	145.10

against the [KRW].			
CNY appreciates against the [KRW].	5.00%	-145.10	-145.10
CNY depreciates against [JPY]	5.00%	826.47	826.47
CNY appreciated against the [JPY].	5.00%	-826.47	-826.47

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 depreciates against [USD]	5.00%	3,075,141.35	3,075,141.35
CNY appreciates against [USD]	5.00%	-3,075,141.35	-3,075,141.35
CNY depreciates against [Euro]	5.00%	62,719.80	62,719.80
CNY appreciated against [Euro]	5.00%	-62,719.80	-62,719.80
Renminbi depreciates against [KRW]	5.00%	154.88	154.88
CNY appreciates against [KRW]	5.00%	-154.88	-154.88
CNY depreciates against [JPY]	5.00%	897.61	897.61
CNY strengthens against [JPY]	5.00%	-897.61	-897.61

3. Equity instrument investment price risk

Equity instrument investment price risk is the risk that the fair value of equity securities will decrease due to changes in the level of equity indices and the value of individual securities.

As of December 31, 2024, the Company was 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, Shenzhen and Hong Kong 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	3,351.76	3,674.40/2,635.09	2,974.93	3,418.95/2,882.02
Shenzhen-A-share	10,414.61	11,864.11/7,683.63	9,524.69	12,246.01/9,106.15

index				
	20,059.95	23,241.74/14,794.16	17,047.39	22,700.85/15,972.31

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.

2024 annual:

Unit: Yuan Currency: CNY

Items	Book value	Total Profit/Net income increase/decrease	Shareholders' equity increase/decrease
Investments of listed equity instruments	1,012,656,397.02	47,504,311.67	47,504,311.67
Shanghai	761,161,458.70	35,458,779.53	35,458,779.53
Investments in trading equity instruments	761,161,458.70	35,458,779.53	35,458,779.53
Shenzhen	233,676,801.95	11,207,686.94	11,207,686.94
Investments in trading equity instruments	233,676,801.95	11,207,686.94	11,207,686.94
Hongkong	17,818,136.37	837,845.20	837,845.20
Investments in trading equity instruments	17,818,136.37	837,845.20	837,845.20
Investments in unlisted equity instruments measured at fair value	507,930,473.96	21,578,490.33	21,578,490.33

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

The primary objectives of the Company's capital management are 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, 2024 and 2023, 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(%)	3.10	7.73

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. Continuing fair value measurements				
(i) Financial assets held for trading				
1. Financial assets at fair value through profit or loss				
(1) Investments in debt instruments	1,012,853,607.50		2,006,777.56	1,014,860,385.06
(2) Investments in equity instruments	1,012,853,607.50		2,006,777.56	1,014,860,385.06
(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				
(vii) Other non-current financial assets		126,856,196.64		126,856,196.64
Total assets measured at fair value on a continuous basis			505,726,485.92	505,726,485.92
(vi) Financial liabilities held for trading	1,012,853,607.50	126,856,196.64	507,733,263.48	1,647,443,067.62
1. Financial liabilities at fair value through profit or loss				
Including: Bonds issued for trading				
Derivative financial liabilities				
Others				
2. Financial liabilities designated as at fair value through profit or loss				
Total liabilities at fair value on an ongoing basis				
II. Non-continuing fair value measurements				
(i) Assets held for sale				
Total assets measured at fair value on a discontinued basis				
Total liabilities measured at fair value on a non-continuing basis				

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 receivable financing, the face amount is used to determine its fair value.

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. For the unfixed maturity capital bonds of Bank of Hainan Co., Ltd. held by the Bank of Hainan, the measurement was based on the debt market valuation.

2. For the equity investment held in Northeast Special Steel, it was measured using the audited net assets of the investee as a reasonable estimate of fair value.

3. As the business environment and operating and financial conditions of the investee, Fosun Weiying Equity Investment Fund Partnership (Limited Partnership) in Ningbo Meishan Free Trade Port Zone, have changed, the Company measured the investment on the basis of the audited net assets attributable to the partners as a reasonable estimate of the fair value.

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.

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 De facto controller
Fangda Special Steel Technology Co., Ltd.	The same De facto controller
Jiujiang Pinggang Iron & Steel Co., Ltd.	The same De facto controller
Pingxiang Pinggang Anyuan Iron & Steel Co., Ltd.	The same De facto controller
Beijing Fangda Carbon Technology Co., Ltd.	The same De facto controller
Suifenhe Fangda International Trade Co., Ltd.	The same De facto controller
Northern Heavy Industries Group Co., Ltd.	The same De facto controller
Shenyang Northeast Big Pharmacy Chain Co., Ltd.	The same De facto controller
Zhongxing-Shenyang Commercial Building (Group) Co., Ltd.	The same De facto controller
Sichuan Daxing Baohua Chemical Co., Ltd.	The same De facto controller
Tianjin Department Store Business and Trade Corporation	The same De facto controller
Hainan Hantu Trading Co., Ltd.	The same De facto controller
Shengjing Fangda Real Estate Development Co., Ltd.	The same De facto controller
Hainan Airlines Holding Co., Ltd.	The same De facto controller
Shenyang Fangdi Property Development Co., Ltd.	The same De facto controller
Tianjin Quancheng Logistics Distribution Co., Ltd.	The same De facto controller
Sichuan Dazhou Iron & Steel Group Co., Ltd.	The same De facto controller
Beijing Fangda (Tianjin) International Trade Co., Ltd.	The same De facto controller
Gansu Fangda Tongte New Material Co., Ltd.	The same De facto controller
Gansu Fangda Zhanyao New Material Packaging Co., Ltd.	The same De facto controller
Liaoning Fangda New City Property Development Co., Ltd.	The same De facto controller
Dongxiang Autonomous County Fangda Liming Textile Co., Ltd.	The same De facto controller
Gansu Fangda Fuhuang East-West Collaboration Garment Co., Ltd.	The same De facto controller
Gansu Fangda Jiujiapeng Technology Development Co., Ltd.	The same De facto controller
Gansu Fangda Yuerta Animal Husbandry Development Co., Ltd.	The same De facto controller
China Xinhua Airlines Group Co., Ltd.	The same De facto controller
Dongxiang Autonomous County East-West Collaboration Meijiayu Umbrella Co., Ltd.	The same De facto controller

Dongxiang Autonomous County East-West Collaboration Shengweitang Food Co., Ltd.	The same De facto controller
Dongxiang Autonomous County Xiyuxing Apparel Co., Ltd.	The same De facto controller
Gansu Herp Silk Craft Products Co., Ltd.	The same De facto controller
Golden Deer (Beijing) Business Aviation Co., Ltd.	The same De facto controller
Hainan Fushun Investment & Development Co., Ltd.	The same De facto controller
Tianjin Huantong Electrical Equipment Co., Ltd.	The same De facto controller
Hainan Fangda Aviation Development Co., Ltd.	The same De facto controller
Lanzhou Fangda Carbon Real Estate Development Co., Ltd.	The same De facto controller
Shenyang Fangda Property Management Co., Ltd.	The same De facto controller
Jiujiang Fangda Hotel Co., Ltd.	The same De facto controller
Benxi Manchu Autonomous County Tongda Iron Ore Selection Co., Ltd.	The same De facto controller
Liaoning Fangda Real Estate Group Co., Ltd.	The same De facto controller
Liaoning Baidao Industrial Development Co., Ltd.	The same De facto controller
Jiangxi Fangda Iron & Steel Group Co., Ltd.	The same De facto controller
Guizhou Fangda Huangguoshu Food & Beverage Co., Ltd.	The same De facto controller
Shenyang Northeast Pharmaceutical Equipment Manufacturing & Installation Co., Ltd.	The same De facto controller
Liaoning Fangda Group International Trade Co., Ltd.	The same De facto 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.	Purchase of goods and services	27,450,612.46			122,047,231.99
Beijing Fangda Carbon Technology Co., Ltd.	Purchase of goods	42,283,373.63			70,576,108.50
Sichuan Daxing Baohua Chemical Co., Ltd.	Purchase of goods	49,875,637.13			60,843,885.74

Gansu Fangda Jiujianpeng Technology Development Co., Ltd.	Procurement of goods	55,640.72			56,130.00
Zhongxing-Shenyang Commercial Building (Group) Co., Ltd.	Purchased goods	2,252,373.41			140,832.00
Gansu Fangda Tongte New Material Co., Ltd.	Purchase of goods	644,601.77			1,335,929.21
Shenyang Fangdi Property Development Co., Ltd.	Acceptance of labor	190,383.79			134,067.80
Northern Heavy Industries Group Co., Ltd.	Purchased goods	242,978.76			238,938.06
Gansu Fangda Zhanyao New Material Packaging Co., Ltd.	Purchased goods	390,619.46			592,035.40
Fangda Special Steel Technology Co., Ltd.	Purchased goods	41,128,169.66			33,877,105.80
Hainan Hantu Trading Co., Ltd.	Purchased goods	152,590,222.66			114,360,530.25
Beijing Fangda (Tianjin) International Trade Co., Ltd.	Procurement of goods	16,194.70			8,097.35
China Xinhua Airlines Group Co., Ltd.	Procurement of goods and provision of services	8,207.55			17,860.68
Gansu Herp Silk Craft Products Co., Ltd.	Procurement of goods				7,079.65
Golden Deer (Beijing) Business Aviation Co., Ltd.	Procurement of goods				4,424,778.76
Hainan Airlines Holding Co., Ltd.	Procurement of goods	65,109.69			
Dongxiang Autonomous County East-West Collaboration Shengweitang Food Co., Ltd.	Procurement of goods	31,854.09			
Guizhou Fangda Huangguoshu Food & Beverage Co., Ltd.	Procurement of goods	7,433.63			
Tianjin Department Store Business and Trade Corporation	Purchased goods	1,060,176.98			
Shenyang Northeast Big Pharmacy Chain Co., Ltd.	Purchased goods	2,444.25			

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.	Sales of goods	26,593,766.13	39,406,012.79

Jiujiang Pinggang Steel Co.	Sales of goods	23,507,923.74	17,923,222.81
Pingxiang Pinggang Anyuan Steel Co.	Provision of labor	1,507,486.09	7,027,754.31
Baofang Carbon Material Technology Co.	Sales of goods	11,601,520.10	29,753,759.75
Beijing Fangda Carbon Material Technology Co.	Sales of goods	2,678,097.89	10,731,470.90
Dongxiang Autonomous County Western Region Clothing Co.	Sales of goods	52,788.86	240,208.85
Gansu Helsinki Craft Products Co.	Sales of goods	394,070.80	403,412.39
Gansu Fangda Zhanyao New Material Packaging Co.	Products for sale	369,734.52	730,667.14
Dongxiang Autonomous County East-West Collaboration Meijia Rainwear Co.	Products for sale	252,330.97	97,798.23
Dongxiang Autonomous County Fangda Liming Textile Co.	Sales of goods	144,424.79	63,716.81
Hainan Hantou Trading Co.	Sales of goods	2,000,837.49	8,417,636.02
Fonda Xikmo (Jiangsu) Needle Coke Technology Co.	Selling goods		24,990,152.39
Beifang Heavy Industry Group Co.	Provision of labor		1,327.43
Benxi Manchu Autonomous County Tongda Iron Selection Co.	Sales of goods		272,757.51
Dongxiang Autonomous County East-West Collaboration Shengweitang Food Co.	Sales of goods		4,601.77
Hainan Airlines Holding Co.	Sales of goods		56,281.42
Sichuan Dazhou Iron and Steel Group Co.	Sales of goods	879,280.25	
Liaoning Fangda General Hospital Co.	Sales of goods	265.49	
Gansu Fangda Fuhuang East-West Collaboration Garment Co.	Products for sale	1,433.63	

(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	51,176.40	50,786.40			51,176.40	50,786.40				

(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.	250,000,000.00	2023/1/30	2025/1/29	No

Description of affiliated guarantees

☒Applicable ☐Not applicable

On January 16, 2023 Fangda Carbon passed a resolution at the first extraordinary shareholders' meeting of 2023 on the motion of mutual guarantee with Fangda Special Steel Technology Co., Ltd. with a mutual guarantee amount of not more than CNY 1 billion, the mutual guarantee agreement is for a term of 10 years, the guarantee is in the form of a guarantee guarantee, and the agreement is that either party, within the scope of not more than CNY 1,000 million yuan for the issuance of corporate bonds or application for consolidated credit facility from the bank. has the right to request the other party to provide an irrevocable joint and several liability guarantee, which can be utilized at one time or in several installments within this amount, the term of the mutual guarantee consolidated credit is not more than 5 years, and the maximum period for which the guarantor assumes the guarantee liability is not more than the duration of the bonds (or loans) and 3 years from the date of bond (or loan) maturity.

On January 30, 2023, Fangda Special Steel Technology Co., Ltd. entered into a maximum guarantee contract with Gansu Branch of Export-Import Bank of China, contract number HETO22800000720221200000008, the guaranteed person is the Company, and the maximum amount of the guarantee is 250,000,000.00 yuan. As of the statement date, the balance of the loan was CNY 249,700,000.00.

(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 period
Remuneration of key management personnel	499.43	505.44

(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
Jiangxi Fangda Iron & Steel Group Co., Ltd.	368,033,441.09	10,786,362.09
Jiangxi Pinggang Industrial Co., Ltd.		16,587.22
Lanzhou Fangda Ganxing Trade Co., Ltd.		156.33

Ningbo Pinggang Trade Co., Ltd.	41,706,189.41	4,261,788.99
Jiangxi Fangda Iron & Steel International Trade Co., Ltd.	206,197.47	9,999.76
Ningbo Ganxing International Trade Co., Ltd.		16,597.48
Pingxiang Pinggang Anyuan Iron & Steel Co., Ltd.	97,770,072.80	4,823,097.74
Pingxiang Fangda Renewable Resources Development Co., Ltd.	23,910.18	403,875.63
Pingxiang Fangda Building Materials Distribution Co., Ltd.	4,110.96	47,910.06
Pingxiang Fangyuan Technology Co., Ltd.	34,251.97	708,166.35
Gansu Yuerong Apparel Co., Ltd.	137,482.75	6,356.89
Gansu Fangda Baiquan Agricultural Technology Co., Ltd.		133,040.07
Jiujiang Dahong Iron & Steel Co., Ltd.	44,415.48	96.78
Jiujiang Pinggang Iron & Steel Co., Ltd.	114,049,051.22	6,219,922.42
Jiujiang Fangda Technology Co., Ltd.		162.17
Jiangxi Jinfang Industry & Trade Co., Ltd.	2,008,402.87	5,932.72
Hukou Fangda Property Services Co., Ltd.	435,180.11	233.22
Hukou Fangda Hengyuan Real Estate Development Co., Ltd.	0.74	0.98
Nanchang Fangda Property Management Co., Ltd.	151,044.19	986.81
Sichuan Dazhou Iron & Steel Group Co., Ltd.	6.49	3,347,211.37
Fangda Special Steel Technology Co., Ltd.	485,568,933.28	22,636,599.17
Gansu Fangda Yuerta Animal Husbandry Development Co., Ltd.	9,255,615.42	160,892.45
Gansu Fangda Zhanyao New Material Packaging Co., Ltd.	3,611,208.86	59,247.72
Dongxiang Autonomous County East-West Collaboration Shengweitang Food Co., Ltd.	5,419,127.95	76,784.86
Dongxiang Autonomous County Baishui Industrial Co., Ltd.	368,501.32	3,089.77
Dongxiang Autonomous County Fangda Liming Textile Co., Ltd.	207,670.54	2,495.66
Ningbo Fangda Haiou Trade Co., Ltd.	2,225,467.42	3,938,916.21
Nanchang Fangda Special Steel Industrial Co., Ltd.		5,331.59

Nanchang Fangda Resource Comprehensive Utilization Technology Co., Ltd.	10,271,202.78	673,453.28
Suifenhe Fangda International Trade Co., Ltd.		10,809.48
Benxi Tongcheng Iron Ore Selection Co., Ltd.	8,089,202.13	264,606.34
Benxi Manchu Autonomous County Tongda Iron Ore Selection Co., Ltd.	81,960,156.15	13,779.03
Ningbo Bonded Area Fangda Iron & Steel Trade Co., Ltd.		13,252.90
Jiangxi Fangda Iron & Steel Group Enterprise Investment Co., Ltd.	3,183,031,194.17	53,274,970.09
Lvyun No. 6 (Tianjin) Leasing Co., Ltd.	10,039.28	237,799.94
Hainan Hanwei Investment Co., Ltd.	187,553.68	4,127,176.00
HNA Aviation Group Co., Ltd.	108.10	0.50
Hainan Xintu Holiday International Travel Service Co., Ltd.	3,712,816.91	40,943.10
Hainan Fangda Aviation Development Co., Ltd.	941.82	390,766.18
Hefei Carbon Co., Ltd.	173,382.28	455,538.22
Changfeng Fangda Carbon Material Co., Ltd.	494,557.98	351,937.75
Liaoning Fangda Group Industrial Co., Ltd.	9,101.51	414,286.89

(2) Notes payable at Jiujiang Bank Co., Ltd.

Deposit entity	Closing balance	Amount of notes issued	Discounted amount	Discounted interest
Jiangxi Fangda Iron & Steel Group Co., Ltd.	410,000,000.00	662,850,000.00	615,000,000.00	6,842,319.49
Pingxiang Pinggang Anyuan Iron & Steel Co., Ltd.	986,774,608.29	1,109,201,823.63	119,500,000.00	1,370,173.61
Pingxiang Fangda Building Materials Distribution Co., Ltd.	50,000,000.00	169,500,000.00		
Jiujiang Pinggang Iron & Steel Co., Ltd.	645,260,000.00	1,266,660,000.00		
Pingxiang Fangda Renewable Resources Development Co., Ltd.			276,250,000.00	2,861,614.58

(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 Industrial Co., Ltd.	Jiangxi Fangda Iron & Steel Group Co., Ltd.	200,000,000.00
Liaoning Fangda Group Industrial Co., Ltd.	Jiangxi Fangda Iron & Steel Group Co., Ltd.	400,000,000.00

Guarantor	Beneficiary	Value of guarantee
Pingxiang Pinggang Anyuan Iron & Steel Co., Ltd.	Jiangxi Fangda Iron & Steel Group Co., Ltd.	500,000,000.00
Jiangxi Fangda Iron & Steel Group Co., Ltd.	Jiangxi Fangda Iron & Steel Group Co., Ltd.	500,000,000.00
Jiangxi Fangda Iron & Steel Group Co., Ltd.	Jiangxi Fangda Iron & Steel Group Co., Ltd.	700,000,000.00
Jiangxi Fangda Iron & Steel Group Co., Ltd.	Jiujiang Pinggang Iron & Steel Co., Ltd.	500,000,000.00
Jiangxi Fangda Iron & Steel Group Co., Ltd.	Liaoning Fangda Group Industrial 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.	13,021,271.53	117,191.44	11,175,554.96	89,404.44
Accounts receivable	Jiujiang Pinggang Iron & Steel Co., Ltd.	7,121,164.38	64,090.48	6,795,954.26	54,367.63
Accounts Receivable	Pingxiang Pinggang Anyuan Iron & Steel Co., Ltd.	1,625,637.87	14,630.74	6,779,387.33	54,235.10
Accounts receivable	Sichuan Dazhou Iron & Steel Group Co., Ltd.	993,586.69	8,942.28		
Accounts receivable	Beijing Fangda Carbon Technology Co., Ltd.	369,145.70	3,322.31	3,389,696.00	27,117.57
Accounts receivable	Baofang Carbon Material Technology Co., Ltd.	157,993.40	1,422.01	1,176,528.50	9,412.23
Accounts receivable	Gansu Herp Silk Craft Products Co., Ltd.	67,596.00	608.36	86,192.00	689.54
Accounts receivable	Dongxiang Autonomous County East-West Collaboration Meijiayu Umbrella Co., Ltd.	57,828.00	520.45		
Accounts receivable	Gansu Fangda Zhanyao New Material Packaging Co., Ltd.	31,200.00	280.80		
Accounts receivable	Dongxiang Autonomous County Fangda Liming Textile Co., Ltd.			72,000.00	576.00
Prepayments	Sichuan Daxing Baohua Chemical Co., Ltd.	352,346.34		7,407,647.93	
Prepayments	Fangda Special Steel Technology Co., Ltd.	69,432.33		182,306.05	
Prepayments	Hainan Hantu Trading Co., Ltd.			5,641,037.00	
Prepayments	Beijing Fangda Carbon Technology Co., Ltd.			4,689,700.00	
Prepayments	Northern Heavy Industries Group Co., Ltd.			74,400.00	
Other receivables	Baofang Carbon Material Technology Co., Ltd.	11,586,614.52	921,851.16	6,461,660.80	327,942.39
Other receivables	Jiujiang Pinggang Iron & Steel Co., Ltd.	500,000.00	25,000.00		
Other receivables	Fangda Special Steel Technology Co., Ltd.	410,000.00	21,500.00	20,000.00	1,000.00
Other receivables	Shenyang Fangdi Property Development Co., Ltd.	121,448.99	6,594.98	123,255.82	11,757.25

Other receivables	Sichuan Dazhou Iron & Steel Group Co., Ltd.	100,000.00	5,000.00		
Contract assets	Pingxiang Pinggang Anyuan Iron & Steel Co., Ltd.	419,334.50	3,774.01	420,318.00	3,362.54
Contract assets	Fangda Special Steel Technology Co., Ltd.			898,067.10	7,184.54
Contract assets	Baofang Carbon Material Technology Co., Ltd.			89,626.50	717.01

(2) Payable

☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

Items	Affiliated parties	Closing balance of book value	Opening balance of book value
Accounts payable	Baofang Carbon Material Technology Co., Ltd.	14,203,376.02	8,510,269.16
Accounts payable	Tianjin Department Store Business and Trade Corporation	613,600.00	296,700.00
Accounts Payable	Fangda Special Steel Technology Co., Ltd.	9,150.00	
Accounts Payable	Gansu Fangda Zhanyao New Material Packaging Co., Ltd.	118,100.00	
Accounts Payable	Gansu Fangda Tongte New Material Co., Ltd.		48,000.00
Accounts payable	Northern Heavy Industries Group Co., Ltd.		154,000.00
Accounts payable	Dongxiang Autonomous County Zhendong Zhiyuan Public Passenger Transport Co., Ltd.		6,000.00
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	Northern Heavy Industries Group Co., Ltd.	24,800.00	27,000.00
Other payables	Tianjin Huantong Electrical Equipment Co., Ltd.	250,000.00	250,000.00
Other payables	Shenyang Northeast Pharmaceutical Equipment Manufacturing & Installation Co., Ltd.	200,000.00	
Other payables	Tianjin Department Store Business and Trade Corporation	97,400.00	148,900.00
Other payables	Shenyang Fangda Property Management Co., Ltd.		34,462.00
Contract liabilities	Beijing Fangda Carbon Technology Co., Ltd.	286,782.30	364,761.95
Contract liabilities	Baofang Carbon Material Technology Co., Ltd.	2,201,478.49	1,216,909.60
Other current liabilities	Beijing Fangda Carbon Technology Co., Ltd.	37,281.70	47,419.05
Other current liabilities	Baofang Carbon Material Technology Co., Ltd.	286,192.21	158,198.25

7. Commitment of affiliated parties

☒Applicable ☐Not applicable

The Company's parent company, Liaoning Fangda Group Industrial Company Limited, undertook to: “(1) expedite the processing of land certificates, real estate certificates and other ownership documents in respect of the various land, buildings and other assets, and 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 and Hefei Carbon Limited Liability Company will apply for the land use right certificate and house ownership certificate ownership documents together 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 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 tons of carbon products with an annual output of 50,000 tons 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

1. Pledge of shares by related parties

As at December 31, 2024, 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 731,728,590 shares had been pledged, accounting for 48% of the total number of shares held by Fangda Group, and 18.18% of the total share capital of the Company.

2. Other connected transactions

In FY2024, Shanghai Fangda Investment Management Co., Ltd, a wholly-owned subsidiary of the Company, purchased 99,689,822 shares of Hainan Airlines Holding Company Limited through open market transactions.

XV.Share-based payment

☒Applicable ☐Not applicable

XVI. Commitments and contingencies

1. Contingencies

(1). Important contingencies existing at the balance sheet date

☒Applicable ☐Not applicable

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 Fushun Laihe Mining Limited Liability Company (hereinafter referred to as Laihe Mining), filed a lawsuit requesting for the restoration of its 22.2% equity interest in Laihe Mining as well as dividends at 22.2% from the establishment of Laihe Mining to date based on the results of financial data audited by the intermediary organization appointed by the court.

As at the date of this report, the litigation case has not yet commenced and the final outcome of the judgment is uncertain.

XVII. Events after the balance sheet date

1.. Distribution of profits

☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

Profit or dividend to be distributed	75,531,958.06
Profit or dividend declared after consideration and approval	75,531,958.06

The Company held the Third Meeting of the Ninth Session of the Board of Directors on April 24, 2025, and considered and passed the “2024 Annual Profit Distribution Proposal”, and the Company formulated the 2024 Annual Profit Distribution Plan as follows: based on the total share capital registered on the date of registration of shareholdings for implementation of the equity distribution minus the number of shares of the Company's

repurchase special securities account, a cash dividend of CNY 0.20 (inclusive of tax) will be paid out for every 10 shares, with a total proposed cash dividend of A total of CNY 75,531,958.06 (including tax) will be paid as cash dividend, no bonus shares will be distributed and no capital surplus will be transferred to share capital. If there is any change in the total share capital of the Company before the share registration date for the implementation of the equity distribution, the Company intends to keep the total amount of distribution unchanged and adjust the distribution amount per share accordingly. This proposal is yet to be submitted to the shareholders' meeting for consideration.

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 of reportable segments

☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

Items	North West region	North East region	South West region	South East region	overseas	Inter-segment set-off	Total
Revenue from operations	1,886,985,182.99	839,197,129.94	859,341,576.49	431,120,403.96		-373,995,749.06	3,642,648,544.32
Main operating costs	1,769,942,561.89	674,908,110.08	672,649,843.96	485,794,181.21		-361,584,629.15	3,241,710,067.99
Total assets	16,441,795,797.38	2,687,145,624.66	3,380,929,834.12	2,249,204,252.09	6,228.95	-4,387,116,539.42	20,371,965,197.78
Total liabilities	3,549,498,155.13	549,528,822.51	548,144,457.80	1,169,068,950.46		-2,938,334,214.68	2,877,906,171.22

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

Age	Closing balance	Opening balance
Within 1 year		
Including sub-items Within 1 year		
Within 1 year	245,245,993.49	332,124,153.62
Within 1 year subtotal	245,245,993.49	332,124,153.62
1-2 year	18,635,382.56	35,684,975.71
2-3 year	10,538,228.46	1,833,872.43
More than 3 years	28,173,572.42	28,670,890.27
Total	302,593,176.93	398,313,892.03

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	20,923,192.91	6.91	20,923,192.91	100.00		22,037,185.55	5.53	22,037,185.55	100.00	
Bad debt provision assessed by groups						13,048,276.68	3.39	13,048,276.68	100.00	
Including:										
Accounts receivable that are not individually material but are individually provisioned for bad debts	20,923,192.91	100	20,923,192.91	100.00		22,037,185.55	100	22,037,185.55	100.00	
Provision for bad debts is made on a portfolio basis	281,669,984.02	93.09	17,712,715.67	6.29	263,957,268.35	376,276,706.48	94.47	14,054,016.45	3.74	362,222,690.03
Including:										
Accounts receivable portfolio A	281,669,984.02	100	17,712,715.67	6.29	263,957,268.35	373,989,683.78	99.39	14,054,016.45	3.76	359,935,667.33
Accounts receivable portfolio B						2,287,022.70	0.61			2,287,022.70

Total	302,593,176.93	/	38,635,908.58	/	263,957,268. 35	398,313,892.03	/	36,091,202.00	/	362,222,690.03
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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 that are individually insignificant but individually provided for bad debts	20,923,192.91	20,923,192.91	100	/
Total	20,923,192.91	20,923,192.91	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)	245,245,993.49	2,207,213.94	0.90
1-2 years (including 2 years)	18,635,382.56	2,385,328.97	12.80
2-3 years (including 3 years)	10,538,228.46	5,869,793.25	55.70
More than 3 years	7,250,379.51	7,250,379.51	100.00
Total	281,669,984.02	17,712,715.67	/

(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	22,037,185.55		159,516.26	954,476.38		20,923,192.91
Accounts receivable that are individually insignificant but individually provided for bad debts	14,054,016.45	3,658,699.22				17,712,715.67
Total	36,091,202.00	3,658,699.22	159,516.26	954,476.38		38,635,908.58

(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	954,476.38

(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	30,150,397.94	4,482,028.71	34,632,426.65	10.19	2,015,664.54
2	17,370,626.40		17,370,626.40	5.11	156,335.64
3	21,672,863.89		21,672,863.89	6.38	195,055.78
4	15,569,692.43		15,569,692.43	4.58	140,127.23
5	17,204,096.92		17,204,096.92	5.06	154,836.87
Total	101,967,677.58	4,482,028.71	106,449,706.29	31.32	2,662,020.06

2、 Other receivables

Presentation of items

☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

Item	Closing balance	Opening balance
Interest receivable		
Dividends receivable		
Other receivables	982,848,208.71	883,549,287.67
Total	982,848,208.71	883,549,287.67

Interest receivable

☐Applicable ☒Not applicable

Dividends receivable

☐Applicable ☒Not applicable

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)	222,829,742.39	17,150,472.58
Within 1 year (subtotal)	222,829,742.39	17,150,472.58

1 to 2 years	15,307,077.36	18,753,733.12
2 to 3 years	18,660,382.66	6,029,796.16
More than 3 years	847,193,578.61	982,625,719.58
Total	1,103,990,781.02	1,024,559,721.44

(2). Details of classification by nature

☐Applicable ☐Not applicable

Unit: Yuan Currency: CNY

Nature	Closing balance of book value	Opening balance of book value
reserve fund	253,335.55	351,308.07
Margin	10,817,380.09	8,568,948.70
Accounts Receivable	194,433,421.44	239,508,601.23
Receivables from related parties within the scope of consolidation	898,486,643.94	776,079,943.94
Others		50,919.50
Total	1,103,990,781.02	1,024,559,721.44

(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)	
Balance at January 1, 2024	1,216,184.76		139,794,249.01	141,010,433.77
Balance at January 1, 2024 in current period	1,216,184.76		139,794,249.01	141,010,433.77
--Transferred to Phase II				
--Transferred to Phase III				
--Transferred back to Phase II				
--Transferred back to Phase I				
Accrued during the period	535,108.02			535,108.02
Reversal			18,928,004.25	18,928,004.25
Write-off during the period			1,474,965.23	1,474,965.23
Balance at December 31, 2024	1,751,292.78		119,391,279.53	121,142,572.31

(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	
Other receivables with a single provision for bad debts	139,794,249.01		18,928,004.25	1,473,965.23		119,392,279.53
Other receivables portfolio A	1,216,184.76	535,108.02		1,000.00		1,750,292.78
Total	141,010,433.77	535,108.02	18,928,004.25	1,474,965.23		121,142,572.31

of which the amount of provision for bad debts reversed or recovered during the period is significant:

☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

Entity	Amounts reversed or recovered	Reasons for reversal	Method of recovery	Age	Basis for determining the percentage of the original provision for bad debts and its reasonableness
1	18,777,142.06	reversal	Account current	Wire transfers	Individual bad debt provision
Total	18,777,142.06	/	/	/	/

(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	593,353,369.60	53.75	Account current	Segmented ageing	/
2	305,126,474.34	27.64	Account current	Segmented ageing	/
3	137,492,535.69	12.45	Account current	Segmented ageing	62,403,368.18
4	16,958,373.26	1.54	Account current	Segmented ageing	16,958,373.26

5	12,000,000.00	1.09	Account current	More than 3 years	12,000,000.00
合计	1,064,930,752.89	96.47	/	/	91,361,741.44

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	1,733,126,036.74	160,392,852.19	1,572,733,184.55
Investments in associates and joint ventures	6,801,561,564.66	425,684,011.01	6,375,877,553.65	6,745,190,149.08	425,684,011.01	6,319,506,138.07
Total	8,534,687,601.40	586,076,863.20	7,948,610,738.20	8,478,316,185.82	586,076,863.20	7,892,239,322.62

(1) Investment on subsidiaries

☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

Investee	Opening balance	Opening balance of provision for impairme nt	Decrease in current period	Closing balance	Provision for impairment for the period	Closing balance of provision for 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 Materials Co., Ltd.	30,000,000. 00			30,000,000. 00		
Chengdu Fangda Carbon-Carbon Composite Materials Co., Ltd.	446,816,768. .89			446,816,768. .89		

Fushun Fangtai Precision Carbon Materials Co., Ltd.		160,392,852.19				160,392,852.19
Gansu Gudian 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 Apparel Co., Ltd.	2,760,000.00			2,760,000.00		
Jiangsu Fangda Carbon Chemical Co., Ltd. (now deregistered)						160,392,852.19
Fangda (Korea) International Trade Co., Ltd.	1,353,398.80			1,353,398.80		
Fangda (Moscow) International Trade Co., Ltd.						
Fangda Xikemo (Jiangsu) Needle Coke Technology Co., Ltd.	461,437,854.56			461,437,854.56		
Total	1,572,733,184.55	160,392,852.19		1,572,733,184.55		160,392,852.19

(2)Investment on Associates and Joint ventures

☒Applicable ☐Not applicable

Unit: Yuan Currency: CNY

Investee	Opening balance	Additi onal invest ments	Reduce investme nt	Gains and losses on investments recognized under the equity method	Adjustments to other comprehensiv e income	Other changes in equity	Declaration of cash dividends or profits	provide for impair ment	Others	Closing balance	Ending balance of house impairm ent reserve
I. Joint ventures											
II. Associates											
Baofang Carbon Material Technology Co., Ltd.	594,464,338.91			-62,530,710.51		110,705.73				532,044,334.13	
Jiujiang Bank Co., Ltd.	1,131,758,659.04			19,517,133.34	64,295,689.39	362,902.12	8,164,200.00			1,207,770,183.89	425,684,011.01
Tianjin Haihe Fangda Industrial Investment Fund Partnership (Limited	29,843,425.35			4,364,273.32						34,207,698.67	

Partnership)											
Nanchang Huxu Steel Industry Investment Partnership (Limited Partnership)	4,563,439,714.77			38,415,622.19						4,601,855,336.96	
Subtotal	6,319,506,138.07			-233,681.66	64,295,689.39	473,607.85	8,164,200.00			6,375,877,553.65	425,684,011.01
Total	6,319,506,138.07			-233,681.66	64,295,689.39	473,607.85	8,164,200.00			6,375,877,553.65	425,684,011.01

4. 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	1,882,590,193.92	1,766,108,059.47	2,498,543,027.44	2,246,615,611.82
Others	119,497,694.23	49,991,837.09	145,880,373.09	54,569,210.69
Total	2,002,087,888.15	1,816,099,896.56	2,644,423,400.53	2,301,184,822.51

8. 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 by the cost method		
Income from long-term equity investments accounted for under the equity method	-233,681.66	40,450,196.42
Investment income from disposal of long-term equity investments		-9,825,279.21
Investment income from trading financial assets during the holding period		
Dividend income from 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	-34,712,201.29	-1,100,998.39
Investment income from disposal of other equity instrument investments		
Investment income from disposal of debt investments		

Investment income from disposal of other debt investments		
Gain on debt restructuring	-778,783.65	-2,033,287.94
Investment income from holding other non-current assets	599,056.59	599,056.60
Gain on other non-current financial assets acquired during the holding period	12,445,222.01	
Gain on derecognition of financial assets	-204,626.86	-769,748.37
Other	8,318.89	9,835.93
Total	-22,876,695.97	27,329,775.04

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, including the elimination of the provision for asset impairment.	-13,546,071.66	
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 defined criteria, and that have a continuous impact on the Company's profit or loss	39,571,448.95	
Gains and losses arising from changes in fair value of financial assets and financial liabilities held by non-financial enterprises and gains and losses arising from the disposal of financial assets and financial liabilities, except for effective hedging business related to the Company's normal business operations	114,642,947.07	
Capital occupancy fees charged to non-financial enterprises recognized as current profit or loss		
Gains and losses on entrusted investment or asset management	599,056.59	
Gains and losses on entrusted external loans		
Losses on assets due to force majeure factors, such as natural disasters		
Reversal of provision for impairment of receivables individually tested for impairment	19,090,067.69	
Gain arising from the excess of the cost of investment in subsidiaries, associates and joint ventures over the fair value of the investee's identifiable net assets at the time of investment acquisition		
Net profit 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		
Gain or loss on exchange of non-monetary assets		
Gains or losses on debt restructuring	2,226,608.82	
One-time costs incurred by the enterprise due to the fact that the relevant operating activities are no longer continuing, such as expenditures for the relocation of employees		
One-time impact on current profit or loss due to adjustments in tax, accounting and other laws and regulations		
One-time recognition of share-based payment expenses due to cancellation or modification of share incentive plans		
For cash-settled share-based payments, gains or losses arising from changes in the fair value of employee compensation payable after the feasible date of entitlement		
Gains or losses arising from changes in the fair value of investment properties subsequently measured using the fair		

value model		
Gains or losses arising from transactions where the transaction price is significantly less than fair value		
Gains and losses arising from contingencies not related to the Company's normal business operations		
Custodian fee income from entrusted operations		
Non-operating income and expenses other than those listed above	4,638,705.60	
Other items of gains and losses that meet the definition of non-recurring gains and losses	2,533,381.02	
Less: Income tax effect	31,363,879.84	
Minority interests impact amount (after tax)	-1,182,211.56	
Total	139,574,475.80	

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	1.10	0.05	0.05
Net profit attributable to ordinary shareholders of the company after deducting non-recurring profit and loss	0.27	0.01	0.01

Chairman: Ma Zhuo
Board of Directors Approval Date of Submission:26 April , 2025