

**Fangda Carbon New Material Co., Ltd.
Auditor's Report for the Year Ended 31
December 2022**



Important Note:

I. The board of directors, board of supervisors, directors, supervisors, and senior executives of our Company shall guarantee the authenticity, accuracy, and completeness of the contents without false record, misleading statement, or major omission in the annual report, and shall undertake the joint and several legal liabilities.

II. All directors of the Company attended the board meeting.

III. Baker Tilly China Certified Public Accountants (Special General Partnership) issued a standard unqualified audit report for the Company.

IV. Dang Xijiang serving as the person in charge of the Company, Yu Yong serving as the chief accountant officer, and Zhao Erqin serving as the person in charge of accounts (accountant in charge) make the statement that the authenticity, accuracy, and completeness of the financial report in the annual report shall be guaranteed.

V. The profit distribution plan or the plan for the conversion of capital reserve into share capital for the reporting period approved by the board of directors

The company held the 7th meeting of the 8th Board of Directors on April 13, 2023 to deliberate and adopt the "Company's 2022 Profit Distribution Proposal". The company plans not to carry out cash dividends, share delivery and capital reserve funds to increase share capital in 2022.

VI. Risk statement for forward-looking statements

☒Applicable ☐Not Applicable

Forward-looking statements such as development strategies and business plans involved in this report are affected by various factors such as market changes, and do not constitute a substantial commitment of the company to investors. The investors shall be advised to pay attention to the investment risks.

VII. Whether there is any non-operating capital occupation by the controlled shareholder and its related parties?

No

VIII. Whether is there any external guarantee provided in violation of the prescribed decision-making procedures?

No

IX. Whether there are more than half of the directors who cannot guarantee the authenticity, accuracy and completeness of the annual report disclosed by the Company?

No

X. Significant risk tips

The Company has described in detail the main risks that may exist around the company's operations in this report. Please refer to “(IV) Possible risks” in “VI. The Company's Discussion and Analysis on the Company's Future Development” in “Section III Management Discussion and Analysis”.

XI. Others

☐Applicable ☒Not applicable

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Catalog of reference documents	The financial statements signed and sealed by the legal representative, the person in charge of accounting work, and the person in charge of the accounting department.
	The original of the audit report containing the seal of the accounting firm and signed and sealed by the certified public accountant.
	The original draft of all the company documents disclosed on the newspaper designated by China Securities Regulatory Commission during the reporting period.

Section I. Definitions

I. Definitions

The following words herein shall have the following meanings unless the context otherwise requires:

Interpretations of common words		
the Company, Company, Fangda Carbon	Means	Fangda Carbon New Material Co., Ltd.
Fangda Group	Means	Liaoning Fangda Group Industrial Co., Ltd.
Baker Tilly China	Means	Baker Tilly China Certified Public Accountants (Special General Partnership)
China Securities Regulatory Commission	Means	China Securities Regulatory Commission
Stock Exchange, Shanghai Stock Exchange	Means	Shanghai Stock Exchange
yuan, yuan 0,000, yuan 00,000,000	Means	RMB, RMB 0,000, RMB 00,000,000
Reporting period	Means	For the year ended 31 December, 2022

Section II. Profile of Company and Main Financial Indicators

I. Information on company

Name of company in Chinese	Fangda Carbon New Material Co., Ltd.
Abbreviation of company in Chinese	Fangda Carbon
Name of company in English	Fangda Carbon New Material Co., Ltd.
Company Legal representative	Dang Xijiang

II. Contact person and contact information

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

III. Company profile

Registered address	No. 11 Tansu Road, Haishiwan Town, Honggu District, Lanzhou City, Gansu Province
Historical change of company registered address	According to the "one standard and three real" QR code standard address registration requirements of the public security organs of Gansu Province, the company's registered address was changed to No. 11 Tansu Road, Haishiwan Town, Honggu District, Lanzhou City, Gansu Province after approval by the public security organs and civil affairs departments. On 8 September, 2020 and 24 September, 2020, the Company held the 36th Interim Meeting of the Seventh Board of Directors and the Fifth Interim Meeting of Shareholders General Assembly 2020 to review and approve the "Proposal on Amending Some Articles of the Articles of Association", and completed the industrial and commercial change registration procedures on 28 September, 2020, and obtained a new business license.
Business address	No. 11 Tansu Road, Haishiwan Town, Honggu District, Lanzhou City, Gansu Province

Zip code of company's office address	730084
Company website	http://www.fdtsgs.com
Email	fdts730084@fangdacarbon.com

IV. Information disclosure and preparation place

The name and website of the media where the company discloses the annual report	China Securities Journal (http://www.cs.com.cn/) Shanghai Securities News (http://www.cnstock.com)
URL of the stock exchange where the company discloses its annual report	http://www.sse.com.cn
Preparation place of the company's annual report	Secretariat of the Board

V. Corporate stock profile

Corporate stock profile				
Class of Stock	Stock exchange on which the stock is listed	Abbreviation of stock	Code of stock	Stock abbreviation before change
A share	Shanghai Stock Exchange	Fangda Carbon	600516	ST Fangda

VI. Other relevant information

Certified public accountant firm engaged by the company (domestic)	Name	Baker Tilly China Certified Public Accountants (Special General Partnership)
	Office address	F25, Block D, Hesheng Jingguang Center, No. 13 Tangyan Road, Yanta District, Xi'an City, Shaanxi Province
	Name of signatory accountant	Liu Dan, Cheng Lu, Li Yaxiong
Sponsor institution to perform the duty of consistent supervision within the report period	Name	Credit Suisse Founder Securities Limited
	Office address	F15, South Building, Financial Street Center, No. A9, Financial Street, Xicheng District, Beijing
	Name of Signatory Sponsor Representative	Guo Yuhui, Dong Ximing
	Period of continuous supervision	From 1 January, 2022 to 31 December, 2022

VII. Major accounting data and financial indexes in the past three years**(I) . Major accounting data**

Unit: yuan Currency: RMB

Major accounting data	2022	2021	Period-Over-Period Increase / Decrease (%)	2020
Operating income	5,320,293,391.07	4,651,772,746.11	14.37	3,539,172,251.49
Net profit attributable to the shareholders of the listed company	839,939,033.95	1,084,595,183.21	-22.56	547,458,328.20
Net profit deducting the extraordinary	727,684,725.65	774,087,826.45	-5.99	384,315,360.09

profit and loss and attributable to the shareholders of the listed company				
Net cash flow from operating activities	236,117,357.73	-37,844,166.75	Inapplicable	579,183,207.12
	At the end of 2022	At the end of 2021	Period-Over-Period Final Increase / Decrease (%)	At the end of 2020
Net assets attributable to shareholders of listed companies	15,682,777,503.34	14,764,688,049.15	6.22	15,583,961,058.60
Total assets	20,175,290,714.93	18,502,948,253.96	9.04	19,235,471,109.23

(II) . Main financial indexes

Main financial indexes	2022	2021	Period-Over-Period Increase / Decrease (%)	2020
Basic earnings per share (RMB / share)	0.22	0.29	-24.14	0.14
Diluted earnings per share (RMB /share)	0.22	0.29	-24.14	0.14
Basic earnings per share, net of non-recurring gains and losses (RMB /share)	0.19	0.20	-5.0	0.10
Weighted average return on net assets (%)	5.53	7.15	Decreased by 1.62%	3.58
Weighted average return on equity (%), net of non-recurring gains and losses	4.79	5.10	Decreased by 0.31%	2.51

Notes to the major accounting data and financial indexes of the Company in the past 3 years as at the end of the reporting period

☐Applicable ☒Not applicable

VIII. Differences in accounting data under domestic and overseas accounting standards

(I) . The differences in the net profits and the net assets attributable to shareholders of listed companies in the financial report disclosed in accordance with the International Accounting Standards and the Chinese Accounting Standards

☐Applicable ☒Not applicable

(II) . The differences in the net profits and the net assets attributable to the shareholders of listed companies in the financial report disclosed in accordance with the Overseas Accounting Standards and the Chinese Accounting Standards

☐Applicable ☒Not applicable

(III) . Explanation of differences between domestic and overseas accounting standards:

☐Applicable ☒Not applicable

IX. Major financial data by quarter of 2022

Unit: yuan Currency: RMB

	Q1 (January - March)	Q2 (April-June)	Q3 (July-September)	Q4 (October-December)
Operating income	1,149,018,210.95	1,522,070,533.17	1,253,562,501.64	1,395,642,145.31
Net profit attributable to	33,712,279.50	307,018,517.26	125,989,921.09	373,218,316.10

the shareholders of the listed company				
Net profit deducting the extraordinary profit and loss and attributable to the shareholders of the listed company	124,695,630.41	293,016,534.44	215,991,960.48	93,980,600.32
Net cash flow from operating activities	-166,396,612.00	426,804,677.30	268,484,791.56	-292,775,499.13

Differences between quarterly data and disclosed periodic report data

□Applicable √Not applicable

X. Items and amounts of non-recurring gains and losses

√Applicable □Not Applicable

Items of non-recurring gains and losses	Amount in 2022	Note (if applicable)	Unit: yuan	Currency: RMB
			Amount in 2021	Amount in 2020
Loss or gain on disposal of non-current assets	404,161,267.49		216,019,424.42	4,335,128.03
Ultra vires approval or without official approval document, or incidental tax revenue return and relief				
Government subsidies included in current profit and loss, except for government subsidies enjoyed as per certain standard quota, which are closely related to the Company's normal business operations and comply with the national policies.	61,979,423.66		37,460,558.89	57,787,648.13
Fund possession cost which are collected from non-financial enterprises and which are recorded into current profit and loss				
Gains generated when the company's acquisition costs of subsidiaries, associates and joint ventures are less than the fair value of identifiable net asset of investee to be enjoyed at the time of investment				425,684,011.01
Losses and gains from exchange of non-monetary assets				
Profit or loss from commissioned investment or asset management			92,762,470.34	103,531,017.23
Provision for various asset impairment withdrawn due to force majeure				
Losses and gains from debt restructuring	6,019,012.82		1,516,867.61	8,345,613.42
Corporate restructuring costs, such as staffing expenses and integration costs				

Profit or loss generated when transactions with obviously unfair transaction prices exceed the fair value				
Net current profit or loss of the subsidiary formed under the merger of enterprises under the same control from the beginning date to consolidated date				
Gains and losses generated by contingencies unrelated to normal business operations of the Company				
Apart from effective hedging business related to normal business operations, profit and loss from changes in fair value of trading financial assets, derivative financial assets, trading financial liabilities and derivative financial liabilities, as well as the investment income from disposal of trading financial assets, derivative financial assets, trading financial liabilities and derivative financial liabilities and other debt investment.	-197,372,820.40		72,384,136.72	78,255,824.96
Reversal of impairment provision of accounts receivable and contract assets for independent impairment test	1,178,590.26		225,187.25	4,678,133.96
Profit and loss from commissioned loans				
Profit and loss from changes in fair value of investment property using the fair value model for subsequent measurement				
Impact of one-time adjustment of current profit or loss pursuant to the laws and regulations about taxation and accounting on the current profit or loss				
Custodian fee income from entrusted operations				
Other non-operating income and expenses, except the aforesaid items	-17,333,180.13		-20,338,285.18	-50,373,059.46
Other profit and loss items in line with the definition of non-recurring gains and losses	3,644,599.93		6,877,062.94	-425,684,011.01
Less: Income tax impacted amount	76,553,280.88		91,182,097.55	39,014,879.76
Impacted amount of minority interests (after-tax)	73,469,304.45		5,217,968.68	4,402,458.40
Total	112,254,308.30		310,507,356.76	163,142,968.11

Nonrecurring profit and loss items as defined in the definition of the Public Issuing Company's Information Disclosure Interpretative Notice No. 1 ——Nonrecurring Profit and Loss, and those items are defined as items of regular profits and losses, the reasons of which shall be explained.

☐Applicable ☒Not applicable

XI. Items measured at fair value

√Applicable □Not Applicable

Unit: yuan Currency: RMB

Project name	Opening balance	Closing balance	Current changes	Amount of impact on current profit
Held-for-trading financial assets	639,019,115.47	1,545,366,189.88	906,347,074.41	-208,117,233.86
Receivables financing	1,199,715,024.93	453,554,021.98	-746,161,002.95	-
Other non-current financial assets	313,345,688.48	324,090,101.94	10,744,413.46	10,744,413.46
Total	2,152,079,828.88	2,323,010,313.80	170,930,484.92	-197,372,820.40

XII. Others

□Applicable √Not applicable

Section III. Discussion and analysis of the management**I. Discussion and analysis of operation**

During the reporting period, guided by Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, the Company thoroughly studied and implemented the spirit of the 20th National Congress of the Communist Party of China, actively complied with the adjustment of national industrial policies, and focused on high-quality development to uphold fundamental principles and broke new ground. The Company conscientiously implemented the management requirements of "change, doing and practice", actively seized the opportunity in the process of carbon peaking and carbon neutrality, implemented policies accurately, accelerated the adjustment of product structure, and strengthened the efficiency of resource allocation. Focusing on new products and new technologies, the Company has continuously achieved effective improvement in quality and reasonable growth in quantity, and the overall production management work has maintained a smooth operation.

(I) Being market-oriented, the Company insists on fitting the needs of market and making the market. In the face of new situations and changes, keeping abreast of market changes, the Company strengthens internal coordination, forms a dynamic balance between production and sales in which demand drives supply and supply creates demand, and enhances the capability to recognize, respond to and seek changes in the market. The Company flexibly adjusts the sales strategies, stabilizes and develops the graphite electrode market, and focuses on the changes in the market demands for various carbon bricks and special graphite products to seek growth.

(II) Strengthening scientific research and technological innovation, and enhancing the market competitiveness of the enterprise. Based on scientific research platforms such as new graphene material research institute, carbon material research institute and Lanzhou University Graphene Research Institute, the Company enhances the R&D and quality improvement of graphite electrodes and blast furnace carbon bricks, and fully promotes the R&D and application of graphene and the R&D of carbon/carbon composite materials, etc. The technical research projects approved in 2022 were successfully completed, large-size conductive electrodes and graphitized cathodes used for

aluminium production were supplied in batches; graphene heating products were produced and applied in batches; carbon/carbon composite materials were used for tests by downstream users; the construction of high-end negative electrode material laboratory was completed, and the related experimental work was advanced in an orderly manner, which have laid the foundation for the Company to enhance its subsequent market competitiveness.

(III) The Company implements the "quality improvement" strategy, finely controls product manufacturing in terms of raw materials, pressing, baking, processing and other processes, and keeps pace with international advanced enterprises. Besides, the Company improves internal control standards in terms of product indicators, processing accuracy, pre-assembly and packaging, etc., and achieves breakthroughs and innovations in optimizing process formula, adopting milling and grinding finishing process, and introducing international advanced ultrasonic non-destructive testing technology. In 2022, the Company steadily expanded into the European market with its excellent quality of products.

(IV) Strengthening equipment management, tapping the potential of production organization, and meeting product supply The Company strengthens the basic management inspection and rectification of equipment. Focusing on weekly cycle inspection and special inspection of equipment, the Company organizes comprehensive equipment inspection on the basis of cycle inspection, and urges responsible departments to rectify through the supervision and inspection mode that combines cycle inspection, special inspection and comprehensive inspection, thereby ensuring the continuous and stable operation of equipment. The Company organizes the production department to plan in a unified way based on the adjustment of product structure, thereby effectively increasing the production quota of each process, effectively achieving incremental efficiency and ensuring product delivery.

(V) Paying attention to safety and environmental protection, and pursuing high-quality development of the enterprise The Company strictly implements the safe production responsibility system of all employees. On the basis of comprehensively improving the awareness of self-management, and focusing on detailed on-site management and control, the Company continues to promote the construction of inherent safety and the stable operation of safe production through the all staff management system that implements responsibilities, controls risks, eliminates hidden dangers, strengthens foundation and ensures emergency response. Taking the "dual carbon" goals as the guide, taking the measures of energy conservation and emission reduction, and the reduction of pollution and carbon emissions, focusing on "dual control" supervision, and taking environmental protection and 5S management standards as the basis, the Company comprehensively promotes environmental governance and improvement. During the year, the Company completed Xinshang high-pressure impregnation and rebaking tunnel kiln desulfurization project, and the baking flue gas advanced treatment project. The total particulate emissions were effectively controlled, thereby ensuring the green and high-quality development of the enterprise.

II. Industry situation during the reporting period

The carbon industry belongs to the basic raw material industry and the carbon is an indispensable basic material in the development of the national economy. Carbon materials are special materials that cannot be replaced by any

metallic or non-metallic materials in many fields. They are widely used in metallurgy, chemical industry, machinery manufacturing, aerospace, and new energy such as wind energy, solar energy, nuclear power, etc. According to the production process, carbon products can be roughly divided into four categories: graphite products, carbon products, new carbon materials and other carbon products. Among them, graphite electrode is one of the most important graphite products, which is mainly used in downstream iron and steel smelting, and the electric furnace steelmaking has the largest demands.

In February 2022, the Ministry of Industry and Information Technology, the National Development and Reform Commission, and the Ministry of Ecology and Environment jointly issued the Guiding Opinions on Promoting the High-quality Development of the Iron and Steel Industry and pointed out that by 2025, strive to promote the iron and steel industry to basically form a green, low-carbon and sustainable high-quality development pattern characterized by reasonable layout, stable resource supply, advanced technology and equipment, prominent quality brands, high level of intelligence and strong global competitiveness. The industrial structure is continuously optimized. The development level of industrial agglomeration has been significantly improved, and the concentration of the iron and steel industry has been greatly increased. The process structure has been significantly optimized, and the proportion of electric furnace steel output in the total crude steel output has been increased to more than 15%. In the medium and long term, with the steady development of electric furnace steel in China, the demand for graphite electrodes will continue to rise, and the industry has a broad space for development.

During the reporting period, mainly due to the upward fluctuations in the price of raw materials, the downstream market was weak, and the profit margin of the graphite electrode market declined.

III. Business situation of the Company during the reporting period

The Company's industry is the graphite and carbon product industry in the non-metallic mineral product industry. The Company is mainly engaged in the research, production and sales of new graphite and carbon materials. The Company has four major graphite electrode production bases and is the largest electrode supplier in China.

The downstream customers of the Company's graphite electrode products mainly include various major iron and steel enterprises, mainly in industries such as electric arc furnace steelmaking, yellow phosphorus smelting in submerged arc furnace, abrasives and industrial silicon, among which the electric furnace steelmaking has the largest demands. Carbon bricks are used as core lining materials for blast furnaces, which are mainly used in the maintenance stage of blast furnaces in iron and steel enterprises.

During the reporting period, according to the needs of the downstream markets, the Company actively adjusted the production structure, captured and mastered market information in a timely manner, made decisions resolutely, responded flexibly and quickly, so as to maintain a good market share. Especially in light of new changes in the carbon market, the Company adjusted the production and sales structure of graphite electrodes and carbon bricks in a timely manner. The isostatic graphite products produced by the Company's holding subsidiary Chengdu Carbon Material are mainly used in semiconductors, solar PV, mold processing, nuclear energy, metallurgy, petrochemical

and many other fields. Benefiting from the country's strong support for the development of new energy power generation and PV industry, the downstream installed capacity of the PV industry has maintained rapid growth, and the market demand has shown a positive trend. New carbon materials are mainly used in high-tech fields. The Company has achieved breakthroughs in graphene materials and carbon/carbon composite materials. Driven by the country's "dual carbon" economy and green development, the rapid development of the new energy industry has become a trend, which brings considerable space for the development of new carbon materials.

IV. Analysis of core competitiveness during the reporting period

☒Applicable ☐Not Applicable

(I) . The advantages of world-class production technology and international advanced production equipment
The Company has proprietary core technologies with independent intellectual property rights for the manufacture of ultra-high-power graphite electrodes, carbon bricks and special graphite, and has introduced advanced production equipment. Its ultra-high-power graphite electrode products have reached the world-class level. Its $\Phi 750\text{mm}$ and $\Phi 800\text{mm}$ ultra-high-power graphite electrode products have filled the gap in China. Its $\Phi 700\text{mm}$ ultra-high-power graphite electrode products have been well received by customers, and the technical indicators have reached the international advanced level. In addition, the Company is one of the few enterprises in China that can produce graphitic cathode carbon bricks for electrolytic aluminum, and has a first-mover advantage in the future broad development space of graphitic cathode carbon bricks for electrolytic aluminum.

(II) . Joint production enterprises of carbon materials have been formed, with complete product categories, prominent cost advantages and obvious competitive advantages in the industry. The Company has a number of carbon production subsidiaries and raw material production and processing companies. The geographical layout is reasonable, and the industrial structure of resource sharing, centralized R&D, complementary advantages and coordinated marketing has been realized. Implement standard production, division of labour and cooperation according to each subsidiary's equipment conditions, manufacture carbon products of various types and specifications required by domestic and foreign customers. Over the years, the Company has strategically deployed upstream raw materials through the approach of acquisition integration to achieve industrial integration. The product cost advantages are prominent, the product system is complete, and the products of various types and specifications can complement each other in the market, thus the competitive advantages in the industry are obvious.

(III) . The cutting-edge scientific research system and strong R&D and innovation capabilities create unique competitive advantages. The Company continues to invest in R&D, and adheres to independent innovation. The Company has independent intellectual property rights for core technologies, and takes a leading position in the research and production of blast furnace carbon bricks, carbon/graphite materials for nuclear power, and graphene products, etc. Now it has formed the R&D system and diversified industrial system dominated by the R&D of cutting-edge new material products, supplemented by the upgrading of traditional products, and supported by the R&D of raw materials. It has established the technology R&D department, the carbon material research institute

and graphene research institute, and it is the only enterprise in China that has the qualification to produce civil nuclear-grade carbon products. At the same time, the Company also carries out R&D cooperation with domestic scientific research universities and institutes. It strengthens the R&D cooperation with Tsinghua University, University of Science and Technology Beijing, Lanzhou University, Hunan University, Institute of Coal Chemistry Chinese Academy of Sciences, Lanzhou University of Technology and other domestic well-known scientific research universities and institutes, and they have jointly established the R&D platforms such as "Tsinghua University · Fangda Carbon Nuclear Graphite Research Center" and "Lanzhou University · Fangda Carbon Graphene Research Institute". We have been rated as the national high-tech enterprise, national technological innovation demonstration enterprise, a leading enterprise in the national science & technology innovation base for rejuvenating trade, and a backbone enterprise in strategic emerging industries in Gansu Province. We have the national enterprise technology center, post-doctoral scientific research center, Gansu Province new carbon material engineering (research) center, Gansu Province industrial design center and Gansu Province science & technology innovation base for rejuvenating trade.

(IV) . Mature and perfect quality system, improving refined management, winning customers with product quality. Based on the R&D and production of carbon products for many years, the Company has established and improved the management systems of R&D, production, quality, equipment, safety, environmental protection and occupational health suitable for the process characteristics of carbon products, and has obtained CNAS laboratory accreditation certificate and ISO9001 quality management system, ISO14001 environmental management system and OHSAS18001 occupational health and safety management system certificates, etc., and the overall technological capabilities have reached the international advanced level. With many years of advantages in production and operation management of carbon enterprise, through continuous innovation and improvement of production and operation management, we implement "refined management" in a series of links such as procurement, production, quality and sales, refine the connection between production and sales, and attach importance to product quality, so as to serve the market with excellent product quality, meet customer needs, and win customer trust.

V. Major operating conditions during the reporting period

In 2022, facing the complex and ever-changing market situation, the Company strengthened the analysis and judgment of the market situation, actively adjusted product structure and marketing strategy, took various measures to expand its revenue, and its production and operation run smoothly.

During the reporting period, the Company produced 210,000 tons of graphite carbon products (including 165,000 tons of graphite electrodes and 36,000 tons of carbon bricks), and 295,000 tons of iron ore concentrate; realized a total operating revenue of RMB 5,320,293,400 yuan, with a year-on-year growth of 14.37%; the net profits attributable to the shareholders of the listed companies were RMB 839.939 million yuan, with a year-on-year decrease of 22.56%.

(I) . Analysis of main business**1. Analysis Table of Changes in the Accounts Related to Income Statement and Cash Flow Statement**

Unit: yuan Currency: RMB

Account	Amount in current period	Amount in the same period last year	Ratio of change (%)
Operating income	5,320,293,391.07	4,651,772,746.11	14.37
Operating cost	3,943,208,334.94	3,093,100,911.91	27.48
Selling and distribution expenses	130,785,567.96	133,539,805.51	-2.06
General and administrative expenses	362,243,031.32	507,382,135.50	-28.61
Financial expenses	-150,724,186.77	-155,877,848.17	Inapplicable
R & D expenses	95,571,741.10	69,584,880.14	37.35
Net cash flow from operating activities	236,117,357.73	-37,844,166.75	Inapplicable
Net Cash Flows from Investing Activities	-5,354,681,225.42	3,724,015,146.66	-243.79
Net Cash Flows from Financing Activities	626,877,483.17	-1,765,642,301.71	Inapplicable
Investment income	224,465,173.06	413,278,092.00	-45.69
Income from change in fair value	-159,583,653.99	31,039,725.31	-614.13

Reasons for changes in operating revenue: mainly due to the increase in sales volume during the reporting period.

Reasons for changes in operating costs: mainly due to the increase in sales volume during the reporting period.

Reasons for changes in sales expenses: mainly due to the decrease in sales expenses during the reporting period.

Reasons for changes in management expenses: mainly due to the small year-on-year changes in management expenses during the reporting period.

Reasons for changes in financing expenses: mainly due to the increase in interest expenses during the reporting period.

Reasons for changes in R&D expenses: mainly due to the increase in R&D expenses during the reporting period.

Reasons for changes in net cash flow from operation activities: mainly due to the increase in the financial appropriations, interest revenue and security deposits received during the reporting period.

Reasons for changes in net cash flow from investment activities: mainly due to the participation in the establishment of Nanchang Huxu Iron and Steel Industry Investment Partnership (Limited Partnership) during the reporting period.

Reasons for changes in net cash flow from financing activities: mainly due to the implementation of cash dividends during the same period last year, but not during the reporting period.

Reasons for changes in ROI: mainly due to the decrease in the return from outward investment during the reporting period.

Reasons for changes in income from changes in fair value: mainly due to the decline in the fair value of trading securities at the end of the reporting period.

Detailed description of major changes in the Company's business type, profit composition or profit source in current period

☐Applicable ☒Not applicable

2. Income and cost analysis

☒Applicable ☐Not Applicable

The details are as follows:

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

Unit: yuan Currency: RMB

Main business by industry						
By industries	Operating income	Operating cost	Gross profit margin (%)	Increase/decrease of operating income compared to last year (%)	Increase/decrease of operating cost compared to last year (%)	Increase/decrease of gross margin compared to last year (%)
Carbon industry	4,888,707,017.63	3,781,475,358.35	22.65	23.85	35.85	Decreased by 6.83%
Mining industry	135,930,810.31	53,512,642.01	60.63	-65.39	-52.99	Decreased by 10.38%
Others	14,184,523.33	10,526,918.72	25.79	-43.43	-46.77	Increased by 4.66%
Total	5,038,822,351.27	3,845,514,919.08				
Main business by products						
By products	Operating income	Operating cost	Gross profit margin (%)	Increase/decrease of operating income compared to last year (%)	Increase/decrease of operating cost compared to last year (%)	Increase/decrease of gross margin compared to last year (%)
Carbon products	4,888,707,017.63	3,781,475,358.35	22.65	23.85	29.48	Decreased by 6.83%
Iron ore concentrate	135,930,810.31	53,512,642.01	60.63	-65.39	71.02	Decreased by 10.38%
Others	14,184,523.33	10,526,918.72	25.79	-43.43	-46.77	Increased by 4.66%
Total	5,038,822,351.27	3,845,514,919.08				
Main business by region						
By regions	Operating income	Operating cost	Gross profit margin (%)	Increase/decrease of operating income compared to last year (%)	Increase/decrease of operating cost compared to last year (%)	Increase/decrease of gross margin compared to last year (%)
Domestic	3,843,464,111.32	2,896,866,600.51	24.63	9.12	28.09	Decreased by 11.16%
Abroad	1,195,358,239.95	948,648,318.57	20.64	41.79	44.70	Decreased by 1.59%

Total	5,038,822,351. 27	3,845,514,919. 08				
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(2). Production and Sales Analysis Table

√Applicable □Not Applicable

Main products	Unit	Production	Sales volume	Inventory	Increase or decrease of production volume compared with the previous year (%)	Increase or decrease of sales volume compared with the previous year (%)	Inventory increase or decrease compared with the previous year (%)
Carbon products	T	210,192.08	205,543.40	11,975.70	7.06	3.86	18.76
Iron ore concentrate	T	294,662.00	124,118.76	305,598.05	-34.93	-61.10	126.28

(3). Fulfillment of major purchase contracts and major sales contracts

□Applicable √Not applicable

(4). Cost Analysis Table

Unit: RMB

Information by industry						
By industries	Cost component	Amount in current period	Current ratio in total costs (%)	Amount in the same period last year	Proportion in total costs in the same period last year (%)	Proportion of changes in current amount compared with the same period of last year (%)
Carbon industry	Raw materials	2,841,707,161.78	71.40	1,882,226,448.43	64.81	50.98
	Artificial	354,391,054.79	8.90	313,830,590.04	10.81	12.92
	Energy	507,903,066.95	12.76	456,134,448.07	15.71	11.35
	Manufacturing costs	275,791,637.32	6.93	252,179,914.12	8.68	9.36
Mining industry	Ore	67,479,476.11	54.94	88,591,135.03	57.79	-23.83
	Electricity fee	20,397,896.42	16.61	24,023,890.68	15.67	-15.09
	Raw materials	8,489,519.84	6.91	11,296,885.36	7.37	-24.85
	Wage	18,823,047.32	15.33	21,326,315.96	13.91	-11.74
	Depreciation	3,635,914.80	2.96	3,641,928.57	2.38	-0.17
	Manufacturing costs	3,996,141.82	3.25	4,417,023.28	2.88	-9.53
Information by product						
By products	Cost component	Amount in current period	Current ratio in total costs (%)	Amount in the same period last year	Proportion in total costs in the same period last year (%)	Proportion of changes in current amount compared with the same

						period of last year (%)
Carbon products	Raw materials	2,841,707,161.78	71.40	1,882,226,448.43	64.81	50.98
	Artificial	354,391,054.79	8.90	313,830,590.04	10.81	12.92
	Energy	507,903,066.95	12.76	456,134,448.07	15.71	11.35
	Manufacturing costs	275,791,637.32	6.93	252,179,914.12	8.68	9.36
Iron ore concentrate	Ore	67,479,476.11	54.94	88,591,135.03	57.79	-23.83
	Electricity fee	20,397,896.42	16.61	24,023,890.68	15.67	-15.09
	Raw materials	8,489,519.84	6.91	11,296,885.36	7.37	-24.85
	Wage	18,823,047.32	15.33	21,326,315.96	13.91	-11.74
	Depreciation	3,635,914.80	2.96	3,641,928.57	2.38	-0.17
	Manufacturing costs	3,996,141.82	3.25	4,417,023.28	2.88	-9.53

(5). Changes in the scope of consolidation due to equity changes in major subsidiaries during the reporting period

☐Applicable ☒Not applicable

(6). Significant change in or adjustment of the business, product or service of the company within the report period

☐Applicable ☒Not applicable

(7). Main sales customers and main suppliers

A. Main sales customers of the company

☒Applicable ☐Not Applicable

The sales of the top five customers were RMB 537,169,600, accounting for 10.10% of the total annual sales; in which, the sales of related parties in the sales of the top five customers were RMB 0, accounting for 0 % of the total annual sales.

During the reporting period, the proportion of sales to a single customer exceeded 50% of the total, and among the top five customers, there were new customers or heavy reliance on a small number of customers

☐Applicable ☒Not applicable

B. Main suppliers of the company

☒Applicable ☐Not Applicable

The purchase amount of the top five suppliers was RMB 1,104,253,500, accounting for 28% of the total annual purchase amount; in which, the purchase amount of related parties in the top five suppliers was RMB 0.00, accounting for 0% of the total annual purchase amount.

During the reporting period, the proportion of purchases from a single supplier exceeded 50% of the total, and among the top five suppliers, there were new suppliers or heavy reliance on a small number of suppliers

☐Applicable ☒Not applicable

3. Others

Expense

☒Applicable ☐Not Applicable

Unit: yuan Currency: RMB

Item	Current period	Last period	Percentage of changes in current amount compared with the same period of last year (%)
Selling and distribution expenses	130,785,567.96	133,539,805.51	-2.06
General and administrative expenses	362,243,031.32	507,382,135.50	-28.61

Financial expenses	-150,724,186.77	-155,877,848.17	Inapplicable
R & D expenses	95,571,741.10	69,584,880.14	37.35

4. R & D investment**(1). R&D Investment Schedule**

√Applicable □Not Applicable

Unit: RMB

Current expensed R&D investment	95,571,741.10
Current capitalized R&D investment	0
Total R&D investment	95,571,741.10
Ratio of total investment in research and development to operating income (%)	1.80
Proportion of R&D investment capitalization (%)	0

(2). R & D staff information table

√Applicable □Not Applicable

Number of R&D personnel of the Company	330
The proportion of R&D personnel in the total number of employees (%)	13.03
Structure of educational background of R&D personnel	
Categories	Number of people
Doctoral students	7
Postgraduate students for master's degree	35
Undergraduate	241
Junior college	47
High school and below	-
Age structure of R&D personnel	
Categories	Number of people
Below 30 (excluding 30)	86
30-40 (including 30, excluding 40)	147
40-50 (including 40, excluding 50)	55
50-60 (including 50, excluding 60)	40
60 and above	2

(3). Description

□Applicable √Not applicable

(4). Reasons for major changes in the composition of R&D personnel and the impact on the Company's future development

□Applicable √Not applicable

5. Cash flow

√Applicable □Not Applicable

Unit: yuan Currency: RMB

Item	Current period	Last period	Percentage of changes in current amount compared with the same period of last year
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			(%)
Net cash flow from operating activities	236,117,357.73	-37,844,166.75	Inapplicable
Net Cash Flows from Investing Activities	-5,354,681,225.42	3,724,015,146.66	-243.79
Net Cash Flows from Financing Activities	626,877,483.17	-1,765,642,301.71	Inapplicable

(II) . Explanation of major changes in profits caused by non-core business

□Applicable √Not applicable

(III) . Analysis of assets and liabilities

√Applicable □Not Applicable

1. Assets and liabilities

Unit: RMB

Project name	Amount at the end of the period	Proportion of the closing balance in the total assets in the current period (%)	Amount at end of the previous period	Proportion of the closing balance in the total assets in the previous period (%)	Proportion of changes in current closing amount compared with the previous period (%)
Monetary funds	3,152,026,939.80	15.62	7,756,346,758.33	41.92	-59.36
Held-for-trading financial assets	1,545,366,189.88	7.66	639,019,115.47	3.45	141.83
Notes receivable	1,073,121,552.32	5.32	54,211,233.26	0.29	1,879.52
Inventory	2,298,822,676.14	11.39	1,738,151,495.51	9.39	32.26
Contract assets	22,889,002.46	0.11	16,252,199.85	0.09	40.84
Long-term equity investment	6,983,946,267.84	34.61	2,467,761,766.37	13.34	183.01
Notes payable	600,689,256.80	2.98	299,333,548.59	1.62	100.68
Contract liabilities	281,962,674.31	1.40	155,199,445.07	0.84	81.68
Non-current liabilities due within one year	3,822,398.80	0.02	253,500,374.23	1.37	-98.49
Other current liabilities	312,351,774.04	1.55	183,346,279.11	0.99	70.36
Other non-current liabilities	80,485,240.27	0.40	248,075,240.27	1.34	-67.56

Other notes

Currency capital: mainly due to the increase in investment expenditure during the reporting period.

Trading securities: mainly due to the increase in investment expenditure during the reporting period, the balance of trading securities increased.

Notes receivable: mainly due to the increase in operating revenue in current period, the bank's acceptance bills increased.

Inventory: mainly due to the increase in product demand during the reporting period, raw materials and work in process increased.

Contract assets: mainly due to the increase in product quality assurance deposits.

Long-term equity investment: mainly due to participation in the establishment of Nanchang Huxu Iron and Steel Industry Investment Partnership (Limited Partnership) during the reporting period.

Notes payable: mainly due to the increase in notes issued during the reporting period.

Contract liabilities: mainly due to the increase in the contract payment received in advance from customers during the reporting period.

Non-current liabilities due within one year: mainly due to the repayment of long-term loans due within one year during the reporting period.

Other current liabilities: mainly due to the increase in non-derecognition of accounts receivable financing during the reporting period compared with the beginning of the year.

2. Overseas assets

√Applicable □Not Applicable

(1) Asset size

Therein: overseas assets RMB 74,002.55 (unit: yuan, currency: RMB), accounting for 0.0004% of the total assets.

(2) Relevant explanations for the relatively high proportion of overseas assets

□Applicable √Not applicable

3. Main assets restricted as of the end of the reporting period

√Applicable □Not Applicable

Unit: yuan Currency: RMB

Item	Ending book value	Reasons for restriction
Monetary funds	212,093,542.44	Security deposits, pledge and freezing
Notes receivable	378,922,290.00	Pledge (note)
Held-for-trading financial assets	392,887,380.22	Financing guarantee
Fixed assets	1,969,532.41	Mortgage
Total	985,872,745.07	

Note: The restricted notes receivable in current period was mainly due to the Company's pledge of bank's acceptance bills and issuance of notes payable.

4. Other notes

□Applicable √Not applicable

(IV) . Analysis of industry operation information

√Applicable □Not applicable

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

(V) . Analysis of investment**Overall analysis of foreign equity investment**

√Applicable □Not applicable

The Company held the 7th interim meeting of the 8th board of directors on 4 March 2022 and the first interim meeting of shareholders general assembly of 2022 on 21 March 2022 respectively. The Proposal on Investment in Privately Offered Funds and Related Transactions was examined and approved at the meeting. The Company, as a limited partner, jointly invested in the establishment of Nanchang Huxu Iron and Steel Industry Investment Partnership (Limited Partnership) with the associated party Shanghai Huxu Investment Management Co., Ltd., and the limited partners Fangda Special Steel Technology Co., Ltd. and Jiangxi Haiou Trade Co., Ltd. The Company invested RMB 4.5 billion yuan with its own funds, and Shanghai Huxu Investment Management Co., Ltd. was the general partner and manager with underlying fund. In April 2022, the manager completed the fund registration, obtained the registration certificate, and fulfilled the investment obligation. In February 2023, Nanchang Huxu Iron and Steel Industry Investment Partnership (Limited Partnership) introduced limited partners and re-signed the Partnership Agreement.

1. Significant equity investment

□Applicable √Not applicable

2. Significant non-equity investment

□Applicable √Not applicable

3. Financial assets measured at the fair value

√Applicable □Not applicable

Unit: yuan Currency: RMB

Category of asset	Opening amount	Profit or loss from changes in fair value	Accumulative change in fair value recorded in the equity	Impairment withdrawn in current period	Amount of purchase in current period	Sale/redemption amount in current period	Other changes	Closing amount
Stock	639,019,115.47	-170,328,067.45						1,545,366,189.88
Privately offered fund	313,345,688.48	10,744,413.46						324,090,101.94
Others	1,199,715,024.93						-746,161,002.95	453,554,021.98
Total	2,152,079,828.88	-159,583,653.99					-746,161,002.95	2,323,010,313.80

Securities investment

□Applicable √Not applicable

Investment in privately offered fund

☐Applicable ☒Not applicable

Investment in derivatives

☐Applicable ☒Not applicable

4. The specific progress of major asset restructuring and integration during the reporting period

☐Applicable ☒Not applicable

(VI) . Sales of substantial assets and stock equity

☐Applicable ☒Not applicable

(VII) . Analysis of main controlled companies and share participating companies

☒Applicable ☐Not applicable

Unit: 0,000 yuan Currency: RMB

Company name	Nature of business	Main products or services	Registered capital	Total assets	Net assets	Operating income	Operating profit	Net profit
Shanghai Fangda Investment Management Co., Ltd.	Investing enterprise	Industrial investment, high-tech project investment, investment management, entrusted management of enterprise assets, planning of enterprise asset restructuring and acquisition, sales of electromechanical products, chemical products (except hazardous chemicals, controlled chemicals, fireworks and firecrackers, civil explosives, precursor chemicals), metallurgical furnace materials and metal products, and consulting services (projects subject to approval according to law can only be operated after approval by relevant departments).	6,000.00	173,246.28	22,193.82	-	9,088.23	7,101.91
Fushun Carbon Co., Ltd.	Production Enterprise	Manufacture of carbon products, sales of steel metallurgical materials, development and design of new carbon products.	6,326.00	129,269.82	113,665.74	53,398.87	3,371.35	3,502.39
Hefei Carbon Co., Ltd.	Production Enterprise	Production, processing and sales of carbon products and by-products, export of products produced by the enterprise and import of mechanical equipment, spare parts, raw and auxiliary materials required by the enterprise	5,000.00	83,512.92	50,774.56	34,925.99	2,613.02	1,605.53
Chengdu Rongguang Carbon Co., Ltd.	Production Enterprise	Production and sales of carbon series products, chemical products (excluding dangerous goods), import and export of self-produced products and related technologies, businesses including raw and auxiliary materials, mechanical equipment, instruments and meters, spare parts, mechanical processing, water and electricity installation and technology development required for production and scientific research of the factory	10,000.00	153,019.34	127,119.92	50,942.78	28,741.00	21,160.30
Fushun Laihe Mining Co., Ltd.	Production Enterprise	Iron ore mining, transportation of general goods, tailings sand development; processing of iron	2,198.94	89,218.12	84,473.73	14,161.49	5,472.15	3,924.53

		ore concentrate and general machinery (except boilers, elevators); sales of steels; processing and sales of crushed stones; agricultural product planting, processing and sales; leisure and sightseeing activities.						
Fushun Fangda New Materials Co., Ltd.	Production Enterprise	Manufacture and sales of calcined coke and needle coke, sales of petroleum coke, sales of industrial water, heat supply	5,000.00	20,808.04	17,777.13	52,873.57	1,702.90	1,191.50
Chengdu Carbon Material Co., Ltd.	Production Enterprise	Production and sales: carbon products, chemical products (excluding dangerous goods); import and export of self-produced products and related technologies; raw and auxiliary materials, mechanical equipment, instruments and meters, spare parts and mechanical processing required for production and scientific research of the enterprise; scientific research and development of carbon products (projects subject to approval according to law can only be operated after approval by relevant departments); no business activities shall be carried out without obtaining relevant administrative licensing (approval)	36,000.00	177,092.81	97,470.35	79,822.47	39,623.95	34,247.56
Jiangsu Fangda Carbon Chemicals Co., Ltd.	Production Enterprise	Production and sales of coal tar deep-processing products (washing oil); production and sales of coal tar pitch, light oil, anthracene oil, carbon black oil, phenol oil, technical naphthalene, oil, and neutral sodium phenate; security system monitoring services; tap water production and supply; sewage treatment and its recycling; technical services of quality inspection; international and domestic trade agency services.	22,488.34	31,321.89	12,215.42	18,266.45	-3,719.97	-3,841.02

(VIII) . Structured entities controlled by the company

☐Applicable ☒Not applicable

VI. Discussion and analysis of the Company's future development**(I) . Industry pattern and trend**

☒Applicable ☐Not applicable

The main raw materials of carbon products are waste petroleum coke and pitch coke in the production process of petrochemical and coal chemical industries, and various carbon products are produced through complex deep processing. This is the secondary utilization of energy and a typical circular economy industry. According to the production process, carbon products can be roughly divided into four categories: graphite products, carbon products, new carbon materials and other carbon products. Among them, graphite products mainly include graphite

electrodes and special graphite. The downstream industry demands for graphite electrodes mainly come from the four industries such as electric arc furnace steelmaking, yellow phosphorus smelting in submerged arc furnace, abrasives and industrial silicon, among which the electric furnace steelmaking has the largest demands. The steelmaking technology with electric furnace as the core has obvious advantages in terms of production efficiency, environmental protection, capital cost and process flexibility. Electric furnace steelmaking introduces current into the furnace by electrodes, and the strong current generates arc discharge via gases at the lower end of the electrodes, and at the same time releases a large amount of heat for smelting.

Under the guidance of the national supply-side structural reform policy, it is an inevitable trend for the iron and steel industry to take the path of transformation and upgrading as well as low-carbon and green development. Short-process electric furnace steelmaking will become one of the key directions encouraged by the national policies in the iron and steel industry during the "14th Five-Year Plan" period, the proportion of electric furnace steelmaking will show an trend of increasing, which will drive the demands for graphite electrodes.

(II) . Development strategy of the Company

√Applicable □Not applicable

Thoroughly studying and implementing the spirit of the 20th National Congress of the Communist Party of China, seizing historical opportunities, and closely following the trends of the era, we will show a new outlook, achieve new achievements and write new chapters in implementing the new development concepts and promoting high-quality development, and gather the strong joint force for high-quality development of the enterprise to build a world-class strong enterprise in carbon industry. During the "14th Five-Year Plan" period, the Company will maintain its leading position in traditional carbon products. With graphite electrodes and blast furnace carbon bricks as the main value carriers, and adhering to the development direction of providing new materials such as nuclear power and solutions for new graphene materials, the Company will adhere to green manufacturing and high-quality manufacturing, and form an overall development idea that gives priority to the development of new carbon materials, focuses on the development of graphite electrodes, and stably develops carbon bricks and main raw materials. At the same time, the Company will continue to extend the carbon industry chain, realize business expansion in the fields of new carbon materials and composite materials, and form a three-pronged development pattern with "ultra-high-power" graphite electrodes, "new, complete and high-quality" carbon bricks and "high-grade, precision and advanced" new material products. The Company will strive to build "the world's largest and strongest" comprehensive production base of new carbon materials.

(III) . Business plan

√Applicable □Not applicable

1. Upholding fundamental principles and breaking new ground, forging ahead with enterprise and fortitude

With the in-depth implementation of the realistic thinking and working methods that are "deep, practical, detailed, accurate and effective", in accordance with the development requirements of building modern strong carbon enterprises, the Company will strive to make up for shortcomings, enhance its own advantages, make new

achievements and realize new developments in the implementation of new development concepts and the pursuit of high-quality development, so as to win the initiative in market competition.

2. Being market-oriented, collaborative and efficient, and improving the efficiency of resources to create value

In 2023, we will continue to focus on the new "dual circulation" development pattern in which domestic economic cycle plays a leading role while international economic cycle remains its extension and supplements. With the combination of volume and price, giving priority to benefits, we will continue to optimize product structure, reasonably organize production, quality control, cost control, personnel guarantee and logistics guarantee, etc., so as to maximize the effectiveness of limited resources.

3. Striving for survival on the basis of quality and promoting development by innovation

Adhere to that "product quality is the life of an enterprise", and implement the concept of "striving for survival on the basis of quality and promoting development by innovation" in the whole process of quality management and every link of quality management. Create a good atmosphere in which all employees attach importance to quality, pursue quality, focus on quality and maintain quality. Strictly control the processes, refine the quality assurance measures, adhere to the goal of meeting customer needs, and keep pace with international advanced enterprises. Seize the opportunity of the establishment of the national graphene innovation centers to accelerate the extension of the industrial chain, strengthen the layout of new carbon materials, and accelerate the R&D and application of graphene, so as to provide strong technical support for product transformation and upgrading, and the cultivation of new profit growth points.

4. Refining cost management and eliminating waste of resources The Company will continue to explore cost reduction measures and potentials, so that the cost reduction work will run through the production and operation, and effectively improve the level of cost control. Refine the cost accounting system, reduce or eliminate waste of resources in the process of daily management, production and operation, and improve the overall utilization efficiency of resources. Realize the organic combination of refined management and cost reduction, promote the continuous improvement of cost control level, and effectively respond to the complex and ever-changing market.

5. Building inherent safety and improving the management and control level of environmental protection With a high awareness of the "red line" for safety and environmental protection, and in accordance with the relevant requirements of the new Production Safety Law, strengthen the principle that "safety management must be included in industry, business and production management" and the accountability of "post employees" safety responsibilities, specify the management responsibilities of safety subjects; focus on job safety training and education, prevent the risks of job safety, keep the awe of life, awe of rules and awe of duty, and improve the management level of inherent safety. In terms of environmental protection, adhere to the overall requirements of "controlling the total amount and concentration strictly", strengthen the governance of fugitive emissions, implement the operation control of environmental protection equipment and facilities, and develop green carbon.

(IV) . Possible risks

☒Applicable ☐Not applicable

1. Market risk

The international environment tends to be complex, unstable and uncertain factors still exist, and the domestic economy is in a period of recovery and adjustment. There are many small and medium-sized enterprises in the industry, and homogeneous competition is still fierce. However, under the background of carbon peaking, carbon neutrality and energy transition policies, the opportunities and challenges for the development of carbon products coexist.

Countermeasures: Pay close attention to changes in macroeconomic policies and downstream markets, promote the sound and sustainable development of the Company by flexibly adjusting operational plans and innovating in marketing models; giving full play to the advantages of large scale, various types and leading technologies, optimize product structure, accelerate the advancement of technological innovation and product innovation, increase the added value of products, and strive to create benefits.

2. Environmental risks

Under the background of carbon peaking and carbon neutrality policy, environmental protection standards are constantly improved, and the requirements for environmental governance of the carbon industry are becoming stricter.

Countermeasures: Continue to carry out cleaner production and the upgrading and transformation of environmental protection equipment. Through the implementation of cleaner production plans and the upgrading and transformation of environmental protection equipment, effectively improve the Company's management and control level of environmental protection and develop green carbon.

3. Exchange rate risk

Some of the Company's products are sold to international markets, thus exchange rate fluctuations will affect the Company's export amount and exchange losses.

Countermeasures: the Company matches foreign currency income with foreign currency expenditure as far as possible to reduce foreign exchange risk. Strengthen the collection and analysis of foreign exchange market information, keep abreast of foreign exchange market dynamics, discuss and adjust the settlement currency and settlement mode in a timely manner.

(V) . Others

☐Applicable ☒Not applicable

VII. Conditions and reasons for the failure of the Company to disclose according to the standard due to the non-applicability of standards or national secrets, trade secrets and other special reasons.

☐Applicable ☒Not applicable

Section IV. Corporate Governance

I. Corporate governance

☒Applicable ☐Not applicable

During the reporting period, the Company constantly improved the corporate governance structure and internal control systems such as the shareholders general assembly, the board of directors and the board of supervisors in

strict accordance with the laws and regulations such as the Companies Law of the People's Republic of China, Securities Law of the People's Republic of China, Code of Corporate Governance for Listed Companies, Stock Listing Rules of Shanghai Stock Exchange, and the Self-Regulatory Guidelines for Listed Companies of Shanghai Stock Exchange No. 1 - Standardized Operation, and the requirements of normative documents for the governance of listed companies issued by CSRC.

(I) About Shareholders and Shareholders General Assembly

The company strictly complies with the Articles of Association and Rules of Procedure of the Shareholders General Assembly, to standardize the convening, holding and voting procedures of shareholders general assembly to ensure that all shareholders, especially small and medium shareholders, can fully exercise their rights. During the reporting period, all the meetings of the shareholders general assembly of the Company were convened by the Company's board of directors, and presided over by the chairman of the board of directors. Besides, lawyers were hired to witness on site and issue legal opinions. In order to facilitate shareholders to exercise their voting rights, the Company convened the meetings of the shareholders general assembly with the combination of on-site and online voting, and separately counted the votes of small and medium-sized investors.

(II) About directors and the board of directors

The Company appoints directors and independent directors in strict accordance with the appointment procedures in the Company Law of the People's Republic of China and the Articles of Association. The Company has 11 directors, including 4 independent directors. The number of directors and composition of the board of directors meet the requirements of relevant laws and regulations. All directors of the Company work in accordance with the Articles of Association, Rules of Procedure of the Board of Directors, and Independent Director System, attend meetings of the board of directors and the shareholders general assembly with a serious and responsible attitude, play their professional strengths, actively fulfill their responsibilities, actively participate in relevant training, and are familiar with relevant laws and regulations. Independent directors make full use of their professional strengths in finance, industry technology, and other aspects to provide suggestions for formulation and decision of the development strategy of the Company, independently perform their duties, and express their independent opinions on major issues of the Company to protect the interests of the Company and all shareholders.

(III) About supervisors and the board of supervisors

The board of supervisors carefully fulfills and independently exercises its supervisory powers and responsibilities in strict accordance with the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Articles of Association, the Rules of Procedure of the Board of Supervisors and other laws and regulations. The convening and holding procedures of the meetings of the board of supervisors comply with the provisions of the Articles of Association and the Rules of Procedure of the Board of Supervisors. In daily work, the supervisors are diligent and responsible, review the annual financial statements, profit distribution plans, and other

matters of the Company, supervise the behaviors of directors and senior managers, and supervise the major investments and financial decision matters to protect the rights and interests of the Company and all shareholders.

(IV) Investor Relations

The Company fully respects and protects the legitimate rights and interests of investors, and actively communicates and exchanges with investors. The Company keeps interactive communication with investors in many forms such as investor hotline, email, on-site research, roadshow and online investor communication platform to actively exchange the development plans and goals of the Company. During the reporting period, the Company held 2021 annual, 2022 semi-annual and 2022 quarterly (the 3rd quarter) performance meetings and participated in over a hundred roadshow activities to communicate with investors on issues related to the later development of the Company and its subsidiaries, and overseas issuance projects of the Company. These activities enhance investors' affirmation and support for the strategic layout of the Company.

(V) Information disclosure

The Company has designated China Securities Journal, Shanghai Securities News and Shanghai Stock Exchange website (<http://www.sse.com.cn>) as the medias for information disclosure. The Company fulfills its information disclosure obligations in strict accordance with regulations to ensure the timeliness and fairness of information disclosure, fully fulfills the information disclosure obligations of listed company, and protects the legitimate rights and interests of investors. In addition, the Company keeps confidentiality well before information disclosure, ensuring that all shareholders have equal opportunities to obtain relevant information.

Whether there is any major difference between corporate governance and laws, administrative regulations, and the provisions of the China Securities Regulatory Commission on the governance of listed companies; if any, the reason should be explained.

☐Applicable ☒Not applicable

II. The specific measures taken by proprietary shareholders and actual controllers of the Company to ensure the independence of the Company's assets, personnel, finance, institutions, business, etc., and the solutions, work schedule and subsequent work plans taken when the independence of the Company is affected

☐Applicable ☒Not applicable

The circumstances where the proprietary shareholders, actual controllers and other institutions under their control are engaged in the businesses the same as or similar to those of the Company, the impact of horizontal competition or significant changes in horizontal competition on the Company, solutions taken, progress and subsequent solution plans

☐Applicable ☒Not applicable

III. Introduction to the shareholders general assembly

Session of meeting	Date of convening	Query index of the designated website of resolutions	Disclosure date of resolution publication	Resolution
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First Interim Meeting of Shareholders General Assembly 2022	21 March, 2022	http://www.sse.com.cn	22 March, 2022	Examined and approved the Proposal on Investment in Privately Offered Funds and Related Transactions.
Second Interim Meeting of Shareholders General Assembly 2022	26 April, 2022	http://www.sse.com.cn	27 April, 2022	Examined and approved the Proposal on Amending the Articles of Association of Fangda Carbon New Material Co., Ltd., the Proposal on Amending the Rules of Procedures of the Shareholders General Assembly of Fangda Carbon New Material Co., Ltd., the Proposal on Amending the Rules of Procedures of the Board of Directors of Fangda Carbon New Material Co., Ltd., the Proposal on Amending the Rules of Procedures of the Board of Supervisors of Fangda Carbon New Material Co., Ltd., and the Proposal on Applying for Comprehensive Credit Business.
2021 Annual Meeting of Shareholders General Assembly	13 May, 2022	http://www.sse.com.cn	14 May, 2022	Examined and approved Work Report of Board of Directors 2021, Work Report of Board of Supervisors 2021, Financial Settlement Report 2021, Profit Distribution Plan 2021, Annual Report and Abstract 2021 and Special Report on Storage and Use of Raised Funds 2021.
Third Interim Meeting of Shareholders General Assembly 2022	9 June, 2022	http://www.sse.com.cn	10 June, 2022	The Proposal on Amending the External Guarantee Management System of Fangda Carbon New Material Co., Ltd., the Proposal on Amending the Independent Director System of Fangda Carbon New Material Co., Ltd., and the Proposal on Increasing Daily Related Transactions 2022.
Fourth Interim Meeting of Shareholders General Assembly 2022	15 June, 2022	http://www.sse.com.cn	16 June, 2022	Examined and approved the Proposal on Offering GDR, Listing on SIX Swiss Exchange and Transferring to Overseas Offering Limited Company, the Proposal on Plan for Offering GDR and Listing on SIX Swiss Exchange, the Proposal on Plan for Use of Fund Raised from Offering GDR, the Proposal on Validity Period of Resolution on Offering GDR and Listing on SIX Swiss Exchange, the

				Proposal on Authorizing the Board of Directors and its Authorized Representative to Handle all Matters Related to Offering GDR and Listing on SIX Swiss Exchange, the Proposal on Plan for Distribution of Accumulated Profits before Offering GDR and Listing on SIX Swiss Exchange, the Proposal on Insuring Responsibilities of Directors, Supervisors and Senior Managers and Public Offering Securities, and the Proposal on Amending Applicable Articles of Association of Fangda Carbon New Material Co., Ltd. and its Annexes after Offering GDR and Listing.
Fifth Interim Meeting of Shareholders General Assembly 2022	21 September, 2022	http://www.sse.com.cn	22 September, 2022	Examined and approved the Proposal on the Proposed Application of Subsidiary Chengdu Carbon Material Co., Ltd. for Listing on National Equities Exchange and Quotations.
Sixth Interim Meeting of Shareholders General Assembly 2022	15 November, 2022	http://www.sse.com.cn	16 November, 2022	Examined and approved the Related Transaction Management System of Fangda Carbon New Material Co., Ltd. and the Proposal on Renewal of Accounting Firm.

The interim meeting of shareholders general assembly held at the request of the preference shareholders whose voting rights are recovered

☐Applicable ☒Not applicable

Introduction to the shareholders general assembly

☐Applicable ☒Not applicable

IV. Directors, Supervisors and Senior Management**(I) . Changes in shareholdings and remuneration of current and outgoing directors, supervisors and senior executives during the reporting period**

√Applicable □Not applicable

Unit: share

Name	Position (Note)	Gender	Age	Start date of term of office	Expiry date of term of office	Number of shares held at the beginning of the year	Number of shares held at the end of the year	Changes in shares during the year	Reason of increase or decrease	Total pre-tax remuneration received from the Company during the reporting period (Unit: RMB 10,000)	Whether the compensation is paid by the affiliated party of the company
Dang Xijiang	Chairman of the Board	Male	59	29 June, 2021	29 June, 2024	2,801,957.00	2,801,957.00	0		149.42	No
Yan Kuixing	Director	Male	61	29 June, 2021	29 June, 2024	2,227,199.00	2,227,199.00	0		0	Yes
Liu Yi'nan	Director	Male	46	29 June, 2021	29 June, 2024	89,600.00	89,600.00	0		0	Yes
Qiu Yapeng	Director	Male	42	29 June, 2021	29 June, 2024	0	0	0		0	Yes
Shu Wenbo	Director	Male	55	29 June, 2021	29 June, 2024	1,386,380.00	1,386,380.00	0		0	Yes
Xu Zhixin	Director	Male	48	29 June, 2021	29 June, 2024	0	0	0		0	Yes
Huang Zhihua	Director	Male	55	29 June, 2021	29 June, 2024	0	0	0		0	Yes
Wei Yanheng	Independent Director	Male	54	29 June, 2021	9 May, 2023	0	0	0		10	
Huang Juan	Independent Director	Female	60	29 June, 2021	29 June, 2024	0	0	0		10	
Peng Shuyuan	Independent Director	Female	58	29 June, 2021	29 June, 2024	0	0	0		10	

Wu Li	Independent Director	Female	57	29 June, 2021	29 June, 2024	0	0	0		10	
Li Xin	Chairman of Board of Supervisors	Female	43	29 June, 2021	29 June, 2024	0	0	0		0	Yes
Shi Jinhua	Supervisor	Male	54	29 June, 2021	29 June, 2024	0	0	0		0	Yes
Lu Lu	Supervisor	Female	41	29 June, 2021	29 June, 2024	0	0	0		10.68	
Guo Linsheng	Supervisor	Male	46	29 June, 2021	29 June, 2024	0	0	0		11.18	
Zhang Zirong	Supervisor	Male	59	29 June, 2021	29 June, 2024	81,200.00	81,200.00	0		32.56	
Zhang Tianjun	General Manager	Male	59	29 June, 2021	29 June, 2024	1,594,320.00	1,594,320.00	0		53.46	
Xu Longfu	Deputy General Manager	Male	49	8 September, 2022	29 June, 2024	0	0	0		8.16	No
Zhuang Xiaoru	Secretary of the board of directors	Female	38	1 July, 2022	29 June, 2024	0	0	0		11.88	
Yu Yong	Financial director	Male	50	29 June, 2021	29 June, 2024	12,100.00	12,100.00	0		60.73	
Li Jing (retired)		Female		29 June, 2021	11 March, 2022	1,835,680.00	1,835,680.00			5.45	No
An Min (retired)		Male		29 June, 2021	1 July, 2022	118,902.00	118,902.00			9.39	No
Wang Bo (retired)		Male		29 June, 2021	9 August, 2022	1,131,920.00	1,131,920.00			51.07	No
Qiu Zongyuan (retired)		Male		29 June, 2021	5 April, 2023	879,700.00	879,700.00	0		83.62	
Total	/	/	/	/	/	12,158,958	12,158,958		/	527.60	/

Name	Main Working Experience
Dang Xijiang	Held the positions of director of the Party Committee Office of Lantan Group, secretary of Party General Branch of Graphite Factory, secretary of Party General Branch and director of the Organization Department of the Party Committee of Molding Plant 2, chairman of Sanmenxia Longxin Carbon Co., Ltd., deputy general manager of Fangda Carbon New Material Co., Ltd., general manager of Chengdu Rongguang Carbon Co., Ltd., as well as director and general manager of Fangda Carbon New Material Co., Ltd. Hold the positions of director and vice president of Liaoning Fangda Group Industrial Co., Ltd. and chairman of Fangda Carbon New Material Co., Ltd.
Yan Kuixing	Held the positions of general manager of Fushun Carbon Co., Ltd., chairman of Fangda Carbon New Material Co., Ltd., and chairman of Fangda Jinhua Chemical Technology Co., Ltd. Hold the positions of chairman of Liaoning Fangda Group Guomao Co., Ltd., director and president of Liaoning Fangda Group Industrial Co., Ltd. and director of Fangda Carbon New Material Co., Ltd.
Liu Yi'nan	Held the positions of vice president of D&S Media Group, assistant president of BlueFocus Communication Group Co., Ltd., president of China Forestry Exchange, deputy general manager of Investment Department of Sun Life Everbright Life Co., Ltd., and executive director and executive committee member of China Fortune Financial Group Limited. Hold the positions of vice chairman of the board of directors and deputy secretary of the Party Committee of Liaoning Fangda Group Industrial Co., Ltd., director of Jiangxi Fangda Steel Group Co., Ltd. and director of Fangda Carbon New Material Co., Ltd.
Qiu Yapeng	Held (hold) the positions of deputy director of Human Resources Department, director of the Secretariat of the board of directors, secretary of the board of directors and chairman assistant of the board of directors of Liaoning Fangda Group Industrial Co., Ltd., director and vice president of Liaoning Fangda Group Industrial Co., Ltd., director of Fangda Special Steel Technology Co., Ltd. and director of Fangda Carbon New Material Co., Ltd.
Xu Zhixin	Held (hold) the positions of CFO of Jiujiang PXSteel Steel Co., Ltd., CFO of Jiangxi Fangda Steel Group Co., Ltd., CFO of Jiangxi PXSteel Industrial Co., Ltd., deputy CFO of Liaoning Fangda Group Industrial Co., Ltd., chairman and general manager of Ningbo PXSteel Trade Co., Ltd., chairman and general manager of PXSteel International (Asia) Co., Ltd., general manager of Jiangxi Fangda Steel Group Co., Ltd., director and vice president of Liaoning Fangda Group Industrial Co., Ltd., chairman of Fangda Special Steel Technology Co., Ltd., chairman of Jiujiang PXSteel Steel Co., Ltd. and director of Fangda Carbon New Material Co., Ltd.
Shu Wenbo	Held the positions of general manager assistant, 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 <u>Chengdu Carbon Co., Ltd.</u> (Chengdu Carbon Material Co., Ltd.), and vice president of Liaoning Fangda Group Industrial Co., Ltd. Hold the positions of director of Fangda Carbon New Material Co., Ltd. and general manager of Baofang Carbon Material Technology Co., Ltd.
Huang Zhihua	Held the positions of general manager assistant and deputy general manager of Fangda Special Steel Technology Co., Ltd., general manager, chairman and secretary of the Party Committee of Jiujiang PXSteel Steel Co., Ltd., deputy general manager of Jiangxi Fangda Steel Group Co., Ltd., chairman of Jiujiang PXSteel Steel Co., Ltd., general manager of Jiangxi PXSteel Industrial Co., Ltd., general manager of Jiangxi Fangda Steel Group Co., Ltd., vice president of Liaoning Fangda Group Industrial Co., Ltd., chairman of Hukou Fangda Hengyuan Real Estate Development Co., Ltd., chairman of Jiangxi Fangda Steel Group Co., Ltd., chairman of Pingxiang PXSteel Anyuan Steel Co., Ltd., executive director of Jiangxi Haiou Trade Co., Ltd., chairman of Sichuan Dazhou Iron & Steel Group Co., Ltd., director of Fangda Special Steel Technology Co., Ltd. and director of Fangda Carbon New Material Co., Ltd.
Huang Juan	Held the positions of associate professor and professor of School of Economics, Renmin University of China. Hold the positions of vice dean and

	professor of School of Applied Economics, Renmin University of China and independent director of Fangda Carbon New Material Co., Ltd.
Peng Shuyuan	Held the positions of CFO, secretary of the board of directors and deputy general manager of Beijing Tianhui Canye Co., Ltd., and director of Public Relations Department of Beijing Sino-Foreign Celebrity Cultural Industry Group. Hold the position of independent director of Fangda Carbon New Material Co., Ltd.
Wei Yanheng	From 2006 to 2012, held the position of independent director of Lanzhou Great Wall Electrical Co., Ltd. In addition, held the position of counselor of many provincial state-owned enterprises in restructuring, engaged in research and practical work on corporate legal system and corporate governance and published Equilibrium Mechanism of Legal Relations in Corporate Governance. Hold the positions of associate professor of Northwest Normal University, part-time lawyer of Gansu Jincheng Law Firm, arbitrator of Lanzhou Arbitration Commission, and independent director of Gansu Jingyuan Coal Industry and Electricity Power Co., Ltd., Gansu Dunhuang Seed Group Co., Ltd. and Fangda Carbon New Material Co., Ltd.
Wu Li	Taught in Benxi University. Held the position of vice dean of the Shenyang University of Technology. From February 2008 to now, teach in Northeastern University. Hold the positions of independent director of Shenyang Chemical Group Co., Ltd., Shenyang Heyan Technology Co., Ltd., Jinzhou ThinkonSemi Semiconductor Co., Ltd. and Fangda Carbon New Material Co., Ltd.
Li Xin	Held the positions of accountant, director assistant and deputy director of Finance Department of Liaoning Fangda Group Industrial Co., Ltd., and director of Finance Department of Jiujiang PXSteel Steel Co., Ltd. Hold the positions of deputy director of Finance Department of Liaoning Fangda Group Industrial Co., Ltd. and supervisor of Fangda Carbon New Material Co., Ltd.
Shi Jinhua	Held the positions of accountant, vice section director and section director of Finance Department of Jinhua Chemical (Group) Co., Ltd., deputy director of Finance Department of Fangda Jinhua Chemical Technology Co., Ltd., and director assistant of Finance Department of Liaoning Fangda Group Industrial Co., Ltd. Hold the positions of CFO of Fangda Medical (Yingkou) Co., Ltd., CFO of Yingkou Fangda Hospital, CFO of Fangda Medical Investment Management Co., Ltd. and supervisor of Fangda Carbon New Material Co., Ltd.
Lu Lu	Worked in office of Lanzhou Hailong New Material Co., Ltd. Held the positions of office director assistant of Fangda Carbon New Material Co., Ltd. Hold the positions of supervisor of Fangda Carbon New Material Co., Ltd.
Guo Linsheng	Held the positions of enterprise management personnel, planner and director assistant of Comprehensive Department, and deputy director and director of Comprehensive Office of Fangda Carbon New Material Co., Ltd. Hold the position of supervisor of Fangda Carbon New Material Co., Ltd.
Zhang Zirong	Held the positions of director of Finance Department of Fangda Carbon New Material Co., Ltd., CFO of Hefei Carbon Co., Ltd., deputy CFO and director of Finance Department of Fangda Carbon New Material Co., Ltd. Hold the positions of supervisor and deputy CFO of Fangda Carbon New Material Co., Ltd.
Zhang Tianjun	Held the positions of general manager assistant, deputy general manager, secretary of the Party Committee and general manager of Fangda Carbon New Material Co., Ltd., general manager, secretary of the Party Committee and secretary of the Discipline Inspection Commission of Chengdu Rongguang Carbon Co., Ltd., secretary of the Party Committee, chairman, general manager, deputy general manager and secretary of the Discipline Inspection Commission of Chengdu Carbon Material Co., Ltd. (former Chengdu Carbon Co., Ltd.), and vice chairman of Baofang Carbon Material Co., Ltd. Hold the positions of chairman of Meishan Fangda Rongguang Carbon Co., Ltd. and general manager of Fangda Carbon New Material Co., Ltd.
Xu Longfu	Held the positions of director of Finance Department of Jiangxi Jinde Aluminum Industry Co., Ltd., CFO of Chongqing Hongyan Fangda Auto

	Suspension Co., Ltd., deputy general manager of Jiangxi Fangda Special Steel Auto Suspension Group Co., Ltd., and general manager of Nanchang Fangda Special Steel Industrial Co., Ltd. Hold the position of deputy general manager of Fangda Carbon New Material Co., Ltd.
Zhuang Xiaoru	Held the positions of deputy director of Party and the Masses Service Department, deputy director of Securities Investment Department and general manager assistant of Investment Management Center of Liaoning Fangda Group Industrial Co., Ltd. Hold the position of secretary of the board of directors of Fangda Carbon New Material Co., Ltd.
Yu Yong	Held the positions of deputy director of Finance Department of Liaoning Fangda Group Industrial Co., Ltd., deputy director, director and CFO of Finance Department of Fangda Carbon New Material Co., Ltd. and CFO of Fushun Carbon Co., Ltd. Hold the position of CFO of Fangda Carbon New Material Co., Ltd.

Other information

√Applicable □Not applicable

1. On 11 March 2022, the Company held the 8th interim meeting of the 8th board of directors and examined and approved the Proposal on Dismissal of Senior Managers. Due to work change, Ms. Li Jing no longer held the position of deputy general manager of the Company.
2. On 1 July 2022, the Company held the 13th interim meeting of the 8th board of directors and examined and approved the Proposal on Change of Secretary of the Board of Directors. Due to work change, Mr. An Min no longer held the position of secretary of the board of directors. Mrs. Zhuang Xiaoru was appointed as secretary of the board of directors.
3. On 9 August 2022, the Company held the 14th interim meeting of the 8th board of directors and examined and approved the Proposal on Dismissal of Senior Manager. Due to work change, Mr. Wang Bo no longer held the position of deputy general manager of the Company.
4. On 8 September 2022, the Company held the 17th interim meeting of the 8th board of directors and examined and approved the Proposal on Appointment of Senior Manager. As required, Mr. Xu Longfu was appointed as the deputy general manager.
5. On 5 April 2023, the board of directors received a written resignation report from general manager Qiu Zongyuan. Due to work change, Mr. Qiu Zongyuan resigned from his position as the general manager. The resignation report took effect from the date of submission to the board of directors.
6. On 11 April 2023, the Company held the 23th interim meeting of the 8th board of directors and examined and approved the Proposal on Appointment of Senior Managers. As required, Mr. Zhang Tianjun was appointed as the general manager.

(II) . Incumbency of current and outgoing directors, supervisors and senior management during the reporting period**1. Posts held in the shareholder entity**

√Applicable □Not applicable

Name of employee	Name of shareholder entity	Position held in institutional shareholder	Start date of term of office	Expiry date of term of office
Yan Kuixing	Liaoning Fangda Group Industrial Co., Ltd.	Director and president		
Dang Xijiang	Liaoning Fangda Group Industrial Co., Ltd.	Director, Vice President		
Huang Zhihua	Liaoning Fangda Group Industrial Co., Ltd.	Director, Vice President		
Huang Zhihua	Jiangxi Fangda Steel Group Co., Ltd.	Chairman of the Board		
Huang Zhihua	Jiangxi PXSteel Industrial Co., Ltd.	Director and General Manager		
Huang Zhihua	Pingxiang PXSteel Anyuan Steel Co., Ltd.	Director		
Huang Zhihua	Sichuan Dazhou Iron & Steel Group Co., Ltd.	Chairman of the Board		
Huang Zhihua	Jiangxi Haiou Trade Co., Ltd.	Executive Director		
Huang Zhihua	Northern Heavy Industries Group Co., Ltd.	Director		
Huang Zhihua	Fangda Special Steel Technology Co., Ltd.	Director		
Huang Zhihua	Northeast Pharmaceutical Group Co., Ltd.	Director		
Huang Zhihua	Hainan Fangda Aviation Development Co., Ltd.	Director		
Huang Zhihua	Tianjin Yishang Group Co., Ltd.	Director		
Liu Yi'nan	Liaoning Fangda Group Industrial Co., Ltd.	Vice chairman and deputy secretary of the Party Committee		
Xu Zhixin	Liaoning Fangda Group Industrial Co., Ltd.	Director		
Xu Zhixin	Jiangxi Fangda Steel Group Co., Ltd.	Director and General Manager		
Xu Zhixin	Jiujiang PXSteel Steel Co., Ltd.	Chairman of the Board		
Xu Zhixin	Jiangxi Auto Leaf Spring Co., Ltd.	Chairman, General Manager		
Xu Zhixin	Jiangxi PXSteel Industrial Co., Ltd.	Director		
Xu Zhixin	Shanghai Huxu Investment Management Co., Ltd.	Director		
Xu Zhixin	Sichuan Dazhou Iron & Steel Group Co., Ltd.	Director		
Xu Zhixin	Hainan Fangda Aviation Development Co., Ltd.	Director		
Xu Zhixin	Fangda Special Steel Technology Co., Ltd.	Director		

Qiu Yapeng	Beijing Fangda International Industrial Investment Co., Ltd.	Director		
Qiu Yapeng	Liaoning Fangda Group Industrial Co., Ltd.	Director, Vice President		
Qiu Yapeng	Jiangxi Fangda Steel Group Co., Ltd.	Director		
Qiu Yapeng	Fangda Special Steel Technology Co., Ltd.	Director		
Qiu Yapeng	Tianjin Yishang Group Co., Ltd.	Director		
Qiu Yapeng	Liaoning Fangda Real Estate Group Co., Ltd.	Director		
Li Xin	Liaoning Fangda Group Industrial Co., Ltd.	Deputy director of Finance Department		
Shi Jinhua	Fangda Medical (Yingkou) Co., Ltd.	Financial director		
Shi Jinhua	Yingkou Fangda Hospital	Financial director		
Shi Jinhua	Fangda Medical Investment & Management Co., Ltd.	Financial director		
Yu Yong	Liaoning Fangda Group Industrial Co., Ltd.	Supervisor		
Zhang Tianjun	Liaoning Fangda Group Industrial Co., Ltd.	Supervisor		
Explanation for posts held in the shareholder entity	The above companies are affiliated enterprises of the Company.			

2. Posts held in other entity

√Applicable □Not applicable

Name of employee	Name of other entity	Posts held in other entity	Start date of term of office	Expiry date of term of office
Huang Juan	School of Applied Economics, Renmin University of China	Professor		
Wei Yanheng	Gansu Jincheng Law Firm	Attorney		
Wei Yanheng	Gansu Jingyuan Coal Industry and Electricity Power Co., Ltd.	Independent Director		
Wei Yanheng	Gansu Dunhuang Seed Group Co., Ltd.	Independent Director		
Wu Li	Northeastern University	Master's supervisor		
Wu Li	Shenyang Chemical Co., Ltd.	Independent Director		
Wu Li	Shenyang Heyan Technology Co., Ltd.	Independent Director		
Wu Li	Jinzhou ThinkonSemi Semiconductor Co., Ltd.	Independent Director		
Notes to posts held in other entity	Above companies are not affiliated to the Company.			

(III) . Compensations for directors, supervisors, and senior management

√Applicable □Not applicable

Decision-making procedures for the remuneration of directors, supervisors and senior executives	The salary of senior managers of the Company is approved by the remuneration and appraisal committee of the board of directors, and is submitted to the board of directors and shareholders general assembly for approval.
Determination basis of the remuneration of directors, supervisors and senior executives	The salary of full-time directors, supervisors and senior managers is determined based on their actual operational and management positions, by comprehensive evaluation of the Company's profitability and personal contributions, with reference to the salary appraisal system. Those part-time directors (excluding independent directors) and part-time supervisors receive no salary from the Company. The allowance for independent directors is determined by the board of directors based on the actual situation and submitted to the shareholders general assembly for approval.
Actual payment for the remuneration of directors, supervisors, and senior management	During term of office, the salary is paid based on the appraisal results.
At the end of the reporting period, the total remunerations obtained by all directors, supervisors and senior executives	During the reporting period, the total pre-tax remuneration received from the Company was RMB 5,276,000.

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

√Applicable □Not applicable

Name	Office held	Changes information	Reason of changes
Li Jing	Deputy General Manager	Dismissed	Work adjustment
An Min	Secretary of the board of directors	Resigned	Work change
Zhuang Xiaoru	Secretary of the board of directors	Appointment	Work change
Wang Bo	Deputy General Manager	Dismissed	Work change
Xu Longfu	Deputy General Manager	Appointment	Work adjustment
Qiu Zongyuan	General Manager	Resigned	Work change
Zhang Tianjun	General Manager	Appointment	Work adjustment

(V) . Punishment of securities regulatory agencies in the past three years

□Applicable √Not applicable

(VI) . Others

□Applicable √Not applicable

V. Meetings of the board of directors convened during the reporting period

Session of meeting	Date of convening	Resolution
The 7th Interim Meeting of the Eighth Board of Directors	4 March, 2022	Examined and approved the Proposal on Investment in Privately Offered Funds and Related Transactions and the Proposal on Convening the 1st Interim Meeting of Shareholders General Assembly of Fangda Carbon in 2022.
The 8th Interim Meeting of the Eighth Board of Directors	11 March, 2022	The Proposal on Dismissing the Company's Senior Management was reviewed and approved.

The 9th Interim Meeting of the Eighth Board of Directors	7 April, 2022	Examined and approved the Proposal on Amending the Articles of Association of Fangda Carbon New Material Co., Ltd., the Proposal on Amending the Rules of Procedures of the Shareholders General Assembly of Fangda Carbon New Material Co., Ltd., the Proposal on Amending the Rules of Procedures of the Board of Directors of Fangda Carbon New Material Co., Ltd., the Proposal on Amending Insider Registration Management System of Fangda Carbon New Material Co., Ltd., the Proposal on Amending Management Measures for Raised Funds of Fangda Carbon New Material Co., Ltd., the Proposal on Expecting Daily Related Transaction in 2022, the Proposal on Applying for Comprehensive Credit Business and the Proposal on Convening the 2nd Interim Meeting of Shareholders General Assembly of Fangda Carbon in 2022.
The 3rd Meeting of the Eighth Board of Directors	22 April, 2022	Examined and approved the Work Report of Board of Directors 2021, Work Report of General Manager 2021, Performance Report of Independent Directors 2021, Financial Settlement Report 2021, Profit Distribution Plan 2021, Annual Report and Abstract 2021, Special Report on Storage and Use of Raised Funds 2021, Internal Control Evaluation Report 2021, Performance Report of Audit Committee 2021, the Proposal on Subsidiary Temporary Replenishment of Working Capital with Idle Raised Funds, the Proposal on Change of Accounting Policy and the Proposal on Convening Meeting of Shareholders General Assembly in 2021.
The 4th Meeting of the Eighth Board of Directors	27 April, 2022	Examined and approved the Full Text and Main Body of the First Quarter Report of Fangda Carbon 2022.
The 10th Interim Meeting of the Eighth Board of Directors	24 May, 2022	Examined and approved the Proposal on Amending the External Guarantee System of Fangda Carbon New Material Co., Ltd., the Proposal on Amending the Independent Director System of Fangda Carbon New Material Co., Ltd., the Proposal on Amending the Management System of Shares and Change of Directors, Supervisors and Senior Managers of Fangda Carbon New Material Co., Ltd., the Proposal on Increasing Daily Related Transactions in 2022 and the Proposal on Convening the 3rd Interim Meeting of Shareholders General Assembly of Fangda Carbon in 2022.
The 11th Interim Meeting of the Eighth Board of Directors	30 May, 2022	Examined and approved the Proposal on Offering GDR, Listing on SIX Swiss Exchange and Transferring to Overseas Offering Limited Company, the Proposal on Plan for Offering GDR and Listing on SIX Swiss Exchange, the Proposal on Plan for Use of Fund Raised from Offering GDR, the Proposal on Validity Period of Resolution on Offering GDR and Listing on SIX Swiss Exchange, the Proposal on Authorizing the Board of Directors and its Authorized Representative to Handle all Matters Related to Offering GDR and Listing on SIX Swiss Exchange, the Proposal on Confirming Representative Authorized by the Board of Directors to Handle all Matters Related to Offering GDR and Listing on SIX Swiss Exchange, the Proposal on Plan for Distribution of Accumulated Profits before Offering GDR and Listing on SIX Swiss Exchange, the Proposal on Insuring Responsibilities of Directors, Supervisors and Senior Managers and Public Offering Securities, the Proposal on Formulating Confidentiality and Archive Management System for Overseas Securities Offering and Listing, the Proposal on Amending Applicable Articles of Association of Fangda Carbon New Material Co., Ltd. and its Annexes after Offering GDR and Listing and the Proposal on Notice for Convening the 4th Interim Meeting of Shareholders General Assembly of Fangda Carbon in 2022.
The 12th Interim Meeting of the	30 June, 2022	Examined and approved the Proposal on Amending the Investor Relation Management System of Fangda Carbon New Material Co., Ltd.

Eighth Board of Directors		
The 13th Interim Meeting of the Eighth Board of Directors	1 July, 2022	Examined and approved the Proposal on Change of Secretary of the Board of Directors.
The 14th Interim Meeting of the Eighth Board of Directors	9 August, 2022	The Proposal on Dismissing the Company's Senior Management was reviewed and approved.
The 15th Interim Meeting of the Eighth Board of Directors	23 August, 2022	Examined and approved the Proposal on the Company's Temporary Replenishment of Working Capital with Idle Raised Funds.
The 5th Meeting of the Eighth Board of Directors	30 August, 2022	Examined and approved the Full Text and Abstract of Semi-Annual Report of Fangda Carbon 2022 and Special Report on Storage and Use of Raised Funds in First Half of 2022.
The 16th Interim Meeting of the Eighth Board of Directors	5 September, 2022	Examined and approved the Proposal on the Proposed Application of Subsidiary Chengdu Carbon Material Co., Ltd. for Listing on National Equities Exchange and Quotations and the Proposal on Notice for Convening the 5th Interim Meeting of Shareholders General Assembly of Fangda Carbon in 2022.
The 17th Interim Meeting of the Eighth Board of Directors	8 September, 2022	The Proposal on Appointment of Company's Senior Management was reviewed and approved.
The 10th Interim Meeting of the Eighth Board of Directors	11 October, 2022	Examined and approved the Proposal on Providing Guarantees for Holding Subsidiaries.
The 6th Meeting of the Eighth Board of Directors	29 November, 2022	Examined and approved the Third Quarter Report of Fangda Carbon 2022, the Proposal on Amending Related Transaction Management System of Fangda Carbon New Material Co., Ltd., the Proposal on Amending Information Disclosure Management System of Fangda Carbon New Material Co., Ltd., the Proposal on Amending Information Disclosure Suspension and Exemption Management System of Fangda Carbon New Material Co., Ltd., the Proposal on Renewal of Accounting Firm and the Proposal on Notice for Convening the 6th Interim Meeting of Shareholders General Assembly of Fangda Carbon in 2022.
The 19th Interim Meeting of the Eighth Board of Directors	30 December, 2022	Examined and approved the Proposal on Mutual Insurance with Fangda Special Steel Technology Co., Ltd. and the Proposal on Convening the 1st Interim Meeting of Shareholders General Assembly of Fangda Carbon in 2023.

VI. Performance of duties of directors

(I) . Directors' Attendance of the Board Meeting and Meeting of Shareholders General Assembly

Name of Director	Independent director or not	Attendance of the Board Meeting						Attendance of the meeting of shareholders general assembly
		Number of times attending the	Number of times attending in	Times of meeting at which it is present by	Times of attendance by attorney	Times of absence	Whether it fails to attend the	Attendance at shareholder meetings

		board meeting s	person	means of communicatio n			meeting personall y twice in successio n	
Dang Xijiang	No	17	17	0	0	0	No	7
Yan Kuixing	No	17	17	17	0	0	No	7
Liu Yi'nan	No	17	17	17	0	0	No	7
Qiu Yapeng	No	17	17	17	0	0	No	7
Huang Zhihua	No	17	17	17	0	0	No	7
Liu Yi'nan	No	17	17	17	0	0	No	7
Shu Wenbo	No	17	17	17	0	0	No	7
Qiu Yapeng	No	17	17	17	0	0	No	7
Xu Zhixin	No	17	17	17	0	0	No	7
Huang Juan	Yes	17	17	17	0	0	No	7
Peng Shuyuan	Yes	17	17	17	0	0	No	7
Wei Yanheng	Yes	17	17	17	0	0	No	7
Wu Li	Yes	17	17	17	0	0	No	7

Instructions for not attending the board meeting in person for two consecutive times

☐Applicable ☒Not applicable

Number of board meetings held during the year	17
Of which: the number of on-site meetings	0
Number of meetings held by communication method	0
Number of meetings held combining the on-site method and communication method	17

(II) . Objections raised by the director to the matters related to the company

☐Applicable ☒Not applicable

(III) . Others

☐Applicable ☒Not applicable

VII. Special committees under the board of directors

☒Applicable ☐Not applicable

(1). Member of special committees under the board of directors

Category of special committees	Name of members
Audit Committee	Liu Yinan, Wu Li and Peng Shuyuan. The chairman is Wu Li.
Nomination Committee	Dang Xijiang, Wei Yanheng and Huang Jun. The chairman is Wei Yanheng.

Remuneration and Assessment Committee	Dang Xijiang, Peng Shuyuan and Wu Li. The chairman is Peng Shuyuan.
Strategy Committee	Dang Xijiang, Huang Zhihua and Wei Yanheng. The chairman is Dang Xijiang.

(2). During the reporting period, the audit committee convened 5 meetings.

Date of convening	Content of meeting	Important opinions and suggestions	Other performance of duties
20 April, 2022	The audit committee of the board of directors communicated with the certified public accountant for annual report.		Baker Tilly communicated with the audit committee of the board of directors on audit of accounting report 2021, confirmed the work arrangement and key points of audit of accounting report 2021, kept continuous communication and urged the audit committee to submit the audit report within scheduled period.
21 April, 2022	Examined and approved Annual Report of Fangda Carbon 2021.	The information in the annual report 2021 prepared by the Company objectively and truthfully shows the operational management and financial situation of the Company in the whole year of 2021, and the report was agreed to be submitted to the board of directors for approval.	
28 April, 2022	Examined and approved the Full Text and Main Body of the First Quarter Report of Fangda Carbon 2022.	The information in the first quarter report 2022 prepared by the Company objectively and truthfully shows the operational management and financial situation of the Company from January to March 2022, and the report was agreed to be submitted to the board of directors for approval.	
29 August, 2022	Examined and approved the Full Text and Abstract of Semi-Annual Report of Fangda Carbon 2022.	The information in the semi-annual report 2022 prepared by the Company fully, objectively and truthfully shows the operational management and financial situation of the Company from January to June 2022, and the report was agreed to be submitted to the board of directors for approval.	

28 October, 2022	Examined and approved the Third Quarter Report of Fangda Carbon 2022 and the Proposal on Renewal of Accounting Firm.	The information in the third quarter report 2022 prepared by the Company objectively and truthfully shows the operational management and financial situation of the Company from July to September 2022, and the report was agreed to be submitted to the board of directors for approval. Baker Tilly, as the financial report and internal control audit institution, adhered to professional ethics and persisted in the principle of independence, objectivity, and impartiality in auditing in strict accordance with provisions of relevant national laws and regulations and audited in strict accordance with audit criteria. The audit committee proposed to the board of directors to renew the appointment of Baker Tilly as the institution for auditing of financial report and internal control in 2022.	
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(3). During the reporting period, the nomination committee convened 2 meetings.

Date of convening	Content of meeting	Important opinions and suggestions	Other performance of duties
30 June, 2022	The Proposal on Recommending Company's Senior Management was reviewed and approved.	After carefully checking the information of Zhuang Xiaoru, the nomination committee found no situation that Zhuang Xiaoru was prohibited from holding position of senior managers of listed company as stipulated in the Company Law and other laws, regulations, normative documents and the Articles of Association or designated as a market prohibited person by CSRC and in relevant laws and regulations without relief of prohibition. Her qualification	

		meets relevant provisions of the Company Law and the Articles of Association. We agreed to nominate Ms. Zhuang Xiaoru as the secretary of the board of directors and submit to the board of directors for approval.	
7 September, 2022	The Proposal on Recommending Company's Senior Management was reviewed and approved.	After carefully checking the information of Xu Longfu, the nomination committee found no situation that Xu Longfu was prohibited from holding position of senior manager of listed company as stipulated in the Company Law and other laws, regulations, normative documents and the Articles of Association or designated as a market prohibited person by CSRC and in relevant laws and regulations without relief of prohibition. His qualification meets relevant provisions of the Company Law and the Articles of Association. We agreed to nominate Mr. Xu Longfu as the deputy general manager and submit to the board of directors for approval.	

(4). During the reporting period, the strategy committee convened 3 meetings.

Date of convening	Content of meeting	Important opinions and suggestions	Other performance of duties
3 March, 2022	Examined and approved the Proposal on Investment in Privately Offered Funds and Related	The strategy committee carefully read Guidelines for Information Disclosure of Cooperation and Investment between Listed Companies and Privately Offered Funds released by Shanghai Stock Exchange and documents on investment in privately offered funds and related transactions provided by the Company. The	

	Transactions.	strategy committee holds that on the premise of ensuring the necessary capitals for daily operations, the Company indirectly invested its own capital to the steel industry, which is conducive to extending its main product sales chain, increasing its market share, and enhancing its core competitiveness. The strategy committee agreed to submit the investment in privately offered funds and related transactions to the board of directors for approval.	
28 May, 2022	Examined and approved the Proposal on Planning the Offering GDR Overseas and Listing on SIX Swiss Exchange	The strategy committee carefully read the Promotion materials for Offering GDR in Swiss Market for Interconnection of Domestic and Overseas Securities Markets in Depository Receipts Business released by Shanghai Stock Exchange and documents on the overseas offering of GDR and listing provided by the Company. The strategy committee holds that the overseas offering of GDR and listing is an important measures of the Company to respond to the call of domestic capital market policies, deepen the interconnection of China-Europe capital markets, and promote the development of the real economy through overseas capital market. In addition, the Company has introduced overseas professional investment institutions and industrial investors to further optimize its equity structure, continuously improve the transparency and standardization of corporate governance, and provide a solid governance mechanism guarantee for the high-quality development of the Company. The strategy committee agreed to submit the overseas offering and listing to the board of directors for approval.	
4 September, 2022	Examined and approved the Proposal	The strategy committee carefully read the documents on the proposed application of subsidiary Chengdu Carbon Material Co., Ltd.	

on Examination of Subsidiary Chengdu Carbon Material Co., Ltd. for Proposed Application for Listing on the New Third Board.	for listing on National Equities Exchange and Quotations provided by the Company. The strategy committee holds that the application of Chengdu Carbon Material for listing on the new third board is conducive to enhancing its competitiveness of isostatic pressing graphite business, promoting better and faster development, maximizing its overall benefits, and matching with its long-term development strategy. Listing of Chengdu Carbon Material does not affect the Company's independent listing status and the control over Chengdu Carbon Material. The strategy committee agreed to submit matters of proposed application of subsidiary Chengdu Carbon Material Co., Ltd. for listing on national equities exchange and quotations to the board of directors for approval.
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(5). Objections

☐Applicable ☒Not applicable

VIII. Risks found by the Board of Supervisors in the Company

☐Applicable ☒Not applicable

The board of supervisors raises no objection to the matters under the supervision within the report period.

IX. Employees of the parent company and major subsidiaries at the end of the reporting period**(I) . Employees**

Number of on-duty employees of parent company	2,532
Number of on-duty employees of main subsidiary	2,512
Total number of on-duty employees	5,044
Number of retired employees for which the parent company and the main subsidiary shall pay the costs and expenses	0
Composition of professions	
Type of composition of professions	Number of employees in the composition of professions
Production personnel	3,666
Sales personnel	133
Technicians	422
Financial personnel	76
Administrative personnel	335
Other staff	412

Total	5,044
Education level	
Type of educational background	Number (person)
Undergraduate and personnel with higher education	477
Junior College	1,044
High School	2,278
Technical school graduate and personnel with lower education	1,245
Total	5,044

(II) . Compensation policy

√Applicable □Not applicable

In strict accordance with relevant national laws and regulations, the Company's salary system and incentive measures, the Company has established a sound salary and welfare system and performance evaluation system, realized the match of individual benchmark salary with relative value of the position, match of individual salary with performance and match of total salary with the Company's benefits on the basis of objectively evaluation of employee performance, and combined salary and performance management to improve employee enthusiasm for work. In addition, the Company rewarded the advanced person and encouraged the backward person, adopted the employee appointment mechanism with the cores of selection, competition, motivation and elimination to effectively motivate employees to complete work with high quality and creativity, fully motivate employees and stimulate their potentials, and made efforts to create the mechanism and environment for attracting, retaining and encouraging talents and attract more excellent talents to grow with the Company together.

(III) . Training plan

√Applicable □Not applicable

The Company has established a sound training system. The Company has taken the Company's development strategy and employee development as main line, quality improvement and ability development as cores, and practicality, effectiveness and pertinence as highlights. The Company has taken the internal training as primary and external training as secondary and persisted in combining theoretical training with job practice to realize comprehensive systematic training. Based on the annual production and operation plan and the practical production of the Company, with the goal of development needs of the Company and with the emphasis of improving employees' operation skills and work efficiency, the Company has comprehensively promoted the growth and development of employees, promoted the improvement of the overall skill of employee team, and promoted the cultivation of the core competitiveness of the Company.

(IV) . Labor outsourcing

□Applicable √Not applicable

X. Profit distribution plan or the plan for capital reserve converted into share capital**(I) . Formulation, implementation or adjustment of the cash dividend policy**

√Applicable □Not applicable

Chapter VIII of the Articles of Association involving financial accounting systems, profit distribution and auditing stipulates the cash dividend policy of the Company. It clearly stipulates the priority order of cash dividends and stock dividends in profit distribution. The specific distribution plan is made by the board of directors in accordance with the Articles of Association through full consideration of the profit scale, cash flow, development stage and current fund demand of the Company. If the conditions for cash dividends are met, the profits that the Company has distributed in the form of cash in the recent 3 years shall not be lower than 30% of the annual average profits available for distribution in the recent 3 years.” It ensures the transparency and operability of cash dividends to effectively safeguard the legitimate rights and interests of small and medium shareholders and investors. The profit distribution plan is strictly implemented in accordance with the Articles of Association and the resolutions of the shareholders general assembly.

In 2020, the shareholders general assembly examined and approved Profit Distribution Plan 2020: the net profits of the Company attributable to shareholders of the listed company in 2020 were RMB 547.4583 million. The net profits of the parent company in 2020 were RMB 353.744 million, accrued statutory surplus reserves were RMB 35.3744 million, and undistributed profits at the beginning of the year were RMB 5.5262164 billion. Therefore, the profits available for distribution at the end of 2020 were RMB 5.844586 billion. The Company distributed a cash dividend of RMB 5 (including tax) to all shareholders for every 10 shares, totaling cash dividend of RMB 1.9029852 billion (including tax). The profits cumulatively distributed in cash in the past three years were not less than 30% of the annual average distributable profits achieved in the past three years. The above profits were distributed in June 2021.

The Company held the 3rd meeting of the 8th board of directors and the 2021 meeting of shareholders general assembly on 22 April 2022 and 13 May 2022 respectively and examined and approved the Profit Distribution Plan 2021. There were no cash dividends, stock dividends, and conversion of capital reserves into share capital in 2021. The company held the 7th meeting of the 8th Board of Directors on 13 April, 2023 to deliberate and adopt the “Company's 2022 Profit Distribution Proposal”. The company plans not to carry out cash dividends, share delivery and capital reserve funds to increase share capital in 2022.

(II) . Special notes to the cash dividend policy

√Applicable □Not applicable

Whether conforming to the provisions of the articles of association or the requirements of the resolution of the meeting of shareholders general assembly;	√Yes □No
Whether the dividend standard and proportion are definite and clear;	√Yes □No
Whether the relevant decision-making procedure and mechanism are complete;	√Yes □No
Whether the independent director performs the duties and plays his due role;	√Yes □No
Whether the minority shareholders have the chance to express their opinions and appeals; whether their legal rights and interests are protected fully.	√Yes □No

(III) . If it is profitable during the reporting period and the parent company's profits available for distribution to shareholders are positive, but the cash profit distribution plan of the is not proposed, the Company shall disclose the reasons in detail and the purpose and use plan of the undistributed profit.

√Applicable □Not applicable

The reason for the absence of a cash profit distribution plan during the reporting period when it is profitable and the parent company's profits available for distribution to shareholders are positive	Purpose and utilization plan of undistributed profits
1. The industry and characteristics of the Company: the Company is mainly engaged in the research, production and sales of new graphite and carbon materials. The products include graphite electrodes, carbon bricks for blast furnaces, graphite cathode carbon blocks for electrolytic aluminum, special graphite products, carbon/graphite materials for nuclear power, graphene and its downstream products, activated carbon for supercapacitors, high-end graphite anode materials for lithium-ion batteries, carbon fibers, carbon/carbon composites, and other new carbon material products. The Company is engaged in graphite and carbon products in manufacture of non-metallic mineral products. Traditional products such as graphite electrodes are mainly used in the iron and steel industry. In recent years, the overall profitability of the carbon industry has declined due to factors such as upward fluctuations in upstream raw material prices and weakened downstream demand. 2. Development stage and business model of the Company: Advantages of the Company in the industry: (1) advantages in equipment level and scale production within the industry; (2) accumulated technical processes of the Company over the years; (3) increasingly perfect and standardized management system; (4) long-term and stable cooperation with suppliers and customers in terms of raw material supply and market sales, with stable raw material support and market share; (5) a complete range of products, mature processes, and high yield, with quality and brand advantages in the industry; fast, stable, and accurate	The undistributed profits of the Company will be accumulated and carried forward to the next year for the Company's research and development of new product and technology, equipment upgrading and transformation, product structure adjustment, market development, environmental protection investment, external investment and other related capital demand. It is expected that the level of income will be affected by multiple factors including the macroeconomic situation, industry condition, asset quality, utilization level, etc. The Company will strictly comply with the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Articles of Association, and regulatory requirements, and be committed to creating long-term investment value for shareholders by taking into account factors related to profit distribution from the perspective of corporate development and investor returns.

adjustment of product structure. Meet customer needs and make immediate adjustments based on market demand. (6) the ability to produce various types and specifications of carbon products required by domestic and foreign customers, with a complete product system that can meet the customized product needs of downstream mainstream customers. Distinct industry competitive advantage.

Independent and complete supply, production and marketing system. Based on years of R&D, production, and operation of carbon products, we have established and improved a management system of R&D, production, quality, equipment, environmental protection, occupational health and safety suitable for the research, development and production of carbon products.

During the reporting period, the Company increased its efforts to adjust its product structure, strengthen resource allocation efficiency, extend the industrial chain, expand product markets, and maintain its leading position in the traditional carbon material industry; vigorously developed new carbon/carbon composite materials such as graphitized cathode for aluminum, carbon graphite materials for nuclear power plants, and graphene, and actively took the lead in the process of peak carbon dioxide emissions and carbon neutrality; actively explored the opportunities for industrial merger and integration to promote the high-quality development of the Company.

3. Profitability and capital demand: in 2022, the Company achieved an operating income of RMB 5.32 billion and a net profit attributable to shareholders of the listed company of RMB 839 million, down 22.56% year-on-year. Given the current economic environment and competitive pressure in the industry, the Company will focus on green development, comply with the new situation of the goal of peak carbon dioxide emissions and carbon neutrality, promote the

research and development of low-carbon, zero carbon, and negative carbon technologies, accelerate low-carbon energy substitution and equipment upgrading and transformation, and promote coordinated development of pollution reduction and carbon reduction; continuously optimize and upgrade its product structure through “extending the chain and adding new products”, actively seek opportunities for industrial mergers and acquisitions and industry integration to enhance the Company’s market competitive advantage, ensure the sustained and healthy development of the Company, and better safeguard the long-term interests of the Company and all shareholders. In this process, more funds are needed to ensure the achievement of the goal.	
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(IV) . Profit distribution and conversion of capital accumulation fund into share equity within the reporting period

√Applicable □Not applicable

Unit: yuan Currency: RMB

Number of bonus shares distributed for every 10 shares (Share)	0
Amount of dividend distributed for every 10 shares (Including tax)	0
Number of converted shares for every 10 shares (Share)	0
Amount of cash dividend (Including tax)	0
Net profit in the consolidated statement of the dividend year attributable to ordinary shareholders of the listed company	839,939,033.95
Ratio to net profit in the consolidated statement attributable to ordinary shareholders of the listed company (%)	0
Amount included in cash dividends for repurchasing shares in cash	0
Total dividend amount (including tax)	0
The ratio of total dividends to net profit in the consolidated statement attributable to ordinary shareholders of the listed company	0

XI. The situation and influence of the Company's equity incentive plan, employee stock ownership plan or other employee incentives

(I) . The relevant incentives have been disclosed in the interim announcement and there is no progress or change in subsequent implementation

□Applicable √Not applicable

(II) . Incentives for non-disclosure or follow-up progress in the interim announcement

Equity incentive

☐Applicable ☒Not applicable

Other notes

☐Applicable ☒Not applicable

Employ stock ownership plan

☐Applicable ☒Not applicable

Other incentives

☐Applicable ☒Not applicable**(III) . Stock incentive granted to the directors and senior management within the reporting period**☐Applicable ☒Not applicable**(IV) . Evaluation system for senior executives, and the establishment and implementation of incentive mechanisms during the reporting period**☒Applicable ☐Not applicable

The Company formulated Salary Management System for Senior Managers of Fangda Carbon. The Company adopts annual salary system for senior managers. The salary of senior managers includes individual basic annual salary and reward. The salary is related to their performance, post responsibilities and comprehensive evaluation. The remuneration and appraisal committee is responsible for comprehensive evaluation of the work ability, performance and completion of responsibility goals of the senior managers, reviews the annual salary plan and submits it to the board of directors and shareholders general assembly for approval in accordance with the system requirements. The enhancement of the salary incentive and constraint mechanism is conducive to mobilizing the awareness of senior managers to fulfill their duties, promotes the improvement of the Company's operational efficiency and work efficiency, combines the interests of the Company with those of senior managers, and fully mobilizes and leverages the enthusiasm and initiative of senior managers to achieve stable development of the Company.

XII. Internal control system construction and implementation during the reporting period☒Applicable ☐Not applicable

For details, please refer to the Annual Internal Control Evaluation Report of Fangda Carbon New Materials Technology Co., Ltd. 2022 disclosed on the same day as this report.

Description of major defects in the internal control during the reporting period

☐Applicable ☒Not applicable**XIII. Management and control of subsidiaries during the reporting period**☒Applicable ☐Not applicable

The Company has formulated Subsidiary Management System of Fangda Carbon New Material Co., Ltd., Management Measures for Joint Stock Companies of Fangda Carbon New Material Co., Ltd., Supervision and Assessment Plan for Cost Reduction and Efficiency Increase in Carbon Board, etc. to define the asset rights and operational management responsibilities of Fangda Carbon and its proprietary companies and joint stock companies. In addition, the Company has established an effective operation mechanism and an incentive and constraint mechanism to continuously enhance main responsibilities of departments, formulation of annual operation plan, organization of joint inspection group, establishment of daily inquiry mechanism, which effectively controls the operation risks of its subsidiaries.

XIV. Explanation of the relevant situation of internal control auditor's report

√Applicable □Not applicable

Baker Tilly China Certified Public Accountants audited the internal control of the Company, issued the audit opinions and disclosed at the website <http://www.sse.com.cn>.

Whether to disclose the internal control auditor's report: Yes

Type of opinion of internal control auditor's report: standard unqualified opinion

XV. Rectification of self-inspection issues in the special actions on governance of listed companies

None.

XVI. Others

□Applicable √Not applicable

As at the date of the annual report, the company is in compliance with the corporate governance requirements applicable to it as a PRC company publicly listed on the Shanghai Stock Exchange in all material aspects.

Section V. Environmental and social responsibilities**I. Environmental information**

Establishment of environmental protection mechanism or not	Yes
Environmental protection investment during the reporting period (unit: RMB 0,000)	2,324.12

(I) . Environmental protection of the companies and their major subsidiaries that belong to the key pollutant discharge entities announced by the environmental protection department

√Applicable □Not applicable

1. Information on Pollutant Discharge

√Applicable □Not applicable

Company Home Office: The main pollutants involved in the Company Home Office are waste water and exhaust gas, with particular pollutants including COD, NH₃-N, particulate matter, asphalt fume, SO₂, and NO_x. The waste water is discharged after centralized treatment, and the waste gas is discharged after purification and treatment by bag dust collector and electrostatic dust collector. A wastewater discharge outlet is set up on the south of the plant area. The wastewater discharge of the Company Home Office shall be subject to the primary standard of Integrated Wastewater Discharge Standard (GB8978-1996), where the pH value is 6-9, COD ≤ 100mg/L, and NH₃-N ≤ 15mg/L. During the reporting period, the Company discharged 284,700 tons of wastewater, 2.21 tons of COD, and 0.06 tons of NH₃-N. The average concentration of COD is 9.38mg/L, and the average concentration of NH₃-N is 0.22mg/L. There are 117 exhaust gas outlets, among which 7 main exhaust gas outlets are located in the baking workshop. The exhaust gas emissions are subject to the Emission Standard of Air Pollutants for Industrial Kiln and Furnace (GB9078-1996), where asphalt fume ≤ 50mg/m³, particle matter ≤ 200mg/m³ and SO₂ ≤ 850mg/m³. According to the secondary standard of the Integrated Emission Standard of Air Pollutants (GB16297-1996),

particulate matter should be $\leq 120\text{mg/m}^3$. During the reporting period, the main discharge outlets discharged 45.4 tons of particulate matters, 27.94 tons of asphalt fume, 250.7 tons of SO_2 , and 242.1 tons of NO_x . The above indicators meet the total emission requirements and comply with relevant emission standards. The noise emission is applicable to the Emission Standard for Industrial Enterprises Noise at Boundary (GB12348-2008), with daytime $\leq 60\text{dB}$ and nighttime $\leq 50\text{dB}$. The noise emissions at the four boundaries of the Company's plant all meet the standards.

The main pollutants of Hefei Carbon Co., Ltd. are exhaust gas and wastewater. The particular pollutants of exhaust gas include asphalt fume, benzopyrene, smoke (powder) dust, SO_2 , and nitrogen oxides; the particular pollutants of wastewater are COD, suspended solids, $\text{NH}_3\text{-N}$, and PH. The exhaust gas is purified by an electrostatic dust collector and discharged after reaching the standards; the wastewater is treated in a centralized manner and is discharged after meeting the standards. The plant originally had 6 main exhaust outlets and 9 general outlets distributed in relevant workshops; and 1 standard discharge outlet for cooling wastewater. At present, the plant has 3 main exhaust outlets and 11 general outlets distributed in relevant workshops; the exhaust emissions are applicable to the secondary standards of the Emission Standard of Air Pollutants for Industrial Kiln and Furnace (GB9078-1996) and the Integrated Emission Standard of Air Pollutants (GB16297-1996). Organized emission concentration at boundary: smoke (dust) $\leq 200\text{mg/m}^3$; asphalt fume emission concentration $\leq 50\text{mg/m}^3$, SO_2 emission concentration $\leq 850\text{mg/m}^3$; nitrogen oxide emission concentration $\leq 240\text{mg/m}^3$ and Benzopyrene $\leq 0.0003\text{mg/m}^3$. Fugitive emission concentration at boundary: smoke (dust) $\leq 1\text{mg/m}^3$, $\text{SO}_2 \leq 0.4\text{mg/m}^3$ and Benzopyrene $\leq 0.000008\text{mg/m}^3$. Wastewater discharge is subject to the third level standard of the Integrated Wastewater Discharge Standard (GB8978-1996), where $\text{COD} \leq 500\text{mg/L}$, suspended solids $\leq 400\text{mg/L}$, $\text{NH}_3\text{-N} \leq 28\text{mg/L}$, and pH value 6-9. During the reporting period, the emissions of dust of Hefei Carbon Co., Ltd. were 2.83 tons, SO_2 was 4.63 tons, and nitrogen oxide was 1.58 tons; the discharge of wastewater is 11,000 tons; the COD emission concentration at the wastewater outlet is 41 mg/L, the suspended solids emission concentration is 42 mg/L, the pH value is 7.4, and the $\text{NH}_3\text{-N}$ emission concentration is 0.355mg/L. The above indicators are lower than the approved total emission and comply with relevant emission standards.

The main pollutant of Fushun Carbon Co., Ltd. is exhaust gas, and the particular pollutant is asphalt fume. The exhaust gas is purified by an electrostatic dust collector and discharged after reaching the standard. The plant has 15 standard exhaust gas discharge outlets distributed in relevant workshops. The exhaust gas emission is subject to the secondary standard of the Emission Standard of Air Pollutants for Industrial Kiln and Furnace (GB9078-1996) and the Integrated Emission Standard of Air Pollutants: smoke (dust) $\leq 200\text{mg/m}^3$; asphalt fume emission concentration $\leq 40\text{mg/m}^3$, SO_2 emission concentration $\leq 550\text{mg/m}^3$; nitrogen oxide emission concentration $\leq$

240mg/m³ and particulate matter $\leq 120\text{mg/m}^3$. Throughout 2022, the main discharge outlets DA001 calcination 1 #, DA002 calcination 2 #, DA003 baking, and DA004 rebaking emitted a total of 14.39 tons of particulate matter, 49.63 tons of SO₂, and 23.748 tons of nitrogen oxides. The total volume required for the pollution discharge permit is 22.8636 tons of particulate matter, 68.447999 tons of SO₂, and 80.887998 tons of nitrogen oxides, which comply with relevant emission standards and meet the requirements for the total amount of emissions under the pollution discharge permit.

The main pollutants of Meishan Fangda Rongguang Carbon Co., Ltd. are wastewater, exhaust gas, and solid wastes. The production wastewater is not discharged outside, but discharged into the municipal pipe network after being treated in the septic tank. The main pollution factors of exhaust gas include asphalt fume, benzo[a]pyrene, particulate matter, SO₂, nitrogen oxides, fluoride, and Ringelman emittance. The exhaust gas is discharged after purification and treatment by bag dust collector and electrostatic dust collector. The plant has 3 wastewater discharge outlets, which are located next to the gate of the logistics channel of the plant, next to the sewage treatment station of the 50,000-ton project and next to the gate of the front area of the plant. There are 2 main exhaust gas outlets, namely the exhaust gas outlet of 36# baking room in 1# workshop of the immersion and baking branch plant; and the exhaust gas outlet of tunnel kiln baking process in 3# workshop of the immersion and baking branch plant. The wastewater discharge of Meishan Rongguang is subject to the Integrated Wastewater Discharge Standard (GB8978-1996), and the Wastewater Quality Standards for Discharge to Municipal Sewers (GB/T 31962-2015): suspended solids $\leq 400\text{mg/L}$, BOD₅ $\leq 300\text{mg/L}$, chemical oxygen demand (COD) $\leq 500\text{mg/L}$, petroleum $\leq 20\text{mg/L}$, ammonia nitrogen (NH₃-N) $\leq 45\text{mg/L}$, total phosphorus (calculated as P) $\leq 8\text{mg/L}$, and pH value: 6-9. The exhaust gas emissions from main discharge outlets are subject to the Emission Standard of Air Pollutants for Industrial Kiln and Furnace (GB 9078-1996), Integrated Emission Standard of Air Pollutants (GB16297-1996), Emission Standard of Pollutants for Aluminum Industry (GB 25465-2010), and Emission Standard of Air Pollutants for Coal-burning Oil-burning Gas-fired Boiler (GB13271-2014): particulate matter $\leq 10\text{mg/Nm}^3$, asphalt fume $\leq 20\text{mg/Nm}^3$, SO₂ $\leq 100\text{mg/Nm}^3$, benzo [a] pyrene $\leq 0.0003\text{mg/Nm}^3$, and nitrogen oxides $\leq 100\text{mg/Nm}^3$. As of 31 December 2022, the total emissions of particulate matter from the main outlets were 0.04008 tons, sulfur dioxide 1.340627 tons, and nitrogen oxides 3.52498 tons. As of 31 December 2022, the concentration and total volume of various pollution factors have fully met the discharge standards.

The main pollutants of Jiangsu Fangda Carbon Chemical Co., Ltd. are wastewater and exhaust gas, with particular pollutants including COD, NH₃-N, particulate matter, SO₂, NO_x, etc. The wastewater is centrally treated by the sewage treatment station and discharged to the sewage treatment plant of the park. The exhaust gas from the discharge outlets of tar distillation, industrial naphthalene distillation, creosote oil tube heating furnace, and heat

conduction oil furnace is treated by incineration and denitrification facilities before discharge; the exhaust gas from the exhaust gas outlet of hazardous waste repository is discharged after initial filtration + activated carbon adsorption treatment; the odor discharge outlet of the sewage station is treated by an alkaline spray tower and a biological filter before being discharged; the discharge outlet of the columnar asphalt molding is discharged after treatment with a bag dust collector. 1 wastewater discharge outlet is set up in the plant, which is located on the northwest side of the factory gate; 7 organized exhaust emission outlets are distributed in the plant areas and public and auxiliary facilities in the plant. The wastewater discharge of the Company is subject to the Emission Standard of Pollutants for Coking Chemical Industry (GB16171-2012): $\text{COD} \leq 150\text{mg/L}$, $\text{NH}_3\text{-N} \leq 25\text{mg/L}$; the exhaust gas emissions from main discharge outlets are subject to the Emission Standard of Pollutants for Coking Chemical Industry (GB16171-2012): particulate matter $\leq 15\text{mg/m}^3$, $\text{SO}_2 \leq 30\text{mg/m}^3$ and $\text{NO}_x \leq 150\text{mg/m}^3$. In 2022, the Company discharged 28,768 tons of wastewater, 1.19 tons of COD, and 0.011 tons of $\text{NH}_3\text{-N}$. The average concentration of COD is 39mg/L , and the average concentration of $\text{NH}_3\text{-N}$ is 0.39mg/L . Exhaust gas emission: Particulate matter: 0.19 tons, SO_2 : 0.089 tons, and NO_x : 0.47 tons. The above indicators meet the total emission requirements and comply with relevant emission standards.

The main pollutant of Fushun Fangda High and New Materials Co., Ltd. is exhaust gas, and the particular pollutant is particulate matter and SO_2 . Exhaust gas is discharged after reaching the standard. There are 2 main flue gas emission outlets, which are distributed in the calcination workshop. The exhaust gas emissions are subject to the Emission Standard of Air Pollutants for Industrial Kiln and Furnace (GB9078-1996): particulate matter $\leq 200\text{mg/m}^3$ and $\text{SO}_2 \leq 850\text{mg/m}^3$. In 2022, Fushun Fangda High and New Materials Co., Ltd. had 2.44 tons of particulate matter emissions and 79.35 tons of SO_2 emissions. The above indicators meet the total emission requirements and comply with relevant emission standards.

The main pollutants of Chengdu Carbon Material are wastewater, exhaust gas, and solid wastes. The production wastewater is not discharged outside, but discharged into the municipal pipe network after being treated in the septic tank. The main pollution factors of exhaust gas include particulate matter, asphalt fume, SO_2 , and NO_x . The exhaust gas is discharged after purification and treatment by bag dust collector, electrostatic dust collector, activated carbon and desulfurization and denitrification equipment. The plant has a wastewater outlet located next to the main gate on the south side of the plant. There are two main exhaust gas outlets, namely the exhaust gas outlet of baking process in 1# workshop of the immersion and baking branch plant; and the exhaust gas outlet of rotary hearth furnace in the new plant. The wastewater discharge of Chengdu Carbon Material is subject to the third level standard of the Integrated Wastewater Discharge Standard (GB8978-1996): $\text{COD} \leq 500\text{mg/L}$, $\text{SS} \leq 400\text{mg/L}$ and PH 6-9. The exhaust gas emissions from main emission outlets are subject to the Emission Standard of Air

Pollutants for Industrial Kiln and Furnace (GB9078-1996): smoke and dust $\leq 200\text{mg/m}^3$, asphalt fume $\leq 40\text{mg/m}^3$, and $\text{SO}_2 \leq 850\text{mg/m}^3$. In 2022, all pollution factors have fully met the emission standards. The noise emission is applicable to the Emission Standard for Industrial Enterprises Noise at Boundary (GB12348-2008), with daytime $\leq 60\text{dB}$ and nighttime $\leq 50\text{dB}$. The noise emissions at the four boundaries of the Company's plant all meet the standards. During the reporting period, the discharge of wastewater was 56,300 tons, the discharge of COD was 11 tons, the discharge of $\text{NH}_3\text{-N}$ was 1.7 tons, the average concentration of COD was 196mg/L , and the average concentration of $\text{NH}_3\text{-N}$ was 30.3mg/L ; asphalt fume was not detected, SO_2 emission was 9.92 tons, and NO_x emission was 4.58 tons. The above indicators meet the total emission requirements and comply with relevant emission standards.

2. Construction and operation of pollution prevention and control facilities

☒Applicable ☐Not applicable

Each pollution generation link has been equipped with corresponding environmental protection and treatment facilities, mainly including bag dust collector, electrostatic dust collector, sewage treatment station, etc. All environmental protection facilities are managed equally with production facilities, and regular overhaul and maintenance are carried out to ensure the normal operation of the equipment. The prevention and control of construction dust pollution mainly includes sprinkler dust suppression and dust-proof net covering measures; materials shall be loaded and unloaded indoors with spraying dust suppression measures. In terms of project construction, the "three simultaneous" system will be strictly implemented. All types of pollution control facilities are designed, constructed, and put into operation simultaneously with the main production facilities.

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

☒Applicable ☐Not applicable

The Company and its subsidiaries have conducted environmental impact assessments in strict accordance with environmental laws and regulations. All construction projects have undergone environmental impact assessments as required, and have completed the environmental protection completion acceptance for production process with complete environmental protection procedures. Pollutants are discharged with a certificate, and the pollutant discharge permit is within its validity period.

4. Emergency Plan for Emergent Environmental Incidents

☒Applicable ☐Not applicable

The Company and its affiliated key pollutant discharging units have prepared the Emergency Plan for Emergent Environmental Incidents in accordance with the requirements and filed it with the competent environmental protection department of the government. Based on the degree of harm and scope of impact of environmental pollution accidents, the Company's ability to control the situation internally, and the emergency resources that need to be mobilized, the warning level and measures after the event have been clarified. Based on the Emergency Plan

for Emergent Environmental Incidents, regular education and training and emergency drills were organized for employees to continuously improve their ability to prevent and handle emergent environmental incidents, effectively improving the Company's emergency management level for emergent environmental incidents.

5. Environmental Self-monitoring Plan

√Applicable □Not applicable

The company has developed an environmental self-monitoring plan as required and commissioned a qualified third-party testing institution to carry out environmental self-monitoring work on a regular basis. Online monitoring facilities are installed at the wastewater discharge outlet and the main exhaust gas outlet, which are operated in network with the monitoring platform of the government environmental protection department. Professional institutions are entrusted to carry out daily operation and maintenance of online monitoring facilities.

6. Administrative penalties for environmental issues during the reporting period

√Applicable □Not applicable

On 24 January 2022, Jiangsu Fangda Carbon Chemical Co., Ltd. received a written decision of administrative penalty from Xuzhou Ecological Environment Bureau (XHFJ Zi [2021] No. 119), with a penalty of RMB 46,450. The fine has been fully paid and rectification has been completed in accordance with relevant regulations.

On 27 April 2022, Hefei Carbon Co., Ltd. received a written decision of administrative penalty from Hefei Ecological Environment Bureau (HHL YF Zi [2022] No. 9), with a penalty of RMB 39,000. This punishment is caused by the inadequate operation and maintenance of the operation and maintenance unit. The fine has been paid in full and the operation and maintenance unit has been urged to complete the rectification according to relevant provisions.

On 6 June 2022, Meishan Fangda Rongguang Co., Ltd. received the Written Decision of Administrative Penalty (MHFXCF Zi [2022] No. 7) issued by the Meishan Ecological Environment Bureau, which imposed an administrative penalty of RMB 200,000 on the Company. This penalty is for the violation of putting construction projects into production before inspection and acceptance from 1 September 2019 to 23 May 2021. The fine has been fully paid and rectification has been completed in accordance with relevant regulations.

7. Other environmental information to be disclosed

√Applicable □Not applicable

In 2022, the Company and its key pollution discharge subsidiaries carried out and completed the audit of clean production.

(II) . Description of environmental protection of companies other than key pollutant discharge units

√Applicable □Not applicable

(III) . Relevant information conducive to ecological protection, pollution prevention and control, and environmental responsibility performance

√Applicable □Not applicable

The Company takes safety and environmental protection as the lifeline of the enterprise, fully implements the important statement that "lucid waters and lush mountains are invaluable assets", adheres to the concept of "cherish the environment as we cherish our own lives", and perform the environmental and social responsibilities

by creating “garden-type factory”, promoting clean production, carrying out 5S management, and building standardized enterprises for environmental protection. During the reporting period, the Company and its subsidiaries attached importance to the construction of environmental protection projects, implemented B# and C# kiln transformation, new sewage transmission pipeline double line, press molding plant noise abatement and other environmental protection projects, prevented and controlled pollution from the source, vigorously implemented clean production and comprehensive utilization of waste, and consciously reduced environmental pollution and ecological damage. At the same time, the Company actively carried out environmental protection education and training, and organized and practiced good environmental behaviors such as waste classification and afforestation, so that employees have full knowledge and understanding of environmental protection, and integrate environmental awareness and behavior into the actual production process. The environment of the plant has been greatly improved, with birds singing and flowers fragrant everywhere, and the air quality of the plant has also been effectively improved and enhanced.

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

Detailed description

☒Applicable ☐Not applicable

During the reporting period, the Company vigorously carried out environmental upgrading and renovation, refined management of resource consumption, strict investigation of “revenue erosion”, control of process indicators, and greening, lighting, and beautification of the plant environment. Online smoke monitoring equipment was added, baking and denitrification equipment and facilities were increased, technical improvement of advanced chamber treatment project and other emission reduction and environmental protection projects were carried out. All projects have been successfully put into operation, which effectively reduced natural gas consumption, carbon dioxide emissions, and emissions of asphalt fume and particulate matter. At the same time, the Company and its subsidiaries continued to carry out greening work in the plant on the basis of garden-style factory, improved the vegetation coverage in the plant, and effectively reduced carbon dioxide emissions.

II. Work of social responsibility

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

☒Applicable ☐Not applicable

Please refer to the Social Responsibility Report of Fangda Carbon New Material Co., Ltd. 2022 disclosed on the same day as this Report for details.

(II) . Details of work of social responsibility

☒Applicable ☐Not applicable

The Company adheres to charity and shows its social responsibility, and has donated graphene masks and anti-epidemic supplies to Hong Kong, Lanzhou and other places. The Company has established 15 party member vanguard teams, 13 volunteer service teams, 61 party member responsibility zones, and 67 party member vanguard

positions. More than 480 party members have devoted themselves to epidemic prevention and control work. At the same time, the Company continued to promote the implementation of the “Fangwei Foundation · Lanzhou University Second Hospital Nursing Home” charity project, and provided free pain relief treatment, psychological counseling, nursing guidance and other services for advanced cancer patients in Gansu Province. The Company was awarded the honorary title of “National Red Cross Model Unit” by the Red Cross Society of China, and the “Fangwei Foundation” was awarded the “Chinese Red Cross Dedication Medal”.

Detailed description

☐Applicable ☒Not applicable

III. Efforts to consolidate and expand our achievements in poverty alleviation and rural revitalization

☒Applicable ☐Not applicable

The Company conscientiously implemented the rural revitalization strategy of the Party Central Committee and the State Council, continuously consolidated and expanded the achievements of poverty alleviation, and promotes rural revitalization. The Company has implemented and operated rural revitalization projects in Dongxiang County, Linxia Prefecture, including clothing processing, construction engineering, hand embroidery, pastry & food processing, taxis and buses, template processing, etc., attracting over 2500 local employees. The Company has comprehensively deepened the poverty alleviation and continuously consolidated the achievements of poverty alleviation. We continued to improve the management and technical level of local employees, promote their participation in daily management, provide talent guarantee for the healthy development of industrial projects, and lay a solid foundation for the next development of county-level enterprises.

Detailed description

☐Applicable ☒Not applicable

Section VI. Important matters

I. Fulfillment of commitments

(I) . Commitments of the Company's actual controllers, shareholders, related parties, purchasers and related companies during or last to the reporting period

√Applicable □Not applicable

Commitment background	Type of commitment	Party making the commitment	Content of commitment	Commitment time and deadline	Is there a deadline for the performance?	Is it strictly implemented in time?	If it fails to perform in time, explain the specific reasons for the failure of performance.	If it fails to perform in time, explain the next plan.
Commitments made in the report of acquisition or report of change in equity	Solve the horizontal competition	Liaoning Fangda Group Industry Co., Ltd. and its actual controller	Liaoning Fangda Group Industry Co., Ltd. and its actual controller promise that: 1) The Company and the enterprises it controls will not directly or indirectly engage in any business that may compete with the business of Hailong Technology (now renamed Fangda Carbon), or participate in or become a shareholder in any business that may compete with the business of Hailong Technology. 2) If the Company and the enterprises it controls have any business opportunity to engage in, participate in or acquire a stake in any business that may compete with the graphite carbon	2006	No	Yes		

			business engaged in by Hailong Technology, the Company shall notify Hailong Technology of such business opportunity. Within the reasonable period specified in the notice, if Hailong Technology provides a positive response that it is willing to take advantage of the business opportunity, the Company shall abandon the business opportunity; if Hailong Technology does not respond or provides a negative response, it will be deemed as giving up the business opportunity. 3) In case of losses caused to the listed company by the violation of the above commitments, the Company shall make full compensation to Hailong Technology.”					
	Solve the land and other property defects	Liaoning Fangda Group Industrial Co., Ltd.	Liaoning Fangda promises: “(1) to accelerate the handling of ownership documents such as land certificate and property certificate, and complete them all by the end of 2007. (2) The costs and expenses involved in handling the ownership documents of the land, houses, etc. shall be borne by the Company	2006	Yes	No	Affected by local policies and government relocation planning and other factors, the Company’s subsidiaries Hefei Carbon and Fushun Carbon had not obtained relevant warrants yet. According to the relevant documents of the government, the subsidiaries Hefei Carbon and Fushun Carbon will handle the land use certificate and house ownership certificate together after the completion of the relocation work. The details are	

			according to the original shareholding ratio. (3) For the loss caused by the land, housing and other ownership issues involved in this transaction affecting the normal operation of Hailong Technology, the Company will assume the compensation responsibility and perform the compensation obligation within 1 month.”				as follows: (1) Hefei Carbon and its former shareholder Hefei Aluminum Industry Co., Ltd. share the same land and work in the same area. The land use right still belongs to Hefei Aluminum Industry Co., Ltd., and the land belongs to the state-allocated land. According to the requirements of the Hefei Municipal Government, in 2002, all state-owned land certificates were reclaimed and managed by Hefei Industrial Investment Holding Co., Ltd. In July 2004, Hefei Aluminum Industry Co., Ltd. completed the policy mandated bankruptcy, and the land used by Hefei Carbon Co., Ltd. was leased. In order to accelerate the optimization of the layout of the central urban area, the government has requested the relocation of Hefei Carbon as a whole to the cluster area for business development, and Hefei Carbon has also formulated a relocation plan. The enterprise has not had any ownership disputes and has not affected its normal production and operation. After the relocation work is completed, the land use right and property ownership certificate of Hefei Carbon will be handled. In October 2017, the Company successfully acquired 47.89% equity in Hefei Carbon held by CITIC Investment Holdings Co., Ltd. Hefei Carbon became a wholly-owned subsidiary of the Company. According to the spirit of the Opinions on Accelerating the Optimization, Layout, and	
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							Transformation of Industrial Development in the Central Urban Area of Hefei City, Hefei Carbon signed the Investment Cooperation Agreement for Investment Promotion Project of Changfeng County with the People's Government of Xiatang Town, Changfeng County in 2019. Hefei Carbon was relocated to Xiatang Town, Changfeng County to invest in the construction of carbon products with an annual output of 50,000 tons. The relocation work proceeded in an orderly manner as planned. (2) Fushun Carbon Co., Ltd. is an enterprise restructured and established in 2002 under the leadership of the local government. During the restructuring, some land use rights and property ownership have not been transferred due to historical reasons. So far, there has been no ownership dispute over the land and property use rights, nor has it affected the normal production and operation of the enterprise. Since 2006, Fushun Carbon Co., Ltd. has taken measures to actively promote the transfer of the above land and property, gone through the preparation work necessary for the transfer procedures, and communicated with the municipal government and land management department for many times, but failed due to policy constraints. In 2008, the Liaoning Provincial Party Committee and Government proposed the implementation of the strategy of Shenyang-Fuzhou integration. As	
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							Fushun Carbon is located in the core area of Shenyang-Fuzhou integration, the Fushun Municipal Government has put the relocation and renovation plan of Fushun Carbon Co., Ltd. on its agenda. In 2012, the Fushun Municipal Government included the relocation of Fushun Carbon Co., Ltd. in the Outline of the 12th Five Year Plan for National Economic and Social Development of Fushun City, and Fushun Carbon Co., Ltd. also prepared the Technical Plan for Relocation and Transformation. After the relocation and renovation of the enterprise is completed, the land use certificate and the property ownership certificate will be handled together. Fushun Carbon Co., Ltd. is in talks with the government on relocation and renovation matters.	
	Resolve related transactions	Liaoning Fangda Group Industry Co., Ltd. and its actual controller	1. Liaoning Fangda Group Industry Co., Ltd. and its actual controller promise that: "the Company will continue to strictly exercise shareholder rights in accordance with the Company Law and relevant laws and regulations and the articles of association of the joint-stock company; fulfill the obligation of vote avoidance when voting on transactions related to the Company's matters at the shareholders' meeting; the Company promises to eliminate all illegal	2006	No	Yes		

			occupation of funds and assets of the listed company; not require Hailong Technology to provide any form of guarantee to the Company under any circumstances; strictly follow the market principles in related-party transactions between both parties and try to avoid unnecessary related-party transactions; the necessary related-party transactions arising from continuing operations shall be handled in a manner agreed upon by both parties, follow the market-oriented pricing principles, and avoid situations that harm the rights and interests of small and medium shareholders; 2. Liaoning Fangda and its actual controller promise that: “the Company and Hailong Technology will avoid and reduce related-party transactions as much as possible. For related-party transactions that cannot be avoided or occur for reasonable reasons, the Company promises to follow the principles of market justice, fairness, and openness, sign agreements in accordance					
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			with the law, perform legal procedures, and fulfill information disclosure obligations and handle relevant approval procedures in accordance with the articles of association of Hailong Technology, relevant laws and regulations, and the Listing Rules of Shanghai Stock Exchange, and ensure that the legitimate rights and interests of Hailong Technology and other shareholders are not harmed by related-party transactions.”					
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Chengdu Rongguang Carbon Co., Ltd. completed the relocation in August 2022, and the relevant land and property documents have been cancelled in accordance with the requirements of the Relocation Compensation Contract of Chengdu Rongguang Carbon Co., Ltd.

(II) . There are profit forecasts in the Company's assets or projects, and the reporting period is still in the profit forecast period. The Company explains whether the assets or projects meet the original profit forecasts.

☐Achieved ☐Not achieved ☒Not applicable

(III) . Completion of performance commitment and its impact on goodwill impairment test

☐Applicable ☒Not applicable

Non-operational occupation of funds by controlling shareholders and other related parties during the reporting period

☐Applicable ☒Not applicable

II. Violation of guarantee

☐Applicable ☒Not applicable

III. Explanation of the board of the Company on the “Non-standard Opinion Audit Report” of the CPAs

☐Applicable ☒Not applicable

IV. Analysis and explanation of the Company on the reasons and impacts of the changes in accounting policies and accounting estimates or corrections of significant accounting errors

(I) . Analysis and explanation of the Company on the reasons and impacts of the changes in accounting policies and accounting estimates

☒Applicable ☐Not applicable

From 30 December 2021, the Ministry of Finance issued the Notice on Issuing the Interpretation No. 15 of the Accounting Standards for Business Enterprises (CK [2021] No. 35) (hereinafter referred to as Interpretation No. 15), which stipulates the “accounting treatment for the external sale of products or by-products produced by enterprises before the fixed assets reach the expected usable status or in the process of research and development”, “judgment on onerous contracts” and “presentation related to centralized management of funds”.

On 30 November 2022, the Ministry of Finance issued the Notice on Issuing the Interpretation No. 16 of the Accounting Standards for Business Enterprises (CK [2022] No. 31) (hereinafter referred to as Interpretation No. 16), which stipulates the “accounting treatment that the exemption of initial recognition shall not apply to the deferred income tax relating to assets and liabilities arising from a single transaction”, “accounting treatment of the income tax impact of dividends related to financial instruments classified as equity instruments by the issuer”, and “accounting treatment for enterprises to modify cash-settled share-based payments to equity-settled share-based payments”.

The Company implemented it on the prescribed effective date and did not have a significant impact on the Company's financial status and operating results.

(II) . Analysis and explanation of the Company on the reasons and impacts of the corrections of significant accounting errors

☐Applicable ☒Not applicable

(III) . Communication with the former certified public accountants

☐Applicable ☒Not applicable

(IV) . Other notes

☐Applicable ☒Not applicable

V. Appointment and dismissal of certified public accountants firm

Unit: 0,000 yuan Currency: RMB

	Currently employed
Name of domestic certified public accountants firm	Baker Tilly China Certified Public Accountants (Special General Partnership)
Remuneration for domestic certified public accountants firm	80
Auditing period of domestic certified public accountants	7
Name of certified public account of domestic certified public accountants firm	Liu Dan, Cheng Lu, Li Yaxiong

Duration period of services audited by domestic certified public accountants firm	5, 2
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	Name	Remuneration
Internal control audit certified public accountants	Baker Tilly China Certified Public Accountants (Special General Partnership)	10
Sponsor	Guo Yuhui, Dong Ximing	-

Description of the appointment and dismissal of certified public accountants

☒Applicable ☐Not applicable

At the Sixth Interim Meeting of Shareholders General Assembly in 2022, the Company continued to appoint Baker Tilly China Certified Public Accountants (Special General Partnership) as the audit agency of the Company's annual financial report 2022 and internal control for a period of one year. For details, please refer to the Announcement of Fangda Carbon on Continuing to Hire an Accounting Firm (Announcement No.: 2022-061) disclosed by the Company in the specified media China Securities Journal, Shanghai Securities News and the website of Shanghai Stock Exchange (<http://www.sse.com.cn>) on 31 October 2022.

Explanation of the replacement of the certified public accountants during the audit period

☐Applicable ☒Not applicable

VI. Delisting risk

(I) . Reasons for delisting risk warning

☐Applicable ☒Not applicable

(II) . The countermeasures to be taken by the Company

☐Applicable ☒Not applicable

(III) . The situation and reasons for the termination of listing

☐Applicable ☒Not applicable

VII. Matters related to the bankruptcy reorganization

☐Applicable ☒Not applicable

VIII. Significant lawsuits and arbitrations

☐The company has major litigation and arbitration matters this year ☒The company has no major litigation and arbitration matters this year

IX. Violating laws and regulations, punishments and rectifications of listed companies and their directors, supervisors, senior executives, controlling shareholders and actual controllers

☐Applicable ☒Not applicable

X. Credit conditions of the Company and its controlling shareholder and actual controller during the reporting period

☐Applicable ☒Not applicable

XI. Significant related transactions

(I) . Related transactions in association with routine operation

1. Matters that have been disclosed in the interim announcement and have no progress or changes in subsequent implementation

☐Applicable ☒Not applicable

2. Matters that have been disclosed in the interim announcement but have progress or changes in subsequent implementation

☒Applicable ☐Not applicable

(1) The Company and its subsidiaries sold carbon products to Fangda Special Steel Technology Co., Ltd., Sichuan Dazhou Iron & Steel Group Co., Ltd., and Jiangxi PXsteel Industrial Co., Ltd. and their subsidiaries

(Announcement of Fangda Carbon on Expected Daily Related-party Transactions for 2022 disclosed on the website of the Shanghai Stock Exchange and published in China Securities Journal and Shanghai Securities News on 7 April 2022, Announcement No.: 2022-013). The actual sales revenue (excluding tax) in 2022 was RMB 75,634,400.

(2) The Company and its subsidiaries sold carbon products to Beijing Fangda Carbon-Tech. Co., Ltd.(Announcement of Fangda Carbon on Expected Daily Related-party Transactions for 2022 disclosed on the website of the Shanghai Stock Exchange and published in China Securities Journal and Shanghai Securities News on 7 April 2022, Announcement No.: 2022-013). The actual sales revenue (excluding tax) in 2022 was RMB 34,962,000.

(3) The Company sold furnace head and furnace tail conductive electrodes and other products to Baofang Carbon Materials & Technology Co., Ltd. (Announcement of Fangda Carbon on Expected Daily Related-party Transactions for 2022 disclosed on the website of the Shanghai Stock Exchange and published in China Securities Journal and Shanghai Securities News on 7 April 2022, Announcement No.: 2022-013). The actual sales revenue (excluding tax) in 2022 was RMB 16,579,400.

(4) The Company and its subsidiaries purchased petroleum coke and other raw materials from Liaoning Fangda Group International Trade Co., Ltd. (Including its subsidiary Suifenhe Fangda International Trade Co., Ltd.) (Announcement of Fangda Carbon on Expected Daily Related-party Transactions for 2022 disclosed on the website of the Shanghai Stock Exchange and published in China Securities Journal and Shanghai Securities News on 7 April 2022, Announcement No.: 2022-013). The actual purchase amount (excluding tax) in 2022 was RMB 60,349,800.

(6) The Company and its subsidiaries purchased coal-tar pitch from Sichuan Daxing Baohua Chemical Co., Ltd. (Announcement of Fangda Carbon on Expected Daily Related-party Transactions for 2022 disclosed on the website of the Shanghai Stock Exchange and published in China Securities Journal and Shanghai Securities News on 7 April 2022, Announcement No.: 2022-013). The actual purchase amount (excluding tax) in 2022 was RMB 73,354,000.

(7) The Company and its subsidiaries purchased needle coke and other raw materials from Beijing Fangda Carbon-Tech. Co., Ltd.(Announcement of Fangda Carbon on Expected Daily Related-party Transactions for 2022 disclosed on the website of the Shanghai Stock Exchange and published in China Securities Journal and Shanghai Securities News on 7 April 2022, Announcement No.: 2022-013). The actual purchase amount (excluding tax) in 2022 was RMB 95,756,000.

(8) The Company accepted the labor service provided by Baofang Carbon Materials & Technology Co., Ltd. (Announcement of Fangda Carbon on Increasing Daily Related-party Transactions in 2022 disclosed on the website of the Shanghai Stock Exchange and published in China Securities Journal and Shanghai Securities News on 24 May 2022, Announcement No.: 2022-046). The actual processing cost (excluding tax) in 2022 was RMB 124,307,700.

3. Matters not disclosed in the interim announcement

☐Applicable ☒Not applicable

(II) . Related transactions arising from the acquisition and sales of asset or equity

1. Matters that have been disclosed in the interim announcement and have no progress or changes in subsequent implementation

☐Applicable ☒Not applicable

2. Matters that have been disclosed in the interim announcement but have progress or changes in subsequent implementation

☐Applicable ☒Not applicable

3. Matters not disclosed in the interim announcement

☐Applicable ☒Not applicable

4. In case of performance agreement, the performance during the reporting period shall be disclosed.

☐Applicable ☒Not applicable

(III) . Significant related transactions for joint foreign investment

1. Matters that have been disclosed in the interim announcement and have no progress or changes in subsequent implementation

☐Applicable ☒Not applicable

2. Matters that have been disclosed in the interim announcement but have progress or changes in subsequent implementation

☒Applicable ☐Not applicable

The Company held the 7th Interim Meeting of the 8th Board of Directors and the 1st Interim Meeting of Shareholders General Assembly on 4 March 2022 and 21 March 2022, respectively. The meetings deliberated and approved the Proposal on Investing in Private Equity Funds and Related-party Transactions. As a limited partner, the Company, together with the related parties Shanghai Huxu Investment Management Co., Ltd., the limited partners Fangda Special Steel Technology Co., Ltd. and Jiangxi Haiou Trading Co., Ltd., jointly established Nanchang Huxu Steel Industry Investment Partnership (Limited Partnership). The Company invested RMB 4,500,000,000 with its equity fund. Shanghai Huxu Investment Management Co., Ltd. is the general partner and manager of the target fund. In April 2022, the manager completed the fund registration, obtained the registration certificate, and fulfilled the investment obligation. In February 2023, Nanchang Huxu Iron and Steel Industry Investment Partnership (Limited Partnership) introduced limited partners and re-signed the Partnership Agreement.

3. Matters not disclosed in the interim announcement

☐Applicable ☒Not applicable

(IV) . Related credit and debt transaction

1. Matters that have been disclosed in the interim announcement and have no progress or changes in subsequent implementation

☐Applicable ☒Not applicable

2. Matters that have been disclosed in the interim announcement but have progress or changes in subsequent implementation

□Applicable √Not applicable

3. Matters not disclosed in the interim announcement

□Applicable √Not applicable

(V) . Financial transactions between the Company and related financial companies, holding financial companies of the Company, and related parties

□Applicable √Not applicable

(VI) . Others

□Applicable √Not applicable

XII. Major contracts and performance thereof**(I) . Trusteeship, contracting and leasing matters****1. Trusteeship**

□Applicable √Not applicable

2. Contracting

□Applicable √Not applicable

3. Leasing

√Applicable □Not applicable

Unit: yuan Currency: RMB

Name of lessor	Name of the Lessee	Leased assets	Amount involved in leased assets	Start date of lease	Termination date of lease	Rental income	Basis for determining the rental income	Impact of rental income on the Company	Whether it is a related transaction	Related relationship
China Huarong Asset Management Co., Ltd. Shanghai Branch	Shanghai Fangda	Office building of Shanghai Bund Huarong Building	23,088,167.84	11 April, 2021	10 April, 2026	0	0	0	No	Others

(II) . Guarantees

√Applicable □Not applicable

Unit: 0,000 Currency: RMB

The external guarantees of the company (Not including the guarantee to the subsidiaries)	
Total amount guaranteed during the reporting period (excluding guarantees for subsidiaries)	0
Total balance unsecured at the end of the reporting period (A)(excluding guarantees for subsidiaries)	100,000
The guarantee of the company and its subsidiaries to the subsidiaries	
Total amount of guarantees to the subsidiaries within the report period	5,000
Total balance of guarantee to the subsidiaries at the end of the report period (B)	5,000
Total amount guaranteed of the Company (including guarantees for subsidiaries)	
Total amount guaranteed (A+B)	105,000
Proportion of total amount guaranteed in the Company's net assets (%)	6.70
Including:	
Amount of guarantees provided to shareholder, actual controller, and its related party (C)	100,000
Amount of debt guarantees provided directly or indirectly to the guaranteed objects with the asset-liability ratio higher than 70% (D)	0
Amount of total guarantee exceeding 50% of the net assets (E)	0
The total amount of the above three guarantees (C+D+E)	100,000
Unexpired guarantees may be subject to joint liability statement	Inapplicable
Profile of guarantee	As of the end of the reporting period, the total amount of external guarantees provided by the Company was RMB 1,050,000,000 (of which, RMB 50,000,000 is the amount of guarantee provided by the Company for its holding subsidiary Chengdu Carbon Material; RMB 1,000,000,000 is the mutual guarantee limit between the Company and Fangda Special Steel. On 16 November 2020, Fangda Special Steel signed a maximum guarantee contract with the Export-Import Bank of China Gansu Branch, with a guarantee amount of RMB 250,000,000 included in the above mutual guarantee limit. At the end of the reporting period, the loan principal of RMB 250,000,000 under the guarantee has been repaid). No overdue guarantee.

(III) . Entrusted others to manage the cash assets**1. Entrusted financial management****(1) Overall situation of entrusted financial management**

□Applicable √Not applicable

Other situations

□Applicable √Not applicable

(2) Single entrusted financial management

□Applicable √Not applicable

Other situations

□Applicable √Not applicable

(3) Impairment provision for entrusted financial management

□Applicable √Not applicable

2. Entrusted loan**(1) Overall situation of entrusted loans**

□Applicable √Not applicable

Other situations

□Applicable √Not applicable

(2) Single entrusted loan

□Applicable √Not applicable

Other situations

□Applicable √Not applicable

(3) Impairment provision for entrusted loan

□Applicable √Not applicable

3. Other situations

□Applicable √Not applicable

(IV) Other major contracts

□Applicable √Not applicable

XIII. Other significant events that have a significant impact on investors' value judgments and investment decisions

√Applicable □Not applicable

1. The national standard - Standard Test Method for Static Modulus of Elasticity and Poisson's Ratio of Carbon Materials in Compression, of which the Company participated in the preparation, was released and implemented by the State Administration for Market Regulation and the Standardization Administration on 1 March 2022. It is another national standard prepared by the Company after the industry standard HTGR Reactor Internals formulated by the Company was issued and implemented by the Ministry of Industry and Information Technology, PRC on 1 October 2021.

2. On 25 March 2022, Lanzhou Customs confirmed that Fangda Carbon is an exporter approved by the Customs of the People's Republic of China. The Company has become the first RCEP approved exporter in Gansu Province, and also the first production oriented approved exporter in Gansu Province. As an approved exporter, the Company can enjoy preferential tariff policies under the Regional Comprehensive Economic Partnership, effectively enhancing the international competitiveness of its export business.

3. The Company held the 7th Extraordinary Meeting of the 8th Board of Directors and the 1st Interim Meeting of Shareholders General Assembly on 4 March 2022 and 21 March 2022, respectively. The meetings deliberated and

approved the Proposal on Investing in Private Equity Funds and Related-party Transactions. As a limited partner, the Company, together with the related parties Shanghai Huxu Investment Management Co., Ltd., the limited partners Fangda Special Steel Technology Co., Ltd. and Jiangxi Haiou Trading Co., Ltd., jointly established Nanchang Huxu Steel Industry Investment Partnership (Limited Partnership). The Company invested RMB 4,500,000,000 with its equity fund. Shanghai Huxu Investment Management Co., Ltd. is the general partner and manager of the target fund. In April 2022, the manager completed the fund registration, obtained the registration certificate, and fulfilled the investment obligation. In February 2023, Nanchang Huxu Iron and Steel Industry Investment Partnership (Limited Partnership) introduced limited partners and re-signed the Partnership Agreement.

4. In April 2022, the Company was awarded the National May 1 Labor Medal; At the same time, it was awarded the “Provincial Governor’s Financial Award 2021.”

5. In order to expand the Company’s international financing channels, enhance its international brand and image, meet the needs of the international business development, and actively promote its global strategy, the Company plans to issue the Global Depositary Receipts (GDR) overseas and list on the Swiss Stock Exchange. This matter has been reviewed and approved by the Company at the 11th Interim Meeting of the 8th Board of Directors held on 30 May 2022, the 11th Meeting of the 8th Board of Supervisors on 15 June 2022 and the Fourth Interim Meeting of Shareholders General Assembly in 2022. On 15 March 2023 (Swiss time), the Company completed the GDR issuance and was listed on the Swiss Stock Exchange (full name of GDR securities: Fangda Carbon New Material Co., Ltd., and GDR listing code: FDCB). A total of 22,000,000 GDR shares were issued, and the corresponding new underlying securities is the Company’s 220,000,000 A-shares.

6. Chengdu Carbon Material, the holding subsidiary of the Company, applied for listing in the National Equities Exchange and Quotations. Approved by the National Equities Exchange and Quotations Corporation Limited, the shares of Chengdu Carbon Material were publicly listed and transferred on the National Equities Exchange and Quotations from 16 March 2023, with the abbreviation of securities of “Chengdu Carbon Material”, Stock Code of 874035, trading mode of call auction, and level of basic level.

Section VII. Change in Shares and Shareholders

I. Changes in equity

(I) . Table of Share Changes

1. Table of Share Changes

During the reporting period, there are no changes in the total number of the Company's shares and the equity structure.

2. Description of changes in shares

☐Applicable ☒Not applicable

3. The impact of changes in shares on earnings per share, net asset value per share and other financial indicators for the most recent year and the most recent period (if any)

☐Applicable ☒Not applicable

4. Other contents to be disclosed as the company thinks necessary or the securities regulatory institution required

□Applicable √Not applicable

(II) . Changed in restricted shares

□Applicable √Not applicable

II. Issuance and listing of securities**(I) . Securities issuance as of the reporting period**

□Applicable √Not applicable

Explanation of the securities issuance as of the reporting period (please specify separately the bonds with different interest rates within the duration):

□Applicable √Not applicable

(II) . Changes in the total number of the Company's shares, shareholder structure and assets and liabilities structure

□Applicable √Not applicable

(III) . Existing staff shares

□Applicable √Not applicable

III. Shareholders and actual controller**(I) . Total number of shareholders**

Total number of ordinary shareholders at the end of the reporting period (accounts)	284,033
Total number of ordinary shareholders at the end of the last month prior to the disclosure date of the annual report	274,327

(II) . The top ten shareholders and number of shares held by the top ten tradable shareholders (or shareholders with unlimited sales) at the end of the reporting period

Unit: share

Shareholding of the top 10 shareholders							
Name of shareholder (Full Name)	Increase or decrease during the reporting period	Number of shares held at the end of the period	Proportion (%)	Number of the held shares with the restrictions on sales	Pledging, marking or freezing		Nature of the shareholders
					State of shares	Quantity	
Liaoning Fangda Group Industrial Co., Ltd.		1,524,413,321	40.05	0	Pledge	1,080,000,000	Domestic non-state-owned legal person
Hong Kong Securities Clearing Company Ltd.	-132,989,994	66,248,360	1.74	0	Unknown	0	Unknown
Fang Wei	0	18,480,200	0.49	0	None	0	Domestic natural person

Agricultural Bank of China - CSI 500 Exchange Traded Fund	2,375,500	14,929,153	0.39	0	Unknown	0	Unknown
Ye Yajun	0	6,500,004	0.17	0	Unknown	0	Unknown
Zhejiang Yiwu Tanzhen Investment Management Partnership (Limited Partnership) - Loyal Valley (Tanzhen) Value China Preferred Private Equity Securities Investment Fund	-1,482,000	5,143,849	0.14	0	Unknown	0	Unknown
Yang Shiguang	0	5,039,512	0.13	0	Unknown	0	Unknown
Fan Donghui	0	4,953,056	0.13	0	Unknown	0	Unknown
Yuan Lidong	424,700	4,798,188	0.13	0	Unknown	0	Unknown
Huatai Securities Company Limited		4,631,573	0.12	0	Unknown	0	Unknown

Shares held by top 10 shareholders without restriction on sales

Name of shareholder	Number of tradable shares held in unrestricted conditions	Type and quantity of shares	
		Categories	Quantity
Liaoning Fangda Group Industrial Co., Ltd.	1,524,413,321	RMB ordinary shares	1,524,413,321
Hong Kong Securities Clearing Company Ltd.	66,248,360	RMB ordinary shares	66,248,360
Fang Wei	18,480,200	RMB ordinary shares	18,480,200
Agricultural Bank of China - CSI 500 Exchange Traded Fund	14,929,153	RMB ordinary shares	14,929,153
Ye Yajun	6,500,004	RMB ordinary shares	6,500,004

Zhejiang Yiwu Tanzhen Investment Management Partnership (Limited Partnership) - Loyal Valley (Tanzhen) Value China Preferred Private Equity Securities Investment Fund	5,143,849	RMB ordinary shares	5,143,849
Yang Shiguang	5,039,512	RMB ordinary shares	5,039,512
Fan Donghui	4,953,056	RMB ordinary shares	4,953,056
Yuan Lidong	4,798,188	RMB ordinary shares	4,798,188
Huatai Securities Company Limited	4,631,573	RMB ordinary shares	4,631,573
Repurchase account among the top ten shareholders	Inapplicable		
Explanation of the above shareholders' entrusting, accepting and waiver of voting rights	Inapplicable		
Notes to relationship or concerted action of the above shareholders	Among the above shareholders, Liaoning Fangda Group Industry Co., Ltd. has a concerted action relation with Mr. Fang Wei, a natural person shareholder, and has no relationship with other shareholders. The Company does not know whether the other shareholders mentioned above are related to each other or belong to the parties acting in concert as stipulated by the CSRC and the exchange.		
Preferred shareholders and shareholdings with recovered voting rights	Inapplicable		

Shareholding Quantity and Restriction Conditions of the Top Ten Restricted Shareholders

□Applicable √Not applicable

(III) . Strategic investors or general legal persons become the top 10 shareholders due to the placement of new shares

□Applicable √Not applicable

IV. Controlling shareholder and actual controller**(I) . Controlling shareholder****1 Legal person**

√Applicable □Not applicable

Name	Liaoning Fangda Group Industrial Co., Ltd.
Person in charge or legal representative	Yan Kuixing
Date of establishment	24 April 2000
Main business	Industrial investment and management of the invested assets of the enterprise; sales of metal materials, building materials, electrical equipment, auto parts, hardware and tools, rubber products, instruments, office supplies, chemical products (excluding hazardous chemicals), coke, mineral powder, and limestone; sales of metallurgical materials; import and export of all kinds of proprietary and agent commodities and technologies,

	except for goods and technologies that are restricted by the state for operation or prohibited from import (the items subject to legal approval shall be operated upon the approval of the relevant department).
Stock equities of the other listed companies at home and abroad, which are controlled and participated in within the report period	Information of holding listed companies: Jiangxi Fangda Steel Group Co., Ltd., a wholly-owned subsidiary of Fangda Group, and its subsidiary Jiangxi Automobile Leaf Spring Co., Ltd. jointly hold 38.71% of the equity of Fangda Special Steel Technology Co., Ltd. (600507.SH); Fangda Group and its wholly-owned subsidiary Jiangxi Fangda Steel Group Co., Ltd. jointly hold 53.84% of the equity of Northeast Pharmaceutical Group Co., Ltd. (000597. SZ); Fangda Group holds 15.34% equity in ZTE-Shenyang Commercial Building (Group) Co., Ltd. (000715. SZ); Fangda Group holds a total of 42.59% equity in Hainan Airlines Holding Co., Ltd. (600221, 900945. SH) through Hainan Hanwei Investment Co., Ltd. and its concerted partners, Fangwei, Hainan Fangda Aviation Development Co., Ltd., Grand China Air Co., Ltd., American Aviation Ltd, Haikou Henghe Electronic Technology Co., Ltd., Hainan Shangpin Yigou E-commerce Co., Ltd., and HFAC Feixiang Aviation Club Co., Ltd. Participation in listed companies: the Company holds 10.91% equity in Lingyuan Iron and Steel Co., Ltd. (600231. SH) through its indirectly controlled Jiujiang Pingxi Steel Co., Ltd.; holds 7.95% equity of Jilin Chemical Fibre Co., Ltd. (000420. SZ) through its indirectly controlled company Shanghai Fangda Investment Management Co., Ltd.; holds a total of 7.11% equity in Bank of Jiujiang (06190. HK) through Fangda Carbon New Material Co., Ltd. and Jiangxi Pxsteel Industrial Co., Ltd.; indirectly holds 0.83% equity in Bank of Jiangxi (01916.HK) through Jiangxi Pxsteel Industrial Co., Ltd.; holds 8.52% equity in Bohai Leasing Co., Ltd. (000415.SZ) through Shenzhen Xinghang Financing Equity Investment Fund Partnership (Limited Partnership) controlled by HNA Group Co., Ltd.; holds 1.93% equity of Caissa Tosun Development Co., Ltd. (000796. SZ) through HNA Group Co., Ltd.; holds 0.36% equity of Shanghai Rural Commercial Bank (601825. SH) through Shan Xi Airlines, a subsidiary of Hainan Airlines Holding Co., Ltd.; holds 1.12% equity of Haikou Meilan International Airport Co., Ltd. (00357. HK) through Hainan Airlines Holding Co., Ltd.; holds 1.99% equity of TravelSky Technology Limited (00696. HK) through Hainan Airlines Holding Co., Ltd. and its subsidiaries China Xinhua Airlines Group Co., Ltd. and Air Changan.
Other situations	None

2 Natural person

☐Applicable ☒Not applicable

3 Special instructions for the absence of controlling shareholder of the Company

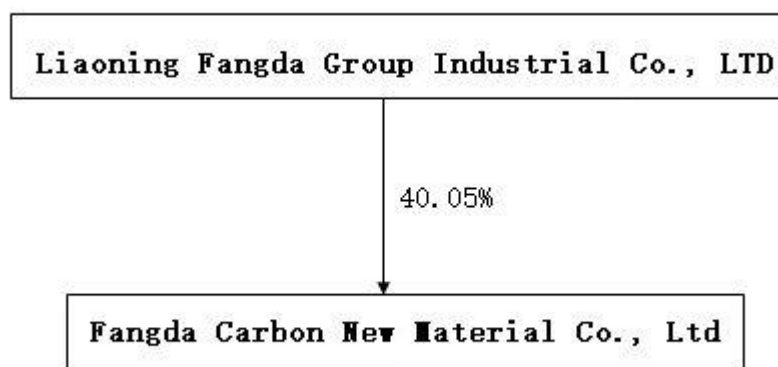
□Applicable √Not applicable

4 Explanation of changes in controlling shareholders during the reporting period

□Applicable √Not applicable

5 Block diagram of property rights and control relationships between the Company and the controlling shareholder

√Applicable □Not applicable

**(II) . Actual controller****1 Legal person**

□Applicable √Not applicable

2 Natural person

√Applicable □Not applicable

Name	Fang Wei
Nationality	China
Whether the right of residence in the other countries or regions is obtained	No
Main occupation and title	Chairman of Beijing Fangda International Industry Investment Co., Ltd. and Chairman of Liaoning Fangda Group Industry Co., Ltd.
Listed companies at home and abroad, the shares of which have ever been held in the past 10 years	Now the actual controller of Fangda Carbon New Material Co., Ltd., Fangda Special Steel Technology Co., Ltd., Northeast Pharmaceutical Group Co., Ltd., ZTE-Shenyang Commercial Building (Group) Co., Ltd., and Hainan Airlines Holding Co., Ltd. Formerly the actual controller of Hangjin Technology Co., Ltd. (formerly known as Fangda Jinhua Chemical Technology Co., Ltd.).

3 Special instructions for the absence of actual controller of the Company

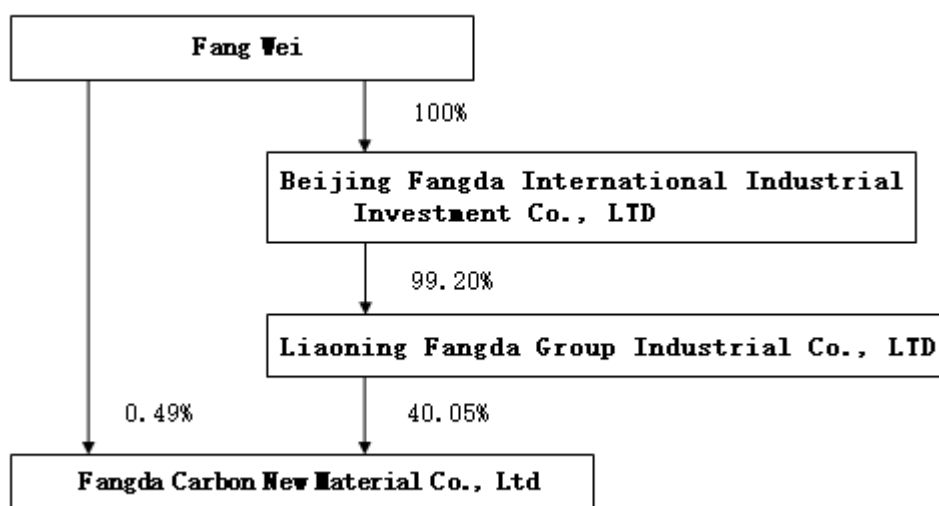
□Applicable √Not applicable

4 Explanation of changes in corporate control during the reporting period

□Applicable √Not applicable

5 Block diagram for ownership and control relationship between the company and the actual controller

√Applicable □Not applicable



6 The actual controller controls the company by means of trust or other asset management methods

☐Applicable ☒Not applicable

(III) . Introduction of controlling shareholder and actual controller

☐Applicable ☒Not applicable

V. The accumulative number of shares pledged by the controlling shareholder or the largest shareholder of the Company and the persons acting in concert accounts for more than 80 % of the number of shares held by them in the Company

☐Applicable ☒Not applicable

VI. Other legal person shareholders holding more than 10% of shares

☐Applicable ☒Not applicable

VII. Explanation of the restrictions on shareholding reduction

☐Applicable ☒Not applicable

VIII. Implementation of share repurchase during the reporting period

☐Applicable ☒Not applicable

Section VIII. Relevant Conditions of Preference Shares

☐Applicable ☒Not applicable

Section IX. Bond-related information

I. Corporate bonds, corporate bonds and debt financing instruments of non-financial enterprises

☐Applicable ☒Not applicable

II. Convertible corporate bonds

☐Applicable ☒Not applicable

Section X. Financial report

I. Auditor's Report

☒Applicable ☐Not applicable

TZY Zi [2023] No. 23796

To All Shareholders of Fangda Carbon New Material Co., Ltd.:

I. OPINION

We have audited the financial statements of Fangda Carbon New Material Co., Ltd. (hereinafter referred to as "the Company") attached, including the consolidated and the parent company's balance sheet as of 31 December, 2022, the consolidated and the parent company's income statement, the consolidated and the parent company's cash flow statement, the consolidated and the parent company's statement of changes in equity as well as the notes to the financial statements in 2022.

In our opinion, the attached financial statements are prepared, in accordance with Accounting Standards for Business Enterprises, and present fairly the consolidated and the parent company's financial position of the Company as at 31 December, 2022 and the consolidated and the parent company's operating results and cash flows for the year then ended.

II. BASIS OF AUDITORS' OPINION

We conducted our audit in accordance with the Auditing Standards for Certified Public Accountants in China. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. In accordance with the Code of Ethics for Chinese Certified Public Accountants, we are independent of the Company and fulfill other ethical responsibilities. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

III. KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, are of most significance in the audit of the financial statements for the current period. These matters should be dealt on the background of the audit of financial statements as a whole and the formation of audit opinions. We will not express opinions on those matters separately.

KEY AUDIT MATTERS	How is this matter handled in the audit?
Revenue recognition	
Recognition standard and time of income from sales of carbon products by Fangda: the income from domestic sales shall be recognized when the customer signs for the goods; the income from foreign sales shall be recognized when the goods have been declared offshore and the Company obtains the corresponding invoice, packing list, and bill of lading for the transaction. In 2022, the operating income of Fangda Carbon is RMB 5,320,000,000, of which the income from	The relevant audit procedures include but are not limited to: (1) Understand and test the internal control related to revenue recognition; (2) Select samples to check the sales contract, identify the contract terms and conditions related to the transfer of commodity control right, and evaluate whether the revenue recognition accounting policy meets the requirements of the Accounting Standards for Business Enterprises; (3) Execute analysis procedures for revenue and cost,

KEY AUDIT MATTERS	How is this matter handled in the audit?
carbon products is RMB 4,889,000,000, accounting for 91.90% of the operating income, which is an important item in the income statement. There is potential misstatement of whether the income recognition is recorded in the appropriate financial statement period. To this end, we identified the recognition of income as a key audit matter.	including analysis procedures for the current period's revenue, cost, gross profit margin and previous period comparison analysis of major products; (4) Check the supporting documents related to income recognition, including sales contracts, sales invoices, delivery lists, delivery receipts, weight checks, waybills, statements, etc. related to income from domestic sales; invoices, packing lists, bills of lading, etc. related to income earned abroad; (5) According to the sampling principle, select the balance and sales amount of customer confirmation to check the authenticity of operating income; (6) For the income from domestic sales recognized before and after the balance sheet date, check whether the delivery receipt and outbound delivery order of finished product are consistent with the period of income recognition; for the income from foreign sales recognized before and after the balance sheet date, check whether the dates of invoice, customs declaration, packing list, bill of lading are consistent with the period of income recognition; check whether there are sales returns in the warehousing of finished products after the balance sheet date based on subsequent events audit to assess whether the sales income is recognized in the appropriate period.
Monetary funds	
As of 31 December 2022, the balance of monetary funds in the consolidated financial statements of Fangda Carbon is RMB 3,152,000,000, accounting for 15.62% of the total assets in the consolidated financial statements, which has a significant impact on the financial statements. Therefore, we take monetary funds as a key audit matter.	The relevant audit procedures include but are not limited to: (1) Understand and test the internal control related to monetary funds; (2) Analyze the rationality of bank deposit balance; (3) Obtain the list of opened bank accounts and enterprise credit reports, check the list of opened bank accounts with bank accounts, and check the integrity of bank accounts; check enterprise credit reports and pay attention to whether there are monetary funds and external guarantees with limited use right; (4) Obtain and check the statements of bank accounts,

KEY AUDIT MATTERS	How is this matter handled in the audit?
	confirm whether the closing balance of each bank account is correct, and execute confirmation procedures; (5) Select samples to execute bank statement inspection procedures, and pay attention to whether the amount is abnormal and whether there is capital occupied by related party; (6) Focus on checking whether the business and accounting treatment corresponding to the collection before the balance sheet date and the payment after the balance sheet date are normal.

IV. OTHER INFORMATION

The Management of the Company (hereinafter referred to as Management) is responsible for other information. Other information includes the information contained in the Annual Report 2022 of the Company, but excludes the financial statements and our auditor's report.

Our audit opinions on the financial statements do not cover other information, and we will not express any form of assurance conclusion on other information.

Based on our audit of the financial statements, our responsibility is to review other information and consider whether other information is in significant disagreement with the financial statements or what we know in the process of auditing, or there seems to be a major misstatement.

Based on the work we have done, we should report the fact if we confirm that there are material misstatements in other information. In this regard, we have nothing to report.

V. MANAGEMENT'S AND GOVERNANCE'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Management of the Company is responsible for preparing the financial statements according to the Business Accounting Standards, and ensures its fair reflection of business position and designing, implementing and maintaining the internal control system related to producing of the Financial Statements to prevent the Financial Statements from major false presentation due to cheating or error.

In preparing the financial statements, the management is responsible for assessing the continuing operations of the Company, disclosing matters relating to continuing operations (if applicable) and applying the going concern assumptions unless planned for liquidation, termination of operations or no other realistic choice.

The Governance is responsible for supervising the financial reporting process of the Company.

VI. RESPONSIBILITY OF CERTIFIED PUBLIC ACCOUNTANTS FOR AUDITING FINANCIAL STATEMENTS

Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement due to fraud or error and to issue the auditor's report that includes our opinion. The reasonable assurance shall be a high level of assurance. However, it shall not guarantee that a material misstatement can always be detected in the audit conducted in accordance with audit standards. Misstatements may be caused by fraud or error. Misstatements are considered significant if it is reasonably expected that they, alone or together, may affect the economic decisions made by the users of the financial statements based on the financial statements.

We exercise professional judgment and maintain professional skepticism throughout the audit in accordance with the audit standards. Meanwhile, we also carry out the following work:

(1) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinion. The risk of failing to detect a material misstatement resulting from fraud is higher than that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(2) Understand the internal controls related to auditing to design appropriate audit procedures.

(3) Evaluate the appropriateness of accounting policies chosen by the Management and the reasonableness of the estimates and related disclosures made by the Management

(4) Draw conclusions on the appropriateness of the continuous operation assumption used by the Management. At the same time, based on the audit evidence obtained, conclusions can be drawn as to whether there are significant uncertainties in the matters or circumstances that have significant doubts about the continuing operations of the Company. If we conclude that there is significant uncertainty, we are required to remind the users of the related disclosures in the financial statements in our auditor's report; if the disclosures are inadequate, we shall express modified auditor's report. Our conclusion is based on the information available as of the date of the auditor's report. However, future events or circumstances may result in the Company not being able to continue to operate.

(5) Evaluate the overall presentation, structure and contents of the financial statements, and access whether the financial statements fairly represented the underlying transactions and events.

(6) Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Company in order to express audit opinions on the financial statements. We are responsible for guiding, supervising and implementing the audit of the Group, and take full responsibility for audit opinions.

We will communicate with the Governance on the planned audit scope, timing and major audit findings, including any significant deficiencies in internal control that we identified during our audit.

We also provide the Management with a statement that we have complied with the relevant professional ethics on independence, and communicate with the Management on all relationships and other matters that may reasonably be thought to affect our independence and the related safeguards (where applicable).

From the matters communicated with the Management, we determine those matters that are of most significance in the audit of the consolidated financial statements in current period, which therefore constitute the key audit matters. We will describe these matters in the auditor's report, unless the laws and regulations prohibit the public disclosure of these matters; or in very few cases, if the negative consequences of a matter communicated in the auditor's report is reasonably expected to exceed the benefits in the public interest, we determine not to communicate such matter in the auditor's report.

Chinese CPA
(Engagement partner):

Liu Dan

Beijing · China
Apr. 15, 2023

Chinese CPA:

Cheng Lu

Chinese CPA:

Li Yaxiong

II. Financial statements

Consolidated Balance Sheet

31 December, 2022

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

Unit: yuan Currency: RMB

Item	Notes	31 December, 2022	31 December, 2021
Current assets:			
Cash and bank balance		3,152,026,939.80	7,756,346,758.33
Provision of settlement fund			
Lendings to Banks and Other Financial Institutions			
Held-for-trading financial assets		1,545,366,189.88	639,019,115.47
Financial derivative assets			
Notes receivable		1,073,121,552.32	54,211,233.26
Accounts receivable		531,773,870.25	554,431,564.07
Receivables financing		453,554,021.98	1,199,715,024.93
Prepayments		163,753,973.06	159,807,741.00
Premiums receivable			
Cession premiums			

receivable			
Provision of cession receivable			
Other receivables		131,782,915.15	167,078,225.63
Including: Interests receivable			
Dividends receivable			
Redemptory monetary capital for sale			
Inventory		2,298,822,676.14	1,738,151,495.51
Contract assets		22,889,002.46	16,252,199.85
Held-for-sale assets			
Non-current assets due within one year			
Other current assets		23,062,827.16	32,937,968.97
Total non-current assets		9,396,153,968.20	12,317,951,327.02
Non-current assets:			
Loans and advances			
Debt investment			
Other debt investment			
Long-term accounts receivable			
Long-term equity investment		6,983,946,267.84	2,467,761,766.37
Other equity instruments investment			
Other non-current financial assets		324,090,101.94	313,345,688.48
Investment property			
Fixed assets		2,406,736,640.31	2,241,806,910.27
Construction in progress		416,772,500.95	482,290,975.87
Bearer biological assets			
Oil and natural gas assets			
Right-of-use asset		12,652,848.07	16,546,032.11
Intangible assets		433,348,830.18	455,119,388.75
R&D expenditure			
Goodwill			
Long-term deferred expenses		936,725.70	1,200,547.96
Deferred tax assets		81,271,208.90	62,535,925.54

Other non-current assets		119,381,622.84	144,389,691.59
Total non-current assets		10,779,136,746.73	6,184,996,926.94
Total assets		20,175,290,714.93	18,502,948,253.96
Current liabilities:			
Short-term borrowings		432,899,589.49	398,356,766.67
Borrowings from the Central Bank			
Borrowings from Banks and Other Financial Institutions			
Held-for-trading financial liabilities			
Financial derivative liabilities			
Notes payable		600,689,256.80	299,333,548.59
Accounts payable		496,895,732.75	445,494,204.88
Advances from customers			
Contract liabilities		281,962,674.31	155,199,445.07
Financial Assets Sold for Repurchase			
Deposits from customers and interbank			
Funds received as agent of stock exchange			
Funds received as securities underwriting			
Employee benefits payable		92,255,967.84	97,836,949.17
Taxes payable		89,608,564.20	81,884,576.57
Other payables		215,407,518.63	192,867,072.80
Including: Interests payable		219,899.12	219,899.12
Dividends payable		2,139,998.15	2,139,998.15
Handling charges and commissions payable			
Cession insurance premiums payable			
Held-for-sale liabilities			
Non-current liabilities due within one year		3,822,398.80	253,500,374.23
Other current liabilities		312,351,774.04	183,346,279.11
Total of current liabilities		2,525,893,476.86	2,107,819,217.09
Non-current liability:			
Provision for insurance contracts			

Long term borrowings		396,344,850.00	
Bonds payable			
Including: Preferred stock			
Perpetual bond			
Lease liability		9,632,898.09	13,455,296.89
Long-term accounts payable			332,259.46
Long-term employee benefits payable			
Estimated liabilities			
Deferred income		323,498,267.33	325,227,914.84
Deferred tax liabilities		51,033,207.16	57,193,590.94
Other non-current liabilities		80,485,240.27	248,075,240.27
Total of non-current liabilities		860,994,462.85	644,284,302.40
Total Liabilities		3,386,887,939.71	2,752,103,519.49
Owner's equity (or shareholders' equity):			
Paid-up capital (or equity)		3,805,970,368.00	3,805,970,368.00
Other equity instruments			
Including: Preferred stock			
Perpetual bond			
Capital reserve		951,333,086.41	897,279,729.09
Less: Treasury stock			
Other comprehensive income		7,931,983.08	13,286,883.79
Special reserves		48,061,404.95	46,248,649.20
Surplus reserve		1,413,211,549.29	1,197,026,582.42
Provision for normal risks			
Retained earnings		9,456,269,111.61	8,804,875,836.65
Total Owners' (Shareholders') Equity Attributable to Holding Company		15,682,777,503.34	14,764,688,049.15
Minority interests		1,105,625,271.88	986,156,685.32
Total owner's equity (or shareholders' equity)		16,788,402,775.22	15,750,844,734.47
Total liabilities and owner's equity (or shareholders' equity)		20,175,290,714.93	18,502,948,253.96

Person in charge of the company: Dang Xijiang Chief accountant officer: Yu Yong Person in charge of accounts: Zhao Erqin

Parent Company Balance Sheet

31 December, 2022

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

Unit: yuan Currency: RMB

Item	Notes	31 December, 2022	31 December, 2021
Current assets:			
Cash and bank balance		1,885,834,637.95	4,616,679,079.93
Held-for-trading financial assets		292,219,527.04	430,908,049.19
Financial derivative assets			
Notes receivable		461,532,889.36	51,099,267.78
Accounts receivable		330,785,070.56	358,737,497.82
Receivables financing		286,752,932.58	456,817,192.82
Prepayments		82,928,767.80	61,336,087.62
Other receivables		1,278,107,823.57	1,480,710,001.14
Including: Interests receivable			
Dividends receivable		158,235,723.88	13,695,723.88
Inventory		1,114,939,721.03	882,536,097.15
Contract assets		21,739,474.46	16,252,199.85
Held-for-sale assets			
Non-current assets due within one year			
Other current assets		1,742,434.75	10,515,801.56
Total non-current assets		5,756,583,279.10	8,365,591,274.86
Non-current assets:			
Debt investment			
Other debt investment			
Long-term accounts receivable			
Long-term equity investment		7,979,280,414.11	3,395,296,516.16
Other equity instruments investment			
Other non-current financial assets		324,090,101.94	313,345,688.48
Investment property			
Fixed assets		820,675,123.85	872,655,602.57

Construction in progress		3,606,061.61	2,546,176.75
Bearer biological assets			
Oil and natural gas assets			
Right-of-use asset			
Intangible assets		102,924,978.12	107,037,977.16
R&D expenditure			
Goodwill			
Long-term deferred expenses			
Deferred tax assets		45,371,871.41	26,140,546.24
Other non-current assets		25,334,272.31	18,600,000.00
Total non-current assets		9,301,282,823.35	4,735,622,507.36
Total assets		15,057,866,102.45	13,101,213,782.22
Current liabilities:			
Short-term borrowings		352,276,833.34	398,356,766.67
Held-for-trading financial liabilities			
Financial derivative liabilities			
Notes payable		418,229,937.62	80,612,752.46
Accounts payable		227,721,827.73	147,939,302.94
Advances from customers			
Contract liabilities		190,182,463.40	112,611,448.24
Employee benefits payable		36,920,824.43	22,273,435.64
Taxes payable		15,921,478.45	20,442,825.69
Other payables		469,460,842.11	1,282,046,680.43
Including: Interests payable			
Dividends payable			
Held-for-sale liabilities			
Non-current liabilities due within one year			250,006,085.00
Other current liabilities		136,043,709.01	121,358,336.29
Total of current liabilities		1,846,757,916.09	2,435,647,633.36
Non-current liability:			
Long term borrowings		396,344,850.00	
Bonds payable			
Including: Preferred stock			

Perpetual bond			
Lease liability			
Long-term accounts payable			332,259.46
Long-term employee benefits payable			
Estimated liabilities			
Deferred income		8,212,613.69	9,632,603.45
Deferred tax liabilities			5,664,015.65
Other non-current liabilities			
Total of non-current liabilities		404,557,463.69	15,628,878.56
Total Liabilities		2,251,315,379.78	2,451,276,511.92
Owner's equity (or shareholders' equity):			
Paid-up capital (or equity)		3,805,970,368.00	3,805,970,368.00
Other equity instruments			
Including: Preferred stock			
Perpetual bond			
Capital reserve		1,310,518,694.63	1,311,536,078.57
Less: Treasury stock			
Other comprehensive income		7,964,833.97	13,314,954.99
Special reserves		23,842,928.28	22,711,639.68
Surplus reserve		1,382,422,397.92	1,166,237,431.05
Retained earnings		6,275,831,499.87	4,330,166,798.01
Total owner's equity (or shareholders' equity)		12,806,550,722.67	10,649,937,270.30
Total liabilities and owner's equity (or shareholders' equity)		15,057,866,102.45	13,101,213,782.22

Person in charge of the company: Dang Xijiang Chief accountant officer: Yu Yong Person in charge of accounts: Zhao Erqin

Consolidated Income Statement

From Jan. 2022 to Dec. 2022

Unit: yuan Currency: RMB

Item	Notes	For the year ended 31 December, 2022	For the year ended 31 December, 2021
I. Total operating income		5,320,293,391.07	4,651,772,746.11
Including: Operating income		5,320,293,391.07	4,651,772,746.11
Interest income			

Insurance premiums earned			
Fee and commission income			
II. Total operating cost		4,438,632,100.09	3,722,005,176.55
Including: Operating costs		3,943,208,334.94	3,093,100,911.91
Interest expenses			
Handling charges and commissions expenses			
Loan Value			
Net payments for insurance claims			
Net Appropriation of Deposit for Duty			
Commissions on insurance policies			
Cession charges			
Tax and surcharge		57,547,611.54	74,275,291.66
Selling and distribution expenses		130,785,567.96	133,539,805.51
General and administrative expenses		362,243,031.32	507,382,135.50
R & D expenses		95,571,741.10	69,584,880.14
Financial expenses		-150,724,186.77	-155,877,848.17
Including: Interest expense		34,720,589.88	22,802,083.04
Interest income		178,584,640.84	188,076,827.60
Add: Other income		63,127,098.38	45,129,274.35
Investment income (loss expressed with “-”)		224,465,173.06	413,278,092.00
Including: Investment income from associated enterprises and joint ventures		79,637,607.52	60,692,679.58
Derecognized revenue from financial assets measured at amortized cost			
Gain on foreign exchange transactions (loss expressed with “-”)			
Net exposure hedging gains (losses expressed with “-”)			
Gain or loss from changes in fair values (loss expressed with “-”)		-159,583,653.99	31,039,725.31
Loss from credit impairment (loss expressed with “-”)		-34,111,289.90	-27,182,725.06
Loss from assets impairment (loss expressed		-34,359,163.36	-40,973,862.65

with “-”)			
Gain on disposal of assets (loss expressed with “-”)		222,893,469.07	-1,962,848.45
III. Operating profit (loss expressed with “-”)		1,164,092,924.24	1,349,095,225.06
Add: Non-operating income		10,446,582.11	8,159,186.35
Less: non-operating expenditure		22,682,362.24	26,581,471.53
IV. Total profit (total loss expressed with “-”)		1,151,857,144.11	1,330,672,939.88
Less: income tax expense		218,216,656.88	215,096,257.19
V. Net profit (net loss expressed with “-”)		933,640,487.23	1,115,576,682.69
(I) Classification by the continuity of operation			
1. Net profit from continuing operations (net loss expressed with “-”)		933,640,487.23	1,115,576,682.69
2. Net profit from discontinued operations (net loss expressed with “-”)			
(II) Classification by ownership attribution			
1. Net profit attributed to shareholders of parent company (net loss expressed with “-”)		839,939,033.95	1,084,595,183.21
2. Minority interests (net loss expressed with “-”)		93,701,453.28	30,981,499.48
VI. After-tax net income of other comprehensive incomes		-5,354,900.71	13,276,257.62
(I) After-tax net income of other comprehensive incomes attributable to owners of parent company		-5,354,900.71	13,276,257.62
1. Other comprehensive income which cannot be reclassified into profit or loss			
(1) Re-measure changes in defined benefit plans			
(2) Other comprehensive income that cannot be transferred to profit or loss under the equity method			
(3) Changes in fair value of other equity instruments investment			
(4) Changes in fair value of the company's own credit risk			
2. Other comprehensive income which can be		-5,354,900.71	13,276,257.62

reclassified into profit or loss			
(1) Other comprehensive income that can be transferred to profit or loss under the equity method		-5,350,121.02	13,314,954.99
(2) Changes in fair value of other debt investments			
(3) Amount of financial assets reclassified into other comprehensive income			
(4). Provision for credit impairment of other debt investments			
(5) Cash flow hedge reserve			
(6) Translation difference in foreign currency financial statements		-4,779.69	-38,697.37
(7) Others			
(II) After-tax net income of other comprehensive incomes attributable to minority shareholders			
VII. Total comprehensive income		928,285,586.52	1,128,852,940.31
(I) Total comprehensive income attributable to owners of parent company		834,584,133.24	1,097,871,440.83
(II) Total comprehensive income attributable to minority shareholders		93,701,453.28	30,981,499.48
VIII. Earnings per share:			
(I) Basic earnings per share (RMB/Share)		0.22	0.29
(II) Diluted earnings per share (RMB/Share)		0.22	0.29

Person in charge of the company: Dang Xijiang Chief accountant officer: Yu Yong Person in charge of accounts: Zhao Erqin

Parent Company Income Statement

From Jan. 2022 to Dec. 2022

Unit: yuan Currency: RMB

Item	Notes	For the year ended 31 December, 2022	For the year ended 31 December, 2021
I. Operating income		2,906,822,694.14	2,404,879,548.83
Less: Operating costs		2,287,842,573.48	1,780,701,668.38
Tax and surcharge		20,764,026.59	24,262,169.31
Selling and distribution expenses		78,506,721.65	81,451,056.02
General and administrative expenses		143,620,292.57	179,121,218.41

R & D expenses		68,569,512.57	51,488,772.01
Financial expenses		-97,944,472.89	-105,058,907.99
Including: Interest expense		31,081,366.57	20,079,641.20
Interest income		122,477,930.18	127,707,177.50
Add: Other income		20,852,428.00	18,747,205.18
Investment income (loss expressed with “-”)		1,978,736,250.08	152,866,077.55
Including: Investment income from associated enterprises and joint ventures		88,829,538.80	76,259,529.92
Derecognized revenue from financial assets measured at amortized cost			
Net exposure hedging gains (losses expressed with “-”)			
Gain or loss from changes in fair values (loss expressed with “-”)		-125,902,682.20	16,429,415.05
Loss from credit impairment (loss expressed with “-”)		-33,725,846.66	-25,384,782.35
Loss from assets impairment (loss expressed with “-”)		-32,326,132.11	-48,974,068.26
Gain on disposal of assets (loss expressed with “-”)			488,646.72
II. Operating profit (loss expressed with “-”)		2,213,098,057.28	507,086,066.58
Add: Non-operating income		1,640,817.86	2,586,970.46
Less: non-operating expenditure		20,812,409.72	8,210,607.15
III. Total profit (loss expressed with “-”)		2,193,926,465.42	501,462,429.89
Less: income tax expense		32,076,796.69	69,722,422.94
IV. Net profit (net loss expressed with “-”)		2,161,849,668.73	431,740,006.95
(I) Net profit from continuing operations (net loss expressed with “-”)		2,161,849,668.73	431,740,006.95
(II) Net profit from discontinued operations (net loss expressed with “-”)			
V. After-tax net income of other comprehensive incomes		-5,350,121.02	13,314,954.99
(I) Other comprehensive income which cannot be reclassified into profit or loss			

1. Re-measure changes in defined benefit plans			
2. Other comprehensive income that cannot be transferred to profit or loss under the equity method			
3. Changes in fair value of other equity instruments investment			
4. Changes in fair value of the company's own credit risk			
(II) Other comprehensive income which can be reclassified into profit or loss		-5,350,121.02	13,314,954.99
1. Other comprehensive income that can be transferred to profit or loss under the equity method		-5,350,121.02	13,314,954.99
2. Changes in fair value of other debt investments			
3. Amount of financial assets reclassified into other comprehensive income			
4. Provision for credit impairment of other debt investments			
5. Cash flow hedge reserve			
6. Translation difference in foreign currency financial statements			
7. Others			
VI. Total comprehensive income		2,156,499,547.71	445,054,961.94
VII. Earnings per share:			
(I) Basic earnings per share (RMB/Share)			
(II) Diluted earnings per share (RMB/Share)			

Person in charge of the company: Dang Xijiang Chief accountant officer: Yu Yong Person in charge of accounts: Zhao Erqin

Consolidated Cash Flow Statement
From Jan. 2022 to Dec. 2022

Unit: yuan Currency: RMB

Item	Notes	For the year ended 31 December, 2022	For the year ended 31 December, 2021
I. Cash flows from operating activities:			
Proceeds from sale of goods and rendering of services		5,003,068,592.47	4,490,127,136.75
Net increase from customer deposits and interbank			

deposits			
Net increase from borrowings from the central bank			
Net increase in funds borrowed from other financial institutions			
Cashed received from original insurance contract premiums			
Net cash received from re-guarantee business			
Net increase from insured deposits and investments			
Cash from collection of interest, charges and commissions			
Net increase in deposit funds			
Net increase in capital for repurchase			
Net cash received from acting sale of securities			
Refund of tax and levies		85,738,150.02	20,191,527.46
Other cash received relating to operating activities		754,201,062.12	412,772,697.45
Sub-total of cash inflow from operating activities		5,843,007,804.61	4,923,091,361.66
Cash paid for goods and services		3,877,456,369.12	3,184,977,528.36
Net increase in client loans and advances			
Net increase in central bank deposits and interbank deposits			
Cash paid for compensation for original insurance contract			
Net increase in lendings to banks and other financial institutions			
Cash paid for interest, charges and commissions			
Cash paid for policy dividend			
Cash paid to and on behalf of employees		811,980,541.14	772,072,812.10
Cash paid for taxes and surcharges		473,617,143.79	530,223,972.67
Other cash paid relating to operating activities		443,836,392.83	473,661,215.28
Sub-total of cash outflow from operating activities		5,606,890,446.88	4,960,935,528.41
Net cash flow from operating activities		236,117,357.73	-37,844,166.75

II. Cash flows generated by investment activities:			
Cash received from return of investments		787,461,513.39	2,270,135,579.02
Cash received from investment income		18,162,090.50	149,278,712.65
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		74,768,535.02	2,936,126.16
Net cash received from disposal of subsidiaries and other business entities			
Other cash received relating to investment activities			4,320,000,000.00
Sub-total of cash inflow from investment activities		880,392,138.91	6,742,350,417.83
Cash paid for purchase of fixed assets, intangible assets and other long-term assets		152,941,418.47	154,251,406.05
Cash paid for investment		6,082,131,945.86	1,614,083,865.12
Net increase in loans pledged			
Net cash paid for the acquisition of subsidiaries and other business entities			
Other cash paid relating to investment activities			1,250,000,000.00
Sub-total of cash outflow from investment activities		6,235,073,364.33	3,018,335,271.17
Net Cash Flows from Investing Activities		-5,354,681,225.42	3,724,015,146.66
III. Cash flows generated by financing activities:			
Cash received from investment absorption		26,572,899.00	2,514,316.00
Including: Cash received by subsidiaries from minority shareholders		26,572,899.00	1,000,000.00
Cash received from borrowings		1,627,297,392.90	1,112,708,056.21
Other cash received relating to financing activities			
Sub-total of cash inflow from financing activities		1,653,870,291.90	1,115,222,372.21
Cash paid for debt repayment		990,525,546.08	936,074,753.61
Cash paid for distribution of dividends and profits or payment of interest		34,249,207.65	1,941,462,837.81
Including: dividends and profit paid by subsidiaries for minority shareholders,			7,568,941.60
Other cash paid relating to financing activities		2,218,055.00	3,327,082.50

Sub-total of cash outflow from financing activities		1,026,992,808.73	2,880,864,673.92
Net Cash Flows from Financing Activities		626,877,483.17	-1,765,642,301.71
IV. Impact of exchange rate changes on cash and cash equivalents		10,094,802.49	2,522,490.82
V. Net increase in cash and cash equivalents		-4,481,591,582.03	1,923,051,169.02
Add: Cash and cash equivalents at the beginning of the period		7,421,524,979.39	5,498,473,810.37
VI. Balance of cash and cash equivalents at ending of period		2,939,933,397.36	7,421,524,979.39

Person in charge of the company: Dang Xijiang Chief accountant officer: Yu Yong Person in charge of accounts: Zhao Erqin

Parent Company Cash Flow Statement

From Jan. 2022 to Dec. 2022

Unit: yuan Currency: RMB

Item	Notes	For the year ended 31 December, 2022	For the year ended 31 December, 2021
I. Cash flows from operating activities:			
Proceeds from sale of goods and rendering of services		2,664,779,180.85	2,149,173,427.01
Refund of tax and levies		864,803.37	17,099,983.72
Other cash received relating to operating activities		3,938,629,583.62	2,242,131,268.64
Sub-total of cash inflow from operating activities		6,604,273,567.84	4,408,404,679.37
Cash paid for goods and services		2,045,363,014.50	1,654,701,441.52
Cash paid to and on behalf of employees		406,839,600.90	388,458,358.39
Cash paid for taxes and surcharges		158,369,876.86	185,598,166.77
Other cash paid relating to operating activities		4,187,505,300.84	2,813,234,430.16
Sub-total of cash outflow from operating activities		6,798,077,793.10	5,041,992,396.84
Net cash flow from operating activities		-193,804,225.26	-633,587,717.47
II. Cash flows generated by investment activities:			
Cash received from return of investments		24,210,897.89	103,144,129.69
Cash received from investment income		1,753,800,697.73	117,256,676.53
Net cash received from disposal of fixed assets, intangible assets and other long-term assets			1,802,348.88
Net cash received from			

disposal of subsidiaries and other business entities			
Other cash received relating to investment activities			2,940,000,000.00
Sub-total of cash inflow from investment activities		1,778,011,595.62	3,162,203,155.10
Cash paid for purchase of fixed assets, intangible assets and other long-term assets		11,813,021.58	27,337,220.34
Cash paid for investment		4,523,310,523.00	57,514,316.00
Net cash paid for the acquisition of subsidiaries and other business entities			
Other cash paid relating to investment activities			1,110,000,000.00
Sub-total of cash outflow from investment activities		4,535,123,544.58	1,194,851,536.34
Net Cash Flows from Investing Activities		-2,757,111,948.96	1,967,351,618.76
III. Cash flows generated by financing activities:			
Cash received from investment absorption			
Cash received from borrowings		1,333,187,926.00	785,437,292.30
Other cash received relating to financing activities			
Sub-total of cash inflow from financing activities		1,333,187,926.00	785,437,292.30
Cash paid for debt repayment		851,800,000.00	550,200,000.00
Cash paid for distribution of dividends and profits or payment of interest		33,084,127.47	1,919,502,322.61
Other cash paid relating to financing activities			28,100,000.00
Sub-total of cash outflow from financing activities		884,884,127.47	2,497,802,322.61
Net Cash Flows from Financing Activities		448,303,798.53	-1,712,365,030.31
IV. Impact of exchange rate changes on cash and cash equivalents		9,927,296.82	2,231,830.15
V. Net increase in cash and cash equivalents		-2,492,685,078.87	-376,369,298.87
Add: Cash and cash equivalents at the beginning of the period		4,352,450,321.81	4,728,819,620.68
VI. Balance of cash and cash equivalents at ending of period		1,859,765,242.94	4,352,450,321.81

Person in charge of the company: Dang Xijiang Chief accountant officer: Yu Yong Person in charge of accounts: Zhao Erqin

Consolidated Statement of Changes in Equity

From Jan. 2022 to Dec. 2022

Unit: yuan Currency: RMB

Item	For the year ended 31 December, 2022														
	Owners’ Equity Attributable to Holding Company												Minority interests	Total owners’ equity	
	Paid-up capital (or equity)	Other equity instruments			Capital reserve	Less: Treasury stock	Other comprehensive income	Special reserves	Surplus reserve	Provision for normal risks	Retained earnings	Others			Sub-total
		Preferred stock	Perpetual bond	Others											
I. Closing balance of previous year	3,805,970,368.00				897,279,729.09		13,286,883.79	46,248,649.20	1,197,026,582.42		8,804,875,836.65		14,764,688,049.15	986,156,685.32	15,750,844,734.47
Add: Change in accounting policies															
Correction of prior errors															
Combination of enterprises under the same control															
Others															
II. Opening balance of current year	3,805,970,368.00				897,279,729.09		13,286,883.79	46,248,649.20	1,197,026,582.42		8,804,875,836.65		14,764,688,049.15	986,156,685.32	15,750,844,734.47
III. Amount of increase or decrease in current					54,053,357.32		-5,354,900.71	1,812,755.75	216,184,966.87		651,393,274.96		918,089,454.19	119,468,586.56	1,037,558,040.75

period (decrease expressed with “-”)															
(I) Total comprehens ive income							-5,354,90 0.71				839,939,03 3.95		834,584,13 3.24	93,701,453 .28	928,285,58 6.52
(II) Capital contribution and reduction from owners														26,572,899 .00	26,572,899. 00
1. Ordina ry shares invested by the owner														26,572,899 .00	26,572,899. 00
2. Capital contribution from holders of other equity instruments															
3. Amoun t of share-based payment added to owners’ equity															
4. Others															
(III) Profit distribution									216,184,96 6.87		-216,184,9 66.87				
1. Appro priation of surplus reserves									216,184,96 6.87		-216,184,9 66.87				
2. Appro priation of															

general risk provision															
3. Distribution to owners (shareholders)															
4. Others															
(IV) Internal carry-forward of shareholders' equity															
1. Capital reserve transferred to paid-in capital (or equity)															
2. Surplus reserve transferred to paid-in capital (or equity)															
3. Surplus reserve for making up losses															
4. Carry-over retained earnings for changes in defined benefit plan															
5. Carry-over retained															

earnings for other comprehensive income															
6. Others															
(V) Special reserve								1,812,755.75					1,812,755.75	-805,765.72	1,006,990.03
1. Withdrawal in current period								35,441,581.18					35,441,581.18	4,333,098.76	39,774,679.94
2. Use in current period								-33,628,825.43					-33,628,825.43	-5,138,864.48	-38,767,689.91
(VI) Others					54,053,357.32						27,639,207.88		81,692,565.20		81,692,565.20
IV. Closing balance of current period	3,805,970,368.00				951,333,086.41		7,931,983.08	48,061,404.95	1,413,211,549.29		9,456,269,111.61		15,682,777,503.34	1,105,625,271.88	16,788,402,775.22

Item	For the year ended 31 December, 2021														
	Owners' Equity Attributable to Holding Company													Minority interests	Total owners' equity
	Paid-up capital (or equity)	Other equity instruments			Capital reserve	Less: Treasury stock	Other comprehensive income	Special reserves	Surplus reserve	Provision for normal risks	Retained earnings	Others	Sub-total		
		Preferred stock	Perpetual bond	Others											
I. Closing balance of previous year	3,805,970,368.00				898,084,818.00		10,626.17	59,602,826.57	1,153,852,581.72		9,666,439,838.14		15,583,961,058.60	960,723,559.67	16,544,684,618.27
Add: Change in accounting															

policies															
Correction of prior errors															
Combination of enterprises under the same control															
Others															
II. Opening balance of current year	3,805,970,368.00				898,084,818.00		10,626.17	59,602,826.57	1,153,852,581.72		9,666,439,838.14		15,583,961,058.60	960,723,559.67	16,544,684,618.27
III. Amount of increase or decrease in current period (decrease expressed with “-”)					-805,088.91		13,276,257.62	-13,354,177.37	43,174,000.70		-861,564,001.49		-819,273,009.45	25,433,125.65	-793,839,883.80
(I) Total comprehensive income							13,276,257.62				1,084,595,183.21		1,097,871,440.83	30,981,499.48	1,128,852,940.31
(II) Capital contribution and reduction from owners														2,569,037.77	2,569,037.77
1. Ordinary shares invested by the owner														2,640,000.00	2,640,000.00
2. Capital contribution from holders of															

other equity instruments															
3. Amount of share-based payment added to owners' equity															
4. Others														-70,962.23	-70,962.23
(III) Profit distribution								43,174,000.70		-1,946,159,184.70		-1,902,985,184.00	-7,741,741.60	-1,910,726,925.60	
1. Appropriation of surplus reserves								43,174,000.70		-43,174,000.70					
2. Appropriation of general risk provision															
3. Distribution to owners (shareholders)										-1,902,985,184.00		-1,902,985,184.00	-7,741,741.60	-1,910,726,925.60	
4. Others															
(IV) Internal carry-forward of shareholders' equity															
1. Capital reserve transferred to paid-in capital (or equity)															

2. Surplu s reserve transferred to paid-in capital (or equity)															
3. Surplu s reserve for making up losses															
4. Carry- over retained earnings for changes in defined benefit plan															
5. Carry- over retained earnings for other comprehens ive income															
6. Others															
(V) Special reserve								-13,354,1 77.37					-13,354,177 .37	-375,670. 00	-13,729,847 .37
1. Withdr awal in current period								30,895,1 95.23					30,895,195. 23	2,562,292 .85	33,457,488. 08
2. Use in current period								-44,249,3 72.60					-44,249,372 .60	-2,937,96 2.85	-47,187,335 .45
(VI) Others					-805,088. 91								-805,088.91		-805,088.91
IV. Closing balance of current period	3,805,970, 368.00				897,279,7 29.09		13,286,88 3.79	46,248,6 49.20	1,197,026, 582.42		8,804,875,8 36.65		14,764,688, 049.15	986,156,6 85.32	15,750,844, 734.47

Person in charge of the company: Dang Xijiang Chief accountant officer: Yu Yong Person in charge of accounts: Zhao Erqin

Parent Company Statement of Changes in Equity

From Jan. 2022 to Dec. 2022

Unit: yuan Currency: RMB

Item	For the year ended 31 December, 2022										
	Paid-up capital (or equity)	Other equity instruments			Capital reserve	Less: Treasury stock	Other comprehensive income	Special reserves	Surplus reserve	Retained earnings	Total owners' equity
		Preferred stock	Perpetual bond	Others							
I. Closing balance of previous year	3,805,970,368.00				1,311,536,078.57		13,314,954.99	22,711,639.68	1,166,237,431.05	4,330,166,798.01	10,649,937,270.30
Add: Change in accounting policies											
Correction of prior errors											
Others											
II. Opening balance of current year	3,805,970,368.00				1,311,536,078.57		13,314,954.99	22,711,639.68	1,166,237,431.05	4,330,166,798.01	10,649,937,270.30
III. Amount of increase or decrease in current period (decrease expressed with "-")					-1,017,383.94		-5,350,121.02	1,131,288.60	216,184,966.87	1,945,664,701.86	2,156,613,452.37
(I) Total comprehensive income							-5,350,121.02			2,161,849,668.73	2,156,499,547.71
(II) Capital contribution and reduction from owners											
1. Ordinary shares invested by the owner											
2. Capital contribution from holders of other equity instruments											
3. Amount of share-based payment added to owners' equity											

4. Others											
(III) Profit distribution									216,184,966.87	-216,184,966.87	
1. Appropriation of surplus reserves									216,184,966.87	-216,184,966.87	
2. Distribution to owners (shareholders)											
3. Others											
(IV) Internal carry-forward of shareholders' equity											
1. Capital reserve transferred to paid-in capital (or equity)											
2. Surplus reserve transferred to paid-in capital (or equity)											
3. Surplus reserve for making up losses											
4. Carry-over retained earnings for changes in defined benefit plan											
5. Carry-over retained earnings for other comprehensive income											
6. Others											
(V) Special reserve								1,131,288.60			1,131,288.60
1. Withdrawal in current period								8,869,701.84			8,869,701.84
2. Use in current period								-7,738,413.24			-7,738,413.24
(VI) Others					-1,017,383.94						-1,017,383.94
IV. Closing balance of current period	3,805,970,368.00				1,310,518,694.63		7,964,833.97	23,842,928.28	1,382,422,397.92	6,275,831,499.87	12,806,550,722.67

Item	For the year ended 31 December, 2021										
	Paid-up capital (or equity)	Other equity instruments			Capital reserve	Less: Treasury stock	Other comprehensive income	Special reserves	Surplus reserve	Retained earnings	Total owners' equity
		Preferred stock	Perpetual bond	Others							
I. Closing balance of previous year	3,805,970,368.00				1,312,267,018.73			22,569,053.74	1,123,063,430.35	5,844,585,975.76	12,108,455,846.58
Add: Change in accounting policies											
Correction of prior errors											
Others											
II. Opening balance of current year	3,805,970,368.00				1,312,267,018.73			22,569,053.74	1,123,063,430.35	5,844,585,975.76	12,108,455,846.58
III. Amount of increase or decrease in current period (decrease expressed with “-”)					-730,940.16		13,314,954.99	142,585.94	43,174,000.70	-1,514,419,177.75	-1,458,518,576.28
(I) Total comprehensive income							13,314,954.99			431,740,006.95	445,054,961.94
(II) Capital contribution and reduction from owners											
1. Ordinary shares invested by the owner											
2. Capital contribution from holders of other equity instruments											
3. Amount of share-based payment added to owners' equity											
4. Others											
(III) Profit distribution									43,174,000.70	-1,946,159,184.70	-1,902,985,184.00
1. Appropriation of surplus reserves									43,174,000.70	-43,174,000.70	
2. Distribution to owners (shareholders)										-1,902,985,184.00	-1,902,985,184.00

3. Others											
(IV) Internal carry-forward of shareholders' equity											
1 . Capital reserve transferred to paid-in capital (or equity)											
2 . Surplus reserve transferred to paid-in capital (or equity)											
3 . Surplus reserve for making up losses											
4 . Carry-over retained earnings for changes in defined benefit plan											
5 . Carry-over retained earnings for other comprehensive income											
6. Others											
(V) Special reserve								142,585.94			142,585.94
1. Withdrawal in current period								8,390,753.04			8,390,753.04
2. Use in current period								8,248,167.10			8,248,167.10
(VI) Others					-730,940.16						-730,940.16
IV. Closing balance of current period	3,805,970,368.00				1,311,536,078.57		13,314,954.99	22,711,639.68	1,166,237,431.05	4,330,166,798.01	10,649,937,270.30

Person in charge of the company: Dang Xijiang Chief accountant officer: Yu Yong Person in charge of accounts: Zhao Erqin

III. Basic information of the Company

1. Company Overview

√Applicable □Not applicable

Fangda Carbon New Material Co., Ltd. (formerly Lanzhou Hailong New Materials Technology Co., Ltd., hereinafter referred to as “the Company” or “this Company”), a joint stock company established by Lanzhou Carbon (Group) Co., Ltd. (main initiator) with Yaojie Mining Bureau, Taixi Group Co., Ltd. (restructured from the original Shitanjing Mining Bureau as a whole), Gansu Qilianshan Cement Co., Ltd. and Lanzhou Kejin Technology Co., Ltd. with the approval of Gansu Provincial People’s Government (GZH [1998] No. 87) on 16 December 1998 and Gansu Province Development and Reform Commission (GTGF [1998] No. 76) on 24 December 1998. On 20 August 2002, the Company issued 80,000,000 ordinary shares (A-shares) to the public online in the system of Shanghai Stock Exchange and Shenzhen Stock Exchange through pricing and allotment to investors in the secondary market, which was listed and traded on Shanghai Stock Exchange on 30 August 2002 (Stock Abbreviation: Hailong Technology (now changed to Fangda Carbon), Stock Code: 600516).

The parent company of the Company is Liaoning Fangda Group Industry Co., Ltd., holding 1,524,413,321.00 shares with a shareholding ratio of 40.05%, and the ultimate controller is Mr. Fang Wei.

Unified Social Credit Code of the Company: 91620000710375560A; Legal Representative: Dang Xijiang; Registered Address: No.11 Tansu Road, Haishiwan Town, Honggu District, Lanzhou City, Gansu Province. Approved scope of business: development, technological research and development, technology promotion, production and processing, wholesale and retail of graphite and new carbon materials; development, technological research and development, technology promotion, production and processing, wholesale and retail of carbon fiber, special carbon products, high-purity graphite products, carbon/carbon composites, and lithium ion battery anode material; research and development, production, sales, and technical services of graphene and downstream products; research and development, production, and sales of graphene functional masks; import and export of self-produced products and technologies; import and export of raw and auxiliary materials, mechanical equipment, instruments and meters, spare parts, and technology required for the production of the enterprise (except for varieties restricted by the state); processing with imported materials and the three types of processing plus compensation trades; catering services, hotels, accommodation services.

The consolidated scope of the consolidated financial statements shall be determined on the basis of control, which shall include the financial statements of the Company and all its subsidiaries. A subsidiary refers to an enterprise or an entity that is controlled by the Company.

2. Scope of consolidated financial statement

√Applicable □Not applicable

Full name of subsidiary	Main region of business	Place of registration	Nature of business	Shareholding ratio (%)		Ratio of voting rights (%)	Means of acquisition
				Direct	Indirect		
Fushun Fangda New Materials Co., Ltd.	Fushun, Liaoning	Fushun, Liaoning	Production Enterprise	60.00		60.00	Newly-established
Shanghai Fangda Investment Management Co., Ltd.	Shanghai	Shanghai	Investing enterprise	100.00		100.00	Newly-established
Fushun Laihe Mining Co., Ltd.	Fushun, Liaoning	Fushun, Liaoning	Production Enterprise	97.99		97.99	Combination under common control
Chengdu Carbon Material Co., Ltd.	Chengdu, Sichuan	Chengdu, Sichuan	Production Enterprise	99.00	1.00	100.00	Combination under common control
Fushun Fangtai Precision Carbon Material Co., Ltd.	Fushun, Liaoning	Fushun, Liaoning	Production Enterprise	100.00		100.00	Combination under common control
Fushun Carbon Co., Ltd.	Fushun, Liaoning	Fushun, Liaoning	Production Enterprise	65.54		65.54	Combination not under the same control
Hefei Carbon Co., Ltd.	Hefei, Anhui	Hefei, Anhui	Production Enterprise	100.00		100.00	Combination not under the same control
Chengdu Rongguang Carbon Co., Ltd.	Chengdu, Sichuan	Chengdu, Sichuan	Production Enterprise	60.00		60.00	Combination not under the same control
Chengdu Fangda Carbon Research Institute Co., Ltd.	Chengdu, Sichuan	Chengdu, Sichuan	Scientific research	100.00		100.00	Newly-established

Full name of subsidiary	Main region of business	Place of registration	Nature of business	Shareholding ratio (%)		Ratio of voting rights (%)	Means of acquisition
				Direct	Indirect		
Gansu Classical Shengdong Construction Poverty Alleviation Development Co., Ltd.	Dongxiang Nationality Autonomous County, Hui Autonomous Prefecture of Linxia, Gansu Province	Dongxiang Nationality Autonomous County, Hui Autonomous Prefecture of Linxia, Gansu Province	Building construction	40.00		40.00	Newly-established
Gansu Benju Handicraft Development Co., Ltd.	Dongxiang Nationality Autonomous County, Hui Autonomous Prefecture of Linxia, Gansu Province	Dongxiang Nationality Autonomous County, Hui Autonomous Prefecture of Linxia, Gansu Province	Production Enterprise	60.00		60.00	Newly-established
Dongxiang Autonomous County Fangda Tengda Clothing Co., Ltd.	Dongxiang Nationality Autonomous County, Hui Autonomous Prefecture of Linxia, Gansu Province	Dongxiang Nationality Autonomous County, Hui Autonomous Prefecture of Linxia, Gansu Province	Production Enterprise	54.12		54.12	Newly-established

Full name of subsidiary	Main region of business	Place of registration	Nature of business	Shareholding ratio (%)		Ratio of voting rights (%)	Means of acquisition
				Direct	Indirect		
Gansu Fangda Jiuxing Template Co., Ltd.	Dongxiang Nationality Autonomous County, Hui Autonomous Prefecture of Linxia, Gansu Province	Dongxiang Nationality Autonomous County, Hui Autonomous Prefecture of Linxia, Gansu Province	Production Enterprise	60.00		60.00	Newly-established
Jiangsu Fangda Carbon Chemicals Co., Ltd.	Xuzhou, Jiangsu	Xuzhou, Jiangsu	Production Enterprise	46.73		80.00	Combination not under the same control
Fangda (South Korea) International Trade Co., Ltd.	Korea	Korea	Trading Co., Ltd.	100.00		100.00	Newly-established
Fangda (Moscow) International Trade Co., Ltd.	Russia	Russia	Trading Co., Ltd.	100.00		100.00	Newly-established
Fangda Carbon and Industrial Products Trading Co., Ltd.	Turkey	Turkey	Trading Co., Ltd.	100.00		100.00	Newly-established

IV. Basis of preparation of financial statements

1. Basis of preparation

The Company's financial statements are prepared based on going concern. The financial statements shall be prepared according to the actual transactions and events and the following important accounting policies and accounting estimates in accordance with the relevant provisions of the Accounting Standards for Business Enterprises.

2. Going concern

√Applicable □Not applicable

The Company has no matters or situations that may result in major doubts on the going-concern ability of the Company within 12 months from the end of the reporting period.

V. Important accounting policies and accounting estimates

Tips for specific accounting policies and accounting estimates:

√Applicable □Not applicable

1. Statement of compliance with accounting standards for business enterprises

The financial statements prepared by the Company comply with the requirements of the latest Accounting Standards for Business Enterprises issued by the Ministry of Finance and its application guidance and interpretations, which can fairly and comprehensively reflect the Company's consolidated and parent company's financial status, Company's consolidated and parent company's operating results, cash flow and other information.

In addition, the preparation of the financial statements refer to the presentation and disclosure requirements of the "Rules for Information Preparation and Disclosure of Company Publicly Issuing Securities No. 15 - General Provisions on Financial Reporting" (Revised in 2014) and Notice on Matters Related to the Implementation of New Enterprise Accounting Standards by Listed Companies (Accounting Department Letter [2018] No. 453) issued by the China Securities Regulatory Commission.

2. Accounting period

The accounting year of the company shall be as of January 1 to December 31 on the Gregorian Calendar.

3. Business cycle

☒Applicable ☐Not applicable

Business cycle refers to the period from the Company purchases assets for processing to it realizes cash or cash equivalents. The Company takes 12 months as a business cycle and partition criterion of the liquidity of the assets and liabilities.

4. Recording currency

The recording currency of the Company shall be RMB.

5. Accounting treatment method of business combination under common control and non-common control

☒Applicable ☐Not applicable

1. Accounting treatment method of business combination under common control

In the event that the Company realizes the business combination by one transaction or multiple transactions, the assets and liabilities acquired in the business combination shall be measured according to the book value of the combined party in the consolidated financial statements of the ultimate controlling party on the combining date. If the difference between the book value of the net assets acquired by the Company and the book value of the merger consideration paid (or the total par value of the shares issued), and the adjustment of the capital reserve, capital reserve is not sufficient to offset, the retained earnings shall be adjusted.

2. Accounting treatment method of business combination under non-common control

In the case that the combination cost is higher than the share of fair value of net identifiable assets acquired from the acquiree at the acquisition date, the balance shall be recognized as goodwill; in the event that the combination cost is less than the share of fair value of net identifiable assets acquired from the acquiree at the acquisition date, the measurement of the fair values of the net identifiable assets, liabilities and contingent

liabilities as well as the combination cost shall be reviewed first; if the combination cost is still less than the share of fair value of net identifiable assets acquired from the acquiree, the balance shall be included in the current profits and losses.

The business combination not under the same control achieved through multiple transactions shall be processed in the following order:

(1) Adjust the initial investment cost of long-term equity investment. If the equity held prior to the date of purchase is measured by employing the equity method, it shall be re-measured at the fair value of such equity on the date of purchase, and the difference between the fair value and its book value shall be included in the current investment income; if the equity held by the acquiree prior to the purchase date involves other comprehensive income and other changes in owners' equity which are measured by employing the equity method, it shall be converted into the current income of the purchase date, except for other comprehensive income generated by the changes in net liabilities or net assets of the established benefit plan as a result of the re-measurement of the invested party.

(2) Recognition of goodwill (or amount included in current profit and loss) Compare the initial investment cost of the long-term equity investment after the first step adjustment with the share of the fair value of the subsidiary's identifiable net assets to which it shall be entitled on the purchase date; if the former is greater than the latter, the difference is recognized as goodwill; if the former is smaller than the latter, the difference is included in the current profits and losses.

The step-by-step disposal of equity through multiple transactions to loss of control of the subsidiary:

(1) The principle of judging whether the transactions in the process of losing the control of the subsidiary are in a “package deal”

If the conditions, terms and economic impact of such transactions meet one or more of the following cases, it indicates that the multiple transactions shall be accounted for as package deals:

- 1) These transactions are concluded simultaneously or under consideration of each other's influence;
- 2) Only all these transactions can reach a complete business outcome as a whole;
- 3) The occurrence of a transaction depends on the occurrence of at least one of other transactions;
- 4) A single transaction is uneconomical, but it is economical when considered with other transactions.

(2) The accounting treatment method of step-by-step disposal of equity to the loss of control over the subsidiary which is a “package deal”

If all the transactions that dispose of the equity investment of the subsidiary until the loss of control belong to the package deal, such transactions shall be conducted accounting treatment as a transaction that disposes of the

subsidiary and loses control. But, before the loss of control power, the difference between every disposal cost and the share of net assets of the subsidiary corresponding to the disposed investment shall be recognized as other comprehensive income in the consolidated financial statement and shall be included into the current profits and losses in the period when the control power is lost.

In the consolidated financial statement, the remaining equity shall be re-calculated at the fair value on the date when the control power is lost. The difference between the sum of the consideration obtained from the disposal of equity and the fair value of the remaining shares and the share of net assets in the original subsidiary to be enjoyed from the acquisition date shall be included into the investment income of the period when the control power is lost. Other comprehensive income related to the equity investment in the original subsidiary shall be transferred to the current investment income when the control power is lost.

(3) The accounting treatment method of step-by-step disposal of equity to the loss of control over the subsidiary which is not a “package deal”

If the disposal of the investment in a subsidiary does not lose the right of control, the difference between the disposal price in the consolidated financial statement and the net assets in the subsidiary corresponding to the investment shall be included in the capital reserve (capital premium or equity premium); if the capital premium is insufficient to offset, the retained earnings shall be adjusted.

In the event that the right of control over the subsidiary, in the consolidated financial statement, the remaining equity shall be re-calculated at the fair value on the date when the control power is lost. The difference between the sum of the consideration obtained from the disposal of equity and the fair value of the remaining shares and the share of net assets in the original subsidiary to be enjoyed from the acquisition date shall be included into the investment income of the period when the control power is lost. Other comprehensive income related to the equity investment in the original subsidiary shall be transferred to the current investment income when the control power is lost.

6. Preparation method of consolidated financial statements

☒Applicable ☐Not applicable

The consolidated financial statements are prepared by the Company based on the financial statements of the Parent Company and its subsidiaries in accordance with the Accounting Standards for Business Enterprises No. 33: Consolidated Financial Statements and other relevant information.

7. Classification of joint arrangement and accounting treatment method of joint operation

☒Applicable ☐Not applicable

1. Identification and classification of joint arrangement

Joint arrangement shall refer to an arrangement that is jointly controlled by two or more parties. The joint arrangement has the following characteristics: 1) Each participant is bound by the arrangement; 2) Two or more

participants implement joint control over the arrangement. Neither party may control the arrangement individually. Any participant with joint control over the arrangement can prevent other participants or groups of participants from controlling the arrangement individually.

Common control refers to the common control over a certain arrangement in accordance with the relevant agreement, and the related activities of the arrangement must be decided by the unanimous consent of participants who share the control power.

Joint arrangements are divided into joint operations and joint ventures. Joint operation shall mean that the joint venture may enjoy the relevant assets and undertake the relevant liabilities of the arrangement. Joint venture shall refer to the joint arrangement of which the joint venture only enjoys the net assets.

2. Accounting treatment of joint arrangement

The participants of the joint operation shall recognize the following items related to the profit share in the joint operation and carry out the accounting treatment in accordance with the provisions of the relevant accounting standard for business enterprises: 1) Recognize the assets held independently by the Company and recognize the assets held jointly according to the holding share of the Company; 2) Recognize the liabilities borne independently by the Company and recognize the liabilities borne jointly according to the share of the Company; 3) Recognize the income from the sale of production share in the joint operation enjoyed by the Company; 4) Recognize the income from the sale of output according to the share of the Company in the joint operation; 5) Recognize the costs incurred by the Company independently and the costs incurred for the joint operation according to the share of the Company.

The participants of the joint venture shall conduct accounting treatment of the investment of the joint venture in accordance with the provisions of the Accounting Standards for Business Enterprises No. 2: Long-term Equity Investment.

8. Determination criteria on cash and cash equivalents

The cash listed in the cash flow statement shall refer to the cash on hand and the deposits that can be used for payment at any time. The cash equivalents shall refer to the short-term investments (generally due within 3 months from the date of purchase) held by the company with strong liquidity and little value change risk, which are readily convertible into known amount of cash.

9. Translation of foreign currency transaction and foreign currency statements

☒Applicable ☐Not applicable

1. Translation of foreign currency transaction

The foreign currency transaction shall be converted into RMB amount at the spot exchange rate on the date of transaction in the initial recognition. At the balance sheet date, the foreign currency monetary items are

translated at the spot exchange rate at the balance sheet date. The exchange differences arising from exchange rate shall be recorded in the current profits and losses, except the exchange difference arising from the special foreign currency borrowings and interests related to the acquisition and construction of the assets conforming to the capitalization conditions; the foreign currency non-monetary items measured at historical cost shall still be translated at the spot exchange rate of the transaction date and the amount of RMB shall not be changed; The foreign currency non-monetary items measured at fair value are translated using the exchange rate at the date when the fair value was determined, and the difference shall be included in the current profit and loss or other comprehensive income

2. Translation of foreign currency financial statements

The assets and liabilities in the balance sheet shall be translated at the spot rate on the balance sheet date; among the items of owners' equity, except for the undistributed profits, other items shall be translated adopt the spot exchange rate on the date of transaction; The income and expense items in the income statement are translated at the spot exchange rate of the transaction date The translation balance of the foreign currency financial statements generated in accordance with the above translation shall be recognized as the other comprehensive income.

10. Financial Instruments

☒Applicable ☐Not applicable

1. Recognition and de-recognition of financial instruments

A financial asset or financial liability shall be recognized when the Company becomes a party to the financial instrument contract.

The financial assets available for sales in a conventional manner are in the accounting recognition and derecognition at the transaction date. The conventional means of buying and selling financial assets refers to the collection or delivery of financial assets within the period prescribed by regulations or common practices in accordance with the contract terms. The transaction date shall refer to the date on which the Company undertakes to buy or sell the financial assets.

If the following conditions are met, de-recognize the financial assets (or a part of the financial assets, or a part of a group of similar financial assets), that is, to be written off from the account and balance sheet:

- (1) The right to receive cash flows from financial assets expires;
- (2) The right to receive the cash flow from financial assets is transferred, or the obligation to timely pay the full amount of the cash flow received to a third party under the "transfer agreement" is undertaken; and (a) almost all risks and rewards in the ownership of the financial assets are substantially transferred, or (b) although almost all risks and rewards in the ownership of the financial assets are neither transferred nor retained, the control over the financial assets is waived.

2. Classification and measurement of financial assets

The Company classifies the financial assets at initial recognition into the financial assets measured at amortized cost, the financial assets measured at fair value through other comprehensive income and the financial assets measured at fair value through current profit and loss based on the business model of the financial assets management and the contractual cash flow characteristics of the financial assets. The subsequent measurement of financial assets depends on their classifications.

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

(1) Financial assets measured at amortized cost.

The Company classifies the financial assets that meet the following conditions into financial assets measured at amortized cost: the Company's business model for managing the financial assets is aimed at collecting contractual cash flows; according to the terms of the contract on the financial assets, the cash flow generated on a specific date is only the payment of the principal and the interest based on the outstanding amount of principal. For such financial assets, it shall be subsequently measured at amortized cost using the effective interest method; the gains or losses arising from amortization and impairment shall be included in current profit and loss.

(2) Debt instrument investment measured at fair value through other comprehensive income

Financial assets that meet the following conditions at the same time are classified as financial assets measured at fair value through other comprehensive income: the company's business model for managing this financial asset is to target both the receipt of contractual cash flows and the sale of financial assets; according to the terms of the contract on the financial assets, the cash flow generated on a specific date is only the payment of the principal and the interest based on the outstanding amount of principal. Such financial assets shall be subsequently measured at fair value. The discount or premium is amortized using the effective rate method and recognized as interest income or expense. Except for impairment losses and exchange differences of foreign currency monetary financial assets, which are recognized as current profits and losses, the changes in the fair value of such financial assets are recognized as other comprehensive income, until the financial asset is derecognised. The accumulated gains or losses are transferred to current profit and loss. The relevant interest income of such financial assets is included in the current profit and loss.

(3) Equity instruments investment measured at fair value through other comprehensive income

The Company irrevocably chooses to designate part of the non-trading equity instrument investment as financial assets measured at fair value through other comprehensive income, and only relevant dividend income is included in current profit and loss, and changes in fair value are recognized as other comprehensive income , until the financial asset is derecognized, its accumulated gains or losses are transferred to retained earnings.

(4) Financial assets measured at fair value through profit or loss

Financial assets other than the above financial assets measured at amortized cost and other financial assets measured at fair value through other comprehensive income are classified as financial assets measured at fair

value through current profit or loss. At initial recognition, in order to eliminate or significantly reduce accounting mismatches, it designated some financial assets as financial assets measured at fair value through current profit and loss. For such financial assets, the fair value is adopted for subsequent measurement, and all changes in fair value are included in the current profit and loss.

All affected financial assets concerned are reclassified only if the Company changes the business model for managing financial assets.

For financial assets measured at fair value through current profit and loss, the relevant transaction expenses shall be directly included in the current profit and loss; for other financial assets, the relevant transaction costs shall be included in the initially recognized amount.

3. Classification and measurement of financial liabilities

In the initial recognition, the Company's financial liabilities are classified as the financial liabilities measured at amortized cost and financial liabilities measured at fair value through current profit and loss.

When one of the following conditions is met, financial liabilities can be designated at the initial measurement as financial liabilities measured at fair value through current profits and losses: (1) this designation can eliminate or significantly reduce accounting mismatches; (2) according to the risk rationale or investment strategy stated in the official written document, it can make the management and performance evaluation of financial liability portfolio or financial asset and financial liability portfolio based on fair value, and report to key management personnel within the company on this basis; (3) the financial liability includes embedded derivatives that need to be separated separately.

The Company determines the classification of financial liabilities at initial recognition. For the financial liabilities measured at fair value with the changes included in current profit or loss, the related transaction costs are directly accounted into the current profit or loss. For other financial liabilities, the related transaction costs are included in the amount of initial recognition.

The subsequent measurement of financial liabilities depends on their classifications:

(1) Financial liabilities measured at amortized cost

Such financial liabilities are subsequently measured at amortized cost by use of the effective interest method.

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

The financial liabilities measured at fair value through current profit and loss, including the financial liabilities held for trading (including derivatives that are financial liabilities), and those designated as financial liabilities measured at fair value through current profit and loss at initial recognition.

4. Offsetting of Financial Instruments

However, if both of the following conditions are met, the net amount after offsetting of the financial liabilities and the financial assets shall be listed in the balance sheet: the Company shall have the statutory right to offset

the recognized amount, and such statutory right is currently enforceable; the Company plans to settle with net amount, or to realize the financial assets and pay off the financial liabilities.

5. Impairment of financial assets

The Company recognises loss reserves on the basis of expected credit losses for financial assets measured at amortized cost, debt instrument investments measured at fair value through other comprehensive income, and financial guarantee contracts. Credit loss shall refer to the difference between all contractual cash flows receivable from the contract, which are discounted at the original actual interest rate, and all cash flows expected to be received by the Company, that is, the present value of all cash shortages.

The company considers all reasonable and supported information, including forward-looking information, to estimate the expected credit loss of financial assets measured at amortized cost and financial assets (debt instrument) measured at fair value through other comprehensive income in a single or combined manner.

(1) General model of expected credit loss

If the credit risk of the financial instrument has increased significantly since the initial recognition, the Company measures its loss provision based on the amount of expected credit loss for the entire duration of the financial instrument; if the credit risk of the financial instrument has not increased significantly since its initial recognition, the Company measures its loss provision at an amount equivalent to the expected credit loss of the financial instrument within the next 12 months. The increase or reversal of the resulting loss provision is included in the current profit and loss as an impairment loss or gain.

Specifically, the Company divides the process of credit impairment of financial instruments that were purchased or originated without credit impairment into three stages. There are different accounting treatments for the impairment of financial instruments at different stages:

The First Stage: Credit risk has not increased significantly since initial recognition

For financial instruments in this stage, the enterprise shall measure the provision for losses based on the expected credit losses in the next 12 months, and calculate the interest income based on its book balance (i.e. no impairment provision is deducted) and the effective interest rate (if the instrument is a financial asset, the same applies below).

Stage 1: Credit risk has significantly increased since the initial recognition, but credit impairment has not yet occurred

For financial instruments in this stage, the enterprise shall measure the provision for losses according to the expected credit loss in the entire duration of the instrument, and calculate the interest income based on its book balance and the effective interest rate.

Stage 3: Credit impairment occurs after the initial recognition

For financial instruments in this stage, the enterprise shall measure the provision for losses according to the expected credit loss in the entire duration of the instrument, but the calculation of interest income is different

from financial assets in the first two stages. For financial assets with credit impairment, the enterprise shall calculate the interest income according to the amortized cost (book balance minus provision for impairment, that is, book value) and the effective interest rate.

For financial assets that have been credit-impaired at the time of purchase or origination, the Company should only recognize the change in expected credit losses during the entire duration after initial recognition as a loss provision, and calculate the interest income based on its amortized cost and the actual interest rate adjusted by credit.

For financial instruments with low credit risk on the balance sheet date, the Company may directly assume that the credit risk of such instruments has not increased significantly since the initial recognition without comparing with the credit risk of such instruments at the time of the initial recognition.

(2) Criteria for judging whether the credit risk has increased significantly since the initial recognition.

If the probability of default of a financial asset in the expected duration determined on the balance sheet date is significantly higher than that in the expected duration determined in the initial recognition, it indicates that the credit risk of the financial asset has increased significantly. Except in special cases, the Company uses the change in default risk that may occur within the next 12 months as a reasonable estimate of the change in default risk that may occur throughout the duration to determine whether the credit risk has increased significantly since initial recognition.

(3) Portfolio method to assess expected credit risk on a portfolio basis

The Company separately evaluates the credit risk for financial assets with significantly different credit risks, such as: receivables in dispute with the other party or involving litigation and arbitration; receivables for which there is a clear indication that the debtor is likely to be unable to meet repayment obligations, etc.

In addition to financial assets of which the credit risk is individually assessed, the Company divides financial assets into different combinations based on common risk characteristics, and assesses credit risk on the basis of the portfolio.

11. Notes receivable

Determination and accounting treatment of the expected credit losses of notes receivable

☒Applicable ☐Not applicable

The Company measures the loss provision for notes receivable at an amount equal to the expected credit loss for the entire duration. Based on the credit risk characteristics, notes receivable are divided into different portfolios:

Item	Basis for recognizing portfolios
Notes receivable portfolio A	Commercial acceptance bills
Notes receivable portfolio B	Bank Acceptance Bill

12. Accounts receivable**Determination and accounting treatment of the expected credit losses of accounts receivable**√Applicable ☐Not applicable

For receivables without a significant financing component, the Company measures the loss provision at an amount equivalent to the expected credit loss in the entire duration; for receivables with a significant financing component, the Company always measures the loss provision at an amount equivalent to the expected credit loss in the entire duration.

Except for accounts receivable of which the credit risk is individually assessed, receivables are divided into different portfolios based on their credit risk characteristics:

Item	Basis for determining portfolios
Accounts receivable portfolio A	Receivable from external customers
Accounts receivable portfolio B	Amounts from related party receivables within the scope of consolidation

13. Receivables financing√Applicable ☐Not applicable

Financial assets that meet the following conditions at the same time are classified as financial assets measured at fair value through other comprehensive income: the company's business model for managing this financial asset is to target both the receipt of contractual cash flows and the sale of financial assets; according to the terms of the contract on the financial assets, the cash flow generated on a specific date is only the payment of the principal and the interest based on the outstanding amount of principal.

The Company transfers its receivables in the form of discount or endorsement. If this kind of business is more frequent and involves a large amount of money, its management model is in essence both collecting contract cash flow and selling. In accordance with the relevant provisions of the financial instrument standards, it is classified into financial assets measured at fair value through other comprehensive income.

14. Other receivables**Determination and accounting treatment of the expected credit losses of other receivables**√Applicable ☐Not applicable

Based on whether the credit risk of other receivables has significantly increased since the initial recognition, the Company measures the impairment loss according to the amount equivalent to the expected credit loss within

the next 12 months or the whole duration. Except for other receivables of which the credit risk is individually assessed, receivables are divided into different portfolios based on their credit risk characteristics:

Item	Basis for determining portfolios
Other receivables portfolio A	Deposits receivable, margins, reserves, and other amounts (excluding other receivables combination B)
Other receivables portfolio B	Amounts from related party receivables within the scope of consolidation

15. Inventory

√Applicable □Not applicable

1. Classification of inventory

Inventories include the enterprise's finished goods or merchandise, work in progress and materials consumed in the production or the provision of labor service and so on that are owned and held for sale in the regular course of business. Mainly include: raw materials, work in progress and self-made semi-finished products, turnover materials, finished products, inventory goods, commissioned processing materials and goods in transit, etc.

2. The measurement method of delivered inventories

The cost is determined by the moving weighted average method when the company's inventory is delivered.

3. The recognition basis of net realizable value of the inventories and the calculation method of inventory impairment provision

On the date of balance sheet, the inventory shall be accounted at the lower of cost and net realizable value according to the difference that the single inventory cost is higher than net realizable value for inventory falling price reserves. For inventories directly used for sale, the net realizable value shall be recognized by deducting the estimated selling expenses and the relevant taxes from the estimated sale price of the inventories in the normal production; for inventories to be processed, the net realizable value shall be recognized by deducting the estimated costs on completion, the estimated selling expenses and the relevant taxes from the estimated sale price of the products finished in normal production and operation; on the balance sheet date, if part of an inventory has a contract price agreement and the other part does not have the contract price, the net realizable value shall be recognized respectively; the accrued amount or reversed amount of the inventory impairment provision shall be respectively recognized by comparing with the corresponding costs.

4. Inventory system

The inventory system of the inventory is perpetual.

5. Amortization method of low-value consumables and packaging

The Company's low-cost consumables and packaging are purchased according to the actual requirements, and included in the cost of related assets or current profit and loss by one-time writing-off method.

16. Contract assets

(1). Recognition method and standard of contract assets

☒Applicable ☐Not applicable

The Company recognizes the right to charge consideration to the customer unconditionally (that is, it depends only on the passage of time) as receivables, and recognizes the right (the right depends on factors other than the passage of time) to receive consideration for the goods it has transferred to the customer as contract asset.

(2). Determination and accounting treatment of the expected credit losses of contract assets

☒Applicable ☐Not applicable

For the determination method and accounting treatment method of the expected credit loss of the company's contract assets, please refer to Note "III.(X) Financial Instruments".

17. Held-for-sale assets

☒Applicable ☐Not applicable

The Company classifies the enterprise components (or non-current assets) meeting all the following conditions as the held-for-sale: (1) In accordance with the practice of selling such assets or disposal groups in similar transactions, the assets can be sold immediately under the current circumstance; (2) The sale is very likely to occur, that is, the Company has made a resolution on the sale plan and obtained a firm purchase commitment. (The determined purchase commitment shall refer to a legally binding purchase agreement signed between the company and other parties. The agreement includes transaction price, time, sufficiently severe breach penalty and other important terms, making it unlikely for the agreement to undergo major adjustments or cancellations). The sale is expected to be completed within one year. It has been approved by the relevant authorities or regulatory authorities in accordance with relevant regulations.

The Company adjusts the expected net residual value held for sale to the net amount of its fair value less sales expenses (but not exceeding the original book value held for sale). The difference between the original book value and the adjusted expected net residual value shall be included in the current profit and loss as the asset impairment loss; meanwhile, the provision for impairment of assets held for sale shall be made. For the losses from asset impairment of the held-for-sale disposal group, the book value of the goodwill in the disposal group shall be offset first; then the book value shall be offset according to the proportions of the book values of non-current assets in the disposal group.

In the event of increase in the net value of the fair value of held-for-sale non-current assets less the selling cost, the previously write-down amount shall be recovered and then reversed in the losses from asset impairment recognized after the classification as held for sale; the reversed amount shall be included in current profit and loss. The losses from asset impairment recognized before classified as held for sale shall not be reversed. In the event of increase in the net value of the fair value of held-for-sale disposal group less the selling cost, the previously write-down amount shall be recovered and then reversed in the losses from asset impairment recognized after the classification as held for sale; the reversed amount shall be included in current profit and loss. For the book value of the offset goodwill and the non-current assets, the losses from asset impairment recognized before classified as held for sale shall not be reversed. For the amount reversed after the recognized losses from asset impairment of the held-for-sale disposal group, The book value shall be increased proportionally according to the proportion of the book value of each non-current asset that is subject to the measurement of the standard other than the goodwill in the disposal group.

In the event that the enterprise loses its control over a subsidiary due to the sale of its investment in the subsidiary, regardless of whether or not the enterprise retains part of the equity investment after the sale, when the investment in the subsidiary to be sold meet the condition of held for sale classification, the investment in the subsidiary shall be classified as held for sale in the individual financial statements of the parent company, and all the assets and liabilities of the subsidiary shall be classified into held for sale in the consolidated financial statement.

18. Debt investment

(1). Determination and accounting treatment of the expected credit losses of debt investments

☐Applicable ☒Not applicable

19. Other debt investment

(1). Determination and accounting treatment of the expected credit losses of other debt investments

☐Applicable ☒Not applicable

20. Long-term accounts receivable

(1). Determination and accounting treatment of the expected credit losses of long-term receivables

☐Applicable ☒Not applicable

21. Long-term equity investment

☒Applicable ☐Not applicable

1. Recognition of investment cost

(1) Enterprise merger under the same control: In the case that the Company pays cash, transfers non-cash assets, bears the debts, or issues the equity securities as the consideration for combination, the share of book value of the owners' equity from the acquiree in the consolidated financial statement of the ultimate controller shall be taken as the initial investment cost of the long-term equity investment. The capital reserve (capital premium or equity premium) shall be adjusted according to the difference between the initial investment cost of the long-term equity investment and the book value of the paid combination consideration or the total nominal value of the outstanding shares; if the capital reserve is insufficient for write-off, the retained earnings shall be adjusted.

If the business combination under the same control is realized step by step, the share of the owner's equity of the combined calculated by the shareholding ratio on the combination date shall be deemed to be the initial investment cost of the investment. The capital reserve (capital premium or share premium) shall be adjusted according to the difference between the initial investment cost and the sum of book value of the long-term equity investment prior to the combination and the book value of the consideration newly paid for the shares obtained on the combination date. If the capital reserve is insufficient for write-off, the retained earnings shall be adjusted.

(2) In case that it is formed by business combination under non-common control, the fair value of the combination consideration paid on the acquisition date shall be the initial investment cost.

(3) Except for these formed by business combination: for those obtained by payment in cash, the paid-in purchase price shall be the initial investment cost; for the those obtained by issuing the equity securities, the fair value of the issued equity securities shall be the initial investment cost; for those made by the investor, the initial investment cost shall be determined according to the value agreed upon in the investment contract or agreement (except for the unfair value agreed upon in the investment contract or agreement).

2. Subsequent measurement and recognition method of profit and loss

The long-term equity investment that the Company may impose control over the investee shall be accounted for by the cost method in the individual financial statements of the Company; the long-term equity investment with joint control over, or significant influence on the investee shall be accounted for by equity method.

The long-term equity investment accounted for using the cost method shall be calculated as per the initial investment cost. Except for the declared but undistributed cash dividends or profits contained in the price or consideration paid when the investment is obtained, the Company shall recognize the current investment income according to the cash dividends or profits declared by the investee to be distributed to the Company. Meanwhile, determine whether the long-term investment is impaired according to the relevant asset impairment policy.

For the long-term equity investment accounted for using the equity method, if the initial investment cost is greater than the share of fair value of the due identifiable net assets of the investee, it should be included in the initial investment cost of the long-term equity; if the initial investment cost is less than the share of fair value of

due identifiable net assets of the investee, the difference shall be included in current profit and loss and the cost of the long-term equity investment shall be adjusted

When using the equity method, the investment gains and losses are recognized and the book value of the long-term equity investment is adjusted according to the share of the net profit or loss realized by the investee after the long-term equity investment is acquired. In the recognition of the share of the net profit or loss of the investee, based on the fair value of the identifiable assets of the investee when the investment is acquired and in accordance with the accounting policies and accounting period of the Company, after offsetting the gains and losses of the internal transactions between the associates and joint venture calculated as per the shareholding ratio attributable to the investing enterprise (the internal transaction loss which belongs to asset impairment loss shall be recognized in full), the net profit of the investee shall be recognized after adjustment. The profit or cash dividends distributed by the investee will reduce the book value of the long-term equity investment according to the portion that the Company should be distributed to when the distribution is declared. The Company recognizes the net loss incurred by the investee to the extent that the long-term equity investment and other long-term equity that substantially constitutes the net investment of the investee are reduced to zero (except that the Company bear the additional loss obligation). For other changes in the owner's equity other than the net profit and loss, the book value of the long-term equity investment shall be adjusted and included in the owners' equity.

3. Determine basis of the control over, or significant influence on the investee

"Control" shall mean that the investor has the power over the investee, enjoys a variable return by participating in the activities of the investee, and has the ability to use the power over the investee to influence the amount of the return. Significant influence shall refer to that the investor has the right to participate in decision-making of the financial and operating decisions of the investee, but cannot control or jointly control the preparation of the policies together with other parties.

4. Disposal of the long-term equity investment

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

When partially disposing the long-term equity investment in a subsidiary, but not losing control, the difference between the disposal price and the book value corresponding to the disposed investment shall be recognized as the current investment income.

(2) Loss of control over the subsidiary due to partial disposal of equity investments or other reasons

In the event the control over a subsidiary is lost due to partial disposal of equity investment or other reasons, the book value of the long-term equity investments equity corresponding to the equity sold shall be carried forward. The difference between the sale price and the book value of the long-term equity investment disposed shall be recognized as investment income (loss); Meanwhile, the remaining equity shall be recognized as long-term equity investment or other related financial assets according to its book value. In the event that the remaining

equity after disposal can exert joint control over or significant influence on the subsidiary, it shall be accounted for in accordance with the relevant provisions on changing the equity method to cost method.

5. The impairment test method and calculation of impairment provision

For the investments in subsidiaries, associated enterprises and joint ventures, if there is an objective evidence of impairment on the balance sheet date, the impairment provision shall be made according to the difference that the book value is higher than the recoverable amount.

22. Investment property

Inapplicable

23. Fixed assets

(1). Recognition conditions

☒Applicable ☐Not applicable

Fixed assets shall refer to the tangible assets held for the producing goods, providing service or leasing or operating management with a service life more than 1 accounting year.

The fixed assets are accounted for at the actual cost as acquired; the depreciation shall be made using the straight-line method from the next month in which they are expected to be ready for use.

(2). Depreciation methods

☒Applicable ☐Not applicable

Category	Depreciation methods	Depreciable life (year)	Residual value rate	Annual depreciation rate
Houses and buildings	Straight-line method	25-45	5.00%	2.11%-3.80%
Special equipment	Straight-line method	10-15	5.00%	6.33%-9.50%
General equipment	Straight-line method	5-18	5.00%	5.28%-19.00%
Conveyance	Straight-line method	8-12	5.00%	7.92%-11.88%

The impairment test method and calculation of impairment provision of fixed assets

3. If there is an objective evidence showing the impairment of fixed assets on the balance sheet date, the impairment provision shall be made according to the difference that the book value is higher than the recoverable amount.

(3) Recognition basis, measurement method and depreciation method of fixed assets acquired under finance leases

☐Applicable ☒Not applicable

24. Construction in progress

☒Applicable ☐Not applicable

1. The construction in progress shall be transferred to fixed assets by the actual cost of the construction when the assets are ready for their intended use. The construction in progress shall be transferred to fixed assets by the estimated value when the assets are ready for their intended use but has not completed the final account; after completing the final account, it shall be adjusted to the original tentative estimation value by the actual cost, but the depreciation calculated originally shall not be adjusted.

2. If there is an objective evidence showing the impairment of construction-in-progress on the balance sheet date, the impairment provision shall be made according to the difference that the book value is higher than the recoverable amount.

25. Borrowing costs

☒Applicable ☐Not applicable

1. Recognition of borrowing costs for capitalization

Where the borrowing costs of the Company incurred to an enterprise can be directly attributable to the acquisition and construction or production of assets eligible for capitalization, it shall be capitalized and recorded into the costs of relevant assets. Other borrowing costs shall be recognized as expenses on the basis of the actual amount incurred, and shall be recorded into the current profits and losses.

2. Capitalization period of borrowing costs

(1) The borrowing costs shall not be capitalized unless they simultaneously meet the following requirements: 1). Asset expenditure has incurred; 2). The borrowing costs have incurred; 3). The purchase and construction activities necessary to make the asset ready for use have started.

(2) Where the acquisition and construction or production of a qualified asset is interrupted abnormally and the interruption period lasts for more than 3 months, the capitalization of the borrowing costs shall be suspended. The borrowing costs incurred during such period shall be recognized as expenses of the current period, till the acquisition and construction or production of the asset restarts.

(3) When the qualified asset under acquisition and construction or production is ready for the intended use or sale, the capitalization of the borrowing costs shall be ceased.

3. Capitalized amount of borrowing costs

As for specifically borrowed loans for the acquisition and construction or production of assets eligible for capitalization, the to-be-capitalized amount of interests shall be determined in light of the actual cost incurred of the specially borrowed loan at the present period (including the amortization of discounts or premiums determined by the real interest rate method) minus the income of interests earned on the unused borrowing loans as a deposit in the bank or as a temporary investment. Where a general borrowing is used for the acquisition and construction or production of assets eligible for capitalization, the enterprise shall calculate and determine the to-be-capitalized amount of interests on the general borrowing by multiplying the weighted average asset disbursement of the part of the accumulative asset disbursements minus the general borrowing by the capitalization rate of the general borrowing used.

26. Biological assets

☐Applicable ☒Not applicable

27. Oil and natural gas assets

☐Applicable ☒Not applicable

28. Right-of-use asset

☐Applicable ☒Not applicable

29. Intangible assets**(1). Valuation method, service life and impairment test**

☒Applicable ☐Not applicable

The intangible assets, including land-use right, patent right and non-patented technology, shall be initially measured at cost.

2. The intangible assets with limited service life shall be amortized reasonably during the service life according to the expected realization method of the economic benefits related to the intangible assets; if the expected realization method cannot be reliably determined, it shall be amortized by the straight-line method. The specific term of years is as follows:

Item	Amortization period (year)
Land use rights	50
Mining rights	6-10
Expropriation of forests and land	8.75
Royalty fee	5

Computer software	3
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If there is an objective evidence showing the impairment of intangible assets with certain service life on the balance sheet date, the impairment provision shall be made according to the difference that the book value is higher than the recoverable amount; the impairment test shall be conducted annually on the intangible assets with uncertain service life and the intangible assets that are not yet available regardless of whether there is impairment indication.

(2). Accounting policy for internal R&D expenditure

√Applicable □Not applicable

The expenditures of interior R&D project in the research stage shall be included in the current profit and loss as incurred. Expenditure for the development phase of an internal research and development project that meets the following conditions is recognized as an intangible asset: (1) Complete the intangible asset so that it can be used or sold, or is technically feasible; (2) with the intention of completing and using or selling the intangible asset; (3) the ways of intangible asset to generate economic benefits include the ability to prove that the goods produced with the intangible asset have market or the intangible asset has market; for the intangible asset to be used internally, the usefulness shall be proved; (4) with sufficient technical, financial, and other resources to support the development of the intangible asset and the ability to use or sell the intangible asset; (5) the expenditures attributable to the development phase of intangible asset can be reliably measured.

The company's expenditure of internal research and development project is divided into research stage expenditure and development stage expenditure.

1) The research stage of internal research and development projects shall mean to the original planned investigation in order to obtain or understand the new scientific or technical knowledge. The company's expenditures in the research stage are included in the current profit and loss when incurred.

2) The development stage of internal research and development projects shall mean to apply the research results to a plan or design in order to produce new or substantially improved materials, devices or products before the commercial production or use.

The company's expenditures in the development stage are recognized as intangible assets only when the following conditions are met at the same time:

(1) It is technically feasible to complete the intangible asset so that it can be used or sold.

(2) With the intention of completing the intangible asset for using or selling.

(3) The ways of intangible asset to generate economic benefits include the ability to prove that the goods produced with the intangible asset have market or the intangible asset has market; for the intangible asset to be used internally, the usefulness shall be proved;

(4) With sufficient technical, financial, and other resources to support the development of the intangible asset and the ability to use or sell the intangible asset;

(5) The expenditures attributable to the development stage of the intangible asset can be reliably measured.

The expenditures in the development stage shall be included in current profit and loss as incurred if the above conditions are not met.

30. Long-term Asset Impairment

☐Applicable ☒Not applicable

31. Long-term deferred expenses

☒Applicable ☐Not applicable

The long-term deferred expenses shall be recorded according to the actual amounts incurred, and amortized evenly during the benefit period or the specified period. If the long-term deferred expenses cannot benefit the later accounting period, the amortized value of the unamortized project shall be transferred to the current profits and losses.

The Company's long-term deferred expenses include renovation of community houses, decoration of leased office space, rent of forest and land, etc., which are amortized by the straight-line method during the expected benefit period.

32. Contract liabilities

(1). Recognition method of contract liabilities

☒Applicable ☐Not applicable

The obligation of the Company to transfer goods to the customer after the consideration has been received or receivable from the customer shall be presented as contract liabilities, such as the payment that the Company has received before transferring the promised goods.

The Company offsets the contract assets and contract liabilities under the same contract before presenting them as a net amount.

33. Employee benefits

(1). Accounting treatment method of short-term benefits

☒Applicable ☐Not applicable

The employee benefits shall mean the remunerations or compensations the Company provided for the services provided by the employees or the termination of labor relations other than share-based payments. Employee benefits shall include the short-term benefits, post-employment benefits, the termination benefits and other

long-term employee benefits. The benefits provided by the Company to employees' spouses, children, dependents, surviving dependents of deceased employees, and other beneficiaries shall belong to employee benefits.

During the accounting period in which the employee provides services, the actual short-term benefits shall be recognized as a liability, and included in the current profit or loss or relevant asset cost. The non-monetary benefits shall be measured at fair value.

(2). Accounting treatment method of post-employment benefits

☐Applicable ☒Not applicable

(3). Accounting treatment method of the termination benefits

☒Applicable ☐Not applicable

In the event that the Company terminates the labor relation with the employees before the labor contract expires, or put forward the compensation suggestion to encourage employees to accept voluntary redundancy, on the earlier of the date when the Company cannot unilaterally withdraw the plan on the termination of labor relationship or the redundancy proposal, and the date when the Company recognizes the cost on the reorganization of the payment of the termination benefits, the liabilities arising from the compensation for termination of the labor relation with the employees shall be recognized and included in the current profits and losses.

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

☒Applicable ☐Not applicable

The employees of the Company have participated in the basic social pension insurance and unemployment insurance organized and implemented by the local labor and social security departments. The Company pays the insurance premium to the local social security agency on a monthly basis based on the local basic social pension insurance payment base and ratio. After the retirement of the employees, the local labor and social security department shall have the responsibility to pay the basic social pension to the retired employees. During the accounting period in which employees provide services, the Company shall recognize the amount payable according to the above social security regulations as liabilities and include them in the current profit and loss or related asset costs.

34. Lease liability

☐Applicable ☒Not applicable

35. Estimated liabilities

☒Applicable ☐Not applicable

1.Where the obligations arising from the external guarantee, contentious matter, product quality assurance, onerous contract and other contingencies constitute the current obligation of the Company, the fulfillment of the obligation is likely to result in an outflow of economic benefits from the Company, and the amount of the obligation can be measured reliably, the Company shall recognize the obligation as estimated liability.

2.The Company shall carry out the initial measurement of the estimated liability in accordance with the best estimate of the expenses required for the performance of the current obligation, and review the book value of the estimated liability on the balance sheet date.

36. Share-based payments

☒Applicable ☐Not applicable

1. Category of share-based payment

The Company's share-based payment shall be divided into the equity-settled share-based payment and the cash-settled share-based payment.

2. Method of determining the fair value of equity instruments

(1) If there is an active market, it shall be recognized according to the quotation in the active market.

If there is no active market, it is determined by valuation techniques, including the prices adopted by the parties, who are familiar with the condition, in the latest market transaction upon their own free will, current fair value obtained by referring to other financial instruments of the same essential nature, cash flow capitalization method and option pricing model, etc.

3. Basis for recognizing the best estimate of the vesting equity instrument

Estimate based on the changes in the number of employees with vesting rights and other latest information.

4. Carry out, modify and terminate the relevant accounting treatment of the share-based payment plan**(1) Equity-settled share-based payments**

The exercisable equity-settled share-based payment for employee's service after granted should be included in the relevant costs or expenses at the fair value of the equity instruments on the grant date and the capital reserve shall be adjusted accordingly. For the equity-settled share-based payment in exchange for employee services which can be exercised only after the services within the waiting period have been completed or the prescribed performance conditions have been met, the services obtained in current period shall be included in the relevant costs or expenses and the capital reserve shall be adjusted accordingly according to the fair value of the equity instruments on the grant date based on the best estimate of the number of exercisable equity instruments.

If the fair value of services of other parties can be measured reliably, the equity-settled share-based payment for services of other parties shall be measured at the fair value of services of other parties on the date of acquisition; If the fair value of the services of other parties cannot be measured reliably, but the fair value of the equity instruments can be measured reliably, it shall be measured at the fair value of the equity instruments on the acquisition date of the service and shall be included in the relevant cost and expense; the owners' equity shall be increased accordingly

(2) Share payment settled by cash

The exercisable cash-settled share-based payment for staff service after granted shall be included in the relevant costs or expenses at the fair value of the Company's liabilities on the grant date; the liabilities shall be increased accordingly For the cash-settled share-based payment for staff service exercisable until the services within the cooling-off period are completed or the specified performance conditions are met, the services obtained in current period shall be included in the relevant costs or expenses according to the fair value of the Company's liabilities based on the best evaluation of the number of exercisable equity instruments on each balance sheet date within the cooling-off period

(3) Modification and termination of the share-based payment plan

If the fair value of the granted equity instruments is increased for the modification, the increase in the obtained services shall be recognized accordingly based on the increase in the fair value of the equity instruments; if the modification increases the number of the granted equity instruments, the increase in the fair value of the equity instruments shall be recognized as the increase in obtained services; if the Company modifies the vesting condition in a way beneficial to the employees, the Company will consider the modified vesting condition when dealing with the vesting condition

If the fair value of the granted equity instruments is decreased for the modification, the Company shall recognize the amount of the obtained services based on the fair value of the equity instruments on the grant date regardless of the decrease in the fair value of the equity instruments; if the number of the granted equity instruments is decreased for the modification, the Company shall deal with the decreased part as the cancellation of the granted equity instruments; if the Company modifies the vesting condition in a way not beneficial to the employees, the Company may not consider the modified vesting condition when dealing with the vesting condition.

If the granted equity instruments are cancelled or settled (except for cancellation for not meeting the vesting condition) in the cooling-off period, the cancellation or settlement shall be treatment as accelerated exercise, and the amount originally recognized in the remaining cooling-off period shall be immediately recognized.

37. Preferred stocks outstanding, perpetual bonds and other financial instruments.

☐Applicable ☒Not applicable

38. Income**(1). Accounting policies adopted for revenue recognition and measurement**

☒Applicable ☐Not applicable

1. Recognition of revenue

The Company shall recognize the income after it has fulfilled its performance obligations in the Contract, that is, when the customer obtains the control of the relevant goods. Acquisition of control over related commodities shall mean to be able to lead the use of the commodities and obtain almost all economic benefits from the commodities.

2. According to the relevant provisions of the income standards, the Company determines that the nature of the relevant performance obligation belongs to the “performance obligation performed within a certain period” or “performance obligation performed at a certain point of time”, and recognizes the income according to the following principles.

(1) If the Company meets one of the following conditions, it is deemed to have performed the performance obligation within a certain period:

1) The customer obtains and consumes the economic benefits brought by the performance by the Company while the Company is performing the obligation.

2) The customer is able to control the assets under construction during the Company's performance.

3) The assets produced during the performance by the Company have irreplaceable uses, and the Company has the right to receive payment for performed part that has been completed so far throughout the term of the Contract.

For the performance obligations performed during a certain period of time, the Company shall recognize the income according to the progress of the performance during the period, except where the performance progress cannot be reasonably determined. The Company considers the nature of the goods and adopts the output method or the input method to determine the appropriate progress of the contract performance.

(2) For performance obligations that are not performed within a certain period of time but are performance obligations performed at a certain point of time, the Company recognizes revenue at the point of time when the customer obtains control over the relevant products.

The Company shall consider the following signs in the determination of whether the customer has acquired the control of goods:

- 1) The Company enjoys the current collection right for the goods, that is, the customer has the current payment obligation for the goods.
- 2) The Company has transferred the legal ownership of the goods to the customer. • The Company has transferred the legal ownership of the goods to the customer, that is, the customer has the legal ownership of the goods.
- 3) The Company has transferred the goods to the customer in kind, that is, the customer owns the goods in kind.
- 4) The Company has transferred the main risks and rewards of the ownership of the goods to the customers, that is, the customers have obtained the main risks and rewards of the ownership of the goods.
- 5) The customer has accepted the goods.
- 6) Other indications that the customer has taken control of the goods.

3. Measurement of income

The Company shall measure the income according to the transaction price allocated to each individual performance obligation. When determining the transaction price, the Company considers the impact of variable consideration, major financing components in the contract, non-cash consideration, consideration payable to customers and other factors.

(1) Variable consideration

The Company determines the best estimate of the variable consideration in accordance with the expected value or the amount most likely to occur. The transaction price that includes variable consideration shall not exceed the amount of which the accumulated recognition revenue will unlikely to be significantly reversed when the relevant uncertainty is eliminated. When assessing whether the cumulative recognized income is highly unlikely to have a significant reversal, the enterprise shall also consider the likelihood and proportion of the reversal.

(2) Significant financing component

Where there is a significant financing component in the Contract, the Company shall determine the transaction price based on the amount payable in cash when the customer obtains the control of the goods. The difference between the transaction price and the contract consideration shall be amortized using the effective interest method during the term of the Contract.

(3) Non-cash consideration

If a customer pays the non-cash consideration, the Company shall determine the transaction price according to the fair value of the non-cash consideration. If the fair value of the non-cash consideration cannot be reasonably

estimated, the Company shall indirectly determine the transaction price with reference to the separate selling price of the commodities it undertakes to transfer to the customer.

(4) Consideration payable to customers

For consideration payable to customers, the consideration payable shall be deducted from the transaction price, and shall be deducted from the current income at the later of the recognition of relevant income or the payment (or commitment to pay) of customer's consideration, unless the consideration payable to the customer is to obtain other clearly distinguishable goods from the customer.

The consideration payable to the customer is to obtain other clearly distinguishable goods from the customer, the purchased goods shall be recognized in a manner consistent with other purchases of the enterprise. If the consideration payable to the customer exceeds the fair value of the clearly distinguishable goods obtained from the customer, the excess amount shall be deducted from the transaction price. If the fair value of the clearly distinguishable goods obtained from the customer cannot be reasonably estimated, the enterprise shall deduct the full amount of consideration payable to customer from the transaction price.

4. Specific policies for recognizing the income of the Company

The income from domestic sales shall be recognized when the customer signs for the goods; the income from foreign sales shall be recognized when the goods have been declared offshore and the Company obtains the corresponding invoice, packing list, and bill of lading for the transaction.

(2). Differences in revenue recognition accounting policies caused by different business models of the same business

☐Applicable ☒Not applicable

39. Contract cost

☒Applicable ☐Not applicable

The contract costs are divided into contract performance costs and contract acquisition costs.

The cost incurred by the Company for the performance of the contract, which meets the following conditions at the same time, shall be recognized as an asset as the contract performance cost:

1. The costs are directly related to a current or expected contract, including direct labor, direct materials, manufacturing expenses (or similar expenses), costs explicitly to be borne by the customer and other costs incurred only due to the contract;
2. The costs increased the resources that the Company will use to fulfill its performance obligations in the future;
3. The costs are expected to be recovered.

The incremental costs incurred by the Company for the acquisition of the contract, which are expected to be recovered, shall be recognized as an asset as the contract acquisition costs; however, if the amortization of the asset does not exceed one year, it can be included in the current profit and loss when it occurs.

The assets related to the contract costs shall be amortized on the same basis as the recognition of the income from the goods or services related to the assets.

If the book value of assets related to contract costs is higher than the difference between the following two items, the Company shall make provision for impairment of the excess part and recognize it as an asset impairment loss:

1. The remaining consideration expected to be obtained due to the transfer of goods or services related to the asset;
2. The cost expected to be incurred for the transfer of such goods or services.

If the aforesaid asset impairment provision is subsequently reversed, the reserved book value shall not exceed the book value of the asset on the reversal date in the case where impairment provision is not withdrawn.

40. Government subsidies

☒Applicable ☐Not applicable

1. Government subsidies include the asset-related government subsidies and income-related government subsidies.

2. The government subsidies that are monetary assets shall be measured in accordance with the amount received or receivable; the government subsidies that are non-monetary assets shall be measured at fair value; if the fair value cannot be reliably obtained, they shall be measured according to the nominal amount.

3. Government subsidies use the gross method:

(1) The asset-related government subsidies recognized as deferred income shall be included in the profits and losses by stages over the service life of the related asset in a reasonable and systematic method. If the related assets are sold, transferred, abandoned or damaged before the end of the service life, the undistributed balance of the deferred income shall be transferred to the profit and loss of the asset disposal period.

(2) The income-related government subsidies used as compensation for the relevant expenses or losses in later period shall be recognized as deferred income, and shall be included in the current profits and losses during the period of recognizing the relevant expenses; those used for compensating the relevant expenses or losses shall be directly included in the current profits and losses.

4. For government subsidies that are included in both asset-related parts and income-related parts, if they can be distinguished, they are accounted for in different parts; if they are difficult to distinguish, they are classified as income-related government subsidies as a whole.

5. The government subsidies related to the daily business activities of the Company shall be included in other gains in accordance with the nature of the economic business; the government subsidies that are unrelated to the daily activities of the Company shall be included in the non-operating income and expense.

6. Where the Company obtains policy-based loan with discounted interests, they shall be accounted for respectively according to the discounted interests allocated to the lending bank and the discounted interests directly allocated by the government to the Company:

(1) In the event that the department of finance pays the interest subsidy to the lending bank, and then the lending bank provide the loan to the Company at the policy-based preferential interest rate, The Company will perform the accounting treatment according to the following methods:

The amount of the received borrowings shall be the entry value of the borrowings; the borrowing cost shall be calculated according to the loan principal and the policy-based preferential interest rate.

(2) If the department of finance directly disburses the interest subsidies to the Company, the relevant interest subsidies shall be used to offset the borrowing cost.

41. Deferred income tax assets/deferred income tax liabilities

☒Applicable ☐Not applicable

1. The deferred tax assets or deferred tax liabilities shall be recognized at the applicable tax rate in the expected period when recover the assets or clear off the liabilities according to the difference between the book value and the tax basis of the assets and liabilities (the difference between the tax basis and physical count quantity for the items not recognized as assets or liabilities and the tax basis of which can be determined as per the taxation regulations).

2. The deferred income tax assets shall be recognized within the limit of the possible taxable income to be used to offset deductible temporary differences. On the balance sheet date, if there is strong evidence that a sufficient amount of taxable income is likely to be obtained in the coming period to offset the deductible temporary differences, the deferred tax assets not recognized in the prior accounting period shall be recognized.

3. The Company shall check the book value of the deferred tax assets on the balance sheet date. The book value of deferred tax assets shall be written down if sufficient taxable income cannot be received to deduct the interest of the deferred tax assets in the future period. When it is highly probable to obtain sufficient taxable income, the write-down amount is reversed.

4.The current income tax and deferred income tax of the Company shall be included in the current profits and losses as income tax expenses or proceeds, excluding the income tax arising from the following circumstances:
(1) business combination; (2) transactions or events recognized directly in the owner's equity.

42. Leasing

(1). Accounting treatment method of operating lease

☒Applicable ☐Not applicable

When the Company is the lessee, on the commencement date of the lease term, except for short-term leases and low-value asset leases that adopt simplified treatment, the right-of-use assets and lease liabilities are recognized for leases. After the commencement date of the lease term, the Company adopts the cost model to carry out subsequent measurement of the right-of-use asset. The depreciation of the right to use assets shall be made in accordance with the relevant provisions of the Accounting Standards for Enterprises No. 4 - Fixed Assets on depreciation. If the lessee can reasonably determine that the ownership of leased assets can be obtained at the expiration of the lease term, the fixed assets shall be depreciated within the remain service life of the leased assets. If it cannot be reasonably determined that the ownership of leased assets can be obtained at the expiration of the lease term, the fixed assets shall be depreciated within the shorter of the lease term and the service life of the remained leased assets. The Company determines whether the right of use asset has been impaired and conducts accounting treatment for the identified impairment losses in accordance with the relevant provisions of the Accounting Standards for Business Enterprises No. 8 - Asset Impairment.

If the Company acts as the lessor, it adopts the straight-line method in each period of the lease term, and recognizes the lease receipts from operating leases as rental income. Capitalize the initial direct expenses incurred in connection with operating leases, amortize them on the same basis as the recognition of rental income during the lease period, and include them in current profit and loss in installments.

(2). Accounting treatment method of financial leases

☒Applicable ☐Not applicable

When the Company is the lessee, on the lease term commencement date, it calculates the interest expense of the lease liability during each period of the lease term according to a fixed periodic interest rate, and includes it in the current profit and loss. If it should be included in relevant asset cost according to the Accounting Standards for Business Enterprises No. 17- Borrowing Costs and other standards, the relevant provisions shall prevail. For short-term leases and low-value asset leases, choose not to recognize right-of-use assets and lease liabilities, and include the lease payments of short-term leases and low-value asset leases in the cost of relevant assets or current profit and loss according to the straight-line method during each period of the lease term.

The Company, as the lessor, shall recognize the finance lease receivable and terminate the recognition of the finance lease assets on the lease commencement date, and calculate and recognize the interest income for each period of the lease term based on a fixed periodic interest rate.

(3). Determination and accounting treatment of the lease under the new lease standard

☒Applicable ☐Not applicable

When the Company is the lessee, on the commencement date of the lease term, except for short-term leases and low-value asset leases that adopt simplified treatment, the right-of-use assets and lease liabilities are recognized for leases.

After the commencement date of the lease term, the Company adopts the cost model to carry out subsequent measurement of the right-of-use asset. The depreciation of the right to use assets shall be made in accordance with the relevant provisions of the Accounting Standards for Enterprises No. 4 - Fixed Assets on depreciation. If the lessee can reasonably determine that the ownership of leased assets can be obtained at the expiration of the lease term, the fixed assets shall be depreciated within the remain service life of the leased assets. If it cannot be reasonably determined that the ownership of leased assets can be obtained at the expiration of the lease term, the fixed assets shall be depreciated within the shorter of the lease term and the service life of the remained leased assets. The Company determines whether the right of use asset has been impaired and conducts accounting treatment for the identified impairment losses in accordance with the relevant provisions of the Accounting Standards for Business Enterprises No. 8 - Asset Impairment.

The Company calculates the interest expense of the lease liability during each period of the lease term according to a fixed periodic interest rate, and includes it in the current profit and loss. If it should be included in relevant asset cost according to the Accounting Standards for Business Enterprises No. 17- Borrowing Costs and other standards, the relevant provisions shall prevail.

For short-term leases and low-value asset leases, the Company chooses not to recognize right-of-use assets and lease liabilities, and include the lease payments of short-term leases and low-value asset leases in the cost of relevant assets or current profit and loss according to the straight-line method during each period of the lease term.

43. Other significant accounting policies and accounting estimates

☐Applicable ☒Not applicable

44. Changes in significant accounting policies and accounting estimates

(1). Changes in significant accounting policies

☒Applicable ☐Not applicable

1. The Ministry of Finance issued the "Accounting Standards for Business Enterprises Interpretation No. 15" (C.K. (2021) No. 35, hereinafter referred to as "Interpretation No. 15") on 31 December, 2021.

(1) Accounting treatment for trial sale

Interpretation No. 15 stipulates the “accounting treatment and presentation of the external sale of products or by-products produced by enterprises before the fixed assets reach the expected usable status or in the process of research and development”, and “shall not offset costs of fixed assets or research and development expenditures against the net amount after offsetting relevant costs against the relevant income from trial sale”. This provision shall come into effect from 1 January 2022, and retrospective adjustments shall be made to trial sales that occurred between the beginning of the earliest period for financial statement presentation and 1 January 2022.

The Company's implementation of the regulations did not have a significant impact on the Company's financial status and operating results.

(2) Judgment on onerous contract

Interpretation No. 15 clarifies that the “cost of performing a contract” considered by enterprises in determining whether a contract constitutes an onerous contract should include both the incremental cost of performing the contract and the allocation amount of other costs directly related to performing the contract. This provision comes into effect from 1 January 2022. The enterprise shall implement this provision for contracts under which all the obligations have not been fulfilled by 1 January 2022, and adjust the retained earnings and other related financial statement items at the beginning of the current year of the implementation date based on the cumulative impact. The data in previous comparative financial statements will not be adjusted.

The Company's implementation of the regulations did not have a significant impact on the Company's financial status and operating results.

(3) Presentation related to centralized management of funds

Interpretation No. 15 stipulates the accounting treatment and presentation of funds collected by enterprises into the accounts of the group parent company, funds directly borrowed by enterprises from the accounts of the group parent company, funds directly deposited by enterprises into the financial company without being collected into the accounts of the group parent company, and funds directly borrowed by enterprises from the financial company without being collected from the accounts of the group parent company, and clearly states that the fact that enterprises implement centralized fund management should be disclosed in the notes. This provision shall come into effect from 31 December 2021. If the financial statements of the enterprise prior to the issuance of the Interpretation are not presented in accordance with the above provision, the data in the financial statements of the comparable period shall be adjusted accordingly in accordance with this Interpretation.

The Company's implementation of the regulations did not have a significant impact on the Company's financial status and operating results.

2. The Ministry of Finance issued the "Accounting Standards for Business Enterprises Interpretation No. 16" (C.K. (2022) No. 31, hereinafter referred to as "Interpretation No. 16") on December 13, 2022.

(1) Accounting treatment for deferred income tax related to assets and liabilities arising from a single transaction not subject to initial recognition exemption

Interpretation No. 16 stipulates that, for a single transaction that is not a business combination, that does not affect accounting profits or the amount of taxable income (or deductible loss) upon the occurrence of a transaction, and the initially recognized assets and liabilities result in an equal amount of taxable temporary differences and deductible temporary differences (including lease transactions in which lease liabilities are initially recognized by the lessee on the lease inception date and included in the right-of-use assets, and transactions in which estimated liabilities are recognized and included in the relevant asset costs due to the disposal obligations of fixed assets, the enterprises respectively recognize the corresponding deferred income tax liabilities and deferred income tax assets upon the occurrence of the transaction. The provision shall come into effect on 1 January 2023. Adjustments should be made for transactions that apply this Interpretation that occur between the beginning of the earliest period in which financial statements are presented for the first time and 1 January 2023. Adjust the initial retained earnings and other related financial statement items for the earliest period presented in the financial statements based on the cumulative impact.

The Company's implementation of the regulations did not have a significant impact on the Company's financial status and operating results.

(2) Accounting treatment for the income tax impact of dividends related to financial instruments classified as equity instruments by the issuer

Interpretation No. 16 stipulates that for financial instruments classified as equity instruments by enterprises, the enterprise shall recognize the income tax impact of dividend expenses deducted before tax when recognizing dividends payable, and shall include the income tax impact of dividends in the current profit or loss or owner's equity (including other comprehensive income items) in a manner consistent with the accounting treatment used in past transactions or events that generate distributable profits. This provision shall come into effect from 13 December 2022. For financial instruments classified as equity instruments, if the recognized dividends payable occur between 1 January 2022 and 13 December 2022, the enterprise shall conduct accounting treatment in accordance with the provisions; retroactive adjustments shall be made if the recognized dividends payable occurred before 1 January 2022 and the financial instruments have not been de-recognized on 1 January 2022.

The Company's implementation of the regulations did not have a significant impact on the Company's financial status and operating results.

(3) Accounting treatment for enterprises to modify cash-settled share-based payments to equity-settled share-based payments

Interpretation No. 16 stipulates that on the modification date, enterprises shall measure equity-settled share-based payments based on the fair value of the equity instruments granted on the grant date, and include the

services obtained in the capital reserve; terminate the recognition of the liabilities recognized on the modification date of the cash-settled share-based payments. The difference between the two items shall be included in the current profit and loss. This provision shall come into effect from 13 December 2022. For new transactions between 1 January 2022 and 13 December 2022, the enterprise shall conduct accounting treatment in accordance with the provision; for transactions that occurred before 1 January 2022, the enterprise shall adjust the retained earnings and other related financial statement items as of 1 January 2022 based on the cumulative impact. The data in previous comparative financial statements will not be adjusted.

The Company's implementation of the regulations did not have a significant impact on the Company's financial status and operating results.

(2). Changes in major accounting estimates

☐Applicable ☒Not applicable

(3). The first implementation of the new accounting standards or the interpretations from 2022 involves the adjustment of the financial statements at the beginning of the first implementation year

☐Applicable ☒Not applicable

45. Others

☐Applicable ☒Not applicable

VI. Taxes

1. Major taxes and tax rates

Major taxes and tax rates

☒Applicable ☐Not applicable

Tax categories	Tax basis	Tax rate
Value-added tax	Sale of goods or provision of taxable services	1%、3%、6%、9%、13%
Consumption tax		
Business tax		
Urban maintenance and construction tax	Turnover tax actually paid.	1%、7%
Enterprise income tax	Taxable income	15%、25%
Education fees and surcharges	Turnover tax actually paid.	5%
Property tax	Income of house rent	12%
Property tax	1. 70% of the original value of fixed	1.20%

	assets in self-owned property	
Land use taxes	Area of land for use	RMB 3.00-10.50 /m ²
Resource tax	For ad valorem taxation, 70% of the sales income of products shall be paid after deducting the freight	5%

If there are taxpayers with different enterprise income tax rates, the information shall be disclosed

☐Applicable ☒Not applicable

2. Tax incentives

☒Applicable ☐Not applicable

1. In accordance with the Announcement of the Ministry of Finance and the State Taxation Administration on Improving the Value-Added Tax Policies for the Comprehensive Utilization of Resources ([2021] No. 40), shaped graphite parts, graphite blocks, graphite powder, and graphite carburant produced from waste graphite will be subject to a policy of immediate refund (50%) of VAT upon payment. The Company may enjoy the policy of immediate refund (50%) of VAT upon payment for the eligible VAT.

2. In accordance with Article 6, Paragraph 2 (4) of the Resource Tax Law of the People's Republic of China, the resource tax shall be reduced by 30% on mineral resources from mines with an actual mining life of more than 15 years (the remaining service life not exceeding 5 years). Fushun Laihe Mining Co., Ltd., a subsidiary of the Company, has been enjoying a 30% reduction in resource tax since 1 July 2016.

3. According to the Announcement on Continuing the Enterprise Income Tax Policy for Western Development" (Ministry of Finance Announcement No. 23 of 2020) issued by the Ministry of Finance, the State Administration of Taxation, and the National Development and Reform Commission's , from 1 January, 2021 to 31 December, 2030, enterprises in encouraged industries located in the western region are subject to a reduced corporate income tax rate of 15%. At present, the primary business of the Company and its subsidiary Chengdu Carbon Material is in line with the industrial items stipulated in the Catalogue of Encouraged Industries in Western Region, and the income from primary business accounts for more than 60% of the total income of the enterprise. Therefore, the Company can declare and pay the tax at the enterprise income tax rate of 15%. The Company's business operations have not changed in 2022. The Company and its subsidiary Chengdu Carbon Material can declare and pay the tax at the enterprise income tax rate of 15%.

3. Others

☐Applicable ☒Not applicable

VII. Notes to consolidated financial statement**1. Monetary funds**

√Applicable □Not applicable

Unit: yuan Currency: RMB

Item	Closing balance	Opening balance
Cash on hand	127,528.10	73,379.04
Cash in bank	2,937,298,305.32	7,304,671,809.66
Other cash and bank balance	214,601,106.38	451,601,569.63
Total	3,152,026,939.80	7,756,346,758.33
Including: total amount deposited overseas	55,032.69	826,330.68

Other notes

The funds with limited use in the monetary funds at the end of the period include RMB 212,093,542.44 of notes, L/G and other margins.

At the end of the period, there were no funds deposited overseas and the repatriation of funds was restricted.

2. Held-for-trading financial assets

√Applicable □Not applicable

Unit: yuan Currency: RMB

Item	Closing balance	Opening balance
Financial assets measured at fair value through profit or loss	1,545,366,189.88	639,019,115.47
Including:		
Debt instruments investment		
Equity instruments investment	1,545,366,189.88	639,019,115.47
Total	1,545,366,189.88	639,019,115.47

3. Financial derivative assets

□Applicable √Not applicable

4. Notes receivable**(1). List of notes receivable by categories**

√Applicable □Not applicable

Unit: yuan Currency: RMB

Item	Closing balance	Opening balance
Bank acceptance	1,028,267,156.36	
Trade acceptance	44,854,395.96	54,211,233.26
Total	1,073,121,552.32	54,211,233.26

(2). Pledged notes receivable by the company at the end of the period.

√Applicable □Not applicable

Unit: yuan Currency: RMB

Item	Closing amount pledged
Bank acceptance	89,239,123.67
Trade acceptance	
Total	89,239,123.67

(3). The closing notes receivable endorsed or discounted by the Company not matured at the balance sheet date

☒Applicable ☐Not applicable

Unit: yuan Currency: RMB

Item	Closing amount derecognized	Closing amount not derecognized
Bank acceptance		268,439,946.60
Trade acceptance		21,243,219.73
Total		289,683,166.33

(4). The notes of the Company which are transferred as receivables due to the non-compliance by the drawer at the end of period.

☐Applicable ☒Not applicable

(5). Disclosure by classification method of bad debt accrual

☒Applicable ☐Not applicable

Unit: yuan Currency: RMB

Category	Closing balance					Opening balance				
	Book balance		Provision for bad debts		Book value	Book balance		Provision for bad debts		Book value
	Amount	Proportion (%)	Amount	Additions proportion (%)		Amount	Proportion (%)	Amount	Additions proportion (%)	
Accrued bad-debt provision by individual:										
Accrued bad-debt provision by portfolio	1,073,346,951.29	100.00	225,398.97	0.02	1,073,121,552.32	54,478,176.33	100.00	266,943.07	0.49	54,211,233.26
Including:										
Bank acceptance bill portfolio	1,028,267,156.36	95.80			1,028,267,156.36					
Commercial acceptance bills portfolio	45,079,794.93	4.20	225,398.97	0.50	44,854,395.96	54,478,176.33	100.00	266,943.07	0.49	54,211,233.26
Total	1,073,346,951.29	100.00	225,398.97	/	1,073,121,552.32	54,478,176.33	100.00	266,943.07	/	54,211,233.26

Accrued bad-debt provision by individual:

☐Applicable ☒Not applicable

Accrued bad-debt provision by portfolio:

☐Applicable ☒Not applicable

If the provision for bad debts is made according to the general model of expected credit losses, please refer to the disclosure of other receivables:

☐Applicable ☒Not applicable

(6). Bad debt provision

☒Applicable ☐Not applicable

Unit: yuan Currency: RMB

Category	Opening balance	Amount changed in current period			Closing balance
		Provision	Recovered or reversed	Write-off	
Notes receivable accrued bad-debt provision by individual					
Notes receivable having provision for bad debt as per credit risk characteristics portfolio	266,943.07	-41,544.10			225,398.97
Total	266,943.07	-41,544.10			225,398.97

Of which: the bad debt provision recovered or reversed with important amount in the current period:

☐Applicable ☒Not applicable

(7). Notes receivable with actual written-off during the current period

☐Applicable ☒Not applicable

Other notes

☐Applicable ☒Not applicable

5. Accounts receivable

(1). Disclosed by aging

☒Applicable ☐Not applicable

Unit: yuan Currency: RMB

Aging	Ending book balance
Within 1 year	
Including: Subitems within 1 year	
Within 1 year (inclusive)	508,491,752.45
Within 1 year in subtotal	508,491,752.45
1-2 years	30,775,688.56
2-3 years	4,060,635.05

More than 3 years	104,857,892.67
Total	648,185,968.73

(2). Disclosure by classification method of bad debt accrual

√Applicable ☐Not applicable

Unit: yuan Currency: RMB

Category	Closing balance					Opening balance				
	Book balance		Provision for bad debts		Book value	Book balance		Provision for bad debts		Book value
	Amount	Proportion (%)	Amount	Additions proportion (%)		Amount	Proportion (%)	Amount	Additions proportion (%)	
Accrued bad-debt provision by individual:	101,732,321.48	15.69	101,732,321.48	100.00		84,739,921.91	12.78	84,739,921.91	100.00	
Including:										
Receivables with significant individual amount and having independent provision for bad debt	31,296,289.33	4.83	31,296,289.33	100.00		31,296,289.33	4.72	31,296,289.33	100.00	
Receivables with no significant individual amount but having independent provision for bad debt	70,436,032.15	10.86	70,436,032.15	100.00		53,443,632.58	8.06	53,443,632.58	100.00	
Accrued bad-debt provision by portfolio	546,453,647.25	84.31	14,679,777.00	2.69	531,773,870.25	578,129,337.02	87.22	23,697,772.95	4.10	554,431,564.07
Including:										
Accounts receivable portfolio A	546,453,647.25	84.31	14,679,777.00	2.69	531,773,870.25	578,129,337.02	87.22	23,697,772.95	4.10	554,431,564.07
Total	648,185,968.73	100.00	116,412,098.48		531,773,870.25	662,869,258.93	100.00	108,437,694.86	/	554,431,564.07

Accrued bad-debt provision by individual:

√Applicable □Not applicable

Unit: yuan Currency: RMB

Name	Closing balance			
	Book balance	Provision for bad debts	Additions proportion (%)	Reasons for withdrawal
Receivables with significant individual amount and having independent provision for bad debt	31,296,289.33	31,296,289.33	100.00	Not expected to be recovered
Receivables with no significant individual amount but having independent provision for bad debt	70,436,032.15	70,436,032.15	100.00	Not expected to be recovered
Total	101,732,321.48	101,732,321.48	100.00	/

Description of accrued bad-debt provision by individual:

□Applicable √Not applicable

Accrued bad-debt provision by portfolio:

√Applicable □Not applicable

Portfolio withdrawal item: accounts receivable portfolio A

Unit: yuan Currency: RMB

Name	Closing balance		
	Accounts receivable	Provision for bad debts	Additions proportion (%)
Within 1 year (inclusive)	504,619,981.03	2,523,099.92	0.50
1-2 years (inclusive)	30,447,721.11	3,410,144.76	11.20
2-3 years (inclusive)	4,060,635.05	1,421,222.26	35.00
More than 3 years	7,325,310.06	7,325,310.06	100.00
Total	546,453,647.25	14,679,777.00	

Recognition criteria and description of bad debts accrued by portfolio:

□Applicable √Not applicable

If the provision for bad debts is made according to the general model of expected credit losses, please refer to the disclosure of other receivables:

□Applicable √Not applicable

(3). **Bad debt provision**

√Applicable □Not applicable

Unit: yuan Currency: RMB

Category	Opening balance	Amount changed in current period				Closing balance
		Provision	Recovered or reversed	Write-off	Other changes	
Receivables with significant individual amount and having independent provision for bad debt	31,296,289.33					31,296,289.33
Receivables without significant individual amount and having independent provision for bad debt	53,443,632.58	18,170,989.83	1,178,590.26			70,436,032.15
Accounts receivable portfolio A	23,697,772.95	-9,017,995.95				14,679,777.00
Total	108,437,694.86	9,152,993.88	1,178,590.26			116,412,098.48

Of which: the bad debt provision recovered or reversed with important amount in the current period:

☐Applicable ☒Not applicable**(4). Accounts receivable actually written off in the current period**☐Applicable ☒Not applicable**(5). Top five accounts receivable for closing balance collected by the debtor**☒Applicable ☐Not applicable

Unit: yuan Currency: RMB

Name of entity	Closing balance	Proportion in total balance of accounts receivable at the end of period (%)	Closing balance of bad debts reserve
1	33,750,672.89	5.21	1,687,533.64
2	20,783,345.01	3.21	216,544.27
3	18,248,012.65	2.81	18,248,012.65
4	17,298,297.51	2.67	86,491.49
5	15,442,620.67	2.38	77,213.10

Total	105,522,948.73	16.28	20,315,795.15
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(6). Derecognized receivables due to transfer of financial assets

☐Applicable ☒Not applicable

(7). Amounts of assets and liabilities from transferring receivables and involved

☐Applicable ☒Not applicable

Other notes:

☐Applicable ☒Not applicable

6. Receivables financing

☒Applicable ☐Not applicable

Unit: yuan Currency: RMB

Item	Closing balance	Opening balance
Bank Acceptance Bill	453,554,021.98	1,199,715,024.93
Commercial acceptance bills		
Total	453,554,021.98	1,199,715,024.93

Changes in increase and decrease of receivables financing and changes in fair in the current period:

☐Applicable ☒Not applicable

If the provision for bad debts is made according to the general model of expected credit losses, please refer to the disclosure of other receivables:

☐Applicable ☒Not applicable

Other notes:

☒Applicable ☐Not applicable

Receivable financing with endorsement or discount but not yet matured at the end of the period

Unit: yuan Currency: RMB

Item	Closing amount derecognized	Closing amount not derecognized	Remarks
Bank Acceptance Bill	209,928,173.23		
Total	209,928,173.23		

7. Prepayments**(1). Prepayments are listed by aging**

☒Applicable ☐Not applicable

Unit: yuan Currency: RMB

Aging	Closing balance		Opening balance	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year	163,329,816.10	99.74	158,799,762.36	99.37
1-2 years	384,416.55	0.24	184,344.31	0.12
2-3 years	1,929.16		36,627.30	0.02
More than 3 years	37,811.25	0.02	787,007.03	0.49

Total	163,753,973.06	100.00	159,807,741.00	100.00
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(2). **Top five advance payments for the closing balance per the objects of advance payment**√Applicable ☐Not applicable

Name of entity	Closing balance	Proportion in total closing balance of prepayments (%)
1	21,840,086.00	13.34
2	21,819,170.50	13.32
3	21,626,573.66	13.21
4	12,702,060.00	7.76
5	10,098,264.22	6.17
Total	88,086,154.38	53.80

Other notes

☐Applicable ☒Not applicable**8. Other receivables****Listed by item**√Applicable ☐Not applicable

Unit: yuan Currency: RMB

Item	Closing balance	Opening balance
Interests receivable		
Dividends receivable		
Other receivables	131,782,915.15	167,078,225.63
Total	131,782,915.15	167,078,225.63

Other notes:

☐Applicable ☒Not applicable**Interests receivable**(1). **Classification of interests receivable**☐Applicable ☒Not applicable(2). **Significant overdue interest**☐Applicable ☒Not applicable(3). **Information of bad-debt provision**☐Applicable ☒Not applicable

Other notes:

☐Applicable ☒Not applicable**Dividends receivable**(1). **Dividends receivable**☐Applicable ☒Not applicable

(2). Important dividends receivable aging over 1 year

☐Applicable ☒Not applicable

(3). Information of bad-debt provision

☐Applicable ☒Not applicable

Other notes:

☐Applicable ☒Not applicable

Other receivables**(1). Disclosed by aging**

☒Applicable ☐Not applicable

Unit: yuan Currency: RMB

Aging	Ending book balance
Within 1 year	
Including: Subitems within 1 year	
Within 1 year	21,610,889.45
Within 1 year in subtotal	21,610,889.45
1-2 years	7,017,142.33
2-3 years	76,411,891.68
More than 3 years	185,483,218.18
Total	290,523,141.64

(2). Classification by nature of money

☒Applicable ☐Not applicable

Unit: yuan Currency: RMB

Nature of fund	Ending book balance	Opening book balance
Current accounts	254,319,672.08	267,248,532.92
Margin	14,707,561.86	12,116,460.24
Revolving fund	2,302,461.26	2,937,277.21
Others	19,193,446.44	20,508,419.53
Total	290,523,141.64	302,810,689.90

(3). Information of bad-debt provision

☒Applicable ☐Not applicable

Unit: yuan Currency: RMB

Provision for bad debts	Stage 1	Stage 2	Stage 3	Total
	Expected credit losses in the next 12 months	Expected credit loss for the entire duration (no credit impairment occurred)	Expected credit loss for the entire duration (credit impairment has occurred)	

Balance as of 1 January, 2022	6,888,113.16		128,844,351.11	135,732,464.27
Balance on 1 January, 2022 in the current period				
--Transfer to the stage 2				
--Transfer to the stage 3				
--Transfer back to the stage 2				
--Transfer back to the stage 1				
Amount of withdrawal in current period	-1,974,199.20		28,152,629.58	26,178,430.38
Reversed in current period				
Written off in current period				
Write-off in this period			3,170,668.16	3,170,668.16
Other changes				
Balance as of 31 December, 2022	4,913,913.96		153,826,312.53	158,740,226.49

Explanation of the significant changes in the book balance of other receivables for which the provision for loss has changed in the current period:

☐Applicable ☒Not applicable

The amount of provision for bad debts in the current period and the basis for assessing whether the credit risk of financial instruments has significantly increased:

☐Applicable ☒Not applicable

(4). Bad debt provision

☒Applicable ☐Not applicable

Unit: yuan Currency: RMB

Category	Opening balance	Amount changed in current period				Closing balance
		Provision	Recovered or reversed	Write-off	Other changes	
Stage 1	6,888,113.16	-1,974,199.20				4,913,913.96
Stage 2						
Stage 3	128,844,351.11	28,152,629.58		3,170,668.16		153,826,312.53
Total	135,732,464.27	26,178,430.38		3,170,668.16		158,740,226.49

Import reversed or recovered amount from non-performing debt during the period:

☐Applicable ☒Not applicable

(5). Other accounts receivable with actual write-off during the period.

☒Applicable ☐Not applicable

Unit: yuan Currency: RMB

Item	Amount written-off
Other accounts receivable with actual write-off.	3,170,668.16

Including: significant written-off of accounts receivable:

☐Applicable ☒Not applicable

Explanation for Write-off of other accounts receivable:

☐Applicable ☒Not applicable

(6). Top five other accounts receivable for closing balance collected by the debtor.

☒Applicable ☐Not applicable

Unit: yuan Currency: RMB

Name of entity	Nature of fund	Closing balance	Aging	Proportion in total closing balance of other receivables (%)	Provision for bad debts Closing balance
1	Current accounts	6,374,124.79	Within 1 year (inclusive)	61.35	71,150,017.24
		3,957,468.35	1-2 years (inclusive)		
		67,609,280.25	2-3 years (inclusive)		
		100,305,560.19	More than 3 years		
2	Current accounts	111,674.81	Within 1 year (inclusive)	5.93	17,225,535.83
		65,627.71	1-2 years (inclusive)		
		72,319.15	2-3 years (inclusive)		
		16,975,914.16	More than 3 years		
3	Current accounts	12,000,000.00	More than 3 years	4.13	12,000,000.00
4	Current accounts	10,068,251.18	More than 3 years	3.47	10,068,251.18
5	Current accounts	6,692,469.91	2-3 years (inclusive)	2.30	2,007,740.97
Total	/	224,232,690.50	/	77.18	112,451,545.22

(7). Receivables related to government subsidy

☐Applicable ☒Not applicable

(8). Derecognized other receivables due to transfer of financial assets

□Applicable √Not applicable

(9). Amount from transferring other receivables and further involving assets and liabilities:

□Applicable √Not applicable

Other notes:

□Applicable √Not applicable

9. Inventory**(1). Inventory classification**

√Applicable □Not applicable

Unit: yuan Currency: RMB

Item	Closing balance			Opening balance		
	Book balance	Inventory depreciation reserve / depreciation reserve for contract performance costs	Book value	Book balance	Inventory depreciation reserve / depreciation reserve for contract performance costs	Book value
Raw materials	417,698,961.79	19,826.29	417,679,135.50	314,993,234.56	20,515.21	314,972,719.35
Work in progress	1,256,522,504.74	28,618,041.89	1,227,904,462.85	971,244,146.68	9,874,695.70	961,369,450.98
Stocked goods	373,599,053.68	2,716,902.10	370,882,151.58	244,824,077.35	8,731,436.87	236,092,640.48
Reusable materials						
Consumable biological assets						
Contract performance cost						
Packing and consumables	607,506.05		607,506.05	4,119,748.89		4,119,748.89
Consigned processing materials	266,696,256.70		266,696,256.70	217,916,685.69		217,916,685.69
Goods shipped	10,175,265.72		10,175,265.72	92,550.38		92,550.38

Project construction (completed but settlement is not made)	4,877,897.74		4,877,897.74	3,587,699.74		3,587,699.74
Total	2,330,177,446.42	31,354,770.28	2,298,822,676.14	1,756,778,143.29	18,626,647.78	1,738,151,495.51

(2). Inventory depreciation reserve and the depreciation reserve for contract performance costs

√Applicable □Not applicable

Unit: yuan Currency: RMB

Item	Opening balance	Amount of increase in current period		Amount of decrease in current period		Closing balance
		Provision	Ot he rs	Reversals or written-off	Ot he rs	
Raw materials	20,515.21			688.92		19,826.29
Work in progress	9,874,695.70	30,699,148.01		11,955,801.82		28,618,041.89
Stocked goods	8,731,436.87	3,210,827.66		9,225,362.43		2,716,902.10
Reusable materials						
Consumable biological assets						
Contract performance cost						
Consigned processing materials						
Total	18,626,647.78	33,909,975.67		21,181,853.17		31,354,770.28

(3). Closing balance of inventory excludes the amount of capitalization of borrowing costs.

□Applicable √Not applicable

(4). Description of the current amortization amount of contract performance costs

□Applicable √Not applicable

Other notes

√Applicable □Not applicable

Item	Basis of inventory revaluation reserve withdrawn	Reasons for inventory revaluation reserve for written-off in current period
Raw materials	Cost and net realizable value, whichever is lower	Sold in current period
Homemade semi-finished products and work in progress	Cost and net realizable value, whichever is lower	Sold in current period
Stocked goods	Cost and net realizable value, whichever is lower	Sold in current period
Consigned processing materials	Cost and net realizable value, whichever is lower	Sold in current period

10. Contract assets**(1). Profile of contract assets**

√Applicable □Not applicable

Unit: yuan Currency: RMB

Item	Closing balance			Opening balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Quality guarantee fund	23,418,218.07	529,215.61	22,889,002.46	16,332,227.77	80,027.92	16,252,199.85
Total	23,418,218.07	529,215.61	22,889,002.46	16,332,227.77	80,027.92	16,252,199.85

(2). The amount and reason for the significant change in the book value during the reporting period

□Applicable √Not applicable

(3). Provision for impairment of contract assets in the current period

√Applicable □Not applicable

Unit: yuan Currency: RMB

Item	Amount of withdrawal in current period	Reversed in current period	Write-off/verification in current period	Cause
Provision for bad debts of contract assets	449,187.69			
Total	449,187.69			/

If the provision for bad debts is made according to the general model of expected credit losses, please refer to the disclosure of other receivables:

□Applicable √Not applicable

Other notes:

☐Applicable ☒Not applicable

11. Held-for-sale assets

☐Applicable ☒Not applicable

12. Non-current assets due within one year

☐Applicable ☒Not applicable

Important debt investment and other debt investment at the end of the period:

☐Applicable ☒Not applicable

13. Other current assets

☐Applicable ☒Not applicable

Unit: yuan Currency: RMB

Item	Closing balance	Opening balance
Contract acquisition cost		
Return cost receivable		
Prepaid taxes	5,029,740.26	11,185,104.93
Remaining VAT credit amount payable	18,033,086.90	21,752,864.04
Total	23,062,827.16	32,937,968.97

14. Debt investment

(1). Debt investment

☐Applicable ☒Not applicable

(2). Important debt investment at the end of the period

☐Applicable ☒Not applicable

(3). Withdraw of impairment provision

☐Applicable ☒Not applicable

The amount of provision for impairment in the current period and the basis for assessing whether the credit risk of financial instruments has significantly increased:

☐Applicable ☒Not applicable

Other notes

☐Applicable ☒Not applicable

15. Other debt investment

(1). Other debt investment

☐Applicable ☒Not applicable

(2). Other important debt investment at the end of the period

☐Applicable ☒Not applicable

(3). Withdraw of impairment provision

☐Applicable ☒Not applicable

The amount of provision for impairment in the current period and the basis for assessing whether the credit risk of financial instruments has significantly increased:

☐Applicable ☒Not applicable

Other notes:

☐Applicable ☒Not applicable

16. Long-term accounts receivable

(1). Long-term accounts receivable

☐Applicable ☒Not applicable

(2). Information of bad-debt provision

☐Applicable ☒Not applicable

The amount of provision for bad debts in the current period and the basis for assessing whether the credit risk of financial instruments has significantly increased

☐Applicable ☒Not applicable

(3). Derecognized long-term receivables due to transfer of financial assets

☐Applicable ☒Not applicable

(4). Amounts of assets and debts from transfer of long-term receivables and further involving assets and liabilities.

☐Applicable ☒Not applicable

Other notes

☐Applicable ☒Not applicable

17. Long-term equity investment

☒Applicable ☐Not applicable

Unit: yuan Currency: RMB

Investee	Opening balance	Increase or decrease in current period								Closing balance	Closing balance of depreciation reserves
		Additional investment	Reduction of investment	Investment gains and losses recognized under equity method	Adjustment of other comprehensive income	Other changes in equity	Distribution of cash dividend or profit declared	Withdrawal of depreciation reserves	Others		
I. Joint ventures											
Fangda C-CHEM (Jiangsu) Needle Coke	187,689,988.69			-39,805,618.72		-1,208,752.72				146,675,617.25	

Techno logy Co., Ltd.											
Sub-tot al	187,689 ,988.69			-39,805, 618.72		-1,208, 752.72				146,675 ,617.25	
II. Associates											
Baofan g Carbon Materia l Techno logy Co., Ltd.	615,869 ,199.42			3,692,0 27.38		191,36 8.78				619,752 ,595.58	
Bank of Jiujiang Co., Ltd.	1,537,7 38,070. 95			72,298, 614.90	-5,350, 121.02		13,607, 000.00			1,591,0 79,564. 83	425,684 ,011.01
Jilin Chemic al Fiber Stock Co., Ltd.	510,651 ,188.89		143,36 5,477. 84	-11,830, 503.81	27,639, 207.88	74,886, 241.40				457,980 ,656.52	
Tianjin Haihe Fangda Industr y Invest ment Fund Partner ship (Limite d Partner ship)	41,497, 329.43			-8,747,9 82.66						32,749, 346.77	
Nancha ng		4,500,0 00,000.		61,392, 497.90						4,561,3 92,497.	

Huxu Steel Industry Investment Partnership (Limited Partnership)		00								90	
Sub-total	2,705,755,788.69	4,500,000,000.00	143,365,477.84	116,804,653.71	22,289,086.86	75,077,610.18	13,607,000.00			7,262,954,661.60	425,684,011.01
Total	2,893,445,777.38	4,500,000,000.00	143,365,477.84	76,999,034.99	22,289,086.86	73,868,857.46	13,607,000.00			7,409,630,278.85	425,684,011.01

18. Equity instruments investment**(1). Investment in other equity instruments**

☐Applicable ☒Not applicable

(2). Investment in non-trading equity instruments

☐Applicable ☒Not applicable

Other notes:

☐Applicable ☒Not applicable

19. Other non-current financial assets

☒Applicable ☐Not applicable

Unit: yuan Currency: RMB

Item	Closing balance	Opening balance
Ningbo Meishan Bonded Port Area Fuxing Weiyong Equity Investment Fund Partnership (Limited Partnership)	324,090,101.94	313,345,688.48
Total	324,090,101.94	313,345,688.48

Other notes:

☐Applicable ☒Not applicable

20. Investment property

Measurement mode of investment property

Inapplicable

21. Fixed assets**Listed by item**

√Applicable □Not applicable

Unit: yuan Currency: RMB

Item	Closing balance	Opening balance
Fixed assets	2,406,552,908.42	2,241,806,910.27
Disposal of fixed assets	183,731.89	
Total	2,406,736,640.31	2,241,806,910.27

Other notes:

□Applicable √Not applicable

Fixed assets**(1). Fixed assets**

√Applicable □Not applicable

Unit: yuan Currency: RMB

Item	Houses and buildings	Special equipment	Conveyance	General equipment	Total
I. Original book value					
1. Opening balance	1,575,031,432.25	2,299,731,770.25	67,768,404.62	724,005,258.73	4,666,536,865.85
2. Amount of increase in current period	121,034,172.56	254,371,739.74	12,523,169.23	55,853,263.54	443,782,345.07
(1) Purchase	510,382.00	6,349,827.73	9,874,447.42	11,202,406.22	27,937,063.37
(2) Transferred from construction in progress	117,891,724.62	251,081,858.49	2,644,921.81	44,226,776.78	415,845,281.70
(3) Increase caused by business combination					
(4) Others	2,632,065.94	-3,059,946.48	3,800.00	424,080.54	0
3. Amount of decrease in current period	22,452,232.81	201,142,963.80	8,492,420.92	15,589,754.86	247,677,372.39
(1).	22,452,232.81	199,066,254.65	8,492,420.92	15,589,754.86	245,600,663.24

Disposal or retirement					
(2) Transferred to the construction in progress					
(3) Other transferred out		2,076,709.15			2,076,709.15
4. Closing balance	1,673,613,372.00	2,352,960,546.19	71,799,152.93	764,268,767.41	4,862,641,838.53
II. Accumulated depreciation					
1. Opening balance	611,323,798.16	1,371,237,107.23	54,056,384.00	370,576,988.12	2,407,194,277.51
2. Amount of increase in current period	62,823,433.80	140,129,199.11	8,893,855.83	41,685,427.60	253,531,916.34
(1) Additions	55,431,056.37	147,563,024.56	8,891,162.94	41,646,672.47	253,531,916.34
(2) Others	7,392,377.43	-7,433,825.45	2,692.89	38,755.13	0
3. Amount of decrease in current period	17,447,444.94	186,626,751.93	5,001,742.23	13,097,002.71	222,172,941.81
(1). Disposal or retirement	17,447,444.94	184,653,878.23	5,001,742.23	13,097,002.71	220,200,068.11
(2) Transferred to the construction in progress					
(3) Other transferred out		1,972,873.70			1,972,873.70
4. Closing balance	656,699,787.02	1,324,739,554.41	57,948,497.60	399,165,413.01	2,438,553,252.04
III. Impairment provision					
1. Opening balance	4,656,293.39	12,877,599.07		1,785.61	17,535,678.07

2. Amount of increase in current period					
(1) Additions					
(2) Others					
3. Amount of decrease in current period					
(1). Disposal or retirement					
(2) Others					
4. Closing balance	4,656,293.39	12,877,599.07		1,785.61	17,535,678.07
IV. Book value					
1. Ending book value	1,012,257,291.59	1,015,343,392.71	13,850,655.33	365,101,568.79	2,406,552,908.42
2. Beginning book value	959,051,340.70	915,617,063.95	13,712,020.62	353,426,485.00	2,241,806,910.27

(2). Fixed assets temporarily idle

√Applicable □Not applicable

Unit: yuan Currency: RMB

Item	Original book value	Accumulated depreciation	Impairment provision	Book value	Remarks
Houses and buildings	45,040,867.66	31,921,891.48	4,656,293.39	8,462,682.79	
Special equipment	350,189,120.61	230,928,367.95	21,813,254.05	97,447,498.61	
General equipment	16,275,803.90	10,566,121.22	1,785.61	5,707,897.07	
Transportation Equipment	1,530,981.57	1,454,432.49		76,549.08	
Total	413,036,773.74	274,870,813.14	26,471,333.05	111,694,627.55	

(3). Fixed assets leased-in through finance lease

□Applicable √Not applicable

(4). Fixed assets leased-out through operating lease

□Applicable √Not applicable

(5). Fixed asset requiring the collection of certificate of title

√Applicable □Not applicable

Unit: yuan Currency: RMB

Item	Book value	The reason for not completing the certificate of title
Fangda Carbon New Material Co., Ltd.	141,322,925.85	Buildings before restructuring, not processed yet
Fushun Fangda New Materials Co., Ltd.	8,447,626.79	Not processed yet
Chengdu Carbon Material Co., Ltd.	107,513,759.50	Newly built plants, to be uniformly handled after the completion of other plants
Fushun Laihe Mining Co., Ltd.	2,463,020.50	Self-built, unable to apply for housing certificate
Hefei Carbon Co., Ltd.	3,957,294.16	Without land certificate
Meishan Fangda Rongguang Carbon Co., Ltd.	151,756,961.13	It cannot be handled temporarily due to municipal planning
Fushun Carbon Co., Ltd.	9,966,775.18	Before the restructuring in 2002, due to the fact that the property had already been mortgaged to the bank and the government, the transfer procedures had not been completed due to historical reasons, and the newly built property had not obtained a property certificate
Total	425,428,363.11	

Other notes:

□Applicable √Not applicable

Disposal of fixed assets

□Applicable √Not applicable

22. Construction in progress**Listed by item**

√Applicable □Not applicable

Unit: yuan Currency: RMB

Item	Closing balance	Opening balance
Construction in progress	416,715,196.45	481,933,171.37
Construction materials	57,304.50	357,804.50
Total	416,772,500.95	482,290,975.87

Other notes:

□Applicable √Not applicable

Construction in progress**(1). Profile of construction in progress**

√Applicable □Not applicable

Unit: yuan Currency: RMB

Item	Closing balance			Opening balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
3,100t carbon fiber project	218,957,399.33	32,702,058.40	186,255,340.93	218,957,399.33	32,702,058.40	186,255,340.93
Special graphite manufacturing and processing project with an output of 30,000 tons/year	111,415,144.31		111,415,144.31	43,251,819.76		43,251,819.76
Ultra-high power graphite electrode and special graphite project with an annual output of 50,000 tons	47,504,340.87		47,504,340.87	129,836,439.47		129,836,439.47
Ultra-high power graphite electrode and special graphite project with an annual output of 25,000 tons	525,940.13		525,940.13	16,320,591.73		16,320,591.73
Newly built factory in Xiatang Town, Changfeng County	66,600,286.01		66,600,286.01	101,065,272.49		101,065,272.49

Project of reuse of gray water of sewage station				1,937,497.94		1,937,497.94
Fangda Hotel Project	2,618,439.08		2,618,439.08	2,250,514.55		2,250,514.55
Graphite electrode anti-counterfeiting system software project	56,724.14		56,724.14	56,724.14		56,724.14
Others	1,738,980.98		1,738,980.98	958,970.36		958,970.36
Total	449,417,254.85	32,702,058.40	416,715,196.45	514,635,229.77	32,702,058.40	481,933,171.37

(2). Changes to important construction in process in current period

√Applicable □Not applicable

Unit: yuan Currency: RMB

Project name	Budget	Opening balance	Amount of increase in current period	Amount transfers to fixed assets in current period	Amount of other decreases in current period	Closing balance	Proportion of accumulated project input in budget (%)	Project progress	Cumulative amount of interest capitalization	Including: amount of interest capitalization of current period	Proportion of interest capitalization in current period (%)	Sources of funds

3,100t carbon fiber project	1,470,000,000.00	218,957,399.33				218,957,399.33	28.35	35.00	51,762,672.18			Borrowing, self-raised fund
Special graphite manufacturing and processing project with an output of 30,000 tons/year	2,101,911,700.00	43,251,819.76	114,588,159.88	46,424,835.33		111,415,144.31	33.08	42.00				Self-raised fund
Ultra-high power graphite electrode and special graphite project with an annual output of 50,000 tons	715,921,300.00	129,836,439.47	89,447,203.48	171,221,632.31	557,669.77	47,504,340.87	67.39	59.27				Self-raised fund
Ultra-high power graphite electrode and special graphite project with an annual output of 25,000 tons	195,084,800.00	16,320,591.73	5,267,653.45	18,599,673.26	2,462,631.79	525,940.13	96.00	95.77				Self-raised fund

Newly built factory in Xiatang Town, Changfeng County	446,250,700.00	101,065,272.49	91,178,778.38	125,643,764.86		66,600,286.01	45.31	59.97				Self-raised fund
Project of reuse of gray water of sewage station	6,448,250.01	1,937,497.94	4,278,853.21	6,216,351.15			96.40	100.00				Self-raised fund
Fangda Hotel Project	59,268,800.00	2,250,514.55	367,924.53			2,618,439.08	4.42	10.00				Self-raised fund
Baking plant flue gas advanced treatment project	44,630,000.00		29,435,114.37	29,435,114.37			65.95	100.00				Self-raised fund
Tunnel kiln flue gas desulfurization project in 7# workshop of the baking plant	4,150,000.00		3,381,527.23	3,381,527.23			81.48	100.00				Self-raised fund
New high pressure impregnation and secondary baking tunnel kiln project	109,885,000.00		1,039,022.19	1,039,022.19			79.45	100.00				Self-raised fund

Project of replacing voltage regulating transformers for five sets of furnaces in the graphitization plant	2,000,000.00		1,769,911.50	1,769,911.50			88.50	100.00				Self-raised fund
Total	5,155,550,550.01	513,619,535.27	340,754,148.22	403,731,832.20	3,020,301.56	447,621,549.73	/	/	51,762,672.18		/	/

(3). Construction in progress with provision for impairment during this reporting period:

☐Applicable ☒Not applicable

Other notes

☐Applicable ☒Not applicable

Construction materials**(1). Construction materials**

√Applicable □Not applicable

Unit: yuan Currency: RMB

Item	Closing balance			Opening balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Construction materials	57,304.50		57,304.50	658,304.50	300,500.00	357,804.50
Total	57,304.50		57,304.50	658,304.50	300,500.00	357,804.50

23. Bearer biological assets**(1). Productive biological assets using cost measurement model**

□Applicable √Not applicable

(2). Productive biological assets using the fair value measurement model

□Applicable √Not applicable

Other notes

□Applicable √Not applicable

24. Oil and natural gas assets

□Applicable √Not applicable

25. Right-of-use asset

√Applicable □Not applicable

Unit: yuan Currency: RMB

Item	Houses and buildings	Total
I. Original book value		
1. Opening balance	19,465,920.13	19,465,920.13
2. Amount of increase in current period		
3. Amount of decrease in current period		
4. Closing balance	19,465,920.13	19,465,920.13
II. Accumulated depreciation		
1. Opening balance	2,919,888.02	2,919,888.02
2. Amount of increase in current period	3,893,184.04	3,893,184.04
(1) Additions	3,893,184.04	3,893,184.04
3. Amount of decrease in current period		
(1) Disposal		

4. Closing balance	6,813,072.06	6,813,072.06
III. Impairment provision		
1. Opening balance		
2. Amount of increase in current period		
(1) Additions		
3. Amount of decrease in current period		
(1) Disposal		
4. Closing balance		
IV. Book value		
1. Ending book value	12,652,848.07	12,652,848.07
2. Beginning book value	16,546,032.11	16,546,032.11

26. Intangible assets**(1). Profile of intangible assets**

√Applicable □Not applicable

Unit: yuan Currency: RMB

Item	Land use rights	Patent rights	Computer software	Mining rights	Expropriation of forests and land	Franchise	Total
I. Original book value							
1. Opening balance	632,345,716.88	12,523,132.00	41,619.84	78,973,821.58	116,433,093.74	50,000.00	840,367,384.04
2. Amount of increase in current period							
(1) Purchase							
(2) Internal research and development							
(3) Increase caused by business combination							

on							
3. Amount of decrease in current period	14,997,019.4 4						14,997,019.4 4
(1) Disposal	14,997,019.4 4						14,997,019.4 4
(2) Disposal of subsidiaries							
(3) Others							
4. Closing balance	617,348,697.44	12,523,132.00	41,619.84	78,973,821.58	116,433,093.74	50,000.00	825,370,364.60
II. Accumulated amortization							
1. Opening balance	177,226,328.13	12,523,132.00	41,619.84	78,973,821.58	116,433,093.74	50,000.00	385,247,995.29
2. Amount of increase in current period	13,392,763.21						13,392,763.21
(1) Additions	13,392,763.21						13,392,763.21
(2) Increase caused by business combination							
3. Amount of decrease in current period	6,619,224.08						6,619,224.08
(1) Disposal	6,619,224.08						6,619,224.08
4. Closing balance	183,999,867.26	12,523,132.00	41,619.84	78,973,821.58	116,433,093.74	50,000.00	392,021,534.42
III. Impairment provision							
1. Opening							

balance							
2. Amount of increase in current period							
(1) Additions							
3. Amount of decrease in current period							
(1) Disposal							
4. Closing balance							
IV. Book value							
1. Ending book value	433,348,830.18						433,348,830.18
2. Beginning book value	455,119,388.75						455,119,388.75

(2). The Company's land use rights requiring the collection of certificate of title.

□Applicable √Not applicable

Other notes:

□Applicable √Not applicable

27. R&D expenditure

□Applicable √Not applicable

28. Goodwill

(1). Original book value of goodwill

√Applicable □Not applicable

Unit: yuan Currency: RMB

The name of the investee or the formation of goodwill	Opening balance	Increase in current period		Decrease in current period		Closing balance
		Formed by business merger	Others	Disposal	Others	
Hefei Carbon Co., Ltd.	8,887,445.58					8,887,445.58
Fushun Carbon Co., Ltd.	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: RMB

The name of the investee or the formation of goodwill	Opening balance	Increase in current period		Decrease in current period		Closing balance
		Provision	Others	Disposal	Others	
Hefei Carbon Co., Ltd.	8,887,445.58					8,887,445.58
Fushun Carbon Co., Ltd.	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

(3). Relevant information on the assets group or portfolio of asset groups on which the goodwill is contained

□Applicable √Not applicable

(4). Explain the business reputation impairment test process, key parameters (e.g. the growth rate in the forecasting period, the growth rate in the stable period, the profit margin, the discount rate, and the forecast period, if applicable) and the recognition method for business reputation impairment loss

□Applicable √Not applicable

(5). Impact of business reputation impairment test

□Applicable √Not applicable

Other notes

□Applicable √Not applicable

29. Long-term deferred expenses

√Applicable □Not applicable

Unit: yuan Currency: RMB

Item	Opening balance	Amount of increase in current period	Amount of amortization in current period	Other amount of increase	Closing balance
Woodland rent	198,360.85		32,787.60		165,573.25
Prospection cost	555,723.24		137,358.46		418,364.78
Decoration and technical	138,749.35		59,799.36		78,949.99

maintenance costs					
Pipeline service fees	307,714.52		33,876.84		273,837.68
Total	1,200,547.96		263,822.26		936,725.70

30. Deferred income tax assets/deferred income tax liabilities**(1). Deferred tax assets without offsetting**

√Applicable □Not applicable

Unit: yuan Currency: RMB

Item	Closing balance		Opening balance	
	Deductible temporary difference	Deferred tax assets	Deductible temporary difference	Deferred tax assets
Assets impairment provision	312,570,246.51	56,905,209.95	275,723,493.26	52,024,411.25
Unrealized profits from internal transactions	6,150,999.31	922,649.90	509,572.72	44,583.42
Deductible losses				
Government subsidies	43,668,362.09	9,071,329.15	47,353,404.25	9,727,650.72
Unpaid wages	837,178.70	209,294.68	837,615.59	209,403.90
Transactional financial instrument	88,142,577.96	13,221,386.69	2,119,504.98	529,876.25
Recoverable losses	3,765,354.12	941,338.53		
Total	455,134,718.69	81,271,208.90	326,543,590.80	62,535,925.54

(2). Deferred tax liability without offsetting

√Applicable □Not applicable

Unit: yuan Currency: RMB

Item	Closing balance		Opening balance	
	Taxable temporary differences	Deferred tax liabilities	Taxable temporary differences	Deferred tax liabilities
Value-added estimation of enterprise merger under different control	155,506,825.32	38,876,706.33	169,206,192.32	42,301,548.08
Changes in fair value of other debt investments				
Changes in fair value of other equity instruments investment				
Held-for-trading	72,857.56	18,214.39	37,899,756.54	5,698,928.73

financial assets				
Amortization of fixed assets and intangible assets	80,921,909.59	12,138,286.44	61,287,427.53	9,193,114.13
Total	236,501,592.47	51,033,207.16	268,393,376.39	57,193,590.94

(3). **Deferred income tax assets or liabilities in net amount after offsetting**

□Applicable √Not applicable

(4). **List of unrecognized deferred income tax assets**

√Applicable □Not applicable

Unit: yuan Currency: RMB

Item	Closing balance	Opening balance
Deductible temporary difference	243,089,947.88	233,660,249.63
Deductible losses	189,957,484.96	203,015,153.56
Total	433,047,432.84	436,675,403.19

(5). **Deductible losses of deferred income tax assets unrecognized will mature in the following year.**

√Applicable □Not applicable

Unit: yuan Currency: RMB

Year	Closing amount	Opening amount	Remarks
2023	21,870,749.37	31,220,475.06	
2024	21,612,774.63	28,873,304.72	
2025	70,523,813.22	85,416,055.36	
2026	18,700,848.78	57,505,318.42	
2027	57,249,298.96		
Total	189,957,484.96	203,015,153.56	/

Other notes:

□Applicable √Not applicable

31. Other non-current assets

√Applicable □Not applicable

Unit: yuan Currency: RMB

Item	Closing balance			Opening balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Contract						

acquisition cost						
Contract performance cost						
Return cost receivable						
Contract assets						
Prepayments for long-term assets and land transfer fees	70,326,560.14		70,326,560.14	43,067,424.76		43,067,424.76
Laihe Mining Community Engineering 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
Input tax retained and SOP compensation agreement VAT	11,039,232.51		11,039,232.51	63,306,436.64		63,306,436.64
Dongxiang Nationality Autonomous County Zhendong Zhiyuan Public Passenger Transport Co., Ltd.	12,000,000.00		12,000,000.00	12,000,000.00		12,000,000.00

Linxia Hui Autonomous Prefecture Huiweizhai Food Co., Ltd.	1,000,000.00		1,000,000.00	1,000,000.00		1,000,000.00
Total	142,017,624.83	22,636,001.99	119,381,622.84	167,025,693.58	22,636,001.99	144,389,691.59

32. Short-term borrowings**(1). Classification of short-term borrowings**

√Applicable □Not applicable

Unit: yuan Currency: RMB

Item	Closing balance	Opening balance
Pledged borrowings		248,204,600.00
Secured borrowings	68,652,115.73	
Collateral borrowings		
Credit borrowings	350,276,833.34	150,152,166.67
Unmatured discounted bills	13,970,640.42	
Total	432,899,589.49	398,356,766.67

(2). Short-term borrowings overdue but outstanding:

□Applicable √Not applicable

In which, the important outstanding short-term loans are as follows:

□Applicable √Not applicable

Other notes

√Applicable □Not applicable

Secured borrowings

Unit: yuan Currency: RMB

Borrowing entity	Borrowings amount	Collateral
Guoyuan Securities Dalian Huanghe Road Securities Banking Department	68,652,115.73	Part of the financial assets held for trading held by Shanghai Fangda Investment Management Co., Ltd.
Total	68,652,115.73	

33. Held-for-trading financial liabilities

□Applicable √Not applicable

34. Financial derivative liabilities

☐Applicable ☒Not applicable

35. Notes payable**(1). List of notes payable**

☒Applicable ☐Not applicable

Unit: yuan Currency: RMB

Categories	Closing balance	Opening balance
Commercial acceptance bills		
Bank Acceptance Bill	287,189,256.80	299,333,548.59
Domestic letter of credit	313,500,000.00	
Total	600,689,256.80	299,333,548.59

36. Accounts payable**(1). List of accounts payable**

☒Applicable ☐Not applicable

Unit: yuan Currency: RMB

Item	Closing balance	Opening balance
Accounts payable	305,265,140.47	256,809,650.97
Fund payable for project fund	140,109,686.78	141,396,694.27
Fund payable for equipment	16,548,978.86	27,930,043.90
Freight payable	34,971,926.64	19,357,815.74
Total	496,895,732.75	445,494,204.88

(2). Significant accounts payable with an aging of over 1 year

☒Applicable ☐Not applicable

Unit: yuan Currency: RMB

Item	Closing balance	Reasons for nonpayment or non-carry-over
1	8,253,347.51	Not finally settled
2	7,381,592.16	Long production period for machines to be purchased and manufactured
3	6,977,051.56	Unsettled
4	3,712,713.44	Unsettled
5	3,427,040.24	Payment terms not met
6	3,372,843.50	The other party did not collect
7	2,829,060.19	Long production period for machines to be purchased and manufactured

8	2,773,000.00	The other party did not collect
9	2,441,696.51	The other party did not collect
10	2,030,183.14	The other party did not collect
11	2,013,946.19	Long production period for machines to be purchased and manufactured
12	2,010,337.02	The other party did not collect
13	1,894,758.00	The other party did not collect
14	1,888,717.93	The other party did not collect
15	1,446,191.32	The other party did not collect
16	1,335,950.89	Unsettled
17	1,002,828.74	Not finally settled
Total	54,791,258.34	

Other notes

☐Applicable ☒Not applicable**37. Advances from customers****(1). List of advances from customers**☐Applicable ☒Not applicable**(2). Significant advances from customers aged over one year.**☐Applicable ☒Not applicable

Other notes

☐Applicable ☒Not applicable**38. Contract liabilities****(1). Contract liabilities**☒Applicable ☐Not applicable

Unit: yuan Currency: RMB

Item	Closing balance	Opening balance
Advances from customers	281,962,674.31	155,199,445.07
Total	281,962,674.31	155,199,445.07

(2). The amount and reason for the significant change in the book value during the reporting period☐Applicable ☒Not applicable

Other notes:

☐Applicable ☒Not applicable**39. Employee benefits payable****(1). List of employee benefits payable**☒Applicable ☐Not applicable

Unit: yuan Currency: RMB

Item	Opening balance	Increase in current period	Decrease in current period	Closing balance
I. Short-term remuneration	80,921,391.03	734,680,037.47	741,076,601.13	74,524,827.37
II. Post-employment benefits - defined contribution plans	16,915,558.14	82,311,430.19	81,495,847.86	17,731,140.47
III. Termination benefits				
IV. Other benefits due within one year				
Total	97,836,949.17	816,991,467.66	822,572,448.99	92,255,967.84

(2). (2) Presentation of short-term salary

√Applicable □Not applicable

Unit: yuan Currency: RMB

Item	Opening balance	Increase in current period	Decrease in current period	Closing balance
I. Salaries, bonuses, allowances and subsidies	74,264,484.19	563,902,305.46	586,721,979.70	51,444,809.95
II. Employee welfare		71,770,778.18	71,770,778.18	
III. Social insurance premiums	1,111,536.09	48,217,623.91	45,505,190.88	3,823,969.12
Including: Medical insurance premiums	1,110,277.47	42,058,517.63	39,413,256.31	3,755,538.79
Work-related injury insurance premiums	1,166.62	6,068,044.73	6,000,781.02	68,430.33
Maternity insurance premiums	92.00	91,061.55	91,153.55	
IV. Housing Fund	1,780,223.00	43,358,579.17	28,647,401.66	16,491,400.51
V. Labor union funds, employee education funds	3,765,147.75	7,430,750.75	8,431,250.71	2,764,647.79
VI. Short-term compensated absences				
VII. Short-term profit-sharing plan				
Total	80,921,391.03	734,680,037.47	741,076,601.13	74,524,827.37

(3). List of defined contribution plan

√Applicable □Not applicable

Unit: yuan Currency: RMB

Item	Opening balance	Increase in current period	Decrease in current period	Closing balance
1. Basic pension insurance premiums	14,724,826.61	79,357,602.16	78,568,683.26	15,513,745.51
2. Unemployment insurance premiums	2,190,731.53	2,953,828.03	2,927,164.60	2,217,394.96
3. Enterprise annuity payment				
Total	16,915,558.14	82,311,430.19	81,495,847.86	17,731,140.47

Other notes:

□Applicable √Not applicable

40. Taxes payable

√Applicable □Not applicable

Unit: yuan Currency: RMB

Item	Closing balance	Opening balance
Value-added tax	9,162,082.89	3,755,011.53
Consumption tax		
Business tax		
Enterprise income tax	76,407,274.33	72,948,667.66
Personal Income Tax		
Urban maintenance and construction tax	332,498.14	340,421.75
Land use taxes	1,004,784.83	1,004,853.23
Property tax	366,450.40	313,406.23
Education surcharge	248,446.12	254,466.27
Individual income tax withholding	1,115,415.31	2,525,503.52
Resource tax		
Stamp duty	743,385.30	392,573.84
Others	228,226.88	349,672.54
Total	89,608,564.20	81,884,576.57

41. Other payables**Listed by item**

√Applicable □Not applicable

Unit: yuan Currency: RMB

Item	Closing balance	Opening balance
Interests payable	219,899.12	219,899.12
Dividends payable	2,139,998.15	2,139,998.15
Other payables	213,047,621.36	190,507,175.53
Total	215,407,518.63	192,867,072.80

Other notes:

□Applicable √Not applicable

Interests payable**(1). Classification presentation**

√Applicable □Not applicable

Unit: yuan Currency: RMB

Item	Closing balance	Opening balance
Installment payment of long-term borrowings interest with principal at maturity date		
Interest of corporate bond		
Interest payable for short-term borrowings	219,899.12	219,899.12
Preferred shares\perpetual bond interest classified as financial liabilities		
Total	219,899.12	219,899.12

Key overdue unpaid interests:

□Applicable √Not applicable

Other notes:

□Applicable √Not applicable

Dividends payable**(1). Classification presentation**

√Applicable □Not applicable

Unit: yuan Currency: RMB

Item	Closing balance	Opening balance
Dividend of ordinary shares	2,139,998.15	2,139,998.15
Total	2,139,998.15	2,139,998.15

Other payables**(1). Other payables presented by nature of fund**

√Applicable □Not applicable

Unit: yuan Currency: RMB

Item	Closing balance	Opening balance
Fund payable for project fund	9,576,094.06	20,198,137.21
Current accounts payable	43,342,876.99	41,631,458.18
Deposit payable	84,880,735.57	59,594,462.87
Freight payable	80,512.34	9,140,047.57
Service fee payable	84,036.78	4,256,636.90
Other payables	75,083,365.62	55,686,432.80
Total	213,047,621.36	190,507,175.53

(2). Significant other accounts payable with an aging of over 1 year

√Applicable □Not applicable

Unit: yuan Currency: RMB

Item	Closing balance	Reasons for nonpayment or non-carry-over
1	8,991,588.29	Formed before transformation
2	2,000,000.00	Formed before transformation
3	1,903,000.00	Margin not due
4	1,889,000.00	Margin not due
5	1,390,000.00	Margin not due
6	1,200,000.00	Margin not due
7	1,200,000.00	Margin not due
8	1,000,000.00	Margin not due
Total	19,573,588.29	

Other notes:

□Applicable √Not applicable

42. Held-for-sale liabilities

□Applicable √Not applicable

43. Non-current liabilities due within one year

√Applicable □Not applicable

Unit: yuan Currency: RMB

Item	Closing balance	Opening balance
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Long-term loan due within one year		250,006,085.00
Bonds payable maturing within one year		
Long-term payables due within one year		
Lease liabilities due within one year	3,822,398.80	3,494,289.23
Total	3,822,398.80	253,500,374.23

44. Other current liabilities

Other current liabilities

√Applicable □Not applicable

Unit: yuan Currency: RMB

Item	Closing balance	Opening balance
Short-term bonds payable		
Payment for return payable		
Output tax to be carried forward	36,655,147.71	20,182,842.09
Non-de-recognition of receivables financing	275,696,626.33	163,163,437.02
Total	312,351,774.04	183,346,279.11

Increasing or decreasing of short-term bonds payable

□Applicable √Not applicable

Other notes:

□Applicable √Not applicable

45. Long term borrowings**(1). Classification of long-term borrowings**

√Applicable □Not applicable

Unit: yuan Currency: RMB

Item	Closing balance	Opening balance
Pledged borrowings		
Secured borrowings		
Collateral borrowings		
Credit borrowings	396,344,850.00	
Total	396,344,850.00	

Other notes, including interest rate intervals:

□Applicable √Not applicable

46. Bonds payable**(1). Bonds payable**

☐Applicable ☒Not applicable

(2). Increasing or decreasing of bonds payable: (excluding preferred stock, perpetual bond and other financial tools not classified as financial liabilities)

☐Applicable ☒Not applicable

(3). Description of conversion conditions and stock conversion time of convertible company bonds:

☐Applicable ☒Not applicable

(4). Description of other financial instruments divided into financial liabilities

Basic statement preferred stocks outstanding at the end of the period, perpetual bonds and other financial instruments.

☐Applicable ☒Not applicable

Statement of changes in preferred stocks outstanding at the end of the period, perpetual bonds, and other financial instruments.

☐Applicable ☒Not applicable

Statement of basis of other financial instruments divided as financial liabilities:

☐Applicable ☒Not applicable

Other notes:

☐Applicable ☒Not applicable

47. Lease liability

☒Applicable ☐Not applicable

Unit: yuan Currency: RMB

Item	Closing balance	Opening balance
Rental housing	9,632,898.09	13,455,296.89
Total	9,632,898.09	13,455,296.89

48. Long-term accounts payable**Listed by item**

☒Applicable ☐Not applicable

Unit: yuan Currency: RMB

Item	Closing balance	Opening balance
Long-term accounts payable		
Special payables		332,259.46
Total		332,259.46

Other notes:

☐Applicable ☒Not applicable

Long-term accounts payable**(1). Long-term payables listed based on nature of fund**

□Applicable √Not applicable

Special payables**(1). Special payables listed based on nature of fund**

√Applicable □Not applicable

Unit: yuan Currency: RMB

Item	Opening balance	Increase in current period	Decrease in current period	Closing balance	Causes
Appropriate special funds	332,259.46		332,259.46		
Total	332,259.46		332,259.46		/

49. Long-term employee benefits payable

□Applicable √Not applicable

50. Estimated liabilities

□Applicable √Not applicable

51. Deferred income

Details of deferred proceeds

√Applicable □Not applicable

Unit: yuan Currency: RMB

Item	Opening balance	Increase in current period	Decrease in current period	Closing balance	Causes
Government subsidies	325,227,914.84	13,830,500.00	19,256,467.51	319,801,947.33	
Government subsidies (income-related)		11,292,400.00	7,596,080.00	3,696,320.00	
Total	325,227,914.84	25,122,900.00	26,852,547.51	323,498,267.33	

Items involving government grants:

√Applicable □Not applicable

Unit: yuan Currency: RMB

Liabilities	Opening balance	Increase of subsidy amount in current period	Amount included in non-operating income in current period	Amount included other income in current period	Other changes	Closing balance	Relating to assets / income

Land use rights compensation	22,507,608.87			474,068.24		22,033,540.63	Related to assets
Funds allocated for high temperature gas-cooled reactor	2,640,477.40			582,805.44		2,057,671.96	Related to assets
Funds allocated for anode material	249,999.67			200,000.04		49,999.63	Related to assets
Funds allocated for natural gas boiler	2,666,666.55			222,222.24		2,444,444.31	Related to assets
Funds for east and west sewage outlets	34,490.83			2,777.76		31,713.07	Related to assets
New electrode contact wire project	1,749,999.80			350,000.04		1,399,999.76	Related to assets
Industrial project investment rewards	15,000,000.00			750,000.00		14,250,000.00	Related to assets
Special funds for the development of provincial strategic emerging industries	10,451,000.00			1,119,750.00		9,331,250.00	Related to assets
Special funds for central strategic emerging industries	35,000,000.00			3,750,000.00		31,250,000.00	Related to assets
Financial support funds for the	11,474,400.00			1,229,400.00		10,245,000.00	Related to assets

30,000-ton project							
Science and technology funds for 3,100-ton carbon fiber production project	77,423,510.59			6,343,483.68		71,080,026.91	Related to assets
Carbon products project with an annual output of 50,000 tons	140,000,000.00			2,916,666.67		137,083,333.33	Related to assets
Subsidy for central site leveling project	6,029,761.13			623,768.40		5,405,992.73	Related to assets
Policy-based house purchasing subsidy		13,830,500.00		691,525.00		13,138,975.00	Related to assets
Policy-based property management subsidies		4,620,400.00		924,080.00		3,696,320.00	Relating to gains
Policy-based compensation and subsidies		6,672,000.00		6,672,000.00			Relating to gains
Total	325,227,914.84	25,122,900.00		26,852,547.51		323,498,267.33	

Other notes:

☐Applicable ☒Not applicable**52. Other non-current liabilities**☒Applicable ☐Not applicable

Unit: yuan Currency: RMB

Item	Closing balance	Opening balance
Contract liabilities		
Relocation compensation	49,710,999.27	217,300,999.27
SOP compensation	30,774,241.00	30,774,241.00

Total	80,485,240.27	248,075,240.27
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53. Equity

√Applicable □Not applicable

Unit: yuan Currency: RMB

	Opening balance	Increase (+) decrease (-) in current period					Closing balance
		Issuance of new shares	Bonus shares	Shares transferred from reserves	Others	Sub-total	
Total number of shares	3,805,970,368.00						3,805,970,368.00

54. Other equity instruments(1). **Basic statement preferred stocks outstanding at the end of the period, perpetual bonds and other financial instruments.**

□Applicable √Not applicable

(2). **Statement of changes in preferred stocks outstanding at the end of the period, perpetual bonds, and other financial instruments.**

□Applicable √Not applicable

Changing status and its reason for increase or decrease of other equity instruments, and related basis of accounting treatment:

□Applicable √Not applicable

Other description:

□Applicable √Not applicable

55. Capital reserve

√Applicable □Not applicable

Unit: yuan Currency: RMB

Item	Opening balance	Increase in current period	Decrease in current period	Closing balance
Capital premium (Equity premium)	869,430,716.31			869,430,716.31
Other capital reserves	27,849,012.78	75,077,610.18	21,024,252.86	81,902,370.10
Total	897,279,729.09	75,077,610.18	21,024,252.86	951,333,086.41

Other description, including description of increasing or decreasing and such changes:

Note 1: The Company recognizes the capital reserve-capital premium of RMB 1,208,752.72 reduced for the increase of special reserves of the joint venture Fangda C-CHEM (Jiangsu) Needle Coke Technology Co., Ltd. based on the shareholding ratio.

Note 2: The Company recognizes the capital reserve-capital premium of RMB 191,368.78 increased for the increase of special reserves of the associated enterprise Baofang Carbon Materials & Technology Co., Ltd. based on the shareholding ratio.

Note 3: The Company recognizes the capital reserve-capital premium of RMB 74,886,241.40 increased for the increase of capital reserve due to the investment of owners of the associated enterprise Jilin Chemical Fibre Co., Ltd. based on the shareholding ratio.

Note 4: The Company sold its equity in Jilin Chemical Fibre Co., Ltd. this year, carried forward other equity changes recognized in previous year to investment income, and reduced the amount of capital reserve - other capital reserve by RMB 19,815,500.14.

56. Treasury stock

☐Applicable ☒Not applicable

57. Other comprehensive income

☒Applicable ☐Not applicable

Unit: yuan Currency: RMB

Item	Opening balance	Amount incurred in the current period						Closing balance
		Current amount before the income tax in this period	Less: other consolidated income of prior periods are accrued to the current profit and loss	Less: other consolidated income of prior periods are accrued to the current retained earnings	Less: income tax expense	Attributed to the parent company after tax	Attributed to minority shareholders after tax	
I. Other comprehensive income which cannot be reclassified into profit or loss		27,639,207.88		27,639,207.88				
Including: Re-measure								

changes in defined benefit plans								
Other comprehensive income that cannot be transferred to profit or loss under the equity method		27,639,207.88		27,639,207.88				
Changes in fair value of other equity instruments investment								
Changes in fair value of the company's own credit risk								
II. Other comprehensive income which can be reclassified into profit or loss	13,286,883.79	-5,354,900.71				-5,354,900.71		7,931,983.08
Including: Other comprehensive income that can be transferred to profit or loss under the equity method	13,314,954.99	-5,350,121.02				-5,350,121.02		7,964,833.97
Changes in fair value of other debt investments								
Amount of financial assets reclassified into other								

comprehensive income								
Provision for credit impairment of other debt investments								
Cash flow hedge reserve								
Translation difference in foreign currency financial statements	-28,071.20	-4,779.69				-4,779.69		-32,850.89
Total of other consolidated income	13,286,883.79	22,284,307.17		27,639,207.88		-5,354,900.71		7,931,983.08

58. Special reserves

√Applicable □Not applicable

Unit: yuan Currency: RMB

Item	Opening balance	Increase in current period	Decrease in current period	Closing balance
Safe production fees	36,695,256.84	35,441,581.18	33,628,825.43	38,508,012.59
Environmental governance and restoration fund	9,553,392.36			9,553,392.36
Total	46,248,649.20	35,441,581.18	33,628,825.43	48,061,404.95

59. Surplus reserve

√Applicable □Not applicable

Unit: yuan Currency: RMB

Item	Opening balance	Increase in current period	Decrease in current period	Closing balance
Statutory surplus reserve	1,197,026,582.42	216,184,966.87		1,413,211,549.29
Discretionary surplus reserve				
Reserve fund				
Enterprise Development Fund				
Others				
Total	1,197,026,582.42	216,184,966.87		1,413,211,549.29

60. Retained earnings

√Applicable □Not applicable

Unit: yuan Currency: RMB

Item	Current period	Last period
Retained earnings at the end of the previous period before adjustment	8,804,875,836.65	9,666,439,838.14
Total adjusted undistributed profit at the beginning of period (increase +, decrease -)		
Beginning retained earnings after adjustment	8,804,875,836.65	9,666,439,838.14
Add: Net profit attributed to owners of parent company in current period	839,939,033.95	1,084,595,183.21
Less: Appropriation of statutory surplus reserve	216,184,966.87	43,174,000.70
Appropriation of discretionary surplus reserve		
Appropriation of general risk provision		
Common shares dividends payables		1,902,985,184.00
Ordinary shares dividends converted to shares		
Add: Others	27,639,207.88	
Ending retained earnings	9,456,269,111.61	8,804,875,836.65

61. Operating income and operating costs**(1). Situation of operating income and operating costs**

√Applicable □Not applicable

Unit: yuan Currency: RMB

Item	Amount incurred in the current period		Amount incurred in the previous period	
	Income	Cost	Income	Cost
Main business	5,038,822,351.27	3,845,514,919.08	4,365,211,740.14	2,917,211,814.64
Other operations	281,471,039.80	97,693,415.86	286,561,005.97	175,889,097.27
Total	5,320,293,391.07	3,943,208,334.94	4,651,772,746.11	3,093,100,911.91

(2). Revenue generated by contracts

□Applicable √Not applicable

Description of the revenue generated by contracts:

□Applicable √Not applicable

(3). Description of performance obligations

□Applicable √Not applicable

(4). Description of allocation to remaining performance obligations

□Applicable √Not applicable

62. Tax and surcharge

√Applicable □Not applicable

Unit: yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Consumption tax		
Business tax		
Urban maintenance and construction tax	10,251,571.61	14,607,115.09
Education surcharge	7,850,378.81	11,948,841.78
Resource tax	5,115,782.26	13,407,785.72
Property tax	11,513,511.41	10,432,106.76
Land use taxes	17,451,225.13	17,429,260.10
Vehicle and vessel use tax	201,335.93	124,184.45
Stamp duty	3,651,031.35	4,748,667.06
Environmental protection tax	1,329,318.45	1,482,779.61
Others	183,456.59	94,551.09
Total	57,547,611.54	74,275,291.66

63. Selling and distribution expenses

√Applicable □Not applicable

Unit: yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Employee benefits	57,957,617.07	66,249,653.88
Packing costs	32,157,151.37	26,341,957.22
Business entertainment expenses	12,472,002.96	7,411,467.28
Port incidental charges	7,073,303.72	7,116,420.16
Service fee	4,331,656.26	6,392,251.81
Sales service fee	2,506,939.80	4,552,099.08
Business development and bidding fees	4,114,283.51	1,675,805.31
Travel expenses	3,555,248.67	647,958.21

Administrative expenses	932,613.36	257,970.43
Handling charges	366,464.65	220,433.61
Advertising exhibition fee		156,803.31
Depreciation and amortization expenses	169,325.78	110,201.54
Others	5,148,960.81	12,406,783.67
Total	130,785,567.96	133,539,805.51

64. General and administrative expenses

√Applicable □Not applicable

Unit: yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Employee benefits	228,718,308.49	270,204,069.40
Depreciation and amortization expenses	59,828,179.98	59,628,102.63
Repair fees	6,638,369.64	46,819,768.75
Loss of downtime	222,258.40	38,023,590.01
Safe production fees	19,707,544.57	16,900,358.46
Utilities costs (energy)	14,140,064.94	13,403,744.03
Service fees	4,022,849.13	11,596,456.26
Business entertainment expenses	3,528,405.77	6,925,841.81
Travel expenses	2,252,106.67	6,587,616.50
Administrative expenses	6,420,423.96	4,444,993.31
Material consumption	3,208,001.96	4,280,821.06
Insurance premiums	3,976,315.30	3,210,780.37
Rental expense	1,990,820.88	2,960,990.92
Transportation expenses	1,641,106.27	2,654,456.99
Service fee	2,059,677.85	1,289,192.15
Sewage charges	1,858,313.43	983,024.24
Environmental governance and restoration fund	67,114.84	189,850.86
Commission settlement	435,519.39	56,933.38
Others	1,527,649.85	17,221,544.37
Total	362,243,031.32	507,382,135.50

65. R & D expenses

√Applicable □Not applicable

Unit: yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
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Employee benefits	50,638,043.97	44,440,548.55
External research and development expense under commission	22,339,979.20	15,641,214.40
Material fee	14,147,459.22	5,389,701.08
Depreciation and amortization	5,637,508.31	1,676,160.94
Other expenses	2,808,750.40	2,437,255.17
Total	95,571,741.10	69,584,880.14

66. Financial expenses

√Applicable □Not applicable

Unit: yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Interest expenses	34,720,589.88	22,802,083.04
Less: Interest income	178,584,640.84	188,076,827.60
Exchange gains and losses	-9,348,910.98	4,101,261.33
Handling charges	1,758,197.72	4,408,538.69
Unrecognized financing costs	730,577.45	652,316.00
Others		234,780.37
Total	-150,724,186.77	-155,877,848.17

67. Other income

√Applicable □Not applicable

Unit: yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Science and technology funds for 3,100-ton carbon fiber production project	6,343,483.68	6,343,483.68
Subsidy for disabled person employment security fund		65,328.66
Government subsidy for the first phase of site leveling project in the plant	623,768.40	207,922.80
Research and development of isostatic pressing formed graphite cylinder material		500,000.00
East and west sewage outlet project	2,777.76	2,777.76
Appropriation from Fushun Employment and Talent Service Center (subsidy for new apprenticeship training funds)		99,000.00
Vocational skills subsidy from Fushun Employment and Talent Service Center		100,500.00
Anode material project	200,000.04	200,000.04
High temperature gas-cooled reactor project	582,805.44	582,805.44

Subsidy for nuclear graphite research and development project		3,000,000.00
Tax refund for immediate refund of tax upon payment of integrated utilization of key resources from Honggu District Tax Bureau	879,398.53	1,202,042.71
Grant for export credit insurance subsidy from Lanzhou Honggu District Commerce Bureau	1,500,000.00	1,500,000.00
Training fee paid by the Employment Bureau of Honggu District, Lanzhou City	881,160.00	1,973,805.00
Funding for the key technology research project of electrode heat treatment by the Science and Technology Bureau of Honggu District, Lanzhou City		100,000.00
Major special funds for science and technology allocated by Lanzhou Science and Technology Bureau		1,000,000.00
Fund for foreign trade stabilization and foreign trade transformation and upgrading project from Lanzhou Commerce Bureau	2,000,000.00	2,360,000.00
Subsidy from Longquan Bureau of Economic and Information Technology		97,600.00
Subsidy for female staff skill training		165,000.00
New apprenticeship training		140,000.00
Amortization of financial support funds for the 30,000-ton project	1,229,400.00	1,639,200.00
Amortization of special funds for the development of provincial strategic emerging industries	1,119,750.00	1,493,000.00
Received export credit insurance subsidies in 2018		78,000.00
Received invention patent funding from Chengdu Administration for Market Regulation		1,450.00
Received subsidies for trade relief and legal aid projects from Lanzhou Municipal Finance Bureau	2,984,000.00	771,000.00
Received special fund for enterprise technical standard formulation reward project from Longquanyi District Bureau of Economic and Information Technology		150,000.00
Received the subsidies for work-for-training for 2021 from Longquanyi District Employment Service Management Bureau		59,800.00
Received the subsidies for unemployment monitoring subsidy from Longquanyi District Employment Service Management Bureau		1,200.00
Received the funds for high-quality development of foreign trade	25,800.00	6,000.00

transformation and upgrading from Longquanyi District Bureau of Commerce		
Received the special funds for recognition and reward of district-level high-tech enterprises from New Economy and Technology Bureau of Longquanyi District		50,000.00
Natural gas boiler project	222,222.24	222,222.24
Land use rights compensation	474,068.24	439,744.57
Refund of land tax and enterprise income tax		3,088,801.00
Veterans tax benefits	282,750.00	1,197,798.58
Tax deduction and exemption	483,943.20	5,046,849.21
Subsidies for stabilizing employment	2,701,506.91	1,450,119.08
New electrode contact wire project	350,000.04	350,000.04
Work-for-training fund	155,400.00	1,105,000.00
Subsidy for vocational skill improvement action		3,000.00
Amortization of special funds for central strategic emerging industries	3,750,000.00	5,000,000.00
Gains from debt restructuring	5,434,467.47	1,505,609.81
Freight allowance	91,115.75	
Post allowance	1,273,700.00	
Refund of handling charges on individual income tax	326,664.05	1,830,213.73
Subsidy funds for innovation platform construction from Lanzhou Municipal Finance Bureau	500,000.00	
Special funds for high-tech information for 2022 from Development and Reform Bureau of Honggu District, Lanzhou City	1,300,000.00	
Funds for local scientific and technological development for 2022 by central government allocated by Lanzhou Municipal Finance Bureau	4,000,000.00	
Energy management system certification quality rewards and subsidies	100,000.00	
Rewards and subsidies for non-stop production during the Spring Festival	380,000.00	
Industrial project investment rewards	750,000.00	
Policy-based house purchasing subsidy	691,525.00	
Funding for the first batch of provincial-level science and technology planning projects in 2022 by Lanzhou Municipal Finance Bureau	1,000,000.00	
Funds for the project of enhancing	120,000.00	

international business capabilities of foreign trade enterprises allocated by Lanzhou Commerce Bureau		
Rewards and subsidies for technological innovation of high-tech enterprises by Lanzhou Science and Technology Bureau	50,000.00	
Subsidy for SME special development funds	500,000.00	
Subsidy income from Quanyi Business Bureau	92,000.00	
Policy-based compensation and subsidies	6,672,000.00	
Policy-based property management subsidies	924,080.00	
The first batch of industrial development funds in 2020 and the first batch of provincial-level industrial development funds in 2021 from the Ganmei Industrial Park Management Committee	4,770,000.00	
Provincial special fund for foreign economic and trade development for 2021 from Ganmei Industrial Park Management Committee	111,600.00	
Financial awards and subsidies for major projects in 2020	400,000.00	
Reward and subsidy funds for promoting high-quality economic development projects of Meishan District in 2020	50,000.00	
The first batch of provincial-level industrial development funds in 2021 from the Ganmei Industrial Park Management Committee	960,000.00	
Living allowance for talents of enterprises above the municipal level for 2021 from Meishan Human Resources and Social Security Bureau	9,600.00	
Industrial support rewards and subsidies	2,916,666.67	
Subsidy for energy-saving trading awards	2,400.00	
Compensation for demand response of power supply company	93,444.96	
Incentive fund for enhancement from Luyang District Bureau of Economy and Information Technology in 2021	47,300.00	
Rewards for encouraging manufacturing enterprises to increase production and income in the first quarter of 2022 from Luyang District Bureau of Economy and Information Technology	100,000.00	
National rewards for enterprises that use special and sophisticated technologies to produce novel and unique products	200,000.00	
Subsidy for the first batch of science and technology planning projects and the	250,000.00	

science popularization base project to be approved from the New Economy and Technology Bureau of Longquanyi District		
Subsidy for the first batch of market-oriented application of new materials	2,218,300.00	
Total	63,127,098.38	45,129,274.35

68. Investment income

√Applicable □Not applicable

Unit: yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Long-term equity investment income accounted by equity method	79,637,607.52	60,692,679.58
Investment income from disposal of long-term equity investment	181,267,798.42	217,982,272.87
Investment gains from financial assets held for trading during the holding period	4,584,068.27	2,814,810.29
Dividend income from other equity instrument investments during the holding period		
Interest income from debt investment during the holding period		
Other interest income from debt investment during the holding period		
Investment gains from disposal of financial assets held for trading	-42,373,234.68	38,529,601.12
Investment gains from disposal of other equity instrument investments		
Investment gains from disposal of debt investments		
Investment gains from disposal of other debt investments		
Income from debt restructuring	584,545.35	11,257.80
Gains from financial products		92,762,470.34
Investment income from other non-current assets	430,094.34	485,000.00
Gains from de-recognition of financial assets	-2,499,698.84	
Others	2,833,992.68	
Total	224,465,173.06	413,278,092.00

69. Net exposure hedge income

□Applicable √Not applicable

70. Income from change in fair value

√Applicable □Not applicable

Unit: yuan Currency: RMB

Source of income from change in fair value	Amount incurred in the current period	Amount incurred in the previous period
--	---------------------------------------	--

Held-for-trading financial assets	-170,328,067.45	-40,364,613.28
Including: Income from changes in fair value caused by derivative financial instruments		
Held-for-trading financial liabilities		
Investment property measured at fair value		
Other non-current financial assets	10,744,413.46	71,404,338.59
Total	-159,583,653.99	31,039,725.31

71. Credit impairment loss

√Applicable □Not applicable

Unit: yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Bad debt loss on notes receivable	41,544.10	-266,943.07
Loss from bad debts of accounts receivable	-7,974,403.62	-1,233,447.86
Loss from bad debts of other receivables	-26,178,430.38	-25,682,334.13
Loss from debt investment impairment		
Loss from other debt investment impairment		
Loss from bad debts of long-term receivables		
Loss from contract assets impairment		
Total	-34,111,289.90	-27,182,725.06

72. Loss from assets impairment

√Applicable □Not applicable

Unit: yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
I. Losses from bad debt		
II. Inventory falling price loss and contract performance cost impairment loss	-33,909,975.67	-18,606,132.57
III. Impairment loss on long-term equity investment		
IV. Impairment losses of investment property		
V. Impairment loss of fixed assets		-2,617.22
VI. Impairment losses from construction materials		
VII. Impairment losses from construction in process		-2,702,058.40
VIII. Impairment losses of bearer biological assets		
IX. Impairment losses from assets		

X. Impairment losses from intangible assets		
XI. Impairment losses from goodwill		-19,633,402.63
XII. Others		
Loss from contract assets impairment	-449,187.69	-29,651.83
Total	-34,359,163.36	-40,973,862.65

73. Gains from disposal of assets

√Applicable □Not applicable

Unit: yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Net gains on disposal of fixed assets	125,353,264.43	1,644,773.67
Net income from disposal of intangible assets	97,840,704.64	488,646.72
Gains on disposal of other non-current assets	-300,500.00	-4,096,268.84
Total	222,893,469.07	-1,962,848.45

74. Non-operating income

Non-operating income

√Applicable □Not applicable

Unit: yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period	Amount accounted into the current non-recurring profits and losses
Total gains on disposal of non-current assets	306,666.04	262,620.29	306,666.04
Including: Gains from disposal of fixed assets	306,666.04	262,620.29	306,666.04
Gains from disposal of intangible assets			
Gains from exchange of non-monetary assets			
Acceptance of donations			
Government subsidies	5,097,400.00	1,916,000.00	5,097,400.00
Confiscation of profits	3,615,987.20	4,319,765.93	3,615,987.20
Collection of litigation execution	4,190.00	18,620.08	4,190.00
Others	1,422,338.87	1,642,180.05	1,422,338.87
Total	10,446,582.11	8,159,186.35	10,446,582.11

Government subsidy included in the current profit and loss

√Applicable □Not applicable

Unit: yuan Currency: RMB

Grants	Amount incurred in the current period	Amount incurred in the previous period	Relating to assets / income
Relocation award of Chengdu Rongguang Carbon Co., Ltd.	1,721,400.00		Relating to gains
Grant from the Women's Federation		70,000.00	
Awards and subsidies from the Women's Federation of Gansu Province		70,000.00	
Special fund for stabilizing and cultivating merchants by the Shanghai Pudong New Area Expo Area Development and Management Committee	3,376,000.00	1,176,000.00	Relating to gains
Received the reward for stabilizing growth during the epidemic prevention and control period of Longquanyi District Bureau of Economic and Information Technology		600,000.00	
Total	5,097,400.00	1,916,000.00	

Other notes:

☐Applicable ☒Not applicable**75. Non-operating expenditure**☐Applicable ☒Not applicable

Unit: yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period	Amount accounted into the current non-recurring profits and losses
Total loss on disposal of non-current assets	10,214,831.27	7,510,622.93	10,214,831.27
Including: loss from disposal of fixed assets	10,214,831.27	7,510,622.93	10,214,831.27
Losses from disposal of intangible assets			
Losses from exchange of non-monetary assets			
External donations			
Charitable donations expenditure	10,651,216.00	18,231,190.30	10,651,216.00
Others	1,816,314.97	839,658.30	1,816,314.97
Total	22,682,362.24	26,581,471.53	22,682,362.24

76. Income tax expense**(1). Index of income tax expense**☒Applicable ☐Not applicable

Unit: yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
------	---------------------------------------	--

Current income tax expense	243,112,324.02	235,568,542.20
Deferred income tax expense	-24,895,667.14	-20,472,285.01
Total	218,216,656.88	215,096,257.19

(2). Adjustment process of accounting profit and income tax expense

√Applicable □Not applicable

Unit: yuan Currency: RMB

Item	Amount incurred in the current period
Total profit	1,151,857,144.11
Income tax expense calculated as per statutory/applicable tax rates	172,778,571.62
Influence of subsidiaries applicable to different tax rates	43,971,351.84
Influence of adjustment of prior period income tax	13,899,542.18
Influence of non-taxable income	-13,189,951.45
Influence of non-deductible costs, expenses and loss	5,721,458.86
Influence of the deductible losses of unrecognized deferred income tax assets in previous period	-8,966,137.01
Influence of the deductible temporary differences or deductible losses of unrecognized deferred income tax assets in current period	16,403,446.99
The adjustment of the tax rate leads to changes in the deferred income tax assets / liabilities at the beginning of the period	
Weighted deduction of R&D expenditure	-11,470,380.36
Others	-931,245.79
Income tax expense	218,216,656.88

Other notes:

□Applicable √Not applicable

77. Other comprehensive income

□Applicable √Not applicable

78. Item of cash flow statement**(1). Other cash received relating to operating activities**

√Applicable □Not applicable

Unit: yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Current accounts, reserves and margins received	510,960,384.44	180,922,687.95
Received government subsidies	60,058,369.30	39,686,844.03
Interest income received	178,584,640.84	186,823,593.73
Income from fines and compensation received	4,597,667.54	5,339,571.74
Total	754,201,062.12	412,772,697.45

(2). Other cash paid relating to operating activities

√Applicable □Not applicable

Unit: yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Cashes paid for general and administrative expenses, research and development expenses	110,537,038.26	160,990,665.41
Cash paid in sales expenses	61,063,715.12	67,178,150.82
Cash paid for non-operating expenditure	11,005,110.76	18,510,846.30
Handling charges and others paid	1,758,197.72	4,408,538.69
Current accounts, reserves and margins paid	259,472,330.97	222,573,014.06
Total	443,836,392.83	473,661,215.28

(3). Other cash received relating to investing activities

√Applicable □Not applicable

Unit: yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Financial management and other principal recovered		4,320,000,000.00
Total		4,320,000,000.00

(4). Other cash paid relating to investing activities

√Applicable □Not applicable

Unit: yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Financial management and other principal paid		1,250,000,000.00
Total		1,250,000,000.00

(5). Other proceeds relating to financing activities

□Applicable √Not applicable

(6). Other cash payments relating to financing activities

√Applicable □Not applicable

Unit: yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Rental fee paid	2,218,055.00	3,327,082.50
Total	2,218,055.00	3,327,082.50

79. Supplemental Information of Cash Flow Statement

(1). Supplemental Information of Cash Flow Statement

√Applicable □Not applicable

Unit: yuan Currency: RMB

Supplementary information	Amount in current period	Amount in previous period
1. Adjust the net profit as cash flow from operating activities:		
Net profit	933,640,487.23	1,115,576,682.69
Add: Asset impairment provision	13,177,310.19	12,110,124.62
Credit impairment loss	34,111,289.90	27,182,725.06
Depreciation of fixed assets, depletion of oil and natural gas assets, depreciation of bearer biological assets	253,531,916.34	225,941,613.70
Amortization of right-of-use assets	1,780,750.70	2,919,888.02
Amortization of intangible assets	13,392,763.21	11,423,846.26
Amortization of long-term deferred expenses	263,822.26	249,543.26
Loss from disposal of fixed assets, intangible assets and other long-term assets (gains expressed with “-”)	-222,893,469.07	1,962,848.45
Loss from retirement of fixed assets (gains expressed with “-”)	9,908,165.23	7,248,002.64
Loss from changes in fair value (gains expressed with “-”)	159,583,653.99	-31,039,725.31
Financial expenses (gains expressed with “-”)	25,500,425.03	20,279,592.22
Investment losses (gains expressed with “-”)	-224,465,173.06	-413,278,092.00
Decrease in deferred tax assets (increase expressed with “-”)	-18,735,283.36	-20,577,258.99
Increase of deferred income tax liabilities (decrease expressed with “-”)	-6,160,383.78	104,973.98
Decrease in inventories (increase expressed with “-”)	-573,399,303.13	-392,918,674.09
Decrease in operating receivables (increase expressed with “-”)	-492,899,406.69	-587,938,063.85
Increase in operating payables (decrease expressed with “-”)	329,779,792.74	-17,092,193.41
Others		
Net cash flow from operating activities	236,117,357.73	-37,844,166.75
2. Investment and financing activities not involved in significant cash deposit and withdrawal:		
Conversion of debt into capital		
Convertible bonds maturing within one year		
Fixed assets acquired under finance leases		
3. Net change in cash and cash equivalents:		
Cash at the end of the period	2,939,933,397.36	7,421,524,979.39
Less: Cash at the beginning of the period	7,421,524,979.39	5,498,473,810.37
Add: Cash equivalents at the end of the period		

Less: Cash equivalents at the beginning of the period		
Net increase in cash and cash equivalents	-4,481,591,582.03	1,923,051,169.02

(2). Net cash paid for the acquisition of subsidiaries in current period

□Applicable √Not applicable

(3). Net cash from disposal of subsidiaries in current period

□Applicable √Not applicable

(4). Composition of cash and cash equivalents

√Applicable □Not applicable

Unit: yuan Currency: RMB

Item	Closing balance	Opening balance
I. Cash	2,939,933,397.36	7,421,524,979.39
Including: cash on hand	127,528.10	73,379.04
Bank deposits available for payment at any time	2,937,298,305.32	7,304,671,809.66
Other monetary fund available for payment at any time	2,507,563.94	116,779,790.69
Central bank deposits available for payment at any time		
Amount due from placements with banks and other financial institutions		
Amount call loan to banks		
II. Cash equivalents		
Including: bond investment maturing within three months		
III. Balance of cash and cash equivalents at ending of period	2,939,933,397.36	7,421,524,979.39
Including: the parent company or its subsidiaries use the restricted cash and cash equivalents		

Other notes:

□Applicable √Not applicable

80. Notes to the owner's equity changing statement

Explain the "other" items for adjusting the balance at the end of the previous year and the adjustment amount:

□Applicable √Not applicable

81. Assets with restricted ownership or the right to use

√Applicable □Not applicable

Unit: yuan Currency: RMB

Item	Ending book value	Reasons for restriction
Monetary funds	212,093,542.44	Security deposits, pledge and freezing
Notes receivable	378,922,290.00	Pledge (note)
Fixed assets	1,969,532.41	Mortgage
Intangible assets		
Receivables financing		

Held-for-trading financial assets	392,887,380.22	Financing guarantee
Total	985,872,745.07	

Other notes:

Note: The restricted notes receivable in current period was mainly due to the Company's pledge of bank's acceptance bills and issuance of notes payable.

82. Foreign currency monetary items

(1). Foreign currency monetary items

√Applicable □Not applicable

Unit: RMB

Item	Closing balance in foreign currency	Exchange rate for translation	Ending balance for RMB translation
Cash and bank balance			26,833,696.82
Including: USD	1,587,922.60	6.96460	11,059,245.74
EUR	2,117,692.33	7.42290	15,719,418.39
RUR	240,105.22	0.09417	22,610.27
KRW	5,870,404.00	0.00552	32,422.42
Accounts receivable			71,492,313.54
Including: USD	10,014,793.79	6.96460	69,749,032.78
EUR	234,851.71	7.42290	1,743,280.76
Long term borrowings			
Including: USD			
EUR			
HKD			

(2). The description of overseas operating entity, including the important overseas operating entity, shall disclose its main overseas operating place, account standard currency and selection basis, and the reasons of changing bookkeeping base currency shall be disclosed for reasons.

□Applicable √Not applicable

83. Hedging

□Applicable √Not applicable

84. Government subsidies

(1). Basic situation of government subsidies

√Applicable □Not applicable

Unit: yuan Currency: RMB

Categories	Amount	Presentation items	Amount included in current profit and loss
Related to assets	13,830,500.00	Deferred income and other income	19,256,467.51
Relating to gains	11,292,400.00	Deferred income and other income	7,596,080.00
Relating to gains	30,029,476.15	Other income	30,029,476.15

Relating to gains	5,097,400.00	Non-operating income	5,097,400.00
Total	60,249,776.15		61,979,423.66

(2). Government subsidy refund

☐Applicable ☒Not applicable

85. Others

☐Applicable ☒Not applicable

VIII. Changes in the scope of consolidation**1. Combination of enterprises not under the same control**

☐Applicable ☒Not applicable

2. Combination of enterprises under the same control

☐Applicable ☒Not applicable

3. Reverse purchase

☐Applicable ☒Not applicable

4. Disposal of subsidiaries

Whether there is a single disposal of the subsidiary investment leads to the loss of the right of control

☐Applicable ☒Not applicable

Other notes:

☐Applicable ☒Not applicable

5. Changes in scope of consolidation for other reasons

Describe change of scope of consolidation (such as newly established subsidiaries and liquidating subsidiaries) and relevant information by other causes.

☐Applicable ☒Not applicable

6. Others

☐Applicable ☒Not applicable

IX. Equity in other entities**1. Equity in subsidiaries****(1). Constitution of enterprise group**

√Applicable □Not applicable

Name of subsidiary	Main region of business	Place of registration	Nature of business	Shareholding ratio (%)		Means of acquisition
				Direct	Indirect	
Fushun Fangda New Materials Co., Ltd.	Fushun, Liaoning	Fushun, Liaoning	Production Enterprise	60.00		Newly-established
Shanghai Fangda Investment Management Co., Ltd.	Shanghai	Shanghai	Investing enterprise	100.00		Newly-established
Fushun Laihe Mining Co., Ltd.	Fushun, Liaoning	Fushun, Liaoning	Production Enterprise	97.99		Combination under common control
Chengdu Carbon Material Co., Ltd.	Chengdu, Sichuan	Chengdu, Sichuan	Production Enterprise	99.00	1.00	Combination under common control
Fushun Fangtai Precision Carbon Material Co., Ltd.	Fushun, Liaoning	Fushun, Liaoning	Production Enterprise	100.00		Combination under common control
Fushun Carbon Co., Ltd.	Fushun, Liaoning	Fushun, Liaoning	Production Enterprise	65.54		Combination not under the same control
Hefei Carbon Co., Ltd.	Hefei, Anhui	Hefei, Anhui	Production Enterprise	100.00		Combination not under the same control
Chengdu Rongguang Carbon Co., Ltd.	Chengdu, Sichuan	Chengdu, Sichuan	Production Enterprise	60.00		Combination not under the same control
Chengdu Fangda Carbon Research Institute Co., Ltd.	Chengdu, Sichuan	Chengdu, Sichuan	Scientific research	100.00		Newly-established
Gansu Classical Shengdong Construction Poverty Alleviation Development Co., Ltd.	Hui Autonomous Prefecture of Linxia, Gansu Province	Hui Autonomous Prefecture of Linxia, Gansu Province	Building construction	40.00		Newly-established
Gansu Benju Handicraft Development Co., Ltd.	Hui Autonomous Prefecture of Linxia, Gansu Province	Hui Autonomous Prefecture of Linxia, Gansu Province	Production Enterprise	60.00		Newly-established
Dongxiang Autonomous County Fangda Tengda Clothing Co., Ltd.	Hui Autonomous Prefecture of Linxia, Gansu Province	Hui Autonomous Prefecture of Linxia, Gansu Province	Production Enterprise	54.12		Newly-established

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Gansu Fangda Jiuxing Template Co., Ltd.	Hui Autonomous Prefecture of Linxia, Gansu Province	Hui Autonomous Prefecture of Linxia, Gansu Province	Production Enterprise	60.00		Newly-established
Jiangsu Fangda Carbon Chemicals Co., Ltd.	Xuzhou, Jiangsu	Xuzhou, Jiangsu	Production Enterprise	46.73		Combination not under the same control
Fangda (South Korea) International Trade Co., Ltd.	Korea	Korea	Trading Co., Ltd.	100.00		Newly-established
Fangda (Moscow) International Trade Co., Ltd.	Russia	Russia	Trading Co., Ltd.	100.00		Newly-established
Fangda Carbon and Industrial Products Trading Co., Ltd.	Turkey	Turkey	Trading Co., Ltd.	100.00		Newly-established

Other notes:

Note 1: The Company holds 40% equity of Gansu Classical Shengdong Construction Poverty Alleviation Development Co., Ltd., but the Company can decide on its related production and operation, returns, financing, investment, and asset disposal activities. Therefore, the Company includes it in the scope of consolidated financial statements.

Note 2: The Company holds 46.73% equity in Jiangsu Fangda, but has 80% of its voting rights. According to the joint venture contract signed between the Company and Nippon Steel Chemical & Material Co., Ltd., regardless of the actual proportion of capital contribution, except for matters related to the distribution of the remaining property at the time of dissolution or liquidation, and including the voting rights at the shareholders' meeting of the joint venture company and the proportion of profit distribution, the rights and obligations of each party to the joint venture shall be treated in accordance with the proportion of 80% of the Company and 20% of Coal Chemical. Therefore, it is judged that the Company can decide on its related production and operation, returns, financing, investment, and asset disposal activities. Therefore, the Company includes it in the scope of consolidated financial statements.

(2). Key non-wholly owned subsidiaries

√Applicable □Not applicable

Unit: yuan Currency: RMB

Name of subsidiary	Proportion of shareholding of minority shareholders (%)	Profit or loss attributable to minority shareholders in current period	Current dividends declared to minority shareholders	Balance of minority interests at the end of the period
Fushun Fangda New Materials Co., Ltd.	40.00	4,766,008.77		75,199,431.71

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Fushun Laihe Mining Co., Ltd.	2.01	788,829.62		34,863,468.03
Fushun Carbon Co., Ltd.	34.46	11,962,605.51		394,831,201.79
Chengdu Rongguang Carbon Co., Ltd.	40.00	84,498,437.55		512,931,865.03
Jiangsu Fangda Carbon Chemicals Co., Ltd.	53.27	-9,551,059.86		78,475,056.46

Explanation of the proportion of minority shareholders of the subsidiary company differing from the proportion of voting rights:

☐Applicable ☒Not applicable

Other notes:

☐Applicable ☒Not applicable

(3). **Key financial information of key non-wholly owned subsidiaries**

☒Applicable ☐Not applicable

Unit: yuan Currency: RMB

Name of 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 New Materials Co., Ltd.	155,423,428.83	52,656,961.41	208,080,390.24	30,309,092.78		30,309,092.78	148,079,656.68	57,314,992.94	205,394,649.62	40,046,025.17		40,046,025.17
Fushun Laihe Mining Co., Ltd.	758,613,469.54	133,567,706.53	892,181,176.07	47,443,882.30		47,443,882.30	1,616,977,923.39	140,722,279.93	1,757,700,203.32	62,444,560.85		62,444,560.85
Fushun Carbon Co., Ltd.	1,224,867,002.53	79,973,752.88	1,304,840,755.41	156,022,636.16	3,053,847.65	159,076,483.81	1,200,691,606.29	83,120,125.61	1,283,811,731.90	169,153,872.58	3,174,034.09	172,327,906.67
Chengdu Rongguang Carbon Co., Ltd.	923,310,099.76	621,207,982.30	1,544,518,082.06	202,698,187.79	59,877,215.74	262,575,403.53	858,064,669.05	577,356,206.47	1,435,420,875.52	150,254,296.36	212,536,529.93	362,790,826.29
Jiangsu Fangda Carbon	89,831,855.33	348,950,661.33	438,782,516.66	67,967,769.01	62,165,133.94	130,132,902.95	70,972,295.12	395,286,159.12	466,258,454.24	91,047,332.78	65,280,150.79	156,327,483.57

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Chemicals Co., Ltd.												
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Name of subsidiary	Amount incurred in the current period				Amount incurred in the previous period			
	Operating income	Net profit	Total comprehensive income	Cash flow from operating activities	Operating income	Net profit	Total comprehensive income	Cash flow from operating activities
Fushun Fangda New Materials Co., Ltd.	528,735,711.70	11,915,021.93	11,915,021.93	-30,608,531.41	412,598,643.73	9,161,150.64	9,161,150.64	23,385,938.95
Fushun Laihe Mining Co., Ltd.	141,614,934.86	39,245,254.69	39,245,254.69	-596,736,387.43	399,185,733.48	190,551,433.30	190,551,433.30	205,039,693.90
Fushun Carbon Co., Ltd.	533,988,690.27	34,713,460.20	34,713,460.20	2,574,008.65	391,600,288.64	49,515,022.77	49,515,022.77	2,426,731.60
Chengdu Rongguang Carbon Co., Ltd.	509,427,847.41	211,246,093.85	211,246,093.85	-120,969,857.29	346,206,186.06	35,065,021.94	35,065,021.94	204,640,718.70
Jiangsu Fangda Carbon Chemicals Co., Ltd.	182,664,516.78	-47,755,299.26	-47,755,299.26	-15,229,062.52	269,301,201.88	-51,096,969.40	-51,096,969.40	-14,057,033.60

(4). Significant restrictions on the use of the assets and settlement of debts of the enterprise group .

□Applicable √Not applicable

(5). Financial support or other support for the structural entity incorporated into the scope of consolidated financial statements

□Applicable √Not applicable

Other notes:

□Applicable √Not applicable

2. Transactions with changes in the owner's equity in the subsidiary but still controlling the subsidiary:

□Applicable √Not applicable

3. Interests in joint ventures or associates

√Applicable □Not applicable

(1). Important joint ventures or associates

√Applicable □Not applicable

Unit: yuan Currency: RMB

Name of joint ventures or associates	Main region of business	Place of registration	Nature of business	Shareholding ratio (%)		Accounting processing of joint venture or associates
				Direct	Indirect	
Fangda C-CHEM (Jiangsu) Needle Coke Technology Co., Ltd.	Xuzhou, Jiangsu	Pingguo West Road, Jiangsu Pizhou Economic Development Zone, Pizhou City	Production Enterprise	51.00		Equity method
Baofang Carbon Material Technology Co., Ltd.	Lanzhou, Gansu	Jiatan Village, Ping'an Town, Honggu District, Lanzhou City, Gansu Province	Production Enterprise	49.00		Equity method
Jilin Chemical Fiber Stock Co., Ltd.	Jilin City, Jilin Province	No. 216, Kunlun Street, Jilin Economic and Technological Development Zone, Jilin City, Jilin Province	Manufacturing industry	7.95		Equity method
Bank of Jiujiang Co., Ltd.	Jiujiang, Jiangxi Province	No. 619, Changhong Avenue, Lianxi District, Jiujiang City, Jiangxi Province	Financial industry	5.65		Equity method

Tianjin Haihe Fangda Industry Investment Fund Partnership (Limited Partnership)	Huangpu District, Shanghai	Haigang Pioneer Park, Port Economic Zone, Binhai New Area, Tianjin	Private equity	59.40		Equity method
Nanchang Huxu Steel Industry Investment Partnership (Limited Partnership)	Hongkou District, Shanghai	No. 527, Yejin Avenue, Nangang Sub-district, Qingshanhu District, Nanchang City, Jiangxi Province	Private equity	37.50		Equity method

Statement of shareholding proportion of joint venture or consortium differing from the proportion of voting rights:

Note 1: According to the Sino-Foreign Joint Venture Contract, the board of directors of Fangda C-CHEM (Jiangsu) Needle Coke Technology Co., Ltd. consists of two directors appointed by the Company and its minority shareholder Nippon Steel Chemical & Material Co., Ltd., and the important resolutions shall be unanimously passed by the board of directors. Therefore, Fangda C-CHEM (Jiangsu) Needle Coke Technology Co., Ltd. is jointly controlled by the Company and Coal Chemical Co., Ltd. The Company shall conduct equity accounting for Fangda C-CHEM (Jiangsu) Needle Coke Technology Co., Ltd., which shall not be included in the scope of consolidation.

Note 2: According to the Articles of Association of Baofang Carbon Materials & Technology Co., Ltd., the board of directors of Baofang Carbon Materials & Technology Co., Ltd. consists of seven members, with four recommended by Baowu Carbon Technology Co., Ltd. (formerly Baowu Carbon Material Technology Co., Ltd. and Shanghai Baosteel Chemical Co., Ltd.) and three recommended by the Company; the resolutions of the board of directors shall be approved by a majority of all directors present in person or by proxy. Therefore, Baofang Carbon Materials & Technology Co., Ltd. is jointly operated by Baowu Carbon Technology Co., Ltd. and the Company. The Company shall conduct equity accounting for Baowu Carbon Technology Co., Ltd., which shall not be included in the scope of consolidation.

Note 3: According to the Partnership Agreement of Tianjin Haihe Fangda Industry Investment Fund Partnership (Limited Partnership), the Investment Decision-making Committee makes decisions on the investment and withdrawal of partnership investment projects. The formation of effective resolutions by the Investment Decision-making Committee shall be approved by all members present at the meeting, and the committee member appointed by Tianjin Haihe Industrial Fund Management Co., Ltd. have one-vote veto power. The Company shall the right to appoint members to the Investment Decision-making Committee and has significant influence over but does not control the operation of Tianjin Haihe Fangda Industry Investment Fund Partnership (Limited Partnership). Therefore, the Company conducts accounting treatment by the equity method and does not include it in the scope of consolidation.

(2). Main financial information of enterprise

√Applicable □Not applicable

Unit: yuan Currency: RMB

	Closing balance / amount incurred in the current period	Opening balance/amount incurred in the last period
	Fangda C-CHEM (Jiangsu) Needle Coke Technology Co., Ltd.	Fangda C-CHEM (Jiangsu) Needle Coke Technology Co., Ltd.
Current assets	178,366,505.73	184,576,306.31
Including: cash and cash equivalents		
Non-current assets	137,178,521.78	223,988,760.03
Total assets	315,545,027.51	408,565,066.34
Current liabilities	27,342,221.14	38,277,156.67
Non-current liabilities	603,556.88	2,268,324.00
Total Liabilities	27,945,778.02	40,545,480.67
Minority interests		
Parent company shareholder's equity	287,599,249.49	368,019,585.67
Share of net assets calculated as share proportion	146,675,617.25	187,689,988.69
Adjusting events		
--Goodwill		
-- Unrealized profits from internal transactions		
--Others		
Book value of equity investments in joint ventures	146,675,617.25	187,689,988.69
Fair value of equity investments in joint ventures with public offer		
Operating income	89,243,416.82	152,942,571.41
Financial expenses	-2,194,600.67	-306,579.65
Income tax expense		
Net profit	-78,050,232.79	-65,049,658.95
Net profit from discontinuing operation		
Other comprehensive income		
Total comprehensive income	-78,050,232.79	-65,049,658.95

Dividends received from joint ventures for the year		

(3). Main financial information of major associates

√Applicable □Not applicable

Unit: yuan Currency: RMB

	Closing balance / amount incurred in the current period		Opening balance/amount incurred in the last period	
	Baofang Carbon Material Technology Co., Ltd.	Bank of Jiujiang Co., Ltd.	Baofang Carbon Material Technology Co., Ltd.	Bank of Jiujiang Co., Ltd.
Current assets	598,284,794.02	465,334,662,000.00	265,691,916.82	447,966,997,000.00
Non-current assets	1,766,117,172.83	14,368,878,000.00	1,589,668,606.23	13,535,986,000.00
Total assets	2,364,401,966.85	479,703,540,000.00	1,855,360,523.05	461,502,983,000.00
Current liabilities	483,592,236.77	439,806,125,000.00	248,028,900.49	422,253,404,000.00
Non-current liabilities	553,467,877.41	3,481,134,000.0	306,154,551.71	3,836,354,000.00
Total Liabilities	1,037,060,114.18	443,287,259,000.00	554,183,452.20	426,089,758,000.00
Minority interests		788,620,000.00		729,288,000.00
Parent company shareholder's equity	1,327,341,852.67	35,627,661,000.00	1,301,177,070.85	34,683,937,000.00
Share of net assets calculated as share proportion	650,397,507.80	1,618,224,188.19	637,576,764.71	1,564,882,694.31
Adjusting events	-30,644,912.22	-452,828,634.37	-21,707,565.29	-452,828,634.37
--Goodwill				
-- Unrealized profits from internal transactions	-30,644,912.22		-21,707,565.29	
--Others		-452,828,634.37		-452,828,634.37
Book value of equity investments in associated ventures	619,752,595.58	1,165,395,553.82	615,869,199.42	1,112,054,059.94
Fair value of equity		1,306,272,000.00		1,485,884,400.00

investments in associated ventures with public offer				
Operating income	288,803,101.37	10,869,945,000.00	76,121,389.87	10,347,463,653.42
Net profit	31,066,114.27	1,680,366,000.00	14,978,069.54	1,784,704,111.66
Net profit from discontinuing operation				
Income tax expense		321,106,000.00		213,570,809.14
Other comprehensive income		-94,650,000.00		235,864,801.13
Total comprehensive income	31,066,114.27	1,585,716,000.00	14,978,069.54	2,020,568,912.79
Dividends received from associated ventures for the year		13,607,000.00		40,821,000.00

	Closing balance / amount incurred in the current period		Opening balance/amount incurred in the last period	
	Jilin Chemical Fiber Stock Co., Ltd.	Nanchang Huxu Steel Industry Investment Partnership (Limited Partnership)	Jilin Chemical Fiber Stock Co., Ltd.	Nanchang Huxu Steel Industry Investment Partnership (Limited Partnership)
Current assets	2,366,478,098.93	713,861.70	2,231,742,977.01	
Non-current assets	9,251,724,132.60	8,621,331,602.11	7,685,464,295.86	
Total assets	11,618,202,231.53	8,622,045,463.81	9,917,207,272.87	
Current liabilities	5,068,692,003.53		5,112,911,191.07	
Non-current liabilities	1,384,636,221.55		995,806,812.07	
Total Liabilities	6,453,328,225.08		6,108,718,003.14	
Minority interests	5,164,874,006.45		3,813,456,713.04	
Parent company shareholder's equity		8,622,045,463.81		

Share of net assets calculated as share proportion	410,607,483.51	4,561,392,497.90	448,843,855.12	
Adjusting events	47,373,173.01		61,807,333.77	
--Goodwill	47,373,173.01		61,807,333.77	
-- Unrealized profits from internal transactions				
--Others				
Book value of equity investments in associated ventures	457,980,656.52	4,561,392,497.90	510,651,188.89	
Fair value of equity investments in associated ventures with public offer	866,378,856.64		1,344,690,290.96	
Operating income	3,655,802,436.82		3,561,449,285.32	
Financial expenses	183,640,147.67	-778,185.79	274,699,355.32	
Income tax expense	-8,693,738.46		-17,129,272.95	
Net profit	-101,971,699.94	116,045,463.81	-161,443,827.34	
Net profit from discontinuing operation				
Other comprehensive income	277,174,394.88		50,794,389.41	
Total comprehensive income	175,202,694.94	116,045,463.81	-110,649,437.93	
Dividends received from associated ventures for the year				

(4). Aggregated Financial Information of Non-Material Joint Ventures and Associates

√Applicable □Not applicable

Unit: yuan Currency: RMB

	Closing balance / amount incurred in the current period	Opening balance/amount incurred in the last period
Joint ventures;		
Total investment book value		
The following items shall be total number computed according to shareholding ratio		
-- Net profit		
--Other comprehensive income		
--Total comprehensive income		
Associates:		
Total investment book value	32,749,346.77	41,497,329.43

The following items shall be total number computed according to shareholding ratio		
-- Net profit	-8,747,982.66	5,497,329.43
--Other comprehensive income		
--Total comprehensive income	-8,747,982.66	5,497,329.43

(5). Explanations to significant restrictions on the ability of joint ventures or associated ventures to transfer funds to the Company

☐Applicable ☒Not applicable

(6). Surplus losses involving the joint ventures or associates

☐Applicable ☒Not applicable

(7). Unrecognized commitments related to investment of the joint ventures

☐Applicable ☒Not applicable

(8). Contingent liabilities related to investment of the joint ventures or associates

☐Applicable ☒Not applicable

4. Important joint operations

☐Applicable ☒Not applicable

5. Rights of the structural entities not incorporated into the scope of consolidated financial statements

Related explanation of the structured main body not included in the scope of the consolidated financial statements:

☐Applicable ☒Not applicable

6. Others

☐Applicable ☒Not applicable

X. Risks related to financial instruments

☒Applicable ☐Not applicable

The main financial instruments of the Company include monetary funds, Trading financial assets, accounts receivable, accounts payable and loans, etc. For details of various financial instruments, please refer to the relevant items in Note VI. The risks associated with these financial instruments and the risk management policies adopted by the company to mitigate these risks are described below. Management manages and monitors these exposures to ensure the risks are monitored within a certain level.

Risk management objectives and policies: the Company's risk management objectives are to achieve a proper balance between risks and yield, minimize the adverse impacts of risks on the Company's operation performance, and maximize the benefits of the shareholders. Based on these risk management objectives, the Company's basic risk management strategy is to identify and analyse the Company's exposure to various risks, establish an appropriate maximum tolerance to risk, implement risk management, and monitor regularly and effectively these exposures to ensure the risks are monitored within a certain level.

The main risks of the Company's financial instruments are credit risk, liquidity risk and market risk.

(I). Classification of financial instruments

1. Book value of various financial assets on the balance sheet date

(1) 31 December, 2022

Financial assets	Financial assets measured at amortized cost	Financial assets measured at fair value through profit or loss	Financial assets measured at fair value through other comprehensive income	Total
Monetary funds	3,152,026,939.80			3,152,026,939.80
Held-for-trading financial assets		1,545,366,189.88		1,545,366,189.88
Notes receivable	1,073,121,552.32			1,073,121,552.32
Accounts receivable	531,773,870.25			531,773,870.25
Receivables financing			453,554,021.98	453,554,021.98
Other receivables	131,782,915.15			131,782,915.15
Other non-current financial assets		324,090,101.94		324,090,101.94
Total	4,888,705,277.52	1,869,456,291.82	453,554,021.98	7,211,715,591.32

(2) 1 January, 2022

Financial assets	Financial assets measured at amortized cost	Financial assets measured at fair value through profit or loss	Financial assets measured at fair value through other comprehensive income	Total
Monetary funds	7,756,346,758.33			7,756,346,758.33
Held-for-trading financial assets		639,019,115.47		639,019,115.47
Notes receivable	54,211,233.26			54,211,233.26
Accounts receivable	554,431,564.07			554,431,564.07
Receivables financing			1,199,715,024.93	1,199,715,024.93
Other receivables	167,078,225.63			167,078,225.63
Other non-current financial assets		313,345,688.48		313,345,688.48
Total	8,532,067,781.29	952,364,803.95	1,199,715,024.93	10,684,147,610.17

2. Book value of various financial liabilities on the balance sheet date

(1) 31 December, 2022

Financial liabilities	Financial liabilities measured at fair value through profit or loss	Other financial liabilities	Total
Short-term borrowings		432,899,589.49	432,899,589.49
Notes payable		600,689,256.80	600,689,256.80

Financial liabilities	Financial liabilities measured at fair value through profit or loss	Other financial liabilities	Total
Accounts payable		496,895,732.75	496,895,732.75
Other payables		213,267,520.48	213,267,520.48
Total		1,743,752,099.52	1,743,752,099.52

(2) 1 January, 2022

Financial liabilities	Financial liabilities measured at fair value through profit or loss	Other financial liabilities	Total
Short-term borrowings		398,356,766.67	398,356,766.67
Notes payable		299,333,548.59	299,333,548.59
Accounts payable		445,494,204.88	445,494,204.88
Other payables		190,727,074.65	190,727,074.65
Total		1,333,911,594.79	1,333,911,594.79

(II) Credit Risk

As the end of the current period, the maximum exposure to credit risk that could cause financial losses to the Company mainly arises from the loss of financial assets of the Company resulting from the failure of the other party to perform its obligations. In order to reduce the credit risk, the Company has formulated a credit policy for customers to review their credit standing and implement other monitoring procedures to ensure that necessary measures are taken to recover stale claim. In addition, the Company reviews the recovery of each individual account receivable on each balance sheet date to ensure that sufficient provision is made for the bad debts. Therefore, the management of the Company considers that the credit risk borne by the Company has been greatly reduced.

The credit risk on liquid funds is limited because they are deposited with banks with high credit ratings.

(III) Liquidity Risk

The liquidity risk is the risk that the company will not be able to meet its financial obligations on the maturity date. The Company adopts the approach to managing liquidity risk, that is to ensure that fund liquidity is sufficient to meet its maturity obligations, without causing unacceptable losses or damage to corporate reputation.

Maturity analysis of financial liabilities based on undiscounted contract cash flow:

Item	31 December, 2022			
	Within 1 year	1 year to 3 years	More than 3 years	Total
Short-term borrowings	432,899,589.49			432,899,589.49

Item	31 December, 2022			
	Within 1 year	1 year to 3 years	More than 3 years	Total
Notes payable	600,689,256.80			600,689,256.80
Accounts payable	371,865,931.02	56,419,400.51	68,610,401.22	496,895,732.75
Other payables	69,830,385.39	109,841,115.20	33,596,019.89	213,267,520.48
Total	1,475,285,162.70	166,260,515.71	102,206,421.11	1,743,752,099.52

Continued

Item	1 January, 2022			
	Within 1 year	1 year to 3 years	More than 3 years	Total
Short-term borrowings	398,356,766.67			398,356,766.67
Notes payable	299,333,548.59			299,333,548.59
Accounts payable	317,851,387.83	55,107,908.84	72,534,908.21	445,494,204.88
Other payables	107,067,643.13	45,499,202.77	38,160,228.75	190,727,074.65
Total	1,122,609,346.22	100,607,111.61	110,695,136.96	1,333,911,594.79

(IV) Market risk

1. Risks of interest rate

The risk of changes in market interest rates faced by the Group relates primarily to the Group's long-term liabilities based on floating interest rate. The interest rate risk faced by the Company is mainly due to the bank borrowings. The interest expenses incurred on bank loans related to floating interest rates by the Company shall be included in the current profit and loss. The possible reasonable changes in interest rate have an impact on current profit and loss and shareholders' equity.

2. Exchange rate risk

Foreign exchange risk is the risk when the fair value of financial instruments or future cash flows fluctuates due to changes in foreign exchange rates. The Company matches foreign currency income with foreign currency expenditure as far as possible to reduce foreign exchange risk. The Company's exposure to foreign currency risks is mainly related to the US dollars and Euros. Except that the Company and several subsidiaries makes purchasing and sales using the US dollars and Euros, the Company's other major business activities are settled in RMB.

The following table shows the sensitivity analysis of exchange rate risk, which reflects that, with other variables unchanged, the reasonable and possible changes in foreign currency exchange rates will have an impact on the total profit (because of the changes in fair value of monetary assets and monetary liabilities).

Item	Current period		
	[USD] Increase/(decrease) in exchange rate	Increase/(decrease) in total profit/net profit	Increase / (decrease) in shareholders' equity
Deprecation of RMB	5.00%	4,040,413.93	4,040,413.93

Item	Current period		
	[USD] Increase/(decrease) in exchange rate	Increase/(decrease) in total profit/net profit	Increase / (decrease) in shareholders' equity
against [US dollar]			
Appreciation of RMB against [US dollar]	5.00%	-4,040,413.93	-4,040,413.93
Deprecation of RMB against [Euro]	5.00%	873,134.96	873,134.96
Appreciation of RMB against [Euro]	5.00%	-873,134.96	-873,134.96
Deprecation of RMB against [Korean Won]	5.00%	1,621.12	1,621.12
Appreciation of RMB against [Korean Won]	5.00%	-1,621.12	-1,621.12
Deprecation of CNY against RUB	5.00%	1,130.51	1,130.51
Appreciation of CNY against RUB	5.00%	-1,130.51	-1,130.51

Continued

Item	Last period		
	[USD] Increase/(decrease) in exchange rate	Increase/(decrease) in total profit/net profit	Increase / (decrease) in shareholders' equity
Deprecation of RMB against [US dollar]	5.00%	4,475,070.19	4,475,070.19
Appreciation of RMB against [US dollar]	5.00%	-4,475,070.19	-4,475,070.19
Deprecation of RMB against [Euro]	5.00%	3,716,821.16	3,716,821.16
Appreciation of RMB against [Euro]	5.00%	-3,716,821.16	-3,716,821.16
Deprecation of RMB against [Korean Won]	5.00%	2,549.55	2,549.55
Appreciation of RMB against [Korean Won]	5.00%	-2,549.55	-2,549.55
Deprecation of CNY against RUB	5.00%	350,853.28	350,853.28
Appreciation of CNY	5.00%	-350,853.28	-350,853.28

Item	Last period		
	[USD] Increase/(decrease) in exchange rate	Increase/(decrease) in total profit/net profit	Increase / (decrease) in shareholders' equity
against RUB			

3. Investment price risks of equity tools

Price risks of equities tool investment refer to the risks decrease from changes of index and individual securities value by fair value of the equity securities.

As of 31 December, 2022, the Company is exposed to equity instrument investment price risk arising from individual equity instrument investments classified as held-for-trading equity instrument investments. The listed equity instrument investments held by the Company are listed on the Shanghai Stock Exchange and Shenzhen Stock Exchange and are measured at market quotes on the balance sheet date.

The following is market stock index on the stock exchange and closing on the transaction date nearest to the date of balance sheet, maximum closing price and minimum closing price within the year are detailed as follows:

Stock Exchange	Closing balance	Highest/lowest for the current period	Opening balance	Highest/lowest for the previous period
Shanghai - A-share index	3,089.26	3651.89/2863.65	3,639.78	3,731.69/3,312.72
Shenzhen - A-share index	11,015.99	14941.19/10087.53	14,857.35	16,293.09/13,252.24

The following table illustrates the sensitivity of 5% change in the net profit and shareholder equity of the Company to the fair value of equity instrument investments (based on the book value at the balance sheet date) on the assumption that all other variables remain constant.

For the year ended 31 December, 2022:

Item	Book value	Increase/(decrease) in total profit/net profit	Increase / (decrease) in shareholders' equity
Investment in listed equity instruments	1,084,498,755.31	54,224,937.77	54,224,937.77
Shanghai-	896,677,443.87	44,833,872.19	44,833,872.19
Trading equity instruments investment	896,677,443.87	44,833,872.19	44,833,872.19
Shenzhen-	187,821,311.44	9,391,065.57	9,391,065.57
Trading equity instruments investment	187,821,311.44	9,391,065.57	9,391,065.57
Hong Kong-			
Trading equity instruments investment			
Unlisted equity instrument investments measured at fair	784,957,536.51	39,247,876.83	39,247,876.83

Item	Book value	Increase/(decrease) in total profit/net profit	Increase / (decrease) in shareholders' equity
value			

For the year ended 31 December, 2021:

Item	Book value	Increase/(decrease) in total profit/net profit	Increase / (decrease) in shareholders' equity
Investment in listed equity instruments	590,973,111.00	29,548,655.55	29,548,655.55
Shanghai-	453,212,941.60	22,660,647.08	22,660,647.08
Trading equity instruments investment	453,212,941.60	22,660,647.08	22,660,647.08
Shenzhen-	137,760,169.40	6,888,008.47	6,888,008.47
Trading equity instruments investment	137,760,169.40	6,888,008.47	6,888,008.47
Hong Kong-			
Trading equity instruments investment			
Unlisted equity instrument investments measured at fair value	321,549,977.20	16,077,498.86	16,077,498.86

(IV) Capital management

The main objective of the Group's capital management is to ensure the Company's ability to continue to operate and maintain a healthy capital ratio to support business development and maximize shareholder value.

The Company manages the capital structure and adjusts it according to the changes in the economic situation and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the profit distribution to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The Company is not subject to the external mandatory capital requirements and monitors the capital using the return on capital.

On 31 December, 2022 and 31 December, 2021, the Company's return on capital is listed as follows:

Item	Closing ratio	Opening ratio
Return on capital (%)	17.76	23.06

XI. Disclosure of fair value

1. Closing fair value of the assets and liabilities measured by fair value

☒Applicable ☐Not applicable

Unit: yuan Currency: RMB

Item	Closing fair value
------	--------------------

	Measurement of the first level of fair value	Measurement of the second level of fair value	Measurement of the third level of fair value	Total
I. Continued fair value measurement				
(I) Held-for-trading financial assets	1,540,066,962.82		5,299,227.06	1,545,366,189.88
1. Financial assets measured at fair value through profit or loss	1,540,066,962.82		5,299,227.06	1,545,366,189.88
(1) Debt instruments investment				
(2) Equity instruments investment	1,540,066,962.82		5,299,227.06	1,545,366,189.88
(3) Financial derivative assets				
2. Specified financial assets measured at fair value through profit or loss				
(1) Debt instruments investment				
(2) Equity instruments investment				
(II) Other debt investment				
(III) Other equity instruments investment				
(IV) Investment property				
1. Land use right for leasing				
2. Leasing buildings				
3. Land use right held and to be transferred after adding values				
(V) Biological assets#				
1. Consumable biological assets				
2. Bearer biological assets				
3. Receivables financing		453,554,021.98		453,554,021.98
4. Other non-current financial assets			324,090,101.94	324,090,101.94
Continuing total assets measured at fair value	1,540,066,962.82	453,554,021.98	329,389,329.00	2,323,010,313.80
(VI) Held-for-trading financial liabilities				
1. Financial liabilities measured at fair value				

through profit or loss				
Wherein: issued transaction bonds				
Financial derivative liabilities				
Others				
2. Financial liabilities designated to be measured at fair value through profit or loss				
The total amount of liabilities measured constantly at fair value				
II. Non-continuing fair value measurement				
(I) Held-for-sale assets				
Non-continuing total assets measured at fair value				
Non-continuing total liabilities measured at fair value				

2. Basis for determining the measurement of market price of items through continuous and non-continuing first-level fair value

√Applicable □Not applicable

The financial assets measured at fair value through current profit and loss are the shares of the listed company, and the fair value is the closing price of the stock exchange at the end of the period

3. For the continuous and non-continuing measurement of second-level fair value, valuation techniques and qualitative and quantitative information with important parameters adopted.

√Applicable □Not applicable

For the financing of receivables held, the fair value shall be determined by the face value.

4. For the continuous and non-continuing measurement of third-level fair value, valuation techniques and qualitative and quantitative information with important parameters adopted.

√Applicable □Not applicable

1. Due to the changes in the business environment, business condition, financial condition of investees Ningbo Meishan Bonded Port Area Fuxing Weiyong Equity Investment Fund Partnership (Limited Partnership) and Mianyang Science and Technology City Industry Investment Fund (Limited Partnership), the audited net assets of the Company attributable to partners are measured as a reasonable estimate of fair value.

2. The Valuation Report on the Fair Value of Equity issued by Vocation (Beijing) International Asset Evaluation Co., Ltd. provided by the investee Dongbei Special Steel Group Co., Ltd., measurement is based on valuation as a reasonable estimate of fair value.

5. For the continued measurement of third-level fair value, the adjustment information between opening and closing book value and the sensitivity analysis of non-observable parameters.

☐Applicable ☒Not applicable

6. For the continued fair value measurement item, the reason for the conversion and the policy for determining the conversion time and point if there is conversion between various levels in the current period.

☐Applicable ☒Not applicable

7. The changes in valuation techniques in the current period and reasons of change

☐Applicable ☒Not applicable

8. Information of fair value of financial assets and financial liabilities not measured with fair value

☒Applicable ☐Not applicable

The financial assets and financial liabilities of the Company measured at amortized cost mainly include: monetary funds, notes receivable, accounts receivable, other receivables, short-term borrowings, notes payable, accounts payable, other payables, etc.

9. Others

☐Applicable ☒Not applicable

XII. Related parties and related party transactions

1. Parent company of the Enterprise

☒Applicable ☐Not applicable

Unit: 0,000 yuan Currency: RMB

Parent company name	Place of registration	Nature of business	Registered capital	Shareholding ratio at the Company by the parent company (%)	Proportion of voting rights of the parent companies at the Company (%)
Liaoning Fangda Group Industrial Co., Ltd.	Limited Liability Company (invested or held by natural person)	Investment management	100,000	40.05	40.05

The ultimate controlling party of the Company is Fang Wei.

2. Information of subsidiaries of the enterprise

For the details of the Company's subsidiaries, please refer to the notes.

☒Applicable ☐Not applicable

For the details of the Company's subsidiaries, please refer to Note "IX: Rights and Interests in Other Entities".

3. Information on joint ventures and joint ventures of the enterprise

For important joint ventures or associates of the Company, please refer to notes.

☒Applicable ☐Not applicable

For details of the joint ventures or associates of the Company, please refer to Note “IX(III), Rights and interests in joint ventures and associates”.

Other joint ventures or associates that have related party transactions with the Company in the current period or have related party transactions with the Company in the previous period and have formed a balance are as follows:
☒Applicable ☐Not applicable

Name of joint ventures or associates	Relationship with this Company
Baofang Carbon Material Technology Co., Ltd.	Directors and senior executives of the Company serving as directors and senior executives of the joint venture

Other notes

☐Applicable ☒Not applicable

4. Other related parties

☒Applicable ☐Not applicable

Name of other related parties	Relations between other related parties and the enterprise
Liaoning Fangda Group International Trade Co., Ltd.	Holding subsidiary of the parent company
Fangda Special Steel Technology Co., Ltd.	Holding subsidiary of the parent company
Jiujiang PXSteel Steel Co., Ltd.	Holding subsidiary of the parent company
Pingxiang PXSteel Anyuan Steel Co., Ltd.	Holding subsidiary of the parent company
Beijing Fangda CARBON-TECH. Co., Ltd.	Holding subsidiary of the parent company
Suifenhe Fangda International Trade Co., Ltd.	Holding subsidiary of the parent company
Northern Heavy Industries Group Co., Ltd.	Holding subsidiary of the parent company
Shenyang Dongbei Pharmacy Chain Co., Ltd.	Holding subsidiary of the parent company
ZTE-Shenyang Commercial Building (Group) Co., Ltd.	Holding subsidiary of the parent company
"Sichuan Daxing Baohua Chemical Engineering Co., Ltd. "	Holding subsidiary of the parent company
Tianjin Department Store Business and Trade Corporation	Holding subsidiary of the parent company
Northeast Pharm Group (Ningbo) Sales Co., Ltd.	Holding subsidiary of the parent company
Northeast Pharm Group Shenyang First Pharmaceutical Co., Ltd.	Holding subsidiary of the parent company
Shengjing Fangda Real Estate Development Co., Ltd.	Holding subsidiary of the parent company
Northeast Pharm Group Chaoyang Pharmaceutical Co., Ltd.	Holding subsidiary of the parent company
Shenyang Fangdi Real Estate Co., Ltd.	Holding subsidiary of the parent company
Tianjin Total Logistics Distribution Co., Ltd.	Holding subsidiary of the parent company
Sichuan Dazhou Iron & Steel Group Co., Ltd.	Holding subsidiary of the parent company
Jingfangda (Tianjin) International Trade Co., Ltd.	Holding subsidiary of the parent company
Gansu Fangda Tongte New Materials Co., Ltd.	Holding subsidiary of the parent company
Gansu Fangda Zhanyao New Material Packaging Co., Ltd.	Holding subsidiary of the parent company
Liaoning Fangda Xincheng Real Estate Co., Ltd.	Holding subsidiary of the parent company

Gansu Fangda Baiquan Agricultural Technology Co., Ltd.	Holding subsidiary of the parent company
Gansu Fangda Fuhuang Dongxi Xiezuo Clothing Co., Ltd.	Holding subsidiary of the parent company
Gansu Fangda Jiu Jianpeng Technology Development Co., Ltd.	Holding subsidiary of the parent company
Gansu Fangda Youerta Animal Husbandry Development Co., Ltd.	Holding subsidiary of the parent company
Shengdonghai Limei Food Production Co., Ltd. in Dongxiang Nationality Autonomous County, Linxia Hui Autonomous Prefecture, Gansu Province	Holding subsidiary of the parent company
Dongxiang Nationality Autonomous County Dongxi Xiezuo Meijia Rain Gear Co., Ltd.	Holding subsidiary of the parent company
Dongxiang Nationality Autonomous County Dongxi Xiezuo Shengweitang Food Co., Ltd.	Holding subsidiary of the parent company
Dongxiang Nationality Autonomous County Xiyuxing Clothing Co., Ltd.	Holding subsidiary of the parent company
Dongxiang Nationality Autonomous County Quanzhong Potato Industry Trading Co., Ltd.	Holding subsidiary of the parent company
Gansu Heer Pisi Craft Products Co., Ltd.	Holding subsidiary of the parent company
Deer Jet (Beijing) Co., Ltd.	Holding subsidiary of the parent company
Hainan Fushun Investment and Development Co., Ltd.	Holding subsidiary of the parent company
Tianjin Huantong Electrical Equipment Co., Ltd.	Holding subsidiary of the parent company
Hainan Fangda Aviation Development Co., Ltd.	Holding subsidiary of the parent company
Lanzhou Fangda Carbon Real Estate Development Co., Ltd.	Holding subsidiary of the parent company
Shenyang Fangda Property Management Co., Ltd.	Holding subsidiary of the parent company
Jiujiang Fangda Hotel Co., Ltd.	Holding subsidiary of the parent company
Benxi Manchu Autonomous County Tongda Iron Selection Co., Ltd.	Holding subsidiary of the parent company
Liaoning Fangda Real Estate Group Co., Ltd.	Holding subsidiary of the parent company
Liaoning Baisha Island Industrial Development Co., Ltd.	Holding subsidiary of the parent company
Jiangxi Fangda Steel Group Co., Ltd.	Holding subsidiary of the parent company

5. Related transactions

(1). Related transactions of goods purchase and sales, provision and acceptance of labor services

Fact sheet of goods purchase / services acceptance

√Applicable □Not applicable

Unit: yuan Currency: RMB

Related party	Content of related transactions	Amount incurred in the current period	Granted amount of transaction (if applicable)	Whether the transaction limit is exceeded (if applicable)	Amount incurred in the previous period
Baofang Carbon Material Technology Co., Ltd.	Acceptance of labor	124,307,733.20			37,473,868.91
Beijing Fangda CARBON-TECH. Co., Ltd.	Procurement of goods	95,755,993.66			56,155,494.90

"Sichuan Daxing Baohua Chemical Engineering Co., Ltd. "	Procurement of goods	73,353,963.38			37,431,826.89
Liaoning Fangda Group International Trade Co., Ltd.	Procurement of goods	60,339,453.83			22,376,388.53
Hainan Fangda Aviation Development Co., Ltd.	Procurement of goods	25,711,397.17			
Gansu Fangda Jiujianpeng Technology Development Co., Ltd.	Procurement of goods	1,782,337.15			1,119,730.97
ZTE-Shenyang Commercial Building (Group) Co., Ltd.	Procurement of goods	1,438,939.30			532,358.36
Gansu Fangda Tongte New Materials Co., Ltd.	Procurement of goods	1,233,716.80			2,123,893.79
Shenyang Fangdi Real Estate Co., Ltd.	Acceptance of labor	617,795.36			
Fangda C-CHEM (Jiangsu) Needle Coke Technology Co., Ltd.	Acceptance of labor	403,523.93			2,271,885.00
Northern Heavy Industries Group Co., Ltd.	Procurement of goods	284,070.80			581,415.93
Gansu Fangda Zhanyao New Material Packaging Co., Ltd.	Procurement of goods	212,389.38			
Gansu Fangda Youerta Animal Husbandry Development Co., Ltd.	Procurement of goods	58,252.21			695,963.30
Dongxiang Nationality Autonomous County Dongxi Xiezu Shengweitang Food Co., Ltd.	Procurement of goods	28,355.75			80,796.40
Shenyang Fangdi Real Estate Co., Ltd.	Procurement of goods	24,905.66			259,924.31
Fangda Special Steel Technology Co., Ltd.	Procurement of goods	22,300.89			85,471.71
Linxia Hui Autonomous Prefecture Huiweizhai Food Co., Ltd.	Procurement of goods	20,553.09			

Gansu Fangda Fuhuang Dongxi Xiezuo Clothing Co., Ltd.	Procurement of goods	11,469.03			3,195,290.29
Dongxiang Nationality Autonomous County Quanzhong Potato Industry Trading Co., Ltd.	Procurement of goods				456,476.98
Suifenhe Fangda International Trade Co., Ltd.	Acceptance of labor	10,387.80			
Jiujiang PXSteel Steel Co., Ltd.	Acceptance of labor	7,555.37			
Shenyang Dongbei Pharmacy Chain Co., Ltd.	Procurement of goods	5,125.15			22,897.95
Suifenhe Fangda International Trade Co., Ltd.	Procurement of goods				20,681,317.77
Jingfangda (Tianjin) International Trade Co., Ltd.	Procurement of goods				306,725.67
Tianjin Department Store Business and Trade Corporation	Procurement of goods				1,838,224.22
Jiujiang PXSteel Steel Co., Ltd.	Procurement of goods				324,875.70
Baofang Carbon Material Technology Co., Ltd.	Procurement of goods				3,547,792.04
Gansu Fangda Baiquan Agricultural Technology Co., Ltd.	Procurement of goods				465,990.83
Shengdonghai Limei Food Production Co., Ltd. in Dongxiang Nationality Autonomous County, Linxia Hui Autonomous Prefecture, Gansu Province	Procurement of goods				594,059.40
Tianjin Total Logistics Distribution Co., Ltd.	Procurement of goods				130,951.59
Dongxiang Nationality Autonomous County Dongxi Xiezuo Meijia Rain Gear Co., Ltd.	Procurement of goods				1,584.16

Dongxiang Nationality Autonomous County Xiyuxing Clothing Co., Ltd.	Procurement of goods				1,561,946.85
Total	/	464,780,673.05	/	No	284,819,004.65

Fact sheet of sale of goods / services provision

√Applicable □Not applicable

Unit: yuan Currency: RMB

Related party	Content of related transactions	Amount incurred in the current period	Amount incurred in the previous period
Fangda Special Steel Technology Co., Ltd.	Sales of goods	25,629,952.45	28,355,219.63
Jiujiang PXSteel Steel Co., Ltd.	Sales of goods	30,381,776.12	27,267,472.12
Jiujiang PXSteel Steel Co., Ltd.	Providing labor service	2,774.40	33,457.00
Pingxiang PXSteel Anyuan Steel Co., Ltd.	Sales of goods	16,883,120.16	6,867,588.27
Baofang Carbon Material Technology Co., Ltd.	Sales of goods	16,579,418.33	27,583,509.12
Beijing Fangda CARBON-TECH. Co., Ltd.	Sales of goods	34,962,939.29	4,956,887.80
Northern Heavy Industries Group Co., Ltd.	Sales of goods	1,327.43	5,530.97
Northeast Pharm Group (Ningbo) Sales Co., Ltd.	Sales of goods		3,128.44
Northeast Pharm Group Shenyang First Pharmaceutical Co., Ltd.	Sales of goods		884.96
Dongxiang Nationality Autonomous County Xiyuxing Clothing Co., Ltd.	Sales of goods	365,218.81	119,175.22
Northeast Pharm Group Chaoyang Pharmaceutical Co., Ltd.	Sales of goods		5,830.28
Shenyang Dongbei Pharmacy Chain Co., Ltd.	Sales of goods		79,633.03
Shenyang Fangdi Real Estate Co., Ltd.	Sales of goods	8,849.56	4,424.78
Shengjing Fangda Real Estate Development Co., Ltd.	Sales of goods	5,221.24	32,221.24
Suifenhe Fangda International Trade Co., Ltd.	Sales of goods		3,617,415.49
ZTE-Shenyang Commercial Building (Group) Co., Ltd.	Sales of goods		190,788.67
Fangda C-CHEM (Jiangsu) Needle Coke Technology Co., Ltd.	Providing labor service	1,894,762.44	
Liaoning Fangda Xincheng Real Estate Co., Ltd.	Sales of goods	1,592.92	
Gansu Heer Pisi Craft Products Co., Ltd.	Sales of goods	346,930.97	

Gansu Fangda Zhanyao New Material Packaging Co., Ltd.	Providing labor service	5,296.46	
Gansu Fangda Zhanyao New Material Packaging Co., Ltd.	Sales of goods	142,212.40	
Liaoning Fangda Group International Trade Co., Ltd.	Sales of goods	2,849,203.58	
Sichuan Dazhou Iron & Steel Group Co., Ltd.	Sales of goods	2,739,581.32	
Lanzhou Fangda Carbon Real Estate Development Co., Ltd.	Sales of goods	699.12	
Shenyang Fangda Property Management Co., Ltd.	Sales of goods	884.96	
Dongxiang Nationality Autonomous County Zhendong Zhiyuan Public Passenger Transport Co., Ltd.	Sales of goods	2,522.12	
Linxia Hui Autonomous Prefecture Huiweizhai Food Co., Ltd.	Sales of goods	973.45	
Jiujiang Fangda Hotel Co., Ltd.	Sales of goods	1,106.19	
Hainan Fangda Aviation Development Co., Ltd.	Sales of goods	8,032,503.12	
Deer Jet (Beijing) Co., Ltd.	Sales of goods	4,778.76	
Benxi Manchu Autonomous County Tongda Iron Selection Co., Ltd.	Sales of goods	1,681.42	
Liaoning Fangda Real Estate Group Co., Ltd.	Sales of goods	2,035.40	
Liaoning Baisha Island Industrial Development Co., Ltd.	Sales of goods	1,681.42	
Tianjin Department Store Business and Trade Corporation	Sales of goods	566.04	
Total		168,014,888.20	222,947,771.68

Related transactions of goods purchase and sales, provision and acceptance of labor services

☐Applicable ☒Not applicable

(2). Referring to fiduciary management/ undertaking and authorizing management/entrusting statement:

The company's fiduciary management /undertaking information form:

☐Applicable ☒Not applicable

Statement of related deposit/ undertake

☐Applicable ☒Not applicable

Authorizing management/ entrusting statement of the company

☐Applicable ☒Not applicable

Statement of related management/entrusting

☐Applicable ☒Not applicable

(3). Related-party lease

The Company as a lessor:

☐Applicable ☒Not applicable

The Company as a lessee:

☒Applicable ☐Not applicable

Unit: yuan Currency: RMB

Name of lessor	Category of leased assets	Rental expenses for short-term leases and low-value asset leases with simplified processing (if applicable)		Variable lease payments not included in the measurement of the lease liability (if applicable)		Rent paid		Interest expense assumed on lease liability		Increased right-of-use assets	
		Amount incurred in the current period	Amount incurred in the previous period	Amount incurred in the current period	Amount incurred in the previous period	Amount incurred in the current period	Amount incurred in the previous period	Amount incurred in the current period	Amount incurred in the previous period	Amount incurred in the current period	Amount incurred in the previous period
Jiangxi Fangda Steel Group Co., Ltd.	Housing	40,697.00				40,697.00					

Related-party lease

☐Applicable ☒Not applicable

(4). Profile of related guarantee

The Company as the guarantor

☐Applicable ☒Not applicable

The company as the guaranteed party

☐Applicable ☒Not applicable

Profile of related guarantee:

☒Applicable ☐Not applicable

On 31 August 2015, the Company signed a mutual guarantee agreement with Fangda Special Steel Technology Co., Ltd., which is valid for 5 years. Either party shall have the right to request the other party to provide an irrevocable joint and several liability guarantee for issuing corporate bonds or applying for comprehensive credit to the bank within a range of no more than RMB 1,000,000,000, which can be used in one or multiple installments within this limit. The credit term of mutual guarantee is 2 years. The maximum period of liability shall not exceed the duration of the bond (or loan) and 2 years from the date of maturity of the bond (or loan). The agreement was renewed on 4 December 2020, with a renewed credit term of mutual guarantee of 2 years. The maximum period of liability shall not exceed the duration of the bond (or loan) and 2 years from the date of maturity of the bond (or loan). The agreement is valid for 5 years. As of 31 December 2022, Fangda Special Steel Technology Co., Ltd. has not engaged in any financing business under this mutual guarantee agreement.

On 16 November 2020, Fangda Special Steel Technology Co., Ltd. signed the Maximum Guarantee Contract (Contract No. 2270001022020115201BZ01) with the Export-Import Bank of China Gansu Branch. The guaranteed party is the Company and the maximum guaranteed amount is RMB 250,000,000. As of 31 December 2022, the loan principal under the guarantee has been repaid.

On 16 January 2023, Fangda Carbon passed the resolution on the mutual guarantee with Fangda Special Steel Technology Co., Ltd. at the First Interim Meeting of Shareholders General Assembly in 2023. The mutual guarantee amount shall not exceed RMB 1 billion, and the mutual guarantee agreement shall have a term of 10 years. The guarantee mode shall be surety guarantee, and the comprehensive credit term of the mutual guarantee shall not exceed 5 years. The guarantor shall bear the guarantee liability for a maximum period of 3 years from the duration of the bond (or loan) and 3years from the date of maturity of the bond (or loan).

(5). Borrowed funds of related party☐Applicable ☒Not applicable**(6). Asset transfer and debt restructuring of related parties**☒Applicable ☐Not applicable

Unit: yuan Currency: RMB

Related party	Content of related transactions	Amount incurred in the current period	Amount incurred in the previous period
Liaoning Fangda Xincheng Real Estate Co., Ltd.	Transfer of vehicles		107,720.04
Beijing Fangda CARBON-TECH. Co., Ltd.	Procurement of vehicles		7,132,837.23
Tianjin Department Store Business and Trade Corporation	Purchasing air conditioner	875,221.24	
Northern Heavy Industries Group Co., Ltd.	Procurement of equipment	1,995,309.74	

(7). **Remuneration of key managers**

√Applicable □Not applicable

Unit: 0,000 yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Remuneration of key managers	527.60	631.08

(8). **Other related transactions**

√Applicable □Not applicable

1) Deposits with Bank of Jiujiang

Deposit unit	Closing balance	Current deposit interest income
Hainan Fushun Investment and Development Co., Ltd.	8,812,377,916.68	981,238.20
Hainan Airlines Holding Co., Ltd.		62.73
HNA Airlines Group Co., Ltd.	237,241,367.18	102,241,367.18
HNA Airlines Group Co., Ltd.	102,238,315.78	102,238,315.78
Hainan Hanwei Investment Co., Ltd.	1,768,308.10	1,162,020.03
Liaoning Fangda Group Industrial Co., Ltd.	59,169.38	142,368.91
Northern Heavy Industries Group Co., Ltd.	2.50	2.50
Jiangxi Fangda Steel Group Co., Ltd.		5,419.93
Jiangxi Fangda Steel Group Co., Ltd.		9,857,292.06
Jiangxi Fangda Steel Group Co., Ltd.		9.75
Jiangxi Fangda Steel Group Co., Ltd.		245,041.62
Jiangxi Fangda Steel Group Co., Ltd.		712,400.16
Jiangxi Fangda Steel Group Co., Ltd.		10,416.67
Ningbo Free Trade Zone Fangda Iron & Steel Trade Co., Ltd.		37,777.78
Jiangxi PXSteel Industrial Co., Ltd.		0.19
Jiangxi PXSteel Industrial Co., Ltd.		0.09
Ningbo Pinggang Trading Co., Ltd.	421,378.15	3,396,838.50
Ningbo Pinggang Trading Co., Ltd.	272,186.35	294,868.79
Shenyang Pinggang Trading Co., Ltd.		0.06
Ningbo Ganxing International Trade Co., Ltd.		0.21
Pingxiang PXSteel Anyuan Steel Co., Ltd.	9,852.36	6,056,515.76
Pingxiang PXSteel Anyuan Steel Co., Ltd.	500,000,000.00	
Pingxiang PXSteel Anyuan Steel Co., Ltd.	228,000,000.00	

Deposit unit	Closing balance	Current deposit interest income
Pingxiang PXSteel Anyuan Steel Co., Ltd.	3,600,000.00	
Pingxiang PXSteel Anyuan Steel Co., Ltd.	9,426,000.00	1,359,876.65
Pingxiang Fangda Renewable Resources Development Co., Ltd.	23,168.39	93,767.86
Pingxiang Fangda Building Materials Distribution Co., Ltd.	2,044.01	3.25
Pingxiang Fangyuan Technology Co., Ltd.	6,641.18	16.67
Jiujiang Dahong Steel Co., Ltd.	37,234.88	207.74
Jiujiang PXSteel Steel Co., Ltd.	758.38	2,218,239.96
Jiujiang PXSteel Steel Co., Ltd.	76,077,368.76	11,111,540.79
Jiujiang PXSteel Steel Co., Ltd.	342,855,000.00	
Jiujiang Fangda Technology Co., Ltd.	512.65	133,590.71
Jiangxi Jinfang Industry and Trade Co., Ltd.	7,523.87	22,638.29
Sichuan Dazhou Iron & Steel Group Co., Ltd.	65,585,749.34	2,557,975.38
Sichuan Dagang Trading Co., Ltd.		4,724.89
Dazhou Ganxing Trading Co., Ltd.		2,030,554.73
Fangda Special Steel Technology Co., Ltd.	256,204.71	20,194.11
Fangda Special Steel Technology Co., Ltd.	300,000,000.00	
Fangda Special Steel Technology Co., Ltd.	33,451,747.21	12,166,762.22
Fangda Special Steel Technology Co., Ltd.	13,117,380.41	104,544.46
Fangda Special Steel Technology Co., Ltd.	614,725,879.84	115,485,494.91
Ningbo Fangda Haiou Trading Co., Ltd.	104,876,790.59	1,226,661.00
Jiangxi Fangda Steel Group Enterprise Investment Co., Ltd.	2,137,359,780.16	61,679,278.68
Hefei Carbon Co., Ltd.	162,291,689.35	6,858,674.88
Changfeng Fangda Carbon Material Co., Ltd.	25,238,268.99	142,654.98
Total	13,771,328,239.20	444,599,359.06

2) Notes payable with Bank of Jiujiang

Deposit unit	Closing balance	Current amount issued	Current discount amount	Current discount interest
Jiangxi Fangda Steel Group Co., Ltd.	100,000,000.00	278,000,000.00	1,125,000,000.00	8,272,916.71
Jiangxi Fangda Steel	300,000,000.00	300,000,000.00	57,000,000.00	10,975,917.99

Deposit unit	Closing balance	Current amount issued	Current discount amount	Current discount interest
Group Co., Ltd.				
Jiangxi Fangda Steel Group Co., Ltd.			300,000,000.00	
Ningbo Free Trade Zone Fangda Iron & Steel Trade Co., Ltd.			400,000,000.00	
Pingxiang PXSteel Anyuan Steel Co., Ltd.	721,420,000.00	1,444,982,857.14		17,237,306.73
Pingxiang Fangda Renewable Resources Development Co., Ltd.			182,000,000.00	
Jiujiang PXSteel Steel Co., Ltd.	929,850,000.00	1,592,700,000.00		5,160,046.73
Jiangxi Jinfang Industry and Trade Co., Ltd.			59,785,928.06	
Jiujiang Fangda Technology Co., Ltd.			70,214,071.94	
Fangda Special Steel Technology Co., Ltd.		200,000,000.00		
Sichuan Dagang Trading Co., Ltd.		196,300,000.00		
Jiangxi Fangda Steel International Trade Co., Ltd.			200,000,000.00	5,715,833.40
Ningbo Ganxing International Trade Co., Ltd.				22,939,458.34
Total	2,051,270,000.00	4,011,982,857.14	2,394,000,000.00	70,301,479.90

3) Guarantee matters with Bank of Jiujiang

Guarantor	Beneficiary	Amount guaranteed
Liaoning Fangda Group Industrial Co., Ltd.	Jiangxi Fangda Steel Group Co., Ltd.	500,000,000.00
Liaoning Fangda Group Industrial Co., Ltd.	Jiangxi Fangda Steel Group Co., Ltd.	500,000,000.00
Jiujiang PXSteel Steel Co., Ltd.	Jiangxi Fangda Steel Group Co., Ltd.	600,000,000.00

Guarantor	Beneficiary	Amount guaranteed
Jiujiang PXSteel Steel Co., Ltd.	Jiangxi Fangda Steel Group Co., Ltd.	400,000,000.00
Jiujiang PXSteel Steel Co., Ltd.	Jiangxi Fangda Steel Group Co., Ltd.	300,000,000.00
Liaoning Fangda Group Industrial Co., Ltd.	Jiangxi Fangda Steel Group Co., Ltd.	500,000,000.00
Liaoning Fangda Group Industrial Co., Ltd.	Jiangxi Fangda Steel Group Co., Ltd.	500,000,000.00
Pingxiang PXSteel Anyuan Steel Co., Ltd.	Jiangxi Fangda Steel Group Co., Ltd.	700,000,000.00
Pingxiang PXSteel Anyuan Steel Co., Ltd.	Jiangxi Fangda Steel Group Co., Ltd.	700,000,000.00
Jiangxi Fangda Steel Group Co., Ltd.	Jiujiang PXSteel Steel Co., Ltd.	400,000,000.00
Jiangxi Fangda Steel Group Co., Ltd.	Liaoning Fangda Group Industrial Co., Ltd.	600,000,000.00
Jiujiang PXSteel Steel Co., Ltd.	Liaoning Fangda Group Industrial Co., Ltd.	600,000,000.00
Jiangxi Fangda Steel Group Co., Ltd.	Pingxiang PXSteel Anyuan Steel Co., Ltd.	600,000,000.00
Total		6,900,000,000.00

6. Receivables and payables of related party

(1). Receivables

√Applicable □Not applicable

Unit: yuan Currency: RMB

Project name	Related party	Closing balance		Opening balance	
		Book balance	Provision for bad debts	Book balance	Provision for bad debts
Accounts receivable	Fangda Special Steel Technology Co., Ltd.	20,783,345.01	216,544.27	10,810,615.32	52,972.02
Accounts receivable	Jiujiang PXSteel Steel Co., Ltd.	8,380,633.55	41,903.17	9,816,268.86	130,005.90
Accounts receivable	Pingxiang PXSteel Anyuan Steel Co., Ltd.	4,929,835.22	24,649.18	3,162,329.56	15,495.41
Accounts receivable	Beijing Fangda CARBON-TECH. Co., Ltd.	3,719,727.25	18,598.63		
Accounts receivable	Sichuan Dazhou Iron & Steel Group Co., Ltd.	50,000.00	250.00		
Accounts receivable	Baofang Carbon Material Technology Co., Ltd.	15,540.00	77.70	5,090,445.18	24,943.19

Accounts receivable	Fangda C-CHEM (Jiangsu) Needle Coke Technology Co., Ltd.	118,500.00	592.50	98,750.00	483.88
Accounts receivable	Gansu Heer Pisi Craft Products Co., Ltd.	71,584.00	357.92		
Accounts receivable	Gansu Fangda Zhanyao New Material Packaging Co., Ltd.	700.00	3.50		
Accounts receivable	Dongxiang Nationality Autonomous County Xiyuxing Clothing Co., Ltd.	132,703.24	663.52		
Prepayments	Fangda C-CHEM (Jiangsu) Needle Coke Technology Co., Ltd.			279,657.10	
Prepayments	Beijing Fangda CARBON-TECH. Co., Ltd.	21,840,086.00		13,691,447.10	
Prepayments	"Sichuan Daxing Baohua Chemical Engineering Co., Ltd. "	3,926,438.95		2,085,429.31	
Prepayments	Deer Jet (Beijing) Co., Ltd.	5,000,000.00			
Other receivables	Fangda C-CHEM (Jiangsu) Needle Coke Technology Co., Ltd.	1,122,604.52	56,130.23	3,934,813.59	160,284.13
Other receivables	Shenyang Fangdi Real Estate Co., Ltd.	157,323.62	8,697.16	166,651.67	8,332.58
Other receivables	Baofang Carbon Material Technology Co., Ltd.	117,187.00	5,859.35	29,347.00	1,467.35
Other receivables	Pingxiang PXSteel Anyuan Steel Co., Ltd.			10,000.00	500.00
Other receivables	Hainan Fushun Investment and Development Co., Ltd.	24,345.00	1,217.25		
Contract assets	Jiujiang PXSteel Steel Co., Ltd.			655,107.20	3,210.03
Contract assets	Fangda Special Steel Technology Co., Ltd.	272,449.36	1,362.25		
Other non-current assets	Fangda C-CHEM (Jiangsu) Needle Coke Technology Co., Ltd.	10,272,052.22		10,272,052.22	

Total		80,935,054.94	376,906.63	60,102,914.11	397,694.49
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(2). Payables

√Applicable □Not applicable

Unit: yuan Currency: RMB

Project name	Related party	Ending book balance	Opening book balance
Accounts payable	Fangda C-CHEM (Jiangsu) Needle Coke Technology Co., Ltd.	5,004,296.98	1,114,771.80
Accounts payable	"Sichuan Daxing Baohua Chemical Engineering Co., Ltd. "	4,315,351.33	4,519,781.99
Accounts payable	Gansu Fangda Tongte New Materials Co., Ltd.	197,618.14	199,300.35
Accounts payable	Gansu Fangda Zhanyao New Material Packaging Co., Ltd.		87,800.00
Accounts payable	Tianjin Total Logistics Distribution Co., Ltd.		116,127.53
Accounts payable	Northern Heavy Industries Group Co., Ltd.	1,143,700.00	693,650.00
Accounts payable	Baofang Carbon Material Technology Co., Ltd.	16,301,686.79	1,701,092.99
Accounts payable	Tianjin Department Store Business and Trade Corporation	296,700.00	
Other payables	Northern Heavy Industries Group Co., Ltd.	133,570.00	60,000.00
Other payables	Fangda C-CHEM (Jiangsu) Needle Coke Technology Co., Ltd.	135,917.84	135,038.02
Other payables	Tianjin Huantong Electrical Equipment Co., Ltd.	250,000.00	
Other payables	Tianjin Department Store Business and Trade Corporation	148,900.00	
Other payables	ZTE-Shenyang Commercial Building (Group) Co., Ltd.	433,582.00	
Contract liabilities	Baofang Carbon Material Technology Co., Ltd.	329,765.13	168,283.19
Other current liabilities	Baofang Carbon Material Technology Co., Ltd.	42,869.47	21,876.81
Other non-current liabilities	Fangda C-CHEM (Jiangsu) Needle Coke Technology Co., Ltd.	30,774,241.00	30,774,241.00
Total	/	59,508,198.68	39,591,963.68

As of 31 December 2022, Liaoning Fangda Group Industry Co., Ltd. holds 1,524,413,321.00 shares of the Company, accounting for 40.05% of the total share capital of the Company, of which the number of shares pledged is 1,080,000,000.00, accounting for 70.85% of its total number of shares held and 28.38% of the Company's total share capital.

In March 2022, the Company, together with the related parties Shanghai Huxu Investment Management Co., Ltd., Fangda Special Steel Technology Co., Ltd. and Jiangxi Haiou Trading Co., Ltd., jointly established Nanchang Huxu Steel Industry Investment Partnership (Limited Partnership). The total subscribed capital is RMB 12,000,000,000. As a limited partner, the Company contributed RMB 4,500,000,000 with its equity capital, accounting for 37.50% of the total subscribed capital. As of 31 December 2022, the Company has invested RMB 4,500,000,000 in total.

7. Commitment of related parties

☒Applicable ☐Not applicable

Liaoning Fangda Group Industry Co., Ltd., the parent company of the Company, promises: “(1) to accelerate the handling of ownership documents such as land certificate and property certificate, and complete them all by the end of 2007. (2) The costs and expenses involved in handling the ownership documents of the land, houses, etc. shall be borne by the Company according to the original shareholding ratio. (3) For the loss caused by the land, housing and other ownership issues involved in this transaction affecting the normal operation of Hailong Technology, the Company will assume the compensation responsibility and perform the compensation obligation within 1 month.” Affected by local policies and government relocation planning and other factors, the Company’s subsidiaries Fushun Carbon Co., Ltd. (Fushun Carbon), Hefei Carbon Co., Ltd. (Hefei Carbon), and Chengdu Rongguang Carbon Co., Ltd. (Rongguang Carbon) had not obtained relevant warrants yet. According to the relevant documents of the government, the subsidiaries Fushun Carbon, Hefei Carbon and Rongguang Carbon will handle the land use certificate and house ownership certificate together after the completion of the relocation work. Details are as follows:

(1) Hefei Carbon and its former shareholder Hefei Aluminum Industry Co., Ltd. share the same land and work in the same area. The land use right still belongs to Hefei Aluminum Industry Co., Ltd., and the land belongs to the state-allocated land. According to the requirements of the Hefei Municipal Government, in 2002, all state-owned land certificates were reclaimed and managed by Hefei Industrial Investment Holding Co., Ltd. In July 2004, Hefei Aluminum Industry Co., Ltd. completed the policy mandated bankruptcy, and the land used by Hefei Carbon was leased. In order to accelerate the optimization of the layout of the central urban area, the government has requested the relocation of Hefei Carbon as a whole to the cluster area for business development, and Hefei Carbon has also formulated a relocation plan. The enterprise has not had any ownership disputes and has not affected its normal production and operation. After the relocation work is completed, the land use right and property ownership certificate of Hefei Carbon will be handled. In October 2017, the Company successfully acquired 47.89% equity in Hefei Carbon held by CITIC Investment Holdings Co., Ltd. Hefei Carbon became a wholly-owned subsidiary of the Company. According to the spirit of the Opinions on Accelerating the Optimization, Layout, and Transformation of Industrial Development in the Central Urban Area of Hefei City, Hefei Carbon signed the Investment Cooperation Agreement for Investment Promotion Project of Changfeng County with the People’s Government of Xiatang Town, Changfeng County in 2019. Hefei Carbon was relocated to Xiatang Town, Changfeng County to invest in the construction of carbon products with an annual output of 50,000 tons. The relocation work proceeded in an orderly manner as planned.

(2) Fushun Carbon is an enterprise restructured and established in 2002 under the leadership of the local government. During the restructuring, some land use rights and property ownership have not been transferred due to historical reasons. So far, there has been no ownership dispute over the land and property use rights, nor has it affected the normal production and operation of the enterprise. Since 2006, Fushun Carbon has taken measures to actively promote the transfer of the above land and property, gone through the preparation work necessary for the transfer procedures, and communicated with the municipal government and land management department for many times, but failed due to policy constraints. In 2008, the Liaoning Provincial Party Committee and Government proposed the implementation of the strategy of Shenyang-Fuzhou integration. As Fushun Carbon is located in the core area of Shenyang-Fuzhou integration, the Fushun Municipal Government has put the relocation and renovation plan of Fushun Carbon on its agenda. In 2010, the Fushun Municipal Government included the relocation of Fushun Carbon in the Outline of the 12th Five Year Plan for National Economic and Social Development of Fushun City, and Fushun Carbon also prepared the Technical Plan for Relocation and Transformation. After the relocation and renovation of the enterprise is completed, the land use certificate and the property ownership certificate will be handled together.

Fushun Carbon is in talks with the government on relocation and renovation matters.

8. Others

☐Applicable ☒Not applicable

XIII. Share-based payments

1. General situation of share-based payments

☐Applicable ☒Not applicable

2. Equity-settled share-based payments

☐Applicable ☒Not applicable

3. Share payment settled by cash

☐Applicable ☒Not applicable

4. Modification and termination of share payments

☐Applicable ☒Not applicable

5. Others

☐Applicable ☒Not applicable

XIV. Commitments and contingencies

1. Significant commitments

☐Applicable ☒Not applicable

2. Contingencies

(1). Important contingent issues existing on the date of balance sheet

☐Applicable ☒Not applicable

(2). The Company not involving key significant issues to be disclosed shall be declared.

☐Applicable ☒Not applicable

3. Others

☐Applicable ☒Not applicable

XV. Events after the date of Balance Sheet

1. Important non-adjustment matters

☐Applicable ☒Not applicable

2. Profit distribution

√Applicable □Not applicable

Unit: yuan Currency: RMB

Profits or dividends to be distributed	0
Declared and issued profits or dividends after review and approval	0

According to the audit report issued by Baker Tilly International Accounting Firm (Special General Partnership), the company's net profit attributable to shareholders of listed companies in 2022 is RMB 839,939,033.95 . The net profit realized by the parent company in 2022 is RMB 2,161,849,668.73, with a statutory surplus of RMB 216,184,966.87 , plus the undistributed profit of RMB 4,330,166,798.01 at the beginning of the year, and the available distribution profit at the end of 2022 is RMB 6, 275,831,499.87. The company plans not to carry out cash dividends, share delivery and capital reserve funds to increase share capital in 2022.

3. Sales return

□Applicable √Not applicable

4. Description of other events after the date of Balance Sheet

√Applicable □Not applicable

The Company held the 7th interim meeting of the 8th board of directors on 4 March 2022 and the first interim meeting of shareholders general assembly of 2022 on 21 March 2022 respectively. The Proposal on Investment in Privately Offered Funds and Related Transactions was examined and approved at the meeting. The Company, as a limited partner, jointly invested in the establishment of Nanchang Huxu Iron and Steel Industry Investment Partnership (Limited Partnership) with the associated party Shanghai Huxu Investment Management Co., Ltd., and the limited partners Fangda Special Steel Technology Co., Ltd. and Jiangxi Haiou Trade Co., Ltd. The Company invested RMB 4.5 billion yuan with its own funds, and Shanghai Huxu Investment Management Co., Ltd. was the general partner and manager with underlying fund. In April 2022, the manager completed the fund registration, obtained the registration certificate, and fulfilled the investment obligation. In February 2023, Nanchang Huxu Iron and Steel Industry Investment Partnership (Limited Partnership) introduced limited partners and re-signed the Partnership Agreement.

In order to expand the Company's international financing channels, enhance its international brand and image, meet the needs of the international business development, and actively promote its global strategy, the Company plans to issue the Global Depositary Receipts (GDR) overseas and list on the Swiss Stock Exchange. This matter has been reviewed and approved by the Company at the 11th Interim Meeting of the 8th Board of Directors held on 30 May 2022, the 11th Meeting of the 8th Board of Supervisors on 15 June 2022 and the Fourth Interim Meeting of Shareholders General Assembly in 2022. On 15 March 2023 (Swiss time), the Company completed the GDR issuance and was listed on the Swiss Stock Exchange (full name of GDR securities: Fangda Carbon New Material Co., Ltd., and GDR listing code: FDCB). A total of 22,000,000 GDR shares were issued, and the corresponding new underlying securities is the Company's 220,000,000 A-shares.

Chengdu Carbon Material, the holding subsidiary of the Company, applied for listing in the National Equities

Exchange and Quotations. Approved by the National Equities Exchange and Quotations Corporation Limited, the shares of Chengdu Carbon Material were publicly listed and transferred on the National Equities Exchange and Quotations from 16 March 2023, with the abbreviation of securities of “Chengdu Carbon Material”, Stock Code of 874035, trading mode of call auction, and level of basic level.

XVI. Other important matters

1. Correction of previous accounting errors

(1). Retrospective restatement method

☐Applicable ☒Not applicable

(2). Prospective application method

☐Applicable ☒Not applicable

2. Debt restructuring

☐Applicable ☒Not applicable

3. Asset replacement

(1). Non-monetary asset exchange

☐Applicable ☒Not applicable

(2). Replacement of other assets

☐Applicable ☒Not applicable

4. Annual annuity plan

☐Applicable ☒Not applicable

5. Discontinued operations

☐Applicable ☒Not applicable

6. Segment information

(1). Basis of determining the reporting segment and the accounting policy

☒Applicable ☐Not applicable

According to the Company's internal organizational structure, management requirements and internal reporting system, the Company's operating business is divided into operating segments by region. The management of the Company regularly evaluates the operation results of these divisions to decide on the allocation of resources and evaluate its performance. The Company has identified five reporting segments, namely the Northwest Region, Northeast Region, Southwest Region, East China Region and Overseas Region. These reporting segments are determined based on area.

The segment report is disclosed based on the accounting policy and measuring standard of segment reporting towards management, and is consistent with financial reports.

(2). Financial information of the reporting segment

☒Applicable ☐Not applicable

Unit: yuan Currency: RMB

Item	Northwest Region	Northeast China	Southwest China	Eastern China	Foreign areas	Inter-division offset	Total
Main business income	2,749,428,547.22	1,141,172,070.75	1,213,749,529.31	496,979,064.39		-562,506,860.40	5,038,822,351.27
Costs of main business	2,224,449,643.17	956,809,683.16	719,368,958.07	486,651,856.20		-541,765,221.52	3,845,514,919.08

Total assets	15,089,144,994.64	2,757,475,411.68	3,301,123,370.87	2,880,810,971.90	74,002.55	-3,853,338,036.71	20,175,290,714.93
Total liabilities	2,256,418,269.95	616,231,555.84	1,055,223,690.49	2,028,972,981.76	6,068.48	-2,569,964,626.81	3,386,887,939.71

(3). **If the Company has no reporting segment or cannot disclose the total assets and liabilities of each reporting segment, the reasons shall be explained.**

☐Applicable ☒Not applicable

(4). **Other notes**

☐Applicable ☒Not applicable

7. Other important transactions and matters that have an impact on investors' decision making

☒Applicable ☐Not applicable

1. The national standard - Standard Test Method for Static Modulus of Elasticity and Poisson's Ratio of Carbon Materials in Compression, of which the Company participated in the preparation, was released and implemented by the State Administration for Market Regulation and the Standardization Administration on 1 March, 2022. It is another national standard prepared by the Company after the industry standard HTGR Reactor Internals formulated by the Company was issued and implemented by the Ministry of Industry and Information Technology, PRC on 1 October 2021.

2. On 25 March 2022, Lanzhou Customs confirmed that Fangda Carbon is an exporter approved by the Customs of the People's Republic of China. The Company has become the first RCEP approved exporter in Gansu Province, and also the first production oriented approved exporter in Gansu Province. As an approved exporter, the Company can enjoy preferential tariff policies under the Regional Comprehensive Economic Partnership, effectively enhancing the international competitiveness of its export business.

3. The Company held the 7th Extraordinary Meeting of the 8th Board of Directors and the 1st Interim Meeting of Shareholders General Assembly on 4 March 2022 and 21 March 2022, respectively. The meetings deliberated and approved the Proposal on Investing in Private Equity Funds and Related-party Transactions. As a limited partner, the Company, together with the related parties Shanghai Huxu Investment Management Co., Ltd., the limited partners Fangda Special Steel Technology Co., Ltd. and Jiangxi Haiou Trading Co., Ltd., jointly established Nanchang Huxu Steel Industry Investment Partnership (Limited Partnership). The Company invested RMB 4,500,000,000 with its equity fund. Shanghai Huxu Investment Management Co., Ltd. is the general partner and manager of the target fund. In April 2022, the manager completed the fund registration, obtained the registration certificate, and fulfilled the investment obligation. In February 2023, Nanchang Huxu Iron and Steel Industry Investment Partnership (Limited Partnership) introduced limited partners and re-signed the Partnership Agreement.

4. In April 2022, the Company was awarded the National May 1 Labor Medal; At the same time, it was awarded the "Provincial Governor's Financial Award 2021."

5. In order to expand the Company's international financing channels, enhance its international brand and image, meet the needs of the international business development, and actively promote its global strategy, the Company

plans to issue the Global Depositary Receipts (GDR) overseas and list on the Swiss Stock Exchange. This matter has been reviewed and approved by the Company at the 11th Interim Meeting of the 8th Board of Directors held on 30 May 2022, the 11th Meeting of the 8th Board of Supervisors on 15 June 2022 and the Fourth Interim Meeting of Shareholders General Assembly in 2022. On 15 March 2023 (Swiss time), the Company completed the GDR issuance and was listed on the Swiss Stock Exchange (full name of GDR securities: Fangda Carbon New Material Co., Ltd., and GDR listing code: FDCB). A total of 22,000,000 GDR shares were issued, and the corresponding new underlying securities is the Company's 220,000,000 A-shares.

6. Chengdu Carbon Material, the holding subsidiary of the Company, applied for listing in the National Equities Exchange and Quotations. Approved by the National Equities Exchange and Quotations Corporation Limited, the shares of Chengdu Carbon Material were publicly listed and transferred on the National Equities Exchange and Quotations from 16 March 2023, with the abbreviation of securities of "Chengdu Carbon Material", Stock Code of 874035, trading mode of call auction, and level of basic level.

8. Others

☐Applicable ☒Not applicable

XVII. Notes to main items in parent company financial statement

1. Accounts receivable

(1). Disclosed by aging

☒Applicable ☐Not applicable

Unit: yuan Currency: RMB	
Aging	Ending book balance
Within 1 year	
Including: Subitems within 1 year	
Within 1 year	311,034,891.12
Within 1 year in subtotal	311,034,891.12
1-2 years	25,728,131.63
2-3 years	3,970,779.87
More than 3 years	44,143,133.87
Total	384,876,936.49

(2). Disclosure by classification method of bad debt accrual

☒Applicable ☐Not applicable

Unit: yuan Currency: RMB

Category	Closing balance					Opening balance				
	Book balance		Provision for bad debts		Book value	Book balance		Provision for bad debts		Book value
	Amount	Proportion (%)	Amount	Additions proportion (%)		Amount	Proportion (%)	Amount	Additions proportion (%)	
Accrued bad-debt provision by individual:	41,542,427.16	10.79	41,542,427.16	100.00		23,371,437.33	5.78	23,371,437.33	100.00	
Including:										
Receivables with significant individual amount and having independent provision for bad debt	13,048,276.68	3.39	13,048,276.68	100.00		13,048,276.68	3.23	13,048,276.68	100.00	
Receivables with no significant individual amount but having independent provision for bad debt	28,494,150.48	7.40	28,494,150.48	100.00		10,323,160.65	2.55	10,323,160.65	100.00	
Accrued bad-debt provision by portfolio	343,334,509.33	89.21	12,549,438.77		330,785,070.56	380,980,386.02	94.22	22,242,888.20	5.84	358,737,497.82
Including:										
Accounts receivable portfolio A	341,044,699.02	88.61	12,549,438.77		328,495,260.25	370,513,279.73	91.63	22,242,888.20	6.00	348,270,391.53
Accounts receivable portfolio B	2,289,810.31	0.60			2,289,810.31	10,467,106.29	2.59			10,467,106.29
Total	384,876,936.49	100.00	54,091,865.93	/	330,785,070.56	404,351,823.35	100.00	45,614,325.53	/	358,737,497.82

Accrued bad-debt provision by individual:

☒Applicable ☐Not applicable

Unit: yuan Currency: RMB

Name	Closing balance			
	Book balance	Provision for bad debts	Additions proportion (%)	Reasons for withdrawal
Receivables with significant individual amount and having independent provision for bad debt	13,048,276.68	13,048,276.68	100.00	
Receivables with no significant individual amount but having independent provision for bad debt	28,494,150.48	28,494,150.48	100.00	
Total	41,542,427.16	41,542,427.16	100.00	

Description of accrued bad-debt provision by individual:

☐Applicable ☒Not applicable

Accrued bad-debt provision by portfolio:

☒Applicable ☐Not applicable

Portfolio withdrawal item: accounts receivable portfolio A

Unit: yuan Currency: RMB

Name	Closing balance		
	Accounts receivable	Provision for bad debts	Additions proportion (%)
Within 1 year (inclusive)	304,966,437.39	1,524,832.19	0.50
1-2 years (inclusive)	25,307,036.18	2,834,388.05	11.20
2-3 years (inclusive)	3,970,779.87	1,389,772.95	35.00
More than 3 years	6,800,445.58	6,800,445.58	100.00
Total	341,044,699.02	12,549,438.77	

Recognition criteria and description of bad debts accrued by portfolio:

☐Applicable ☒Not applicable

Portfolio withdrawal item: accounts receivable portfolio B

Unit: yuan Currency: RMB

Name	Closing balance		
	Accounts receivable	Provision for bad debts	Additions proportion (%)
Amounts from related party receivables within the scope of consolidation	2,289,810.31		
Total	2,289,810.31		

Recognition criteria and description of bad debts accrued by portfolio:

☐Applicable ☒Not applicable

If the provision for bad debts is made according to the general model of expected credit losses, please refer to the disclosure of other receivables:

☐Applicable ☒Not applicable

(3). Bad debt provision

☒Applicable ☐Not applicable

Unit: yuan Currency: RMB

Category	Opening balance	Amount changed in current period				Closing balance
		Provision	Recovered or reversed	Write-off	Other changes	
Receivables with significant individual amount and having independent provision for bad debt	13,048,276.68					13,048,276.68
Receivables with no significant individual amount but having independent provision for bad debt	10,323,160.65	18,170,989.83				28,494,150.48
Accounts receivable portfolio A	22,242,888.20	-9,693,449.43				12,549,438.77
Total	45,614,325.53	8,477,540.40				54,091,865.93

Of which: the bad debt provision recovered or reversed with important amount in the current period:

☐Applicable ☒Not applicable

(4). Accounts receivable actually written off in the current period

☐Applicable ☒Not applicable

Including: significant written-off of accounts receivable

☐Applicable ☒Not applicable

(5). Top five accounts receivable for closing balance collected by the debtor

☒Applicable ☐Not applicable

Unit: yuan Currency: RMB

Name of entity	Closing balance	Proportion in total balance of accounts receivable at the end of period (%)	Closing balance of bad debts reserve
1	19,491,480.30	5.06	210,084.96
2	17,298,297.51	4.50	86,491.49
3	15,442,620.67	4.01	77,213.10
4	15,356,816.42	3.99	76,784.08
5	14,791,314.96	3.84	925,170.03

Total	82,380,529.86	21.40	1,375,743.66
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(6). **Derecognized receivables due to transfer of financial assets**

□Applicable √Not applicable

(7). **Amounts of assets and liabilities from transferring receivables and involved**

□Applicable √Not applicable

Other notes:

□Applicable √Not applicable

2. Other receivables**Listed by item**

√Applicable □Not applicable

Unit: yuan Currency: RMB

Item	Closing balance	Opening balance
Interests receivable		
Dividends receivable	158,235,723.88	13,695,723.88
Other receivables	1,119,872,099.69	1,467,014,277.26
Total	1,278,107,823.57	1,480,710,001.14

Other notes:

□Applicable √Not applicable

Interests receivable(1). **Classification of interests receivable**

□Applicable √Not applicable

(2). **Significant overdue interest**

□Applicable √Not applicable

(3). **Information of bad-debt provision**

□Applicable √Not applicable

Other notes:

□Applicable √Not applicable

Dividends receivable(1). **Dividends receivable**

√Applicable □Not applicable

Unit: yuan Currency: RMB

Projects (or invested body)	Closing balance	Opening balance
Fushun Fangda New Materials Co., Ltd.	13,695,723.88	13,695,723.88
Chengdu Carbon Material Co., Ltd.	144,540,000.00	
Total	158,235,723.88	13,695,723.88

(2). **Important dividends receivable aging over 1 year**

□Applicable √Not applicable

(3). **Information of bad-debt provision**

□Applicable √Not applicable

Other notes:

☐Applicable ☒Not applicable

Other receivables

(1). Disclosed by aging

☒Applicable ☐Not applicable

Unit: yuan Currency: RMB

Aging	Ending book balance
Within 1 year	
Including: Subitems within 1 year	
Within 1 year	47,201,739.13
Within 1 year in subtotal	47,201,739.13
1-2 years	15,412,657.36
2-3 years	321,700,709.70
More than 3 years	861,282,178.89
Total	1,245,597,285.08

(2). Classification by nature of money

☒Applicable ☐Not applicable

Unit: yuan Currency: RMB

Nature of fund	Ending book balance	Opening book balance
Current accounts	1,236,380,149.81	1,559,180,696.52
Margin	7,877,967.06	7,131,449.82
Revolving fund	1,151,061.41	559,177.56
Others	188,106.80	512,342.80
Total	1,245,597,285.08	1,567,383,666.70

(3). Information of bad-debt provision

☒Applicable ☐Not applicable

Unit: yuan Currency: RMB

Provision for bad debts	Stage 1	Stage 2	Stage 3	Total
	Expected credit losses in the next 12 months	Expected credit loss for the entire duration (no credit impairment occurred)	Expected credit loss for the entire duration (credit impairment has occurred)	
Balance as of 1 January, 2022	2,937,191.38		97,432,198.06	100,369,389.44
Balance on 1 January, 2022 in the current period				
--Transfer to the stage 2				
--Transfer to the stage 3				
--Transfer back to the stage 2				
--Transfer back to the stage 1				
Amount of withdrawal in	-2,171,461.22		27,527,257.17	25,355,795.95

current period				
Reversed in current period				
Written off in current period				
Write-off in this period				
Other changes				
Balance as of 31 December, 2022	765,730.16		124,959,455.23	125,725,185.39

Explanation of the significant changes in the book balance of other receivables for which the provision for loss has changed in the current period:

☐Applicable ☒Not applicable

The amount of provision for bad debts in the current period and the basis for assessing whether the credit risk of financial instruments has significantly increased:

☐Applicable ☒Not applicable

(4). Bad debt provision

☐Applicable ☒Not applicable

Unit: yuan Currency: RMB

Category	Opening balance	Amount changed in current period				Closing balance
		Provision	Recovered or reversed	Write-off	Other changes	
Stage 1	2,937,191.38	-2,171,461.22				765,730.16
Stage 2						
Stage 3	97,432,198.06	27,527,257.17				124,959,455.23
Total	100,369,389.44	25,355,795.95				125,725,185.39

Import reversed or recovered amount from non-performing debt during the period:

☐Applicable ☒Not applicable

(5). Other accounts receivable with actual write-off during the period.

☐Applicable ☒Not applicable

(6). Top five other accounts receivable for closing balance collected by the debtor.

☒Applicable ☐Not applicable

Unit: yuan Currency: RMB

Name of entity	Nature of fund	Closing balance	Aging	Proportion in total closing balance of other receivables (%)	Closing balance of bad debts reserve
1	Current accounts	7,696,104.17	1-2 years (inclusive)	38.08	
		250,000,000.00	2-3 years (inclusive)		
		216,660,465.43	More than 3 years		
2	Current accounts	3,469,100.00	Within 1 year (inclusive)	23.95	
		1,720,744.10	1-2 years (inclusive)		

		3,186,000.00	2-3 years (inclusive)		
		289,950,964.24	More than 3 years		
3	Current accounts	38,235.29	Within 1 year (inclusive)	16.06	
		199,961,764.71	More than 3 years		
4	Current accounts	6,374,124.79	Within 1 year (inclusive)	14.31	71,150,017.24
		3,957,468.35	1-2 years (inclusive)		
		67,609,280.25	2-3 years (inclusive)		
		100,305,560.19	More than 3 years		
5	Current accounts	25,777,027.00	Within 1 year (inclusive)	2.81	
		9,222,973.00	1-2 years (inclusive)		
Total	/	1,185,929,811.52	/	95.21	71,150,017.24

(7). Receivables related to government subsidy

□Applicable √Not applicable

(8). Derecognized other receivables due to transfer of financial assets

□Applicable √Not applicable

(9). Amount from transferring other receivables and further involving assets and liabilities:

□Applicable √Not applicable

Other notes:

□Applicable √Not applicable

3. Long-term equity investment

√Applicable □Not applicable

Unit: yuan Currency: RMB

Item	Closing balance			Opening balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Investment in subsidiaries	1,613,707,654.98	160,392,852.19	1,453,314,802.79	1,594,910,432.68	156,724,494.00	1,438,185,938.68
Investment in associates and joint ventures	6,951,649,622.33	425,684,011.01	6,525,965,611.32	2,382,794,588.49	425,684,011.01	1,957,110,577.48
Total	8,565,357,277.31	586,076,863.20	7,979,280,414.11	3,977,705,021.17	582,408,505.01	3,395,296,516.16

(1). Investment in subsidiaries

√Applicable □Not applicable

Unit: yuan Currency: RMB

Investee	Opening balance	Increase in current	Decrease in current	Closing balance	Amount of withdrawal	Closing balance of
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		period	period		of depreciation reserves in current period	depreciation reserves
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 New Materials Co., Ltd.	30,000,000.00			30,000,000.00		
Chengdu Carbon Material Co., Ltd.	451,330,069.59		4,513,300.70	446,816,768.89		
Fushun Fangtai Precision Carbon Material Co., Ltd.	3,668,358.19		3,668,358.19		3,668,358.19	160,392,852.19
Gansu Classical Shengdong Construction Poverty Alleviation Development Co., Ltd.	10,000,000.00			10,000,000.00		
Gansu Benju Handicraft Development Co., Ltd.	600,000.00			600,000.00		
Dongxiang Autonomous County Fangda Tengda Clothing Co., Ltd.	2,760,000.00			2,760,000.00		
Gansu Fangda Jiuxing Template Co., Ltd.	2,250,000.00			2,250,000.00		
Fangda (Jiangsu) Carbon Chemical Co., Ltd.	316,367,524.69	23,310,523.00		339,678,047.69		
Fangda (South Korea) International Trade Co., Ltd.	1,353,398.80			1,353,398.80		
Fangda (Moscow) International Trade Co., Ltd.	91,425.11			91,425.11		
Total	1,438,185,938.68	23,310,523.00	8,181,658.89	1,453,314,802.79	3,668,358.19	160,392,852.19

(2). Investment in associates and joint ventures

√Applicable □Not applicable

Unit: yuan Currency: RMB

Investor	Open ing balanc e	Increase or decrease in current period								Closin g balanc e	Closin g balan ce of depre ciatio n reserv es
		Additi onal invest ment	Redu ction of inves tmen t	Invest ment gains and losses recogn ized under equity metho d	Adjus tment of other comp rehen sive incom e	Other chang es in equity	Distrib ution of cash divide nd or profit declar ed	Withd rawal of deprec iation reserv es	Others		
I. Joint ventures											
Fangda C-CHEM (Jiangsu) Needle Coke Technology Co., Ltd.	187,689 ,988.69			-39,805, 618.72		-1,208, 752.72				146,675, 617.25	
Sub-total	187,689 ,988.69			-39,805, 618.72		-1,208, 752.72				146,675, 617.25	
II. Associates											
Baofang Carbon Material Technology Co., Ltd.	615,869 ,199.42			3,692,02 7.38		191,36 8.78				619,752, 595.58	
Bank of Jiujiang Co., Ltd.	1,537,7 38,070. 95			72,298,6 14.90	-5,350, 121.02		13,607,0 00.00			1,591,07 9,564.83	425,684 ,011.01
Tianjin Haihe Fangda Industry Investment Fund Partnership (Limited Partnership)	41,497, 329.43			-8,747,9 82.66						32,749,3 46.77	
Nanchang Huxu Steel Industry Investment Partnership (Limited Partnership)		4,500,0 00,000. 00		61,392,4 97.90						4,561,39 2,497.90	
Sub-total	2,195,1 04,599. 80	4,500,0 00,000. 00		128,635, 157.52	-5,350, 121.02	191,36 8.78	13,607,0 00.00			6,804,97 4,005.08	425,684 ,011.01
Total	2,382,7 94,588. 49	4,500,0 00,000. 00		88,829,5 38.80	-5,350, 121.02	-1,017, 383.94	13,607,0 00.00			6,951,64 9,622.33	425,684 ,011.01

4. Operating income and operating costs

(1). Situation of operating income and operating costs

√Applicable □Not applicable

Unit: yuan Currency: RMB

Item	Amount incurred in the current period		Amount incurred in the previous period	
	Income	Cost	Income	Cost
Main business	2,735,244,023.89	2,213,922,724.45	2,267,883,731.96	1,724,366,544.03
Other operations	171,578,670.25	73,919,849.03	136,995,816.87	56,335,124.35
Total	2,906,822,694.14	2,287,842,573.48	2,404,879,548.83	1,780,701,668.38

(2). Revenue generated by contracts

□Applicable √Not applicable

(3). Description of performance obligations

□Applicable √Not applicable

(4). Description of allocation to remaining performance obligations

□Applicable √Not applicable

5. Investment income

√Applicable □Not applicable

Unit: yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Long-term equity investment income accounted by cost method	1,884,303,603.39	11,999,596.40
Long-term equity investment income accounted by equity method	88,829,538.80	76,259,529.92
Investment income from disposal of long-term equity investment	2,707,203.47	-606,069.65
Investment gains from financial assets held for trading during the holding period		
Dividend income from other equity instrument investments during the holding period		
Interest income from debt investment during the holding period		
Other interest income from debt investment during the holding period		
Investment gains from disposal of financial assets held for trading	1,093,338.03	765,682.95
Investment gains from disposal of other equity instrument investments		
Investment gains from disposal of debt investments		
Investment gains from disposal of other debt investments		
Income from debt restructuring	-233,277.16	11,257.80
Gains from financial products		63,951,080.13
Investment income from other non-current assets	430,094.34	485,000.00
Gains from de-recognition of financial assets	-1,228,243.47	
Others	2,833,992.68	
Total	1,978,736,250.08	152,866,077.55

6. Others

□Applicable √Not applicable

XVIII. Supplementary information**1. List of non-recurring gains and losses in current period**

√Applicable □Not applicable

Unit: yuan Currency: RMB

Item	Amount	Notes
Gains/losses on disposal of non-current assets	404,161,267.49	
Ultra vires approval or tax revenue return and relief without official approval document		
Government subsidies recorded in the current profit or loss (closely related to the corporate business, except the government subsidies quota or ration according to the national standard)	61,979,423.66	
Fund possession cost which are collected from non-financial enterprises and which are recorded into current profit and loss		
Gains generated when the company's acquisition costs of subsidiaries, associates and joint ventures are less than the fair value of identifiable net asset of investee to be enjoyed at the time of investment		
Losses and gains from exchange of non-monetary assets		
Profit or loss from commissioned investment or asset management		
Provision for various asset impairment withdrawn due to force majeure		
Losses and gains from debt restructuring	6,019,012.82	
Corporate restructuring costs, such as staffing expenses and integration costs		
Profit or loss generated when transactions with obviously unfair transaction prices exceed the fair value		
Net current profit or loss of the subsidiary formed under the merger of enterprises under the same control from the beginning date to consolidated date		
Gains and losses generated by contingencies unrelated to normal business operations of the Company		
Apart from effective hedging business related to normal business operations, profit and loss from changes in fair value of trading financial assets, derivative financial assets, trading financial liabilities and derivative financial liabilities, as well as the investment income from disposal of trading financial assets, derivative financial assets, trading financial liabilities and derivative financial liabilities and other debt investment.	-197,372,820.40	
Reversal of impairment provision of accounts receivable and contract assets for independent impairment test	1,178,590.26	
Profit and loss from commissioned loans		

Profit and loss from changes in fair value of investment property using the fair value model for subsequent measurement		
Impact of one-time adjustment of current profit or loss pursuant to the laws and regulations about taxation and accounting on the current profit or loss		
Custodian fee income from entrusted operations		
Other non-operating income and expenses, except the aforesaid items	-17,333,180.13	
Other profit and loss items in line with the definition of non-recurring gains and losses	3,644,599.93	
Less: Income tax impacted amount	76,553,280.88	
Impacted amount of minority interests	73,469,304.45	
Total	112,254,308.30	

Nonrecurring profit and loss items as defined in the definition of the Public Issuing Company's Information Disclosure Interpretative Notice No. 1 ——Nonrecurring Profit and Loss, and those items are defined as items of regular profits and losses, the reasons of which shall be explained.

☐Applicable ☒Not applicable

2. Return on equity for net assets and earnings per share

☒Applicable ☐Not applicable

Profit during the reporting period	Weighted average return on net assets (%)	Earnings per share	
		Basic EPS	Diluted EPS
Net profit attributable to the company's ordinary shareholders	5.53	0.22	0.22
Net profit attributable to the company's ordinary shareholders after the deduction of non-recurring gains and losses	4.79	0.19	0.19

3. Differences in accounting data under domestic and overseas accounting standards

☐Applicable ☒Not applicable

4. Others

☐Applicable ☒Not applicable

Chairman: Dang Xijiang

Submission date approved by the Board of Directors: 15 April, 2023

Revision information

☐Applicable ☒Not applicable