

Fangda Carbon New Material Co., Ltd.
Annual Report of 2025



Important Notice

I. The Board of Directors, the Supervisory Committee and the Directors, Supervisors and senior management of the Company guarantee the truthfulness, accuracy and completeness of the contents of the Annual Report, and that there are no false records, misleading statements or material omissions, and that they shall bear individual and joint legal liabilities.

II. All the directors of the Company attended the meeting of the Board of Directors.

III. Da Xin accounting firm (Special General Partnership) has issued a standard unqualified audit report for the Company.

IV. Zhang Tianjun , the person in charge of the Company, Gou Yanli , the chief accountant, and Tan Hong , the head of accounting department (accountant in charge) declare that the financial reports herein are authentic, accurate and complete.

V. Profit distribution proposal or capitalization of provident fund for the reporting period adopted by resolution of the Board of Directors

On 28 April 2026, the Company convened the seventh meeting of the Ninth Board of Directors, at which it considered and approved the ‘Proposal on the 2025 Profit Distribution Plan and the 2026 Interim Dividend Plan’. The Company’s proposed profit distribution scheme for the 2025 financial year is as follows: the Company intends to distribute a cash dividend of RMB 0.00732 per share (including tax) to all shareholders; no bonus shares will be issued, nor will capital reserves be converted into share capital. This profit distribution proposal and the 2026 interim dividend plan are still subject to approval by the General Meeting of Shareholders.

VI. The Risk declaration of forward-looking statements.

Applicable Not applicable

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

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

No.

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

No.

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

No.

X. Major risks alert

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

XI. Others

Applicable Not applicable

catalogue**Section I. Definitions****Section II. Company Profile and Key Financial Indicators****Section III. Management's Discussion and Analysis****Section IV. Corporate Governance, Environment and Society****Section V. Important Matters****Section VI. Changes in Shares and Shareholders****Section VII. Bonds****Section VIII. Financial Report**

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

Section I. Definitions

I. Definitions

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

Glossary		
Our company, Fangda Carbon	Means	Fangda Carbon New Materials Technology Co., Ltd.
The controlling shareholder Fangda Group.	Means	Liaoning Fangda Group Industrial Co., Ltd.
Hefei Carbon	Means	Hefei Carbon Co., Ltd.
Changfeng Fangda	Means	Changfeng Fangda Carbon Materials Co., Ltd.
Fangda High-Tech	Means	Fushun Fangda High-Tech Materials Co., Ltd.
Chengdu Carbon Materials	Means	Chengdu Fangda Carbon Carbon Composite Materials Co., Ltd.
Fushun Carbon	Means	Fushun Carbon Co., Ltd.
Meishan Rongguang	Means	Meishan Fangda Rongguang Carbon Co., Ltd.
Fang Daxi Ke Mo	Means	Fang Daxi Ke Mo (Jiangsu) Needle-like Charcoal Technology Co., Ltd.
Shanghai Fangda	Means	Shanghai Fangda Investment Management Co., Ltd.
China's Securities Regulatory Commission	Means	China Securities Regulatory Commission
Shanghai Stock Exchange	Means	Shanghai Stock Exchange
Company Law	Means	Company Law of the People's Republic of China
Securities Law	Means	Securities Law of the People's Republic of China
Articles of Association	Means	Articles of Association of Fangda Carbon New Materials Technology Co., Ltd.
Yuan, ten thousand yuan, one hundred million yuan	Means	CNY, CNY 10,000,CNY 100,000,000
Report period	Means	January 1, 2025 to December 31,2025

Section II Company Profile and Key Financial Indicators

I. Company profile

The company's foreign language name	Fangda Carbon New Material Co.,Ltd.
Abbreviation of company	Fangda Carbon/FDCB
The legal representative of the company	Zhang Tianjun

II. Contact Details

	Secretary of the Board of Directors	Securities Affairs Representative
surname and personal name	Zhuang Xiaoru	Zhang Aiyan
Contact Address	No.11, Tansu Road, Haishiwang Town, Honggu District, Lanzhou City, Gansu Province	No.11, Tansu Road, Haishiwang Town, Honggu District, Lanzhou City, Gansu Province
telephone	0931-6239195	0931-6239195
Fax	0931-6239221	0931-6239221
electronic mailbox	fdts730084@fangdacarbon.com	fdts730084@fangdacarbon.com

III. General Information

Company Registered Address	No.11, Tansu Road, Haishiwang Town, Honggu District, Lanzhou City, Gansu Province
Historical changes in the company's registered address	According to the requirement of "one mark, three facts" two-dimensional code standard address registration of Gansu public security organs, approved by public security organs and civil affairs departments, the registered address of the Company was changed to No. 11, Charcoal Road, Hai Shi Wan Town, Honggu District, Lanzhou City, Gansu Province, China. On September 8, 2020 and September 24, 2020, the Company held the 36th Extraordinary Meeting of the Seventh Board of Directors and the Fifth Extraordinary General Meeting of Shareholders in 2020 respectively to consider and approve the "Motion on Revision of Partial Provisions of the Articles of Association of the Company", and completed the industrial and commercial change registration procedures on September 28, 2020 to receive the new business license.
Company's office address	No.11, Tansu Road, Haishiwang Town, Honggu District, Lanzhou City, Gansu Province
Postal code of the company's office address	730084
Company website	http://www.fdtsgs.com
E-mail address	fdts730084@fangdacarbon.com

IV. Brief introduction of Information Disclosures and Change of Locations

Newspaper to publish information	China Securities Journal (http://www.cs.com.cn/) Shanghai Securities Journal (http://www.cnstock.com)
Website to publish Semi-annual report	http://www.sse.com.cn
Storage location of the company's Semi-annual report	Office of the Secretary of the Board of Directors

V. Corporate Stock Profile

Company Stock Overview				
stock classes	Stock Exchange	stock abbreviation	stock code	Stock abbreviation before the change
A-shares	Shanghai Stock Exchange	Fangda Carbon	600516	ST Fangda
GDR	Swiss Stock Exchange	Fangda Carbon	FDCB	/

VI. Other relevant information

Accounting firm engaged by the Company (domestic)	Name	Daxin Accounting Firm (Special General Partnership)
	Office Address	2206, 22/F, Academy International Building, No. 1 Zhichun Road, Haidian District, Beijing, China
	Name of Signatory Accountant	Gong Yan, Zhang Hongxing
Sponsor organization performing continuous supervision duties during the reporting period	Name of Accountant	Credit Suisse Securities (China) Co.
	Office Address	20/F, 89 Jinbao Street, Dongcheng District, Beijing, China
	Name of Signatory Sponsor Representative	Mao Shaomeng, Tian Lijun
	Period of Continuous Supervision	1 January 2025 - 31 December 2025

VII. Main accounting data and financial indicators for the past three years**(I). Main Accounting Data**

Unit: Yuan Currency: RMB

Main Accounting Data	2025	2024	Year-on-year increase/decrease (%) for this period	2023
Operating revenue	3,526,530,548.54	3,872,039,880.46	-8.92	5,131,908,843.35
Operating revenue after deducting business income unrelated to the core business and income lacking commercial substance	3,309,333,906.22	3,642,648,544.32	-9.15	4,822,712,304.11
total profit	128,395,538.74	191,061,117.07	-32.80	512,094,484.65
Net profit attributable to the shareholders of the listed company	93,042,230.07	186,021,771.78	-49.98	416,237,631.36
Net profit attributable to shareholders of the listed company, excluding	-121,486,624.32	46,447,295.98	-361.56	356,890,294.69

non-recurring gains and losses				
Net cash flow from operating activities	-199,651,825.90	639,281,366.00	-131.23	856,004,758.44
	End of 2025	End of 2024	Increase/Decrease from the end of the previous year (%)	End of 2023
Net assets attributable to shareholders of the listed company	16,116,917,549.26	16,170,077,933.65	-0.33	17,073,727,316.17
total assets	20,439,486,627.98	20,371,965,197.78	0.33	21,707,602,188.56

(II). Key Financial Indicators

Key Financial Indicators	2025	2024	Year-on-year increase/decrease (%) for this period	2023
Basic EPS (Yuan / share)	0.02	0.05	-60	0.11
Diluted EPS (Yuan /share)	0.02	0.05	-60	0.11
Adjusted EPS (Yuan /share)	-0.03	0.01	-400	0.09
Weighted average ROE (%)	0.57	1.10	decrease by 0.53%	2.48
Weighted average ROE (%), net of non-recurring gains and losses	-0.75	0.27	A reduction of 1.02%	2.13

VII. Differences in Accounting Data under Domestic and International Accounting Standards

Applicable Not applicable

IX. Key financial data by quarter for 2025

Unit: Yuan Currency: RMB

	First quarter (January–March)	Second Quarter -April to June)	Third quarter (July–September)	Fourth Quarter (October–December)
Operating Income	850,331,610.98	839,970,253.55	931,628,491.33	904,600,192.68
Net profit attributable to shareholders of listed companies	6,941,360.18	47,591,333.01	58,651,470.56	-20,141,933.68
Net profit after extraordinary gains and losses attributable to shareholders of the listed company	38,703,917.70	-30,358,108.11	-22,089,621.71	-107,742,812.20
Net cash flows from operating activities	-205,043,809.10	-85,715,302.17	-239,516,599.07	330,623,884.44

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

Applicable Not applicable

人民币 Unit: Yuan Currency: RMB

Non-recurring profit and loss items	Amount for 2025	Note (if applicable)	2024 Amount	2023 Amount
Gains or losses from the disposal of non-liquid assets, including the reversal portion of asset impairment provisions already made	215,602.07		-13,546,071.66	4,110,742.65
Government grants recognized in the current period's profit or loss shall be excluded if they are closely related to the company's normal business operations, comply with national policy regulations, are received in accordance with established standards, and exert a sustained impact on the company's financial results.	53,442,224.01		39,571,448.95	58,732,662.12
Excluding valid hedging activities related to the company's normal business operations, the gains or losses from fair value changes arising from financial assets and financial liabilities held by non-financial enterprises, as well as the gains or losses from the disposal of such financial assets and liabilities.	208,901,819.76		114,642,947.07	-22,582,666.55
Fees charged to non-financial enterprises for the use of funds, which are included in the current period's profit or loss				
Gains and losses from entrusting others to invest or manage assets	740,566.02		599,056.59	599,056.60
Profit or loss from externally entrusted loans				
Losses to assets resulting from force majeure events, such as natural disasters				
Reversal of impairment provisions for receivables subjected to separate impairment testing	27,290,582.20		19,090,067.69	4,202,750.55
The investment cost incurred by an enterprise in acquiring subsidiaries, associated enterprises, and joint ventures is lower than the gain arising from the fair value of the investee's identifiable net assets at the time of investment acquisition.				1,568,709.16
Net profit or loss of a subsidiary resulting from a business combination under common control, from the beginning of the period to the consolidation date				
Profit or loss from exchange of non-monetary assets				
Profit or Loss from Debt Restructuring	-141,553.44		2,226,608.82	4,269,267.92
One-time expenses incurred by an enterprise due to the discontinuation of relevant business activities, such as expenditures for employee resettlement.				
A one-time impact on current period earnings resulting from adjustments to tax, accounting, and other relevant laws and regulations.				
The one-time recognition of share-based payment expenses resulting from the cancellation or modification of the equity incentive plan				
For share-based payments settled in cash, after the exercise date, the gain or loss arising from changes in the fair value of employee compensation payable shall be recognized.				
Gains or losses arising from changes in the fair value of investment properties measured subsequently using the fair value model				

Gains arising from transactions where the transaction price is manifestly unfair				
Gains or losses arising from contingent matters that are unrelated to the company's normal business operations				
Fees earned from entrusted management services				
Other non-operating income and expenses other than those mentioned above	-13,616,597.02		4,638,705.60	-32,306,765.95
Other profit and loss items that meet the definition of non-recurring gains and losses	1,301,009.28		2,533,381.02	68,157,310.18
reduction: Amount affected by income tax	60,271,571.10		31,363,879.84	6,880,795.97
Impact on minority shareholders' equity (after tax)	3,333,227.39		-1,182,211.56	20,522,934.04
amount to	214,528,854.39		139,574,475.80	59,347,336.67

For cases where items not listed in the "Interpretative Announcement No.1 on Information Disclosure by Companies Issuing Securities to the Public – Non-recurring Gains and Losses" are identified as non-recurring gains and losses with significant amounts, or where items listed in said announcement are classified as recurring gains and losses, the reasons shall be provided.

Applicable Not applicable

XI. Operating Revenue and Expenditure Statement

Unit: Yuan Currency: RMB

project	this year	Specific deduction details	previous year	Specific deduction details
Operating Revenue Amount	3,526,530,548.54		3,872,039,880.46	
Total amount of operating revenue minus all items	217,196,642.32		229,391,336.14	
Proportion (%) of total itemized operating revenue to total operating revenue	6.16%	/	5.92%	/
I. Business revenue unrelated to the core business				
1. Income from non-core business activities. This includes revenue generated from leasing fixed assets, intangible assets, or packaging materials; selling materials; exchanging materials for non-monetary assets; providing entrusted management services; and other income that, although recorded as part of core business revenue, falls outside the normal operations of the listed company.	209,762,743.84	Revenue from other businesses beyond normal operations, such as waste disposal, water and electricity services, gas supply, and leasing.	229,391,336.14	Revenue from other businesses beyond normal operations, such as waste disposal, water and electricity services, gas supply, and leasing.
2. Income from unqualified quasi-financial activities, such as interest income from fund lending; income generated by newly added quasi-financial activities in the current and previous fiscal years, including income from guarantee services, commercial factoring, micro-loans, financial leasing, and pawnbroking operations, excluding financial leasing activities conducted solely for selling core products.				
3. Revenue generated from newly added trading activities during the current and previous fiscal years.	7,433,898.48	Scrap metal trade revenue		
4. Revenue generated from related-party transactions unrelated to the listed company's existing normal business operations.				
5. The revenue of subsidiaries in an enterprise merger under common control from the period beginning to the consolidation date.				
6. Revenue generated from businesses that have not established or are difficult to establish a stable business model.				
Subtotal of business revenue unrelated to the main business	217,196,642.32		229,391,336.14	

II. Income without commercial substance				
1. Revenue generated from transactions or events that do not significantly alter the risk, timing distribution, or amount of the enterprise's future cash flows.				
2. Revenue generated from transactions without genuine business operations, such as fictitious income obtained through self-trading or fabricated transactions created using internet technologies or other methods.				
3. Revenue generated from transactions with manifestly unfair prices.				
4. Revenue generated from subsidiaries or operations acquired through business combinations in the current fiscal year using consideration that is manifestly unfair or through non-transactional methods.				
5. Revenue involved in non-standard audit opinions in the audit opinion.				
6. Income generated from other transactions or events that lack commercial rationality.				
Subtotal of income without commercial substance				
III. Other income that is unrelated to the main business or lacks commercial substance				
Net operating revenue after deductions	3,309,333,906.22		3,642,648,544.32	

XII . Companies with equity incentive programs or employee stock ownership plans may choose to disclose net profit after adjusting for the impact of share-based compensation.

Applicable Not applicable

XIII .Items measured at fair value

Applicable Not applicable

Unit: yuan Currency: CNY

project name	Beginning balance	ending balance	Current Period Change	Amount of impact on current period profit
--------------	-------------------	----------------	-----------------------	---

Financial assets held for trading	1,014,860,385.06	1,085,144,460.27	70,284,075.21	72,447,732.39
receivables financing	126,856,196.64	188,078,872.75	61,222,676.11	
Other non-current financial assets	505,726,485.92	282,805,189.74	-222,921,296.18	15,433,274.31
amount to	1,647,443,067.62	1,556,028,522.76	-91,414,544.86	87,881,006.70

XIV.other

Applicable Not applicable

Section III. Management discussion and analysis

I. Business activities conducted by the company during the reporting period

According to the industry classification results of listed companies by the China Securities Regulatory Commission, the company falls under the category of "Manufacturing-Non-metallic Mineral Products Industry." Its primary business involves the research, production, and sales of key raw materials for manufacturing graphite electrodes, lump carbon bricks, isostatic graphite, carbon graphitic materials for nuclear power applications, graphene materials, carbon-carbon composites, and carbon products, including coal-based needle coke, low-sulfur calcined petroleum coke, and coal tar pitch. The graphite electrodes produced by the company are primarily used in industries such as electric arc furnace steelmaking, mineral heat furnace smelting of yellow phosphorus, abrasives, and industrial silicon, with electric arc furnace steelmaking being the largest consumer. Lump carbon bricks are mainly applied in steelmaking, electrolytic aluminum production, and graphitization processes. Isostatic graphite products find extensive use in various sectors including semiconductors, solar photovoltaics, mold manufacturing, nuclear energy, metallurgy, and petrochemicals. Carbon graphitic materials for nuclear power are primarily utilized in China's nuclear energy fields, such as fourth-generation high-temperature gas-cooled reactors and thorium-based molten salt reactors. The company has achieved breakthroughs in graphene materials and carbon-carbon composites. Driven by the national "dual-carbon" economy and green development initiatives, the rapid growth of the new energy sector has created significant opportunities for the advancement of new carbon-based materials.

The company currently operates production bases for carbon products, raw material R&D and production facilities, and new material R&D and production bases, with a rational geographical layout that enables resource sharing, centralized R&D, complementary strengths, industrial integration, and coordinated marketing. Guided by market demands, the company continuously optimizes product performance, enhances the differentiated competitiveness of its high-end products, and solidly expands its presence in the premium graphite electrode market. It focuses on capitalizing on evolving market trends in various carbon brick segments, specialty graphite products, and carbon graphitic materials for nuclear power applications to maximize product profitability. The company has evolved into a world-leading production and supply base for high-quality carbon products and a research and production hub for nuclear-grade carbon materials. Its products are sold across more than 30 provinces, autonomous regions, and municipalities in China, and exported to over 60 countries and regions across five continents.

Explanation of the company's addition of significant non-core business activities during the reporting period

Applicable Not applicable

II. The situation of the company's industry during the reporting period

(1) Graphite electrode

Since 2025, the carbon industry has faced mounting pressures due to market conditions and adjustments in downstream demand, leading to declines in both graphite electrode production and sales revenue, with most enterprises under

operational strain. Meanwhile, international geopolitical shifts have disrupted upstream supply chains, affecting prices of raw materials such as needle coke and petroleum coke. Coupled with environmental regulations under the "dual carbon" goals, cost pressures on carbon enterprises have intensified. Taking graphite electrodes and anode materials as examples: China's annual graphite electrode production has remained around 950,000 tons in recent years, while global production from other regions stands at approximately 700,000 tons. According to the China Carbon Association, its member enterprises' graphite electrode output fell by 2.9% year-on-year in 2025. Although demand for anode materials is growing, production capacity expansion outpaces market growth, exacerbating overcapacity. Additionally, the industry is characterized by diverse enterprise sizes, numerous players, and a lack of core technological barriers, resulting in severe product homogenization. Fierce price competition among enterprises has squeezed profit margins, limiting investments in R&D and transformation, further intensifying industry rivalry. Small and medium-sized enterprises continue to face significant challenges, while those with technological advantages, scale efficiency, and compliance with environmental standards maintain relatively stable operations.

(II) Isostatic pressure graphite

Isostatic pressure-processed graphite is primarily used in the photovoltaic silicon wafer industry, with its sales volume largely influenced by new installed capacity additions at downstream photovoltaic power stations. In recent years, domestic photovoltaic market demand has maintained steady growth, accompanied by significant expansion across all segments of the industrial chain. This has led to temporary overcapacity in the sector, keeping prices for core products at historically low levels and putting pressure on overall industry profitability. As the Chinese government continues to refine its strategic framework for renewable energy development, the industry is transitioning from scale expansion to quality and efficiency enhancement. According to data released by the National Energy Administration, China's newly installed wind and solar power capacity will exceed 430 million kilowatts by 2025 (120 million kW for wind power and 318 million kW for solar power), marking a 22.0% year-on-year increase and setting a new historical record. The cumulative grid-connected installed capacity of wind and solar power has reached 1.84 billion kW, accounting for 47.3% of total capacity and historically surpassing that of thermal power.

III. Discussion and Analysis of Business Operations

Looking back at 2025, the carbon industry as a whole remained in a low-operating range. Ongoing capacity and production controls in the steel sector, coupled with a weaker-than-expected recovery that led to weak demand for carbon products, along with severe fluctuations in raw material prices and increasingly fierce market competition, created unprecedented challenges for the industry's development. In response, the company adhered to the "Five Consistencies," firmly pursued a high-quality development path, and focused on refined management, technological innovation, and cost control to steadily advance its transition from scale leadership to quality and efficiency leadership, continuously strengthening its foundation for growth.

(1) Accurate market analysis and comprehensive activation of profit potential. Closely monitoring market trends, conducting in-depth analysis of customer needs, strategically positioning in the market, optimizing resource allocation,

and actively expanding into international markets, successfully entering multiple emerging international segments. Continuously increasing sales efforts for large-scale products, developing over 130 customers through domestic and international sales throughout the year, with the customer base steadily expanding. Proactively conducting specialized research in niche markets such as blast furnaces, mineral heat furnaces, and conductive electrodes, precisely aligning with project requirements, achieving significant results in product structure upgrades. Strictly implementing payment risk management through categorized customer payment management. Consistently prioritizing profitability and applying targeted strategies to drive simultaneous improvements in market expansion and operational performance.

(2) Production coordination is lean and efficient, with robust supply assurance. We consistently prioritize the alignment between production and sales, deepen product structure optimization, and focus on expanding production capacity for large-sized electrodes of Φ 600mm and above. By precisely identifying potential improvements in critical processes, flexibly adjusting product structures, and actively optimizing process resources, we enhance internal collaboration within our division to effectively expand available resources, ensuring solid support for order fulfillment. Simultaneously, we closely monitor raw material market fluctuations, strategically manage procurement schedules for various materials, and significantly reduce procurement costs.

(3) Comprehensive and stringent quality control strengthens the foundation for long-term development. The company places high priority on quality management, continuously refining process controls, closely monitoring the implementation of quality assurance measures and control points, enhancing raw material quality tracking and optimizing the use of raw and auxiliary materials, and achieving cost reduction and efficiency improvement through technological innovation. Quality assurance initiatives focus on monitoring joint production processes, promptly identifying and resolving issues to ensure stable and controllable testing results. The company advances quality enhancement through benchmarking for large-format joints and conducts technical research on fine-structured ultra-microcellular carbon bricks and novel ultra-microcellular carbon brick technologies, significantly improving product quality. Additionally, it signed a strategic cooperation agreement with CATL to deepen collaboration in energy materials and explore related testing and applications; jointly established the Fangda Carbon New Materials Science and Innovation Port to build a leading hub for carbon new materials, laying a solid foundation for the company's sustainable growth.

(4) Strengthening Equipment Management to Empower Digital and Intelligent Production Upgrades. The company has enhanced comprehensive equipment management by rigorously implementing maintenance, routine inspections, and hazard identification, strictly ensuring equipment safety operations and stable supply of energy resources such as water, electricity, and gas, thereby providing robust support for stable production, output growth, and intrinsic safety. Major overhauls and technological renovation projects advanced according to schedule throughout the year. Concurrently, digital and intelligent solutions were deployed to optimize production: automated daily cost settlement was implemented, the LIMS system was upgraded, energy data collection became automated, and an online management system for product inventory management and exit permits was established, significantly elevating the company's automation capabilities.

(5) Upholding the Bottom Line of Safety and Environmental Protection, and Practicing the Green Development Concept. The company consistently prioritizes employee safety, strengthens safety education and training, and diligently conducts various activities such as the "Work Safety Month" and "Fire Prevention Awareness Month," position-specific hazard identification competitions, special campaigns targeting "three violations" (violations of rules, regulations, and procedures) and unsafe human behaviors, and the 100-Day Accident-Free Safety Campaign, thereby continuously enhancing employees' safety awareness. The company conducts thorough hazard identification and assessment, refines and improves risk control measures, and updates safety operating procedures for all positions. It strictly implements the identification and remediation of accident hazards, with a focus on addressing root causes to ensure the dynamic elimination of major hazards. Environmental protection equipment operates stably, wastewater and exhaust gas online monitoring facilities function properly, and all environmental indicators comply with regulatory standards.

(6) Comprehensive management has been further advanced, fully pooling collective development efforts. We unified our thinking, built consensus, and clarified work tasks. A labor competition titled "Striving with Determination to Improve Quality and Efficiency" was launched, alongside extensive implementation of theme-based education initiatives, minor improvements and innovations, and rationalization proposals, thereby motivating all employees to actively participate in quality enhancement and cost reduction. Management and supervision of daily costs and profits were strengthened, with strict adherence to refined management measures and regular economic activity analysis meetings to ensure precise analysis and targeted improvement measures, effectively enhancing operational control effectiveness. Focusing on key areas such as costs, quality, sales, and production volume, we established concrete targets, conducted benchmarking and potential tapping analyses, and drove the enterprise to fully unlock cost reduction potential.

IV. Analysis of Core Competencies During the Reporting Period

Applicable Not applicable

With over six decades of dedicated expertise in the carbon products sector, the company has accumulated profound practical experience in production, R&D, and sales, enabling it to accurately forecast industry trends. Through continuous innovation in manufacturing technologies and product portfolio optimization, its core competitiveness has steadily grown, establishing it as a leading player in China's carbon products industry. Recognized for its consistent product quality and comprehensive service system, the company has been consistently ranked among the world's top carbon products suppliers, with its brand influence spanning global markets. Leveraging distinctive and flexible operational mechanisms, robust technological capabilities, robust financial support, a specialized talent pool, and enduring client trust, the company continues to solidify its leadership position. Simultaneously, it actively explores new materials and renewable energy R&D fields, identifying emerging growth drivers to fuel high-quality development for its next phase.

1. The industrial layout has achieved intensive and systematic development, with robust cost control and supply chain resilience.

The company has evolved into a comprehensive carbon integrated manufacturing enterprise. Leveraging its complete product portfolio and significant scale advantages, it has established outstanding core competitiveness in the industry. The

company strategically operates multiple carbon production subsidiaries and raw material processing enterprises with a scientifically rational geographical distribution, forming an integrated industrial development framework characterized by resource sharing, centralized R&D, complementary strengths, and coordinated marketing. By implementing standardized production processes and specialized division of labor tailored to each subsidiary's equipment configuration, the company fully meets the diverse demands of domestic and international customers for various types and specifications of carbon products. Over the years, through strategic acquisitions and consolidations, the company has continuously optimized its upstream raw material supply chain, achieving integrated development across the entire industrial chain and further strengthening its cost advantages. Its comprehensive product portfolio enables synergistic market performance, effectively enhancing the company's overall competitiveness and market influence within the industry.

2. Driven by technological innovation, we continue to make breakthroughs in the high-end market.

The company prioritizes independent innovation as its core driving force, leveraging technological breakthroughs to overcome corporate development bottlenecks. In critical technological domains, it adheres to self-driven R&D, holding multiple legally protected intellectual property rights. The company has successfully achieved import substitution for core products such as ultra-high-power graphite electrodes and nuclear-grade carbon graphite materials, filling gaps in domestic markets. As a National High-Tech Enterprise, leading enterprise in the National Science and Technology Trade Innovation Base, Gansu Provincial Technological Innovation Demonstration Enterprise, and backbone enterprise in Gansu's strategic emerging industries, the company has established a comprehensive, multi-tiered collaborative innovation ecosystem integrating industry, academia, research, and application. Its facilities include a National Enterprise Technology Center, a Postdoctoral Research Station, the Gansu Carbon New Materials Engineering (Research) Center, the Gansu Science and Technology Trade Innovation Base, and three university-industry joint R&D centers: the "Tsinghua University · Fangda Carbon Nuclear Graphite R&D Center," the "Beijing University of Science and Technology · Fangda Carbon Blast Furnace Carbon Brick R&D Center," and the "Lanzhou University · Fangda Carbon Graphene Research Institute." The company continuously refines its management systems for R&D, production, quality control, equipment operations, safety protocols, environmental compliance, and occupational health. It holds certifications including qualifications for manufacturing civilian nuclear-grade carbon products, CNAS laboratory accreditation, ISO 9001 quality management system, ISO 14001 environmental management system, and OHSAS 18001 occupational health and safety management system. Its research and production of blast furnace carbon bricks, nuclear-grade carbon graphite materials, and graphene preparation and application technologies maintain a leading domestic position, with overall technological capabilities reaching internationally advanced levels.

3. Data empowerment: Continuously establishing industry benchmarks for smart factories.

Leveraging digital transformation as a driving force, the company has deeply integrated cutting-edge technologies such as 5G, digital twins, and AI to establish a modern factory system centered on data, managed through robust control mechanisms, and guided by intelligent objectives. This initiative facilitates a gradual shift from experience-driven operations to data-driven management. The "5G + Carbon Intelligent Manufacturing Fully Connected Factory" was

successfully included in Gansu Province's 2025 list of provincial 5G-connected factories, serving as a benchmark for digital transformation in the carbon industry and empowering high-quality corporate development through technological innovation. The independently developed daily cost automation system enables automated data collection and real-time cost calculation throughout the entire production process—from raw material intake to finished product dispatch—reducing the cost calculation cycle from seven days to just two hours. Following the full deployment of the product inventory management system, inventory accuracy has reached 99.8%. The ring furnace temperature control system in the calcination plant achieves $\pm 2^{\circ}\text{C}$ precision regulation, cutting energy consumption by 12.7% year-over-year, while the variable-frequency retrofitting project at the air compressor station saves over 1.8 million kWh annually. The application of pre-assembled robots has reduced electrode assembly time from five minutes to 1.5 minutes, quadrupling production efficiency while enhancing operational stability and product quality. The developed "Production and Operations Cockpit" provides comprehensive, real-time monitoring of key operational data, delivering intuitive and precise insights for data-driven decision-making and significantly improving production-sales coordination. The digital supply chain platform enables end-to-end online management of procurement, inventory, and settlement processes. These intelligent digital transformation practices offer replicable and scalable solutions and valuable insights for the carbon industry's digital evolution. Subsequently, efforts will be accelerated to advance intelligent and informatization upgrades, effectively driving the carbon industry toward high-end, intelligent, and green transformation. This will provide foundational technological support for national strategic industries such as new energy and new materials, thereby facilitating high-quality development in traditional manufacturing.

4. Centering on the core principle of "technological autonomy," foster new-quality productive forces.

In recent years, the company has focused on core sectors such as new materials and new energy, closely aligning with industry trends and market demands. Guided by its core development strategy of "attracting top talent, deepening R&D efforts, and iterative product innovation," it has steadily advanced the localization of core technologies and built robust competitive advantages. In talent development, the company has recruited global experts in fields like new materials, established specialized R&D and technical teams, and implemented a multi-tiered talent cultivation and reserve system to ensure robust intellectual support for technological innovation. Through enhanced university-industry collaboration and project-based training platforms, the company continuously enhances its innovation capabilities and core technical expertise, steering its talent pool toward specialization, precision, and excellence. In R&D and product strategy, the company accurately identifies industry challenges and market needs, systematically advancing technological breakthroughs across various R&D disciplines while expanding its diversified product portfolio—including specialty carbon bricks, nuclear-grade carbon materials, graphene materials, carbon-carbon composites, and solid-state electrolytes. Ongoing R&D initiatives in new materials have successfully addressed critical technical hurdles, laying a solid foundation for sustainable growth. Moving forward, the company will optimize pilot-scale production protocols, accelerate the commercialization of laboratory innovations, and fully integrate the "R&D—pilot-scale—mass production" industrial chain

to drive high-quality, sustainable development in new materials and new energy, further strengthening its industry influence and market competitiveness.

5. The environmental protection system has been continuously improved, laying a solid foundation for green development.

The company has deeply integrated environmental protection concepts into its top-level corporate development strategy, setting the clear goal that "environmental upgrades must remain effective for ten or even twenty years, meeting international standards and achieving the advanced levels of developed countries." It has adopted the QES management system certification, continuously optimizing environmental management weaknesses through annual internal and external audits while enhancing employees' self-management capabilities, thereby providing solid support for environmental competitiveness. Through environmental technology upgrades and equipment iterations covering the entire production chain—from raw materials and shaping to calcination and graphitization—the company has established a comprehensive clean production system with pollution control capabilities far exceeding industry averages. It has received numerous honors, including the national "Green Factory" title and Lanzhou City's "Waste-Free Enterprise" designation, establishing itself as an industry benchmark for environmental sustainability. In standard-setting, commissioned by the China Carbon Industry Association, the company led the drafting of the "Emission Standards for Air Pollutants in the Carbon Industry" (T/ZGTS 001–2019) and participated in developing industry standards such as the "Calculation Method for Carbon Dioxide Emissions from Carbon Product Manufacturing." Its air pollutant emission limits are significantly stricter than current national standards, driving overall industry environmental governance improvements and securing the company's influence in shaping industry environmental policies. In terms of market competitiveness, the company's products have obtained carbon footprint certifications from multiple international clients, serving as a "passport" for expanding into high-end overseas markets. Additionally, its environmental practices provide a replicable and scalable model for the green transformation of traditional carbon enterprises, leading the industry toward "green intelligent manufacturing." As the "dual carbon" goals continue to be advanced, the company will further increase its environmental protection investments and technological innovations, solidifying its leading position in environmental protection and driving high-quality, green development in the carbon industry.

V. Main operating performance during the reporting period

In 2025, the company produced 192,400 tons of carbon products, a year-on-year increase of 0.60%; its sales volume reached 195,800 tons, a year-on-year decrease of 2.24%; operating revenue amounted to RMB 3.527 billion, down 8.92% year-on-year; net profit attributable to shareholders of the listed company was RMB 93.0422 million, a year-on-year decrease of 49.98%, though the decline narrowed; at the end of the reporting period, the company's total assets stood at RMB 20.439 billion, net assets attributable to shareholders were RMB 16.117 billion, and the debt-to-asset ratio was 14.87%.

(I) Main Business Analysis**1. Analysis Table of Changes in Related Items of the Income Statement and Cash Flow Statement**

Unit: Yuan Currency: RMB

subject	Number of this issue	Year-over-year figure	Change percentage (%)
operating receipt	3,526,530,548.54	3,872,039,880.46	-8.92
cost in business	3,095,186,901.96	3,330,228,783.17	-7.06
selling expenses	77,125,649.55	72,828,724.68	5.90
general expenses	343,030,218.57	374,701,091.53	-8.45
cost of financing	-81,415,881.29	-150,350,291.62	N/A
research and development expenditure	65,602,390.35	57,392,504.47	14.30
Net cash flow from operating activities	-199,651,825.90	639,281,366.00	-131.23
Net cash flow from investing activities	-12,523,558.64	-461,354,185.21	N/A
Net cash flow from financing activities	290,621,981.04	-907,555,126.80	N/A

Explanation for the variation in operating revenue: This is primarily attributable to a decrease in iron concentrate revenue during the reporting period.

Explanation for the change in operating costs: Primarily attributable to a decrease in product costs during the reporting period.

Explanation for the change in sales expenses: This is primarily due to increased payments for employee compensation and sales service fees during the reporting period.

Explanation for the change in administrative expenses: This is primarily due to reduced payments for employee compensation and service fees during the reporting period.

Explanation for the change in financial expenses: Primarily due to a decrease in interest income during the reporting period.

Reason for the change in R&D expenses: Primarily due to increased R&D expenditures during the reporting period.

Explanation for the change in net cash flow from operating activities: This was primarily due to a decline in operating revenue during the reporting period, resulting in reduced receivables collections, higher raw material prices, and increased payments for raw materials.

Explanation for the change in net cash flow from investing activities: This is primarily attributable to investments in the secondary market during the reporting period.

Explanation of the change in net cash flow from financing activities: This is primarily attributable to share buybacks in the previous period, whilst there were no share buybacks during the reporting period.

Detailed explanation of the significant changes in the company's business types, profit structure, or profit sources during this period

Applicable Not applicable

2.Income and Cost Analysis

Applicable Not applicable

During the reporting period, the company's carbon products generated operating revenue of RMB 3.309 billion, a year-on-year decrease of 1.30%; operating costs amounted to RMB 2.994 billion, down 3.43% year-on-year, with the gross profit margin for carbon products reaching 9.54%, an increase of 1.99 percentage points compared to the previous year. Domestic sales generated operating revenue of RMB 2.409 billion, down 13.06% year-on-year; operating costs were RMB 2.230 billion, down 10.01% year-on-year; the domestic sales gross profit margin stood at 7.44%, a decrease of 3.14 percentage points year-on-year. Foreign sales generated operating revenue of RMB 900 million, up 3.29% year-on-year; operating costs were RMB 764 million, up 0.01% year-on-year; the foreign sales gross profit margin reached 15.14%, an increase of 2.79 percentage points year-on-year.

(1) The main business operations are categorized by industry, product, region, and sales model.

Unit: Yuan Currency: CNY

Analysis of the main business by industry						
By Industry	operating receipt	cost in business	gross profit rate (%)	Year-on-year increase/decrease in operating revenue (%)	Increase/Decrease in Operating Costs Compared to the Previous Year (%)	Increase/Decrease in Gross Profit Margin Compared to the Previous Year (%)
Carbon Industry	3,309,333,906.22	2,993,753,497.88	9.54	-1.30	-3.43	An increase of 1.99 percentage points
Main Business by Product Category						
By Product	operating receipt	cost in business	gross profit rate (%)	Year-on-year increase/decrease in operating revenue (%)	Increase/Decrease in Operating Costs Compared to the Previous Year (%)	Increase/Decrease in Gross Profit Margin Compared to the Previous Year (%)
carbon product	3,309,333,906.22	2,993,753,497.88	9.54	-1.30	-3.43	An increase of 1.99 percentage points
Main business operations by region						
By Region	operating receipt	cost in business	gross profit rate (%)	Year-on-year increase/decrease in	Increase/Decrease in Operating Costs	Increase/Decrease in Gross Profit Margin Compared to

				operating revenue (%)	Compared to the Previous Year (%)	the Previous Year (%)
internal	2,408,911,905.85	2,229,689,825.15	7.44	-13.06	-10.01	A reduction of 3.14 percentage points
external	900,422,000.37	764,063,672.73	15.14	3.29	0.01	An increase of 2.79 percentage points

(2) Analysis Table of Production and Sales Volume

Applicable Not applicable

main products	unit	output	quantity of sale	stock balance	Change in production volume compared to the previous year (%)	Sales volume increase/decrease compared to the previous year (%)	Increase/Decrease in Inventory Volume Compared to the Previous Year (%)
carbon product	ton	192,366.77	195,758.87	11,795.39	0.6	-2.24	4.46

(3) Performance status of major procurement contracts and major sales contracts

Applicable Not applicable

(4) Cost Analysis Table

Unit: Yuan Currency: CNY

By Industry	Cost Composition	Amount for this period	Proportion of this period in total cost (%)	Amount for the same period last year	Proportion of total cost in the same period last year (%)	Percentage change in the amount for this period compared to the same period last year (%)
Carbon Industry	Raw materials	1,769,788,783.58	63.11	1,798,466,318.36	63.53	-1.59
	Labour	288,098,432.52	10.27	301,086,384.33	10.64	-4.31
	Energy	464,315,563.34	16.56	464,475,853.56	16.41	-0.03
	Manufacturing overheads	282,244,388.55	10.06	266,737,806.08	9.42	5.81
By Product	Cost Composition Items	Amount for this period	Proportion of this period in total cost (%)	Amount for the same period last year	Proportion of total cost in the same period last year (%)	Percentage change in the amount for this period compared to the same period last year (%)
carbon product	raw and processed material	1,769,788,783.58	63.11	1,798,466,318.36	63.53	-1.59
	man-made	288,098,432.52	10.27	301,086,384.33	10.64	-4.31
	Energy	464,315,563.34	16.56	464,475,853.56	16.41	-0.03

	cost of production	282,244,388.55	10.06	266,737,806.08	9.42	5.81
--	--------------------	----------------	-------	----------------	------	------

(5) The changes in equity holdings of major subsidiaries during the reporting period resulted in adjustments to the consolidated financial statements scope.

Applicable Not applicable

(6) Details regarding significant changes or adjustments to the company's business, products, or services during the reporting period

Applicable Not applicable

(7) Information on Major Sales Customers and Key Suppliers

Customers or suppliers controlled by the same controller shall be consolidated as a single entity, except where they are actually controlled by the same state-owned assets management authority.

A. Information on the company's main sales customers and major suppliers

Applicable Not applicable

The top five customers generated sales of RMB 555.437 million, accounting for 15.75% of the total annual sales; among these, sales to related parties amounted to RMB 0 million, representing 0% of the total annual sales.

The top five suppliers accounted for a procurement value of RMB 1,223.186 million, representing 39.52% of the total annual procurement amount; among them, purchases from related parties amounted to RMB 255.531 million, accounting for 8.26% of the total annual procurement value.

B. During the reporting period, sales to a single customer accounted for over 50% of the total revenue; new customers were included among the top five clients; or the company was heavily dependent on a small number of customers.

Applicable Not applicable

C. During the reporting period, the company's shares were subject to a delisting risk warning or other risk warnings.

Applicable Not applicable

D. During the reporting period, the company generated revenue from trading operations.

Applicable Not applicable

3.cost

Applicable Not applicable

Unit: Yuan Currency: CNY

project	Number of this issue	Previous issue number	Change rate (%) in the amount for this period compared to the same
---------	----------------------	-----------------------	--

			period last year
selling expenses	77,125,649.55	72,828,724.68	5.90
general expenses	343,030,218.57	374,701,091.53	-8.45
cost of financing	-81,415,881.29	-150,350,291.62	not applicable
research and development expenditure	65,602,390.35	57,392,504.47	14.30

4.research input

(1). Table of R&D Investment Details

Applicable Not applicable

Unit: Yuan Currency: CNY

The current period's expensed R&D expenditures	65,602,390.35
Capitalized R&D expenditures for this period	0
Total R&D Investment	65,602,390.35
Total R&D investment as a percentage of operating revenue (%)	1.86
Proportion of R&D investment capitalization (%)	0

(2). Research and Development Personnel Profile Table

Applicable Not applicable

The number of R&D personnel in the company	436
The percentage of R&D staff relative to the company's total workforce (%)	11.98
Academic background of the R&D staff	
Category of Educational Background	Number of people with different educational backgrounds
PHD	29
Master Degree	166
undergraduate course	126
Specialty College	99
High school and below	16
Age distribution of the R&D staff	
Age Structure Category	Number of people by age group
Under 30 years of age (excluding 30 years)	215
Ages 30–40 (including 30, excluding 40)	125

Ages 40–50 (including 40, excluding 50)	50
Ages 50–60 (including 50, excluding 60)	43
60 years of age and above	3

(3). Situation Description

Applicable Not applicable

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

Applicable Not applicable

5.cash flow

Applicable Not applicable

Unit: Yuan Currency: CNY

project	Number of this issue	Previous issue number	Change rate (%) in the amount for this period compared to the same period last year
Net cash flow from operating activities	-199,651,825.90	639,281,366.00	-131.23
Net cash flow from investing activities	-12,523,558.64	-461,354,185.21	- not applicable
Net cash flow from financing activities	290,621,981.04	-907,555,126.80	not applicable

(II)Explanation of significant changes in profits resulting from non-core business activities

Applicable Not applicable

In 2025, the company's fair value change gain amounted to RMB 261,496,961.06, representing an 81.80% increase year-over-year, primarily driven by fluctuations in the fair value of its trading financial assets during the year. Stock price volatility is influenced by multiple factors, and the company's future returns from trading financial assets remain uncertain.

(III) Analysis of Assets and Liabilities

Applicable Not applicable

1. Status of Assets and Liabilities

Unit: Yuan Currency: CNY

project name	End-of-period figure	Proportion of the ending balance to total assets (%)	End-of-period figure from the previous period	Proportion of the ending balance of the previous period to total assets (%)	Percentage change in the closing balance for this period compared with the closing balance for the previous period (%)
receivables financing	188,078,872.75	0.92	126,856,196.64	0.62	48.26
Contract Asset	14,461,373.21	0.07	33,891,482.04	0.17	-57.33
Other non-current financial assets	282,805,189.74	1.38	505,726,485.92	2.48	-44.08
construction in process	179,684,654.29	0.88	460,780,242.81	2.26	-61.00
money borrowed for short time	801,143,527.25	3.92	540,804,238.65	2.65	48.14
notes payable	156,659,498.99	0.77	101,605,855.43	0.50	54.18
employee pay payable	44,051,971.75	0.22	74,815,962.89	0.37	-41.12
tax payable	17,441,991.00	0.09	27,625,873.84	0.14	-36.86
dividends payable	9,958,836.44	0.05	2,139,998.15	0.01	365.37
Non-current liabilities maturing within one year	5,621,691.11	0.03	630,173,224.58	3.09	-99.11
Other Comprehensive Income	44,982,265.06	0.22	97,953,623.54	0.48	-54.08

Other notes:

Receivables financing: Mainly attributable to an increase in accepted bills of exchange received during the current period.

Contract assets: Mainly attributable to the recovery of product warranty deposits during the current period.

Other non-current financial assets: Mainly attributable to the redemption of perpetual bonds purchased.

Construction in progress: Mainly due to the transfer of construction in progress to fixed assets during the current period.

Short-term borrowings: Mainly due to an increase in bank borrowings during the current period.

Notes payable: Mainly due to an increase in notes issued during the current period.

Accrued staff remuneration: Mainly due to a decrease in staff remuneration during the current period.

Taxes payable: Mainly attributable to a decrease in revenue and total profit for the current period.

Dividends payable: Mainly attributable to the declaration of dividends by a subsidiary during the current period.

Non-current liabilities due within one year: Mainly attributable to the reclassification of long-term loans due within one year.

Other comprehensive income: Mainly attributable to a decrease in other comprehensive income from an associate during the current period.

2. Status of overseas assets

Applicable Not applicable

(1). Asset Scale

Of which: Overseas assets amount to RMB 2,831.89 (unit: yuan; currency: RMB), accounting for 0.00001% of total assets.

3. Restrictions on major assets as of the reporting period end

Applicable Not applicable

Unit: Yuan Currency: CNY

project	book balance	book value	Limited Type	Limited Situation
monetary resources	69,284,840.78	69,284,840.78	other	Security deposit, frozen funds
bill receivable	16,357,271.66	16,357,271.66	pledge	issue a payable note based on a pledged acceptance bill
amount to	85,642,112.44	85,642,112.44	/	/

4. Other Notes

Applicable Not applicable

(IV)Analysis of Business Operational Information

Applicable Not applicable

See Section 3.2 of this report for the industry situation of the company during the reporting period.

(V)Analysis of Investment Status**Overall Analysis of External Equity Investments**

Applicable Not applicable

1. Major equity investment

Applicable Not applicable

2. Major non-equity investment

Applicable Not applicable

3.Financial assets measured at fair valueApplicable Not applicable

Unit: Yuan Currency: RMB

Assets class	Beginning balance	Profit or loss from changes in fair value for this period	Cumulative change in fair value attributable to equity	Impairment provision for this period	Purchase amount for this period	Amount of sales/redeemments in this period	Other Changes	End-of-period amount
shares	1,014,860,385.06	265,907,911.26			4,428,934,756.49	4,624,558,592.54		1,085,144,460.27
privately offered fund	295,963,285.92	-4,892,643.87				8,265,452.31		282,805,189.74
other	336,619,396.64	481,693.67			450,000,000.00	200,000,000.00	61,222,676.11	648,323,766.42
amount to	1,647,443,067.62	261,496,961.06			4,878,934,756.49	4,832,824,044.85	61,222,676.11	2,016,273,416.43

3. Specific progress regarding the integration of the major asset restructuring during the reporting periodApplicable Not applicable**(VI)sale of major assets and equity interests**Applicable Not applicable**(VII)Analysis of Major Controlled and Participated Companies**Applicable Not applicable

Details of major subsidiaries and associated companies with equity stakes that account for over 10% of the company's net profit

Applicable Not applicable

Unit: Ten Thousand Yuan Currency:CNY

corporate name	company type	Primary service	Registered capital	Total assets	Net asset	Operating receipt	Operating profit	Net margin
Shanghai Fangda Investment Management Co., Ltd.	subsidiary	Industrial investment, high-tech project investment, investment management, entrusted management of corporate assets, planning for corporate asset restructuring and mergers and acquisitions, sales of mechanical and electrical products, chemical products (excluding hazardous chemicals, monitored chemicals, fireworks, civil explosives, and precursor chemicals), metallurgical furnace materials, and metal products, as well as consulting services. (Projects subject to statutory approval may only commence operations after obtaining approval from the relevant authorities.)	6,000.00	103,160.47	40,839.38	-	16,295.38	15,414.85
Fushun Carbon Co., Ltd.	subsidiary	Manufacturing of carbon products; sales of steel and metallurgical materials; development and design of new carbon-based products (For projects requiring approval by law, business operations may only commence after obtaining approval from the relevant authorities.)	6,326.00	112,012.01	101,865.49	24,255.87	-4,235.14	-4,960.70
Hefei Carbon Co., Ltd.	subsidiary	Production, processing, and sales of carbon products and by-products; export operations of the company's self-produced products; and import operations for machinery equipment, spare parts, and raw/auxiliary materials required by the company.	5,000.00	74,889.96	47,602.31	24,075.18	-109.94	654.50
Chengdu Rongguang Carbon Co., Ltd.	subsidiary	Production and sales of carbon product series and chemical products (excluding hazardous substances); import and export operations for self-produced products and related technologies; procurement of raw materials, auxiliary materials, machinery equipment, instruments, spare parts, mechanical processing services, water and electricity installation, and technology development services required for factory production and scientific research.	10,000.00	144,103.01	128,468.28	49,080.23	2,050.69	1,620.11
Fushun Laihe Mining Co., Ltd.	manufacturing enterprise	Extraction of mineral resources (non-coal mines); road freight transport (excluding dangerous goods); ore beneficiation; mineral washing and processing; manufacture of mining machinery; processing of stone for construction; production, sale and processing of agricultural products. Transportation; storage and other related services; vegetable cultivation; fruit cultivation; leisure and sightseeing activities; processing of metal waste and scrap; manufacture of non-metallic mineral products; sale of non-metallic minerals and products; sale of metal ores; sale of mining machinery; sale of building materials; sale of coal and coal products	2,198.94	96,637.48	95,124.02	1,999.05	-35.75	-138.87
Fushun Fangda Advanced Materials Co., Ltd.	subsidiary	General Business Activities: Manufacture of graphite and carbon products; sale of graphite and carbon products; manufacture of petroleum products (excluding hazardous chemicals); sale of petroleum products (excluding hazardous chemicals); production and supply of heat; general goods warehousing services (excluding hazardous chemicals and other items requiring licensing or approval). (Except for projects requiring approval in accordance with the law, business operations may be conducted independently in accordance with the law upon presentation of a business licence)	5,000.00	21,739.19	15,150.19	45,004.09	1,275.70	955.89
Chengdu Fangda Carbon-Carbon Composite Materials Co., Ltd.	subsidiary	General Business Activities: Manufacture of graphite and carbon products; sale of graphite and carbon products; production of chemical products (excluding licensed chemical products); sale of chemical products (excluding licensed chemical products); import and export of technology; import and export of goods; manufacture of specialised equipment (excluding the manufacture of licensed specialised equipment); manufacture of general-purpose equipment (excluding the manufacture of special equipment); manufacture of instruments and meters; processing of mechanical parts and components; recycling of scrap metal for production purposes; sale of	39,956.29	183,666.27	158,466.45	35,508.88	2,168.06	2,034.90

		recycled resources. (Except for projects requiring approval in accordance with the law, business operations may be conducted independently in accordance with the law on the basis of the business licence) Licensed Projects: Inspection and testing services. (For projects requiring approval in accordance with the law, business operations may only be conducted after approval by the relevant authorities; specific business items shall be subject to the approval documents or licences issued by the relevant authorities)							
Fang Daxi Ke Mo (Jiangsu) Needle-like Charcoal Technology Co., Ltd.	subsidiary	Research, development, and production of needle coke, coal tar pitch, carbon black oil, and coal gas; thermal energy production and supply; sales of self-produced products, as well as wholesale, import, and export of the aforementioned products; provision of production-related consulting and services. (Projects subject to statutory approval shall only commence operations after obtaining approval from the relevant authorities.)	178,088.34	32,998.44	30,099.87	25,388.54	-6,370.20	-6,364.42	
Jiujiang Bank Co., Ltd.	joint stock company	Collect public deposits; extend short-term, medium-term, and long-term loans; process domestic and international settlements Computing; processing acceptance and settlement of bill discounting; issuing financial bonds, etc.	284,736.70	52,343,455.90	4,862,278.90	1,047,702.90	95,275.40	84,103.40	
Nanchang Huxu Steel Industry Investment Partnership (Limited Partnership)	joint stock company	General Business: Conduct investment activities using its own funds, and engage in equity investment, investment management, and asset management through private equity funds.	915,100.00	944,744.74	944,744.74		8,931.89	8,931.89	
Baofang Carbon Materials Technology Co., Ltd.	joint stock company	Development of graphite, new carbon materials and their by-products; scientific research and development; technology promotion; production processing; contract processing; wholesale and retail operations.	130,000.00	102,896.47	102,896.47	21,803.02	-10,793.06	-9,369.53	

Information on the acquisition and disposal of subsidiaries during the reporting period

Applicable Not applicable

corporate name	Methods for acquiring and disposing of subsidiaries during the reporting period	The impact on overall production, operations, and financial performance
Gansu Shengdong Huimin Labor Service Development Co., Ltd.	log off	The impact is relatively small.

Other Notes

Applicable Not applicable

In 2025, the company dissolved one third-level subsidiary as follows: Gansu Shengdong Huimin Labor Service Development Co., Ltd., in which the company held an indirect stake of 76.92%, with its main business encompassing construction labor subcontracting and labor dispatch services. On June 18, 2025, the company's shareholders resolved to dissolve the company due to its persistently poor operational performance. The liquidation and dissolution procedures were completed on September 1, 2025. As of the liquidation date, the company's owners' equity amounted to RMB 2,000,783.93, comprising RMB 2,000,000.00 in paid-in capital and RMB 7,832.93 in retained earnings. These amounts were distributed to shareholders in proportion to their equity stakes, thereby completing the dissolution process.

(II) Information regarding the structured entities controlled by the company

Applicable Not applicable

VI. The Company's Discussion and Analysis of Its Future Development

(I) Industry Landscape and Trends

Applicable Not applicable

With their unique physical and chemical properties, carbon materials serve as fundamental materials supporting high-quality national economic development, playing an irreplaceable role in upgrading traditional industries and fostering strategic emerging sectors. Their applications span a wide range: they empower the high-end, green, and intelligent transformation of traditional industries such as metallurgy, non-ferrous metals, and chemical manufacturing, while also holding significant importance in strategic emerging fields like aerospace, new energy, and advanced equipment manufacturing. However, recent years have seen issues such as redundant low-end production capacity and reckless investment expansion in certain segments of the carbon industry, exacerbating supply-demand imbalances, intensifying market competition, and severely squeezing profit margins. Additionally, the industry is characterized by diverse company sizes, numerous players, a lack of core technological barriers, and severe product homogenization, leading to cutthroat price competition. Meanwhile, factors like international geopolitical shifts have driven up raw material prices, continuously increasing cost pressures on carbon enterprises and putting overall industry operations under strain.

The production of carbon materials represents a form of secondary energy utilization and serves as a quintessential example of implementing the circular economy concept, boasting vast development prospects. In the future, driven by the ongoing advancement of the "dual carbon" goals, surging demand for renewable energy, and upgrades in high-end manufacturing, the carbon industry will continue to evolve toward higher quality and greater added value. On one hand, comprehensive technological breakthroughs have propelled the industry into a new phase of "technology-led" development. Leading enterprises are steadily increasing their R&D investment, with high-performance products such as ultra-high-power graphite electrodes and nuclear-grade graphite approaching or reaching international advanced levels, while anode materials have achieved global leadership. On the other hand, production capacity for core products is becoming more specialized and regionally coordinated, enhancing industrial concentration. Overall, the carbon industry will continue to advance toward higher performance, greener and lower-carbon operations, and intelligent manufacturing. Technological innovation will remain the core driver of industry growth, with novel carbon materials, environmental protection technologies, and smart manufacturing solutions being widely adopted to facilitate the sector's transformation and upgrading.

(II) Company Development Strategy

Applicable Not applicable

Guided by Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, we fully implement the new development philosophy and accelerate the establishment of a new development paradigm. With the mission of "serving the nation through industry and building a world-leading carbon enterprise," and adopting the strategic layout of "steady progress in core businesses coupled with coordinated development of innovative industries," we adhere to green

manufacturing and precision manufacturing. We have forged a strategic framework characterized by "stabilizing traditional core businesses, breaking through in emerging industries, and empowering innovation-driven growth." Our goal is to transform into a globally leading provider of high-performance carbon material solutions, offering critical material support for strategic emerging industries such as new energy, advanced manufacturing, and nuclear energy.

(III)scheme of operations

Applicable Not applicable

The year 2026 marks the commencement of the 15th Five-Year Plan and will be a pivotal year for the company to overcome developmental bottlenecks and achieve transformation and upgrading. The company will implement the guiding principles of the 20th National Congress of the Communist Party of China and all subsequent plenary sessions, closely align with its strategic deployment, adhere to the general principle of seeking progress while maintaining stability, fully, accurately, and comprehensively apply the new development philosophy, focus on promoting high-quality development, prioritize transformation and upgrading, and center efforts on enhancing quality, reducing costs, and improving efficiency. By concentrating on key priorities, addressing challenging issues, and strengthening foundational capabilities, the company will strive to elevate all its operations to new heights.

1. Maintain internal and external synergy to expand new market growth opportunities. In the domestic sales sector, strictly adhere to the core principle of "prioritizing efficiency and implementing targeted strategies," continuously optimize the customer structure, and deepen strategic partnerships with major downstream enterprises; intensify efforts to explore niche markets, focus on increasing the market share of high-value-added products, and achieve optimization and upgrading of the product portfolio. Strengthen market research and data analysis to accurately identify price fluctuation patterns and demand structure changes, dynamically adjust sales strategies, and enhance the timeliness and precision of market responsiveness. In the export sector, integrate the export resources of the company and its subsidiaries, enhance team collaboration capabilities, and establish a professional export workforce; prioritize expanding into countries and emerging markets along the Belt and Road, actively participate in international industry exhibitions and other exchange platforms to fully showcase the technical advantages and brand value of the company's products, and boost their global recognition and core competitiveness; optimize the export service system, improve order delivery efficiency and after-sales service quality, and strengthen international customer recognition and loyalty. Simultaneously, strengthen the synergy between internal and external sales to foster a "dual-track, mutually reinforcing" sales approach, thereby comprehensively enhancing the company's market share and operational performance.

2. Deepen meticulous operations to unleash new momentum for cost reduction and efficiency enhancement. Cost reduction and efficiency improvement remain core strategies for addressing market challenges and boosting corporate competitiveness. In 2026, refined management must be integrated throughout all production and operational processes. Through comprehensive, multi-level cost control and efficiency optimization, we will unlock cost-saving potential and advance the strategic goals of quality enhancement, efficiency improvement, and lean development. In production, process flow designs should be further optimized, operational standards refined, and precision control strengthened across

the entire production chain to effectively reduce waste and defect rates while improving operational efficiency and resource utilization. Regular equipment maintenance protocols should be enhanced to ensure efficient production operations and provide hardware support for performance improvement. In procurement, a robust supplier management system should be established with diversified sourcing channels; dynamic analysis of raw material markets should guide strategic procurement timing to mitigate price volatility risks; strict adherence to quality standards and rigorous quality control will ensure product reliability from source, establishing an efficient, compliant, and high-quality procurement system. In management, processes should be streamlined to optimize resource allocation; expenditure controls enforced alongside performance-based incentive mechanisms will allocate cost-reduction targets to all departments and positions. A scientific evaluation and motivation system should be implemented to fully engage employees in cost-saving efforts, fostering a company-wide participation-driven approach to operational excellence.

3. Focus on Targeted Quality Enhancement to Establish New Benchmarks for Brand Excellence. Product quality serves as the core lifeline of enterprises, the essence of brand building, and a critical manifestation of corporate competitiveness. In 2026, quality improvement efforts must be prioritized with persistent dedication to advancing quality management. Through optimizing quality control systems and implementing targeted enhancement measures, we will continuously elevate product quality standards, cultivate an industry-leading brand image, and strengthen core brand competitiveness. First, intensify quality breakthrough initiatives by establishing specialized task forces to address technical challenges; enhance industry benchmarking practices to refine quality control methodologies and improve scientific management approaches. Second, upgrade quality testing capabilities by modernizing equipment to boost accuracy and efficiency, ensuring products meet regulatory standards; further optimize the quality traceability system to promptly identify source issues and clarify accountability. Third, strengthen quality awareness through training programs and competitions, fostering a culture where "quality comes first and excellence is pursued relentlessly," creating an environment where all employees prioritize and value quality excellence.

4. Strengthen Technology Commercialization to Ignite a New Engine of Innovation-Driven Development. Innovation serves as the primary driver of progress. By 2026, we will further increase investments in R&D human resources and resources, focus on market demands, and enhance the commercialization of R&D outcomes. For existing achievements, we will actively advance pilot-scale and intermediate-scale testing. Simultaneously, we will refine new R&D directions, concentrating efforts on high-end carbon products and new energy materials to improve the relevance and effectiveness of R&D work. We will strengthen R&D team development by continuously recruiting and cultivating high-level talent, optimizing the team structure, and enhancing overall capabilities. Deepening industry-academia-research collaboration, we will maintain robust partnerships with renowned universities and leading enterprises to accelerate breakthroughs in core technologies. Enhanced coordination between R&D, production, and sales will ensure precise alignment of research outcomes with market needs, thereby improving their industrialization potential and economic returns.

5. Accelerate digital and intelligent empowerment to establish new benchmarks in smart manufacturing. Deepening the integration of informatization and industrialization is essential for enhancing corporate core competitiveness and

achieving high-quality development. By 2026, we will expedite the upgrade of smart manufacturing, focusing on intelligence, smart technologies, and automation. This involves comprehensively reviewing and optimizing existing production equipment and process flows, refining annual automation and informatization upgrade plans, and clarifying implementation objectives and steps. Priority will be given to automating critical production processes to reduce manual intervention and improve production efficiency and product quality stability. We will strengthen the integration of information platforms to break down system barriers and enable seamless interconnectivity and data sharing across business systems. Leveraging big data and AI technologies, we will conduct in-depth analysis of operational data throughout the production lifecycle to provide scientific support for production scheduling, quality control, cost management, and market decision-making. Additionally, we will cultivate and recruit versatile IT professionals through specialized training and hands-on experience to enhance employees' digital operational skills and proficiency in smart equipment utilization, ensuring efficient operation of intelligent systems and accelerating the realization of "smart factory" objectives.

6. Strictly uphold fundamental principles and strengthen new safeguards for safety and environmental protection. Safety and environmental compliance form the cornerstone of corporate survival and development, requiring unwavering commitment at all times. In 2026, we will implement stricter standards and more robust measures to enhance safety and environmental management, firmly embracing the principle that "safety is the lifeline and paramount above all else," with employee safety always taking precedence. We will rigorously enforce the principles of "shared responsibility between Party and administrative bodies, dual accountability for each position, collaborative oversight, and accountability for dereliction of duty," along with the "three management requirements and three mandatory obligations," further refining the safety responsibility framework and clarifying duties for managers and employees at all levels. Enhanced inspections and remediation efforts will address potential hazards in critical areas to ensure timely elimination. Safety training and support programs will improve employees' operational skills and emergency response capabilities, complemented by regular emergency drills to enhance their readiness for sudden incidents. Regarding environmental governance, we will strictly comply with regulations, continuously upgrade environmental facilities, and ensure compliance with emission standards. Source control and management of fugitive emissions will be strengthened, with improved daily monitoring and early-warning mechanisms for prompt issue resolution. Aligned with dual-carbon policies, we will establish a comprehensive carbon footprint accounting system covering raw materials, transportation, production, sales, and waste disposal across the entire lifecycle of carbon products, integrating data with production management systems for real-time emission tracking and precise measurement—providing data-driven support for carbon reduction strategies and fulfilling our social responsibility for sustainable development.

7. Optimize Industrial Layout to Open New Pathways for Upgrading. Grounded in industry trends and corporate strategy, we will strategically plan industrial layouts with foresight, proactively pioneering new development avenues to facilitate the company's transition from traditional manufacturing to diversified empowerment. First, enhance industry insights by establishing a dynamic monitoring mechanism. Closely track supply-demand dynamics, technological innovations, policy

adjustments, and upstream/downstream industry developments within the carbon sector. Through regular industry research, accurately identify market opportunities and potential risks, providing robust data support and decision-making foundations for industrial planning. Second, focus on industrial expansion and breakthroughs in emerging fields. Prioritize investments or collaborative projects with mature technologies and broad market prospects, particularly in areas such as new energy materials and high-end carbon products. Utilize diversified approaches—including independent R&D and joint ventures—to cultivate new profit growth drivers, driving the company's transformation from a traditional carbon manufacturer to a comprehensive provider of new energy and materials solutions, thereby solidifying its industrial foundation for long-term development.

(IV)potential risks to be faced

Applicable Not applicable

1. Market Risk

International geopolitical conflicts and frequent fluctuations in commodity prices have led to rising costs of upstream raw materials; meanwhile, cutthroat price competition among products within the industry has squeezed profit margins.

countermeasures

The company continuously monitors the macroeconomic landscape closely, enhances its analysis of supply-demand dynamics in both international and domestic markets, and adheres to a market-oriented approach to dynamically adjust its business strategies. It rigorously implements the overarching principles of "adaptability, action, and pragmatism" alongside the operational standards of "comprehensiveness, practicality, meticulousness, precision, and effectiveness," strengthening internal management to improve quality and efficiency. Leveraging its inherent strengths, the company elevates its product technological barriers and differentiated competitiveness. Simultaneously, it actively expands into diversified application sectors such as new energy to build a multi-pillar industrial system. Through a combination of measures, the company enhances its profitability and strengthens its market resilience against risks.

2. Environmental Risks

Under the policy framework of carbon peaking and carbon neutrality, environmental standards continue to rise, imposing stricter requirements on environmental governance within the carbon industry.

Countermeasures: Guided by the "dual carbon" goals, the company integrates green and low-carbon development throughout its entire production and operational processes. Focusing on energy conservation, emissions reduction, and pollution control, it strictly implements the "dual control" of energy consumption and carbon emission management requirements, thereby comprehensively enhancing its refined environmental governance capabilities. The company actively promotes the construction of green factories, advances the circular economy, and establishes a safe, green, and low-carbon modern carbon production system to achieve synergistic development of economic and environmental benefits.

3. Exchange Rate Risk

Influenced by international political and economic factors, the global situation remains complex and volatile, with political instability occurring in certain regions. Some of the company's products are exported to international markets, where exchange rate fluctuations can impact both export volumes and foreign exchange losses.

Countermeasures: The company strives to match foreign currency revenues with expenditures to mitigate exchange rate risks, enhances the collection and analysis of foreign exchange market information, stays abreast of market dynamics, promptly discusses adjustments to settlement currencies and methods, and selects appropriate financial instruments based on operational needs to strengthen risk resilience.

(V)other

Applicable Not applicable

VII. Explanation of the circumstances and reasons for the company's failure to disclose information in accordance with the standards due to non-applicability of the standards or special reasons such as state secrets or trade secrets

Applicable Not applicable

Section IV. Corporate governance, environment, and society

I. Explanation of Corporate Governance Related Matters

Applicable Not applicable

During the reporting period, the company strictly adhered to the requirements of relevant laws, regulations, and normative documents—including the Company Law, Securities Law, Guidelines for Corporate Governance of Listed Companies, Shanghai Stock Exchange Listing Rules, and the Company's Articles of Association — as well as other corporate governance documents. It continuously improved its corporate governance structure, strengthened its internal control system, enhanced compliance operations, and drove sustained improvements in its corporate governance standards.

Shareholders and Shareholders 'Meetings: In 2025, the company held three shareholders' meetings, during which 21 proposals were reviewed. The procedures for convening, conducting, and voting at the shareholders 'meetings complied with the provisions of the Company Law, the Company's Articles of Association, and the Rules for Shareholders 'Meetings, thereby safeguarding the right to information, participation, voting, and supervision of all shareholders, particularly minority shareholders. The company engaged professional lawyers to review the legality and validity of the shareholders' meetings and issued a legal opinion, ensuring their proper conduct. The company's controlling shareholder and actual controller fulfilled their duty of good faith, and no actions detrimental to the interests of the company or its minority shareholders occurred.

Directors and Board of Directors: During the reporting period, the company held 11 board meetings. The convening, conduct, and voting procedures of the board meetings complied with the relevant laws and regulations, including the Company Law, the Company's Articles of Association, and the Rules of Procedure for Board Meetings. The company's directors actively attended all board meetings, diligently fulfilled their duties as directors, and safeguarded the legitimate rights and interests of all shareholders.

The company's board of directors consists of 11 directors, including 4 independent directors and 1 employee representative director. The board's size and composition comply with applicable laws, regulations, and the Company's Articles of Association. The company emphasizes diversified management among directors and senior executives: currently, there are 3 female directors (over 27%) and 2 female senior executives (50%).

The company's board of directors comprises the Strategic Committee, Audit Committee, Nomination Committee, and Compensation and Performance Committee. During the reporting period, these specialized committees met nine times, along with two dedicated meetings of independent directors. The independent directors played a pivotal role in formulating the company's development strategy, selecting senior management, conducting financial audits, and overseeing internal controls, thereby enhancing the efficiency, standardization, and scientific rigor of corporate decision-making.

Information Disclosure: The company strictly complies with regulatory requirements for information disclosure, enhancing the accuracy, completeness, and transparency of its disclosures. It regularly publishes financial reports that provide detailed disclosure of financial data, operating results, and future prospects. In 2025, the company disclosed 126 Chinese-language announcements and related documents on the Shanghai Stock Exchange website and designated media platforms, as well as multiple English-language announcements on the Swiss Stock Exchange website and its official website, fully fulfilling its disclosure obligations as a listed company.

Investor Relations Management: The company places high importance on investor relations management, prioritizing the protection of investors' interests — particularly those of minority shareholders — and continuously enhancing investor confidence. To ensure investors stay informed about the company's operational developments and major events, the company employs multiple channels including its official website, SSE E-Interactive platform, new media platforms, telephone, email, and fax. It actively engages with investors through shareholder meetings, investor briefings, roadshows, analyst conferences, investor reception sessions, and discussion forums, addressing their concerns and incorporating their feedback. During the reporting period, the company conducted 225 communication sessions, held three regular earnings briefings, and invited securities firms and investors to participate in the "I Am a Shareholder" initiative at Fangda Carbon — a Shanghai-listed company — where they conducted on-site research and discussions. The company was awarded a commemorative trophy for this initiative by the Shanghai Stock Exchange.

Whether there are significant differences between corporate governance and the laws, administrative regulations, as well as the provisions of the China Securities Regulatory Commission regarding listed company governance; if such significant differences exist, the reasons shall be explained.

Applicable Not applicable

II. Specific measures taken by the company's controlling shareholder and actual controller to ensure the independence of the company's assets, personnel, finances, organizational structure, and operations, along with the solutions implemented, the progress status, and the subsequent action plan affecting the company's independence.

Applicable Not applicable

The Company maintains independent accounting, liability, and risk management regarding assets, personnel, finances, organizational structure, and operations with its controlling shareholder and related parties. During the reporting period, no circumstances were identified where the controlling shareholder or actual controller compromised the Company's independence, nor were there any actions that harmed the interests of the Company or its shareholders.

The involvement of the controlling shareholder, actual controller, and other entities under their control in businesses identical or similar to those of the company; the impact on the company arising from significant changes in competition within the same industry; the measures already implemented to address such issues, the progress made in resolution, and the subsequent action plans.

Applicable Not applicable

III. Information on Directors and Senior Management

(二) Changes in Shareholdings and Compensation of Current and Former Directors and Senior Management During the Reporting Period

Applicable Not applicable

Unit: Share

surname and personal name	Job Title	Gender	age	Term Start Date	Term Expiration Date	Number of shares held at the beginning of the year	Year-end number of shares held	Change in the number of shares during the year	Reason for the increase /decrease	Total pre-tax compensation received from the company during the reporting period (in RMB ten thousand)	Whether compensation is received from related parties of the company
Zhang Tianjun	Director	man	62	3 July 2024	3 July 2027	1,594,320	1,594,320	0		60.65	
	Chairperson			2 February 2026	3 July 2027						
	General Manager (Left office)			3 July 2024	2 February 2026						
Qiu Yapeng	Director	man	45	10 October 2024	3 July 2024	-	-	0		-	yes
Ma Zhuo	Director	man	54	3 July 2024	3 July 2027	2,000	2,000	0		59.27	
	Chairperson (Left office)			3 July 2024	2 February 2026						

Hou Xulong	Director	man	56	5 December 2024	3 July 2027	900,600	900,600	0		59.35	
Jiang Guoli	Director	man	58	3 July 2024	3 July 2027	-	-	0		29.17	
Shu Wenbo	Director	man	58	3 July 2024	3 July 2027	1,386,380	1,386,380	0		-	yes
Wu Yahong	Employee Representative, Director	man	41	15 December 2025	3 July 2027	-	-	0		0.77	
Liu Zhijun	independent director	woman	53	3 July 2024	3 July 2027	-	-	0		10	
Wu Ye	independent director	woman	40	3 July 2024	3 July 2027	-	-	0		10	
Cui Lili	independent director	woman	49	18 November 2025	3 July 2027	-	-	0		-	
Wan Hongbo	independent director	man	61	18 November 2025	3 July 2027	-	-	0		-	
Xie Haidong	general manager	man	46	2 February 2026	3 July 2027					-	
Yi Wang	vice president	man	48	2 February 2026	3 July 2027					-	
Gou Yanli	CFO	woman	48	2 February 2026	3 July 2027					-	
Zhuang Xiaoru	Secretary of the Board of Director	woman	41	3 July 2024	3 July 2027	-	-	0		54.31	

	s										
Huang Jun (leave one's post)		woman		3 July 2024	18 November 2025	-	-	0		10	
Peng Shuyuan (has resigned)		woman		3 July 2024	18 November 2025	-	-	0		10	
Gou Zengcheng (has resigned)		man		3 July 2024	23 June 2025	30,700.00	30,700.00	0		23.57	
Xu Longfu (has resigned)		man		3 July 2024	15 December 2025	-	-	0		42.57	
				3 July 2024	2 February 2026						
Zhao Erqin (has resigned)		woman		3 July 2024	2 February 2026	10,000.00	10,000.00	0		54.23	
amount to	/	/	/	/	/	3,924,000	3,924,000	0	/	423.89	/

surname and personal name	Main Work Experience
Zhang Tianjun	He previously served as Assistant General Manager, Deputy General Manager, Party Committee Secretary, and General Manager of Fangda Carbon New Materials Technology Co., Ltd.; General Manager, Party Committee Secretary, and Discipline Inspection Commission Secretary of Chengdu Rongguang Carbon Co., Ltd.; Party Committee Secretary, Chairman, General Manager, Deputy General Manager, and Discipline Inspection Commission Secretary of Chengdu Fangda Carbon Composite Materials Co., Ltd.; Vice Chairman of Baofang Carbon Materials Technology Co.,

	Ltd.; and Chairman of Meishan Fangda Rongguang Carbon Co., Ltd. Currently, he holds the positions of Director and Chairman of Fangda Carbon New Materials Technology Co., Ltd.
Qiu Yapeng	He previously served as Deputy Director of the Human Resources Department, Director of the Board Secretariat, Board Secretary, and Assistant to the Board Chairman at Liaoning Fangda Group Industrial Co., Ltd.; Director of Fangda Carbon New Materials Technology Co., Ltd.; Director of Fangda Special Steel Technology Co., Ltd.; and Director of Hainan Airlines Holdings Co., Ltd. Currently, he holds the positions of Director and Vice President at Liaoning Fangda Group Industrial Co., Ltd., Director of Jiangxi Fangda Iron and Steel Group Co., Ltd., Director of Beijing Fangda International Industrial Investment Group Co., Ltd., Director of Tianjin Yishang Group Co., Ltd., Director of Liaoning Fangda Real Estate Group Co., Ltd., and Director of Fangda Carbon New Materials Technology Co., Ltd.
Ma Zhuo	Previously held positions including Head of Finance Department, Head of Asset Department, Assistant to the General Manager, and Chairman at Fangda Carbon New Materials Technology Co., Ltd.; Head of Audit Department, Deputy Head of Finance Department, Head of Finance Department, and Deputy Chief Financial Officer at Fangda Group; Chief Financial Officer at Northeast Pharmaceutical Group Co., Ltd.; and Chairman of the Board of Supervisors at Fangda Special Steel Technology Co., Ltd. Currently serves as Senior Vice President of Liaoning Fangda Group Industrial Co., Ltd.; Director of Shanghai Huxu Investment Management Co., Ltd.; Director of Liaoning Fangda Real Estate Group Co., Ltd.; Director of Beijing Fangda Carbon Technology Co., Ltd.; Supervisor of Jiangxi Fangda Iron and Steel Group Co., Ltd.; Chairman of the Board of Supervisors at Beijing Fangda International Industrial Investment Group Co., Ltd.; Chairman of Liaoning Fangda Equipment Manufacturing Group Co., Ltd.; and Director of Fangda Carbon New Materials Technology Co., Ltd.
Hou Xulong	Previously, he served as Director of the Comprehensive Management Department at Fangda Carbon New Materials Technology Co., Ltd., Director of the Comprehensive Department at the International Trade Company, Deputy Director of the Carbon Division Office, Deputy Director and later Director of the Human Resources Department, Assistant to the General Manager, and Employee Representative Supervisor. He also held the position of Deputy General Manager at Fushun Laihe Mining Co., Ltd. and Director of the Corporate Office at Lanzhou Fangda Carbon Real Estate Development Co., Ltd. Currently, he serves as Director and Deputy Party Committee Secretary of Fangda Carbon New Materials Technology Co., Ltd., as well as Director of Baofang Carbon Materials Technology Co., Ltd.
Shu Wenbo	He previously served as Assistant General Manager, Deputy General Manager, General Manager, and Chairman of Chengdu Rongguang Carbon Co., Ltd.; Deputy General Manager and General Manager of Fangda Carbon New Materials Technology Co., Ltd.; General Manager and Chairman of Chengdu Fangda Carbon Composite Materials Co., Ltd.; and Vice President of Liaoning Fangda Group Industrial Co., Ltd. Currently, he holds the positions of Director at Fangda Carbon New Materials Technology Co., Ltd., and Director and General Manager at Baofang Carbon Materials Technology Co., Ltd.
Jiang Guoli	He previously served as Deputy General Manager of Fushun Special Steel Co., Ltd.; Executive Deputy General Manager, Party Committee Secretary, General Manager, and Chairman of Fushun Carbon Co., Ltd.; General Manager of Haicheng Dongsi Steel Co., Ltd.; General Manager of Liaoning Kairui Special Steel Co., Ltd.; Deputy General Manager of Northeast Special Steel Group Dalian Special Steel Co., Ltd.; and Chairman of Fushun Laihe Mining Co., Ltd. He currently holds the position of Director at Fangda Carbon New Materials Technology Co., Ltd.
Wu Yahong	Previously serving as a technician and employee representative supervisor in the Equipment Department of Fangda Carbon New Materials Technology Co., Ltd., and as an engineering auditor and audit supervisor in the Audit and Supervision Department of Liaoning Fangda Group Industrial Co., Ltd., he currently holds the positions of employee representative director and Deputy Director of the Audit and Legal Department at Fangda Carbon New Materials Technology Co., Ltd.

Liu Zhijun	He currently serves as a professor at the School of Finance of Lanzhou University of Finance and Economics and a supervisor for Master's students in Finance. He is also an independent director of Lanzhou Yellow River Enterprise Co., Ltd., Lanzhou Bank Co., Ltd., and Fangda Carbon New Materials Technology Co., Ltd.
Wu Ye	From July 2017 to December 2020, he served as an Assistant Professor at the School of Humanities, Economics and Law of Northwestern Polytechnical University. Since January 2021, he has been teaching at Lanzhou University and holds independent director positions at both Gansu Longshen Rongfa Pharmaceutical Co., Ltd. and Fangda Carbon New Materials Technology Co., Ltd.
Cui Lili	He previously served as an analyst at the Shanghai Internet Economy Consulting Center and an associate professor at Shanghai University of Finance and Economics. Currently, he holds the positions of Vice Dean and Chair Professor at the University's Digital Economy Research Institute, where he also serves as a doctoral supervisor. Additionally, he is a doctoral supervisor for the Accounting program at the university's Advanced Accounting and Auditing School, an independent director of Gold Medal Kitchen & Home Technology Co., Ltd., and an independent director of Fangda Carbon New Materials Technology Co., Ltd.
Wan Hongbo	Associate Professor of Accounting and Graduate Supervisor at Lanzhou University; Senior Certified Public Accountant of China and National Practicing Accountant of the Australian Institute of Certified Public Accountants; Executive Director of the Gansu Provincial Certified Public Accountants Association; Independent Director of Dayu Water-Saving (Group) Co., Ltd.; Independent Director of Haimo Technology (Group) Co., Ltd.; and Independent Director of Fangda Carbon New Materials Technology Co., Ltd.
Xie Haidong	He previously held various positions at Fangda Carbon New Materials Technology Co., Ltd., including Director of the Business Management Department, Deputy Director of the Procurement Department, Deputy Director of the Profiling Plant, Deputy Director of the Roasting Plant, Director of the Safety and Quality Department, Director of the Procurement Department, General Manager of the Sales Company, Assistant to the General Manager, and General Manager of Hefei Carbon Co., Ltd. He currently serves as the General Manager of Fangda Carbon New Materials Technology Co., Ltd.
Wang Yi	He previously served as Director of Trade Department I at Beijing Fangda Carbon Technology Co., Ltd.; Senior Client Manager, Client Director, Deputy General Manager, and General Manager of the Import and Export Division at Fangda Carbon New Materials Technology Co., Ltd.; Director of External Sales and Deputy General Manager at Chengdu Rongguang Carbon Co., Ltd.; Deputy General Manager at Beijing Fangda Carbon Technology Co., Ltd.; and Assistant General Manager at Fangda Carbon New Materials Technology Co., Ltd. Currently, he holds the positions of Director at Chengdu Fangda Carbon Composite Materials Co., Ltd., Chairman of Fangda Korea International Trade Co., Ltd., and Deputy General Manager at Fangda Carbon New Materials Technology Co., Ltd.
Gou Yanli	He previously held positions including Head of the Finance Department, Deputy Director, Deputy Chief Financial Officer, and Supervisor at Fangda Carbon New Materials Technology Co., Ltd., as well as Chief Financial Officer at Shanghai Fangda Investment Management Co., Ltd. He currently serves as the Chief Financial Officer of Fangda Carbon New Materials Technology Co., Ltd.
Zhuang Xiaoru	He previously held positions including Deputy Director of the Party and Mass Work Department, Deputy Director of the Securities Investment Department, and Deputy General Manager of the Investment Management Center at Liaoning Fangda Group Industrial Co., Ltd. Currently, he serves as Board Secretary of Fangda Carbon New Materials Technology Co., Ltd. and General Manager of Shanghai Fangda Investment Management Co., Ltd.

Other Situation Description

Applicable Not applicable

1. On June 23,2025, due to a change in his work responsibilities, Mr.Gou Zengcheng submitted his resignation as the company's Deputy General Manager. However, he continued to work at the company after resigning.
2. On October 30,2025 and November 18,2025, the Company held the Sixth Meeting of the Ninth Board of Directors and the First Extraordinary General Meeting of Shareholders in 2025, respectively. These meetings reviewed and approved the "Proposal on the Supplementary Election of Independent Directors for the Ninth Board of Directors and Adjustment of Members of the Board's Special Committees" and the "Proposal on the Supplementary Election of Independent Directors." Ms.Huang Jun and Ms.Peng Shuyuan have served as independent directors of the Company for six full years and have applied to resign from their positions as independent directors and members of the Board's special committees. Ms.Cui Lili and Mr.Wan Hongbo were elected as independent directors of the Ninth Board of Directors, with their terms commencing upon approval by the General Meeting of Shareholders and lasting until the expiration of the Ninth Board of Directors' term.
3. Due to work adjustments, Mr.Xu Longfu has submitted his resignation from his position as a non-independent director on the company's Ninth Board of Directors. On December 15,2025, the company held an Employee Representative Assembly, electing Mr.Wu Yahong as an employee representative director on the Ninth Board of Directors, with his term commencing on the date of election and lasting until the expiration of the Board's term.
4. On November 28,2025 and December 15,2025, the Company convened the 15th Extraordinary Meeting of the Ninth Board of Directors and the Second Extraordinary General Meeting of Shareholders in 2025, respectively. These meetings reviewed and approved the "Proposal on Dissolving the Board of Supervisors and Revising the Company's Articles of Association." In light of the Company's actual circumstances, the Board of Supervisors was dissolved, and its functions were assumed by the Board's Audit Committee in accordance with the Company Law.
5. On February 2, 2026, the Company convened the 18th Extraordinary Meeting of the Ninth Board of Directors, during which the "Proposal on the Appointment of Senior Management Personnel" was reviewed and approved. Due to work adjustments, Mr.Zhang Tianjun applied to resign from his position as General Manager, Ms.Zhao Erqin applied to resign from her position as Chief Financial Officer, and Mr.Xu Longfu applied to resign from his position as Deputy General Manager. Following review by the Board's Nomination Committee, the Board appointed Mr.Xie Haidong as General Manager, Ms.Gou Yanli as Chief Financial Officer, and Mr.Wang Yi as Deputy General Manager, with their terms of office commencing upon approval by this Board meeting and lasting until the expiration of the term of the Ninth Board of Directors.

(三) **Tenure details of current and former directors and senior management personnel during the reporting period**

1. Position held at the shareholder entity

Applicable Not applicable

Name of the appointee	Unit Name of the Shareholder	Position held at the shareholder entity	Term Start Date	Term Expiration Date
Ma Zhuo	Liaoning Fangda Group Industrial Co., Ltd.	Senior Vice President		
Ma Zhuo	Shanghai Huxu Investment Management Co., Ltd.	Director		
Ma Zhuo	Liaoning Fangda Real Estate Group Co., Ltd.	Director		
Ma Zhuo	Beijing Fangda Carbon Technology Co., Ltd.	Director		
Ma Zhuo	Jiangxi Fangda Iron and Steel Group Co., Ltd.	supervisor		
Ma Zhuo	Beijing Fangda International Industrial Investment Group Co., Ltd.	Chairperson of the Board of Supervisors		
Ma Zhuo	Liaoning Fangda Equipment Manufacturing Group Co., Ltd.	Chairperson		
Qiu Yapeng	Liaoning Fangda Group Industrial Co., Ltd.	Director, Vice President		
Qiu Yapeng	Beijing Fangda International Industrial Investment Group Co., Ltd.	Director		
Qiu Yapeng	Jiangxi Fangda Iron and Steel Group Co., Ltd.	Director		
Qiu Yapeng	Beijing Fangda International Industrial Investment Group Co., Ltd.	Director		
Qiu Yapeng	Tianjin Yishang Group Co., Ltd.	Director		
Qiu Yapeng	Liaoning Fangda Real Estate Group Co., Ltd.	Director		
Explanation regarding employment status at shareholder entities	Liaoning Fangda Group Industrial Co., Ltd. is the controlling shareholder of the company. Beijing Fangda International Industrial Investment Group Co., Ltd. holds 99.20% of the equity in Liaoning Fangda Group Industrial Co., Ltd., 99.90% of the equity in Shanghai Huxu Investment Management Co., Ltd., and 95% of the equity in Beijing Fangda Carbon Technology Co., Ltd. All the aforementioned companies are affiliated parties.			

2. Employment history at other organizations

Applicable Not applicable

Name of the appointee	Other unit names	Positions held in other organizations	Term Start Date	Term Expiration Date
-----------------------	------------------	---------------------------------------	-----------------	----------------------

Wu Ye	Lanzhou University	adjunct professor		
Wu Ye	Gansu Longshen Rongfa Pharmaceutical Co., Ltd.	independent director		
Liu Zhijun	Lanzhou University of Finance and Economics	Professor and Graduate Supervisor		
Liu Zhijun	Lanzhou Yellow River Enterprise Co., Ltd.	independent director		
Liu Zhijun	Lanzhou Bank Co., Ltd.	independent director		
Shu Wenbo	Baofang Carbon Materials Technology Co., Ltd.	Director, General Manager		
Hou Xulong	Baofang Carbon Materials Technology Co., Ltd.	Director		
Cui Lili	Shanghai University of Finance Economics	Deputy Dean, Chair Professor, Doctoral Supervisor		
Cui Lili	Golden Cup Cabinet and Home Technology Co., Ltd.	independent director		
Wan Hongbo	Lanzhou University	Associate Professor, Graduate Supervisor		
Wan Hongbo	Gansu Provincial Association of Certified Public Accountants	managing director		
Wan Hongbo	Dayu Water Conservation (Group) Co., Ltd.	independent director		
Wan Hongbo	Haimer Technology (Group) Co., Ltd.	independent director		
Explanation of employment history at other organizations	Baofang Carbon Materials Technology Co., Ltd. is an affiliated enterprise of the company; no other entities have any affiliation with the company.			

(四) Compensation for Directors and Senior Management Personnel

Applicable Not applicable

Decision-making Process for Compensation of Directors and Senior Management Personnel	The compensation of company directors is reviewed by the Board's Compensation and Performance Committee and submitted to the Board of Directors and the Shareholders' Meeting for approval and implementation; the compensation of senior management personnel is approved by the Board's Compensation and Performance Committee and submitted to the Board of Directors for approval and implementation.
Whether directors recuse themselves when discussing their compensation matters at the board meeting	yes
Details of the recommendations issued by the Compensation and Performance Committee or the special meeting of independent directors	The compensation for directors and senior management in 2025 will be paid strictly in accordance with the company's compensation and performance evaluation policies, ensuring no harm to the interests of the company or its shareholders.

regarding compensation matters for directors and senior management personnel	
Basis for determining the compensation of directors and senior management personnel	The compensation for directors and senior management in 2025 will be paid strictly in accordance with the company's compensation and performance evaluation policies, ensuring no harm to the interests of the company or its shareholders.
Actual payment details for directors and senior management compensation	For details, refer to the section above regarding "Current and Former Directors, Supervisors, and Senior Management During the Reporting Period." Changes in employee shareholding and compensation details.
The total compensation actually received by all directors and senior management personnel at the end of the reporting period	During the reporting period, the total pre-tax compensation received from the company amounted to RMB 4.2389 million.
The evaluation criteria and achievement status of the actual compensation received by all directors and senior management personnel at the end of the reporting period	The actual compensation received by company directors and senior management consists of base compensation and performance-based compensation. The base compensation is determined based on their positions and responsibilities, while the performance-based compensation is primarily determined by performance evaluations. It is set by the Compensation and Assessment Committee according to the completion of individual performance indicators and comprehensive evaluation results.
Deferred payment arrangements for the actual compensation received by all directors and senior management personnel at the end of the reporting period	not applicable
Status of payment suspensions and claims regarding the actual compensation received by all directors and senior management personnel at the end of the reporting period	not applicable

(五) Changes in the company's directors and senior management personnel

Applicable Not applicable

surname and personal name	Position held	Change Details	cause of change
Huang Jun	independent director	leave one's post	personal reasons
Peng Shuyuan	independent director	leave one's post	personal reasons
Gou Zengcheng	senior executives	leave one's post	job transfer
Xu Longfu	Director	leave one's post	job transfer
Cui Lili	independent director	Election	Term Transition
Wan Hongbo	independent director	Election	Term Transition

Wu Yahong	Director representing employee representatives	Election	Term Transition
Zhao Erqin	CFO	leave one's post	job transfer

(六) Statement on Penalties Imposed by Securities Regulatory Authorities Over the Past Three Years

Applicable Not applicable

(七) other

Applicable Not applicable

IV. Performance of Directors' Duties

(I) Directors 'Participation in Board Meetings and Shareholders' Meetings

Director surname and personal name	Are they independent directors?	Participation in the Board of Directors						attendance at the shareholders' meeting
		Number of board meetings to attend this year	Number of personal attendance instances	Number of participation attempts via communication	Number of delegated attendance sessions	absent number of times	Did you miss two consecutive meetings in person?	Number of times attended at the shareholders' meeting
Zhang Tianjun	deny	11	11	0	0	0	deny	3
Qiu Yapeng	deny	11	11	11	0	0	deny	3
Ma Zhuo	deny	11	11	0	0	0	deny	3
Hou Xulong	deny	11	11	0	0	0	deny	3
Jiang Guoli	deny	11	11	0	0	0	deny	3
Shu Wenbo	deny	11	11	0	0	0	deny	3
Liu Zhijun	yes	11	11	3	0	0	deny	3
Wu Ye	yes	11	11	3	0	0	deny	3
Cui Lili	yes	2	2	2	0	0	deny	1
Wan Hongbo	yes	2	2	2	0	0	deny	1
Huang Jun	yes	9	9	0	0	0	deny	2
Peng Shuyuan	yes	9	9	0	0	0	deny	2
Xu Longfu	deny	11	11	0	0	0	deny	3

Wu Yahong	deny	0	0	0	0	0	deny	3
-----------	------	---	---	---	---	---	------	---

Explanation for failing to attend two consecutive board meetings in person

Applicable Not applicable

Number of board meetings held within the year	11
Among these: Number of on-site meetings	0
Number of meetings held via communication methods	0
Number of meetings held on-site using various communication methods	11

(2) Circumstances in which directors raise objections to matters concerning the company

Applicable Not applicable

(III) Others

Applicable Not applicable

V. Establishment of Special Committees under the Board of Directors

Applicable Not applicable

(I) Membership of the Special Committees Under the Board of Directors

Category of Special Committees	Member Name
audit committee	Liu Zhijun, Wu Yahong, Wan Hongbo; Chairman: Liu Zhijun.
nomination committee	Wu Ye, Zhang Tianjun, Cui Lili; Chairman: Wu Ye.
Compensation and Performance Evaluation Committee	Wan Hongbo, Zhang Tianjun, Liu Zhijun; Chairman: Wan Hongbo.
Strategic Committee	Zhang Tianjun, Hou Xulong, Wu Ye; Chairman: Zhang Tianjun.

(2) During the reporting period, the Audit Committee held six meetings.

Meeting Date	content of meeting	Important Opinions and Suggestions	Other performance of duties
17 April 2025	"Proposal regarding the estimated daily related-party transactions for the year 2025"	The proposal has been approved and submitted to the company's board of directors for review.	
24 April 2025	"2024 Annual Report and Summary" "2024 Internal Control Evaluation Report"	The proposal was unanimously approved and agreed to be submitted to the company's board of directors for review.	

29 April 2025	"Fangda Carbon First Quarter Report 2025"	The proposal has been approved and submitted to the company's board of directors for review.	
27 June 2025	"Proposal on the Correction of Accounting Errors"	The proposal has been approved and submitted to the company's board of directors for review.	
26 August 2025	Fangda Carbon 2025 Semi-Annual Report	The proposal has been approved and submitted to the company's board of directors for review.	
27 October 2025	"Fangda Carbon Third Quarter Report 2025" and "Proposal on Reappointment of the Accounting Firm"	The proposal was unanimously approved and agreed to be submitted to the company's board of directors for review.	

(3) During the reporting period, the Compensation and Assessment Committee held one meeting.

Meeting Date	content of meeting	Important Opinions and Suggestions	Other performance of duties
24 April 2025	Annual Compensation for Directors and Senior Management of the Company for 2024	The proposal has been approved and submitted to the company's board of directors for review.	

(4) During the reporting period, the Nomination Committee held one meeting.

Meeting Date	content of meeting	Important Opinions and Suggestions	Other performance of duties
20 October 2025	Proposal on recommending Ms.Cui Lili and Mr.Wan Hongbo as candidates for independent directors	The proposal has been approved and submitted to the company's board of directors for review.	

(5) The Strategy Committee held one meeting during the reporting period.

Meeting Date	content of meeting	Important Opinions and Suggestions	Other performance of duties
24 November 2025	"Proposal on the Recruitment of Investors Intending	The proposal has been approved and submitted to the company's board of directors for review.	

	to Participate in the Substantive Merger and Restructuring of Shanshan Group and Its Wholly-Owned Subsidiaries"		
--	---	--	--

(6) Specific details of the disputed matters

Applicable Not applicable

VI. Statement of Risks Identified by the Audit Committee

Applicable Not applicable

The Audit Committee has no objections to the matters under supervision during the reporting period.

VII. Employee Status of the Parent Company and Major Subsidiaries at the End of the Reporting Period**(I) Employee Profile**

The number of employees currently working at the parent company	2,391
Number of employees currently employed at the main subsidiary	2,627
The total number of employed staff	5,018
Number of retired employees for whom the parent company and its major subsidiaries are responsible for covering expenses	1,690
Professional Structure	
Category of Professional Structure	Number of people by professional specialization
operating personnel	3,466
salesman	106
artisan	485
financial staff	62
clerical staff	461
Other personnel	438
amount to	5,018
educational status	
Category of Educational Level	Number (people)
individuals with a bachelor's degree or higher	699
junior college	790

Individuals with a high school education or lower	3,529
amount to	5018

(II) Compensation Policy

Applicable Not applicable

The company has established a competitive compensation system that ensures employee compensation levels align with job responsibilities, work capabilities, and market salary trends. In strict compliance with relevant national laws and regulations, it has developed a comprehensive compensation and benefits framework along with a performance evaluation system, implementing a system where positions determine ranks, ranks determine salaries, positions match employees, and salary adjustments correspond to position changes. Differentiated evaluation indicators are set for various positions and roles, with particular emphasis on frontline operations, innovation and efficiency improvement, and quality enhancement. The company pays employee salaries on time and in full and legally contributes the full amount to the "five social insurances and one housing fund," safeguarding employees' fundamental rights and interests.

(III) Training Plan

Applicable Not applicable

The company regards employee training as "a long-term investment for the company, the greatest driver of its development, and the greatest benefit for its employees." It has established a training system that covers all employees and spans their entire career cycle. By 2025, through a combination of internal and external approaches, the company optimized the allocation of training resources and conducted diverse and comprehensive training activities. During the reporting period, the overall training coverage rate for employees exceeded 95%, providing them with learning and development opportunities. The training programs primarily included onboarding training for new employees, job-specific skills training, management and leadership training, and advanced professional technical training.

(IV) Labor Outsourcing Situation

Applicable Not applicable

VIII. Proposal for Profit Distribution or Increase of Capital Reserve**(I) Formulation, Implementation, or Adjustment of Cash Dividend Policies**

Applicable Not applicable

In accordance with the relevant regulations of the China Securities Regulatory Commission, the company has revised and refined the profit distribution policy in its Articles of Association. The specific distribution proposal shall be formulated by the Board of Directors in full consideration of the

company's profit scale, cash flow status, stage of development, and current capital requirements, in compliance with the Articles of Association. After the Board of Directors approves the distribution proposal, it shall submit it to the Shareholders' Meeting for deliberation. Following the Shareholders' Meeting's resolution on the profit distribution plan, the Board of Directors must complete the distribution of dividends (or shares) within two months after the meeting convenes.

According to the "2024 Profit Distribution Plan" approved at the Company's 2024 Annual Shareholders' Meeting, the proposed profit distribution for 2024 is as follows: Based on the total share capital registered on the record date for the rights issue, minus the number of shares held in the company's dedicated share repurchase securities account, a cash dividend of RMB 0.20 per 10 shares (tax inclusive) will be distributed, totaling RMB 75,531,958.06 (tax inclusive). No bonus shares will be issued, and no capital reserve conversion into share capital will be conducted. On July 9, 2025, the Company disclosed the "Fangda Carbon 2024 Annual Rights Distribution Implementation Announcement," and the cash dividend distribution was completed on July 16, 2025.

On April 22, 2026, the company held the seventh meeting of its Ninth Board of Directors, which reviewed and approved the "2025 Profit Distribution Plan." The proposed distribution scheme for 2025 is as follows: Based on the total share capital registered on the record date for the rights issue, minus the number of shares held in the company's dedicated share repurchase securities account, a cash dividend of RMB 0.20 per 10 shares (tax inclusive) will be distributed, totaling RMB 75,531,958.06 (tax inclusive). No bonus shares will be issued, and no capital reserve conversion into share capital will be conducted. This plan remains subject to approval by the shareholders' meeting.

(II) Special Explanation of the Cash Dividend Policy

Applicable Not applicable

Does it comply with the provisions of the company's articles of association or the requirements of the shareholders' meeting resolution?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Are the dividend standards and ratios clearly defined and transparent?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Whether the relevant decision-making procedures and mechanisms are comprehensive	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Whether the independent directors have fulfilled their duties and played their due roles	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Do minority shareholders have sufficient opportunities to express their opinions and demands, and are their legitimate rights and interests adequately protected?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

(III) If the company is profitable during the reporting period and the parent company has positive distributable profits for shareholders, but has not proposed a cash dividend distribution plan, the company shall provide detailed disclosure of the reasons, as well as the purpose and utilization plan for the undistributed profits.

Applicable Not applicable

(IV) Proposed Plan for Profit Distribution and Capital Reserve Conversion into Share Capital for the Reporting Period

Applicable Not applicable

Unit: Yuan Currency: CNY

Number of bonus shares per 10 shares (shares)	0
Dividend per 10 shares (RMB) (including tax)	0.0732
Number of additional shares for every 10 shares (shares)	0
Cash dividend amount (including tax)	27,939,392.53
Net profit attributable to the ordinary shareholders of the listed company in the consolidated financial statements	93,042,230.07
The percentage of cash dividend amount relative to the net profit attributable to ordinary shareholders of the listed company in the consolidated financial statements (%)	30.03
The amount of share repurchases made in cash that is included in cash dividends	0
Total dividend amount (including tax)	27,939,392.53
The percentage of total dividend distribution relative to the net profit attributable to ordinary shareholders of the listed company in the consolidated financial statements (%)	30.03

(V) Cash dividend distribution for the recent three fiscal years

Applicable Not applicable

Unit: Yuan Currency: CNY

Cumulative cash dividend amount (including tax) for the last three fiscal years (1)	230,604,866.11
Cumulative amount of repurchases and cancellations over the past three fiscal years (2)	0
The cumulative amount of cash dividends, share repurchases, and share cancellations over the past three fiscal years (3) = (1) + (2)	230,604,866.11
The average annual net profit for the past three fiscal years (4)	231,767,211.07
Cash dividend ratio (%) for the last three fiscal years: (5) = (3)/(4)	99.50
The net profit attributable to the ordinary shareholders of the listed company in the most recent consolidated financial statements for the accounting year	93,042,230.07

The undistributed profits at the end of the most recent fiscal year as reported by the parent company	6,357,127,815.08
---	------------------

IX. Status and Impact of the Company's Equity Incentive Plan, Employee Stock Ownership Plan, or Other Employee Incentive Measures

(1) The relevant incentive matters have been disclosed in the interim announcement, and no further progress or changes have been made in their subsequent implementation.

Applicable Not applicable

(II) Incentive arrangements not disclosed in the interim announcement or with subsequent developments

Equity Incentive Program Details

Applicable Not applicable

Other notes:

Applicable Not applicable

Information on the Employee Stock Ownership Plan

Applicable Not applicable

Other incentive measures

Applicable Not applicable

(3) Equity incentive grants granted to directors and senior management personnel during the reporting period

Applicable Not applicable

(4) The establishment and implementation of the evaluation mechanism for senior management personnel and the incentive mechanism during the reporting period

Applicable Not applicable

The company has established a comprehensive performance appraisal management system that adheres to the principles of fairness, impartiality, and transparency. By setting multi-dimensional, differentiated, and dynamic performance indicators, the system facilitates the achievement of corporate strategies and key performance targets. Senior management is paid on an annual salary basis. The base compensation is determined based on factors such as position, responsibilities, capabilities, and market salary trends, while performance-based compensation is linked to the company's operational performance and individual evaluation results. This approach fully motivates senior management's initiative, proactivity, and creativity, enhances the company's operational management capabilities, and promotes its healthy, sustainable, and stable development.

In April 2026, the company revised and refined the "Fangda Carbon Board Directors and Senior Management Compensation Management System," linking senior management's performance-based compensation to the company's operational performance and individual performance evaluations,

ensuring compensation adjustments align with business outcomes and reinforcing shared risk and benefit responsibilities.

X. Development and Implementation of Internal Control Systems During the Reporting Period

Applicable Not applicable

For detailed information, please refer to the "Fangda Carbon 2025 Internal Control Evaluation Report" disclosed on the same date as this report.

Explanation regarding significant deficiencies in the departmental control during the reporting period

Applicable Not applicable

XI. Management and Control of Subsidiaries During the Reporting Period

Applicable Not applicable

The company has established documents such as the "Fangda Carbon Subsidiary Management System," the "Fangda Carbon Participating Company Management Measures," and the "Carbon Sector Cost Reduction and Efficiency Improvement Supervision and Assessment Plan." These documents clarify the asset rights and operational management responsibilities of Fangda Carbon and its controlled and participating subsidiaries, while establishing effective operational and incentive-restraint mechanisms.

The company has set up a Carbon Sector Office responsible for overseeing the production and operations of the company and its subsidiaries. This office continuously strengthens its functions by defining the primary responsibilities of each management department, formulating annual business plans, and establishing daily supervision mechanisms. By fully leveraging the sector's coordination mechanism, the company effectively controls operational risks across its subsidiaries and promotes collective improvement among all enterprises within the carbon sector.

There are abnormal risk alerts regarding the management control of subsidiaries.

Applicable Not applicable

XII. Explanation of the Relevant Details of the Internal Control Audit Report

Applicable Not applicable

Daxin Certified Public Accountants (Special General Partnership) conducted an audit of the company's internal controls and issued an audit opinion, with the disclosure available at <http://www.sse.com.cn>.

Has the internal control audit report been disclosed: Yes

Type of internal control audit report opinion: Standard unqualified opinion

Was an non-standard internal control audit opinion issued for the reporting period or the previous fiscal year?

YES NO

XIII. Rectification Status of Self-Assessment Issues under the Special Action on Listed Company Governance

No

XIV. Environmental Information Status of Listed Companies and Their Major Subsidiaries Included in the List of Enterprises Subject to Legal Environmental Information Disclosure

Applicable Not applicable

Number of enterprises included in the list of enterprises required to disclose environmental information in accordance with the law (number)		8
order number	the name of firm	Query index for reports on the lawful disclosure of environmental information
1	Fangda Carbon	https://zwfw.sthj.gansu.gov.cn/revealPubVue/#/header/header_list
2	Chengdu Carbon Materials	https://www.sczwfw.gov.cn/tftb/jmopenpub/jmopen_files/webapp/html5/qyhjxxyfpl/index.html#/index/enterprise-more?code=9151011276538953XM&uniqueCode=86aabf16ee1cddd1&date=2025&type=true&isSearch=true
3	Fushun Carbon	https://qyxxpl.ywzh.lnsthj.cn:8802/home/index
4	Hefei Carbon	https://39.145.37.16:8081/zhhb/yfplpub_html#/home
5	Changfeng Fangda	https://39.145.37.16:8081/zhhb/yfplpub_html#/home
6	Meishan Rongguang	https://tftb.sczwfw.gov.cn:8085/jmopenpub/jmopen_files/webapp/html5/qyhjxxyfpl/index.html#/fillIn/now-fill/base
7	Fangda High-Tech	https://qyxxpl.ywzh.lnsthj.cn:8802/
8	Fang Daxi Ke Mo	http://ywxt.sthjt.jiangsu.gov.cn:18181/spsarchive-webapp/web/viewRunner.html?viewId=http%3A%2F%2Fywxt.sthjt.jiangsu.gov.cn%3A18181%2Fspsarchive-webapp%2Fweb%2Fsps%2Fviews%2Fyfpl%2Fviews%2FyfplEntInfo%2Findex.js&year=2024&ticket=5a3fbded92b74ce4966ee41ba8daa5da&versionId=3479377B4F3B4D11ACDC7A6B9165DAE5&spCode=320382020002282

Other Notes

Applicable Not applicable

XV. Progress on Social Responsibility Initiatives

(1) Whether a separate social responsibility report, sustainability report, or ESG report is disclosed

Applicable Not applicable

For detailed information, please refer to the "Fangda Carbon 2025 Environmental, Social and Governance (ESG) Report" disclosed on the same date as this report.

(II) Specific Details of Social Responsibility Initiatives

Applicable Not applicable

Specific explanation

Applicable Not applicable

The company adheres to the leadership of Party building and earnestly practices its corporate mission of "deriving from society and giving back to society." It actively fulfills its social responsibilities as a private enterprise, focusing on three key areas: public welfare services, livelihood support, and emergency preparedness. The company diligently carries out initiatives such as voluntary blood donation, elderly care programs, and emergency fire safety infrastructure development, actively engaging in charitable endeavors to demonstrate its warmth and commitment through concrete actions. The company has been honored with numerous accolades, including "Top Ten Charitable Organizations in Gansu Province," "National Advanced Private Enterprise in Employment and Social Security," "Key Enterprise in Gansu's Strategic Emerging Industries Initiative," "Most Influential Gansu Enterprise," and the "China Red Cross Dedication Medal."

(III) Specific details on consolidating and expanding the achievements in poverty alleviation and rural revitalization

Applicable Not applicable

Poverty Alleviation and Rural Revitalization Project	Quantity/Content	letter of presentation
Total Investment (ten thousand yuan)	0	
Of which: Funds (ten thousand yuan)	0	
Material Value (Ten Thousand Yuan)	0	
Number of beneficiaries (people)	2,923	
Forms of assistance (such as industrial poverty alleviation, employment poverty alleviation, educational poverty alleviation, etc.)	Industrial support, employment assistance	

Specific explanation

Applicable Not applicable

The company regards "resolutely responding to the national rural revitalization strategy" as its top priority in fulfilling social responsibilities, integrating rural revitalization into its social welfare initiatives. It established a dedicated rural revitalization project team and implemented a long-term mechanism, leveraging its strengths to focus intensively on Dongxiang Autonomous County in Gansu Province. By continuously investing human, material, and financial resources, the company facilitated a smooth transition from poverty alleviation to rural revitalization, demonstrating the patriotic commitment of private enterprises. During the reporting period, the company deepened its efforts in

rural revitalization in Dongxiang County, prioritizing six core industrial projects. All three key performance indicators — profit, employment, and wages — exceeded annual targets significantly, achieving dual improvements in industrial support effectiveness and livelihood protection outcomes. This enabled the company to complete its annual core tasks ahead of schedule, injecting strong momentum into rural revitalization.

(IV) Others

Applicable Not applicable

									be ex pla ine d.
The commi tments made in the acqui sition report or the equity change report	Ad dres sing def ects in pro pert y righ ts suc h as lan d righ ts	Liaon ing Fang da Grou p Indus trial Co., Ltd. and its actua l contr oller	Fangda Group commits: "(1) To expedite the processing of ownership documents such as land certificates and property deeds for all land, buildings, and other assets, completing all procedures by the end of 2007. (2) All costs incurred during the processing of the ownership documents for the land and buildings to be injected shall be borne by the Company in proportion to its original shareholding. (3) For any losses resulting from the ownership issues related to this transaction that affect the normal operations of Hailong Technology, the Company shall assume compensation liability and fulfill the obligation within one month."	2006	yes	By the end of 2007	den y	Due to local policies and government relocation plans, the company's subsidiaries, Fushun Carbon and Hefei Carbon, have failed to obtain the necessary certificates. According to relevant government documents, these subsidiaries will jointly obtain the land use right certificates and property ownership certificates upon completion of the relocation. The details are as follows: (1) Hefei Carbon and its original shareholder, Hefei Aluminum Industry Co., Ltd., shared the same piece of land and operated from the same premises, with the land use rights remaining with Hefei Aluminum Industry Co., Ltd., as it was state-allocated land. In 2002, in accordance with the requirements of the Hefei Municipal Government, all state-owned land certificates were recovered and uniformly managed by Hefei Industrial Investment Holding Co., Ltd. In July 2004, Hefei Aluminum Industry Co., Ltd. declared policy-induced bankruptcy, and Hefei Carbon leased the land in question. To accelerate the optimization of the central urban area's layout, the government mandated the relocation of Hefei Carbon to a designated industrial cluster for operational development, for which the company had already formulated a relocation plan. The company has never encountered ownership disputes, nor has its normal production and operations been affected; the land use rights and property ownership certificates will be processed upon completion of the relocation. In October	

								<p>2017, the company successfully acquired a 47.89% equity stake in Hefei Carbon from CITIC Investment Holding Co., Ltd., making Hefei Carbon its wholly-owned subsidiary. By November 2025, Hefei Carbon's equity structure was adjusted, with the company holding 99.99% of its shares. In line with the guidelines outlined in the "Opinions on Accelerating Industrial Optimization and Transformation in Hefei's Central Urban Area," Hefei Carbon signed the "Changfeng County Investment Promotion Project Cooperation Agreement" with the Xiatang Town People's Government of Changfeng County in 2019, relocating to invest in a carbon product manufacturing facility with an annual capacity of 50,000 tons. The full relocation has been completed, the new factory's land certificate has been issued, the project is undergoing comprehensive auditing and acceptance, and the property ownership certificates are currently being processed.</p> <p>(2) Fushun Carbon was restructured and established in 2002 under the leadership of the local government. Due to historical reasons, certain land use rights and property ownership had not undergone transfer procedures during the restructuring. To date, no ownership disputes have arisen regarding these lands and properties, nor have they affected the company's normal operations. Since 2006, Fushun Carbon has actively pursued the transfer of these assets, completing all prerequisite procedures and engaging in multiple communications with municipal authorities and land management departments. However, progress was ultimately hindered by policy constraints. In 2008, the</p>
--	--	--	--	--	--	--	--	--

								<p>Liaoning Provincial Party Committee and Provincial Government launched the Shenyang-Fushun integration strategy. Given Fushun Carbon's strategic location at the core of this initiative, the Fushun Municipal Government included its relocation and renovation plan in its official agenda. In 2010, the relocation was formally incorporated into the "Fushun Municipal National Economic and Social Development 12th Five-Year Plan Outline," and the company developed a detailed "Relocation and Renovation Technical Plan." Renovation work at the original site has now commenced, with land certificate issuance scheduled for early April 2026. Property certificates will be issued upon completion of the final audit and acceptance of the renovation project.</p>
Eliminate competition within the same industry	Liaoning Fangda Group Industrial Co., Ltd. and its actual controller	<p>Fangda Group and its actual controller undertake: "1) The Company and its controlled entities shall not directly or indirectly engage in any business that competes with Hailong Technology (now renamed Fangda Carbon), nor participate in or acquire shares in any business that may compete with Hailong Technology's operations. 2) Should the Company or its controlled entities identify any commercial opportunity to engage in, participate in, or acquire shares in a business that competes with Hailong Technology's graphite carbon operations, the Company shall notify Hailong Technology of such opportunity. Within the reasonable period specified in the notification, if Hailong Technology provides a positive response indicating its willingness to utilize the opportunity, the Company shall relinquish it; if Hailong Technology fails to respond or provides a negative response, the</p>	2006	deny	/	yes		

		opportunity shall be deemed waived. 3) Should any breach of these commitments result in losses to the listed company, the Company shall provide full compensation to Hailong Technology."					
handling related-party transactions	Liaoning Fangda Group Industrial Co., Ltd. and its actual controller	1. Fangda Group and its actual controller undertake: "The Company will continue to exercise shareholder rights in strict compliance with the Company Law, relevant laws and regulations, and the provisions of its Articles of Association; shall abstain from voting when the shareholders 'meeting deliberates on related-party transactions involving the Company; the Company pledges to eliminate all illegal occupation of the listed company's funds and assets; under no circumstances shall the Company require Hailong Technology to provide any form of guarantee; for all related-party transactions, the Company will strictly adhere to market principles, minimize unnecessary transactions, and handle necessary transactions arising from ongoing operations in accordance with mutually agreed terms and market-based pricing principles, ensuring no harm to the rights and interests of minority shareholders." 2. Fangda Group and its actual controller further commit: "The Company will minimize related-party transactions with Hailong Technology as much as possible. For transactions that cannot be avoided or occur for legitimate reasons, the Company pledges to uphold principles of market fairness and transparency, execute legally binding agreements, follow due procedures, fulfill disclosure obligations under Hailong Technology's Articles of Association and applicable laws, and comply with the Shanghai Stock Exchange Listing Rules, ensuring no harm	2006	deny	/	yes	

			to the legitimate rights and interests of Hailong Technology or other shareholders through such transactions."						
--	--	--	--	--	--	--	--	--	--

(2)The company's assets or projects have profit forecasts, and the reporting period remains within the forecast period. The company provides an explanation regarding whether the assets or projects have met the original profit forecasts and the reasons for this outcome.

Applicable Not applicable

(3)Performance Commitment Status

Applicable Not applicable

Change in Performance Commitment

Applicable Not applicable

Other Notes

Applicable Not applicable

(II)Non-operating use of funds by controlling shareholders and other related parties during the reporting period

Applicable Not applicable

(III)Situation regarding non-compliant guarantees

Applicable Not applicable

(IV)The Board of Directors 'Explanation Regarding the Accounting Firm's "Non-Standard Opinion Audit Report"Applicable Not applicable**(V)The Company's Analysis and Explanation of the Reasons and Impacts of Changes to Accounting Policies and Accounting Estimates or Significant Correction of Accounting Errors****(1) The company's analysis and explanation of changes to accounting policies and accounting estimates, including the reasons for these changes and their impacts.**Applicable Not applicable**(2) The company's analysis and explanation of the reasons and impacts behind the correction of significant accounting errors**Applicable Not applicable**(3) Communication with the previous accounting firm**Applicable Not applicable**(4) Approval Procedures and Other Notes**Applicable Not applicable**VI. Appointment and Dismissal of Accounting Firms**

Unit: Ten Thousand Yuan Currency: CNY

	Currently appointed
Name of the domestic accounting firm	Daxin Accounting Firm (Special General Partnership)
Remuneration for domestic accounting firms	70
Audit tenure of domestic accounting firms	2

Name of the Certified Public Accountant from the domestic accounting firm	Gong Yan, Zhang Hongxing
Cumulative years of audit services provided by certified public accountants from domestic accounting firms	2、 2

	name	reward
Internal Control Audit Accounting Firm	Daxin Accounting Firm (Special General Partnership)	10
sponsor	Beijing Securities Co., Ltd.	0

Explanation of the appointment and dismissal of accounting firms

Applicable Not applicable

The Company convened the Sixth Meeting of the Ninth Board of Directors and the Thirteenth Meeting of the Ninth Board of Supervisors on October 30,2025, followed by the First Extraordinary General Meeting of 2025 on November 18,2025. At these meetings, the Company reviewed and approved the "Proposal on Reappointment of the Accounting Firm," agreeing to appoint Daxin Certified Public Accountants (Special General Partnership) as the auditor and internal control auditor for the Company's financial reports for the year 2025. The Audit Committee of the Board of Directors has issued a favorable special opinion regarding these matters.

Explanation regarding the reassignment of the accounting firm during the audit period

Applicable Not applicable

Explanation of the situation where audit fees have decreased by more than 20% (including 20%) compared to the previous year

Applicable Not applicable

VII. Situations Facing Delisting Risks**(I) Causes of the Delisting Risk Warning**Applicable Not applicable**(II) Response Measures Proposed by the Company**Applicable Not applicable**(III) Circumstances and Reasons for Potential Delisting**Applicable Not applicable**VIII. Matters Related to Bankruptcy Reorganization**Applicable Not applicable**IX. Major Litigation and Arbitration Matters**The company has encountered significant litigation and arbitration matters this yearThe company don not have encountered significant litigation and arbitration matters this year**X. Listed companies and their directors, senior management personnel, controlling shareholders, and actual controllers suspected of violating laws and regulations, penalties imposed on them, and corrective measures taken**Applicable Not applicable**XI. Statement on the Integrity Status of the Company, Its Controlling Shareholders, and Actual Controlling Parties During the Reporting Period**Applicable Not applicable**XII. Major Related-Party Transactions****(I) Related-party transactions related to daily operations****1. Matters disclosed in the interim announcement with no subsequent progress or changes in implementation**Applicable Not applicable

Item Summary	Query Index
---------------------	--------------------

<p>The related parties, Baofang Carbon Materials Technology Co., Ltd. and Shenyang Northeast Pharmaceutical Equipment Installation Co., Ltd., are expected to provide labor services and other services to the company and its subsidiaries in fiscal year 2025, with the total transaction amount from related-party transactions amounting to approximately RMB 71 million (excluding tax).</p>	<p>For detailed information, please refer to the "Fangda Carbon's Announcement on Estimated Daily Related-Party Transactions for the Year 2025" (Announcement No.2025-011), disclosed on the Shanghai Stock Exchange website and published in the China Securities Journal, Shanghai Securities News, and Securities Times on April 18,2025.</p>
---	--

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

Applicable Not applicable

(1) The Company and its subsidiaries sold carbon products and provided services to Fangda Special Steel Technology Co., Ltd., Jiangxi Pinggang Industrial Co., Ltd., and their subsidiaries (for specific details, refer to the "Fangda Carbon Announcement on Estimated Daily Related-Party Transactions for 2025," disclosed on the Shanghai Stock Exchange website and published in the China Securities Journal, Shanghai Securities News, and Securities Times on April 18,2025; Announcement No.2025-011). The actual sales revenue (excluding tax) for 2025 amounted to RMB 50.9215 million.

(2) The Company and its subsidiaries sold carbon products and carbon raw materials to Beijing Fangda Carbon Technology Co., Ltd. and its subsidiaries (for specific details, refer to the "Fangda Carbon Announcement on Estimated Daily Related-Party Transactions for 2025," disclosed on the Shanghai Stock Exchange website and published in the China Securities Journal, Shanghai Securities News, and Securities Times on April 18,2025; Announcement No.2025-011). The actual sales revenue (excluding tax) for 2025 amounted to RMB 3.1399 million.

(3) The company and its subsidiaries sold carbon products and carbon raw materials to Baofang Carbon Materials Technology Co., Ltd. (For specific details, refer to the "Fangda Carbon's Announcement on Estimated Daily Related-Party Transactions for 2025," disclosed on the Shanghai Stock Exchange website and published in the China Securities Journal, Shanghai Securities News, and Securities Times on April 18,2025; Announcement No.2025-011). The actual sales revenue (excluding tax) for 2025 amounted to RMB 26.5938 million.

- (4) The company and its subsidiaries sold carbon products and carbon raw materials to Hainan Hantou Trading Co., Ltd. (For specific details, refer to the "Fangda Carbon's Announcement on Estimated Daily Related-Party Transactions for 2025," disclosed on the Shanghai Stock Exchange website and published in the China Securities Journal, Shanghai Securities News, and Securities Times on April 18,2025; Announcement No.2025-011). The actual sales revenue (excluding tax) for 2025 amounted to RMB 525,700.
- (5) The company and its subsidiaries purchased coal tar pitch and other materials from Sichuan Daxing Chemical Co., Ltd. (for specific details, refer to the "Fangda Carbon's Announcement on Estimated Daily Related-Party Transactions for 2025," disclosed on the Shanghai Stock Exchange website and published in the China Securities Journal, Shanghai Securities News, and Securities Times on April 18,2025; Announcement No.2025-011). The actual procurement amount (excluding tax) in 2025 was RMB 40.8933 million.
- (6) The Company and its subsidiaries purchased raw materials such as needle coke from Beijing Fangda Carbon Technology Co., Ltd. and its subsidiaries, and received services (for specific details, refer to the "Fangda Carbon's Announcement on Estimated Daily Related-Party Transactions for 2025," disclosed on the Shanghai Stock Exchange website and published in the China Securities Journal, Shanghai Securities News, and Securities Times on April 18,2025; Announcement No.2025-011). The actual procurement amount (excluding tax) for 2025 was RMB 122.9007 million.
- (7) The company purchased raw materials such as needle coke from Hainan Hantou Trading Co., Ltd. (for specific details, refer to the "Fangda Carbon's Announcement on Estimated Daily Related-Party Transactions for 2025," disclosed on the Shanghai Stock Exchange website and published in the China Securities Journal, Shanghai Securities News, and Securities Times on April 18,2025; Announcement No.2025-011). The actual procurement amount (excluding tax) for 2025 was RMB 40.2305 million.
- (8) The company's subsidiary purchased coal tar and other materials from Fangda Special Steel Technology Co., Ltd. (for specific details, refer to the "Fangda Carbon's Announcement on Estimated Daily Related-Party Transactions for 2025," disclosed on the Shanghai Stock Exchange website and published in the China Securities Journal, Shanghai Securities News, and Securities Times on April 18,2025; Announcement No.2025-011). The actual procurement amount (excluding tax) in 2025 was RMB 14.9954 million.
- (9) The subsidiary of the company conducted deposit transactions with Jiujiang Bank Co., Ltd. (For specific details, refer to the "Fangda Carbon's Announcement on Estimated Daily Related-Party Transactions for 2025," disclosed on the Shanghai Stock Exchange website and published in the China Securities Journal, Shanghai

Securities News, and Securities Times on April 18,2025; Announcement No.2025-011). As of December 31,2025, the deposit amount amounted to RMB 28.3189 million.

3. Matters not disclosed in the interim announcement

Applicable Not applicable

Unit: Yuan Currency: CNY

Related Party Transaction Party	Association Relationship	Type of Related Party Transaction	Related Party Transaction Details	Principle for Pricing Related Party Transactions	Related Party Transaction Price	Amount of Related Party Transactions	Proportion of the transaction amount compared to similar transactions (%)	Settlement Method for Related Party Transactions	market house price	Reasons for the significant difference between the transaction price and the market reference price
Liaoning Fangda General Hospital Co., Ltd.	Group Brothers Company	Buy Product	Purchase of goods;	Market price or agreed price	Market price or agreed price	251,042.00		Agreement Terms		
Northern Heavy Industries Group Co., Ltd. Property Management Branch	Group Brothers Company	Buy Product	Purchase of goods;	Market price or agreed price	Market price or agreed price	81,211.32		Agreement Terms		
Guizhou Fangda Huangguoshu Food & Beverage Co., Ltd.	Group Brothers Company	Buy Product	Purchase of goods;	Market price or agreed price	Market price or agreed price	7,433.63		Agreement Terms		
Beijing Kehang Investment Co., Ltd.	Group Brothers Company	Accept Labor Services	Receipt of services;	Market price or agreed price	Market price or agreed price	10,972.50		Agreement Terms		

Tianjin Department Store Business & Trade General Corporation	Group Brothers Company	Buy Product	Purchase of goods;	Market price or agreed price	Market price or agreed price	688,073.39		Agreement Terms		
Sanya Aviation Tourism Vocational College	Group Brothers Company	Accept 劳务	Receipt of services;	Market price or agreed price	Market price or agreed price	1,247,742.70		Agreement Terms		
ZTE-Shenyang Commercial Building (Group) Co., Ltd.	Subsidiary Company	Accept 劳务	Purchase of goods;	Market price or agreed price	Market price or agreed price	615,047.94		Agreement Terms		
Shenyang Fangdi Real Estate Co., Ltd. Hunnan Branch	Group Brothers Company	Buy Product	Purchase of goods;	Market price or agreed price	Market price or agreed price	294,445.11		Agreement Terms		
Gansu Fangda Tongte New Materials Co., Ltd.	Group Brothers Company	Buy Product	Purchase of goods;	Market price or agreed price	Market price or agreed price	1,052,035.41		Agreement Terms		
Gansu Fangda Zhanyao New Materials Packaging Co., Ltd.	Group Brothers Company	Buy Product	Purchase of goods;	Market price or agreed price	Market price or agreed price	579,513.28		Agreement Terms		
Jiangxi Fangda Iron & Steel Group Co., Ltd.	Group Brothers Company	Buy Product	Other outflows;	Market price or agreed price	Market price or agreed price	51,176.40		Agreement Terms		
Gansu Fangda Jiujianpeng Technology Development Co., Ltd.	Group Brothers Company	Buy Product	Purchase of goods;	Market price or agreed price	Market price or agreed price	629,930.09		Agreement Terms		
Dongxiang Autonomous County East-West Cooperation Shengweitang Food Co., Ltd.	Group Brothers Company	Other Outflows	Purchase of goods;	Market price or agreed price	Market price or agreed price	108,552.21		Agreement Terms		

Dongxiang Autonomous County Baishui Industrial Co., Ltd.	Group Brothers Company	Buy Product	Purchase of goods;	Market price or agreed price	Market price or agreed price	265,486.73		Agreement Terms		
Dongxiang Autonomous County Xiyuxing Garments Co., Ltd.	Group Brothers Company	Buy Product	Purchase of goods;	Market price or agreed price	Market price or agreed price	256,637.17		Agreement Terms		
Dongxiang Autonomous County East-West Cooperation Meijia Rainwear Co., Ltd.	Group Brothers Company	Buy Product	Purchase of goods;	Market price or agreed price	Market price or agreed price	586,725.66		Agreement Terms		
Gansu Yuerong Garments Co., Ltd.	Group Brothers Company	Buy Product	Purchase of goods	Market price or agreed price	Market price or agreed price	836,283.19		Agreement Terms		
Gansu Fangda Fuhuang East-West Cooperation Garments Co., Ltd.	Group Brothers Company	Buy Product	Purchase of goods	Market price or agreed price	Market price or agreed price	402,654.87		Agreement Terms		
Liaoning Fangda Equipment Manufacturing Group Co., Ltd.	Group Brothers Company	Buy Product	Sale of goods	Market price or agreed price	Market price or agreed price	992,877.88		Agreement Terms		
Dongxiang Autonomous County East-West Cooperation Meijiayu Co., Ltd.	Group Brothers Company	Buy Product	Sale of goods	Market price or agreed price	Market price or agreed price	49,961.06		Agreement Terms		
Gansu Herpis Craft Products Co., Ltd.	Group Brothers Company	Sell Products	Sale of goods	Market price or agreed price	Market price or agreed price	460,306.20		Agreement Terms		

Dongxiang Autonomous County Xiyuxing Garments Co., Ltd.	Group Brothers Company	Sell Products	Sale of goods	Market price or agreed price	Market price or agreed price	209,883.19		Agreement Terms		
Sichuan Dazhou Iron and Steel Group Co., Ltd.	Group Brothers Company	Sell Products	Sale of goods	Market price or agreed price	Market price or agreed price	1,918,021.72		Agreement Terms		
Gansu Fangda Zhanyao New Materials Packaging Co., Ltd.	Group Brothers Company	Sell Products	Sale of goods	Market price or agreed price	Market price or agreed price	455,530.95		Agreement Terms		
Liaoning Fangda General Hospital Co., Ltd.	Group Brothers Company	Sell Products	Sale of goods	Market price or agreed price	Market price or agreed price	74,435.39		Agreement Terms		
The Third Affiliated Hospital of Chongqing Medical University (Fangda Hospital)	Group Brothers Company	Sell Products	Sale of goods	Market price or agreed price	Market price or agreed price	48,584.07		Agreement Terms		
Northeast Pharmaceutical Group Shenyang No. 1 Pharmaceutical Co., Ltd.	Group Brothers Company	Sell Products	Sale of goods	Market price or agreed price	Market price or agreed price	2,149,334.50		Agreement Terms		
Details of large-scale sales returns					not have					
Explanation of Related Party Transactions					The aforementioned related-party transactions are conducted as part of the company's normal business operations.					

(II) Related-party transactions arising from the acquisition or sale of assets or equity

1. Matters disclosed in the interim announcement with no subsequent progress or changes in implementation

Applicable Not applicable

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

Applicable Not applicable

On July 7, 2024, the company convened the second extraordinary meeting of its Ninth Board of Directors, which reviewed and approved the "Proposal on Securities Investment and Related Party Transactions." The meeting authorized the company's wholly-owned subsidiary, Shanghai Fangda, to invest no less than RMB 60 million and no more than RMB 119 million within the next six months in A-shares of its related party, Hainan Airlines Holding Co., Ltd. (hereinafter referred to as HNA Holding). As of January 4, 2025, Shanghai Fangda had purchased a total of 99,689,822 A-shares of HNA Holding through centralized bidding, representing 0.23% of HNA Holding's total share capital, with a total payment of RMB 118,999,204.78. The investment by Shanghai Fangda has been completed.

3. Matters not disclosed in the interim announcement

Applicable Not applicable

4. Where performance agreements are involved, the actual performance achieved during the reporting period shall be disclosed.

Applicable Not applicable

(III) Significant related-party transactions in joint external investments

1. Matters disclosed in the interim announcement with no subsequent progress or changes in implementation

Applicable Not applicable

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

Applicable Not applicable

3. Matters not disclosed in the interim announcement

Applicable Not applicable

(IV) Related creditor-debtor transactions

1. Matters disclosed in the interim announcement with no subsequent progress or changes in implementation

Applicable Not applicable

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

Applicable Not applicable

3. Matters not disclosed in the interim announcement

Applicable Not applicable

(5) Financial transactions between the Company and affiliated financial companies, as well as between the Company's controlling financial companies and related parties

Applicable Not applicable

(VI) Others

Applicable Not applicable

XIII. Major Contracts and Their Performance Status

(I) Matters Concerning Trust Management, Contracting, and Leasing

1. Custody Status

Applicable Not applicable

2. Contract Details

Applicable Not applicable

3. Rental Status

Applicable Not applicable

Unit: Yuan Currency: CNY

(II) Guarantee Status

☑Applicable ☐Not applicable

Unit: 100 million yuan Currency: CNY

The company's external guarantees (excluding guarantees to subsidiaries)														
Guarantor	The relationship between the guarantor and the listed company	Guaranteed Party	amount guaranteed	Guarantee issuance date (agreement signing date)	warrant Start date	warrant date due	Guarantee Type	Guarantee Property (if any)	Has the guarantee been fully fulfilled?	Is the guarantee overdue?	Amount of overdue guarantee payment	Counter-guarantee Situation	Is it a guarantee for an affiliated party?	relevance relation
Fangda Carbon	Company Headquarters	Fangda Special Steel Technology Co., Ltd.	2.5	30 January 2023	30 January 2023	30 January 2023	Joint and Several Liability Guarantee	not have	yes	deny	0	Fangda Carbon provides counter-guarantee to Fangda Special Steel Technology Co., Ltd.	yes	Group Brothers Company
Fangda Carbon	Company Headquarters	Fangda Special Steel Technology Co., Ltd.	4	26 January 2025	26 January 2025	25 January 2027	Joint and Several Liability Guarantee	not have	yes	deny	0	Fangda Carbon provides counter-guarantee to Fangda Special Steel Technology Co., Ltd.	yes	Group Brothers Company
Total amount of guarantees provided during the reporting period (excluding guarantees to subsidiaries)											4			
Total guarantee balance at the end of the reporting period (A) (excluding guarantees to subsidiaries)											5			
The company and its subsidiaries' guarantees to their subsidiaries														
Total amount of guarantees provided to subsidiaries during the reporting period											0			
Total outstanding guarantee balances for subsidiaries at the end of the reporting period (B)											6			
Total amount of company guarantees (including guarantees to subsidiaries)														

Total Guarantee Amount (A+B)	11
The proportion of the total guarantee amount to the company's net assets (%)	6.83
among :	
Amount of guarantees provided to shareholders, actual controllers, and their affiliates (C)	5
The total amount of debt guarantees provided, directly or indirectly, to guaranteed entities with a debt-to-asset ratio exceeding 70% (D)	0
The amount of the guarantee total exceeding 50% of the net assets (E)	0
The total amount of the above three guarantees (C + D + E)	5
Explanation of how an unexpired guarantee may entail joint and several liability for repayment	not applicable
Explanation of the Guarantee Situation	As of the report period end, the company's total external guarantees amounted to RMB 1.1 billion. The mutual guarantee facility between the company and Fangda Special Steel Technology Co., Ltd. was adjusted to RMB 500 million (including the RMB 400 million in counter-guarantees actually provided by the company to Fangda Special Steel Technology Co., Ltd., which falls within this mutual guarantee limit), representing 3.10% of the company's most recent audited net assets; the guarantee facility provided for subsidiaries totaled RMB 600 million (with actual guarantees of RMB 50 million), accounting for 3.72% of the company's most recent audited net assets. There were no overdue guarantees.

(III) Engagement of Third Parties for Cash Asset Management

1. Entrusted Wealth Management Situation

(1) Overall Situation of Entrusted Wealth Management

Applicable Not applicable

Unit: Ten Thousand Yuan Currency: CNY

type	Risk Characteristics	Unpaid balance	Amount not recovered by the due date
Bank wealth management products	Principal-protected floating return	50,000.00	0
Securities company wealth management products	Medium to Low Risk (R2)	45,000.00	0

Other situations

Applicable Not applicable**(2) Details of individual entrusted wealth management arrangements**Applicable Not applicable

Unit: Ten Thousand Yuan Currency: CNY

depository	Type of Entrusted Investment Management	Risk Characteristics	Total amount of entrusted wealth management	Start date for entrusted wealth management	Termination Date of Entrusted Investment Management	fund Investment Direction	Are there any restricted circumstances?	reality Earnings or Loss	Unpaid amount	Amount not recovered by the due date
Bohai Bank Co., Ltd.	Bank wealth management products	Principal-protected floating return	50,000.00	27 March 2025	25 September 2025	Note 1	deny	585.89	0	0
Bohai Bank Co., Ltd.	Bank wealth management products	Principal-protected floating return	50,000.00	29 September 2025	10 April 2026	Note 1	deny	528.77	0	0
Guoyuan Securities Co., Ltd.	Securities company wealth management products	Medium to Low Risk (R2)	45,000.00	12 March 2025	11 October 2026	Note 2	deny	-	45,000.00	0

Other situations

Applicable Not applicable

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

Note 2. Investment Scope: Money market instruments (including bank deposits, government bond reverse repos, and money market funds), and income certificates (fixed-income income certificates issued by securities companies). Where laws, regulations, or the China Securities Regulatory Commission permit the plan to invest in other instruments, the asset manager may include such instruments in the plan's investment scope after completing the contract amendment procedures. The company's RMB 500 million structured deposit wealth management product purchased from Bohai Bank Co., Ltd. matured on April 10,2026, with the principal and interest repaid in full.

(3) Impairment provision for entrusted wealth management assets

Applicable Not applicable

2. Entrusted Loan Status

(1) Overall Situation of Entrusted Loans

Applicable Not applicable

Other situations

Applicable Not applicable

(2) Details of individual entrusted loans

Applicable Not applicable

Other situations

Applicable Not applicable

(3) Impairment provision for entrusted loans

Applicable Not applicable

3. Other circumstances

Applicable Not applicable

(IV) Other Major Contracts

Applicable Not applicable

IV. Progress Report on the Use of Raised Funds

Applicable Not applicable

(I) Overall Use of Raised Funds

☑Applicable ☐Not applicable

Unit: Ten Thousand Yuan

Source of Fundraising	Time of fund arrival	Total funds raised	Net proceeds raised (1)	Total committed investment amount of funds raised in the prospectus or fundraising statement (2)	Total over-raised funds (3) = (1) - (2)	Total cumulative amount of raised funds invested as of the report period end (4)	Specifically: The cumulative total amount of excess funds raised as of the end of the reporting period (5)	Cumulative progress of fund raising investments as of the reporting period end (%) (6) = (4)/(1)	Cumulative investment progress of over-raised funds as of the report period end (%) (7) = (5)/(3)	This year's investment amount (8)	This year's investment amount proportion (%) (9) = (8)/(1)	Total amount of funds raised for the change in purpose
Issuing shares to specific entities	20 June 2013	182,239.96	179,601.54	179,601.54	0	78,267.66	0	43.58	0	3,505.79	1.95	112,362.00
other	23 March 2023	130,358.32	130,358.32	130,358.32	0	0	0	-	-	-	-	-

Other Notes

☑Applicable ☐Not applicable

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

2. For detailed information on the raised funds, please refer to the "Special Report on the Placement and Actual Use of Raised Funds for Fangda Carbon in 2025," disclosed on the Shanghai Stock Exchange website (<http://www.sse.com.cn>) on April 29,2026.

(II) Details of the Fundraising and Investment Projects

☑Applicable ☐Not applicable

1. Detailed Usage of Raised Funds

☑Applicable ☐Not applicable

Unit: Yuan

Source of Fundraising	project name	Project Nature	Is this the committed investment project mentioned in the prospectus or fundraising document?	Does it involve a change in investment direction?	Total planned investment amount from the raised funds (1)	This year's investment amount	Total cumulative amount of raised funds invested as of the report period end (2)	Cumulative investment progress as of the report period end (%) (3) = (2)/(1)	Date when the project reaches its intended usable state	Is the project completed?	Is the progress on schedule?	Specific reasons why the progress has not met the planned schedule	The benefits achieved this year	The benefits or research outcomes achieved by this project	Has the project's feasibility undergone significant changes? If so, please provide specific details.	Surplus amount
Issuing shares to specific entities	30,000 tons/year special graphite manufacturing and processing project	Production and Construction	yes	Yes, this project has been canceled or terminated	119,560.03	0	0	0	not applicable	deny	deny	Cease using raised funds to implement the "30,000 tons/year Special Graphite Manufacturing and Processing Project"	not applicable	not applicable	not applicable	not applicable
	Green Factory Construction and Intelligent Equipment Enhancement	Production and Construction	deny	Yes, this is a new project.		3,505.79	6,736.27	5.63	deny	yes	not applicable	Reallocation of funds from the capital raising project for the Green Factory	not applicable	not applicable	not applicable	not applicable

Project											Construction and Intelligent Equipment Enhancement Project				
Acquisition of equity in Xike Mo Needle-shaped Charcoal	other	deny	Yes, this is a new project.	40,167.98	0	40,167.93	100.00	October 2017	yes	yes	not applicable	not applicable	not applicable	not applicable	not applicable
Acquisition of equity in Jiangsu Fangda	other	deny	Yes, this is a new project.	24,500	0	31,363.46	90.91	September 2022	yes	not applicable	Differences arising from settlement refunds and multiple exchange transactions	not applicable	not applicable	not applicable	not applicable

2. Detailed Usage of Excess Funds Raised

Applicable Not applicable

3. Specific details of the re-evaluation of fundraising projects during the reporting period

Applicable Not applicable

(3) Changes or Termination of Fundraising Projects During the Reporting Period

Applicable Not applicable

(IV) Other uses of raised funds during the reporting period

1. Initial Investment and Replacement Status of Fund-Raising Investment Projects

Applicable Not applicable

2. Temporary use of idle raised funds to supplement working capital

Applicable Not applicable

On May 23,2025, the company convened the 11th Extraordinary Meeting of its Ninth Board of Directors, during which it reviewed and approved the "Proposal on Establishing a New Special Account for Raised Funds and Authorizing the Signing of a Supervision Agreement" and the "Proposal on Temporarily Using Part of the Idle Raised Funds to Supplement Working Capital." The meeting authorized the company to open a dedicated special account for raised funds and utilize RMB 250 million of idle raised funds to temporarily supplement its working capital. In June 2025, the company signed the "Tripartite Supervision Agreement for Raised Funds" with its sponsor institution and Shengjing Bank Co., Ltd. Shenyang Wanquan Branch, transferring the RMB 250 million of idle raised funds to the bank for temporary working capital supplementation for a period not exceeding 12 months. The sponsor institution issued its approval opinion.

On August 26,2025, the company held the fifth meeting of its Ninth Board of Directors, during which it reviewed and approved the "Proposal on Temporarily Using Part of the Idle Raised Funds to Supplement Working Capital." The proposal authorized the company to utilize RMB 950 million of idle raised funds for temporary working capital supplementation, with the usage period not exceeding 12 months from the date of board approval. The sponsor institution issued an affirmative opinion.

As of December 31,2025, the balance in the special account for temporary working capital supplementation amounted to RMB 459,862,289.77.

(5) The conclusive opinions of intermediary institutions regarding the special verification and certification of the storage and use of raised funds

Applicable Not applicable

Upon verification, the sponsor institution concludes that: Fangda Carbon's management and utilization of the funds raised in 2025 comply with the relevant regulations issued by the China Securities Regulatory Commission and the Shanghai Stock Exchange regarding fund management. The funds were

deposited in dedicated accounts and used for specific purposes, with no disguised alteration of their intended use or harm to shareholder interests, nor any instances of improper use of the raised funds.

Description of the circumstances related to the verified anomaly

Applicable Not applicable

(6) Follow-up rectification measures for unauthorized changes to the designated use of raised funds or improper use of such funds

Applicable Not applicable

V. Description of Other Material Matters That Significantly Influence Investors' Value Judgments and Investment Decisions

Applicable Not applicable

Section VI. Changes in share capital and shareholders

I.Changes in Share Capital

(I)Shareholding Change Statement

1. Shareholding Change Statement

During the reporting period, neither the total number of shares nor the share capital structure of the company underwent any changes.

2. Explanation of Share Changes

Applicable Not applicable

3. The impact of share changes on financial indicators such as earnings per share and net assets per share for the most recent year and period

Applicable Not applicable

4. Other information that the company deems necessary or that securities regulators require to disclose

Applicable Not applicable

(II)Changes in restricted shares

Applicable Not applicable

II.Status of Securities Issuance and Listing

(I)Securities issuance status as of the reporting period

Applicable Not applicable

Description of securities issuance during the reporting period (please provide separate descriptions for bonds with different interest rates during their tenures):

Applicable Not applicable

(II)Changes in the total number of company shares and shareholder structure, as well as changes in the company's asset and liability structure

Applicable Not applicable

(III)Current status of internal employee shares

Applicable Not applicable

III.Information on shareholders and actual controllers

(I)Total number of shareholders

Total number of ordinary stockholders (accounts) at the end of the reporting period	214,416
Total number of common stockholders (accounts) as of the end of the month preceding the annual report disclosure date	203,952
Total number of preferred stockholders (accounts) whose voting rights were restored at the end of the reporting period	not applicable
Total number of preferred stockholders (accounts) whose voting rights were restored at the end of the	not applicable

month preceding the annual report disclosure date	
---	--

(II) Shareholding Distribution Table of Top Ten Shareholders and Top Ten Free-floating Shareholders (or Shareholders Without Sales Restrictions) as of the Report Period End

Unit: Share

Shareholding distribution of the top ten shareholders (excluding shares lent through securities lending)							
Shareholder Name (full name)	Increase or decrease during the reporting period	Number of shares held at the end of the period	Percentag e (%)	Number of shares subject to restrictio n	Pledge, Tagging, or Freezing Status		nature of shareholders
					Share Statu s	quantity	
Liaoning Fangda Group Industrial Co., Ltd.	0	1,524,413,321	37.86	0	pledge	767,708,590	Domestic non-state-owne d legal entity
Fangda Carbon New Materials Technology Co., Ltd. Special Securities Account for Share Repurchase	0	249,372,465	6.19	0	not have		Domestic non-state-owne d legal entity
Hong Kong Central Clearing Limited	16,086,992	48,874,741	1.21	0	not have		other
Agricultural Bank of China Co., Ltd. -CSI 500 Exchange-Traded Open-End Index Securities Investment Fund	1,717,033	41,361,373	1.03	0	not have		other
Fang Wei	0	18,480,200	0.46	0	not have		Natural person within the territory
Hangzhou Wanhan Management Consulting Partnership (Limited Partnership)	12,321,300	12,321,300	0.31	0	not have		other
Kuang Hua Hong	2,460,000	8,648,040	0.21	0	not have		Natural person within the territory
Daiming	-4,000,000	7,000,000	0.17	0	not have		Natural person within the territory
China Pacific Life Insurance Co., Ltd. -Traditional-Standard Insurance Product	10,000	6,999,909	0.17	0	not have		other
Abu Dhabi Investment Authority	6,735,000	6,945,400	0.17	0	not have		other

Shareholding details of the top ten unrestricted shareholders (excluding shares lent through securities lending)			
Shareholder Name	Number of unrestricted tradable shares held	Types and quantities of shares	
		kind	quantity
Liaoning Fangda Group Industrial Co., Ltd.	1,524,413,321	RMB Common Stock	1,524,413,321
Fangda Carbon New Materials Technology Co., Ltd. Special Securities Account for Share Repurchase	249,372,465	RMB Common Stock	249,372,465
Hong Kong Central Clearing Limited	48,874,741	RMB Common Stock	48,874,741
Agricultural Bank of China Co., Ltd. -CSI 500 Exchange-Traded Open-End Index Securities Investment Fund	41,361,373	RMB Common Stock	41,361,373
Fang Wei	18,480,200	RMB Common Stock	18,480,200
Hangzhou Wanhan Management Consulting Partnership (Limited Partnership)	12,321,300	RMB Common Stock	12,321,300
Kuang Hua Hong	8,648,040	RMB Common Stock	8,648,040
Daiming	7,000,000	RMB Common Stock	7,000,000
China Pacific Life Insurance Co., Ltd. -Traditional-Standard Insurance Product	6,999,909	RMB Common Stock	6,999,909
Abu Dhabi Investment Authority	6,945,400	RMB Common Stock	6,945,400
Explanation regarding the repurchase accounts of the top ten shareholders	As of the reporting period end, the company's dedicated share repurchase securities account (Fangda Carbon New Materials Technology Co., Ltd. Dedicated Share Repurchase Securities Account) held 249,372,465 shares of the company, accounting for 6.19% of the total share capital.		
Explanation of the aforementioned shareholder's entrusted voting rights, entrusted voting rights, and waiver of voting rights	not applicable		
Explanation of the aforementioned shareholder affiliations or coordinated actions	Among the aforementioned shareholders, Liaoning Fangda Group Industrial Co., Ltd. and individual shareholder Mr.Fang Wei act in concert; the affiliated relationships or coordinated actions among the remaining shareholders remain unknown.		
Description of the preferred stockholders whose voting rights have been restored and the number of shares they hold	not applicable		

Shareholding distribution of shareholders holding over 5% of shares, the top ten shareholders, and the top ten shareholders with unrestricted tradable shares participating in the securities lending and borrowing business

Applicable Not applicable

The top ten shareholders and the top ten shareholders holding unrestricted tradable shares have changed compared to the previous period due to margin lending/repayment activities.

Applicable Not applicable

Number of shares held by the top ten shareholders subject to lock-up restrictions and the corresponding lock-up conditions

Applicable Not applicable

(III)Strategic investors or general legal entities have become among the top 10 shareholders due to their participation in the new share placement.

Applicable Not applicable

IIII. Information on the controlling shareholder and the actual controller

(I)Control Shareholder Situation

1. juridical person

Applicable Not applicable

name	Liaoning Fangda Group Industrial Co., Ltd.
Unit Head or Legal Representative	Wong Chi-wah
date of establishment	24 April 2000
Main Business Operations	Industrial investment and management of assets invested by the enterprise; sales of metal materials, building materials, electrical equipment, automotive parts, hardware tools, rubber products, instruments and meters, office supplies, chemical products (excluding hazardous chemicals), coke, mineral powder, and limestone; import and export of various commodities and technologies on a self-operated or agency basis, excluding those commodities and technologies restricted or prohibited by the state for import or export. (Projects subject to statutory approval shall only commence operations after obtaining approval from the relevant authorities.)
Equity holdings in other domestic and foreign listed companies in which the company holds controlling or minority stakes during the reporting period	<p>Details of listed companies under control: Jiangxi Fangda Iron & Steel Group Co., Ltd., a subsidiary controlled by Fangda Group, and its subsidiary Jiangxi Automotive Leaf Spring Co., Ltd. together hold a 40.16% stake in Fangda Special Steel Technology Co., Ltd. (600507.SH); Fangda Group, together with its controlled subsidiary Jiangxi Fangda Iron & Steel Group Co., Ltd. and its concert party Fang Wei, collectively hold a 55.99% stake in Northeast Pharmaceutical Group Co., Ltd. (000597.SZ); Fangda Group and its concerted parties, Fang Wei, Fang Mingxian and Fang Pengxiang, collectively hold a 39.24% equity interest in Zhongxing Commercial (000715.SZ); Fangda Group, through Hainan Hanwei Investment Co., Ltd. and its concerted parties Fang Wei, Hainan Fangda Aviation Development Co., Ltd., Grand China Airlines Co., Ltd., American Aviation LDC, Haikou Henghe Electronic Technology Co., Ltd., Hainan Shangpin Yigou E-Commerce Co., Ltd., HNA Flying Aviation Club Co., Ltd., Shanghai Fangda Investment Management Co., Ltd. and Hainan Hangnong Investment Co., Ltd., holds a 43.36% equity interest in Hainan Airlines Holding Co., Ltd. (600221, 900945.SH).</p> <p>Stakeholdings in listed companies: Through its indirectly controlled Jiujiang Pinggang Iron & Steel Co., Ltd., it holds a 10.91% stake in Lingyuan Iron & Steel Co., Ltd. (600231.SH); through its indirectly controlled Shanghai Fangda Investment Management Co., Ltd., it holds a 5.95% stake in Jilin Chemical Fibre Co., Ltd. (000420.SZ); holds a 9.89% stake in Henan Jinma Energy Co., Ltd. (06885.HK) through the indirectly controlled Jiangxi Pinggang Industrial Co., Ltd.; holds a combined 6.01% stake in Jiujiang Bank Co., Ltd. (06190.HK) through Fangda Carbon New Materials Technology Co., Ltd. and Jiangxi Pinggang Industrial Co., Ltd.;</p>

	Holds a 0.83% stake in Jiangxi Bank Co., Ltd. (01916.HK) through Jiangxi Pinggang Industrial Co., Ltd.; Holds a combined 0.497% stake in Kaisa Tongsheng Development Co., Ltd. (000796.SZ) through HNA Aviation Group Co., Ltd. and Hainan Airlines Holding Co., Ltd.; Holds a 1.12% stake in Hainan Meilan International Airport Co., Ltd. (00357.HK) through Hainan Airlines Holding Co., Ltd.; holds a total of 1.99% equity interest in China Civil Aviation Information Network Co., Ltd. (00696.HK) through Hainan Airlines Holding Co., Ltd. and its subsidiaries China Xinhua Airlines Group Co., Ltd. and Chang' an Airlines Co., Ltd.; holds a 4.99% equity interest in Guoyin Financial Leasing Co., Ltd. (01606.HK) through Hainan Airlines Holding Co., Ltd.
Other circumstances description	not have

2. natural man

Applicable Not applicable

3. Special Statement: The Company Does Not Have a Controlling Shareholder

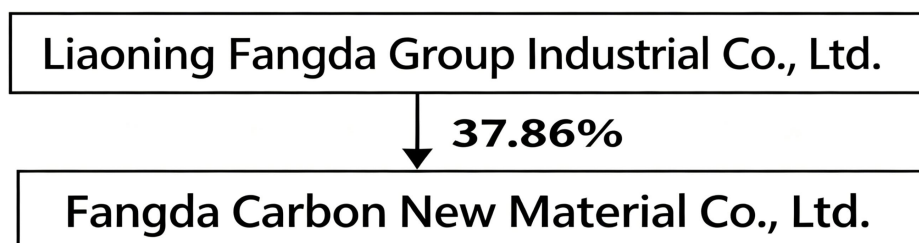
Applicable Not applicable

4. Explanation of changes in the controlling shareholder during the reporting period

Applicable Not applicable

5. Flowchart of the property rights and control relationship between the company and its controlling shareholder

Applicable Not applicable



豆包AI生成

(二) Information about the actual controller

1. juridical person

Applicable Not applicable

2. natural man

Applicable Not applicable

surname and personal name	Fang Wei
nationality	China
Has one obtained residency rights in other countries or regions?	deny
Main occupations and positions	Chairman of Beijing Fangda International Industrial Investment Group Co., Ltd., and Chairman of Liaoning Fangda Group

	Industrial Co., Ltd.
Listings controlled by the entity domestically and internationally over the past decade	He is currently the actual controller of Fangda Carbon New Materials Technology Co., Ltd., Fangda Special Steel Technology Co., Ltd., Northeast Pharmaceutical Group Co., Ltd., Zhongxing-Shenyang Commercial Building (Group) Co., Ltd., and Hainan Airlines Holding Co., Ltd. He previously served as the actual controller of Hangjin Technology Co., Ltd. (formerly known as Fangda Jinhua Chemical Technology Co., Ltd.).

3. No special statement regarding the existence of an actual controller of the company.

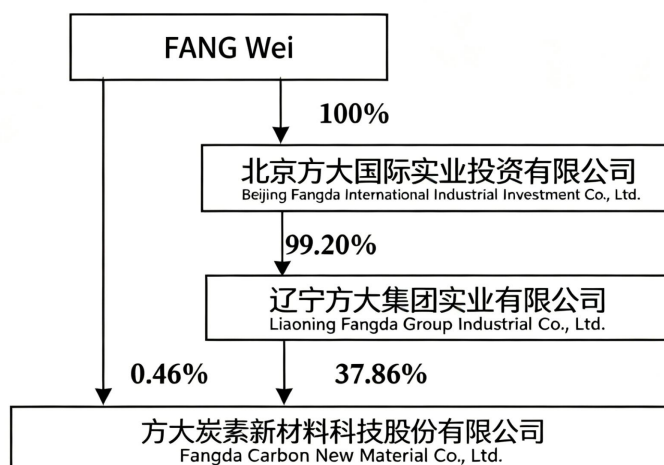
Applicable Not applicable

4. Explanation of changes in the company's control during the reporting period

Applicable Not applicable

5. Flowchart illustrating the ownership and control relationship between the company and its actual controller

Applicable Not applicable



豆包AI生成

6. The actual controller controls the company through trusts or other asset management methods.

Applicable Not applicable

(III)Introduction to the controlling shareholder and the actual controller: Other relevant information

Applicable Not applicable

V.The cumulative number of shares pledged by the company's controlling shareholder or largest shareholder and their acting-in-concert parties accounts for over 80% of the total shares they hold in the company.

Applicable Not applicable

Other corporate shareholders holding more than ten percent of the shares

Applicable Not applicable

VI.Explanation of the Reduction in Share Holdings

Applicable Not applicable

VII.The specific implementation details of the share repurchase during the reporting period

Applicable Not applicable

VIII. Information regarding preferred shares

Applicable Not applicable

Section VII. Bonds

I. Corporate bonds (including enterprise bonds) and non-financial corporate debt financing instruments

Applicable Not applicable

II. Information on Convertible Corporate Bonds

Applicable Not applicable

Section VIII. Financial Report

一、 Audit report

Applicable Not applicable

Audit report

Da Xin Shen Zi [2026] No.9-00373

To all shareholders of Fangda Carbon New Materials Technology Co., Ltd.:

I. Audit Opinion

We have audited the financial statements of Fangda Carbon New Materials Technology Co., Ltd. (hereinafter referred to as the Company or Fangda Carbon), including the consolidated and parent company balance sheets as of December 31,2025, the consolidated and parent company income statements for the year 2025, the consolidated and parent company cash flow statements, the consolidated and parent company statement of changes in equity, and the notes to the financial statements.

We believe that the accompanying financial statements have been prepared in all material respects in accordance with the provisions of the Enterprise Accounting Standards and fairly present the consolidated and parent company's financial position as of December 31,2025, as well as the consolidated and parent company's operating results and consolidated and parent company's cash flows for the year ended 2025.

II. The Basis for Formulating Audit Opinions

We conducted the audit in accordance with the provisions of the China Certified Public Accountant Auditing Standards. The section "Certified Public Accountant's Responsibilities for the Audit of Financial Statements" in the audit report further elaborates on our responsibilities under these standards. In compliance with the China Certified Public Accountant Code of Professional Ethics and the China Certified Public Accountant Independence Standards, we maintained independence from your company and fulfilled other professional ethical obligations. During the audit, we adhered to the independence requirements applicable to the audit of financial statements of entities in the public interest.

We are confident that the audit evidence we have obtained is sufficient and appropriate, providing a solid foundation for issuing our audit opinion.

III. Key Audit Matters

Key audit matters are those that, based on professional judgment, we consider most significant for the current financial statements audit. The treatment of these matters is based on the overall audit of the financial statements and the formation of an audit opinion; we do not issue separate opinions on these matters.

(I) Revenue Recognition

1. Task Description

As detailed in the notes on accounting policies, operating revenue, and operating costs, your company primarily engages in the research, development, production, and sales of graphite and carbon-based new materials. For fiscal year 2025, your company's main business revenue amounted to RMB 3,309,333,900, accounting for 93.84% of total operating revenue—a decrease of 9.15% compared to 2024. This constitutes a significant item in the income statement, and there may be risks of misstatement or inherent risks associated with revenue recognition. Consequently, we have identified revenue recognition as a key audit matter.

2. Audit Response

For revenue recognition, we primarily performed the following audit procedures:

(1) Understand and evaluate the rationality of the internal control design and the effectiveness of its operation

concerning management, sales, and collections;

(2) By reviewing the sales contracts and conducting interviews with management, we examined and assessed whether the company's revenue recognition policy complies with the provisions of the Enterprise Accounting Standards.

(3) Select samples to review sales contracts, identify the contracts and performance obligations—determining whether these obligations are fulfilled over a period or at a specific point in time—and identify the contractual terms related to the transfer of control over the goods. Evaluate whether the revenue recognition policy complies with revenue accounting standards.

(4) A sampling test was conducted on sales revenue, verifying the control transfer clauses in relevant sales contracts and examining supporting documents confirming the fulfillment of performance obligations.

(5) Execute analytical procedures to examine whether the causes of changes are reasonable and whether any abnormal phenomena exist;

(6) Based on the characteristics and nature of customer transactions, select samples to conduct confirmation procedures and verify sales revenue amounts and accounts receivable balances;

(7) Conduct a cut-off test on operating revenue recognized before and after the balance sheet date to verify whether the revenue has been recorded in the correct accounting period.

(II) Inventory Impairment

1. Task Description

As detailed in the Note on Accounting Policies and Inventory, as of December 31, 2025, your company's inventory balance amounted to RMB 1,669,051,200, with an inventory write-down provision of RMB 907,182,000 and a carrying value of RMB 1,578,333,000, representing 7.72% of total assets. Given that the adequacy of the inventory write-down provision significantly impacts financial statements and that management relies on material accounting estimates and judgments when determining the net realizable value of inventory, we have identified the inventory write-down provision as a key audit matter.

2. Audit Response

Regarding the inventory impairment provision, the primary audit procedures we conducted include:

(1) Understand and evaluate the rationality of the internal control design and the operational effectiveness of management regarding inventory impairment;

(2) Obtain the detailed inventory statement at the end of the period, conduct an inventory count, and inspect the quality of the inventory;

(3) Assess the product's market selling price, raw material supply prices, and other relevant information to determine whether there are any signs of impairment;

(4) Verify whether the basis and methodology for recognizing inventory impairment provisions are reasonable and consistent across periods;

(5) Obtain the inventory impairment provision calculation sheet and review the amount of the provision recognized;

(6) Verify whether information related to the net realizable value of inventory has been properly presented in the financial statements.

IV. Other Information

The management of your company (hereinafter referred to as "Management") is responsible for other information. This other information includes the information contained in your company's 2025 annual report, excluding the financial statements and our audit report.

The audit opinion we have issued on the financial statements does not cover other information, nor do we issue any form of attestation conclusion regarding such other information.

In conjunction with our audit of the financial statements, our responsibility is to review other information and, in doing so, determine whether such information exhibits material inconsistencies with the financial statements or with findings made during our audit, or appears to contain material misstatements.

Based on the work we have already conducted, if we identify material misstatements in other information, we should report such findings. In this regard, there are no matters requiring reporting.

V. Responsibilities of Management and Governance for Financial Statements

The management is responsible for preparing financial statements in accordance with the provisions of the Enterprise Accounting Standards to ensure their fair presentation, and for designing, implementing, and maintaining necessary internal controls to prevent material misstatements in the financial statements resulting from fraud or error.

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

The management team is responsible for overseeing your company's financial reporting process.

VI. The Responsibilities of Certified Public Accountants in the Audit of Financial Statements

Our objective is to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatements resulting from fraud or error, and to issue an audit report containing an audit opinion. Reasonable assurance represents a high level of assurance; however, it does not guarantee that an audit conducted in accordance with audit standards will always detect the presence of a material misstatement. A misstatement may arise from fraud or error, and it is generally considered material if there is a reasonable expectation that the misstatement, individually or in aggregate, could affect the economic decisions made by users of the financial statements based on those statements.

In conducting audit engagements in accordance with auditing standards, we exercise professional judgment and maintain professional skepticism. Additionally, we carry out the following tasks:

- (1) Identify and assess the risk of material misstatements in financial statements arising from fraud or error, design and implement audit procedures to address these risks, and obtain sufficient and appropriate audit evidence as the basis for forming an audit opinion. Since fraud may involve collusion, forgery, intentional omission, false statements, or overriding internal controls, the risk of failing to detect material misstatements resulting from fraud is higher than that resulting from error.
- (2) Understand the internal controls relevant to the audit to design appropriate audit procedures.
- (3) Evaluate the appropriateness of the accounting policies adopted by management and the reasonableness of the accounting estimates and related disclosures.
- (4) Form a conclusion regarding the appropriateness of management's use of the going concern assumption. Simultaneously, based on the audit evidence obtained, determine whether there are material uncertainties concerning matters or circumstances that could raise significant doubts about your company's ability to continue as a going concern. If we conclude that material uncertainties exist, audit standards require us to draw the attention of statement users to the relevant disclosures in the financial statements; if the disclosures are inadequate, we shall issue a qualified opinion. Our conclusions are based on the information available as of the audit report date. However, future events or circumstances may result in your company being unable to continue as a going concern.
- (5) Evaluate the overall presentation, structure, and content of the financial statements, and determine whether they fairly present the relevant transactions and events.
- (6) Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities of your company to form an audit opinion on the financial statements. We are responsible for guiding,

supervising, and executing the group audit, and bear full responsibility for the audit opinion.

We communicated with the management regarding the planned audit scope, timeline, and significant audit findings, including the critical internal control deficiencies identified during the audit.

We have also provided the governance team with a statement regarding compliance with the China Certified Public Accountants Code of Professional Ethics and the China Certified Public Accountants Independence Standards concerning public interest entity requirements related to independence, and have communicated with the governance team all relationships and other matters that may reasonably be considered to affect our independence, along with relevant safeguards (where applicable).

From the matters communicated with the management, we identify those that are most critical to the audit of the current financial statements, thus constituting key audit matters. We describe these matters in the audit report unless prohibited by law or regulation from public disclosure; or, in very rare circumstances, if it is reasonably expected that disclosing a particular matter would entail greater negative consequences than the benefits to the public interest, we determine that the matter should not be disclosed in the audit report.

Daxin Certified Public Accountants (Special General Partnership)

Accountant: Gong Yan
(Project Partner)

Beijing China

Certified Public Accountant: Zhang Hongxing

April 28,2026

II. Financial statements

Consolidated Balance Sheet

As at 31 December 2025

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

Unit: Yuan Currency: RMB

Items	Annotation	31 December 2025	31 December 2024
Current Assets:			
Cash and Cash equivalents		5,586,046,554.73	5,455,024,332.33
Settlements Provision			
Loans to banks and other financial institutions			
Financial assets held for trading		1,085,144,460.27	1,014,860,385.06
Derivative financial assets			
Notes receivable		503,613,085.23	531,308,592.00
Accounts receivable		410,621,061.35	420,588,447.82
Financing receivables		188,078,872.75	126,856,196.64
Prepayments		56,535,755.07	79,772,526.80
Insurance premium receivable			
Due from reinsurers			
Reserve for reinsurance contracts receivable			
Other receivables		127,178,057.55	102,055,634.62
Including: Interest receivable			
Dividends receivable			
Buying back the sale of financial assets			
Inventories		1,578,333,079.44	1,544,825,414.07
Including: Data Resources			
Contract assets		14,461,373.21	33,891,482.04
Assets classified as held for sale			
Current portion of non-current assets		460,244,893.67	
Other current assets		26,265,027.71	26,924,359.30

Total current assets		10,036,522,220.98	9,336,107,370.68
Non-current assets:			
Loans and advances			
Debt investment			
Other debt investments			
Long-term receivables			
Long-term equity investments		6,683,131,536.01	6,832,955,594.88
Other equity instruments investments			
Other non-current financial assets		282,805,189.74	505,726,485.92
Investment properties			
Fixed assets		2,717,181,594.04	2,676,399,735.93
Construction in progress		179,684,654.29	460,780,242.81
Productive biological assets			
Oil and gas assets			
Right-of-use asset			
Intangible assets		402,972,416.69	415,567,442.93
Including: Data Resources			
Development expenditures			
Including: Data Resources			
Goodwill			
Long-term prepaid expense		94,999.16	99,999.22
Deferred tax assets		83,480,664.81	89,836,161.95
Other non-current assets		53,613,352.26	54,492,163.46
Total non-current assets		10,402,964,407.00	11,035,857,827.10
Total assets		20,439,486,627.98	20,371,965,197.78
Current liabilities:			
Short-term borrowings		801,143,527.25	540,804,238.65
Borrowing from the central bank			
Deposits and balances from banks and other financial			

institutions			
Financial liabilities held for trading			
Derivative financial liabilities			
Notes payable		156,659,498.99	101,605,855.43
Accounts payable		449,206,073.71	437,370,504.40
Receipts in advance			
Contract Liabilities		202,955,434.98	267,581,615.70
Financial assets sold for repurchase			
Deposits from customers and interbank			
Customer brokerage deposits			
Securities underwriting brokerage deposits			
Payroll and employee benefits payable		44,051,971.75	74,815,962.89
Taxes payable		17,441,991.00	27,625,873.84
Other payables		178,683,169.60	177,246,052.95
Including: Interest payable			
Dividend payable		9,958,836.44	2,139,998.15
Fees and commission payable			
Payable reinsurance			
Liabilities classified as held for sale			
Current portion of non-current liabilities		5,621,691.11	630,173,224.58
Other current liabilities		185,091,956.52	220,056,487.75
Total current liabilities		2,040,855,314.91	2,477,279,816.19
Non-current liabilities:			
Insurance reserves			
Long-term borrowings		624,600,000.00	
Bonds payable			
Including: Preference share			
Perpetual debt			

Lease liabilities			
Long-term Payable			
Long-term payroll and employee benefits payable			
Provisions			
Deferred income		245,157,475.37	272,286,532.01
Deferred tax liabilities		62,567,141.51	52,503,739.76
Other non-current liabilities		65,688,505.31	75,836,083.26
Total non-current liabilities		998,013,122.19	400,626,355.03
Total liabilities		3,038,868,437.10	2,877,906,171.22
Shareholders' equity:			
Paid-up capital		4,025,970,368.00	4,025,970,368.00
Other equity instruments			
Including: Preference share			
Perpetual debt			
Capital reserve		1,968,025,414.00	1,980,387,751.44
Less: treasury shares		1,300,035,900.58	1,300,035,900.58
Other comprehensive income		44,982,265.06	97,953,623.54
Special reserve		15,858,582.68	21,195,543.16
Surplus reserve		1,444,762,859.21	1,432,205,992.27
General reserve			
Retained earnings		9,917,353,960.89	9,912,400,555.82
Total Equity Attributable To Owners Of Parent		16,116,917,549.26	16,170,077,933.65
Minorities interests		1,283,700,641.62	1,323,981,092.91
Total shareholders' equity		17,400,618,190.88	17,494,059,026.56
Total liabilities and Shareholders' equity		20,439,486,627.98	20,371,965,197.78

The financial statements were signed by the following persons:

Legal Representative: Zhang Tianjun Chief Accountant: Gou Yanli Head of Accounting Department: Tan Hong

Parent Company Balance Sheet**As at 31 December 2025**

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

Unit: Yuan Currency: RMB

Items	Annotation	31 December 2025	31 December 2024
Current Assets:			
Cash and Cash equivalents		3,751,224,451.32	4,306,615,336.97
Financial assets held for trading		485,543,676.95	417,134,424.01
Derivative financial assets			
Notes receivable		267,565,204.20	231,218,003.85
Accounts receivable		258,523,939.84	263,957,268.35
Financing receivables		105,559,194.41	35,559,562.35
Prepayments		29,597,841.47	34,663,447.94
Other receivables		1,075,749,998.91	982,848,208.71
Including: Interest receivable			
Dividends receivable		46,310,986.97	
Inventories		741,261,488.33	677,606,180.41
Including: Data resources			
Contract assets		14,609,913.81	34,219,306.24
Assets classified as held for sale			
Current portion of non-current assets		276,141,055.27	
Other current assets		18,853,028.08	16,600,810.71
Total current assets		7,024,629,792.59	7,000,422,549.54
Non-current assets:			
Debt investment		c	
Other debt investments			
Long-term receivables			
Long-term equity investments		7,914,217,037.89	7,948,610,738.20
Other equity instruments investments			

Other non-current financial assets		282,810,640.58	505,726,485.92
Investment properties			
Fixed assets		813,841,398.68	789,239,324.99
Construction in progress		2,003,040.52	31,160,283.31
Productive biological assets			
Oil and gas assets			
Right-of-use asset			
Intangible assets		90,607,403.78	94,044,695.30
Including: Data resources			
Development expenditures			
Including: Data resources			
Goodwill			
Long-term prepaid expense			
Deferred tax assets		34,989,398.49	35,228,034.20
Other non-current assets		14,997,500.00	14,997,500.00
Total non-current assets		9,153,466,419.94	9,419,007,061.92
Total assets		16,178,096,212.53	16,419,429,611.46
Current liabilities:			
Short-term borrowings		780,517,549.99	282,795,928.74
Financial liabilities held for trading			
Derivative financial liabilities			
Notes payable		106,893,260.26	36,697,509.80
Accounts payable		294,173,432.87	242,472,442.56
Receipts in advance			
Contract Liabilities		117,244,034.40	103,878,555.37
Payroll payable		24,440,723.72	42,913,760.22
Taxes payable		1,371,485.56	798,874.20
Other payable		1,217,768,817.14	2,093,836,387.63
Including: Interest payable			

Dividend payable			
Liabilities classified as held for sale			
Current portion of non-current liabilities		5,621,691.11	630,173,224.58
Other current liabilities		123,281,633.75	107,936,740.93
Total current liabilities		2,671,312,628.80	3,541,503,424.03
Non-current liabilities:			
Long-term borrowings		624,600,000.00	
Bonds payable			
Including: Preference share			
Perpetual debt			
Lease liabilities			
Long-term Payable			
Long-term payroll payable			
Provisions			
Deferred income		4,502,644.90	6,523,308.32
Deferred tax liabilities		12,901,976.31	
Other non-current liabilities			
Total non-current liabilities		642,004,621.21	6,523,308.32
Total liabilities		3,313,317,250.01	3,548,026,732.35
Shareholders' equity:			
Paid-up capital		4,025,970,368.00	4,025,970,368.00
Other equity instruments			
Including: Preference share			
Perpetual debt			
Capital reserve		2,318,746,423.25	2,317,950,777.64
Less: treasury shares		1,300,035,900.58	1,300,035,900.58
Other comprehensive income		45,018,155.61	97,989,487.35
Special reserve		3,978,393.32	8,463,335.11
Surplus reserve		1,413,973,707.84	1,401,416,840.90

Retained earnings		6,357,127,815.08	6,319,647,970.69
Total shareholders' equity		12,864,778,962.52	12,871,402,879.11
Total liabilities and Shareholders' equity		16,178,096,212.53	16,419,429,611.46

The financial statements were signed by the following persons:

Legal Representative: Zhang Tianjun Chief Accountant: Gou Yanli Head of Accounting Department: Tan Hong

Consolidated Income Statement

For the period from 1 January to 31 December 2025

Unit: Yuan Currency: RMB

Items	Notes	Twelve Month	Twelve Month
		ended 31 December 2024	ended 31 December 2023
I. Total revenue		3,526,530,548.54	3,872,039,880.46
Including: Operating revenue		3,526,530,548.54	3,872,039,880.46
Interest income			
Net earned premiums			
Net fee and commission revenue			
II. Total operating cost		3,546,773,484.06	3,748,437,365.14
Including: COGS		3,095,186,901.96	3,330,228,783.17
Interest expenses			
Fees and commission expenses			
Surrender Charge			
Net payments for insurance claims			
Net provision of insurance reserve			
Policyholder dividends			
Reinsurance expenses			
Taxes and surcharges		47,244,204.92	63,636,552.91
Selling expenses		77,125,649.55	72,828,724.68
General and Administrative expenses		343,030,218.57	374,701,091.53
R&D expenses		65,602,390.35	57,392,504.47
Financial expenses		-81,415,881.29	-150,350,291.62
Including: Interest expense		27,590,823.53	32,366,541.28
Interest income		110,115,264.30	173,364,606.18
Plus: Other profit		62,213,278.34	52,488,037.23

Investment profit/ (loss)		-30,138,450.52	-28,293,624.90
Including: gains from investment of associates and joint ventures		23,724,813.20	1,256,182.49
Gains from derecognition of financial assets measured at amortized cost			
Exchange gains or losses			
Net exposure hedging gains/ (losses)			
Gain/ (loss) on the changes in fair value		261,496,961.06	143,835,299.78
Credit impairment losses		19,649,046.96	11,696,422.23
Assets impairment losses		-151,296,609.55	-103,360,166.53
Gain/ (loss) from disposal of assets		7,173,023.93	-11,852,116.44
III. Operating profit		148,854,314.70	188,116,366.69
Plus: Non-operating income		15,554,316.15	8,296,944.47
Less: Non-operating expenses		36,013,092.11	5,352,194.09
IV. EBT		128,395,538.74	191,061,117.07
Less: Income tax expenses		67,792,871.81	49,670,623.83
V. Net income		60,602,666.93	141,390,493.24
(I) Categorized by operation continuity			
i. Net profit from continuing operations		60,602,666.93	141,390,493.24
ii. Net profit from discontinuing operations			
(II) Categorized by ownership			
i. Net profit attributable to owners of the parent company		93,042,230.07	186,021,771.78
ii. Net profit attributable to Minorities interests		-32,439,563.14	-44,631,278.54
VI. Other comprehensive income (net of tax)		-52,971,358.48	64,295,346.47
(I) Other comprehensive income, net of tax, attributable to owners of the parent		-52,971,358.48	64,295,346.47
i. Other comprehensive income that cannot be reclassified to profit or loss			
(i) Remeasurement gains or losses of a defined benefit plan			
(ii) Other comprehensive income using the equity method that will not be reclassified to profit or loss			
(iii) Changes in fair value of other equity instrument investments			

(iv) Changes in fair value of enterprise's own credit risk			
ii. Other comprehensive income to be reclassified to profit or loss		-52,971,358.48	64,295,346.47
(i) Other comprehensive income that can be reclassified to profit or loss in equity method		-52,971,331.74	64,295,689.39
(ii) Changes in fair value of other debt investments			
(iii) Reclassification of financial assets to other comprehensive income			
(iv) Provision for credit impairment of other debt investments			
(v) Cash flow hedge reserve			
(vi) Discounting differences on foreign currency financial statements		-26.74	-342.92
(vii) Others			
(II) Other comprehensive income, net of tax, attributable to non-controlling interests			
VII. Total comprehensive income		7,631,308.45	205,685,839.71
(I) Total comprehensive income attributable to owners of the parent		40,070,871.59	250,317,118.25
(II) Total comprehensive income attributable to non-controlling interests		-32,439,563.14	-44,631,278.54
VIII. EPS			
(I) Basic earnings per share (yuan / share)		0.02	0.05
(II) Diluted earnings per share (yuan / share)		0.02	0.05

Legal Representative: Zhang Tianjun Chief Accountant: Gou Yanli Head of Accounting Department: Tan Hong

Income Statement of Parent Company

For the period from 1 January to 31 December 2025

Unit: Yuan Currency: RMB

Items	Annotation	Twelve Month ended 31 December 2025	Twelve Month ended 31 December 2024
I. Total revenue		1,959,376,921.98	2,002,087,888.15
Less: Total cost of sales		1,726,225,383.23	1,816,099,896.56
Taxes and surcharges		17,526,374.82	20,809,258.40
Selling expenses		47,255,880.67	44,196,876.08
Administrative expenses		122,600,687.15	154,110,526.62
Research and development expenses		38,465,942.20	30,377,305.36
Finance expenses		-50,721,361.82	-107,571,136.32
Including: Interest expenses		26,537,872.55	28,381,310.05
Interest income		77,430,726.90	128,571,682.61
Plus: Other income		21,544,144.11	21,630,853.43
Investment income/(loss)		-66,635,871.46	-22,876,695.97
Including: Share of profits or loss of associates and joint ventures		25,553,040.85	-233,681.66
Gain from derecognition of financial assets measured at amortized cost			
Net exposure hedging gains/ (losses)			
Gain/ (loss) on the changes in fair value		171,541,810.15	54,212,953.56
Credit impairment losses		19,218,949.63	14,923,554.46
Assets impairment losses		-5,682,038.26	-8,468,851.96
Gain/ (loss) from disposal of assets			
II. Operating profit/Loss		198,011,009.90	103,486,974.97
Plus: Non-operating income		11,958,452.88	2,796,756.77
Less: Non-operating expenses		34,465,941.67	4,043,821.10
III. EBT		175,503,521.11	102,239,910.64
Less: Income tax expense		49,934,851.72	18,691,092.89
IV. Net profit /(loss)		125,568,669.39	83,548,817.75
(I) Net profit from continuing operations		125,568,669.39	83,548,817.75
(II) Net profit from discontinuing operations			
V. Other comprehensive income, net of tax		-52,971,331.74	64,295,689.39

(I) Other comprehensive income, net of tax			
i. Other comprehensive income that will not be reclassified to profit or loss			
ii. Other comprehensive income using the equity method that will not be reclassified to profit or loss			
iii. Changes in fair value of other equity instrument investments			
iv. Changes in fair value of enterprise's own credit risk			
(II) Other comprehensive income to be reclassified to profit or loss		-52,971,331.74	64,295,689.39
i. Other comprehensive income that can be reclassified to profit or loss in equity method		-52,971,331.74	64,295,689.39
ii. Changes in fair value of other debt investments			
iii. Value of financial assets reclassified into other comprehensive income			
iv. Provision for credit impairment of other debt investments			
v. Cash flow hedging reserves (effective part of profit and loss of cash flow hedging)			
vi. Exchange differences on translation of foreign currency financial statements			
vii. Others			
VI. Total comprehensive income		72,597,337.65	147,844,507.14
VII. EPS			
(I) Basic earnings per share (yuan / share)			
(II) Diluted earnings per share (yuan / share)			

The financial statements were signed by the following persons:

Legal Representative: Zhang Tianjun Chief Accountant: Gou Yanli Head of Accounting Department: Tan Hong

Consolidated statement of cash flows

For the year ended 31 December 2025

Unit: Yuan Currency: RMB

Items	Annotation	Twelve Month ended 31 December 2025	Twelve Month ended 31 December 2024
I. Cash flows from operating activities:			
Cash receipts from the sale of goods and the rendering of services		3,969,943,185.88	4,573,040,839.57
Net increase in customer bank deposits and due to banks and other financial institutions			
Net increase in loans from the central bank			
Net increase in funds borrowed from other financial institutions			
Cash premiums received on original insurance contracts			
Net cash received from re-insurance business			
Net increase in deposits and investments from insurers			
Cash received from interest, fees and commission			
Net increase in funds deposit			
Net increase in repurchase business funds			
Net income from securities trading brokerage business			
Tax refunds received		8,721,305.48	2,996,408.95
Cash received relating to other operating activities		429,476,594.56	409,139,065.46
Sub-total of cash inflows		4,408,141,085.92	4,985,176,313.98
Cash paid for purchase of goods and services		3,341,064,806.40	3,000,544,812.45
Net increase in loans and payments on behalf of customers			
Net increase in deposits with central bank and other financial institutions			
Payments for claims for original insurance contracts			
Net increase in funds lent			
Cash paid for interest, fees and commission			
Commissions on insurance policies paid			

Cash paid to and on behalf of employee		689,534,902.40	694,743,261.98
Cash paid for taxes		233,029,369.10	340,544,483.95
Cash paid relating to other operating activities		344,163,833.92	310,062,389.60
Sub-total of cash outflows		4,607,792,911.82	4,345,894,947.98
Net cash flows from operating activities		-199,651,825.90	639,281,366.00
II. Cash flows generated by investment activities:			
Cash received from disposal of investments		5,195,424,476.56	4,934,733,265.04
Cash received from investment income		58,651,730.92	32,627,812.74
Net proceeds from disposal of property, plant and equipment, intangible assets and other long-term assets		5,728,061.65	540,674.67
Cash received from disposal of subsidiaries and other business units			
Cash received relating to other investing activities			
Sub-total of cash inflows		5,259,804,269.13	4,967,901,752.45
Purchase of property, plant and equipment, intangible assets and other non-current assets		32,574,834.52	120,101,309.79
Cash paid for investments		5,239,752,993.25	5,309,154,627.87
Net increase in secured loans			
Net cash paid for acquisition of a subsidiary and other operating units			
Cash paid relating to other investing activities			
Sub-total of cash outflows		5,272,327,827.77	5,429,255,937.66
Net cash flows from investing activities		-12,523,558.64	-461,354,185.21
III. Cash flows from financing activities			
Cash received from investment			
Including: Cash receipts from capital contributions from non-controlling interests of subsidiaries			
Proceeds from borrowings		1,887,292,473.96	1,089,873,286.58
Cash receipts relating to other financing activities			
Subtotal of cash inflows		1,887,292,473.96	1,089,873,286.58
Repayments for debts		1,493,351,898.03	812,708,205.69
Cash payments for distribution of dividends or profit and interest expenses		103,318,594.89	161,187,737.84
Including: Dividends or profit paid to			

non-controlling shareholders of subsidiaries			
Cash payments relating to other financing activities			1,023,532,469.85
Subtotal of cash outflows		1,596,670,492.92	1,997,428,413.38
Net cash flows from financing activities		290,621,981.04	-907,555,126.80
IV. Impact of exchange rate changes on cash and cash equivalents		6,309,500.99	6,852,897.28
V. Net increase in cash and cash equivalents		84,756,097.49	-722,775,048.73
Plus: Cash and cash equivalents at beginning of year		5,394,411,958.13	6,117,187,006.86
VI. cash and cash equivalents at ending of period		5,479,168,055.62	5,394,411,958.13

The financial statements were signed by the following persons:

Legal Representative: Zhang Tianjun Chief Accountant: Gou Yanli Head of Accounting Department: Tan Hong

Parent Company Statement of Cash Flows

For the year ended 31 December 2025

Unit: Yuan Currency: RMB

Items	Annotation	Twelve Month ended 31 December 2025	Twelve Month ended 31 December 2024
I. Cash flows from operating activities:			
Cash receipts from the sale of goods and the rendering of services		1,803,258,504.88	2,341,853,269.63
Tax refunds received		7,497,717.87	2,657,308.10
Cash received relating to other operating activities		2,778,815,252.78	2,211,130,268.08
Sub-total of cash inflows		4,589,571,475.53	4,555,640,845.81
Cash paid for purchase of goods and services		1,479,572,056.61	1,647,578,231.75
Cash paid to and on behalf of employee		359,449,625.37	323,818,240.78
Cash paid for taxes		113,670,971.66	105,261,857.91
Cash paid relating to other operating activities		3,591,193,997.83	1,067,580,674.53
Sub-total of cash outflows		5,543,886,651.47	3,144,239,004.97
Net cash flows from operating activities		-954,315,175.94	1,411,401,840.84
II. Cash flows generated by investment activities:			
Cash received from disposal of investments		522,921,962.21	21,404,206.71
Cash received from investment income		28,957,261.45	21,216,797.49
Net proceeds from disposal of property, plant and equipment, intangible assets and other long-term assets			404,895.03
Cash received from disposal of subsidiaries and other business units			
Cash received relating to other investing activities			
Sub-total of cash inflows		551,879,223.66	43,025,899.23
Purchase of property, plant and equipment, intangible assets and other non-current assets		10,027,184.55	8,874,453.49
Cash paid for investments		630,823,687.60	180,000,000.00
Cash Paid for disposal of subsidiaries and other business units			
Cash paid relating to other investing activities			
Sub-total of cash outflows		640,850,872.15	188,874,453.49
Net cash flows from investing activities		-88,971,648.49	-145,848,554.26

III. Cash flows from financing activities			
Cash received from investment			
Proceeds from borrowings		1,410,000,000.00	590,429,484.44
Cash receipts relating to other financing activities			
Subtotal of cash inflows		1,410,000,000.00	590,429,484.44
Repayments for debts		869,900,000.00	458,100,000.00
Cash payments for distribution of dividends or profit and interest expenses		100,757,298.58	155,380,033.76
Cash payments relating to other financing activities			1,020,037,121.13
Subtotal of cash outflows		970,657,298.58	1,633,517,154.89
Net cash flows from financing activities		439,342,701.42	-1,043,087,670.45
IV. Effect of exchange rate changes on cash and cash equivalents		6,200,527.09	6,296,013.80
V. Net increase in cash and cash equivalents		-597,743,595.92	228,761,629.93
Plus: Cash and cash equivalents at beginning of year		4,298,739,599.65	4,069,977,969.72
VI. Cash and cash equivalents at end of year		3,700,996,003.73	4,298,739,599.65

The financial statements were signed by the following persons:

Legal Representative: Zhang Tianjun Chief Accountant: Gou Yanli Head of Accounting Department: Tan Hong

Consolidated Statement of Changes in Equity

For the year ended 31 December 2025

Unit: yuan Currency: RMB

2024															
Item	Equity attributable to the parent company												Minorities interests	Total shareholders' equity	
	Paid-in capital	Other equity instruments			Capital reserve	Less: Treasury Shares	Other comprehensive income	Special reserve	Surplus reserve	General reserve	Retained earnings	Others			Subtotal
		preference share	Perpetual debt	Others											
I. Balance at the end of previous year	4,025,970,368.00				1,980,387,751.44	1,300,035,900.58	97,953,623.54	21,195,543.16	1,432,205,992.27		9,912,400,555.82		16,170,077,933.65	1,323,981,092.91	17,494,059,026.56
Plus: Changes in accounting policies															
Corrections of prior period errors															
Others															
II. Balance in the beginning of the year	4,025,970,368.00				1,980,387,751.44	1,300,035,900.58	97,953,623.54	21,195,543.16	1,432,205,992.27		9,912,400,555.82		16,170,077,933.65	1,323,981,092.91	17,494,059,026.56
III. Increase/(decrease) during the period					-12,362,337.44		-52,971,358.48	-5,336,960.48	12,556,866.94		4,953,405.07		-53,160,384.39	-40,280,451.29	-93,440,835.68
(I) Total comprehensive income							-52,971,358.48				93,042,230.07		40,070,871.59	-32,439,563.14	7,631,308.45

(ii) Surplus reserves converted to share capital															
(iii) Earned surplus cover up losses															
(iv) Changes in the defined benefit plan transferred to retained earnings															
(v) Other comprehensive income transferred to retained earnings															
(vi) Others															
(V). Special reserve								-5,336,960.48					-5,336,960.48	-22,049.86	-5,359,010.34
(i) Appropriation for the period															
(ii) Used in the period								5,336,960.48					5,336,960.48	22,049.86	5,359,010.34
(VI) Others					-12,362,337.44								-12,362,337.44		-12,362,337.44
IV. Balance at the end of the period	4,025,970,368.00				1,968,025,414.00	1,300,035,900.58	44,982,265.06	15,858,582.68	1,444,762,859.21		9,917,353,960.89		16,116,917,549.26	1,283,700,641.62	17,400,618,190.88

2024															
Item	Equity attributable to the parent company												Minorities interests	Total shareholders' equity	
	Paid-in capital	Other equity instruments			Capital reserve	Less: Treasury Shares	Other comprehensive income	Special reserve	Surplus reserve	General reserve	Retained earnings	Others			Subtotal
		preference share	Perpetual debt	Others											
I. Balance at the end of previous year	4,025,970,368.00				1,979,914,143.59	279,998,779.45	33,658,277.07	28,465,014.70	1,423,851,110.49		9,861,867,181.77		17,073,727,316.17	1,368,612,371.45	18,442,339,687.62
Plus: Changes in accounting policies															
Corrections of prior period errors															
Others															
II. Balance in the beginning of the year	4,025,970,368.00				1,979,914,143.59	279,998,779.45	33,658,277.07	28,465,014.70	1,423,851,110.49		9,861,867,181.77		17,073,727,316.17	1,368,612,371.45	18,442,339,687.62
III. Increase/(decrease) during the period					473,607.85	1,020,037,121.13	64,295,346.47	-7,269,471.54	8,354,881.78		50,533,374.05		-903,649,382.52	-44,631,278.54	-948,280,661.06
(I) Total comprehensive income							64,295,346.47				186,021,771.78		250,317,118.25	-44,631,278.54	205,685,839.71
(II) Capital contribution and capital						1,020,037,121.13							-1,020,037,121.13		-1,020,037,121.13

reduction													1.13		
(i) Common shares invested by owners						1,020,037,121.13							-1,020,037,121.13		-1,020,037,121.13
(ii) Invested capital by holders of other equity instruments															
(iii) Value of share-based payments recognized in equity															
(iv) Others															
(III). Profit allocation								8,354,881.78	-135,488,397.73				-127,133,515.95		-127,133,515.95
(i) Earned surplus withdrawn							8,354,881.78		-8,354,881.78						
(ii) General risk reserve withdrawn															
(iii) Distribution to shareholders									-127,133,515.95				-127,133,515.95		-127,133,515.95
(iv) Others															
(IV) Transfer within shareholders' equity															
(i) Capital reserves converted to share capital															

(ii) Surplus reserves converted to share capital															
(iii) Earned surplus cover up losses															
(iv) Changes in the defined benefit plan transferred to retained earnings															
(v) Other comprehensive income transferred to retained earnings															
(vi) Others															
(V). Special reserve															
(ii) Appropriation for the period															
(ii) Used in the period															
(VI) Others															
IV. Balance at the end of the period	4,025,970,368.00				1,980,387,751.44	1,300,035,900.58	97,953,623.54	21,195,543.16	1,432,205,992.27		9,912,400,555.82		16,170,077,933.65	1,323,981,092.91	17,494,059,026.56

The financial statements were signed by the following persons:

Legal Representative: Zhang Tianjun Chief Accountant: Gou Yanli Head of Accounting Department: Tan Hong

Parent Company Statement of Changes in Equity

For the year from 1 January to 31 December 2025

Unit: Yuan Currency: RMB

Item	2024										
	Share capital	Other equity instruments			Capital reserve	Less: Treasury Shares	Other comprehensive income	Special reserve	Surplus reserve	Retained earnings	Total shareholders' equity
		preference share	Perpetual debt	Others							
I. Balance at the end of previous year	4,025,970,368.00				2,317,950,777.64	1,300,035,900.58	97,989,487.35	8,463,335.11	1,401,416,840.90	6,319,647,970.69	12,871,402,879.11
Plus: Changes in accounting policies											
Corrections of prior period errors											
Others											
II. Balance in the beginning of the year	4,025,970,368.00				2,317,950,777.64	1,300,035,900.58	97,989,487.35	8,463,335.11	1,401,416,840.90	6,319,647,970.69	12,871,402,879.11
III. Increase/(decrease) during the period					795,645.61		-52,971,331.74	-4,484,941.79	12,556,866.94	37,479,844.39	-6,623,916.59
(I) Total comprehensive income							-52,971,331.74			125,568,669.39	72,597,337.65
(II) Capital contribution and capital reduction											
(i) Common shares invested by owners											
(ii) Invested capital by holders of other equity											

instruments											
(iii) Value of share-based payments recognized in equity											
(iv) Others											
(III). Profit allocation									12,556,866.94	-88,088,825.00	-75,531,958.06
(i) General risk reserve withdrawn									12,556,866.94	-12,556,866.94	
(ii) Distribution to shareholders										-75,531,958.06	-75,531,958.06
(iii) Others											
(IV) Transfer within shareholders' equity											
(i) Capital reserves converted to share capital											
(ii) Surplus reserves converted to share capital											
(iii) Earned surplus cover up losses											
(iv) Changes in the defined benefit plan transferred to retained earnings											
(v) Other comprehensive income transferred to retained earnings											
(vi) Others											
(V). Special reserve									-4,484,941.79		-4,484,941.79

(i) Appropriation for the period											
(ii) Used in the period								4,484,941.79			4,484,941.79
(VI) Others					795,645.61						795,645.61
IV. Balance at the end of the period	4,025,970,368.00				2,318,746,423.25	1,300,035,900.58	45,018,155.61	3,978,393.32	1,413,973,707.84	6,357,127,815.08	12,864,778,962.52

Item	2024										
	Share capital	Other equity instruments			Capital reserve	Less: Treasury Shares	Other comprehensive income	Special reserve	Surplus reserve	Retained earnings	Total shareholders' equity
		preference share	Perpetual debt	Others							
I. Balance at the end of previous year	4,025,970,368.00				2,317,477,169.79	279,998,779.45	33,693,797.96	15,278,331.68	1,393,061,959.12	6,371,587,550.67	13,877,070,397.77
Plus: Changes in accounting policies											
Corrections of prior period errors											
Others											
II. Balance in the beginning of the year	4,025,970,368.00				2,317,477,169.79	279,998,779.45	33,693,797.96	15,278,331.68	1,393,061,959.12	6,371,587,550.67	13,877,070,397.77
III. Increase/(decrease) during the					473,607.85	1,020,037,121.13	64,295,689.39	-6,814,996.57	8,354,881.78	-51,939,579.98	-1,005,667,518.66

period											
(I) Total comprehensive income							64,295,689.39			83,548,817.75	147,844,507.14
(II) Capital contribution and capital reduction						1,020,037,121.13					-1,020,037,121.13
(i) Common shares invested by owners						1,020,037,121.13					-1,020,037,121.13
(ii) Invested capital by holders of other equity instruments											
(iii) Value of share-based payments recognized in equity											
(iv) Others											
(III). Profit allocation									8,354,881.78	-135,488,397.73	-127,133,515.95
(i) General risk reserve withdrawn									8,354,881.78	-8,354,881.78	
(ii) Distribution to shareholders										-127,133,515.95	-127,133,515.95
(iii) Others											
(IV) Transfer within shareholders' equity											
(i) Capital reserves converted to share capital											

(ii) Surplus reserves converted to share capital											
(iii) Earned surplus cover up losses											
(iv) Changes in the defined benefit plan transferred to retained earnings											
(v) Other comprehensive income transferred to retained earnings											
(vi) Others											
(V). Special reserve								-6,814,996.57			-6,814,996.57
(i) Appropriation for the period											
(ii) Used in the period								6,814,996.57			6,814,996.57
(VI) Others					473,607.85						473,607.85
IV. Balance at the end of the period	4,025,970,368.00				2,317,950,777.64	1,300,035,900.58	97,989,487.35	8,463,335.11	1,401,416,840.90	6,319,647,970.69	12,871,402,879.11

The financial statements were signed by the following persons:

Legal Representative: Zhang Tianjun Chief Accountant: Gou Yanli Head of Accounting Department: Tan Hong

III. GENERAL INFORMATION OF THE COMPANY

I. Company profile

Fangda Carbon New Material Technology Co., Ltd. (full English name: Fangda Carbon New Material Co., Ltd., formerly Lanzhou Hailong New Material Technology Co., Ltd., hereinafter referred to as ‘the Company’) was established on 16 December 1998 pursuant to Gansu Provincial People’s Government Document No. 87 [1998] and approved on 24 December 1998 by the Gansu Provincial Economic System Reform Commission Document No. 76 [1998]. [1998] No. 76, and was established as a joint-stock company with Lanzhou Carbon Group Co., Ltd. as the principal promoter, in conjunction with Yaojie Mining Bureau, Taixi Group Co., Ltd. (formerly Shitanjing Mining Bureau, restructured as a whole), Gansu Qilian Mountain Cement Co., Ltd. and Lanzhou Kejin Technology Co., Ltd. On 20 August 2002, the Company issued 80,000,000 ordinary shares (A-shares) to the general public via an online offering on the Shanghai and Shenzhen Stock Exchanges, using a pricing and placement method exclusively targeting secondary market investors. The shares were listed for trading on the Shanghai Stock Exchange on 30 August 2002, with the stock abbreviation: Hailong Technology (now changed to Fangda Carbon) and stock trading code: 600516. On 28 October 2022, the Company received approval from the China Securities Regulatory Commission to issue 22,000,000 Global Depository Receipts (hereinafter referred to as “GDRs”), representing 220,000,000 A-shares calculated according to the conversion ratio determined by the Company, which were listed on the SIX Swiss Exchange on 15 March 2023.

The Company’s Unified Social Credit Code is 91620000710375560A; its legal representative is Zhang Tianjun; and its registered address is No. 11 Tansuo Road, Haishiwan Town, Honggu District, Lanzhou City, Gansu Province.

Principal Business Activities: The Company is principally engaged in the research, development, production and sale of graphite and new carbon materials. Its products include graphite electrodes, carbon bricks for blast furnaces, graphite anode blocks for aluminium electrolysis, 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-carbon composite materials and other new carbon material products. Demand for the Company’s flagship product, graphite electrodes, is primarily concentrated in the downstream industries of electric arc furnace steelmaking, mineral electric furnace smelting of yellow phosphorus, abrasives and industrial silicon, amongst others, with electric furnace steelmaking accounting for the largest share. The isostatic graphite products manufactured by the Company’s controlling subsidiary, Chengdu Fangda Carbon-Carbon Composite Materials Co., Ltd., are widely used in numerous sectors including semiconductors, solar photovoltaics, mould processing, nuclear energy, metallurgy and petrochemicals.

The Company’s financial report was reviewed and approved by the Board of Directors on 28 April 2026.

IV. PREPARATION BASIS OF FINANCIAL STATEMENTIS

1. Basis of Preparation

The Company’s financial statements have been prepared on a going concern basis, based on actual transactions and events, in accordance with the ‘Basic Accounting Standards for Enterprises’ and specific accounting standards issued by the Ministry of Finance (hereinafter referred to as the ‘Enterprise Accounting Standards’), and in accordance with the significant accounting policies and estimates adopted.

2. Continuous operation

There are no events or circumstances within 12 months from the end of the reporting period that raise significant

doubts about the Company's ability to continue as a going concern.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

1.Statement of compliance with accounting standards for business enterprises

The financial statements prepared by the Company comply with the requirements of the Enterprise Accounting Standards and give a true and fair view of the Company's financial position as at 31 December 2025, its financial performance for the year ended 31 December 2025, and its cash flows.

2. Accounting period

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

3. Operating cycle

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

4. Account currency

The Company's account currency is RMB.

5.Methodology for determining materiality criteria and basis for selection

Applicable Not applicable

The Company determines the materiality of items disclosed in the notes to the financial statements by reference to the proportion of the total amount represented by a specific item, or by reference to the amount itself, whilst also taking into account the nature of the specific item. Certain items may not be material to the financial statements but may be material to the notes and therefore require separate disclosure in the notes. The materiality criteria applicable to items disclosed in the notes to the financial statements are as follows:

Items	Materiality criteria
Significant receivables for which specific provisions for bad debts have been made	Where the amount of a single item exceeds 10 million yuan;
Recoveries or reversals of provisions for bad debts on significant receivables	Where the amount of a single item exceeds 10 million yuan, or where it affects the profit or loss for the current period;
Significant receivables written off	Where the amount of a single item exceeds 10 million yuan
Significant construction-in-progress projects	Current period transactions account for 10% or more of the total current period transactions for construction in progress (or the closing balance accounts for 10% or more), and the amount exceeds RMB 10 million;
Significant trade payables and contract liabilities outstanding for more than one year	Amount exceeding RMB 1 million;
Minority interests in significant subsidiaries	Net assets of RMB 100 million

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

Applicable Not applicable

1. Business Combinations under Common Control

Where the acquiring entity in a business combination under common control pays cash, transfers non-cash assets or assumes liabilities as consideration for the combination, the initial cost of the long-term equity investment shall be determined on the combination date as the acquiring entity's share of the book value of the acquiree's equity in the consolidated financial statements of the ultimate controlling entity. Where the acquiring entity issues equity instruments as consideration for the combination, the total par value of the shares issued shall be recognised as share capital. The difference between the initial investment cost of the long-term equity investment and the carrying amount of the merger consideration (or the total par value of the shares issued) shall be recognised in capital reserves; if capital reserves are insufficient to absorb the difference, retained earnings shall be adjusted accordingly.

2. Business Combinations Not under Common Control

In the case of a business combination not under common control, the cost of the combination is the sum of the fair values of the assets given, liabilities incurred or assumed, and equity securities issued by the acquirer on the acquisition date to obtain control of the acquiree. Identifiable assets, liabilities and contingent liabilities of the acquiree acquired in a business combination not under common control that meet the recognition criteria are measured at fair value on the acquisition date. Where the acquirer's cost of the business combination exceeds its share of the fair value of the acquiree's identifiable net assets, the excess represents goodwill. Where the acquirer's cost of the business combination is less than its share of the fair value of the acquiree's identifiable net assets, and this difference remains after verification, the excess is recognised as non-operating income for the current period.

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

Applicable Not applicable

1. Criteria for Determining Control

The scope of consolidation in the consolidated financial statements is determined on the basis of control. An investee is deemed to be under the control of the investor if the following three criteria are met: the investor has power over the investee; the investor is entitled to variable returns from its involvement with the investee; and the investor has the ability to use its power over the investee to affect the amount of those returns.

2. Method for Preparing Consolidated Financial Statements

(1) Alignment of Accounting Policies and Reporting Periods

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

(2) Elimination of Intercompany Transactions

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

(3) Accounting Treatment for Acquiring Subsidiaries

For subsidiaries acquired through business combinations under common control, the combination is treated as if it occurred when the ultimate controlling party first implemented control. The assets, liabilities, operating results,

and cash flows of the subsidiary are included in the consolidated financial statements from the beginning of the reporting period. For subsidiaries acquired through business combinations not under common control, the subsidiary's individual financial statements are adjusted based on the fair value of identifiable net assets as of the acquisition date when preparing the consolidated financial statements.

(4) Accounting Treatment for Disposing of Subsidiaries

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

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

Applicable Not applicable

1. Classification of Joint Arrangements

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

2. Accounting Treatment for Joint Operations

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

3. Accounting Treatment for Joint Ventures

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

9. Criteria for determining cash and cash equivalents

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

10. Foreign currency business and exchange of foreign currency statements

Applicable Not applicable

1. Translation of Foreign Currency Transactions

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

2. Translation of Foreign Currency Financial Statements

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

11. Financial instruments

Applicable Not applicable

1. Recognition and Derecognition of Financial Instruments

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

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

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

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

2. Classification and Measurement of Financial Assets

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

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

(1) Financial Assets Measured at Amortized Cost

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

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

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

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

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

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

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

fair value, and all changes in fair value are recognized in profit or loss.

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

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

3. Classification and Measurement of Financial Liabilities

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

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

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

Subsequent measurement of financial liabilities depends on their classification:

(1) Financial Liabilities Measured at Amortized Cost

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

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

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

4. Offsetting of Financial Instruments

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

5. Impairment of Financial Assets

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

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

(1) General Model for Expected Credit Losses

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

under “X. Risks Related to Financial Instruments.”

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

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

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

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

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

(2) Financial Instruments with Low Credit Risk

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

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

(3) Receivables and Lease Receivables

For receivables defined under Accounting Standard for Business Enterprises No. 14 – Revenue, excluding significant financing components (including cases where financing components in contracts of up to one year are disregarded under the standard), the Company applies a simplified model for expected credit losses and measures loss allowances based on expected credit losses over the remaining life of the instrument.

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

6. Transfers of Financial Assets

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

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

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

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

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

12. Notes receivable

Applicable Not applicable

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

Applicable Not applicable

The Company measures the allowance for doubtful debts on notes receivable at an amount equivalent to the expected credit losses over the entire life of the notes. Based on the credit risk characteristics of the notes receivable, they are classified into different portfolios:

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

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

13. Accounts receivables

Applicable Not applicable

Methods of determining and accounting for expected credit losses on receivables

Applicable Not applicable

For receivables that do not contain significant financing components, the company measures loss provisions based on the expected credit loss amount over the entire duration of the receivables. For receivables that include significant financing components, the company chooses to consistently measure loss provisions based on the expected credit loss amount over the duration of the receivables.

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

In addition to accounts receivable assessed individually for credit risk, they are categorized into different combinations based on their credit risk characteristics:

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

	consolidation
--	---------------

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

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

14 .Receivables financing

Applicable Not applicable

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

Applicable Not applicable

A financial asset is classified as a financial asset measured at fair value with changes recognized in other comprehensive income if it meets the following conditions: the company’s business model for managing the financial asset targets both collecting contractual cash flows and selling the financial asset; and the contractual terms of the financial asset stipulate that the cash flows generated on specific dates consist solely of payments of principal and interest based on the outstanding principal amount.

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

15. Other receivables

Applicable Not applicable

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

Applicable Not applicable

Other receivables include other receivables, interest receivable, and dividends receivable. The company refers to historical credit loss experience, combines the current situation, and considers forecasts of future economic conditions to calculate expected credit losses using default risk exposure and the expected credit loss rate over the next 12 months or the entire duration.

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

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

Items	Criterion for confirmation of the portfolio
Notes receivable portfolio A	Deposits, guarantees, contingency funds and other receivables (excluding other receivables, Group B)
Notes receivable portfolio B	Receivables from related parties within the scope of consolidation

16. Inventory

Applicable Not applicable

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

Applicable Not applicable

1. Classification of Inventories

Inventories include finished goods or commodities held for sale in daily activities, products in the production process, materials and supplies consumed in the production process or the provision of labor services. Mainly: raw materials, in-process products and self-made semi-finished products, working capital materials, finished goods, inventory, commissioned materials, issued commodities.

2. Valuation method of issued inventories

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

3. Inventory system

The inventory system is a perpetual inventory system.

4. Amortization method of consumables and packages

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

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

Applicable Not applicable

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

17. Contractual assets

Applicable Not applicable

Methods and criteria for recognition of contract assets

Applicable Not applicable

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

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

For contract assets with significant financing components, the Company has elected to use a simplified model of

expected credit losses, which consistently measures the allowance for losses at the amount of expected credit losses over the entire life of the asset.

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

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

Applicable Not applicable

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

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

Applicable Not applicable

The Company classifies components of a business (or non-current assets) as held for sale when both of the following conditions are met: (1) the sale is imminent under current conditions based on the customary practice of selling such assets or disposal groups in similar transactions; and (2) it is highly probable that the sale will occur, a resolution has been reached on a plan of sale and a firm commitment to purchase has been obtained. (A firm commitment to purchase is a legally binding purchase agreement that is entered into by the business with other parties and contains important terms such as the transaction price and timing and penalties sufficiently severe to make a material adjustment to or rescission of the agreement highly unlikely). binding purchase agreement with other parties that contains important terms such as the transaction price, timing and penalties for breach of contract that are sufficiently severe to make material adjustments to or rescission of the agreement highly unlikely). The sale is expected to be completed within one year. Approvals have been obtained from the relevant authorities or regulators in accordance with the relevant regulations.

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

Applicable Not applicable

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

If the fair value of non-current assets held for sale increases at a subsequent balance sheet date, net of selling expenses, the amount previously written down shall be restored and reversed within the amount of impairment loss recognized for the asset after classification as held for sale, with the reversal amount recognized in profit or loss for the current period. Impairment losses recognized on assets before classification as held for sale shall not be reversed. If the fair value of a disposal group held for sale increases at a subsequent balance sheet date, net of selling expenses, the amount previously written down shall be restored and reversed within the amount of the asset impairment loss recognized for non-current assets for which the measurement provisions of this Standard have been applied after classification into the held-for-sale category, with the amount of the reversal recognized in profit or loss for the current period. The carrying amount of goodwill that has been set off, and the impairment loss on assets recognized before the classification as held for sale of non-current assets to which the measurement provisions of this standard apply, shall not be reversed. The amount of subsequent reversal of an asset impairment

loss recognized for a disposal group held for sale shall be increased proportionately to the carrying value of each non-current asset in the disposal group that is subject to the measurement provisions of this Standard except for goodwill, based on the proportion of the carrying value of each non-current asset in the disposal group that is subject to the measurement provisions of this Standard. If an enterprise loses control of a subsidiary due to the sale of its investment in the subsidiary, regardless of whether the enterprise retains a portion of the equity investment after the sale, it shall classify the investment in the subsidiary as a whole as held-for-sale in the individual financial statements of the parent company, and classify all the assets and liabilities of the subsidiary as held-for-sale in the consolidated financial statements, if the conditions for classification of held-for-sale are met with respect to the investment in the subsidiary to be sold.

Recognition criteria and presentation of discontinued operations

Applicable Not applicable

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

The definition of discontinued operation contains the following three meanings:

(1) A discontinued operation should be a separately distinguishable component of an enterprise. The operations and cash flows of the component are clearly distinguishable from those of the rest of the business at the time the business is operated and the financial statements are prepared.

(2) The discontinued operation should be of a certain size. The discontinued operation should represent a separate principal business or a separate principal operating area, or be part of an associated plan to dispose of a separate principal business or a separate principal operating area.

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

19. Long-term equity investments

Applicable Not applicable

1. Determination of investment costs

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

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

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

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

2. Subsequent measurement and profit or loss recognition methods

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

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

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

Under the equity method, after obtaining the long-term equity investment, the company recognizes its share of the investee's net profit or loss and adjusts the carrying value of the long-term equity investment accordingly. When determining its share of the investee's net profit or loss, the company uses the fair value of the investee's identifiable assets at the time of investment as the basis, applies the company's accounting policies and accounting periods, and eliminates the portion of internal transaction gains or losses between the company and its associates or joint ventures (calculated based on the ownership percentage). However, if the internal transaction loss is an asset impairment loss, it is fully recognized. The investee's net profit is adjusted accordingly before confirmation. The portion of the declared dividends or cash distributions attributable to the company reduces the carrying value of the long-term equity investment. The company recognizes the investee's net losses to the extent that the carrying value of the long-term equity investment and other long-term interests that substantially constitute a net investment in the investee are written down to zero, unless the company is obligated to bear additional losses. For changes in the investee's equity other than net profit or loss, the company adjusts the carrying value of the long-term equity investment and includes such adjustments in equity.

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

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

4. Disposal of long-term equity investments

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

In cases where part of a long-term equity investment in a subsidiary is disposed of but control is not lost, the

difference between the disposal proceeds and the carrying value of the disposed investment should be recognized as current-period investment income.

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

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

5.Impairment testing method and provision for impairment

Investments in subsidiaries, associates, and joint ventures are assessed for impairment at the balance sheet date if there is objective evidence indicating that they have been impaired. Impairment provisions are recognized for the difference between the carrying amount and the recoverable amount.

20. Investment property

Applicable Not applicable

21. Fixed assets

Applicable Not applicable

(1)Recognition conditions

Applicable Not applicable

Fixed assets refer to tangible assets held for the production of goods, provision of services, leasing, or operational management, with a useful life exceeding one accounting year. They are recognized when the following conditions are met: it is probable that economic benefits associated with the fixed asset will flow to the enterprise; and the cost of the fixed asset can be measured reliably.

(2)Method of depreciation

Applicable Not applicable

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

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

Transport	life-cycle averaging (LCA)	8-12	5.00	7.92-11.88%
-----------	-------------------------------	------	------	-------------

The Company's fixed assets are primarily classified as: buildings and structures, specialised equipment, general-purpose equipment, and transport vehicles; the straight-line method is used for depreciation. The useful lives and estimated net residual values of fixed assets are determined based on the nature and usage of each category. At the end of the financial year, the useful lives, estimated residual values and depreciation methods of fixed assets are reviewed; where there are differences from the original estimates, corresponding adjustments are made. Depreciation is charged on all fixed assets, except for those that have been fully depreciated but are still in use, and land that is accounted for separately.

22. Construction in progress

Applicable Not applicable

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

23 Borrowing costs

Applicable Not applicable

1.Principle for Recognizing Capitalization of Borrowing Costs

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

2.Method for Calculating Capitalized Amounts

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

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

24. Biological assets

Applicable Not applicable

25. Oil and gas assets

Applicable Not applicable

26. Intangible assets

Applicable Not applicable

1.Measurement Method for Intangible Assets

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

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

Intangible assets with finite useful lives are amortized systematically and rationally over their useful lives in accordance with the expected pattern of economic benefits associated with the asset. If the expected pattern of economic benefits cannot be reliably determined, the straight-line method is used for amortization. The specific durations are as follows:

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

For intangible assets with a determinable useful life, if there are indications of impairment at the balance sheet date, an impairment provision is recognized for the difference between the carrying amount and the recoverable amount. For intangible assets with an indefinite useful life and those that have not yet reached their usable state, an impairment test is performed annually, regardless of whether there are any indications of impairment.

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

Applicable Not applicable

1) Scope of R&D expenditure

The scope of the company's research and development (R&D) expenditures is primarily determined based on the company's R&D projects and mainly includes: employee compensation, material costs, depreciation and amortization, outsourced R&D expenses, and other R&D-related expenses.

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

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

1)Research Phase of Internal R&D Projects

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

2)Development Phase of Internal R&D Projects

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

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

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

27. Impairment of long-term assets

Applicable Not applicable

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

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

Goodwill separately presented in the financial statements is tested for impairment at least annually, regardless of whether there are any indications of impairment. During the impairment test, the carrying amount of goodwill is allocated to the asset groups or combinations of asset groups expected to benefit from the synergies of the business combination. If the test results indicate that the recoverable amount of the asset group or combination of asset groups, including the allocated goodwill, is lower than its carrying amount, the corresponding impairment loss is recognized. The impairment loss first reduces the carrying amount of the goodwill allocated to the asset group or combination of asset groups, and then proportionally reduces the carrying amounts of other assets within the asset group or combination of asset groups (excluding goodwill) based on their respective carrying value proportions.

Once an impairment loss on the aforementioned assets has been recognised, any subsequent recovery in value shall not be reversed.

28. Long-term amortisation

Applicable Not applicable

Long-term prepaid expenses are recorded at their actual cost and amortized on a straight-line basis over the benefit

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

29 Contractual liabilities

Applicable Not applicable

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

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

30 Payroll

(1) Accounting treatment of short-term remuneration

Applicable Not applicable

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

(2) Accounting for termination benefits

Applicable Not applicable

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

(3). Accounting Treatment for Termination Benefits

When the company provides termination benefits to employees, it recognizes the employee compensation liability related to the termination benefits and records it in the current period's profit or loss on the earlier of the following two dates: when the company cannot unilaterally withdraw the termination benefits offered due to a plan to terminate employment relationships or a layoff proposal; or when the company confirms the costs or expenses associated with a restructuring involving the payment of termination benefits.

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

Applicable Not applicable

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

31. Projected liabilities

Applicable Not applicable

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

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

32. Share-based payment

Applicable Not applicable

1.Types of Share-Based Payments

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

2.Methods for Determining the Fair Value of Equity Instruments

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

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

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

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

(1) Share-Based Payments Settled in Equity

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

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

(2) Share-Based Payments Settled in Cash

For share-based payments settled in cash that are immediately exercisable upon grant in exchange for employee

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

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

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

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

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

33. Preference shares, perpetual bonds and other financial instruments

Applicable Not applicable

34. Income

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

Applicable Not applicable

The Company recognises revenue upon fulfilment of the performance obligations under the contract, i.e. when the customer obtains control of the relevant goods. Obtaining control of the relevant goods means being able to direct the use of the goods and derive substantially all of the economic benefits from them.

(2) The Company determines whether the nature of the relevant performance obligation is a “performance obligation satisfied over a period of time” or a “performance obligation satisfied at a point in time” in accordance with the relevant provisions of the revenue standards, and recognises revenue in accordance with the following principles respectively.

The Company fulfils a performance obligation over a period of time if it meets any of the following conditions:

- ① The customer obtains and consumes the economic benefits arising from the Company’s performance as the Company performs.
- ② The customer is able to control the assets in progress during the Company’s performance.

③ The assets produced during the Company's performance have no alternative use, and the Company has the right to receive payment for the portion of the contract completed to date throughout the contract period.

For performance obligations satisfied over a period of time, the Company recognises revenue over that period based on the stage of completion, unless the stage of completion cannot be determined reliably. The Company determines the appropriate stage of completion using either the output method or the input method, taking into account the nature of the goods.

For performance obligations that are not satisfied over a period of time but are satisfied at a point in time, the Company recognises revenue when the customer obtains control of the relevant goods.

In determining whether the customer has obtained control of the goods, the Company considers the following indicators:

- ① The Company has a present right to receive payment for the goods, i.e. the customer has a present obligation to pay for the goods.
- ② The Company has transferred legal title to the goods to the customer, i.e. the customer holds legal title to the goods.
- ③ The Company has transferred physical possession of the goods to the customer, i.e. the customer is in physical possession of the goods.
- ④ The Company has transferred the significant risks and rewards of ownership of the goods to the customer, i.e. the customer has assumed the significant risks and rewards of ownership of the goods.
- ⑤ The customer has accepted the goods.
- ⑥ Other indications that the customer has obtained control of the goods.

(3) Measurement of revenue

The Company shall measure revenue at the transaction price allocated to each individual performance obligation. In determining the transaction price, the Company considers the effects of variable consideration, significant financing components in the contract, non-cash consideration, and consideration payable to the customer.

① Variable consideration

The Company determines the best estimate of variable consideration based on the expected value or the most likely amount; however, the transaction price including variable consideration shall not exceed the amount of cumulative revenue recognised to date that is highly probable not to be subject to a material reversal when the related uncertainty is resolved. When assessing whether cumulative revenue recognised to date is highly probable not to be subject to a material reversal, the Company shall consider both the likelihood of a reversal and its magnitude.

② Significant financing component

Where a contract contains a significant financing component, the Company shall determine the transaction price based on the amount payable assuming the customer pays in cash upon obtaining control of the goods. The difference between this transaction price and the contract consideration shall be amortised over the contract period using the effective interest method.

③ Non-cash consideration

Where a customer pays non-cash consideration, the Company shall determine the transaction price based on the fair value of the non-cash consideration. If the fair value of the non-cash consideration cannot be reasonably estimated, the Company shall determine the transaction price indirectly by reference to the separate selling price at which it has committed to transfer the goods to the customer.

④ Consideration Payable to Customers:

Where consideration is payable to customers, such consideration shall be deducted from the transaction price and deducted from current period revenue at the later of the recognition of the related revenue and the payment (or commitment to pay) of the consideration to the customer, except where the consideration payable to the customer is intended to obtain other clearly distinguishable goods from the customer.

Where the consideration payable to the customer is intended to obtain other clearly distinguishable goods from the customer, the goods purchased shall be recognised in a manner consistent with the Company's other purchases.

Where 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. Where the fair value of the clearly distinguishable goods obtained from the customer cannot be reasonably estimated, the Company shall deduct the full amount of the consideration payable to the customer from the transaction price.

(4) The Company's specific policies for revenue recognition

① Specific policies for revenue recognition using the point-in-time method

Revenue from domestic sales is recognised at the time of customer acceptance; revenue from overseas sales is recognised when the goods have cleared customs and left the port, and the Company has obtained the relevant invoices, packing lists and bills of lading for the transaction.

② Specific policies for revenue recognition under the percentage-of-completion method:

Construction contracts between the Company and its customers include performance obligations relating to the construction of graphite core support structure equipment. The Company treats these as performance obligations to be fulfilled over a period of time. The Company uses the input method to determine the stage of completion of services rendered based on costs incurred. Where the stage of completion can be reasonably determined, revenue is recognised in proportion to the stage of completion; otherwise, revenue is recognised based on the actual contract costs incurred and expected to be recoverable.

35. Contract costs

Applicable Not applicable

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

Costs incurred to perform a contract that do not fall within the scope of other corporate accounting standards, such as inventory, are recognized as an asset as contract performance costs when the following conditions are simultaneously met: the cost is directly related to a current or anticipated contract to be acquired and includes direct labor, direct materials, manufacturing overheads, costs explicitly attributable to the user, and other costs incurred solely as a result of the contract; the cost increases the amount of resources that will be used in the future to resources to fulfill performance obligations; and the cost is expected to be recovered.

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

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

sheet.

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

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

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

36. Government subsidies

Applicable Not applicable

1. Types of government grants and accounting treatment

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

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

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

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

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

2. Recognition of government grants

Government grants are recognized when the conditions attached to the grants are met and the

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

37. Deferred income tax assets/deferred income tax liabilities

Applicable Not applicable

1. Recognition of deferred income taxes

Deferred income tax assets or deferred income tax liabilities are recognized based on the difference between the carrying amount of an asset or liability and its tax basis (if the tax basis of an item not recognized as an asset or liability can be determined in accordance with the provisions of the tax laws, the tax basis is determined to be the difference between the tax bases of the item), calculated using the tax rates that are expected to apply in the period in which the asset is recovered or the liability is settled.

2. Measurement of deferred income tax

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

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

3. Basis for offsetting net deferred income taxes

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

38. Leasing

Applicable Not applicable

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

Applicable Not applicable

(1) Basis of judgment

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

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

(2) Accounting treatment

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

Criteria for classification and accounting treatment of leases as lessors

Applicable Not applicable

(1) Finance leases

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

(2) Operating leases

The Company, as lessor, recognizes lease receipts under operating leases as rental income using the straight-line method in each period during the lease term. Initial direct costs incurred in connection with operating leases are capitalized and amortized over the lease term on the same basis as rental income recognition and recognized in profit or loss in the current period.

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

39. Other significant accounting policies and accounting estimates

Applicable Not applicable

41. Other

Applicable Not applicable

VI. Taxation

1. Major tax types and tax rates

Applicable Not applicable

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

Resource Tax	If ad valorem, 70% of product sales revenue excluding freight charges	5%
--------------	---	----

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

Applicable Not applicable

Name of taxable entity	Tax rate
Fangda Carbon New Material Co., Ltd.	15
Fushun Carbon Co., Ltd.	25
Chengdu Rongguang Carbon Co., Ltd.	25
Meishan Fangda Rongguang Carbon Co., Ltd.	25
Hefei Carbon Material Co., Ltd.	25
Changfeng Fangda Carbon Material Co., Ltd.	25
Fushun Fangda High-tech Material Co., Ltd.	25
Chengdu Fangda Charcoal Composite Material Co., Ltd.	15
Fangda Xikomo (Jiangsu) Needle Coke Technology Co., Ltd.	25
Fushun Laihe Mining Co., Ltd.	25
Shanghai Fangda Investment Management Co., Ltd.	25
Fushun Fangtai Precision Carbon Materials Co., Ltd.	25
Fangda (Korea) International Trading Co., Ltd.	9-24
Chengdu Fangda Carbon Research Institute Co., Ltd.	5
Gansu Classical Shengdong Construction Poverty Alleviation Development Co., Ltd.	5
Gansu Benju Handicraft Development Co., Ltd.	5
Dongxiang Autonomous County Fangda Tengda Clothing Co., Ltd.	5

2. Tax incentives

Applicable Not applicable

1. Enterprise Income Tax

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

According to the Announcement of the Ministry of Finance, the State Administration of Taxation and the National Development and Reform Commission on the Continuation of the Enterprise Income Tax Policy for the Development of the Western Region (Announcement of the Ministry of Finance No. 23 of 2020), from January 1, 2021 to December 31, 2030, the enterprise income tax for enterprises of encouraging industries located in the western region is reduced to a tax rate of 15%. Chengdu Fangda Charcoal Composite Materials Company Limited, the Company's holding subsidiary, whose main business is in line with the industrial projects stipulated in the Catalogue of Encouraged Industries in the Western Region, and whose revenue from its main business accounts for more than 60% of the total revenue of the enterprise, may file tax returns at an enterprise income tax rate of 15%.

2024 Chengdu Fangda Charcoal Composite Materials Company Limited, the Company's holding subsidiary, filed tax returns at an enterprise income tax rate of 15% tax rate.

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

2. Value-added tax

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

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

3. Other incentives

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

VII. Notes to the consolidated financial statements

1. Cash and Cash equivalents

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Vault Cash	63,143.95	74,163.29
Bank deposits	5,479,742,021.37	5,363,342,123.56
Other monetary funds	106,241,389.41	91,608,045.48
Deposits with finance companies		
Total	5,586,046,554.73	5,455,024,332.33
Of which: Total amount deposited outside Hong Kong	2,535.92	2,901.94

2. Financial assets held for trading Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance	Reasons and basis for designation
1. Financial assets classified as measured at fair value through profit or loss	1,085,144,460.27	1,014,860,385.06	—
Of which: Investments in equity instruments	1,085,144,460.27	1,014,860,385.06	—
Total	1,085,144,460.27	1,014,860,385.06	-

3. Derivative financial assets Applicable Not applicable**4. Notes receivable****(1). Notes receivable are classified and presented** Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Banker's Acceptances	467,490,308.56	465,889,971.66
Commercial Acceptances	36,450,834.18	66,012,734.96
Subtotal:	503,941,142.74	531,902,706.62
Less: Provision for bad debts	328,057.51	594,114.62
Total	503,613,085.23	531,308,592.00

(2). Notes receivable pledged by the company at the end of the period Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Value pledged at the end of the period
Banker's Acceptances	16,357,271.66
Total	16,357,271.66

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

Unit: Yuan Currency: RMB

Item	Value derecognised at end of period Amount not derecognised at end of period	Value derecognised at end of period Amount not derecognised at end of period
Banker's Acceptances		168,731,045.78
Commercial Acceptances		7,642,154.96
Total		176,373,200.74

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

Unit: Yuan Currency: RMB

Category	Closing balance					Opening balance				
	Book balance		Bad debt provision		Book value	Book balance		Bad debt provision		Book value
	Value	Proportion (%)	Value	Proportion (%)		Value	Proportion (%)	Value	Proportion (%)	
Bad debt provision assessed individually										
Bad debt provision assessed by groups	503,941,142.74	100.00	328,057.51	0.07	503,613,085.23	531,902,706.62	100.00	594,114.62	0.11	531,308,592.00
Including:										
Portfolio of Bank acceptances	467,490,308.56	92.77			467,490,308.56	465,889,971.66	87.59			465,889,971.66
Portfolio of Commercial acceptances	36,450,834.18	7.23	328,057.51	0.90	36,122,776.67	66,012,734.96	12.41	594,114.62	0.90	65,418,620.34
Total	503,941,142.74	/	328,057.51	/	503,613,085.23	531,902,706.62	/	594,114.62	/	531,308,592.00

(5) Details of bad debt provision
 Applicable Not applicable

Unit: Yuan Currency: RMB

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

Notes receivable with bad debt provision on an individual basis				
Notes receivable with bad debt provision based on a combination of credit risk characteristics	594,114.62		266,057.11	328,057.51
Total	594,114.62		266,057.11	328,057.51

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

Applicable Not applicable

5. Accounts receivable**(1). Disclosure by ageing**

Applicable Not applicable

Unit: Yuan Currency: RMB

Aging	Closing balance	Opening balance
Within 1 year (including 1 year)	378,552,212.64	403,218,130.31
Subtotal	378,552,212.64	403,218,130.31
1 to 2 years	38,627,006.23	18,722,282.56
2 to 3 years	3,769,945.29	10,549,549.19
Over 3 years	73,178,077.49	87,783,098.72
Subtotal	494,127,241.65	520,273,060.78
Less: Provision for bad debts	83,506,180.30	99,684,612.96
Total	410,621,061.35	420,588,447.82

(2). Disclosed by bad debt accrual methods

Applicable Not applicable

Unit: Yuan Currency: RMB

Category	Closing balance					Opening balance				
	Book balance		Bad debt provision		Book value	Book balance		Bad debt provision		Book value
	Value	Proportion (%)	Value	Proportion (%)		Value	Proportion (%)	Value	Proportion (%)	
Provision for bad debts on an individual basis	57,757,087.07	11.69	57,757,087.07	100.00		76,080,278.30	14.62	76,080,278.30	100.00	
Including:										
Accounts receivable with individually significant amounts and individually bad debt provisions						21,865,703.77	28.74	21,865,703.77	100.00	
Accounts receivable that are individually insignificant but individually provided for bad debts	57,757,087.07	100.00	57,757,087.07	100.00		54,214,574.53	71.26	54,214,574.53	100.00	
Bad debt provision assessed by groups	436,370,154.58	88.31	25,749,093.23	5.90	410,621,061.35	444,192,782.48	85.38	23,604,334.66	5.31	420,588,447.82
Portfolio account receivable A	436,370,154.58	100.00	25,749,093.23	5.90	410,621,061.35	444,192,782.48	100.00	23,604,334.66	5.31	420,588,447.82
Total	494,127,241.65	/	83,506,180.30	/	410,621,061.35	520,273,060.78	/	99,684,612.96	/	420,588,447.82

Bad debt provision assessed individually:

Applicable Not applicable

Unit: Yuan Currency: RMB

Name

	Book balance	Bad debt provision	Accrued Proportion (%)
Up to 1 year (including 1 year)	378,552,212.64	3,406,969.91	0.90
1 - 2 years (including 2 years)	38,627,006.23	4,945,681.57	12.80
2 - 3 years (including 3 years)	3,769,945.29	1,975,451.33	52.40
Over 3 years	15,420,990.42	15,420,990.42	100.00
Total	436,370,154.58	25,749,093.23	—

Bad debt provision assessed by groups:

Applicable Not applicable

Unit: Yuan Currency: RMB

Name	Closing balance			Opening balance		
	Accounts receivable	Bad debt provision	Accrued Proportion (%)	Accounts receivable	Bad debt provision	Accrued Proportion (%)
Within 1 year(Including 1 year)	403,218,130.31	3,628,963.17	0.90	523,465,745.17	4,187,725.97	0.80
1-2 years (Including 2 year)	18,722,282.56	2,396,452.17	12.80	35,696,296.44	3,997,985.20	11.20
2-3 years (Including 3 year)	10,549,549.19	5,876,098.90	55.70	6,393,293.86	2,736,329.77	42.80
More than 3 years	11,702,820.42	11,702,820.42	100.00	6,638,559.90	6,638,559.90	100.00
Total	444,192,782.48	23,604,334.66	—	572,193,895.37	17,560,600.84	—

(3). Details of bad debt provision

Applicable Not applicable

Unit: Yuan Currency: RMB

Category	Opening balance	Changes in the current period				Closing balance
		Provision	Recovery or reversal	Elimination or write-off	Other changes	
Accounts receivable that are individually significant and individually provisioned for bad debts	76,080,278.30		8,138.58	67,040.00	-18,248,012.65	57,757,087.07
Accounts receivable with individual bad debt provision although the individual amount is not material	23,604,334.66	2,861,495.64	716,737.07			25,749,093.23
Total	99,684,612.96	2,861,495.64	724,875.65	67,040.00	-18,248,012.65	83,506,180.30

Other notes:

On 19 October 2018, the Dalian Intermediate People's Court, by Civil Ruling No. (2018) Liao 02 Pu Shen 70, accepted the application for bankruptcy liquidation of Northeast Special Steel Group Dalian Materials Trading Co., Ltd. On 29 February 2024, the Court ruled to terminate the bankruptcy proceedings of Northeast Special Steel Group Dalian Materials Trading Co., Ltd. As at the beginning of 2025, the company had outstanding receivables of RMB 18,248,012.65. The company has made full provision for bad debts and, in accordance with internal liability determinations, has reclassified this amount to other receivables.

(4) Actual write-off of notes receivable during the period
 Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Value being written off
Actual write-off of notes receivable	67,040.00

Of which significant accounts receivable write-offs

 Applicable Not applicable
(5). Top five accounts receivable and contract assets with closing balances, grouped by party owed money
 Applicable Not applicable

Entities name	Closing balance of accounts receivable	Closing balance of contract assets	Closing balance of accounts receivable and contract assets	Proportion of combined accounts receivable and contract assets closing balance	Closing balance of provision for bad debts
---------------	--	------------------------------------	--	--	--

				(%)	
1	39,834,191.00	2,635,888.14	42,470,079.14	8.35	5,836,680.58
2	25,123,448.03		25,123,448.03	4.94	22,611.10
3	16,338,943.50	679,830.00	17,018,773.50	3.34	2,096,487.77
4	16,020,093.04		16,020,093.04	3.15	14,418.08
5	15,159,316.20		15,159,316.20	2.98	13,643.38
合计	112,475,991.77	3,315,718.14	115,791,709.91	22.76	7,983,840.91

Unit: Yuan Currency: RMB

6. Contract assets**(1). Status of contract assets** Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance			Opening balance		
	Book balance	provision for impairment	Book value	Book balance	provision for impairment	Book value
Retention sum	14,713,081.79	251,708.58	14,461,373.21	36,809,770.56	2,918,288.52	33,891,482.04
Total	14,713,081.79	251,708.58	14,461,373.21	36,809,770.56	2,918,288.52	33,891,482.04

(2). Disclosed by bad debt accrual methods Applicable Not applicable

Unit: Yuan Currency: RMB

Category	Closing balance			Opening balance		
	Book balance	Bad debt provision	Book value	Book balance	Bad debt provision	Book value

	Value	Proportion (%)	Value	Proportion (%)		Value	Proportion (%)	Value	Proportion (%)	
Bad debt provision assessed by groups	14,713,081.79	100.00	251,708.58	1.71	14,461,373.21	36,809,770.56	100.00	2,918,288.52	7.93	33,891,482.04
Including:										
portfolio of credit risk	14,713,081.79	100.00	251,708.58	1.71	14,461,373.21	36,809,770.56	100.00	2,918,288.52	7.93	33,891,482.04
Total	14,713,081.79	/	251,708.58	/	14,461,373.21	36,809,770.56	/	2,918,288.52	/	33,891,482.04

Bad debt provision calculated by portfolio:

Applicable Not applicable

Portfolio provision item: Credit risk portfolio

Explanation of bad debt provision calculated by portfolio:

Applicable Not applicable

Age	Closing balance		
	Book balance	provision for impairment	Accrual ratio
Less than 1 year	13,710,637.75	123,395.74	0.90
1-2 years	1,002,444.04	128,312.84	12.80
Total	14,713,081.79	251,708.58	—

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

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Opening balance					Closing balance	Reason
		Current Accrued	Recovered or reversed	Written off	Other changes		
Provision for bad debts on contract assets	2,918,288.52	123,395.74	2,789,975.68			251,708.58	
Total	2,918,288.52	123,395.74	2,789,975.68			251,708.58	/

7. Receivables Financing

(1)The financing of receivables is listed by category

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Bank acceptance bill	188,078,872.75	126,856,196.64
Total	188,078,872.75	126,856,196.64

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

Applicable Not applicable

Unit: Yuan Currency: RMB

Items	Amounts derecognized at the end of the period	Amounts not derecognized at the end of the period
Bank acceptance bill	58,235,689.39	
Total	58,235,689.39	

8. Prepayments**(1). Aging analysis of prepayments**

Applicable Not applicable

Unit: Yuan Currency: RMB

Aging	Closing balance		Opening balance	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year	56,435,907.44	99.82	79,464,629.17	99.61
1-2 years	1,800.00	0.01	307,897.63	0.39
2-3 years	98,047.63	0.17		
Total	56,535,755.07	100.00	79,772,526.80	100.00

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

Applicable Not applicable

Unit: Yuan Currency: RMB

Entities name	Value	Proportion of total closing balance of accounts receivable (%)
1	22,724,217.13	40.19
2	21,755,975.52	38.48
3	3,588,000.00	6.35
4	1,625,184.87	2.87
5	1,278,501.33	2.26
Total	50,971,878.85	90.15

9. Other receivables**Illustration of items**Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Other receivables	127,178,057.55	102,055,634.62
Total	127,178,057.55	102,055,634.62

Other receivables**(1). Disclosed by Age**Applicable Not applicable

Unit: Yuan Currency: RMB

Aging	Opening Book balance	Closing book balance
Within 1 year (including 1 year)	64,225,645.69	24,035,603.68
1 to 2 years		
2 to 3 years	15,220,788.76	16,021,693.10
Over 3 years	7,709,822.66	8,541,079.46
Subtotal	187,601,243.03	206,306,014.63
Less: Provision for bad debts	274,757,500.14	254,904,390.87
Total	147,579,442.59	152,848,756.25

(2). Details of classification by nature of receivablesApplicable Not applicable

Unit: Yuan Currency: RMB

Nature	Book balance at the end of the reporting period	Book balance as at the beginning of the reporting period
Contingency fund	989,551.79	1,067,498.66
Deposit	66,574,195.61	16,411,887.37
Current accounts	168,801,389.10	217,309,224.56
Other	38,392,363.64	20,115,780.28
Subtotal	274,757,500.14	254,904,390.87
Less: Provision for bad debts	147,579,442.59	152,848,756.25
Total	127,178,057.55	102,055,634.62

(3). Details of bad debt provision
Applicable Not applicable

Unit: Yuan Currency: RMB

Bad debt provision	Stage I	Stage II	Stage III	Total
	Expected credit losses in the next 12 months	Expected credit losses before maturity (no credit impaired occurred)	Expected credit losses before maturity (credit losses occurred)	
Balance as at 1 January 2023	6,898,964.89		145,949,791.36	152,848,756.25
Changes due to financial instruments recognised as at 1 January 2019	6,898,964.89		145,949,791.36	152,848,756.25
--Transfer to stage II				
--Transfer to stage III				
--Reverse to stage II				
--Reverse to stage I				
Provision	5,337,711.15		708,446.25	6,046,157.40
Reversal	283,323.62		27,282,443.62	27,565,767.24
Write-off				
Write-off			1,997,716.47	1,997,716.47
Other changes			18,248,012.65	18,248,012.65
Balance as at 30 June 2023	11,953,352.42		135,626,090.17	147,579,442.59

(4) .Status of provision for bad debts

Applicable Not applicable

Unit: Yuan Currency: RMB

Category	Opening balance	Changes in the current period				Closing balance
		Provision	Recovery or reversal	Transfer or write-off	Other changes	
Other receivables with a single provision for bad debts	145,910,791.36	747,446.25	27,282,443.62	1,997,716.47	18,248,012.65	135,625,090.17
Other receivables portfolio A	6,937,964.89	5,298,711.15	283,323.62			11,953,352.42
Total	152,848,756.25	6,046,157.40	27,565,767.24	1,997,716.47	18,248,012.65	147,579,442.59

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

Applicable Not applicable

Unit: Yuan Currency: RMB

Name of entity	Amount reversed or recovered	Reason for reversal	Method of recovery	Basis for determining the proportion of the original provision for bad debts and its reasonableness
1	25,246,488.50	reverse	wire transfers	Individual bad debt provision
Total	25,246,488.50			

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

Applicable Not applicable

Applicable Not applicable

Unit: Yuan Currency: RMB

Item:	Amount written off:
Other receivables actually written off	1,997,716.47

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

Applicable Not applicable

Unit: Yuan Currency: RMB

Entity	Closing balance	Proportion to the total closing balance of other receivables (%)	Nature	Aging	Closing balance of bad debt provision
1	85,932,834.82	31.28	Accounts	Ageing by	42,077,480.84

			receivable and payable	period:	
2	50,000,000.00	18.20	Deposits and guarantees	Up to 1 year:	2,500,000.00
3	17,015,808.26	6.19	Accounts receivable and payable	Ageing by period:	17,015,808.26
4	16,248,790.81	5.91	Other	Over 5 years:	16,248,790.81
5	12,000,000.00	4.37	Accounts receivable and payable	Over 5 years:	12,000,000.00
Total	181,197,433.89	65.95	/	/	89,842,079.91

10 . Inventories**(1). Categories of inventories**

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance			Opening balance		
	Book balance	Inventories write down	Book value	Book balance	Inventories write down	Book value
Raw materials	244,184,703.27	3,712,896.64	240,471,806.63	230,086,579.77	10,950,920.03	219,135,659.74
In-house semi-finished products and work in progress	1,054,742,370.36	63,715,197.34	991,027,173.02	1,044,376,428.84	78,218,800.57	966,157,628.27
Finished goods	237,198,342.03	23,091,252.40	214,107,089.63	201,422,414.79	11,724,882.27	189,697,532.52
Packaging materials and low-value consumables	9,867,195.00		9,867,195.00	10,817,678.12		10,817,678.12
Goods sent out for processing	109,731,274.74	126,889.89	109,604,384.85	124,110,583.95		124,110,583.95
Goods in transit	13,045,558.26	71,933.85	12,973,624.41	30,417,226.07		30,417,226.07
Construction in progress	281,805.90		281,805.90	4,489,105.40		4,489,105.40
Total	1,669,051,249.56	90,718,170.12	1,578,333,079.44	1,645,720,016.94	100,894,602.87	1,544,825,414.07

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

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Increase		Decrease		Closing balance
		Provision	Others	Reversal or transfer	Others	
Raw materials	10,950,920.03	2,185,753.39		9,423,776.78		3,712,896.64
Work in progress	78,218,800.57	51,002,375.45		65,505,978.68		63,715,197.34
Finished goods	11,724,882.27	23,067,707.69		11,701,337.56		23,091,252.40
Goods for processing		126,889.89				126,889.89
Goods dispatched		71,933.85				71,933.85
Total	100,894,602.87	76,454,660.27		86,631,093.02		90,718,170.12

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

Applicable Not applicable

Item	Specific basis for determining net realizable value	Reasons for reversal of provision for decline in value of inventories	Reasons for reversal of provision for decline in value of inventories
Inventory goods	The net realisable value is determined as the estimated selling price of the inventory less estimated selling expenses and related taxes;		Sold during the period
Raw materials, self-manufactured semi-finished goods and products in process	The net realisable value of the relevant finished goods is determined as the estimated selling price less the estimated costs to be incurred to complete them, estimated selling expenses and related taxes.		Received or sold during the period

11.Assets held for sale

Applicable Not applicable

12.Non-current assets due within one year

Applicable Not applicable

Items	Closing balance:	Opening balance
Other non-current financial assets due within one year	460,244,893.67	-
Total	460,244,893.67	-

13. Other current assets

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Input tax credit to be carried forward	6,378,997.38	8,855,567.28
Advance income tax	19,747,075.16	18,068,792.02
Advance surtax	138,955.17	
Total	26,265,027.71	26,924,359.30

14. Debt investments

Applicable Not applicable

15. Other debt investments

Applicable Not applicable

16. Long-term receivables

Applicable Not applicable

17. Long-term equity investments

Applicable Not applicable

Unit: Yuan Currency: RMB

Investee	Opening balance	Changes for the current period								Closing balance	Closing balance of provision for impairment
		Addi onal invest ment	Inves tment reduc tion	Investment income or losses recognised under equity method	Adjustments of other comprehensiv e income	Other equity changes	Declared cash dividend or profit	Provisio n for impair ment	Others		
I. Joint ventures											
II. Associated company											
Baofang Carbon Material Technology Co., Ltd.	532,044,334.13			-44,452,851.22		682,340.25				488,273,8 23.16	
Jiujiang Bank Co., Ltd.	1,207,770,183.89			23,488,900.60	-52,971,331.7 4	113,305.36	7,755,990.0 0			1,170,645 ,068.11	425,684,011.0 1
Jilin Chemical Fiber Co., Ltd.	457,078,041.23		115,0 75,02 6.55	-370,397.04						341,632,6 17.64	
Tianjin Haihe Fangda Industrial Investment Fund Partnership (Limited Partnership)	34,207,698.67			2,594,441.77						36,802,14 0.44	
Nanchang Huxu Steel Industry	4,601,855,336.96			43,922,549.70						4,645,777	

Investment Partnership (Limited Partnership)										,886.66	
Subtotal	6,832,955,594.88	115,075,026.55	25,182,643.81	-52,971,331.74	795,645.61	7,755,990.00				6,683,131,536.01	425,684,011.01
Total	6,832,955,594.88	115,075,026.55	25,182,643.81	-52,971,331.74	795,645.61	7,755,990.00				6,683,131,536.01	425,684,011.01

18. Investment in other equity instruments

Applicable Not applicable

19. Other non-current financial assets

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Financial assets measured at fair value through profit or loss	282,805,189.74	505,726,485.92
Of which: Investments in equity instruments	282,805,189.74	505,726,485.92
Total	282,805,189.74	505,726,485.92

20. Investment property

Applicable Not applicable

21. Fixed assets**Presentation of items**

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Fixed assets	2,717,181,594.04	2,675,149,590.34
Disposal of fixed assets		1,250,145.59
Total	2,717,181,594.04	2,676,399,735.93

Fixed assets**(1). Details of fixed assets**
Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Houses and buildings	Machinery and equipment	General purpose equipment	Vehicles	Total
I. Original book value:					
1. Opening balance	1,982,064,570.48	3,246,535,921.74	832,429,920.75	60,280,454.22	6,121,310,867.19
2. Increase in the current period	177,891,971.78	201,097,476.51	33,122,927.16	3,091,238.65	415,203,614.10
(1) Purchase	1,393,800.36	25,949,004.38	4,589,202.07	2,545,928.91	34,477,935.72
(2) Transfer from construction in progress	176,498,171.42	175,148,472.13	28,533,725.09	545,309.74	380,725,678.38
(3) Increase arising from firm merger					
(4) Other	137,086,602.45	195,866,164.56	101,949,717.24	6,134,985.92	441,037,470.17
3. Decrease in the current period	137,086,602.45	183,086,176.82	101,949,717.24	6,134,985.92	428,257,482.43
(1) Disposal or scrapping		12,779,987.74			12,779,987.74

(2) Others	2,022,869,939.81	3,251,767,233.69	763,603,130.67	57,236,706.95	6,095,477,011.12
4. Closing balance	1,982,064,570.48	3,246,535,921.74	832,429,920.75	60,280,454.22	6,121,310,867.19
II.Accumulated depreciation					
1.Opening balance	792,551,500.03	1,775,266,725.03	469,524,018.32	54,584,551.27	3,091,926,794.65
2.Increase in the current period	62,434,264.14	182,554,776.19	51,985,979.60	4,310,123.59	301,285,143.52
(1) Accruals	62,434,264.14	182,554,776.19	51,985,979.60	4,310,123.59	301,285,143.52
3.Decrease in the current period	101,441,379.03	174,035,939.92	97,550,689.82	5,709,218.25	378,737,227.02
(1) Disposal or retirement	101,441,379.03	163,267,403.72	97,550,689.82	5,709,218.25	367,968,690.82
(2) Other		10,768,536.20			10,768,536.20
4. Closing balance	753,544,385.14	1,783,785,561.30	423,959,308.10	53,185,456.61	3,014,474,711.15
III. Provision for impairment					
1.Opening balance	48,002,060.21	304,533,778.52	1,541,748.50	156,894.97	354,234,482.20
2.Increase in the current period		9,586,223.73			9,586,223.73
(1) Accruals		9,586,223.73			9,586,223.73
3.Decrease in the current period					
(1) Disposal or retirement					
4.Closing balance	48,002,060.21	314,120,002.25	1,541,748.50	156,894.97	363,820,705.93
IV. Book value					
1.Book value at the end of the reporting period	1,221,323,494.46	1,153,861,670.14	338,102,074.07	3,894,355.37	2,717,181,594.04
2.Book value at the beginning of the period	1,141,511,010.24	1,166,735,418.19	361,364,153.93	5,539,007.98	2,675,149,590.34

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

Unit: Yuan Currency: RMB

Item	Net book value	Accumulated depreciation	Provision for impairment	Book value	Notes
Houses and building	11,743,904.71	7,065,354.69	1,239,854.83	3,438,695.19	
Specialized equipment	408,508,608.34	276,359,099.00	94,000,827.12	38,148,682.22	
General purpose equipment	19,559,528.16	12,733,026.45	765,877.74	6,060,623.97	
Transportation equipment	1,015,716.63	964,930.80		50,785.83	
Total	440,827,757.84	297,122,410.94	96,006,559.69	47,698,787.21	

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

Unit: Yuan Currency: RMB

Item	Book value	Reasons why certificates of title have not been obtained
Fangda Carbon New Material Co.,Ltd.	74,934,036.74	Pre-conversion (from state-owned enterprise to Private firm) building, which has not been processed.
Fushun Fangda High-tech and New Co.,Ltd.	5,408,165.15	Not yet done.
Chengdu Fangda Carbon Composite Material Co.,Ltd	188,942,406.77	New plant, to be processed simultaneously when the other plants are completed.
Fushun Laihe Mining Co.,Ltd.	1,894,967.05	Self-constructed, can't get a real estate license.

Hefei Carbon Co.,Ltd.	129,391,573.16	No land title.
Meishan Rongguang Carbon Co.,Ltd.	84,419,638.50	Temporarily unavailable due to municipal planning.
Fushun Carbon Co.,Ltd.	822,193.02	Transition in 2002, before the restructuring due to have been mortgaged to the bank, the government, historical reasons have not been the transfer procedures, the new construction has not been for the real estate license.
Fonda Xikmo (Jiangsu) Needle Coke Technology Co.	12,604,462.58	Not yet done.
Total	498,417,442.97	/

(6) . Impairment testing of fixed assets
Applicable Not applicable

Unit: Yuan Currency: RMB

Projects:	Book Value	Recoverable Value	Amount of impairment	Methods for determining fair value and disposal costs	Key parameters	Basis for determining key parameters:
300,000-tonne tar treatment project and 60,000-tonne needle coke project	3,081,002,299.97	2,717,181,594.04	363,820,705.93	Fair value is determined using the replacement cost method; disposal costs are defined as the costs associated with the disposal of the asset	Replacement cost, residual value, disposal costs	① Replacement cost of building and structure assets: Calculated based on the construction and installation costs (excluding VAT), pre-construction and other expenses (excluding VAT), and the cost of capital.
Total	3,081,002,299.97	2,717,181,594.04	363,820,705.93	/	/	② Replacement cost of machinery and equipment: The total cost required to repurchase or construct a brand-new asset under current conditions. ③ Condition rating: The remaining useful life is determined based on the actual condition of various components of the building, including the foundations, load-bearing structures (beams, slabs, columns), walls, floors, roof, doors and windows, interior and exterior wall finishes, ceilings, plumbing and sanitary facilities, and electrical and lighting systems, thereby comprehensively assessing the building's condition rating. ④

						Disposal costs: Disposal costs include listing fees, valuation fees and relevant taxes and duties associated with the disposal of the asset.
--	--	--	--	--	--	--

Disposal of fixed assets

Applicable Not applicable

Unit: Yuan Currency: RMB

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

22. Construction in progress**Presentation of items**

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Construction in progress	179,656,008.75	459,645,264.59
Materials for construction of fixed assets	28,645.54	1,134,978.22
Total	179,684,654.29	460,780,242.81

Constructions in progress**(1). Details of construction in progress**

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance			Opening balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Fangda Hotel Project				29,326,274.48		29,326,274.48
Fangda Carbon Calcining Plant No. 3 Impregnation Line Retrofitting Project				143,396.23		143,396.23
30,000 tonnes/year Special Graphite Manufacturing and Processing Project	7,812,206.43		7,812,206.43	28,249,547.37		28,249,547.37
50,000 tonnes/year Ultra-High-Power Graphite Electrodes and Special Graphite Project	710,927.99		710,927.99	45,535,779.26		45,535,779.26
Fangtai Precision 3,100-tonne Carbon Fibre Project	218,957,399.33	102,548,807.33	116,408,592.00	218,957,399.33	34,635,099.33	184,322,300.00
Hefei Carbon New Factory in Xiata Town, Changfeng County	47,053,727.18		47,053,727.18	169,658,978.38		169,658,978.38
Other Projects	7,670,555.15		7,670,555.15	2,408,988.87		2,408,988.87
Total	282,204,816.08	102,548,807.33	179,656,008.75	494,280,363.92	34,635,099.33	459,645,264.59

(2). Changes in significant construction in progress
Applicable Not applicable

Unit: Yuan Currency: RMB

Project Name:	Budget	Opening balance	Amount Increased in the current period	Transfer to fixed assets	Other decreases	Closing balance	The proportion of Cumulative investment out of budget (%)	Construction progress	Amount of accumulated capitalized interest	Including: capitalized interest for the current period	Interest capitalization rate for the current period (%)	Source of funds
Fangda Hotel Project	79,199,100.00	29,326,274.48	35,033,409.99	64,359,684.47			81.26	100.00				Borrowings and self-financing
Renovation Project for Impregnation Line No. 3 at the Calcination Plant	19,900,000.00	143,396.23	12,884,992.21	13,028,388.44			65.47	100.00				self-financing
30,000-tonne-per-year Special Graphite Manufacturing and Processing Project	2,101,911,700.00	28,249,547.37	28,850,720.61	49,288,061.55		7,812,206.43	46.48	52.00				self-financing
50,000-tonne-per-year Ultra-High-Power Graphite Electrode and Special Graphite Project	715,921,300.00	45,535,779.26	9,914,844.04	54,739,695.31		710,927.99	92.32	98.00				self-financing
Fangtai Precision 3,100-tonne Carbon Fibre Project	1,470,000,000.00	218,957,399.33				218,957,399.33	28.35	35.00	51,762,672.18			Borrowings and self-financing

New Factory of Hefei Carbon in Xiata Town, Changfeng County	446,250,700.00	169,658,978.38	42,225,037.27	164,830,288.47		47,053,727.18	92.37	99.85				self-financing
Total	4,833,182,800.00	491,871,375.05	128,909,004.12	346,246,118.24		274,534,260.93	/	/	51,762,672.18		/	/

(3). Provision for impairment of construction in progress for the current period
Applicable Not applicable

Unit: Yuan Currency: RMB

Items	Opening balance	Increase during the period	Decrease during the period	Closing balance	Reason for provision
3100 tonnes carbon fibre project	34,635,099.33	67,913,708.00		102,548,807.33	Idle assets
Total	34,635,099.33	67,913,708.00		102,548,807.33	/

(4). Impairment testing of construction in progress
Applicable Not applicable

Projects:	Book Value	Recoverable Value	Amount of impairment	Methods for determining fair value and disposal costs	Key parameters	Basis for determining key parameters:
3,100-tonne carbon fibre project	218,957,399.33	116,408,592.00	102,548,807.33	Fair value is determined using the replacement cost method; disposal costs include expenses incurred in connection with the disposal of the asset	Reset full value, overall refurbishment rate, market transaction discount rate	① The full replacement cost of machinery and equipment generally includes the following: purchase price, freight and handling charges, foundation costs, installation and commissioning costs, upfront expenses, other costs, and the cost of capital; ② Comprehensive Depreciation Rate: Determined by combining the age-based method and the on-site inspection method; ③ Market Transaction Discount Rate: Determined by reviewing successful auction cases on online auction platforms; ④ Disposal Costs: Including legal fees related to asset disposal, relevant taxes and duties, as well as direct costs incurred to bring the asset to a saleable condition;
Total	218,957,399.33	116,408,592.00	102,548,807.33	/	/	/

	9.33	2.00	7.33			
--	------	------	------	--	--	--

Unit: Yuan Currency: RMB

Construction MaterialsApplicable Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance			Opening balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Construction Materials				1,097,735.19		1,097,735.19
Specialised materials	57,304.50	28,658.96	28,645.54	57,304.50	20,061.47	37,243.03
Total	57,304.50	28,658.96	28,645.54	1,155,039.69	20,061.47	1,134,978.22

23. Productive biological assetsApplicable Not applicable**24. Oil and gas assets**Applicable Not applicable**25. Right-to-use assets**Applicable Not applicable**26. Intangible assets****(1). Intangible assets**Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Land use rights	Patents	Non-patents technologies	Mining right	Concession	Requisition forests and land	Total
I. Net book value							
1. Opening balance	619,534,593.12	404,927.45	116,433,093.74	12,523,132.00	2,704,400.00	78,973,821.58	830,573,967.89
2. Increase in the current period							
(1) Purchase							
(1) Internal R&D							
(2) Increase arising from business merge							
3. Decrease in the current period							
(1) Disposal							
4. Closing balance	619,534,593.12	404,927.45	116,433,093.74	12,523,132.00	2,704,400.00	78,973,821.58	830,573,967.89
II. Accumulated amortization							
1. Opening balance	206,090,670.19	404,927.45	116,433,093.74	12,523,132.00	580,880.00	78,973,821.58	415,006,524.96
2. Increase in the current period	12,541,938.24				53,088.00		12,595,026.24
(1) Accruals	12,541,938.24				53,088.00		12,595,026.24
3. Decrease in the current period							
(1) Disposal							
4. Closing balance	218,632,608.43	404,927.45	116,433,093.74	12,523,132.00	633,968.00	78,973,821.58	427,601,551.20
III. Provision for impairment							

1.Opening balance							
2.Increase in the current period							
(1)Accruals							
3.Decrease in the current period							
(1)Disposal							
(2)Disposal of subsidiaries							
(3) Other							
4.Closing balance							
IV. Book value							
1.Book value at the end of the reporting period	400,901,984.69					2,070,432.00	402,972,416.69
2.Book value at the beginning of the reporting period	413,443,922.93					2,123,520.00	415,567,442.93

27 . Goodwill**(1). Net book value of goodwill**

Applicable Not applicable

Unit: Yuan Currency: RMB

Name of the investee or item resulting in goodwill	Opening balance	Increase in the current period		Decrease in the current period		Closing balance
		Arising from company merge	Other	Disposal	Other	
Hefei Carbon	8,887,445.58					8,887,445.58
Fushun Carbon	13,202,293.98					13,202,293.98

Jiangsu Fangda Carbon Chemicals Co.,Ltd.	19,633,402.63					19,633,402.63
Total	41,723,142.19					41,723,142.19

(2). Provision for impairment of goodwill

Applicable Not applicable

Unit: Yuan Currency: RMB

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

28 . Long-term prepaid expenses

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Increase in the current period	Amortization for the current period	Other reductions	Closing balance
Forest land rent	99,999.22		5,000.06		94,999.16
Total	99,999.22		5,000.06		94,999.16

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

29 . Deferred tax assets/deferred tax liabilities**(1). Deferred tax assets before offset**

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance		Opening balance	
	Deductible temporary differences	Deferred tax assets	Deductible temporary differences	Deferred tax assets
Provision for impairment of assets	54,069,788.96	299,255,378.26	62,136,664.55	339,062,935.59
Government grants	7,000,454.55	31,933,836.13	7,850,961.71	36,860,804.09
Tax-deductible losses	22,136,099.67	121,156,145.03	9,932,435.27	41,637,484.19
Accrued but unpaid remuneration	218,855.67	875,422.67	225,843.40	903,373.60
Financial instruments held for trading			7,237,006.85	48,246,712.31
Unrealised profits on intercompany transactions	55,465.96	369,773.07	1,449,427.21	9,662,848.05
Donation expenses carried forward for deduction in future years			1,003,822.96	6,692,153.09
Total	83,480,664.81	453,590,555.16	89,836,161.95	483,066,310.92

(2). Deferred tax liabilities before offset

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
------	-----------------	-----------------

	Taxable temporary differences	Deferred tax liabilities	Taxable temporary differences	Deferred tax liabilities
Amortisation of fixed assets and intangible assets	16,091,587.84	106,550,859.27	15,507,643.02	102,834,665.45
Financial instruments held for trading	13,535,766.46	90,189,871.34	18,214.39	72,857.56
Goodwill arising from the valuation of assets in a business combination not under common control	32,939,787.21	219,598,581.40	36,977,882.35	246,519,215.66
Total	62,567,141.51	416,339,312.01	52,503,739.76	349,426,738.67

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

Applicable Not applicable

(4). Unrecognized deferred tax assets

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Deductible temporary differences	961,679,440.72	1,040,694,789.50
Deductible losses	632,408,602.10	630,200,109.15
Total	1,594,088,042.82	1,670,894,898.65

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

Applicable Not applicable

Unit: Yuan Currency: RMB

Year	Amount at the end of the reporting period	Amount at the beginning of the reporting period	Notes
2024		123,951,346.58	
2025	129,607,352.23	129,607,352.23	
2026	96,041,110.38	96,041,110.38	
2027	130,695,742.05	121,793,935.20	
2028	164,035,859.20	158,806,364.76	
2029	112,028,538.24		
Total	632,408,602.10	630,200,109.15	/

30. Other non-current assets

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance			Opening balance		
	Book balance	Provision of impairment	Book value	Book balance	Provision of impairment	Book value
Prepayments for long-term assets and land transfer fees	11,553,437.56		11,553,437.56	12,439,312.81		12,439,312.81
Laihe Mining Community Project	47,651,832.18	22,636,001.99	25,015,830.19	47,651,832.18	22,636,001.99	25,015,830.19
Input VAT carry-forward and VAT under the SOP compensation agreement	796,017.27		796,017.27	788,953.22		788,953.22
Investments measured at amortised cost	14,997,500.00		14,997,500.00	14,997,500.00		14,997,500.00
Exploration and development costs	1,250,567.24		1,250,567.24	1,250,567.24		1,250,567.24
Total	76,249,354.25	22,636,001.99	53,613,352.26	77,128,165.45	22,636,001.99	54,492,163.46

31.Assets with restricted ownership or right-of-use assetsApplicable Not applicable

Unit: Yuan Currency: RMB

Item	End of period				Beginning of period			
	Balance of book value	Book value	Type of restriction	Restrictions	Balance of book value	Book value	Type of restriction	Restrictions
Cash and cash equivalents	69,284,840.78	69,284,840.78	Other	Note (1)	50,556,033.55	50,556,033.55	Other	Note (1)
Financial assets held for trading					403,949,689.95	403,949,689.95	Pledge:	
Notes receivable	16,357,271.66	16,357,271.66	Pledge:	Note (2)	42,194,237.44	42,194,237.44	Pledge:	Note (2)
Inventories								
Of which: Data resources								
Fixed assets					24,042,138.13	2,977,694.45	Mortgage:	
Total	85,642,112.44	85,642,112.44	/	/	520,742,099.07	499,677,655.39	/	/

Other explanations:

Notes:

Note: (1) Restricted cash and cash equivalents include bill deposit guarantees of RMB 37,884,667.90, letter of credit deposit guarantees of RMB 7,700,000.00, funds in frozen accounts of RMB 23,570,065.55, and funds in sealed accounts of RMB 130,107.33. Apart from the above, there are no other amounts subject to pledges, freezes or contingent recovery risks.

(2) The Company has pledged RMB 16,357,271.66 of accounts receivable in the form of bills to issue promissory notes.

32 . Short-term borrowings**(1). Categories of short-term borrowings**Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Secured loans		
Mortgage loans		204,552,785.31

Guaranteed loans		
Unsecured loans	780,000,000.00	240,000,000.00
Accrued interest	517,549.99	1,333,718.69
Discounted bills not yet due	20,625,977.26	94,917,734.65
Total	801,143,527.25	540,804,238.65

Note: (1) Restricted cash and cash equivalents include bill deposits of RMB 37,884,667.90 and letter of credit deposits of RMB 7,700,000.00.

(2) The Company has pledged RMB 16,357,271.66 of notes receivable to issue notes payable.

33. Financial liabilities held for trading

Applicable Not applicable

34. Derivative financial liabilities

Applicable Not applicable

35. Notes payable

(1). Presentation of notes payable

Applicable Not applicable

Unit: Yuan Currency: RMB

Category	Closing balance	Opening balance
commercial acceptance bill	155,402,424.55	101,605,855.43
Bank acceptances bill	1,257,074.44	
Total	156,659,498.99	101,605,855.43

36. Accounts payable

(1). Accounts payable

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Less than 1 year (including 1 year)	313,924,445.45	284,830,164.42
More than 1 year	135,281,628.26	152,540,339.98
Total	449,206,073.71	437,370,504.40

(2). Significant accounts payable aged over 1 year

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Reasons for not been repaid or transferred
Fleissner GmbH	8,189,670.10	
Sakmi Machinery (Foshan Nanhai) Co., Ltd.	7,075,221.24	Project construction not yet completed;

Baofang Carbon Materials Technology Co., Ltd.	6,665,065.10	Not yet settled;
Riedhammer GmbH	6,163,663.00	Project construction not yet completed;
Xingrun Construction Group Co., Ltd.	4,988,744.28	Not yet settled;
Shanxi Jinyuan Coal Chemical Technology Co., Ltd.	4,851,228.33	Not yet settled;
Hongyang Metallurgical and Chemical Engineering Technology Co., Ltd.	4,665,392.44	Not yet settled;
Fushun Fuxin Carbon Co., Ltd.	3,427,040.24	Payment conditions not met;
Pengzhou Caoba Coal Gangue Power Plant	3,372,843.50	Arising prior to restructuring;
Xuji Electric Co., Ltd.	3,210,000.00	Not yet settled
Ruhstrat GmbH	3,138,763.17	Project construction not yet completed;
Anhui Suofeng Power Engineering Co., Ltd.	2,584,125.00	Not yet settled;
EISENMANN Anlagenbau GmbH & Co. KG	2,234,416.99	Project construction not yet completed;
Chengdu Chujiang Coal Mine	2,030,183.14	Arising prior to restructuring;
Sichuan Dujiangyan Xima Carbon Co., Ltd.	1,894,758.00	No collection request from the other party;
Beipiao City Bodi Machinery Manufacturing Co., Ltd.	1,888,717.93	No collection request from the other party;
Gansu Provincial Seventh Construction Engineering Group Co., Ltd.	1,446,191.32	Arising prior to restructuring;
Hunan Shituo Technology Development Co., Ltd.	1,390,000.00	No collection request from the other party;
Japan (SUMITOMO CORPORATION)	1,362,450.28	No collection request from the other party;
Pizhou Zhongchuang Sewage Treatment Co., Ltd.	1,248,425.01	No collection request from the other party;
Kexing Construction Engineering Group Co., Ltd.	1,158,982.45	Not yet settled;
Total	72,985,881.52	/

37. Receipts in advance

Applicable Not applicable

38.Contract liabilities

(1) Contract liabilities

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
------	-----------------	-----------------

Payments received in advance	202,955,434.98	267,581,615.70
Total	202,955,434.98	267,581,615.70

39 . Payroll and employee benefits payable

(1). Payroll and employee benefits payable

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
I. Short-term benefits	58,428,372.92	599,184,493.98	629,887,408.15	27,725,458.75
II.Post-employment benefits–Defined deposit plan	16,328,535.19	73,538,658.10	73,599,735.07	16,267,458.22
III. Termination benefits	59,054.78			59,054.78
IV.Other benefits due within one year				
Total	74,815,962.89	672,723,152.08	703,487,143.22	44,051,971.75

(2). Short-term benefits

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
I.Wages or salaries, bonuses, allowances and subsidies	53,423,493.47	465,410,581.44	496,521,694.45	22,330,879.86
II. Staff welfare		38,353,220.09	38,353,220.09	
III.Social security contributions	654,470.68	42,061,188.37	42,092,372.63	623,286.42
Including: Medical insurance	654,202.30	37,773,875.20	37,805,057.59	623,019.91
Work injury insurance	268.38	4,161,627.99	4,161,629.86	266.51
Maternity insurance		125,685.18	125,685.18	
IV. Housing funds	1,910,317.00	43,803,681.68	44,003,640.68	1,710,358.00
V.Labor union and employee education costs	2,440,091.77	9,555,822.40	8,916,480.30	3,060,934.47
VI. Short-term paid leave				
VII.Short-term profit-sharing plan				
Total	58,428,372.92	599,184,493.98	629,887,408.15	27,725,458.75

(3)Presentation of the defined contribution plan

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
1.Basic pension insurance	13,864,855.88	70,714,317.77	70,781,462.55	13,797,711.10

2.Unemployment insurance	2,463,679.31	2,824,340.33	2,818,272.52	2,469,747.12
3. Enterprise annuity				
Total	16,328,535.19	73,538,658.10	73,599,735.07	16,267,458.22

40 .Taxes payable
Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Value Added Tax (VAT)	3,537,107.65	3,261,157.13
Corporation Tax	9,714,831.13	20,743,040.84
Asset Tax	50,016.73	192,413.66
Property Tax	1,056,967.78	632,181.97
Land Use Tax	1,070,594.97	1,070,594.97
Income Tax	814,015.03	653,179.19
Urban Maintenance and Construction Tax	184,606.51	152,105.81
Education Surcharge	139,305.87	150,117.07
Stamp Duty	664,410.48	463,182.74
Other Taxes and Charges	210,134.85	307,900.46
Total	17,441,991.00	27,625,873.84

41. Other payables**(1).Presentation of items**
Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Dividends payable	9,958,836.44	2,139,998.15
Other payables	168,724,333.16	175,106,054.80
Total	178,683,169.60	177,246,052.95

(2).Interest payable
Applicable Not applicable
(3).Dividends payable
Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Dividends on Common shares	9,958,836.44	2,139,998.15

Total	9,958,836.44	2,139,998.15
-------	--------------	--------------

(4).Other payable**1).Other payable presented by nature**
Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Payments withheld and remitted on behalf of others	2,625,395.79	2,603,990.83
Receivables and payables	59,792,351.20	29,602,281.88
Security deposits	44,918,380.65	83,675,237.35
Other payments	61,388,205.52	59,224,544.74
Total	168,724,333.16	175,106,054.80

2). Significant other payable aged over 1 year
Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Reasons for not being repaid or transferred
Fushun Carbon Plant	8,991,588.29	Arising prior to the restructuring:
China Academy of Mechanical Engineering Group Haixi (Fujian) Branch Co., Ltd.	5,088,000.00	Not yet due for settlement:
Zhengzhou Jinghua Refractory Materials Engineering Co., Ltd.	2,663,500.00	Not yet due for settlement:
Zhengzhou Jingtian Environmental Protection Equipment Co., Ltd.	2,623,000.00	Not yet due for settlement:
Bank of Communications Wanghua Sub-branch	2,000,000.00	Arising prior to the restructuring:
Xingrun Construction Group Co., Ltd.	1,903,000.00	Not yet due for settlement:
Xuji Electric Co., Ltd.	1,527,500.00	Not yet due for settlement:
Gansu Energy Investment Hongyuan Power Co., Ltd.	1,500,000.00	Not yet due for settlement:
Sichuan Changhong Minsheng Logistics Co., Ltd.	1,500,000.00	Not yet due for settlement:
Wuhu Ande Zhilian Technology Co., Ltd.	1,500,000.00	Not yet due for settlement:

Jiahui Express (Shanghai) Co., Ltd.	1,300,000.00	Not yet due for settlement:
Lanzhou Haiyang Chuangye Industry & Trade Co., Ltd.	1,254,685.94	Not yet due for settlement:
Total	31,851,274.23	/

42. Liabilities held for sale

Applicable Not applicable

43 . Current portion of non-current liabilities

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Long-term payables due within 1 year	5,621,691.11	630,173,224.58
Total	5,621,691.11	630,173,224.58

44 . Other current liabilities

Other current liabilities

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Input tax to be offset	28,946,254.81	34,779,666.62
Notes receivable not derecognised	155,636,018.49	185,276,821.13
Amounts payable for returns	509,683.22	
Total	185,091,956.52	220,056,487.75

45 . Long-term borrowings**(1). Categories of long-term borrowings**

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance	Interest rate range
Guaranteed loans	399,800,000.00	249,700,000.00	2.10%
Unsecured loans	230,000,000.00	380,000,000.00	2.35%
Accrued interest payable	421,691.11	473,224.58	
Subtotal	630,221,691.11	630,173,224.58	
Less: Long-term loans due within one year	5,621,691.11	630,173,224.58	
Total	624,600,000.00		

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

46. Bonds payableApplicable Not applicable**47 . Lease liabilities**Applicable Not applicable**48. Long-term payables****Presentation of items**Applicable Not applicable**49 . Long-term payroll and employee benefits payable**Applicable Not applicable**50. Estimated Liabilities**Applicable Not applicable**51 . Deferred income**Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance	Reasons of arising
Government grants related to assets	269,406,246.16		25,172,850.79	244,233,395.37	
Government grants related to income	2,880,285.85	310,930.58	2,267,136.43	924,080.00	/
Total	272,286,532.01	310,930.58	27,439,987.22	245,157,475.37	

52 . Other non-current liabilitiesApplicable Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Relocation compensation	65,688,505.31	75,836,083.26
Total	65,688,505.31	75,836,083.26

53 . Paid-in capitalApplicable Not applicable

Unit: Yuan Currency: RMB

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

54 . Other equity instrumentsApplicable Not applicable**55 . Capital reserve**Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
Capital premium (share premium)	1,942,534,666.26			1,942,534,666.26
Other capital reserves	37,853,085.18	795,645.61	13,157,983.05	25,490,747.74
Total	1,980,387,751.44	795,645.61	13,157,983.05	1,968,025,414.00

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

Note: An increase in the special reserve of the associate Baofang Carbon Materials Technology Co., Ltd. resulted in an increase of RMB 682,340.25 in capital reserves – other capital reserves; the Company’s disposal of a 2% equity interest in the associate Jilin Chemical Fibre Co., Ltd. during the current period resulted in a decrease of RMB 13,157,983.05 in capital reserves – other capital reserves; and Jiujiang Bank Co., Ltd.’s acquisition of minority interests in a subsidiary resulted in an increase of RMB 113,305.36 in capital reserves – other capital reserves.

56 . Treasury stockApplicable Not applicable

Unit: Yuan Currency: RMB

Items	Opening balance	Increase during the period	Decrease during the period	Closing balance
Restricted Shares	1,300,035,900.58			1,300,035,900.58
Total	1,300,035,900.58			1,300,035,900.58

57. Other comprehensive income

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Amount incurred in the current period						Closing balance
		Amount incurred before income tax in the current period	Less: Amount included in other comprehensive income in the prior periods that is transferred to profit or loss for the current period	Less: Amount included in other comprehensive income in the prior periods that is transferred to retained earnings for the current period	Less: Income tax expenses	Attributable to the Company after tax	Attributable to minority interests after tax	
1. Other comprehensive income not reclassified to profit or loss								
2. Other comprehensive income reclassified to profit or loss	97,953,623.54	-52,971,358.48				-52,971,358.48		44,982,265.06
Of which: Other comprehensive income reclassifiable to profit or loss under the equity method	97,989,487.35	-52,971,331.74				-52,971,331.74		45,018,155.61
Foreign currency translation differences	-35,863.81	-26.74				-26.74		-35,890.55
Total other comprehensive income	97,953,623.54	-52,971,358.48				-52,971,358.48		44,982,265.06

58 . Special reserve

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
safety production costs	11,642,150.80		5,336,960.48	6,305,190.32
Environmental Governance Rehabilitation Fund	9,553,392.36			9,553,392.36
Total	21,195,543.16		5,336,960.48	15,858,582.68

59 . Surplus reserve

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
Statutory surplus reserve	1,432,205,992.27	12,556,866.94		1,444,762,859.21
Total	1,432,205,992.27	12,556,866.94		1,444,762,859.21

60. Retained earnings

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Current period	Prior period
Before adjustment: retained earnings of the prior period	9,912,400,555.82	9,861,867,181.77
Adjustment: Total retained earnings at the beginning of the reporting period (increase "+", decrease "-")		
After adjustment: retained earnings at the beginning of the reporting period	9,912,400,555.82	9,861,867,181.77
Add: Net profit attributable to owners of the Company for the current period	93,042,230.07	186,021,771.78
Less: Transfer to statutory surplus reserve	12,556,866.94	8,354,881.78
Transfer to discretionary surplus reserve		
Transfer to general risk reserve		
Declaration of dividends on ordinary shares	75,531,958.06	127,133,515.95
Conversion of ordinary shares' dividends into share capital		
Retained earnings at the end of the reporting period		
Total	9,917,353,960.89	9,912,400,555.82

61 . Operating revenue and costs of sales

(1) Operating revenue and costs of sales

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the prior period
------	---------------------------------------	-------------------------------------

	Revenue	Cost	Revenue	Cost
Principal operating activities	3,309,333,906.22	2,993,753,497.88	3,642,648,544.32	3,241,710,067.99
Others	217,196,642.32	101,433,404.08	229,391,336.14	88,518,715.18
Total	3,526,530,548.54	3,095,186,901.96	3,872,039,880.46	3,330,228,783.17

(2) . Breakdown of revenue and cost of sales

Applicable Not applicable

Unit: Yuan Currency: RMB

Revenue Classification	Amount of current period		Amount of previous period	
	Revenue	Cost	Revenue	Cost
By Industry Type				
Carbon Industry	3,309,333,906.22	2,993,753,497.88	3,353,085,745.44	3,100,069,294.53
Mining Industry			289,562,798.88	141,640,773.46
Total	3,309,333,906.22	2,993,753,497.88	3,642,648,544.32	3,241,710,067.99
By Product Type				
Carbon Products	3,309,333,906.22	2,993,753,497.88	3,353,085,745.44	3,100,069,294.53
Iron Concentrate			289,562,798.88	141,640,773.46
Total	3,309,333,906.22	2,993,753,497.88	3,642,648,544.32	3,241,710,067.99
By Region				
Domestic	2,408,911,905.85	2,229,689,825.15	2,770,920,462.58	2,477,703,395.84
Overseas	900,422,000.37	764,063,672.73	871,728,081.74	764,006,672.15
Total	3,309,333,906.22	2,993,753,497.88	3,642,648,544.32	3,241,710,067.99
By Revenue Recognition Method				
Point-in-time Method	3,309,333,906.22	2,993,753,497.88	3,353,085,745.44	3,100,069,294.53
Periodic Method			289,562,798.88	141,640,773.46
Total	3,309,333,906.22	2,993,753,497.88	3,642,648,544.32	3,241,710,067.99

62 . Taxes and surcharges

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the prior period
Urban Maintenance and Construction Tax	6,067,922.60	8,436,874.09
Education Surcharge	4,417,041.52	7,720,688.21
Resource Tax	1,540,344.96	11,308,982.77
Property Tax	14,605,100.19	13,688,017.44
Land Use Tax	17,215,758.18	17,215,758.17

Vehicle and Vessel Tax	152,395.08	153,694.48
Stamp Duty	2,521,906.72	2,533,060.58
Other	723,735.67	2,579,477.17
Total	47,244,204.92	63,636,552.91

63 . Selling expenses
Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the prior period
Employee remuneration	34,472,401.69	31,697,982.21
Entertainment expenses	14,572,767.00	14,470,637.74
Sales and service fees	14,131,719.17	9,919,343.88
Travel expenses	6,995,618.09	6,371,113.47
Business development and tendering costs	1,453,962.80	2,347,612.76
Office expenses	957,951.04	1,073,276.49
Advertising and exhibition costs	489,870.21	927,679.47
Depreciation and amortisation	175,616.49	182,056.56
Other	3,875,743.06	5,839,022.10
Total	77,125,649.55	72,828,724.68

64 . General and administrative expenses
Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the prior period
Employee remuneration	205,757,839.66	228,559,594.59
Depreciation and amortisation expenses	64,173,086.36	59,987,042.41
Repair costs	11,026,350.68	13,381,838.36
Workplace safety expenses	3,701,534.40	5,739,114.09
Utility costs (energy)	3,807,925.33	4,248,931.52
Service charges	8,198,408.24	13,881,364.05
Entertainment expenses	4,580,204.24	4,754,562.30
Travel expenses	3,269,360.32	5,166,713.95

Office expenses	5,186,588.06	5,711,754.47
Consumption of materials	2,470,282.09	2,505,928.78
Insurance premiums	3,948,238.39	4,062,416.04
Rental costs	999,420.00	5,065,546.15
Transport costs	1,957,957.53	1,855,062.85
Contract labour costs	1,621,538.74	1,257,668.12
Waste disposal charges	749,993.53	661,955.76
Other	21,581,491.00	17,861,598.09
Total	343,030,218.57	374,701,091.53

65 . Research and development expenses

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the prior period
Payroll	43,752,559.06	39,058,024.84
Commissioned external research and development costs	8,377,872.85	4,893,803.40
Material cost	5,799,467.62	6,333,749.45
Depreciation and amortization	5,782,576.88	5,691,103.12
Other expenses	1,889,913.94	1,415,823.66
Total	65,602,390.35	57,392,504.47

66 . Financial expenses

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the prior period
Interest expense	27,590,823.53	32,366,541.28
Less: Interest income	110,115,264.30	173,364,606.18
Gain or loss on Currency Exchange	371,384.60	-10,364,690.31
Commission fee	737,174.88	710,286.48
Unrecognized financing costs		302,177.11
Total	-81,415,881.29	-150,350,291.62

67 . Other income

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the prior period
Government Subsidies	53,442,224.01	39,571,448.95
Tax Benefits	7,818,660.62	10,299,048.37
Debt restructuring gains	799,044.84	2,441,035.98
Personal Tax Fee Refund	153,348.87	176,503.93
Total	62,213,278.34	52,488,037.23

68 . Investment income
Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the prior period
Gains on long-term equity investments accounted for using the equity method;	23,724,813.20	1,256,182.49
Gains on disposal of long-term equity investments;	120,280,247.04	
Investment gains on trading financial assets during the holding period;	7,079,392.13	10,285,477.02
Dividend income from other equity investments during the holding period;		
Interest income from debt investments during the holding period;		
Interest income from other debt investments during the holding period		
Investment gains on disposal of financial assets held for trading	-200,539,571.00	-52,196,895.56
Investment gains on disposal of investments in other equity instruments		
Investment gains on disposal of debt investments	11,888,343.25	
Investment gains on disposal of other debt investments		
Gains on debt restructuring	-940,598.28	-214,427.16
Investment gains on holding other non-current assets	740,566.02	599,056.59
Gains on holding other non-current financial assets	7,955,881.26	12,445,222.01
Gains on derecognition of financial assets	-327,524.14	-476,559.18
Other		8,318.89
Total	-30,138,450.52	-28,293,624.90

69 . Net exposure hedging gains
Applicable Not applicable
70 . Gains from changes in fair value
Applicable Not applicable

Unit: Yuan Currency: RMB

Source resulting in gains from changes in fair values	Amount incurred in the current period	Amount incurred in the prior period
Held-for-trading financial assets	265,907,911.26	126,614,699.78

Including: Gains from changes in fair values arising from derivatives		
Held-for-trading financial liabilities		
Investment properties carried at fair value		
Other non-current financial assets	-4,410,950.20	17,220,600.00
Total	261,496,961.06	143,835,299.78

71 . Credit impairment losses
Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the prior period
Impairment loss on notes receivable	266,057.11	-187,445.89
Impairment loss on trade receivables	-2,136,619.99	-5,692,106.02
Impairment loss on other receivables	21,519,609.84	17,575,974.14
Total	19,649,046.96	11,696,422.23

72 . Assets impairment losses
Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the prior period
I. Impairment losses on contract assets	2,666,579.94	-2,465,563.66
II. Impairment loss on inventories and impairment loss on contract performance costs	-76,454,660.27	-100,894,602.87
III. Impairment loss on long-term equity investments		
IV. Impairment loss on investment properties		
V. Impairment loss on fixed assets	-9,586,223.73	
VI. Impairment loss on construction materials		
VII. Impairment loss on construction in progress	-67,922,305.49	
VIII. Impairment loss on productive biological assets		
IX. Impairment loss on oil and gas assets		
X. Impairment loss on intangible assets		
XI. Impairment loss on goodwill		
XII. Others		

Total	-151,296,609.55	-103,360,166.53
-------	-----------------	-----------------

73 . Gains from disposal of assetsApplicable Not applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the prior period
Net gain on disposal of fixed assets	7,173,023.93	533,009.89
Net gain on disposal of intangible assets		-13,151,522.00
Gain on disposal of other non-current assets		766,395.67
Total	7,173,023.93	-11,852,116.44

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 prior period	Amount included in non-recurring profit or loss in the current period
Total gains on disposal of non-current assets	7,601.98	655,970.96	7,601.98
Of which: Gains on disposal of fixed assets	7,601.98	655,970.96	7,601.98
Gains from fines and confiscations	3,055,632.37	3,436,115.86	3,055,632.37
Insurance claims	1,820,317.50	2,437,485.66	1,820,317.50
Write-offs	8,944,874.76		8,944,874.76
Other	1,725,889.54	1,767,371.99	1,725,889.54
Total	15,554,316.15	8,296,944.47	15,554,316.15

75 . Non-operating expensesApplicable Not applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the prior period	Amount included in non-recurring profit or loss for the current period
Total loss on disposal of non-current assets	7,011,223.57	2,349,926.18	7,011,223.57
Of which: Loss on disposal of fixed assets			
Loss on disposal of intangible assets			
Loss on exchange of non-monetary			

assets			
Donation expenditure	12,856,315.00	1,002,995.32	12,856,315.00
Expenditure on fines	767.55	802,701.00	767.55
Late payment penalties on back taxes	15,166,190.70		15,166,190.70
Others	978,595.29	1,196,571.59	978,595.29
Total	36,013,092.11	5,352,194.09	36,013,092.11

76 . Income tax expenses**(1). Income tax expenses**
Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the prior period
Current tax expenses	48,729,850.77	47,700,312.32
Deferred tax expenses	19,063,021.04	1,970,311.51
Total	67,792,871.81	49,670,623.83

(2). Reconciliation of income tax expenses to the accounting profit
Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period
Total profit	128,395,538.74
Income tax expenses calculated at statutory/applicable tax rate	19,259,330.81
Effect of different tax rates applicable to subsidiaries	251,168.29
Effect of adjustment to income tax of prior periods	38,408,672.97
Effect of non-taxable income	-4,383,932.91
Effect of non-deductible costs, expenses and losses	7,613,236.65
Effect of using deductible losses for which deferred tax assets were previously not recognised	-14,235,396.67
Effect of deductible temporary differences or deductible losses unrecognized in the current period	25,488,399.67
Additional Deduction	-4,608,607.00
Income tax expense	67,792,871.81

77 . Other comprehensive income
Applicable Not applicable

78 . Items of the cash flow statement**(1). Cash received relating to other operating activities**Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the prior period
Accounts current, imprests and guarantee deposits received	320,834,580.79	223,584,313.73
Government subvention received	23,500,925.94	13,303,506.96
Interest income received	83,041,219.29	166,377,643.25
Income received from fines and settlements, etc.	2,099,868.54	5,873,601.52
Total	429,476,594.56	409,139,065.46

Cash paid relating to other operating activitiesApplicable Not applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the prior period
Cash paid for Administrative expense , R&D expense	47,563,584.79	67,707,820.95
Cash paid for selling expenses	35,273,572.71	44,742,190.39
Cash paid in non-operating expenses	24,111,903.80	2,406,157.89
Paid commission fee	737,174.88	3,521,653.26
Accounts current, imprests and guarantee deposits paid	236,477,597.74	191,684,567.11
Total	344,163,833.92	310,062,389.60

(2). Cash related to investing activities

Other cash received related to investing activities

Applicable Not applicable**(3) . Cash related to financing activities**Applicable Not applicable

Items	Amount incurred in the current period	Amount incurred in the prior period
Payment of finance charges		3,495,348.72
Purchase of treasury stock		1,020,037,121.13
Total		1,023,532,469.85

Changes in liabilities arising from financing activities

Applicable Not applicable

Unit: Yuan Currency: RMB

items	Opening balance	Increase during the period		Decrease during the period		Closing balance
		Cash changes	Non-cash changes	Cash changes	Non-cash changes	
Short-term loans	540,804,238.65	1,257,292,473.96	1,050,178.50	864,785,616.72	133,217,747.14	801,143,527.25
Dividends payable	2,139,998.15		83,350,796.35	75,531,958.06		9,958,836.44
Long-term loans		630,000,000.00	421,691.11	200,000.00	5,621,691.11	624,600,000.00
Non-current liabilities due within one year	630,173,224.58		5,621,691.11	630,173,224.58		5,621,691.11
Total	1,173,117,461.38	1,887,292,473.96	90,444,357.07	1,570,690,799.36	138,839,438.25	1,441,324,054.80

79 . Supplementary information to the cash flow statement**(1). Supplementary information to the cash flow statement**Applicable Not applicable

Unit: Yuan Currency: RMB

Supplementary information	Current period	Prior period
Reconciliation of net profit to cash flow from operating activities:		
Net profit	60,602,666.93	141,390,493.24
Plus: Provision for impairment of assets	151,296,609.55	103,360,166.53
Credit impairment losses	-19,649,046.96	-11,696,422.23
Depreciation of property, plant and equipment; depletion of oil and gas assets; depreciation of productive biological assets	301,285,143.52	299,809,851.03
Amortisation of right-of-use assets		2,919,888.03
Amortisation of intangible assets	12,595,026.24	14,374,643.22
Amortisation of deferred expenses	5,000.06	32,786.43
Losses (gains shown with a ‘-’ sign) on disposal of property, plant and equipment, intangible assets and other non-current assets	-7,173,023.93	11,852,116.44
Loss (gain) on scrapping of fixed assets (gains to be entered with a “-” sign)	7,011,333.49	163,390.55
Loss (gain) on changes in fair value (gains to be entered with a “-” sign)	-261,496,961.06	-143,835,299.78
Finance costs (gains to be entered with a “-” sign)	27,590,823.53	32,366,541.28
Investment losses (gains to be entered with a “-” sign)	30,138,450.52	28,293,624.90

Decrease (increase to be entered with a “-” sign) in deferred tax assets	6,355,497.14	1,661,240.88
Increase (decrease to be entered with a “-” sign) in deferred tax liabilities	10,063,401.75	-11,381,298.49
Decrease in inventories (enter increases with a “-” sign)	-23,331,232.62	258,930,406.24
Decrease in trade receivables (enter increases with a “-” sign)	94,872,550.19	230,308,734.36
Increase in trade payables (enter decreases with a “-” sign)	-589,818,064.25	-319,269,496.63
Net cash flow from operating activities	-199,651,825.90	639,281,366.00
II. Significant investing and financing activities that do not involve cash receipts and payments		
Conversion of debt into capital		
Convertible bonds due within one year		
Fixed assets acquired under finance leases		
III. Net changes in cash and cash equivalents:		
Closing balance of cash	5,479,168,055.62	5,394,411,958.13
Less: Opening balance of cash	5,394,411,958.13	6,117,187,006.86
Plus: Closing balance of cash equivalents		
Less: Opening balance of cash equivalents		
Net increase in cash and cash equivalents	84,756,097.49	-722,775,048.73

(2). Composition of cash and cash equivalents

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
I. Cash	5,479,168,055.62	5,394,411,958.13
Of which: Cash on hand	63,143.95	74,163.29
Bank deposits available for immediate payment	5,418,448,190.16	5,353,282,235.57
Other monetary funds available for immediate payment	60,656,721.51	41,055,559.27
II. Cash equivalents		
Of which: Bond investments maturing within three months		
III. Closing balance of cash and cash equivalents	5,479,168,055.62	5,394,411,958.13
Of which: Restricted cash and cash equivalents held by the parent company or subsidiaries within the group		

(4) . Monetary funds not classified as cash and cash equivalents

Applicable Not applicable

Unit: Yuan Currency: RMB

item	Amount for the current period	Amount for the current period	Reasons
Bill deposit	37,884,667.90	28,869,486.21	Restricted use;
Guarantee deposit		15,552,000.00	Restricted use;
Accrued interest	37,593,658.33	10,056,340.65	Not available for immediate withdrawal;
Letter of credit deposit	7,700,000.00	6,131,000.00	Restricted use;
Funds frozen in connection with litigation	23,570,065.55		Restricted use;
Other	130,107.33	3,547.34	Restricted use;
Total	106,878,499.11	60,612,374.20	/

80 . Notes to items in the statement of changes in owners' equity

Indicate the name of the "Other" item and the amount of adjustment made to the closing balance of the previous year:

Applicable Not applicable

81 . Foreign currency monetary items

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Carrying amount at the end of the reporting period	Exchange rate	Closing balance in RMB
Cash and cash equivalents	-	-	
Of which: US dollars	2,271,160.17	7.0288	15,963,530.60
Euro	157,579.96	8.2355	1,297,749.76
South Korean won	521,765.00	0.0049	2,535.92
Trade receivables			
Of which: US dollars	5,276,699.94	7.0288	37,088,868.53
Euro	282,166.76	8.2355	2,323,784.36
Trade payables			
Of which: Euro	1,646,876.36	8.2355	13,562,850.26
Other payables			
of which: US dollars	92,305.70	7.0288	648,798.30

82. Leasing

Applicable Not applicable

VIII. Research and development expenditureApplicable Not applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the prior period
Payroll	43,752,559.06	39,058,024.84
Commissioned external research and development costs	8,377,872.85	4,893,803.40
Material cost	5,799,467.62	6,333,749.45
Depreciation and amortization	5,782,576.88	5,691,103.12
Other expenses	1,889,913.94	1,415,823.66
Total	65,602,390.35	57,392,504.47
Of which: Expensed R&D expenditure	65,602,390.35	57,392,504.47
Capitalized research and development expenditure		

IX. Changes of the scope of consolidation

Applicable Not applicable

5. Changes in the scope of consolidation due to other reasons

Please explain changes in the scope of consolidation resulting from other factors (e.g. the establishment of new subsidiaries, the liquidation of subsidiaries, etc.) and the relevant circumstances:

Applicable Not applicable

The third-tier subsidiary, Gansu Shengdong Huimin Labour Services Development Co., Ltd., in which the Company held an indirect stake of 76.92%, was deregistered. Its principal business activities included construction labour subcontracting and labour dispatch. On 18 June 2025, the Company's shareholders resolved to dissolve the company in view of its persistently poor operating performance; the company was wound up and deregistered on 1 September 2025. As at the date of liquidation, the company's equity stood at RMB 2,007,832.93, comprising paid-in capital of RMB 2,000,000.00 and retained earnings of RMB 7,832.93. Following the distribution of these funds to the shareholders in proportion to their shareholdings, the deregistration was finalised.

X. Equities in other entities

1. Equities in subsidiaries

(1). Composition of the enterprise group

Applicable Not applicable

Unit: Ten thousand Yuan Currency: RMB

Name of Subsidiary	Primary Place of Business	Registered Capital	Place of Registration	Business Nature	Shareholding (%)		Method of acquisition
					Direct	Indirect	
Fushun Fangda High-tech Material Co.,Ltd.	Fushun, Liaoning	5,000.00	Fushun, Liaoning	Manufacturers	60.00		Newly established
Shanghai Fangda Investment Management Co.,Ltd.	Shanghai	6,000.00	Shanghai	Investment enterprises	100.00		Newly established
Fushun Laihe Mining Co.,Ltd.	Fushun, Liaoning	2,198.00	Fushun, Liaoning	Manufacturers	97.99		Merger under the same

							control
Chengdu Fangda Carbon Composite Material Co.,Ltd.	Chengdu, Sichuan	39,956.29	Chengdu, Sichuan	Manufacturers	89.20	0.90	Same-control merger
Fushun Fangtai Precision Carbon Materials Co.,Ltd.	Fushun, Liaoning	18,000.00	Fushun, Liaoning	Manufacturers	100.00	0.01	Merger under the same control
Fushun Carbon Co.,Ltd.	Fushun, Liaoning	6,326.00	Fushun, Liaoning	Manufacturers	65.54		Non-same control combination
Hefei Carbon Co.,Ltd.	Hefei, Anhui	5,000.00	Hefei, Anhui	Manufacturers	100.00	0.01	Non-same control combination
Chengdu Rongguang Carbon Co.,Ltd.	Chengdu, Sichuan	10,000.00	Chengdu, Sichuan	Manufacturers	60.00		Non-identical Control Consolidation
Chengdu Fangda Carbon Research Institute Co.,Ltd.	Chengdu, Sichuan	5,000.00	Chengdu, Sichuan	Scientific research	100.00	0.01	Newly established
Gansu Classical Shengdong Construction Poverty Alleviation Development Co.,Ltd.	Linxia Prefecture, Gansu Province	10,000.00	Linxia Prefecture, Gansu Province	Building construction	76.92		Newly established
Gansu Benju Handicraft Development Co.,Ltd.	Linxia Prefecture, Gansu Province	100.00	Linxia Prefecture, Gansu Province	Manufacturers	85.71		Newly established
Dongxiang Autonomous County Fangda Tengda Clothing Co.,Ltd.	Linxiashou, Gansu Province	510.00	Linxiashou, Gansu Province	Production companies	54.12		Newly established
Fangda Xikemo (Jiangsu) Needle Coke Technology Co.,Ltd.	Xuzhou, Jiangsu	178,088.34	Xuzhou, Jiangsu	Manufacturing companies	65.00		Non-common control merger

Fangda (Korea) International Trading Co.,Ltd.	Korea	58.91	Korea	Trading Company	100.00		New
Fangda Carbon & Industrial Products Trading Co.,Ltd.	Turkey		Turkey	Trading Company	100.00		New

Other notes:

1. The proportion of shareholding is the proportion of paid-in capital.
2. The Company has contributed 40% of the equity of Gansu Classical Shengdong Construction and Poverty Alleviation Development Co., Ltd. but the Company is able to decide on its related production and operation, return, financing, investment and asset disposal activities, so the Company has included it in the scope of the consolidated financial statements.

(2) . Important non-wholly owned subsidiaries

Applicable Not applicable

Unit: Yuan Currency: RMB

Subsidiary	Shareholding of minority shareholders proportion (%)	Profit and loss attributable to minority shareholders in the current period	Dividends declared and distributed to minority shareholders in the current period	Closing balance of minority shareholders' equity for the period
Fushun Fangda High-tech and New Material Co.,Ltd.	40.00	3,823,573.38	7,818,838.29	78,592,535.26
Fushun Laihe mining Co.,Ltd	2.01	-27,798.61		36,997,071.47
Fushun Carbon Co.,Ltd.	34.46	-17,202,021.41		354,059,405.12
Chengdu Rongguang Carbon Co., Ltd.	40.00	6,245,609.01		521,863,748.34
Jiangsu Fangda Carbon Chemicals Co., Ltd.	35.00	-26,406,807.96		142,938,872.89

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

Applicable Not applicable

Unit: Yuan Currency: RMB

Subsidiary	Closing balance						Opening balance					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Fushun Fangda High-tech and New Material Co.,Ltd.	173,091,069.85	44,300,869.95	217,391,939.80	65,617,597.81	272,397.38	65,889,995.19	158,170,157.98	47,881,810.61	206,051,968.59	9,771,651.08	206,108.00	9,977,759.08
Fushun Laihe mining Co.,Ltd	854,352,402.41	112,022,359.83	966,374,762.24	15,134,568.60		15,134,568.60	878,660,292.11	118,132,556.49	996,792,848.60	44,163,988.16		44,163,988.16
Fushun Carbon Co.,Ltd.	1,090,731,097.73	40,289,724.52	1131020822.25	101,447,072.50	2,743,384.37	104,190,456.87	1,123,186,136.46	63,703,708.19	1,186,889,844.65	118,609,812.68	18,214.39	118,628,027.07
Chengdu Rongguang Carbon Co., Ltd.	811,169,570.30	629,860,490.99	1,441,030,061.29	110,254,971.61	46,092,271.23	156,347,242.84	762,068,701.35	669,974,055.73	1,432,042,757.08	113,995,827.74	49,572,495.94	163,568,323.68
Fangda Xikemo (Jiangsu) Needle Coke Technology Co., Ltd.	162,546,534.82	288,296,372.52	450,842,907.34	28,985,763.15	30,214,617.23	59,200,380.38	173,574,389.29	218,857,471.17	392,431,860.46	27,727,554.27		27,727,554.27

Subsidiary	Current period				Prior period			
	Operating	Net profit	Total	Cash flow from	Revenue	Net profit	Total	Cash flow from

	revenue		comprehensive income	operating activities			comprehensive income	operating activities
Fushun Fangda High-tech and New Material Co.,Ltd.	450,040,947.28	9,558,933.44	9,558,933.44	-11,564,381.85	297,409,477.45	7,162,368.18	7,162,368.18	-106,935,214.42
Fushun Laihe mining Co.,Ltd	19,990,546.97	-1,388,666.80	-1,388,666.80	826,694,985.84	302,414,058.78	88,243,217.41	88,243,217.41	-644,811,125.07
Fushun Carbon Co.,Ltd.	242,558,685.87	-49,917,425.44	-49,917,425.44	-1,059,004.34	278,493,457.16	-43,814,909.19	-43,814,909.19	-3,914,207.05
Chengdu Rongguang Carbon Co., Ltd.	490,802,280.96	16,201,093.22	16,201,093.22	-60,286,835.90	409,594,955.45	-25,878,147.67	-25,878,147.67	-11,997,740.59
Fushun Fangda High-tech and New Material Co.,Ltd.	253,885,379.53	-75,448,022.74	-75,448,022.74	-2,826,484.88	242,304,675.60	-69,553,862.32	-69,553,862.32	-89,478,285.48

3.Entities in joint ventures or associates

Applicable Not applicable

(1). Significant joint ventures or associates

Applicable Not applicable

Joint-ventures /associates	Main place of business	Place of registration	Business nature	Shareholding ratio (%)		Accounting treatment for Joint-ventures /associates
				Direct	Indirect	
Baofang Carbon Materials Technology Co., Ltd.	Gansu Lanzhou	Jietan Village, Ping'an Town, Honggu District, Lanzhou City, Gansu Province, China	Manufacturer	49.00		Equity method
Jilin Chemical Fibre Co., Ltd.	Jilin	No.216 Kunlun Street, Jilin Economic and Technological	Manufacturer	7.95		Equity method

	Province	Development Zone, Jilin City, Jilin Province			
Jiujiang Bank Co., Ltd.	Jilin	No.619, Changhong Avenue, Lianxi District, Jiujiang City, Jiangxi Province	Finance	4.78	Equity method
Nanchang Huxu Steel Industry Investment Partnership (Limited Partnership)	Jiujiang, Jiangxi Province	No.527, Metallurgical Avenue, Nangang Street, Qingshanhu District, Nanchang City, Jiangxi Province	Wealth management	49.17	Equity method

Explanation of the proportion of shareholding in joint ventures or associates different from the proportion of voting rights:

- In accordance with the Articles of Association of Baofang Carbon Materials Technology Co., Ltd., the Board of Directors of Baofang Carbon Materials Technology Co., Ltd. shall consist of seven members, with Baowu Carbon Industry Technology Co., Ltd. (formerly Baowu Carbon Materials Technology Co., Ltd. and Shanghai Baosteel Chemical Co., Ltd.) and the Company. Matters resolved by the Board of Directors must be approved by a majority of all directors present in person or represented by proxy at the meeting. Consequently, Baofang Carbon Materials Technology Co., Ltd. is jointly operated by Baowu Carbon Industry Technology Co., Ltd. and the Company. The Company accounts for Baofang Carbon Materials Technology Co., Ltd. using the equity method and does not include it within the scope of consolidation.
- Nanchang Huxu Iron and Steel Industry Investment Partnership (Limited Partnership) has a registered capital of RMB 12 billion, of which the Company has subscribed for RMB 4.5 billion, representing 37.50% of the registered capital. The Company has made its capital contribution in full in accordance with the partnership agreement. Pursuant to the partnership agreement, profits generated during the entity's existence are distributed to the partners in proportion to their actual capital contributions; the Company's share of profits for the current period is 49.17%.

(2) Main financial information of important joint ventures

Applicable Not applicable

Unit: Yuan Currency: RMB

	Closing balance/ current period				Opening balance/ prior period			
	Baofang Carbon Material	Jilin Chemical Fiber Co., Ltd.	Jiujiang Bank Co., Ltd.	Nanchang Huxu Steel Industry Investment	Baofang Carbon Material	Jilin Chemical Fiber Co., Ltd.	Jiujiang Bank Co., Ltd.	Nanchang Huxu Steel Industry Investment

	Technology Co., Ltd.			Partnership (Limited Partnership)	Technology Co., Ltd.			Partnership (Limited Partnership)
Current assets	346,758,181.55	3,309,800,555.06	507,747,744,000.00	538,510,192.60	342,795,001.73	2,904,545,558.24	501,017,344,000.00	549,181,738.72
Non-current assets	2,020,937,096.63	11,331,190,164.73	15,686,815,000.00	8,908,937,238.71	2,067,583,141.36	10,790,330,341.85	15,441,277,000.00	8,808,946,747.63
Total assets	2,367,695,278.18	14,640,990,719.79	523,434,559,000.00	9,447,447,431.31	2,410,378,143.09	13,694,875,900.09	516,458,621,000.00	9,358,128,486.35
Current liabilities	783,510,023.38	2,450,061,555.89	430,573,703,000.00		711,143,608.29	6,035,433,786.44	424,536,623,000.00	
Non-current liabilities	555,220,552.02	8,987,035,980.36	44,238,067,000.00		577,967,094.06	2,004,750,467.74	49,389,060,000.00	
Total liabilities	1,338,730,575.40	508,212,128.93	474,811,770,000.00	-	1,289,110,702.35	8,040,184,254.18	473,925,683,000.00	
Minorities interests		306,171,685.33	652,540,000.00			501,171,290.94	785,818,000.00	
Equity attributable to owners of the parent	1,028,964,702.78	35,460,932.31	47,970,249,000.00	9,447,447,431.31	1,121,267,440.74	5,153,520,354.97	41,747,120,000.00	9,358,128,486.35
Share of net assets calculated by shareholding ratio	504,192,704.36	-	1,623,473,702.48	4,645,777,886.67	549,421,045.96	409,704,868.22	1,660,598,818.26	4,601,855,336.96
Adjustments	-15,918,881.22	-	-452,828,634.37		-17,376,711.83	47,373,173.01	-452,828,634.37	
--Goodwill		341,632,617.64				47,373,173.01		

---Unrealized profit of internal transaction	-15,918,881.22	663,162,555.00			-17,376,711.83			
--Others		5,427,849,832.33	-452,828,634.37				-452,828,634.37	
Book value of equity investment in joint venture	488,273,823.16	29,771,224.49	1,170,645,068.11	4,645,777,886.66	532,044,334.13	457,078,041.23	1,207,770,183.89	4,601,855,336.96
Fair value of equity investment of joint venture with public offer		-	210,160,958.63			706,010,761.28	661,532,879.70	
Operating revenue	218,030,233.52	29,771,224.49	10,477,029,000.00		233,853,842.40	3,883,475,565.13	10,014,467,000.00	
Net profit	-93,695,269.05	-	841,034,000.00	89,318,944.96	-132,676,195.55	28,884,120.52	684,704,000.00	78,120,301.93
Net profit from discontinuing operations								
Other comprehensive income			-1,129,265,000.00				1,327,987,000.00	

Total comprehensive income	-93,695,269.05		-288,231,000.00	89,318,944.96	-132,676,195.55	28,884,120.52	2,012,691,000.00	78,120,301.93
Dividends received from joint ventures in the current year			7,755,990.00				8,164,200.00	

(3). Summary of financial information of unimportant joint ventures and associates

Applicable Not applicable

Unit: Yuan Currency: RMB

	Closing balance/ current period	Opening balance/ prior period
Joint ventures:		
Total carrying value of investment		
Items calculated according to shareholding ratio		
--Net profit		
--Other comprehensive income		
--Total comprehensive income		
Associates:		
Total Book value of investment	36,802,140.44	34,207,698.67
Sum of the following by percentage of shareholding		
--Net profit	2,594,441.77	4,364,273.32

--Other comprehensive income		
--Total comprehensive income	2,594,441.77	4,364,273.32

Note: The associate is Tianjin Haihe Fangda Industrial Investment Fund Partnership (Limited Partnership).

XI. Government subsidies

1. Liability items involving government grants

Applicable Not applicable

Unit: Yuan Currency: RMB

Financial statement items	Opening balance	Amount of new grants for the period	Amount included in non-operating income for the period	Transfer to other gains for the period	Other changes during the period	Closing balance	Asset/revenue related
Deferred income	2,880,285.85	310,930.58		2,267,136.43		924,080.00	Asset-relevant
Deferred income	269,406,246.16			25,172,850.79		244,233,395.37	Revenue relevant
Total	272,286,532.01	310,930.58		27,439,987.22		245,157,475.37	

2. Government subsidies recognized in profit or loss for the period

Applicable Not applicable

Unit: Yuan Currency: RMB

Type	Value in current period	Value in prior period
Asset-related		25,172,850.75
Revenue Related		14,398,598.20
	53,442,224.01	
Total	53,442,224.01	39,571,448.95

XII. Risks related to financial instruments

1. Risks related to financial instruments

Applicable Not applicable

The Company's major financial instruments, including monetary funds, financial assets held for trading, receivables, payables and borrowings, are described in detail for each financial instrument in the relevant item in Note V to this financial report. The risks associated with these financial instruments and the risk management policies adopted by the Company to mitigate these risks are described below. The management of the Company manages and monitors these risk exposures to ensure that the said risks are kept within limits.

Risk Management Objectives and Policies: The Company engages in risk management with the objective of striking an appropriate balance between risk and return, minimizing the negative impact of risk on the Company's results of operations and maximizing the benefits to shareholders and other equity investors. Based on this risk management objective, the basic strategy of the Company's risk management is to identify and analyze the various risks faced by the Company, to establish an appropriate risk tolerance floor and conduct risk management, and to monitor the various risks in a timely and reliable manner to keep the risks within limits.

The main risks arising from the Company's financial instruments are credit risk, liquidity risk and market risk.

(I) Classification of financial instruments

1. Book value of each class of financial assets at the balance sheet date

(1) December 31, 2024

Unit: Yuan Currency: RMB

Financial assets items	Financial assets measured at amortized cost	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income	Total
Cash and Cash equivalents	5,586,046,554.73			5,586,046,554.73
Financial assets held for trading		1,085,144,460.27		1,085,144,460.27
Notes receivable	503,613,085.23			503,613,085.23
Account receivable	410,621,061.35			410,621,061.35
Financing receivable			188,078,872.75	188,078,872.75
Other receivable	127,178,057.55			127,178,057.55
Other non-current financial assets		743,050,083.41		1,203,294,977.08
Total	6,627,458,758.86	1,828,194,543.68	188,078,872.75	9,103,977,068.96

(2) December 31, 2023

Unit: Yuan Currency: RMB

Financial assets items	Financial assets measured at amortized cost	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income	Total
Cash and Cash equivalents	5,455,024,332.33			5,455,024,332.33
Financial assets held for trading		1,014,860,385.06		1,014,860,385.06
Notes receivable	531,308,592.00			531,308,592.00
Account receivable	420,588,447.82			420,588,447.82
Financing receivable			126,856,196.64	126,856,196.64
Other receivable	102,055,634.62			102,055,634.62
Other non-current financial assets		505,726,485.92		505,726,485.92
Total	6,508,977,006.77	1,520,586,870.98	126,856,196.64	8,156,420,074.39

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

(1) December 31, 2024

Unit: Yuan Currency: RMB

Financial liabilities items	Financial liabilities at fair value included in profit or loss	Other financial liabilities	Total
Short term borrowings		801,143,527.25	801,143,527.25
Notes payable		156,659,498.99	156,659,498.99
Accounts payable		449,206,073.71	449,206,073.71
Other payable		168,724,333.16	168,724,333.16
Total		630,221,691.11	630,221,691.11
		2,205,955,124.22	2,205,955,124.22

(3) December 31, 2023

Unit: Yuan Currency: RMB

Financial liabilities items	Financial liabilities at fair value included in profit or loss	Other financial liabilities	Total
Short term borrowings		540,804,238.65	540,804,238.65
Notes payable		101,605,855.43	101,605,855.43
Accounts payable		437,370,504.40	437,370,504.40
Other payable		175,106,054.80	175,106,054.80
Total		630,173,224.58	630,173,224.58
		1,885,059,877.86	1,885,059,877.86

(II) Credit risk

The maximum exposure to credit risk that could cause the Company to incur a financial loss at the end of the current period arises primarily from losses on the Company's financial assets due to the failure of the other party to perform its obligations under the contract. In order to minimize credit risk, the Company establishes credit policies for its customers, reviews the creditworthiness of its customers and implements other monitoring procedures to ensure that necessary measures are taken to recover overdue claims. In addition, the Company reviews the collection status of each individual receivable at each balance sheet date to ensure that adequate bad debt provisions are made for uncollectible amounts. As a result, the Company's management believes that the Company's exposure to credit risk has been significantly reduced.

The Company's liquidity is placed with banks with high credit ratings; therefore, the credit risk on liquidity is low.

(III) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk by ensuring that it has sufficient financial liquidity to meet its obligations as they fall due without incurring unacceptable losses or causing damage to the corporate reputation.

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

Unit: Yuan Currency: RMB

Items	30 June 2024			Total
	Within 1 year	1-3 years	More than 3 years	
Short term borrowings	801,143,527.25			801,143,527.25
Notes payable	156,659,498.99			156,659,498.99

Account payable	313,924,445.45	89,410,340.94	45,871,287.32	449,206,073.71
Other Payable	83,529,593.80	32,788,996.79	52,405,742.57	168,724,333.16
Total	5,621,691.11	624,600,000.00		630,221,691.11

Continue the above table:

Unit: Yuan Currency: RMB

Items	31 December 2023			
	Within 1 year	1-3 years	More than 3 years	Total
Short term borrowings	540,804,238.65			540,804,238.65
Notes payable	101,605,855.43			101,605,855.43
Account payable	284,830,164.42	109,325,575.82	43,214,764.16	437,370,504.40
Other Payable	82,191,876.79	38,339,552.13	54,574,625.88	175,106,054.80
Total	630,173,224.58			630,173,224.58

(IV) Market risk

1. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk mainly from bank borrowings.

The interest expense incurred on the Company's bank borrowings related to floating interest rates will be recognized in profit or loss for the current period. Reasonable changes in interest rates that may occur have an impact on profit or loss and shareholders' equity for the current period.

2. Foreign exchange risk

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company matches foreign currency revenues with foreign currency expenses to minimize exchange rate risk to the extent possible. The Company's exposure to foreign exchange risk is mainly related to the U.S. dollar and the euro. Except for the Company and several subsidiaries that make purchases and sales in U.S. dollars and euros, the Company's other major business activities are denominated and settled in RMB.

The following table presents a sensitivity analysis of exchange rate risk, reflecting the impact that a reasonable and probable change in foreign currency exchange rates would have on total profit (due to changes in the fair value of monetary assets and monetary liabilities) under the assumption that all other variables remain unchanged.

Unit: Yuan Currency: RMB

Items	Current period		
	[USD]Exchange rate premium/discount	Total profit/Net income premium/discount	Shareholders' equity increase/decrease
RMB depreciates against [USD]	5.00%	1,942,037.53	1,942,037.53
RMB appreciates	5.00%	-1,942,037.53	-1,942,037.53

against [USD]			
RMB depreciates against [Euro]	5.00%	181,076.71	181,076.71
RMB appreciated against [Euro]	5.00%	-181,076.71	-181,076.71
RMB depreciates against the [KRW].	5.00%	126.80	126.80
RMB appreciated against the [KRW].	5.00%	-126.80	-126.80
RMB depreciates against [JPY]	5.00%		
RMB appreciated against the [JPY].	5.00%		

Continue with the above table:

Unit: Yuan Currency: RMB

Items	Previous period		
	[USD]Exchange rate premium/discount	Total profit/Net income premium/discount	Shareholders' equity increase/decrease
RMB depreciates against [USD]	5.00%	3,627,005.64	3,627,005.64
RMB appreciates against [USD]	5.00%	-3,627,005.64	-3,627,005.64
RMB depreciates against [Euro]	5.00%	213,178.16	213,178.16
RMB appreciated against [Euro]	5.00%	-213,178.16	-213,178.16
RMB depreciates against [KRW]	5.00%	145.10	145.10
RMB appreciates against [KRW]	5.00%	-145.10	-145.10
RMB depreciates against [JPY]	5.00%	826.47	826.47
RMB strengthens against [JPY]	5.00%	-826.47	-826.47

3. Equity instrument investment price risk

Price risk on equity instrument investments refers to the risk that the fair value of equity securities may decrease due to changes in stock index levels and the value of individual securities.

As at 31 December 2025, the Company was exposed to price risk on equity instrument investments arising from individual equity instrument investments classified as held-for-trading. The Company's holdings of listed equity instrument investments are listed on the Shanghai, Shenzhen and Hong Kong Stock Exchanges and are measured at market prices as at the balance sheet date.

The closing levels of the market stock indices on the trading days closest to the balance sheet date, as well as their respective highest and lowest closing levels during the year, for the following stock exchanges are as follows:Unit:

Yuan Currency: RMB

Securities Exchange	Closing balance	Highest/Lowest in current period	Opening balance	Highest/Lowest in previous period
Shanghai-A-share index	3,968.84	4,034.08/3,040.69	3,351.76	3,674.40/2,635.09
Shenzhen-A-share index	13,525.02	13,806.69/9,119.60	10,414.61	11,864.11/7,683.63
	25,630.54	27,381.84/18,671.49	20,059.95	23,241.74/14,794.16

The following table illustrates the sensitivity of the Company's net income and shareholders' equity to each 5% change in the fair value of investments in equity instruments (based on the carrying value at the balance sheet date), assuming all other variables remain constant.

2024 annual:

Unit: Yuan Currency: RMB

Items	Book value	Total Profit/Net income increase/decrease	Shareholders' equity increase/decrease
Investments of listed equity instruments	678,348,266.09	32,414,469.39	32,414,469.39
Shanghai	562,314,952.76	26,815,246.07	26,815,246.07
Investments in trading equity instruments	562,314,952.76	26,815,246.07	26,815,246.07
Shenzhen	100,143,000.00	4,923,885.00	4,923,885.00
Investments in trading equity instruments	100,143,000.00	4,923,885.00	4,923,885.00
Hongkong	15,890,313.33	675,338.32	675,338.32
Investments in trading equity instruments	15,890,313.33	675,338.32	675,338.32
Investments in unlisted equity instruments measured at fair value	689,601,383.92	30,195,311.91	30,195,311.91

2023 annual:

Unit: Yuan Currency: RMB

Items	Book value	Total Profit/Net income increase/decrease	Shareholders' equity increase/decrease
Investments of listed equity instruments	1,012,656,397.02	47,504,311.67	47,504,311.67
Shanghai	761,161,458.70	35,458,779.53	35,458,779.53
Investments in trading equity instruments	761,161,458.70	35,458,779.53	35,458,779.53
Shenzhen	233,676,801.95	11,207,686.94	11,207,686.94

Investments in trading equity instruments	233,676,801.95	11,207,686.94	11,207,686.94
Hongkong	17,818,136.37	837,845.20	837,845.20
Investments in trading equity instruments	17,818,136.37	837,845.20	837,845.20
Investments in unlisted equity instruments measured at fair value	507,930,473.96	21,578,490.33	21,578,490.33

The primary objectives of the Company's capital management are to ensure the Company's ability to continue as a going concern and to maintain healthy capital ratios to support business development and maximize shareholder value.

The Company manages its capital structure and adjusts it in response to changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may adjust profit distributions to shareholders, issue new shares to return capital to shareholders or sell assets to reduce debt. The Company is not subject to external mandatory capital requirements and utilizes the return on capital to monitor capital.

At December 31, 2024 and 2023, the Company's return on capital is presented below:

Items	Ratio at the end of the period	Ratio at the beginning of the period
ROC(%)	1.55	3.10

XIII. Disclosure of fair value

1. Fair value of assets and liabilities measured at fair value at the end of the period

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Fair value at the end of the period			
	Fair value measurement at the level 1	Fair value measurement at the level 2	Fair value measurement at the level 3	Total
I. Continuing fair value measurements				
(i) Financial assets held for trading				
1. Financial assets at fair value through profit or loss	963,223,689.71		121,920,770.56	1,085,144,460.27
(1) Investments in debt instruments				
(2) Investments in equity instruments	963,223,689.71		121,920,770.56	1,085,144,460.27
(3) Derivative financial assets				
2. Financial assets designated at fair value through profit or loss				
(1) Investments in debt instruments				

(2) Investments in equity instruments				
(ii) Other debt investments				
(iii) Other investments in equity instruments				
(iv) Investment properties				
1. Land use rights for lease				
2. Buildings for lease				
3. Land use rights held for transfer after appreciation in value				
(v) Biological assets				
1. Expendable biological assets				
2. Productive biological assets				
(vi) Receivables financing		188,078,872.75		188,078,872.75
(vii) Other non-current financial assets			460,244,893.67	460,244,893.67
Total assets measured at fair value on a continuous basis			282,805,189.74	282,805,189.74
(vi) Financial liabilities held for trading	963,223,689.71	188,078,872.75	864,970,853.97	2,016,273,416.43
1. Financial liabilities at fair value through profit or loss				
Including: Bonds issued for trading				
Derivative financial liabilities				
Others				
2. Financial liabilities designated as at fair value through profit or loss				
Total liabilities at fair value on an ongoing basis				
II. Non-continuing fair value measurements				
(i) Assets held for sale				
Total assets measured at fair value on a discontinued basis				
Total liabilities measured at fair value on a non-continuing basis				

2. Basis for determining the market value of items measured at fair value in the first level of the continuity and discontinuity hierarchy

Applicable Not applicable

The Company's financial assets at fair value through profit or loss are listed stocks, whose fair value is the closing price at the end of the period on the stock exchange.

3. Continuing and discontinued Level 2 fair value measurement items, qualitative and quantitative information on valuation techniques and significant parameters used

Applicable Not applicable

For held-for-trading receivable financing, the face amount is used to determine its fair value.

4. Continuing and discontinued Level 3 fair value measurement items, qualitative and quantitative information of valuation techniques and significant parameters adopted

Applicable Not applicable

1. The private securities investment in Jifeng Zunxiang No. 1 is measured using the valuation calculation sheet provided by the manager and the valuation reconciliation statement provided by a third party as a reasonable estimate of fair value.

2. The equity investment in Northeast Special Steel Group Co., Ltd. is measured using the investee's audited net assets as a reasonable estimate of fair value.

3. The investments in Guoyuan Securities Yuanhui No. 193 and No. 194 Single Asset Management Plans are measured using the valuation calculation sheets provided by the manager as a reasonable estimate of fair value.

4. As the operating environment, business performance and financial position of the investee, Ningbo Meishan Free Trade Zone Fosun Weiyang Equity Investment Fund Partnership (Limited Partnership), have all changed, the Company measures these investments using the audited net assets attributable to the partners as a reasonable estimate of fair value.

5. Fair value of financial assets and financial liabilities not measured at fair value

Applicable Not applicable

XIV. Affiliated parties and related party transactions

1. The company's parent company

Applicable Not applicable

Unit: Ten thousand Yuan Currency: RMB

Parent company	Place of registration	Business nature	Registered capital	Shareholding ratio of parent company to the company	Proportion of voting rights of parent company to the company
Liaoning Fangda Group Industrial Co.,Ltd.	Shenyang	Investment management	100,000.00	37.86	37.86

The ultimate controlling party of the company is Fangwei.

2. Subsidiaries of the company

Please refer to the appendix for details of the company's subsidiaries

Applicable Not applicable

See appendix "X. Equities in other entities" for details.

3. Joint venture and associates of the enterprise

Please refer to the notes for details of the company's joint venture and associates

Applicable Not applicable

For details, please refer to the appendix.

Other joint ventures or associates with which the Company has entered into related-party transactions during the current period, or with which the Company has entered into related-party transactions in prior periods, resulting in balances, are as follows:

Applicable Not applicable

Name of joint ventures/associates	Relationship with the company
Baofang Carbon material technology Co., Ltd.	Directors of companies acting as directors of joint ventures

4. Other affiliated parties

Applicable Not applicable

Name of other related parties	Relationship between other related parties and the Company
Jingfangda (Tianjin) International Trade Co., Ltd.	The same De facto controller
The Third Affiliated Hospital of Chongqing Medical University (Fangda Hospital)	The same De facto controller
ZTE-Shenyang Commercial Building (Group) Co., Ltd.	The same De facto controller
China Xinhua Airlines Group Co., Ltd.	The same De facto controller
Yunnan Xiangxi Property Management Co., Ltd.	The same De facto controller
Tianjin Huantong Electrical Equipment Co., Ltd.	The same De facto controller
Tianjin Department Store Business and Trade General Corporation	The same De facto controller
Sichuan Dazhou Iron and Steel Group Co., Ltd.	The same De facto controller
Sichuan Daxing Baohua Chemical Co., Ltd.	The same De facto controller
Shenyang Fangdi Real Estate Co., Ltd.	The same De facto controller
Shenyang Northeast Pharmaceutical Equipment Manufacturing and Installation Co., Ltd.	The same De facto controller
Shenyang Northeast Pharmacy Chain Co., Ltd.	The same De facto controller
Sanya Aviation Tourism Vocational College	The same De facto controller
Pingxiang Pinggang Anyuan Iron & Steel Co., Ltd.	The same De facto controller
Liaoning Fangda General Hospital Co., Ltd.	The same De facto controller
Liaoning Fangda Equipment Manufacturing Group Co., Ltd.	The same De facto controller
Jiujiang Pinggang Iron & Steel Co., Ltd.	The same De facto controller
Hainan Airlines Holding Co., Ltd.	The same De facto controller
Hainan Hantou Trading Co., Ltd.	The same De facto controller
Guizhou Fangda Huangguoshu Food & Beverage Co., Ltd.	The same De facto controller

Gansu Yuerong Garments Co., Ltd.	The same De facto controller
Gansu Herpis Craft Products Co., Ltd.	The same De facto controller
Gansu Fangda Zhanyao New Materials Packaging Co., Ltd.	The same De facto controller
Gansu Fangda Tongte New Materials Co., Ltd.	The same De facto controller
Gansu Fangda Jiujiapeng Technology Development Co., Ltd.	The same De facto controller
Gansu Fangda Fuhuang East-West Cooperation Garments Co., Ltd.	The same De facto controller
Fangda Special Steel Technology Co., Ltd.	The same De facto controller
Xiyuxing Garments Co., Ltd., Dongxiang Autonomous County	The same De facto controller
Dongxiang Autonomous County Fangda Luming Textile Co., Ltd.	The same De facto controller
Dongxiang Autonomous County East-West Cooperation Shengweitang Food Co., Ltd.	The same De facto controller
Dongxiang Autonomous County East-West Cooperation Meijia Rainwear Co., Ltd.	The same De facto controller
Dongxiang Autonomous County Baishui Industrial Co., Ltd.	The same De facto controller
Northeast Pharmaceutical Group Shenyang No. 1 Pharmaceutical Co., Ltd.	The same De facto controller
Beijing Kehang Investment Co., Ltd.	The same De facto controller
Beijing Fangda Carbon Technology Co., Ltd.	The same De facto controller
Northern Heavy Industries Group Co., Ltd.	The same De facto controller

5. Affiliated transactions

(1). Purchase and sale of goods, provision and acceptance of labor service affiliated transactions

Purchase of goods/acceptance of labor

Applicable Not applicable

Unit: Yuan Currency: RMB

Affiliated Parties	Affiliated Transactions	Value occurred in current period	Amount of approved transactions (if applicable)	Whether the transaction limit is exceeded (if applicable)	Value occurred in previous period
Beijing Fangda Carbon Technology Co., Ltd.	Purchase of goods and services;	7,611,727.51	380,000,000.00		46,451,958.06
Beijing Fangda (Tianjin) International Trade Co., Ltd.	Purchase of goods;	115,289,018.75			16,194.70
Sichuan Daxing Baohua Chemical Co., Ltd.	Purchase of goods;	40,893,261.40	46,000,000.00		49,875,637.13

Hainan Hantou Trading Co., Ltd.	Purchase of goods;	40,230,461.15	50,000,000.00		152,590,222.66
Fangda Special Steel Technology Co., Ltd.	Purchase of goods;	14,995,437.99	20,000,000.00		41,128,169.66
Sanya Aviation Tourism Vocational College	Technical services;	1,247,742.70			
Gansu Fangda Tongte New Materials Co., Ltd.	Purchase of goods;	1,052,035.41			644,601.77
Gansu Yuerong Garments Co., Ltd.	Purchase of goods;	836,283.19			
Tianjin Department Store Business and Trade General Corporation	Purchase of goods;	688,073.39			1,060,176.98
Gansu Fangda Jiujianpeng Technology Development Co., Ltd.	Purchase of goods;	629,930.09			55,640.72
ZTE-Shenyang Commercial Building (Group) Co., Ltd.	Purchase of goods;	615,047.94			2,252,373.41
Dongxiang Autonomous County East-West Cooperation Meijia Rainwear Co., Ltd.	Purchase of goods;	586,725.66			
Gansu Fangda Zhanyao New Materials Packaging Co., Ltd.	Purchase of goods;	579,513.28			390,619.46
Gansu Fangda Fuhuang East-West Cooperation Garment Co., Ltd.	Purchase of goods;	402,654.87			
Shenyang Fangdi Real Estate Co., Ltd.	Receipt of services;	294,445.11			190,383.79
Dongxiang Autonomous County Baishui Industrial Co., Ltd.	Purchase of goods;	265,486.73			
Dongxiang Autonomous County Xiyuxing Garments Co., Ltd.	Purchase of goods;	256,637.17			
Liaoning Fangda General Hospital Co., Ltd.	Purchase of goods;	251,042.00			
Dongxiang Autonomous County East-West Cooperation Shengweitang Food Co., Ltd.	Purchase of goods;	108,552.21			31,854.09

Northern Heavy Industries Group Co., Ltd.	Purchase of goods;	81,211.32			242,978.76
Beijing Kehang Investment Co., Ltd.	Provision of services	10,972.50			
Guizhou Fangda Huangguoshu Food & Beverage Co., Ltd.	Purchase of goods;	7,433.63			7,433.63
Baofang Carbon Materials Technology Co., Ltd.	Purchase of goods;				27,450,612.46
Hainan Airlines Holding Co., Ltd.	Purchase of goods;				65,109.69
China Xinhua Airlines Group Co., Ltd.	Purchase of goods; Provision of services;				8,207.55
Shenyang Northeast Pharmacy Chain Co., Ltd.	Purchase of goods				2,444.25
Total		226,933,694.00			322,464,618.77

Statement of sale of goods/provision of services

Applicable Not applicable

Unit: Yuan Currency: RMB

Affiliated Parties	Affiliated Transactions	Value occurred in current period	Value occurred in current period
Fangda Special Steel Technology Co., Ltd.	Sales of goods	27,979,337.14	26,593,766.13
Baofang Carbon Materials Technology Co., Ltd.	Sales of goods	26,721,230.63	11,601,520.10
Jiujiang Pinggang Iron & Steel Co., Ltd.	Provision of labor	17,347,073.22	23,507,923.74
Benxi Manchu Autonomous County Tongda Iron Ore Beneficiation Co., Ltd.	Sales of goods	3,598,185.75	2,752,495.04
Pingxiang Pinggang Anyuan Iron & Steel Co., Ltd.	Sales of goods	2,195,529.25	1,507,486.09
Northeast Pharmaceutical Group Shenyang No. 1 Pharmaceutical Co., Ltd.	Sales of goods	2,149,334.50	
Sichuan Dazhou Iron & Steel Group Co., Ltd.	Sales of goods	1,918,021.72	879,280.25
Beijing Fangda Carbon Technology Co., Ltd.	Products for sale	1,835,260.62	2,678,097.89
Beijing Fangda (Tianjin) International Trade Co., Ltd.	Products for sale	1,304,646.29	
Liaoning Fangda Equipment Manufacturing Group Co., Ltd.	Sales of goods	992,877.88	

Hainan Hantou Trading Co., Ltd.	Sales of goods	525,720.61	2,000,837.49
Gansu Herpis Craft Products Co., Ltd.	Selling goods	460,306.20	394,070.80
Gansu Fangda Zhanyao New Materials Packaging Co., Ltd.	Provision of labor	455,530.95	369,734.52
Dongxiang Autonomous County Xiyuxing Garments Co., Ltd.	Sales of goods	209,883.19	52,788.86
Liaoning Fangda General Hospital Co., Ltd.	Sales of goods	74,435.39	265.49
Dongxiang Autonomous County East-West Cooperation Meijia Rainwear Co., Ltd.	Sales of goods	49,961.06	252,330.97
The Third Affiliated Hospital of Chongqing Medical University (Fangda Hospital)	Sales of goods	48,584.07	
Dongxiang Autonomous County Fangda Luming Textile Co., Ltd.	Sales of goods		144,424.79
Gansu Fangda Fuhuang East-West Cooperation Garment Co., Ltd.	Products for sale		1,433.63
Total		87,865,918.47	72,736,455.79

(2) Affiliated leaseApplicable Not applicable**(3) Related-party leases**

The company as the guarantor

Applicable Not applicable

Unit: Yuan Currency: RMB

Name of the Lessor	Types of leased assets	Guarantee stRental expenses for simplified accounting for short-term leases and leases of low-value assets (where applicable)art date	Variable lease payments not included in the measurement of the lease liability (if applicable)	rent paid
Fangda Special Steel Technology Co., Ltd.	Housing	51,176.40		51,176.40

(4) Description of affiliated guaranteesApplicable Not applicable

Guarantor:	Guarantee amount	Guarantee start date	Guarantee expiry date	Has the guarantee been honoured?
Fangda Special Steel Technology Co., Ltd.	400,000,000.00	26 janvier 2027 25 janvier 2030	26 janvier 2027 25 janvier 2030	NO

On 16 January 2023, Fangda Carbon passed a resolution at its first extraordinary general meeting of 2023 regarding a mutual guarantee arrangement with Fangda Special Steel Technology Co., Ltd. The total amount of the mutual guarantee shall not exceed RMB 1 billion. The mutual guarantee agreement shall have a term of 10 years, and the form of guarantee shall be a surety guarantee. The terms of the agreement stipulate that either party, when issuing corporate bonds or applying for comprehensive credit facilities from banks within the limit of RMB 1 billion, shall have the right to require the other party to provide an irrevocable joint and several guarantee. This facility may be utilised in a single instalment or in multiple instalments within the aforementioned limit. The term of the comprehensive credit facility under the mutual guarantee shall not exceed five years, and the period during which the guarantor assumes liability shall not exceed the term of the bonds (or loans) plus three years from the date of maturity of the bonds (or loans).

On 16 December 2025, Fangda Carbon passed a resolution at its second extraordinary general meeting of 2025 regarding the 'Proposal to Adjust the Mutual Guarantee Limit with Fangda Special Steel', agreeing to adjust the mutual guarantee limit with Fangda Special Steel Technology Co., Ltd. The mutual guarantee limit was adjusted from 'not exceeding RMB 1 billion' to 'not exceeding RMB 500 million', with the other terms of the agreement remaining unchanged.

On 30 January 2023, Fangda Special Steel Technology Co., Ltd. entered into a maximum guarantee contract with

the Gansu Provincial Branch of the Export-Import Bank of China, contract number HETO22800000720221200000008, with the Company as the guaranteed party and a maximum guarantee amount of RMB 250,000,000.00. As at the balance sheet date, the loan had been settled.

On 26 January 2025, Fangda Special Steel Technology Co., Ltd. entered into a maximum amount guarantee contract with the Gansu Branch of the Export-Import Bank of China, contract number HETO22800000720250100000020BZ01, with the Company as the guaranteed party and a maximum guarantee amount of RMB 400,000,000.00. As at the reporting date, the outstanding loan balance stood at RMB 399,800,000.00.

(5). Remuneration of key management personnel

Applicable Not applicable

Unit: Ten thousand Yuan Currency: RMB

Item	Amount in the current period	Amount in the prior period
Remuneration of key management personnel	423.89	499.43

(6) Other affiliated party transactions

Applicable Not applicable

As at 31 December 2025, Liaoning Fangda Group Industrial Co., Ltd. held 1,524,413,321 shares in the Company, representing 37.86% of the Company's total issued share capital. Of these, 767,708,590 shares were pledged, accounting for 50.36% of its total shareholding and 19.07% of the Company's total issued share capital.

6. Unsettled items such as receivables and payables to Affiliated parties

(1) Receivables

Applicable Not applicable

Unit: Yuan Currency: RMB

Items	Affiliated parties	Closing balance		Opening balance	
		Balance of book value	provision for bad debts	Balance of book value	provision for bad debts
Accounts receivable	Fangda Special Steel Technology Co., Ltd.	12,222,061.68	109,998.55	13,021,271.53	117,191.44
Accounts receivable	Jiujiang Pinggang Iron & Steel Co., Ltd.	4,873,841.05	43,864.57	7,121,164.38	64,090.48
Accounts receivable	Pingxiang Pinggang Anyuan Iron & Steel Co., Ltd.	1,611,374.26	14,502.37	1,625,637.87	14,630.74
Accounts receivable	Sichuan Dazhou Iron & Steel Group Co., Ltd.			993,586.69	8,942.28
Accounts receivable	Beijing Fangda Carbon Technology Co., Ltd.			369,145.70	3,322.31
Accounts receivable	Baofang Carbon Materials Technology Co., Ltd.	158,001.40	3,052.48	157,993.40	1,422.01
Accounts receivable	Gansu Herpis Craft Products Co., Ltd.	141,602.00	1,274.42	67,596.00	608.36
Accounts receivable	Dongxiang Autonomous County East-West Cooperation Meijia Rain Gear Co., Ltd.			57,828.00	520.45

Accounts receivable	Gansu Fangda Zhanyao New Materials Packaging Co., Ltd.	98,200.00	883.8	31,200.00	280.8
Accounts receivable	Liaoning Fangda Equipment Manufacturing Group Co., Ltd.	1,121,952.00	10,097.57		
Prepayments	Sichuan Daxing Baohua Chemical Co., Ltd.	990,105.06		352,346.34	
Prepayments	Fangda Special Steel Technology Co., Ltd.	10,097.68		69,432.33	
Other receivables	Baofang Carbon Materials Technology Co., Ltd.	16,297,371.81	2,705,968.88	11,586,614.52	921,851.16
Other receivables	Jiujiang Pinggang Iron & Steel Co., Ltd.	500,000.00	50,000.00	500,000.00	25,000.00
Other receivables	Fangda Special Steel Technology Co., Ltd.	300,000.00	29,000.00	410,000.00	21,500.00
Other receivables	Shenyang Fangdi Real Estate Co., Ltd.	9,615.99	1,931.70	121,448.99	6,594.98
Other receivables	Sichuan Dazhou Iron & Steel Group Co., Ltd.	100,000.00	10,000.00	100,000.00	5,000.00
Other receivables	Pingxiang Pinggang Anyuan Iron & Steel Co., Ltd.	100,000.00	5,000.00		
Other receivables	Beijing Kehang Investment Co., Ltd.	45,000.00	2,250.00		
Contract assets	Pingxiang Pinggang Anyuan Iron & Steel Co., Ltd.			419,334.50	3,774.01
Total		38,579,222.93	2,987,824.34	37,004,600.25	1,194,729.02

(2) Payable

Applicable Not applicable

Unit: Yuan Currency: RMB

Items	Affiliated parties	Closing balance of book value	Opening balance of book value
Accounts Payable	Baofang Carbon Materials Technology Co., Ltd.	16,739,618.03	14,203,376.02
Accounts Payable	Tianjin Department Store Business and Trade General Corporation	1,168,800.00	613,600.00
Accounts Payable	Fangda Special Steel Technology Co., Ltd.	90,000.00	9,150.00
Accounts Payable	Gansu Fangda Zhanyao New Materials Packaging Co., Ltd.		118,100.00
Accounts Payable	Jingfangda (Tianjin) International Trade Co., Ltd.	12,200.00	
Other Payables	Northern Heavy Industries Group Co., Ltd.		24,800.00
Other Payables	Tianjin Huantong Electrical Equipment Co., Ltd.	250,000.00	250,000.00
Other Payables	Shenyang Northeast Pharmaceutical Equipment Manufacturing and Installation Co., Ltd.		200,000.00
Other Payables	Tianjin Department Store Business and Trade General Corporation	292,200.00	97,400.00
Contract Liabilities	Baofang Carbon Materials Technology Co., Ltd.	2,186,015.66	2,201,478.49
Contract Liabilities	Beijing Fangda Carbon Technology Co., Ltd.	968,495.58	286,782.30
Contract Liabilities	Pingxiang Pinggang Anyuan Iron & Steel Co., Ltd.	238,811.05	
Contract Liabilities	Jingfangda (Tianjin) International Trade Co., Ltd.	188,646.02	

Contract Liabilities	Hainan Hantou Trading Co., Ltd.	266.78	
Other Current Liabilities	Baofang Carbon Materials Technology Co., Ltd.	284,182.04	286,192.21
Other Current Liabilities	Beijing Fangda Carbon Technology Co., Ltd.	125,904.42	37,281.70
Other Current Liabilities	Pingxiang Pinggang Anyuan Iron & Steel Co., Ltd.	31,045.44	
Other Current Liabilities	Jingfangda (Tianjin) International Trade Co., Ltd.	24,523.98	
Other Current Liabilities	Hainan Hantou Trading Co., Ltd.	34.68	
Total		22,600,743.68	18,328,160.72

7. Commitment of affiliated parties

Applicable Not applicable

The Company's parent company, Liaoning Fangda Group Industrial Company Limited, undertook to: “(1) expedite the processing of land certificates, real estate certificates and other ownership documents in respect of the various land, buildings and other assets, and complete the processing of all of them by the end of 2007. (2) The costs and expenses involved in the process of processing the ownership documents of the land and houses to be injected shall be borne by the Company in proportion to its original shareholding. (3) The Company will bear the compensation liability for any loss caused by the impact on the normal operation of Hailong Technology due to the ownership issues of the land, houses, etc. involved in this transaction and will fulfill its compensation obligations within one month.” Affected by local policies and government relocation planning and other factors, the Company's subsidiaries, Fushun Carbon Limited Liability Company and Hefei Carbon Limited Liability Company, failed to obtain the relevant warrants. According to the relevant government documents, the subsidiaries Fushun Carbon Limited Liability Company and Hefei Carbon Limited Liability Company will apply for the land use right certificate and house ownership certificate ownership documents together after the relocation work is completed. Details are as follows:

(1) Hefei Carbon Co., Ltd. and the original shareholder Hefei Aluminum Co., Ltd. share the same piece of land, in the same area of the office, the land use right is still Hefei Aluminum Co., Ltd. and belongs to the state appropriation of the land. 2002 according to the requirements of Hefei Municipal Government, all of the state-owned land title certificate all by the Hefei City Industrial Investment Holding Company Limited to retrieve the unified management. 2004 July Hefei Aluminum policy bankruptcy, the land use right certificate of Hefei Aluminum Co. The land used by Hefei Carbon Limited Liability Company is leased. In order to speed up the optimization of the layout of the central city, the government requested Hefei Carbon to relocate to the gathering area for business development, and Hefei Carbon has prepared a relocation plan. There has been no ownership dispute or impact on the normal production and operation of the enterprise, and Hefei Carbon Limited Liability Company's land use right and house ownership certificate will be processed after the completion of the relocation work. In October 2017, the Company successfully acquired 47.89% equity interest in Hefei Carbon Limited Liability Company held by CITIC Investment Holding Company Limited, and Hefei Carbon Limited Liability Company became a wholly-owned subsidiary of the Company. According to the spirit of the Opinions on Accelerating the Optimization of Layout and Transformation and Development of Hefei City's Central City Industry, Hefei Carbon Limited Liability Company and the People's Government of Xiaitang Town, Changfeng County, signed the “Changfeng County Investment Cooperation Agreement for Merchandising Projects” in 2019,

and Hefei Carbon Limited Liability Company was relocated to invest in and construct the project of 50,000 tons of carbon products with an annual output of 50,000 tons in the territory of Xiaitang Town, Changfeng County, and the relocation work proceeded in an orderly manner according to the plan.

(2) Fushun Carbon Co., Ltd. is an enterprise which was restructured and established under the leadership of the local government in 2002, and some of the land use rights and house ownerships have not been transferred due to historical reasons during the restructuring. Since 2006, Fushun Carbon has taken measures to actively promote the transfer of the above land and property, and has handled the necessary preliminaries for the transfer procedures, and has communicated with the municipal government and the land management department on several occasions, but has failed to achieve any results due to the constraints imposed by the policy. 2008 Liaoning Provincial Party Committee and Government Proposed the implementation of the Shenfu co-citization strategy, in view of Fushun carbon limited liability company is located in the core of the Shenfu co-citization, Fushun City Government has Fushun carbon limited liability company relocation and transformation plan included in the government's work agenda. 2010, Fushun City Government and Fushun carbon limited liability company relocation formally included in the "Fushun City, the twelfth Five-Year Plan for the National Economic and Social Development Program," Fushun carbon limited liability company has also prepared a "relocation" of the "Fushun carbon limited liability company", "Fushun carbon limited liability company". Fushun Carbon Limited Liability Company also prepared a "relocation and transformation technology program". The land use right certificate and house ownership certificate will be processed together after the completion of the relocation and transformation of the enterprise.

Fushun Carbon is in the process of negotiating with the government for relocation and transformation.

8、Others

Applicable Not applicable

1. Pledge of shares by related parties

As at December 31, 2024, Liaoning Fangda Group Industry Co., Ltd. held 1,524,413,321 shares of the Company, accounting for 37.86% of the total share capital of the Company, of which 731,728,590 shares had been pledged, accounting for 48% of the total number of shares held by Fangda Group, and 18.18% of the total share capital of the Company.

2. Other connected transactions

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

XV.Share-based payment

Applicable Not applicable

XVI. Commitments and contingencies

1. Contingencies

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

Applicable Not applicable

In 2023, the Company received documents including a ‘Civil Statement of Claim’ served by post from the Qingyuan Manchu Autonomous County People’s Court of Liaoning Province, case number [(2023) Liao 0423 Min Chu No. 1247]. The shareholder of the subsidiary Fushun Laihe Mining Co., Ltd. (hereinafter referred to as ‘Laihe Mining’), Fushun Xinfu Steel Co., Ltd., is seeking to have its 22.2% equity interest in Laihe Mining reinstated, as well as to receive dividends calculated at 22.2% of Laihe Mining’s profits from its establishment to date, based on the financial data audited by an intermediary appointed by the court.

In 2025, the Fushun Intermediate People’s Court held a public hearing on the contractual dispute involving Xinfugang. As at the date of this report, no judgement has been handed down in the case, and the final outcome remains uncertain.

XVII. Events after the balance sheet date

1. Significant non-adjustment items

Applicable Not applicable

Unit: Yuan Currency: RMB

Projects	Content:	Impact on financial position and operating results:	It is not possible to estimate the number of bonds to be issued.
Issuance of shares and bonds	Proposal to issue up to 1 billion yuan in science and technology innovation bonds;		Reason:
Major overseas investments	Acquisition of 100% equity interest in Tianjin Tongda Huanyu Logistics Co., Ltd.	31,918.70	The issue date, issue amount and issue rate have not yet been determined.

1. On 9 January 2026, the Company convened the 16th extraordinary meeting of the 9th Board of Directors, at which it considered and approved the ‘Proposal on the Company’s Proposed Registration and Issuance of Science and Technology Innovation Bonds’. The Company intends to apply to the National Association of Financial Market Institutional Investors (NAFMII) for the registration and issuance of Science and Technology Innovation Bonds with a maximum principal amount not exceeding RMB 1 billion (including RMB 1 billion). The specific details are as follows:

- (1) Base product for registration and issuance: Ultra-short-term financing bills;
- (2) Registration size and issuance arrangements: Not exceeding RMB 1 billion (including RMB 1 billion). The bonds may be issued in one or more tranches at an appropriate time within the registered quota and validity period. The final registered quota shall be subject to the amount specified in the registration notice issued by the National Association of Financial Market Institutional Investors;
- (3) Method of issuance: The bonds are proposed to be issued via a public offering to qualified institutional investors in the national interbank bond market who meet the relevant regulatory requirements (excluding those prohibited from purchasing under national laws and regulations);
- (4) Maturity: Not exceeding 270 days (including 270 days); the specific maturity will be determined by the Company and the lead underwriter based on market conditions at the time of issuance;
- (5) Issue rate: To be determined based on market conditions in the interbank bond market at the

time of each issuance;

(6) Use of Proceeds: The proceeds from the registration and issuance of these Science and Technology Innovation Bonds will, subject to the Company's funding requirements and after deduction of issuance expenses, be used for the Company's production and business operations, such as project construction in the field of science and technology innovation, research and development investment, mergers and acquisitions (including equity investments), repayment of interest-bearing liabilities, and replenishment of working capital, with the aim of enhancing the Company's capacity for scientific and technological innovation and broadening sources of funding for mergers and acquisitions, among other lawful and compliant purposes.

On 1 April 2026, the Company convened the 21st Extraordinary Meeting of the 9th Board of Directors, at which it reviewed and approved the "Proposal on Adjusting the Type of Debt Financing Instruments Proposed for Registration and Issuance by the Company". The Board agreed to amend the Company's proposed application to the National Association of Financial Market Institutional Investors (NAFMII) for the registration and issuance of Science and Technology Innovation Bonds with a maximum principal amount not exceeding RMB 1 billion (including RMB 1 billion) to a proposal for the registration and issuance of a unified registered debt financing instrument with a total principal amount not exceeding RMB 1 billion (including RMB 1 billion). Apart from the adjustment to the type of debt financing instrument and the issuance term, the other details of this issuance plan remain unchanged. This proposal is still subject to review and approval by the Company's general meeting of shareholders and must be approved by the National Association of Financial Market Institutional Investors (NAFMII) before it can be implemented; the final plan shall be subject to the registration notice issued by NAFMII.

2. On 9 February 2026, the Company convened the 19th Extraordinary Meeting of the 9th Board of Directors, at which the "Proposal on the Acquisition of Equity and Related Party Transaction" was deliberated and approved. The meeting agreed that the Company would use its own funds to acquire 100% of the equity in Tianjin Tongda Huanyu Logistics Co., Ltd. (hereinafter referred to as "Tongda Huanyu") held by Tianjin Yishang Group Co., Ltd., with the transaction consideration amounting to RMB 319,187,000. On 26 March 2026, the Company completed the relevant commercial registration procedures for this equity transaction and paid the full purchase price for 100% of the equity in Tongda Huanyu in accordance with the terms of the "Equity Transfer Agreement for Tianjin Tongda Huanyu Logistics Co., Ltd."

2. Distribution of profits

Applicable Not applicable

Unit: Yuan Currency: RMB

Profit or dividend to be distributed	27,939,392.53
Profit or dividend declared after consideration and approval	27,939,392.53

On 28 April 2026, the Company convened the seventh meeting of the Ninth Board of Directors, at which it considered and approved the 'Proposal on the 2025 Profit Distribution Plan and the 2026 Interim Dividend Plan'. The Company's proposed profit distribution scheme for the 2025 financial year is as follows: the Company intends to distribute a cash dividend of RMB 0.00732 per share (including tax) to all shareholders; no bonus shares will be issued, nor will capital reserves be converted into share capital. This profit distribution proposal and the 2026 interim dividend plan are still subject to approval by the General Meeting of Shareholders.

3. Other

Statement on the Progress of the Company's External Investment in Nanchang Huxu

On 21 March 2022, the Company convened its first extraordinary general meeting of 2022, at which the 'Proposal on Investment in a Private Equity Fund and Related Party Transaction' was deliberated and approved. The Company contributed RMB 4.5 billion from its own funds to jointly establish Nanchang Huxu Steel Industry Investment Partnership (Limited Partnership) (hereinafter referred to as "Nanchang Huxu").

In March 2022, Nanchang Huxu contributed 8.5 billion yuan and the related party Jiangxi Fangda Steel Group Co., Ltd. contributed 500 million yuan to establish Jiangxi Fangda Steel Group Enterprise Investment Co., Ltd. (hereinafter referred to as "Steel Enterprise Investment"). On 23 March 2026, Steel Enterprise Investment signed a "Share Transfer Agreement" with Song De'an, Dai Lingying and Tong Xiuyun, Steel Enterprise Investment contributed 2.45 billion yuan in cash to acquire the 29.54% equity interest in Yunnan Desheng Vanadium-Titanium New Materials Co., Ltd., the 26.84% equity interest in Sichuan Desheng Group Vanadium-Titanium Co., Ltd. and the 1.53% equity interest in Chuxiong Desheng Trading Co., Ltd. held by Song De'an; the 51% equity interest in Yunnan Desheng Logistics Co., Ltd. and the 98% equity interest in Sichuan Hengda Mining Co., Ltd. held by Dai Lingying; and the 2% equity interest in Sichuan Hengda Mining Co., Ltd. held by Tong Xiuyun. Upon completion of the transaction, Steel Enterprise Investment will hold controlling stakes in Yunnan Desheng Logistics Co., Ltd., Yunnan Desheng Vanadium-Titanium New Materials Co., Ltd., Sichuan Desheng Group Vanadium-Titanium Co., Ltd. and Sichuan Hengda Mining Co., Ltd. The aforementioned matters have been reviewed and approved by the Nanchang Huxu Investment Decision-Making Committee and the shareholders' meeting of Steel Enterprise Investment; they do not require review by the Company's Board of Directors and do not constitute a related-party transaction.

On 13 April 2026, the Target Company finalised the shareholders' resolution issued by the other shareholders waiving their pre-emptive rights and completed the commercial registration of the Target Company's articles of association as approved by Steel Enterprise Investment. On 15 April 2026, Steel Enterprise Investment paid the first instalment (50% of the equity transfer consideration) in full into the escrow account opened by both parties at a bank.

The aforementioned transaction is still subject to review under the business concentration notification process; there is uncertainty as to whether approval or authorisation will be granted, and as to the timing of any such final approval or authorisation.

XVIII. Other significant matters

1. Correction of prior accounting errors

Retrospective restatement method

1. Details of the correction of accounting errors: On 7 March 2022, the board of directors of the controlling subsidiary, Fushun Laihe Mining Co., Ltd. (hereinafter referred to as 'Laihe Mining'), reviewed and approved the 'Proposal on the Distribution of Profits for the 2020 Financial Year'. The Company received a dividend distribution of RMB 889,763,603.39. Due to the need for transformation in subsequent development projects, on 31 March 2022, Laihe Mining convened a board meeting and approved the 'Proposal on Adjusting the 2020 Profit Distribution', reducing the profit distribution by RMB 700 million, with the actual dividend distributed to the Company amounting to RMB 189,763,603.39. As Laihe Mining's funds are held in trust by the Company, the Company did not return the reduced profit distribution of RMB 700 million to Laihe Mining, nor did it transfer the reduced amount from retained earnings to other payables for accounting purposes.

On 31 December 2023, Laihe Mining convened a board meeting and approved the '2022 Profit Distribution Proposal', deciding to distribute dividends of RMB 700 million to the Company.

2. Procedure: On 27 June 2025, the 12th meeting of the Company's 9th Board of Directors approved and agreed to make retrospective adjustments for the aforementioned prior-period accounting errors.

3. Names of affected items in comparative periods and the impact amounts:

The correction of prior-period accounting errors and retrospective adjustments in this instance do not affect the consolidated financial statements; they impact the parent company's 2022 balance sheet, income statement and cash flow statement, as well as the parent company's 2023 income statement.

(1) Impact on the parent company's 2022 financial statements

Impact on the project:	31 December 2022		
	Before adjustment	Adjustment	After adjustment
Balance Sheet:			
Other payables	469,460,842.11	700,000,000.00	1,169,460,842.11
Retained earnings	6,275,831,499.87	-700,000,000.00	5,575,831,499.87
Income Statement:	1,978,736,250.08	-700,000,000.00	1,278,736,250.08
Investment income	2,161,849,668.73	-700,000,000.00	1,461,849,668.73
Net profit			
	3,938,629,583.62	700,000,000.00	4,638,629,583.62
Cash Flow Statement:	1,753,800,697.73	-700,000,000.00	1,053,800,697.73

(2) Impact on the parent company's financial statements for the year 2023

Impact on the project:	31 December 2023		
	Before adjustment	Adjustment	After adjustment
Income statement:			
Investment income	27,329,775.04	700,000,000.00	727,329,775.04
Net profit	106,395,612.00	700,000,000.00	806,395,612.00

6. Segment information

(1) Determination basis and accounting policy of reporting segment

Applicable Not applicable

In accordance with the Company's internal organizational structure, management requirements and internal reporting system, the Company's operating business is divided into operating segments based on regions, and the

Company's management periodically evaluates the results of operations of these segments to determine the allocation of resources to them and to evaluate their performance. The Company has identified five reportable segments, which are Northwest, Northeast, Southwest, East China and Overseas. These reportable segments are identified on a regional basis.

Segment reporting information is disclosed in accordance with the accounting policies and measurement criteria used by the segments in reporting to management, and these measurement bases are consistent with the accounting and measurement bases used in the preparation of the financial statements.

(2) Financial information of reportable segments

Applicable Not applicable

Unit: Yuan Currency: RMB

Items	North West region	North East region	South West region	South East region	overseas	Inter-segment set-off	Total
Revenue from operations	1,855,216,318.55	647,399,467.59	730,224,716.90	467,184,774.33	-	-390,691,371.15	3,309,333,906.22
Main operating costs	1,688,985,269.77	616,452,913.47	568,821,659.46	495,818,763.60	-	-376,325,108.42	2,993,753,497.88
Total assets	16,196,717,659.30	2,508,939,108.64	4,560,747,632.17	2,196,544,117.30	2,831.89	-5,023,464,721.32	20,439,486,627.98
Total liabilities	3,314,866,544.16	557,435,946.04	1,637,874,298.03	961,133,490.34	-	-3,432,441,841.47	3,038,868,437.10

XIX. Notes to major items in the parent company's financial statements

1. Accounts receivable

(1). Disclosed by ageing

Applicable Not applicable

Unit: Yuan Currency: RMB

Age	Closing balance	Opening balance
Within 1 year		
Including sub-items Within 1 year		
Within 1 year	226,983,081.08	245,245,993.49
Within 1 year subtotal	226,983,081.08	245,245,993.49
1-2 year	36,454,761.63	18,635,382.56
2-3 year	3,769,945.29	10,538,228.46
More than 3 years	31,823,342.65	28,173,572.42
Total	299,031,130.65	302,593,176.93

(2) Disclosed by bad debt provision methods

 Applicable Not applicable

Unit: Yuan Currency: RMB

Category	Closing balance					Opening balance				
	Book balance		Bad debt provision		Book Value	Book balance		Bad debt provision		Book Value
	Value	Proportion (%)	Value	Proportion (%)		Value	Proportion (%)	Value	Proportion (%)	
Bad debt provision assessed individually	20,849,937.96	6.97	20,849,937.96	100.00	0	20,923,192.91	6.91	20,923,192.91	100.00	0
Bad debt provision assessed by groups						13,048,276.68	3.39	13,048,276.68	100.00	
Including:										
Accounts receivable that are not individually material but are individually provisioned for bad debts	20,849,937.96	100.00	20,849,937.96	100.00	0	20,923,192.91	100.00	20,923,192.91	100.00	0
Provision for bad debts is made on a portfolio basis	278,181,192.69	93.03	19,657,252.85	7.07	258,523,939.84	281,669,984.02	93.09	17,712,715.67	6.29	263,957,268.35
Including:										
Accounts receivable portfolio A	278,107,815.69	99.97	19,657,252.85	7.07	258,450,562.84	281,669,984.02	100	17,712,715.67	6.29	263,957,268.35
Accounts receivable portfolio B	73,377.00	0.03	0		73,377.00					
Total	299,031,130.65	/	40,507,190.81	/	258,523,939.84	302,593,176.93	/	38,635,908.58	/	263,957,268.35

Provision for bad debts is made on an individual basis:

Applicable Not applicable

Unit: Yuan Currency: RMB

Name	Closing balance			
	Book balance	Bad debt provision	Proportion (%)	Reason
Accounts receivable that are individually insignificant but individually provided for bad debts	20,849,937.96	20,849,937.96	100.00	/
Total	20,849,937.96	20,849,937.96	100.00	/

Provision portfolio: Accounts receivable A

Unit: Yuan Currency: RMB

Name	Closing balance		
	Accounts receivable	Bad debt provision	Proportion of provision (%)
Less than 1 year (including 1 year)	226,909,704.08	2,042,187.34	0.09
1-2 years (including 2 years)	36,454,761.63	4,666,209.49	12.80
2-3 years (including 3 years)	3,769,945.29	1,975,451.33	52.40
More than 3 years	10,973,404.69	10,973,404.69	100.00
Total	278,107,815.69	19,657,252.85	—

Aggregated provision item: Accounts receivable portfolio B

Unit: Yuan Currency: RMB

Name	Closing balance		
	Book Value	Provision for bad debts	Provisioning ratio (%)
Amounts due from related parties within the scope of consolidation	73,377.00		
Total	73,377.00		

(2). Details of bad debt provision

Applicable Not applicable

Unit: Yuan Currency: RMB

Category	Opening balance	Changes in the current period				Closing balance
		Provision	Recovery or reversal	Elimination or write-off	Other changes	
Provision for bad debts on an individual basis	20,923,192.91		6,214.95	67,040.00		20,849,937.96
Provision for bad debts on a collective basis	17,712,715.67	1,944,537.18				19,657,252.85

Total	38,635,908.58	1,944,537.18	6,214.95	67,040.00		40,507,190.81
-------	---------------	--------------	----------	-----------	--	---------------

(3). Accounts receivable written off as at the end of the reporting period

Applicable Not applicable

Unit: Yuan Currency: RMB

Items	Value written off
Accounts receivable actually written off	67,040.00

(4). Top five accounts receivables and Contractual assets based on debtors

Applicable Not applicable

Unit: Yuan Currency: RMB

Entity name	Closing balance of account receivables	Closing balance of contractual assets	Closing balance of accounts receivable and contract assets	Percentage of total closing balance of accounts receivable (%)	Closing balance of provision for bad debts
1	30,676,008.50	2,635,888.14	33,311,896.64	10.61	1,735,337.81
2	16,338,943.50	679,830.00	17,018,773.50	5.42	2,097,503.24
3	16,020,093.04		16,020,093.04	5.10	144,180.84
4	14,974,479.00		14,974,479.00	4.77	134,770.31
5	11,498,773.53		11,498,773.53	3.66	103,488.96
Total	89,508,297.57	3,315,718.14	92,824,015.71	29.56	4,215,281.16

2、 Other receivables

Presentation of items

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Interest receivable		
Dividends receivable	46,310,986.97	
Other receivables	1,029,439,011.94	982,848,208.71
Total	1,075,749,998.91	982,848,208.71

Interest receivable

Applicable Not applicable

Dividends receivable

Applicable Not applicable

Unit: Yuan Currency: RMB

Project (or investee)	Closing balance:	Opening balance:

Fushun Fangda Advanced Materials Co., Ltd.	46,310,986.97	
Total	46,310,986.97	

Other receivables

(1). Aging analysis

Applicable Not applicable

Unit: Yuan Currency: RMB

Aging	Closing balance of book value	Opening balance of book value
Within 1 year		
Including: Items aged within 1 year		
Within 1 year (Including 1 year)	372,889,020.54	222,829,742.39
Within 1 year (subtotal)	372,889,020.54	222,829,742.39
1 to 2 years	219,774,136.80	15,307,077.36
2 to 3 years	8,629,960.42	18,660,382.66
More than 3 years	526,218,041.43	847,193,578.61
Total	1,127,511,159.19	1,103,990,781.02

(2). Details of classification by nature

Applicable Not applicable

Unit: Yuan Currency: RMB

Nature	Closing balance of book value	Opening balance of book value
reserve fund	249,678.18	253,335.55
Margin	60,731,004.93	10,817,380.09
Accounts Receivable	145,492,826.69	194,433,421.44
Receivables from related parties within the scope of consolidation	921,037,649.39	898,486,643.94
Others	1,127,511,159.19	1,103,990,781.02
Total	98,072,147.25	121,142,572.31

(3). Details of allowance for bad debt provision

Applicable Not applicable

Unit: Yuan Currency: RMB

Bad debt provision	Stage I	Stage II	Stage III	Total
	12 month ECL	Lifetime ECL (not impaired)	Lifetime ECL (impaired)	
Balance at January 1, 2024	1,751,292.78		119,391,279.53	121,142,572.31
Balance at January 1, 2024 in current period	1,751,292.78		119,391,279.53	121,142,572.31

--Transferred to Phase II				
--Transferred to Phase III				
--Transferred back to Phase II				
--Transferred back to Phase I				
Accrued during the period	4,115,344.91		56,435.00	4,173,779.91
Reversal			25,246,488.50	25,246,488.50
Write-off during the period				
Balance at December 31, 2024			1,997,716.47	1,997,716.47

(4). Details of bad debt provision

Applicable Not applicable

Unit: Yuan Currency: RMB

Category	Opening balance	Changes in the current period				Closing balance
		Provision	Recovery or reversal	Verification or write-off	Other changes	
Other receivables with a single provision for bad debts	119,392,279.53	57,435.00	25,246,488.50	1,997,716.47		92,205,509.56
Other receivables portfolio A	1,750,292.78	4,116,344.91				5,866,637.69
Total	121,142,572.31	4,173,779.91	25,246,488.50	1,997,716.47		98,072,147.25

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

Applicable Not applicable

Unit: Yuan Currency: RMB

Entity	Amounts reversed or recovered	Reasons for reversal	Method of recovery	Age	Basis for determining the percentage of the original provision for bad debts and its reasonableness
1	25,246,488.50	reversal	Account current	Wire transfers	Individual bad debt provision
Total	25,246,488.50	/	/	/	/

(5) . Details of other receivables actually written off during the current period

Applicable Not applicable

Unit: Yuan Currency: RMB

Item:	Amount written off:
Other receivables actually written off	1,997,716.47

(6). Top five other receivables based on debtors

Applicable Not applicable

Unit: Yuan Currency: RMB

Entity	Closing balance	Percentage of total closing balance of other receivables (%)	Nature of items	Age	Closing balance of provision of bad debt	Provision for bad debts Closing balance
1	593,353,369.60	54.33	Account current	Segmented ageing	612,463,706.35	
2	305,126,474.34	27.36	Account current	Segmented ageing	308,520,969.89	
3	137,492,535.69	7.62	Account current	Segmented ageing	85,932,834.82	42,077,480.84
4	16,958,373.26	4.43	Account current	Segmented ageing	50,000,000.00	2,500,000.00
5	12,000,000.00	1.51	Account current	More than 3 years	17,015,808.26	17,015,808.26
合计	1,064,930,752.89	95.25	/	/	1,073,933,319.32	61,593,289.10

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
Investments in subsidiaries	1,733,094,932.42	160,376,812.90	1,572,718,119.52	1,733,126,036.74	160,392,852.19	1,572,733,184.55
Investments in associates and joint ventures	6,767,182,929.38	425,684,011.01	6,341,498,918.37	6,801,561,564.66	425,684,011.01	6,375,877,553.65
Total	8,500,277,861.80	586,060,823.91	7,914,217,037.89	8,534,687,601.40	586,076,863.20	7,948,610,738.20

(1) Investment on subsidiaries

Applicable Not applicable

Unit: Yuan Currency: RMB

Investee	Opening balance	Opening balance of impairment provisions	Increase investment	Decrease investment	Recognize impairment loss	Other	Book Value	Closing balance of impairment provisions
Chengdu Rongguang Carbon Co., Ltd.	71,721,550.34						71,721,550.34	
Chengdu Fangda Carbon Composite Materials Co., Ltd.	446,816,768.89						446,816,768.89	
Hefei Carbon Co., Ltd.	150,650,328.77			15,065.03			150,635,263.74	
Fushun Carbon Co., Ltd.	159,874,721.44						159,874,721.44	
Fushun Fangda Advanced Materials Co., Ltd.	30,000,000.00						30,000,000.00	
Fushun Fangtai Precision Carbon Materials Co., Ltd.		160,392,852.19		16,039.29	-16,039.29			160,376,812.90
Fushun Laihe Mining Co., Ltd.	185,510,031.75						185,510,031.75	
Shanghai Fangda Investment Management Co., Ltd.	52,008,530.00						52,008,530.00	
Fangda Xike Mo (Jiangsu) Needle Coke Technology Co., Ltd.	461,437,854.56						461,437,854.56	
Gansu Guodian Shengdong Construction Poverty Alleviation and Development Co., Ltd.	10,000,000.00						10,000,000.00	
Gansu Benju	600,000.00						600,000.00	

Handicraft Development Co., Ltd.								
Dongxiang Autonomous County Fangda Tengda Garments Co., Ltd.	2,760,000.00						2,760,000.00	
Fangda (Korea) International Trading Co., Ltd.	1,353,398.80						1,353,398.80	
Total	1,572,733,184.55	160,392,852.19		31,104.32	-16,039.29		1,572,718,119.52	160,376,812.90

(2) Investment on Associates and Joint ventures

Applicable Not applicable

Unit: Yuan Currency: RMB

Investee	Opening balance	Additional investments	Reduce investment	Gains and losses on investments recognized under the equity method	Adjustments to other comprehensive income	Other changes in equity	Declaration of cash dividends or profits	provide for impairment	Others	Closing balance	Ending balance of house impairment reserve
I. Joint ventures											
II. Associates											
Baofang Carbon Material Technology Co., Ltd.	532,044,334.13			-44,452,851.22		682,340.25				488,273,823.16	
Jiujiang Bank Co., Ltd.	1,207,770,183.89			23,488,900.60	-52,971,331.74	113,305.36	7,755,990.00			1,170,645,068.11	425,684,011.01
Tianjin Haihe Fangda Industrial Investment Fund Partnership (Limited Partnership)	34,207,698.67			2,594,441.77						36,802,140.44	
Nanchang Huxu Steel Industry Investment Partnership	4,601,855,336.96			43,922,549.70						4,645,777,886.66	

(Limited Partnership)											
Subtotal	6,375,877,553.65			25,553,040.85	-52,971,331.74	795,645.61	7,755,990.00			6,341,498,918.37	425,684,011.01
Total	6,375,877,553.65			25,553,040.85	-52,971,331.74	795,645.61	7,755,990.00			6,341,498,918.37	425,684,011.01

4. Operating revenue and costs of sales

(1). Operating revenue and costs of sales

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period		Amount incurred in the prior period	
	Revenue	Cost	Revenue	Cost
Principal operating activities	1,848,717,541.74	1,678,713,827.13	1,882,590,193.92	1,766,108,059.47
Others	110,659,380.24	47,511,556.10	119,497,694.23	49,991,837.09
Total	1,959,376,921.98	1,726,225,383.23	2,002,087,888.15	1,816,099,896.56

8. Investment income

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the prior period
Gains on long-term equity investments accounted for using the cost method:	46,310,986.97	
Gains on long-term equity investments accounted for using the equity method:	25,553,040.85	-233,681.66
Gains on disposal of long-term equity investments:	31,108.12	
Investment gains on trading financial assets during the holding period:	8,746.35	
Dividend income from other equity investments during the holding period:		
Interest income from debt investments during the holding period:		
Interest income from other debt investments during the holding period:		
Investment gains on disposal of financial assets held for trading	-157,920,463.52	-34,712,201.29
Investment gains on disposal of other equity instruments		
Investment gains on disposal of debt investments	11,888,343.25	
Investment gains on disposal of other debt investments		
Gains on debt restructuring	-1,210,363.19	-778,783.65
Investment gains on holding other non-current assets	740,566.02	599,056.59
Gains on holding other non-current financial assets	7,955,881.26	12,445,222.01
Gains on derecognition of financial assets		-204,626.86
Other	6,282.43	8,318.89
Total	-66,635,871.46	-22,876,695.97

XX. Supplementary information

1. Details of current non-recurring profit and loss

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Amount	Description
Gains or losses on the disposal of non-current assets, including the reversal of impairment losses previously recognised;	215,602.07	
Government grants recognised in profit or loss for the period, except for those that are closely related to the company's ordinary course of business, comply with national policy provisions, are granted in accordance with established criteria, and have a continuing impact on the company's profit or loss	53,442,224.01	
Gains or losses arising from changes in the fair value of financial assets and financial liabilities held by non-financial enterprises, and gains or losses arising from the disposal of financial assets and financial liabilities, other than those arising from effective hedging transactions related to the company's normal business operations;	208,901,819.76	
Fees for the use of funds charged to non-financial enterprises and recognised in profit or loss for the period;		
Gains or losses arising from entrusting others to invest or manage assets;	740,566.02	
Gains or losses arising from external entrusted loans;		
Losses on assets arising from force majeure events, such as natural disasters;		
Reversals of impairment provisions for receivables subject to individual impairment testing;	27,290,582.20	
Gains arising where the cost of an enterprise's investment in a subsidiary, associate or joint venture is less than the fair value of the investee's identifiable net assets at the time of acquisition;		
The net profit or loss of a subsidiary for the period from the beginning of the period to the date of the business combination arising from a business combination under common control;		
Gains or losses on non-monetary asset exchanges;		
Gains or losses arising from debt restructuring;	-141,553.44	
One-off expenses incurred by the entity due to the discontinuation of relevant business activities, such as expenditure on employee redundancy;		
One-off impacts on current period profit or loss resulting from adjustments to laws and regulations relating to taxation, accounting, etc.;		
Share-based payment expenses recognised on a one-off basis due to the cancellation or amendment of an equity incentive scheme;		
For cash-settled share-based payments, gains or losses arising from changes in the fair value of employee benefits payable after the vesting date;		
Gains or losses arising from changes in the fair value of investment property measured using the fair value model;		
Gains arising from transactions where the transaction price is grossly unfair;		
Gains or losses arising from contingent events unrelated to the company's normal business operations;		
Fiduciary management fees received from entrusted operations;		
Other non-operating income and expenses not included in the above items;	-13,616,597.02	
Other items of income or loss that meet the definition of non-recurring gains or losses;	1,301,009.28	
Less: Income tax effect	60,271,571.10	
Impact on minority interests (after tax)	3,333,227.39	
Total	214,528,854.39	

2. Return on net assets and earnings per shareApplicable Not applicable

Profit in the reporting period	Weighted average return on net assets	Earnings per share	
		Basic earnings per share	Diluted earnings per share
Net profit attributable to ordinary shareholders of the company	0.57	0.02	0.02
Net profit attributable to ordinary shareholders of the company after deducting non-recurring profit and loss	-0.75	-0.03	0.01

Chairman: Zhang Tianjun

Board of Directors Approval Date of Submission: 29 April 2026