Ad hoc announcement pursuant to Art.53 LR

Company Code: 600516 Company Abbreviation: Fangda Carbon

2026 Half-year Report

Important Notice

I、 The Company's Board of Directors and its directors and senior management personnel hereby certify that the content of this interim report is true, accurate and complete, that there are no false records, misleading statements or material omissions, and that they shall bear both individual and joint legal liability.

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

III、 This interim report has not been audited.

IV、 Zhang Tianjun, the company's legal representative; Gou Yanli, the person in charge of accounting affairs; and Tan Hong, the head of the accounting department (chief accounting officer), hereby declare that they guarantee the authenticity, accuracy, and completeness of the financial statements contained in this interim report.

V、 The profit distribution proposal or the proposal to convert surplus reserves into share capital, as approved by the Board of Directors for the current reporting period

On August 28,2026, the Company held its Ninth Meeting of the Ninth Board of Directors, at which the "Proposal Concerning the 2026 Half-Year Profit Distribution Plan" was reviewed and approved. The proposed half-year profit distribution plan for 2026 is as follows: The Company intends to distribute a cash dividend of RMB * per share (including tax) to all shareholders; no additional shares will be issued, and no conversion of capital reserve into share capital will be carried out.

VI、 Proactive Statement Risk Disclosure

☑applicable □inapplicable

The discussion and analysis of operating performance contained in this report do not constitute a material commitment by the Company to its investors; investors are advised to be aware of the associated investment risks.

VII、 Is there any instance of non-operational misappropriation of funds by the controlling shareholder or other related parties?

deny

VIII、 Was there any instance of providing external guarantees in violation of the prescribed decision-making procedures?

deny

IX、 Is it the case that more than half of the directors are unable to guarantee the authenticity, accuracy, and completeness of the company's disclosed interim reports?

deny

X、 Major Risk Warning

The Company has provided a detailed description of the major risks that may arise in its operations in this Report; please refer to Section 3, "Management's Discussion and Analysis," which covers the risks that the Company may face in its future development.

XI、 other

☐applicable ☑inapplicable

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REFERENCE DOCUMENTS CATALOG	FINANCIAL STATEMENTS BEARING THE SIGNATURES AND SEALS OF THE LEGAL REPRESENTATIVE, THE PERSON IN CHARGE OF ACCOUNTING WORK, AND THE HEAD OF THE ACCOUNTING DEPARTMENT.
	THE ORIGINAL COPIES OF ALL CORPORATE DOCUMENTS AND THE ORIGINAL DRAFTS OF ALL ANNOUNCEMENTS THAT HAVE BEEN PUBLICLY DISCLOSED DURING THE REPORTING PERIOD IN THE CHINA SECURITIES JOURNAL, SHANGHAI SECURITIES NEWS, SECURITIES TIMES, AND ON THE WEBSITE OF THE SHANGHAI STOCK EXCHANGE.

Section 1 Reference Documents Catalog

In this report, unless the context otherwise requires, the following terms shall have the meanings set out below.		
the Company, Fangda Carbon	represent	Fangda Carbon New Material Technology Co., Ltd.
Controlling Shareholder, Fangda Group	represent	Liaoning Fangda Group Industrial Co., Ltd.
Hefei Carbon	represent	Hefei Carbon Co., Ltd.
Changfeng Fangda	represent	Changfeng Fangda Carbon Materials Co., Ltd.
Fangda High-tech	represent	Fushun Fangda High-tech Materials Co., Ltd.
Chengdu Carbon Materials	represent	Chengdu Fangda Carbon-carbon Composites Co., Ltd.
Fushun Carbon	represent	Fushun Carbon Co., Ltd.
Meishan Rongguang	represent	Meishan Fangda Rongguang Carbon Co., Ltd.
Fangda Secmer	represent	Fangda Secmer (Jiangsu) Needle Coke Technology Co., Ltd.
Tongda Huanyu	represent	Tianjin Tongda Huanyu Logistics Co., Ltd.
Shanghai Fangda	represent	Shanghai Fangda Investment Management Co., Ltd.
CSRC	represent	China Securities Regulatory Commission
SSE	represent	Shanghai Stock Exchange
Company Law	represent	Company Law of the People's Republic of China
Securities Law	represent	Securities Law of the People's Republic of China

Section 2 Company Profile and Key Financial Metrics

I、 corporate information

Company's Chinese name	
The company's Chinese abbreviation	Fangda Carbon
Company's foreign name	Fangda Carbon New Material Co.,Ltd.
The company's legal representative	Zhang Tianjun

II、 Contact Person and Contact Information

	Board Secretary	Securities Affairs Representative
Surname and personal name	Zhuang Xiaoru	Zhang Aiyan

Contact Address	No.11, Tansu Road, Haishiwan Town, Honggu District, Lanzhou City, Gansu Province	No.11, Tansu Road, Haishiwan Town, Honggu District, Lanzhou City, Gansu Province
Telephone	0931-6239195	0931-6239195
Fax	0931-6239221	0931-6239221
Electronic mailbox	fdts730084@fangdacarbon.com	fdts730084@fangdacarbon.com

III、 Basic Information Change Summary

Company registerred address	No.11, Tansu Road, Haishiwan Town, Honggu District, Lanzhou City, Gansu Province
Historical changes to the company's registered address	In accordance with the "One Standard, Three Realities" QR code-based standard address registration requirements issued by the Gansu Provincial Public Security Bureau, and upon approval by the public security authorities and the Civil Affairs Department, the company's registered address was amended to No.11 Tansu Road, Haishiwan Town, Honggu District, Lanzhou City, Gansu Province. On September 8, 2020, and September 24,2020, the company held the 36th Extraordinary Meeting of its 7th Board of Directors and the 5th Extraordinary General Meeting of Shareholders for the year 2020, respectively, where the "Proposal on Amending Certain Clauses of the Company's Articles of Association" was approved. On September 28,2020, the company completed the industrial and commercial registration amendment procedures and obtained a new business license.
Company Office Address	No.11, Tansu Road, Haishiwan Town, Honggu District, Lanzhou City, Gansu Province
Postal code for the company's office address	730084
Web	http://www.fdtsgs.com
electronic mailbox	fdts730084@fangdacarbon.com
Reporting Period Change Inquiry Index	not applicable

IV、 Brief Overview of Changes in Information Disclosure and Filing Locations

The name of the newspaper selected by the company for information disclosure	China Securities Journal (http://www.cs.com.cn/); Shanghai Securities Journal (http://www.cnstock.com) China Securities Journal (http://www.cs.com.cn/); Shanghai Securities Journal (http://www.cnstock.com) Securities Times (https://www.stcn.com/)
Website address where the semi-annual report is published	http://www.sse.com.cn
Company's interim report filing location	Fangda Carbon Office Building, No.11 Tansu Road, Haishiwan Town, Honggu District, Lanzhou City, Gansu Province
Reporting Period Change Inquiry Index	not applicable

V、 Company Stock Overview

stock classe	Stock exchang	stock abbreviatio	stock cod	Pre-change stock ticker symbo
A-share market	Shanghai Stock Exchange	Fangda Carbon	600516	ST Fangda
GDR	Swiss Stock Exchange	Fangda Carbon	FDCB	/

VI、 Other relevant materials

☐applicable ☑inapplicable

VII、 Company's primary accounting data and financial indicators

1.Key Accounting Data

Unit: Yuan; Currency: RMB

Key Accounting Data	Current reporting period (January–June)	the same period of last year	Change in the current reporting period compared to the same period last year (%):
operating receipt	1,970,546,816.99	1,690,301,864.53	16.58
total profit	229,685,553.08	55,920,492.03	310.74
Net profit attributable to shareholders of the listed company	170,944,628.83	54,532,693.19	213.47
Net profit attributable to shareholders of the listed company (excluding non-recurring items)	10,098,632.68	8,345,809.59	21.00
Net cash flow from operating activities	29,043,166.50	-290,759,111.27	Not applicable
	At the end of the reporting period	**End of the previous fiscal year**	**Change compared to the end of the previous year (%):**
Net assets attributable to the shareholders of the listed company	16,571,373,612.42	16,419,131,140.05	0.93
total assets	21,368,145,406.43	20,945,413,318.14	2.02

2. Key Financial Metrics

Key Financial Metrics	Current reporting period (January–June)	the same period of last year	Change in the current reporting period compared to the same period last year (%):
Basic earnings per share (RMB per share)	0.0449	0.0144	211.81
Diluted Earnings Per Share (RMB/share)	0.0449	0.0144	211.81
Basic earnings per share after deducting non-recurring items (RMB per share)	0.0027	0.0022	22.73
Weighted average return on equity (%)	1.0357	0.0034	Increased by 1.0323 percentage points
Weighted average return on net assets (after deducting non-recurring items) (%)	0.0615	0.0005	Increased by 0.061 percentage points

Explanation of the company's key accounting data and financial indicators

☐applicable ☑inapplicable

1. The growth in total profit and net profit attributable to the shareholders of the listed company was primarily driven by higher product selling prices and increased investment income during the reporting period.

2. The increase in earnings per share was primarily driven by the higher net profit during the reporting period.Differences in accounting data under domestic and international accounting standards

VIII、 Non-recurring profit and loss items and amounts

☑applicable ☐inapplicable

人民币 Unit: Yuan; Currency: RMB

Non-recurring profit and loss item	amount of mone	Notes (if applicable
Profit or loss from the disposal of non-current assets, including the write-off portion of asset impairment provisions already recognized.	-451,887.44	
Government grants recognized in profit or loss for the current period, except those that are closely related to the Company's normal operating activities, comply with national policy requirements, are received in accordance with established criteria, and have a continuous impact on the Company's profit or loss;	18,736,226.02	
Except for effective hedging transactions related to the normal business activities of a company, the gain or loss arising from changes in the fair value of financial assets and financial liabilities held by non-financial enterprises, as well as the gain or loss from the disposal of such financial assets and liabilities.	191,063,163.16	
Fund usage fees charged to non-financial enterprises and included in the current period's profit or loss		
Profit or loss arising from entrusting others with the investment or management of assets		
Profit or loss arising from externally entrusted loans		
Asset losses arising from force majeure events, such as natural disasters		
Reversal of impairment provision for receivables		

Non-recurring profit and loss item	amount of mone	Notes (if applicable
subjected to separate impairment testing		
When the acquisition cost of an investment in a subsidiary, associate, or joint venture is less than the gain arising from the fair value of the investee's identifiable net assets at the time of acquisition,		
The subsidiary's net profit or net loss for the period from the beginning of the period to the consolidation date, arising from a business combination under common control.		
Non-monetary asset exchange gain or loss		
Debt restructuring profit or loss		
One-time expenses incurred when a business's relevant operating activities cease to be ongoing, such as costs associated with rehiring or resettling employees.		
A one-time impact on the current period's profit or loss arising from adjustments under tax, accounting, or other applicable laws and regulations.		
One-time recognition of share-based payment expenses arising from the cancellation or modification of equity incentive plans		
For share-based payments settled in cash, the gain or loss arising from changes in the fair value of employee compensation payable after the vesting date.		
Profit or loss arising from changes in the fair value of investment property measured using the fair value model for subsequent measurement		
Gains arising from transactions involving significantly unfair transaction prices		
Profit or loss arising from contingent matters unrelated to the company's normal business operations		
Trust management fee income		
Other non-operating income and expenses not covered by the above items	1,619,937.90	
Other profit or loss items that fall under the definition of non-recurring profit or loss items		
Subtract: Income tax impact amount	48,782,974.26	
Minority interest impact (after tax)	1,338,469.23	
Total	160,845,996.15	

Where a company identifies items not listed in the "Interpretive Announcement No.1 on Information Disclosure by Companies Issuing Securities – Non-recurring Profit and Loss Items" as non-recurring profit and loss items, provided that such items involve significant amounts; or where a company classifies items listed in the aforementioned Announcement as recurring profit and loss items, the company shall state the reasons therefor.

☐applicable ☑inapplicable

IX、 Companies with equity incentive schemes or employee stock ownership plans may choose to disclose net profit after deducting the impact of share-based payments.

☐applicable ☑inapplicable

X、 other

□applicable ☑inapplicable

Section 3 Management Discussion and Analysis

I、 Description of the Company's Industry and Core Business Operations During the Reporting Period

(1) Company's main products, applications, and industry sector

The company's primary products include graphite electrodes, block carbon bricks, isostatically pressed graphite, carbon/graphite materials for nuclear power applications, graphene materials, carbon/carbon composite materials, as well as key raw materials for the production of carbon-based products—namely coal-based needle coke, low-sulfur calcined petroleum coke, and coal tar pitch. The graphite electrodes manufactured by the company are primarily used in industries such as electric arc furnace steelmaking, electric arc furnace smelting of yellow phosphorus, abrasives, and industrial silicon production; among these, the electric arc furnace steelmaking sector has the highest demand for graphite electrodes. Block carbon bricks are mainly employed in steelmaking, electrolytic aluminum production, and graphitization processes; isostatically pressed graphite products are widely utilized in numerous fields including semiconductors, solar photovoltaics, mold manufacturing, nuclear energy, metallurgy, and petrochemicals; carbon/graphite materials for nuclear power applications are primarily used in China's nuclear energy sector, such as in fourth-generation high-temperature gas-cooled reactors and thorium-based molten salt reactors; the company has achieved breakthroughs in graphene materials and carbon/carbon composite materials. Driven by China's "Dual Carbon" economic strategy and green development initiatives, the rapid growth of the new energy industry has become an established trend, creating significant potential for the development of new carbon-based materials. According to the "Industrial Classification and Code for Listed Companies" (JR/T0020—2024) issued by the China Securities Regulatory Commission, the company operates within the "Non-metallic Mineral Products Industry (CF30)" category, specifically under "Manufacturing of Graphite and Other Non-metallic Mineral Products (CF309)."

(2) Business Model and Market Positioning

The company boasts a comprehensive R&D, procurement, production, sales, and after-sales maintenance and operation service system. It employs a strategic business model characterized by sales-driven production, production-driven marketing, and a combination of technological leadership and a focus on high-end markets. By integrating external channel resources, the company achieves extensive market coverage both domestically and internationally, as well as the consolidation and enhancement of long-term strategic partnerships. The company currently operates production bases for carbon-based products, raw material R&D and production bases, and new materials R&D and

production bases; its rational geographical layout enables a business ecosystem featuring resource sharing, centralized R&D, complementary strengths, industrial integration, and coordinated marketing. Adhering to a market-oriented approach, the company continuously optimizes product performance, strengthens the differentiated competitiveness of its high-end products, and steadfastly expands its presence in the high-end graphite electrode market. It focuses on capturing growth opportunities arising from evolving market demand in various carbon brick markets, specialty graphite applications, and carbon/graphite materials used in the nuclear power sector, thereby maximizing the profitability of its product portfolio. Additionally, the company maintains ample capital reserves and has long operated with a low-debt profile. Today, the company has grown into a leading global production and supply base for high-quality carbon-based products, as well as a scientific research and production base for nuclear-related carbon materials, establishing itself as an industry leader. Its products are sold across more than 30 provinces, autonomous regions, and municipalities across China, and are exported to over 60 countries and regions across the five continents.

(3) Industry Overview

Graphite electrodes: In the first half of 2026, the overall market trend for graphite electrodes exhibited a pattern of initial growth followed by a period of stagnation; this was primarily driven by the rising prices of upstream raw material petroleum coke, which led to an overall increase in graphite electrode prices compared to the beginning of the year. The domestic graphite electrode market experienced minimal changes in overall supply—there were no large-scale new production capacities put into operation; instead, the focus was on technological upgrades and capacity expansion of existing facilities, with production capacity concentrated among major manufacturers. Enterprises that had suspended production had no plans to resume operations, resulting in a relatively low actual capacity utilization rate across the overall supply market. In the first half of 2026, escalating geopolitical tensions and disrupted cross-strait transportation routes increased both trade risks and transportation costs, leading to a decline in China's graphite electrode export volumes.

Isostatic graphite: The primary application sector for isostatic graphite is the manufacturing of photovoltaic silicon wafers; product sales are closely linked to the scale of new installations at downstream photovoltaic power plants, and the industry's growth is deeply dependent on the overall health of the photovoltaic sector. In the first half of 2026, China's photovoltaic industry officially entered a phase of profound restructuring; the convergence of multiple domestic policy reforms and changes in the overseas trade environment has fundamentally transformed the industry's previous pattern of rapid expansion. Domestically, the market-oriented electricity pricing reform was fully implemented; the "Notice on Deepening the Market-Oriented Reform of On-Grid Electricity Prices for New Energy Sources to Promote High-Quality Development of New Energy" abolished the fixed on-grid electricity

price mechanism for photovoltaic projects, leading to a significant increase in the volatility of revenue generated from new energy power generation and a continuous contraction in the return on investment for distributed photovoltaic projects. As a result, numerous investors have postponed or exited their project developments, indicating a relatively subdued market investment sentiment. Additionally, the cancellation of the export tax rebate policy for photovoltaic products on April 1 further increased the operational pressure on enterprises seeking to expand into overseas markets and narrowed their foreign trade profit margins. In terms of overseas markets, India's ALMM photovoltaic cell tariff list was officially enforced on June 1; combined with differentiated exemption rules and trade barriers, the domestic photovoltaic export market faced significant pressure. Along the industrial chain, the long-standing, disorderly competitive landscape characterized by low-price competition is gradually improving, and prices for upstream and downstream photovoltaic products have bottomed out and begun to rebound. Overall, the era of rapid, scale-driven expansion within the photovoltaic industry has come to an end; driven by multiple factors—including policy adjustments, market consolidation, and overseas trade barriers—the industry is accelerating its transition away from the low-price competition model and steadily shifting toward a high-quality development path focused on technological advancement, quality enhancement, and refined operations.

Explanation of the addition of significant non-core business activities by the Company during the reporting period

☐applicable ☑inapplicable

II、 Operating Performance Discussion and Analysis

In the first half of 2026, amid a complex global macroeconomic landscape, the company closely monitored industry trends, committed fully to expanding its high-value-added product portfolio, intensified efforts to explore niche markets—including non-steel markets, emerging markets under the Belt and Road Initiative, and the new energy sector—strengthened cross-segment collaboration, strictly controlled the consumption of processes, machinery, and materials, leveraged automation upgrades to enhance cost management, ensured the stable operation of its production and business activities, and maintained its leading position in the industry.

(1) Leveraging strengths to strengthen core businesses and steadily enhancing operational quality and efficiency. In response to the prolonged downturn in the downstream steel industry, the company accurately assessed industry dynamics, dynamically adjusted its marketing strategies, deepened its presence in key regions, made every effort to expand high-value-added product offerings, and explored non-steel incremental markets; it seized the opportunities presented by the "Belt and Road" initiative to enter emerging overseas markets, driving growth across both domestic and international sales channels. In the first half of 2026, the company achieved operating revenue of RMB 1,970,546,800, representing a

year-on-year increase of 16.58%; the net profit attributable to shareholders of the listed company amounted to RMB 170,944,600, up 213.47% year-on-year; and the net profit attributable to shareholders of the listed company after deducting non-recurring items stood at RMB 10,098,600, a year-on-year increase of 21%.

(2) Implementing refined management to fully tap potential and achieve cost reduction and efficiency improvement across the entire operational lifecycle. All units within the company have designated "Refined Management for Cost Reduction" as one of their core annual initiatives. This involves aligning production and sales processes to optimize capacity utilization, strictly controlling the consumption of machinery, materials, and labor across manufacturing stages, and leveraging automation upgrades to enhance cost control; the company also regularly conducts small-scale improvements and innovations, repurposes and recycles existing assets, and organizes labor competitions to eliminate inefficiencies and gaps in management practices; thereby continuously strengthening the culture of refined management.

(3) Determined to overcome technical bottlenecks, the company has reaped fruitful results through scientific and technological innovation. By focusing its efforts on the strategic directions of "high-end development, green transformation, and intelligentization" and continuously increasing its R&D investment, the company has tackled key product segments—including large-scale ultra-high-power graphite electrodes, special carbon bricks, and nuclear-grade special graphite—while accelerating the commercialization of products such as new energy anodes and solid-state conductive materials. Simultaneously, the company has strengthened product technology iteration and global intellectual property protection to continuously consolidate and enhance its product market competitiveness. In the first half of 2026, the company further accelerated the deployment and application of its innovative products, achieving significant outcomes. The company has made concerted efforts to develop ultra-high-power Φ800 mm graphite electrodes; the overall technical performance of these products has reached internationally advanced levels, and this product specification has been exported for the first time. Orders for nuclear-grade special graphite remain steady, enabling the company to consistently generate additional profits from accounts receivable. Additionally, the company has actively expanded its customer network in the new energy battery sector; silicon-carbon and porous carbon materials have been connected with numerous new energy materials and battery manufacturers, facilitating substantive cooperation. The company has provided kilogram-scale samples of hard carbon anode materials to leading domestic enterprises, with the test data demonstrating excellent performance; the solid-state electrolyte samples have been tested by industry-leading enterprises and fully meet the required specifications; upon completion of the pilot-scale production line, the company is poised to establish partnerships. The graphene slurry has been shared with and tested against by several battery and

materials companies, and samples have been provided for testing. The company is steadily advancing its market promotion efforts and the construction of pilot-scale production lines, continuously enhancing the competitiveness of its products.

Material changes in the Company's operating performance during the reporting period, as well as events that have or are expected to have a material impact on the Company's operating performance during the reporting period.

☐applicable ☑inapplicable

III、Core Competitiveness Analysis for the Reporting Period

☑applicable ☐inapplicable

With over 60 years of dedicated expertise in the carbon products sector, the company has accumulated extensive practical experience in production, research and development, and sales, enabling it to accurately assess industry trends. Through continuous advancement of production technology innovation and the optimization and upgrading of its product portfolio, the company has steadily enhanced its core competitiveness, establishing itself as one of the leading producers in China's carbon products industry. Backed by its consistent and reliable product quality and comprehensive service system, the company has been consistently recognized as a global supplier of premium carbon products for multiple consecutive years, with its brand influence spanning both domestic and international markets. Leveraging its distinctive and highly flexible organizational and operational frameworks, coupled with its strong technological innovation capabilities, robust financial resources, specialized talent pool, and the long-standing recognition and trust of its global clientele, the company continues to consolidate and strengthen its leading position in the carbon products sector. Meanwhile, the company is actively expanding its presence in the fields of new materials and new energy R&D, continuously identifying new growth drivers and building a solid foundation for high-quality development in its next phase of growth.

(1) The company's industrial layout is characterized by intensification and systematization, coupled with robust cost control and supply chain resilience. The company has evolved into a comprehensive carbon-based materials manufacturing enterprise; leveraging its comprehensive product portfolio and significant scale advantages, it has established a distinct core competitive edge within the industry. The company strategically manages a network of multiple carbon production subsidiaries and raw material production and processing enterprises, with a scientifically optimized geographical distribution, thereby creating an integrated industrial development framework featuring resource sharing, centralized R&D, complementary strengths, and coordinated marketing. Tailored to the equipment configuration characteristics of each subsidiary, the company implements standardized production practices and specialized division of labor and collaboration, enabling it to fully meet the diverse demands of both

domestic and international customers for a wide range of carbon-based products in various types and specifications. Additionally, over the years, through strategic acquisition and integration initiatives, the company has continuously refined its upstream raw material supply chain structure, achieving integrated development across the entire industrial chain and further consolidating and strengthening its cost advantage; its comprehensive product portfolio facilitates complementary synergies at the market level, effectively enhancing the company's overall competitiveness and market influence within the industry.

(2) Driven by technological innovation, the company continuously pursues breakthroughs in the high-end market. With independent innovation as its core driving force, the company leverages technological advancements to overcome developmental bottlenecks. In key core technology fields, the company steadfastly focuses on independent R&D and holds multiple independent intellectual property rights in accordance with the law; it has successfully achieved import substitution for core products such as ultra-high-power graphite electrodes and nuclear-grade carbon/graphite materials, thereby filling gaps in relevant domestic markets. As a National High-Tech Enterprise, a leading enterprise within the National Science and Technology Innovation Base for Trade Development, a Gansu Provincial Technological Innovation Demonstration Enterprise, and a backbone enterprise in Gansu Province's strategic emerging industries, the company has established a comprehensive, multi-tiered "industry–academia–research–application" collaborative innovation system. The company operates a National Enterprise Technology Center, a Postdoctoral Research Workstation, the Gansu Provincial Carbon New Materials Engineering (Research) Center, the Gansu Provincial Science and Technology Innovation Base for Trade Development, as well as three university-enterprise joint R&D centers: the "Tsinghua University–Fangda Carbon Nuclear Graphite R&D Center," the "University of Science and Technology Beijing–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, safety, environmental protection, and occupational health and safety to align with the process characteristics of its carbon-based products. The company holds the qualification to manufacture civilian nuclear-grade carbon-based products, possesses a CNAS laboratory accreditation certificate, and maintains ISO9001 Quality Management System, ISO14001 Environmental Management System, and OHSAS18001 Occupational Health and Safety Management System certifications. Its research and production of blast furnace carbon bricks, nuclear power carbon/graphite materials, and graphene preparation and application technologies maintain a leading position domestically, and its overall process technology capabilities have reached internationally advanced levels.

(3) Data empowerment: Continuously setting the benchmark for smart manufacturing in the carbon materials industry. Leveraging digital transformation as a driving force and deeply integrating

cutting-edge technologies such as 5G, digital twins, and AI, the company has established a modern factory system characterized by "data as the core, management and control as the lever, and intelligence as the ultimate goal." This enables a gradual transition from an "experience-driven" to a "data-driven" operational model. The "5G + Carbon Materials Smart Fully Connected Factory" was successfully included in the 2025 Gansu Provincial List of 5G Fully Connected Factories, serving as a demonstration benchmark for the digital transformation of the carbon materials industry and empowering enterprises 'high-quality development through technological innovation. The company's independently developed Daily Cost Automatic Calculation System enables automated, end-to-end data collection and dynamic cost accounting—from raw material receipt to finished product dispatch—shrinking the cost calculation cycle from 7 days to just 2 hours; following the full deployment of the Product Inventory Management System, the inventory accuracy rate increased to 299.8%. The calcination plant's ring furnace temperature control system achieves precise temperature regulation within ±2°C, resulting in a 212.7% year-on-year reduction in energy consumption; the variable frequency drive retrofitting project at the air compressor station saves over 1,800,000 kWh of electricity annually. The deployment of pre-assembled robots reduced electrode assembly time from 5 minutes to 1.5 minutes, quadrupling production efficiency and significantly enhancing production stability and product quality. The developed "Production and Operations Cockpit" provides a "single-screen overview and real-time monitoring" of core operational data, offering intuitive and precise data support for scientific decision-making and effectively improving the synergy between production and sales. The digital supply chain platform enables closed-loop, online management across the entire procurement, inventory, and settlement process. The company's intelligent digital transformation initiatives have established a replicable and scalable practical pathway, as well as valuable reference experience, for the digital transformation of the carbon materials industry. Moving forward, we will accelerate the intelligent digital transformation, vigorously driving the carbon industry's transition toward high-end, smart, and sustainable development; provide foundational technological support for national strategic industries such as new energy and new materials; and 助力 traditional manufacturing sectors achieve high-quality development.

(4) Focusing on the core principle of "technological self-sufficiency," the company aims to cultivate new-quality productivity. In recent years, the company has concentrated its efforts on the core sectors of new materials and new energy, closely aligning its strategies with industry trends and actual market demands. Adopting a core development roadmap centered on "recruiting top talent, deepening R&D investment, and iteratively enhancing products," the company has steadily advanced its journey toward achieving technological self-sufficiency and is committed to building its own core competitive advantages. In terms of talent development, the company has recruited high-caliber professionals from fields such as new materials from around the world, established specialized R&D and technical teams,

and built a multi-tiered, comprehensive talent cultivation and reserve system, providing solid intellectual support and human resource assurance for the systematic advancement of its R&D initiatives. Additionally, by deepening university-enterprise collaboration and establishing project-based practice platforms, the company continuously enhances its team's innovation capabilities and core technological expertise, driving its talent pool toward greater specialization, refinement, and high-end positioning. In the realm of R&D innovation and product portfolio development, the company precisely identifies industry-specific technical pain points and market demand trends, advances technological breakthroughs by categorizing its R&D efforts by thematic area, and systematically expands its diversified product matrix—covering multiple 细分 markets, including special carbon bricks, carbon materials for nuclear power applications, graphene materials, carbon–carbon composites, and solid-state electrolytes. The company has progressively launched R&D pilot projects in the field of new materials, continuously overcoming key technological challenges, thereby laying a solid foundation for its future sustainable development. Moving forward, the company will continue to optimize its pilot-scale production plans and focus on facilitating the commercialization and large-scale deployment of laboratory research outcomes, further integrating the entire industry chain—from R&D to pilot-scale production and mass manufacturing—thereby supporting the company's pursuit of high-quality, sustainable development in the new materials and new energy sectors, while steadily enhancing its industry influence and core market competitiveness.

(5) The environmental protection system has been continuously enhanced, laying a solid foundation for green development. The company has deeply integrated environmental protection concepts into its overall corporate development strategy, setting the goal that "environmental upgrades should be designed to remain in place for ten or even twenty years without requiring modification; where international standards exist, they must meet the advanced levels of developed countries." By adopting the QES management system certification, the company continuously addresses gaps in its environmental management through annual internal and external audits, enhances employees 'self-management capabilities, and provides a robust safeguard for its environmental competitiveness. Through environmental technological upgrade projects—including technological advancements and equipment iterations—the company covers the entire production chain—spanning raw material procurement, shaping, calcination, and graphitization—thereby establishing a comprehensive clean production system with pollution control capabilities that significantly exceed the industry average. The company has received numerous honors, such as the national "Green Factory" award and the Lanzhou City "Zero-Waste Enterprise" designation, setting a benchmark for environmental sustainability within the industry. In terms of standard development, commissioned by the China Carbon Industry Association, the company led the drafting of the "Emission Standard for Air Pollutants from the Carbon

Industry" (T/ZGTS001—2019) and participated in formulating industry standards such as the "Calculation Method for Carbon Dioxide Emissions from Carbon Product Manufacturing." The emission limits for air pollutants in these standards are considerably stricter than current national standards, driving the overall improvement of environmental governance practices across the industry and giving the company significant influence in shaping the industry's environmental development trajectory. In terms of translating market competitiveness into tangible benefits, the company's products have obtained carbon footprint certifications from numerous international clients, serving as a "passport" for expanding into high-end overseas markets. Additionally, the company's environmental practices provide a replicable and scalable model for the green transformation of traditional carbon-based enterprises, leading the industry toward a shift toward "green smart manufacturing." Against the backdrop of the continuously deepening "Dual Carbon" goals, the company will continue to increase its investment in environmental protection and technological innovation, further solidify its leading position in the environmental protection sector, and spearhead the high-quality, green development of the carbon industry.

IV、Key operating activities during the reporting period

1. Core Business Operations Analysis

(1) Financial Statement Related Account Variance Analysis Sheet

Unit: Yuan; Currency: RMB

subject	Current Issue	Same-period figure from the previous year	Varying percentage (%
operating receipt	1,970,546,816.99	1,690,301,864.53	16.58
cost in business	1,731,904,577.54	1,502,071,219.53	15.30
selling expenses	46,008,756.92	40,973,420.47	12.29
general expenses	176,626,455.31	169,971,531.39	3.92
cost of financing	-32,612,147.69	-45,225,439.65	不适用
research and development expenditure	38,282,978.43	32,081,206.01	19.33
Net cash flow from operating activities	29,043,166.50	-290,759,111.27	不适用
Net cash flow from investing activities	-919,390,264.76	-167,363,813.76	不适用
Net cash flow from financing activities	406,266,497.57	123,188,748.29	229.79

Explanation for the change in net cash flow from operating activities: This was due to an increase in cash received from the sale of goods and provision of services during the reporting period compared to the same period last year.

Explanation for the change in net cash flow from investing activities: This was attributable to increased

investment expenditures incurred in the acquisition of real estate during the reporting period.

Explanation for the change in net cash flow from financing activities: Resulted from a decrease in the repayment of loans maturing during the reporting period.

2.Asset and Liability Analysis

☐applicable ☑inapplicable

(1)Asset and Liability Position

Unit: Yuan; Currency: RMB

project name	End-of-period amount	The proportion of the ending balance to total assets (%).	End-of-last-year balance	The proportion of the year-end balance to total assets (%).	The change percentage of the ending balance compared to the ending balance of the previous year (%).
Bill receivable	668,187,781.30	3.13	503,613,085.23	2.4	32.68
Accounts receivable	549,997,283.78	2.57	410,621,061.35	1.96	33.94
Accounts Receivable Financing	110,788,964.75	0.52	188,078,872.75	0.9	-41.09
advance payment	92,072,211.36	0.43	56,535,755.07	0.27	62.86
accounts receivable-other	40,821,225.67	0.19	251,830,042.48	1.2	-83.79
other current assets	18,356,541.55	0.09	27,083,058.54	0.13	-32.22
money borrowed for short time	1,081,292,354.20	5.06	801,143,527.25	3.82	34.97
notes payable	351,640,734.32	1.65	156,659,498.99	0.75	124.46
tax payable	31,524,965.01	0.15	17,444,073.42	0.08	80.72
accounts payable-others	190,389,333.41	0.89	382,394,186.55	1.83	-50.21
Non-current liabilities due within one year	404,700,000.00	1.89	5,621,691.11	0.03	7,098.90
money borrowed for long term	222,500,000.00	1.04	624,600,000.00	2.98	-64.38

Other Notes

Notes receivable: Resulted from an increase in notes received from sales collections during the reporting period and from the derecognition of notes discounted during the current period.

Accounts receivable: During the reporting period, rising product prices led to an increase in accounts receivable.

Accounts receivable financing: Resulted from the settlement of bills upon maturity and the subsequent derecognition during the reporting period.

Advanced payments: The increase in raw material prices during the reporting period led to an increase in advance payments.

Other receivables: Resulted from an increase in the recovery of trade receivables during the reporting period.

Other current assets: Resulted from a decrease in prepaid taxes and fees during the reporting period.

Short-term borrowings: Resulted from an increase in bank borrowings during the reporting period.

Accounts payable: Resulted from an increase in the number of invoices issued during the reporting period.

Tax liabilities: Operating revenue increased during the reporting period.

Other payables: Resulted from an increase in payments for trade receivables and payables during the reporting period.

Non-current liabilities due within one year: Resulting from the reclassification of long-term borrowings due within one year during the reporting period.

Long-term borrowings: Resulted from the reclassification of long-term borrowings due within one year during the reporting period.

(2)Overseas asset status

☑applicable ☐inapplicable

(a)Asset size

Among these: overseas assets amounted to RMB 2,300.22 (unit: Yuan; currency: RMB), representing 0.000011% of total assets.

(b)Explanation regarding a relatively high proportion of overseas assets

☐applicable ☑inapplicable

(3)Restrictions on major assets as of the reporting period end

☑applicable ☐inapplicable

Unit: Yuan; Currency: RMB

project	Final book value	Restriction Reason
Monetary resources	90,068,931.05	Deposit, Pledge, Freezing
Bill receivable	13,392,849.64	pledge
Total	103,461,780.69	/

4.Investment Status Analysis

(1) Overall Analysis of Foreign Equity Investments

☑applicable ☐inapplicable

On January 12,2026, the Company held the 17th Extraordinary Meeting of its Ninth Board of Directors, at which the "Proposal Concerning the Company's Wholly-Owned Subsidiary's Participation in the Judicial Auction Bid for an Office Building" was reviewed and approved. The Board approved the participation of the Company's wholly-owned subsidiary, Shanghai Fangda Investment Management Co., Ltd. (hereinafter referred to as "Shanghai Fangda"), in the bidding process for the office building located at Building 1, Jianguo West Road, Shanghai – with a total floor area of 2,997.83 square meters – on the judicial auction online platform of Taobao.com. Shanghai Fangda successfully won the bid for this property, with the auction price amounting to RMB 456 million.

On February 9, 2026, the Company held the 19th Extraordinary Meeting of its Ninth Board of Directors, at which the "Proposal Concerning the Acquisition of Equity Interests and a Related Party Transaction" was reviewed and approved. The Board approved the Company's use of its own funds to acquire 100% of the equity interests in Tianjin Tongda Huanyu Logistics Co., Ltd. (hereinafter referred to as "Tongda Huanyu"), which are held by Tianjin Yishang Group Co., Ltd., for a transaction consideration of RMB 319,187,000. In March 2026, the Company completed all requisite industrial and commercial registration procedures related to this equity transaction in accordance with the terms of the "Equity Transfer Agreement for Tianjin Tongda Huanyu Logistics Co., Ltd." and paid the full consideration for the acquisition of 100% of the equity interests in Tongda Huanyu. Simultaneously, the Company included Tongda Huanyu within its scope of consolidated financial statements and adjusted the relevant opening balances in its financial statements for the first quarter of 2026 accordingly.

(a)Major equity investments

☑applicable ☐inapplicable

Unit: RMB 10,000; Currency: Renminbi (RMB)

Invested Company N	primary serv	Whether the entity primarily engages in investment activit	Investment Met	Investment Amo	shareholding ra	Consolidation requir	Report Account (if applicab	funds provi	Partner (if applicab	Investment period (if applicab	Progress as of the balance sheet d	Estimated revenue (if applicab	Current period profit/loss imp	Is there an active legal dispu	Disclosure Date (if applicab	Disclosure Index (if applicab
Tianjin Tongda Huanyu Logistics Co., Ltd.	Warehouse Services	deny	purchase	31,918.70	100%	yes	Long-term equity investments	Self-funding capital	not applicable	not applicable	The company has completed all industrial and commercial registration procedures related to the equity transaction and has paid the full consideration for the acquisition of 100% of the equity interest in Tongda Huanyu. Additionally, the company has included Tongda Huanyu within the scope of its consolidated financial statements.	not applicable	24.29	deny	February 10,2026	For detailed information, please refer to the "Announcement on the Acquisition of Equity and Related Party Transactions by Fangda Carbon" (Announcement No.: 2026-012), which was disclosed by the Company on February 10,2026, in the Shanghai Securities News, China Securities Journal, Securities Times, and on the website of the Shanghai Stock Exchange (http://www.sse.com.cn/).

Invested Company N	primary serv	Whether the entity primarily engages in investment activit	Investment Met	Investment Amo	shareholding ra	Consolidation requir	Report Account (if applicab	funds provi	Partner (if applicab	Investment period (if applicab	Progress as of the balance sheet d	Estimated revenue (if applicab	Current period profit/loss imp	Is there an active legal dispu	Disclosure Date (if applicab	Disclosure Index (if applicab
Total	/	/	/	31,918.70	/	/	/	/	/	/	/	not applicable	24.29	/	/	/

Assets class	Initial amoun	Current period fair value change profit/los	Cumulative changes in fair value recognized in equit	Impairment provision for the current perio	Current purchase amoun	Current sale/redemption amoun	Other change	End-of-period amoun
Shares	1,085,144,460.27	32,671,911.57			9,982,671,145.32	9,672,043,578.24	270,263.52	1,428,714,202.44
Privately offered fund	282,805,189.74	17,701,989.74				12,102,804.84		288,404,374.64
Other	648,323,766.42	6,503,796.76					-77,289,908.00	577,537,655.18
Total	2,016,273,416.43	56,877,698.07			9,982,671,145.32	9,684,146,383.08	-77,019,644.48	2,294,656,232.26

(b)Derivative investments made for hedging purposes during the reporting period

☑applicable ☐inapplicable

On May 22,2026, and June 8, 2026, the Company held the 23rd Extraordinary Meeting of the Ninth Board of Directors and the Fourth Extraordinary Shareholders' Meeting of 2026, respectively. At these meetings, the "Proposal on Engaging in Foreign Exchange Derivative Hedging Activities" was reviewed and approved; accordingly, the Company and its controlled subsidiaries are permitted to conduct foreign exchange derivative transactions, provided that the transaction

amount on any given trading day does not exceed US$60 million or the equivalent amount in foreign currency. As of the end of the reporting period, the Company and its controlled subsidiaries had not engaged in any foreign exchange derivative hedging activities.

(c)Derivative investments made for speculative purposes during the reporting period

☐applicable ☑inapplicable

Other Notes

On January 12,2026, the Company held the 17th Extraordinary Meeting of its Ninth Board of Directors, at which the "Proposal Concerning the Company's Wholly-Owned Subsidiary's Participation in the Judicial Auction Bid for an Office Building" was reviewed and approved. The Board approved the participation of the Company's wholly-owned subsidiary, Shanghai Fangda Investment Management Co., Ltd. (hereinafter referred to as "Shanghai Fangda"), in the bidding process for the office building located at Building 1, Jianguo West Road, Shanghai – with a total floor area of 2,997.83 square meters – on the judicial auction online platform of Taobao.com. Shanghai Fangda successfully won the bid for this property, with the auction price amounting to RMB 456 million.

2. Major asset and equity disposals

☐applicable ☑inapplicable

3. Analysis of Major Controlled and Subsidiary Companies

☑applicable ☐inapplicable

Information regarding major subsidiaries and equity-owned companies whose impact on the Company's net profit exceeds 10%

☑applicable ☐inapplicable

Unit: RMB 10,000; Currency: Renminbi (RMB)

corporate na	company ty	primary servi	registered capit	total asse	net ass	operating recei	operating prof	net marg
Shanghai Fangda Investment Management Co., Ltd.	subsidiary	investment management	6,000.00	169,816.42	51,904.07	3.45	15,205.00	12,733.99
Fushun Carbon Co., Ltd.	subsidiary	Carbon-based product manufacturing and sales	6,326.00	111,917.32	100,219.32	9,955.57	-1,607.99	-1,646.17
Hefei Carbon Co., Ltd.	subsidiary	Carbon-based product manufacturing and sales	5,000.00	74,371.64	46,581.69	13,595.68	344.88	-993.62
Chengdu Rongguang Carbon Co., Ltd.	subsidiary	Carbon-based product manufacturing and sales	10,000.00	148,854.33	129,024.59	37,986.49	643.05	556.30
Fushun Laihe Mining Co., Ltd.	subsidiary	Mineral resources (non-coal mining) extraction and sale	2,198.94	95,946.05	94,295.70	91.25	-700.36	-828.32
Fushun Fangda High-Tech Materials Co., Ltd.	subsidiary	Manufacturing and sale of petroleum products (excluding hazardous chemicals)	5,000.00	21,864.54	15,462.40	20,513.81	490.09	312.20
Chengdu Fangda Tantan Composite Materials Co., Ltd.	subsidiary	Carbon-based product manufacturing and sales	39,956.29	178,611.09	159,583.54	21,870.70	1,371.22	1,117.09
Fangda Xike Mo (Jiangsu) Needle Coke Technology Co., Ltd.	subsidiary	Research, development, production and sales of needle coke, coal tar pitch and carbon black oil; coal gas	178,088.34	31,781.52	28,873.41	20,095.60	-1,227.43	-1,225.64
Tianjin Tongda Huanyu Logistics Co., Ltd.	subsidiary	Warehouse Services	30,000.00	38,007.98	30,245.65	888.53	24.03	24.29
Jiujiang Bank Co., Ltd.	joint stock company	Accepting public deposits and granting short-term, medium-term, and long-term loans	284,736.70	53,427,379.70	4,165,312.10	522,137.50	40,871.10	39,079.50
Nanchang Huxu Steel Industry Investment Partnership (Limited Partnership)	joint stock company	Fund Investment Management	915,100.00	947,803.65	947,790.65		3,045.91	3,045.91
Baofang Carbon Materials Technology Co., Ltd.	joint stock company	Carbon-based product manufacturing and sales	130,000.00	230,839.84	97,859.59	8,424.53	-5,543.22	-5,135.01

Acquisition and disposal of subsidiaries during the reporting period

☑applicable ☐inapplicable

corporate nam	Methods used to acquire or dispose of subsidiaries during the reporting perio	Impact on overall business operations and performanc
Tianjin Tongda Huanyu Logistics Co., Ltd.	Repurchase	All assets of Tongda Huanyu were merged into the Company.

Other Notes
☑applicable ☐inapplicable

On February 9, 2026, the Company held the 19th Extraordinary Meeting of its Ninth Board of Directors, at which the "Proposal Concerning the Acquisition of Equity Interests and a Related Party Transaction" was reviewed and approved. The Board approved the Company's use of its own funds to acquire 100% of the equity interests in Tianjin Tongda Huanyu Logistics Co., Ltd. (hereinafter referred to as "Tongda Huanyu"), which are held by Tianjin Yishang Group Co., Ltd., for a transaction consideration of RMB 319,187,000. In March 2026, the Company completed all requisite industrial and commercial registration procedures related to this equity transaction in accordance with the terms of the "Equity Transfer Agreement for Tianjin Tongda Huanyu Logistics Co., Ltd." and paid the full consideration for the acquisition of 100% of the equity interests in Tongda Huanyu. Simultaneously, the Company included Tongda Huanyu within its scope of consolidated financial statements and adjusted the relevant opening balances in its financial statements for the first quarter of 2026 accordingly.

7.Information on the structured entities controlled by the Company
☐applicable ☑inapplicable

V、 Other disclosure matters

1. Potential risks

☑applicable ☐inapplicable

1. Market Risk

International geopolitical conflicts and frequent fluctuations in commodity prices have led to rising upstream raw material costs; meanwhile, the industry is characterized by low-price, internal competition among products, which is squeezing profit margins.

Mitigation Measures: The company continuously and closely monitors the macroeconomic landscape, strengthens its analysis of supply and demand dynamics across both international and domestic markets, and adheres to a market-oriented approach to dynamically adjust its business strategies. The company strictly implements the overarching work principle of "Adaptability, Action, and Practicality" alongside the operational standards of "Depth, Solidity, Detail, Accuracy, and Effectiveness," while reinforcing internal management and enhancing quality and efficiency. Leveraging its inherent strengths, the company strengthens its product technological barriers and differentiated competitiveness. Simultaneously, it is actively expanding into diversified application sectors, such as the new energy sector, to build a multi-pillar industrial ecosystem. Through a combination of various measures, the company aims to boost its profitability and enhance its resilience against market risks.

2. Environmental Risk

Against the backdrop of carbon peaking and carbon neutrality policies, environmental protection standards are continuously being elevated, leading to increasingly stringent requirements for environmental governance within the carbon industry.

Mitigation Measures: The company is guided by the "Dual Carbon" goals, integrating green and low-carbon development into every stage of its production and operational processes. With energy conservation and emission reduction, as well as pollution control and carbon mitigation, as its core initiatives, the company strictly implements the "Dual Control" framework for energy consumption and carbon emission management requirements, while comprehensively enhancing its precision environmental management capabilities. The company is actively advancing the development of green factories and the promotion of a circular economy, aiming to build a safe, green, and low-carbon modern carbon production system that fosters the synergistic development of both economic and environmental benefits.

3. Exchange Rate Risk

Due to the influence of international political and economic factors, the global landscape is complex and volatile; certain regions are experiencing political instability and other challenges. As some of the Company's products are sold to international markets, exchange rate fluctuations could impact the Company's export volume and result in foreign exchange losses.

Mitigation measures: The company shall strive to align its foreign currency receipts with its foreign currency expenditures to mitigate exchange rate risk; it shall also strengthen the collection and analysis of foreign exchange market information, stay promptly informed of market dynamics, proactively discuss and adjust the settlement currency and settlement method as appropriate, and select suitable financial instruments based on its specific business needs to enhance its risk resilience.

4.Other disclosure matters

☑applicable □inapplicable

To thoroughly implement the guiding principles of the 20th National Congress of the Communist Party of China and the Central Financial Work Conference, fulfill the requirements set forth in the State Council's "Opinions on Further Improving the Quality of Listed Companies," actively respond to the Shanghai Stock Exchange's "Initiative on Launching the 'Enhancing Quality, Improving Efficiency, and Prioritizing Returns' Special Campaign for Companies Listed on the Shanghai Stock Exchange," adhere to the "investor-centric" development philosophy, promote the high-quality development and sustainable, steady growth of the investment value of Fangda Carbon New Materials Co., Ltd. (hereinafter referred to as "Fangda Carbon" or the "Company"), and protect the legitimate rights and interests of investors—particularly small and medium-sized investors—the Company held its Seventh Meeting of the Ninth Board of Directors on April 28,2026, at which the "Proposal on the Annual Assessment Report

for the 2025 'Enhancing Quality, Improving Efficiency, and Prioritizing Returns' Action Plan and the 2026 Action Plan" was reviewed and approved. In accordance with the contents of the Action Plan, the Company has actively carried out and implemented various initiatives. The main progress and achievements of the Company's Action Plan for the first half of 2026 are reported as follows:

（1）Building momentum to strengthen core businesses and steadily enhancing operational quality and efficiency

The company adheres to the corporate development goal of "contributing to national development through industrial innovation and building a world-leading carbon enterprise," continuously deepening its focus on the core segment of carbon products and concentrating on refining and strengthening its core business. In the first half of 2026, amid a complex global macroeconomic environment, the company closely monitored industry trends, made every effort to expand its high-value-added product portfolio, intensified its efforts to explore niche markets—including the non-steel market, the emerging "Belt and Road" markets, and the new energy sector—strengthened cross-segment collaboration, strictly controlled the consumption of processes, machinery, and materials, leveraged automation upgrades to enhance cost management, supported the high-quality development of its core business, and solidified the foundation for improving quality and efficiency.

（2）Determined to overcome key bottlenecks, scientific and technological innovation has borne fruitful results.

As a global production and supply base for high-quality carbon-based products, Fangda Carbon leverages the comprehensive strengths of a technology-driven enterprise to continuously advance its efforts in the areas of "high-end development, green transformation, and intelligent manufacturing." The company has steadily increased its R&D investment, focused on developing core products such as large-scale ultra-high-power graphite electrodes, special carbon bricks, and nuclear-grade special graphite, while accelerating the commercialization of products including new energy anodes and solid-state conductive materials. Simultaneously, Fangda Carbon is strengthening product technology iteration and global intellectual property protection to continuously consolidate and enhance the market competitiveness of its products.

In the first half of 2026, the company further accelerated the deployment and application of its innovative products, achieving significant results. The company has made concerted efforts to develop ultra-high-power Φ800 mm graphite electrodes; the overall technical performance of these products has reached internationally advanced levels, and this product specification has been exported for the first time. The company continues to receive orders for nuclear-grade special graphite materials, which will sustainably enhance its receivables and profitability. Meanwhile, the company is actively expanding its customer network in the new energy battery sector; its silicon-carbon and porous carbon materials have

been connected with numerous new energy material and battery manufacturers, facilitating substantive cooperation. The company has provided kilogram-scale samples of hard carbon anode materials to leading domestic enterprises, with the test results demonstrating excellent performance; the solid-state electrolyte samples have been tested by industry-leading enterprises and fully meet the required specifications; upon completion of the pilot production line, the company is expected to establish partnerships. The company has engaged in discussions with several battery and materials firms regarding graphene slurry and has provided samples for testing. By steadily advancing market promotion and the construction of pilot production lines, the company has continuously strengthened the competitiveness of its products. In the first half of the year, the company's R&D investment amounted to RMB 38,283,000, representing a year-on-year increase of 19.33%.

（3）Sincerely enhancing value – shareholders share in the fruits of growth

The Company places great emphasis on delivering returns to its investors; while pursuing its own steady growth, it has tangibly enhanced investors 'sense of benefit through consistent and stable dividend distributions. During the reporting period, the Company actively promoted the distribution of interim dividends, reasonably increased its dividend payout ratio and dividend yield, and demonstrated its commitment to rewarding shareholders through concrete actions, thereby continuously strengthening investors' sense of benefit. On April 28,2026, the Company held the seventh meeting of its Ninth Board of Directors; on May 20,2026, it convened its 2025 Annual General Meeting of Shareholders. At these meetings, the Company approved the "2025 Annual Profit Distribution Plan" and the "Proposal Regarding the Authorization of the Board of Directors to Formulate an Interim Dividend Distribution Plan for 2026" by the Shareholders' Meeting.

On June 26,2026, the Company distributed its 2025 annual cash dividend, paying a cash dividend of RMB 0.00732 per share (including tax) to its shareholders, amounting to RMB 27,939,392.53 (including tax), which represents 30.03% of the net profit attributable to the shareholders of the listed company for the year 2025.

For the 2026 interim dividend distribution, the Company proposes to pay a cash dividend of RMB * per share (including tax) to all shareholders, and a total cash dividend of RMB * (including tax), which represents *% of the net profit attributable to the shareholders of the listed company as reflected in the consolidated financial statements for the first half of 2026.

The Company will continue to adhere to a prudent management philosophy, taking into full account various factors—including the characteristics of its industry, its current stage of development, its profitability, its capital requirements, and investor returns—when formulating its dividend distribution plans. Subject to meeting the conditions for profit distribution, the Company will develop its dividend plans in a scientific manner, balancing shareholder returns with the company's long-term growth, sharing

the benefits of the company's development with its investors, and thereby strengthening investor confidence.

（4）Place high importance on facilitating communication and building consensus through value delivery.

The company consistently views investor relations management as the core link connecting the company with the capital markets, and is committed to fostering a communication framework characterized by positive interaction, mutual trust, and shared success.

During the reporting period, the Company continuously optimized its communication strategies, consistently treating investor relations management as the core link connecting the Company with the capital markets, and committed itself to fostering a communication framework characterized by positive interaction, mutual trust, and shared success. On June 18,2026, the Company held an earnings briefing for the 2025 annual report and the first quarter of 2026, engaging in in-depth dialogue with investors via a combination of video recording and online interaction through the Shanghai Stock Exchange Roadshow Center. Additionally, the Company maintains regular daily communication with investors through investor relations hotlines, email channels, and the SSE E-Interaction platform, continuously addressing market concerns.

The Company strictly complies with its information disclosure obligations in accordance with applicable regulations, enhancing the accuracy, completeness, and transparency of its disclosures. It regularly issues financial reports, providing detailed disclosure of its financial data, operating results, and future outlook. For material events, the Company promptly issues announcements to ensure the timeliness and accuracy of the information. The Company continuously expands its information dissemination channels—such as its official website, announcement system, and media outlets—and treats all shareholders fairly, ensuring that they have equal access to relevant company information. In the first half of 2026, the Company disclosed 108 Chinese-language announcements and related documents on the website of the Shanghai Stock Exchange and through designated media outlets, as well as several English-language announcements on the website of the Swiss Stock Exchange and the Company's official website, thereby fully fulfilling its information disclosure obligations as a listed company.

（5）Adhere to standardized operations and uphold ethical boundaries; foster sustainable development and integrate enterprises.

The company consistently prioritizes the refinement of its governance structure and internal control system as key initiatives, leveraging a robust corporate governance framework to safeguard the rights and interests of all stakeholders. Currently, the company has established an efficient and collaborative governance architecture that operates in a standardized manner. The Audit Committee, Strategic

Committee, Nomination Committee, and Compensation and Performance Evaluation Committee, all part of the Board of Directors, strictly adhere to their respective operating procedures when performing their duties. The company provides independent directors with comprehensive support and safeguards to enable them to effectively fulfill their roles and diligently protect the legitimate rights and interests of all investors, particularly minority shareholders.

In the first half of 2026, in accordance with the provisions of laws, regulations, and normative documents—including the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Regulations on the Administration of Foreign Exchange of the People's Republic of China, the Administrative Measures for Information Disclosure by Listed Companies, the Stock Listing Rules of the Shanghai Stock Exchange, and the Self-Regulatory Guidance No.1 for Listed Companies of the Shanghai Stock Exchange – Standardized Operations—the Company continuously refined its corporate governance structure and internal control systems, and formulated the "Fangda Carbon Foreign Exchange Derivative Trading Business Management System" and the "Fangda Carbon Board Members and Senior Executives Compensation Management System" to further standardize the Company's operations and enhance its corporate governance standards.

The company places great importance on ESG management practices, integrating sustainable development principles into every stage of its technological innovation and business operations. It proactively fulfills its social responsibilities, shouldering the significant mission of driving a green, low-carbon transformation at the source and addressing climate change challenges. The company is committed to establishing a green manufacturing demonstration model, actively developing low-carbon and sustainable products, and effectively safeguarding the legitimate rights and interests of all stakeholders, thereby supporting a high-quality societal transformation. On April 29,2026, the company disclosed its "Fangda Carbon 2025 Environmental, Social and Governance (ESG) Report." According to data from the third-party rating agency DaoRongGreen, the company's ESG rating for 2025 was B, which was upgraded to B+ for 2026.

（6）The "Key Minority" emphasizes responsibility, leading enterprises toward sustainable development.

The company places great emphasis on ensuring that key personnel—such as directors and senior management—fulfill their responsibilities and implement effective risk prevention and control measures; it continuously strengthens the transmission of accountability as well as incentive and restraint mechanisms, thereby effectively fortifying the "accountability defense line" within its corporate governance framework.

In 2026, the company actively organized training sessions on regulatory policies and non-compliance cases, promptly communicated the latest regulatory requirements, and proactively

arranged for directors and senior executives to participate in professional training programs. These initiatives aimed to continuously enhance the performance capabilities and risk awareness of the "key minority," strengthen their bottom-line and red-line awareness, further improve the governance capabilities of the company's management team, and stimulate the organizational vitality of the management team, thereby driving a comprehensive upgrade in the company's overall governance standards.

Section 4 Corporate Governance, Environment and Social Responsibility

1. Changes in Company Directors and Senior Management

☑applicable ☐inapplicable

surname and personal nam	Position hel	Changing circumstance	cause of chane	Reasons for Variation Explanatin
Ma Zhuo	Chairman and Legal Representative	leave one's post	job transfer	Work Adjustment
Zhang Tianjun	Chairman and Legal Representative	Election	job transfer	Election
Zhang Tianjun	general manager	leave one's post	job transfer	Work Adjustment
Xie Haidong	general manager	Election	job transfer	Election
Zhao Erqin	CFO	leave one's post	job transfer	Work Adjustment
Gou Yanli	CFO	Election	job transfer	Election
Xu Longfu	vice president	leave one's post	job transfer	Work Adjustment
Yi Wang	vice president	Election	job transfer	Election
Jiang Guoli	Director	leave one's post	personal reasons	personal reasons
Xie Haidong	Director	Election	job transfer	Election
Hou Xulong	Director	leave one's post	job transfer	Work Adjustment
Shu Wenbo	Director	leave one's post	job transfer	Work Adjustment
Xu Peng	Director	Election	job transfer	Election
Yi Wang	Director	Election	job transfer	Election

Explanation of Changes in Company Directors and Senior Management Personnel

☑applicable ☐inapplicable

1. On February 2, 2026, the Company held the 18th Extraordinary Meeting of its Ninth Board of Directors, at which the "Proposal on the Election of the Chairman and the Legal Representative" and the "Proposal on the Appointment of the Company's Senior Management Personnel" were reviewed and approved. Due to changes in his professional responsibilities, Mr.Ma Zhuo, the Company's former Chairman, applied to resign from his positions as Chairman of the Company, Legal Representative, Chairman of the Strategic Committee of the Ninth Board of Directors, Member of the Nomination Committee, and Member of the Compensation and Performance Evaluation Committee; as a result, Mr.Zhang Tianjun was elected as the Chairman of the Ninth Board of Directors and the Legal Representative of the Company; his term of office shall commence on the date this Board meeting approved the appointment and shall expire upon the expiration of the term of the Ninth Board of Directors. Due to changes in his professional responsibilities, Mr.Zhang Tianjun applied to resign from his position as General Manager of the Company; Ms.Zhao Erqin applied to resign from her position as Chief Financial Officer of the Company; and Mr.Xu Longfu applied to resign from his position as Deputy General Manager of the Company. Following review by the Company's Board Nomination Committee, the Board of Directors appointed Mr.Xie Haidong as General Manager of the Company, Ms.Gou Yanli as Chief Financial Officer of the Company, and Mr.Wang Yi as Deputy General Manager

of the Company; their terms of office shall commence on the date this Board meeting approved the appointments and shall expire upon the expiration of the term of the Ninth Board of Directors.

On May 12,2026, and May 28,2026, the Company held the 22nd Extraordinary Meeting of the Ninth Board of Directors and the Third Extraordinary General Meeting of Shareholders for the year 2026, respectively, during which the "Proposal on the Supplementary Election of Non-Independent Directors to the Ninth Board of Directors" was reviewed and approved. Due to personal reasons, Mr.Jiang Guoli has applied to resign from his position as a director on the Ninth Board of Directors; consequently, Mr.Xie Haidong has been elected as a non-independent director of the Ninth Board of Directors. His term of office shall commence on the date such election is approved by the Company's General Meeting of Shareholders and shall expire upon the expiration of the term of office of the Ninth Board of Directors.

On June 10,2026, and June 26,2026, the Company held the 25th Extraordinary Meeting of the Ninth Board of Directors and the Fifth Extraordinary Shareholders 'Meeting of 2026, respectively, during which the "Proposal on the Supplementary Election of Non-Independent Directors to the Ninth Board of Directors" and the "Proposal on the Election of Directors" were reviewed and approved. Due to work-related adjustments, Mr.Hou Xulong applied to resign from his positions as Director of the Ninth Board of Directors and as Member of the Strategic Committee; Mr.Shu Wenbo also applied to resign from his position as Director of the Ninth Board of Directors. Mr.Xu Peng and Mr.Wang Yi were elected as non-independent directors of the Ninth Board of Directors; their terms of office shall commence on the date such election is approved by the Company's Shareholders 'Meeting and shall expire upon the expiration of the Ninth Board of Directors' term.

2. Profit Distribution or Capital Reserve Increase Proposal

Interim profit distribution proposal; Proposal for converting surplus reserves into share capital

Should it be allocated or reclassified?	yes
Number of bonus shares issued per 10 ordinary shares	0
Dividend per 10 shares (RMB) (including tax)	*
Additional shares issued per 10 shares (number of shares)	0
Explanatory note regarding the profit distribution or capital reserve increase proposal	
According to the Company's interim financial report for the first half of 2026, the net profit attributable to the ordinary share shareholders of the listed company for the period from January to June 2026 amounted to RMB 170,944,628.83 (unaudited). As of June 30,2026, the undistributed profit at the end of the interim period in the parent company's financial statements stood at RMB 6,410,637,063.30. Pursuant to a resolution adopted by the Board of Directors, the Company proposes to distribute profits for the first half of 2026 based on the total share capital as of the record date for the equity distribution, less the number of shares held in the Company's special repurchase securities account. The proposed	

profit distribution plan is as follows:

The Company intends to distribute a cash dividend of RMB * per share (including tax) to all shareholders. As of August 28,2026, the Company's total share capital amounts to 4,025,970,368 shares; after deducting 168,853,765 shares repurchased from the Special Repurchase Securities Account, the share capital stands at 3,857,116,603 shares. Based on this figure, the Company proposes to distribute a cash dividend of RMB * per share (including tax), without issuing additional shares or converting capital reserves into share capital.

3. The status and impact of the company's equity incentive plan, employee stock ownership plan, or other employee incentive measures

(1) The relevant equity incentive matters have been disclosed in an interim announcement, and there has been no further progress or change in their subsequent implementation.

☐applicable ☑inapplicable

(2) Temporary announcements that fail to disclose incentive arrangements or subsequent developments related to such arrangements

Equity incentive arrangements

☐applicable ☑inapplicable

Other Notes

☐applicable ☑inapplicable

Employee Stock Ownership Plan Status

☐applicable ☑inapplicable

Other incentive measures

☐applicable ☑inapplicable

4. Environmental information of listed companies included in the List of Enterprises Subject to Legal Disclosure of Environmental Information, as well as their major subsidiaries

☐applicable ☑inapplicable

Number of enterprises included in the List of Enterprises Subject to Legal Disclosure of Environmental Information	7

order number	the name of firm	Environmental Information Disclosure Report Query Index
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	Changfeng Fangda	https://39.145.37.16:8081/zhhb/yfplpub_html/#/home
5	Meishan Rongguang	https://tftb.sczwfw.gov.cn:8085/jmopenpub/jmopen_files/webapp/html5/qyhjxxyfpl/index.html#/fillIn/now-fill/base
6	Fangda High-Tech	https://qyxxpl.ywzh.lnsthj.cn:8802/
7	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=3203820200002282

Other Notes

☐applicable ☑inapplicable

5. Specific details regarding the consolidation and expansion of achievements in poverty alleviation and rural revitalization efforts

☐applicable ☑inapplicable

The company has integrated its rural revitalization initiatives in Dongxiang Autonomous County, Linxia Hui Autonomous Prefecture, Gansu Province, into its broader corporate social responsibility strategy. Since 2019, the company established the Fangda Carbon Dongxiang County Rural Revitalization Work Party Branch, appointing outstanding Communist Party members to lead teams and forming a dedicated rural revitalization task force. This team is permanently stationed at the frontline of support services in Dongxiang County to conduct on-site operations and oversee every stage of the project lifecycle—including project development, production and operation, local employment, and industrial collaboration. Leveraging the unique regional characteristics of Dongxiang County and the production and livelihood needs of its ethnic minority residents, the company has implemented six rural revitalization industrial projects. This approach has established a self-sustaining support model characterized by "industrial projects creating employment opportunities, local resources being transformed on-site, and stable income growth for the local population." By adopting a "leading enterprise + employment factory + farmer" collaboration model, the company has substantially increased the income of local residents, ensuring that the benefits of this development reach a vast number of people.

During the reporting period, the Pastry and Food Processing Project dynamically adjusted its production schedules, maintained stable, full-capacity operation of its production lines, ensured the steady utilization of local agricultural and sideline raw materials, and guaranteed the timely fulfillment of external orders; the Urban and Rural Taxi and Bus Public Transportation Project completed more than 480 student shuttle services during the first half of the year, effectively addressing the transportation challenges faced by residents in mountainous areas and strengthening the foundational support for rural livelihoods; the Construction Formwork Manufacturing Project ensured that all formwork processing, repair, and custom-order deliveries were completed on time, meeting all quality and quantity requirements; all projects passed the client's acceptance inspection on the first attempt; through consistent product quality and strong contract fulfillment capabilities, the company has built a strong industry reputation and solidified its base of long-term cooperative clients.

In the future, we will actively leverage the leading role of listed companies to continuously consolidate the achievements in poverty alleviation in ethnic minority regions through industrial revitalization, and fully support the comprehensive and solid advancement of rural revitalization efforts in Dongxiang County.

Section 5 material particulars

1. Compliance status of committed obligations

(一) The commitments made by the company's actual controller, shareholders, related parties, acquirer, the company itself, and other relevant parties during the reporting period or continuing throughout the reporting period;

☑applicable ☐inapplicable

Commitment Background	promise to do sth type	Commitment Party	promise to do sth content	Commitment Date	Is there a performance deadline?	time limit for acceptance	Whether it was promptly and strictly implemented	If the obligation is not fulfilled in a timely manner, the specific reasons for the failure to fulfill the obligation shall be explained.	If the obligation is not fulfilled in a timely manner, please specify the next steps.
Commitments made in the Acquisition Report or the Equity Change Report	Resolving defects in land or other property rights	Liaoning Fangda Group Industrial Co., Ltd. and its actual controller	Fangda Group hereby undertakes: "(1) To expedite the processing of all ownership documentation—including land use rights certificates and real estate ownership certificates—for all land, buildings, and other assets, and to complete such processing in full by the end of 2007; (2) All costs incurred in the	2006	yes	By the end of 2007	deny	Due to factors such as local government policies and official relocation plans, the company's subsidiaries, Fushun Carbon and Hefei Carbon, have not yet obtained the relevant land use right certificates or property ownership certificates. In accordance with relevant government documents, Fushun Carbon and Hefei Carbon will apply for these certificates collectively upon completion of their	

			process of obtaining the aforementioned ownership documentation for the assets to be injected shall be borne by the Company in accordance with its original shareholding ratio; (3) The Company shall be liable for compensating any losses arising from the impact on the normal operations of Hailong Technology resulting from the land and property ownership issues involved in this transaction, and shall fulfill such compensation obligation within one month."					relocation process. The details are as follows: (1) Hefei Carbon shares the same piece of land as its original shareholder, Hefei Aluminum Industry Co., Ltd., and operates from the same premises; however, the land use right remains with Hefei Aluminum Industry Co., Ltd., as the land was allocated by the state. In 2002, pursuant to the directives of the Hefei Municipal Government, all state-owned land use right certificates were reclaimed and placed under the unified management of Hefei Industrial Investment Holding Co., Ltd. In July 2004, Hefei Aluminum Industry Co., Ltd. underwent a policy-induced bankruptcy, and Hefei Carbon began leasing the land it was using. To accelerate the optimization of the urban central area's industrial layout, the government required Hefei Carbon to	

								relocate entirely to a designated industrial cluster for business development; Hefei Carbon has since formulated a relocation plan. The company has never been involved in any ownership disputes, nor has this situation impacted its normal production and operations; upon completion of the relocation process, the land use right certificates and building ownership certificates for Hefei Carbon will be processed. In October 2017, the company successfully acquired a 47.89% equity interest in Hefei Carbon held by CITIC Investment Holding Co., Ltd., making Hefei Carbon a wholly-owned subsidiary of the company. In November 2025, following an equity structure adjustment at Hefei Carbon, the company now holds a 99.99% equity interest in it. In line with the spirit of the "Opinions on	

								Accelerating the Optimization and Transformational Development of the Industrial Layout in the Central Urban Area of Hefei," in 2019, Hefei Carbon signed the "Changfeng County Investment Promotion Project Investment Cooperation Agreement" with the People's Government of Xiatang Town, Changfeng County, under which Hefei Carbon relocated to the territory of Xiatang Town, Changfeng County, to invest in and construct a carbon products production facility with an annual capacity of 50,000 tons. The overall relocation has now been completed; the land use right certificate for the new factory has been issued; the entire project is currently undergoing audit and acceptance procedures; and the building ownership certificates are being processed. (2) Fushun Carbon was established in	

								2002 as a result of a corporate restructuring initiative spearheaded by the local government; however, due to historical reasons, the transfer of certain land use rights and building ownership titles had not been formally completed at the time of the restructuring. To date, no ownership disputes have arisen regarding these land or property rights, nor has this situation impacted the company's normal production and business operations. Since 2006, Fushun Carbon has taken various measures to actively advance the transfer of the aforementioned land and property titles, having completed all necessary preparatory work required for the transfer procedures and engaging in multiple rounds of communication with the municipal government and the land administration authorities; nevertheless, due to policy constraints, these efforts	

								ultimately did not yield results. In 2008, the Liaoning Provincial Party Committee and Provincial Government proposed the implementation of the Shenyang–Fushun Urban Integration Strategy. Given that Fushun Carbon is located in the core area of this urban integration initiative, the Fushun Municipal Government included the relocation and transformation plan for Fushun Carbon in its official government agenda. In 2010, the Fushun Municipal Government formally incorporated the relocation of Fushun Carbon into the "Fushun City's 12th Five-Year Plan for National Economic and Social Development," and Fushun Carbon subsequently prepared a "Technical Plan for Relocation and Transformation." Fushun Carbon has now commenced the renovation work at its original site and completed the	

								application for the land use right certificate in early April 2026; the building ownership certificate will be issued upon the completion and acceptance audit of the original site renovation project.	
	Resolve 同业竞争问题	Liaoning Fangda Group Industrial Co., Ltd. and its actual controller	Fangda Group and its actual controller hereby undertake: "1) The Company and its controlled entities shall not, directly or indirectly, engage in any business activities that would be competitive with those of Hailong Technology (now renamed Fangda Carbon), nor shall they participate in or acquire equity interests in any business activities that could be competitive with the business operations conducted by Hailong Technology; 2) Should the Company or its controlled	2006	deny	/	yes		

			entities encounter any business opportunity that would allow them to engage in, participate in, or acquire equity interests in any business activities that could be competitive with the graphite and carbon-related business operations conducted by Hailong Technology, the Company shall notify Hailong Technology of such business opportunity. Within the reasonable period specified in such notice, if Hailong Technology provides a positive response indicating its willingness to utilize such business opportunity, the Company shall waive said business opportunity; if Hailong Technology fails to respond or provides a negative response, such failure shall be deemed a						

			waiver of the said business opportunity; 3) In the event that any breach of the foregoing undertakings results in any loss to the listed company, the Company shall provide full compensation to Hailong Technology."						
	Resolve related-party transactions	Liaoning Fangda Group Industrial Co., Ltd. and its actual controller	1. Fangda Group and its actual controller hereby undertake: "The Company shall continue to exercise its shareholder rights in strict compliance with the Company Law, other applicable laws and regulations, as well as the relevant provisions of the Company's Articles of Association; when voting on related-party transactions involving matters pertaining to the Company at the General Meeting of Shareholders, the Company shall fulfill its	2006	deny	/	yes		

			obligation to abstain from voting; the Company shall take all necessary measures to prevent any illegal occupation of the funds or assets of the listed company; under no circumstances shall the Company require Hailong Technology to provide any form of guarantee to the Company; in all related-party transactions between the two parties, the Company shall strictly adhere to market principles, strive to avoid the occurrence of unnecessary related-party transactions, and for any necessary related-party transactions arising from the Company's ongoing business operations, such transactions shall be conducted in accordance with the terms stipulated in the						

			agreement between the two parties, in compliance with market-based pricing principles, and shall be designed to prevent any harm to the rights and interests of the majority of minority shareholders;" 2. Fangda Group and its actual controller hereby undertake: "The Company and Hailong Technology shall, to the greatest extent possible, avoid and minimize the occurrence of related-party transactions. For related-party transactions that cannot be avoided or arise for legitimate reasons, the Company undertakes to adhere to the principles of fairness, impartiality and transparency in the market, to enter into agreements in accordance with the law, to						

			follow lawful procedures, and to fulfill its information disclosure obligations and complete the relevant approval procedures in accordance with the Articles of Association of Hailong Technology, applicable laws and regulations, the Shanghai Stock Exchange Stock Listing Rules, and other relevant provisions, ensuring that the legitimate rights and interests of Hailong Technology and other shareholders are not harmed through such related-party transactions."						

2. Non-operating use of funds by the controlling shareholder and other related parties during the reporting period

☐applicable ☑inapplicable

3. Non-compliant guarantee arrangements

☐applicable ☑inapplicable

4. Interim Report Audit Status

☐applicable ☑inapplicable

5. Changes and handling of matters related to the non-standard audit opinion in the previous year's annual report

☐applicable ☑inapplicable

6. Bankruptcy reorganization-related matters

☐applicable ☑inapplicable

7. Major litigation or arbitration matters

☐The company had significant litigation and arbitration matters during the reporting period.
☑The company had no significant litigation and arbitration matters during the reporting period

（1）Litigation or arbitration matters have been disclosed in a temporary announcement and there has been no subsequent development.

☐applicable ☑inapplicable

（2）Temporary announcement regarding pending litigation or arbitration matters for which no disclosure had been made, or where subsequent developments have occurred.

☐applicable ☑inapplicable

8. The listed company, its directors, senior management, controlling shareholders, and actual controllers who are suspected of violating laws or regulations, have been subject to penalties, or are undergoing corrective actions;

☐applicable ☑inapplicable

9. Description of the integrity status of the Company, its controlling shareholder, and its actual controller during the reporting period

☐applicable ☑inapplicable

10. Major related-party transactions

(1) Related-party transactions related to daily operations

① Matters that have been disclosed in a temporary announcement and for which there has been no subsequent progress or change in implementation.

☑applicable ☐inapplicable

Subject Overview	Query Index
In 2026, the Company and its subsidiaries are expected to sell carbon products and carbon raw materials to their related party, Baofang Carbon Materials Technology Co., Ltd.; the amount of this related-party transaction is approximately RMB 24 million (excluding tax).	For detailed information, please refer to the "Announcement by Fangda Carbon on Expected Routine Related-Party Transactions for the Year 2026" (Announcement No.2026-023), which was disclosed on the website of the Shanghai Stock Exchange and published in the China Securities Journal, Shanghai Securities News, and Securities Times on April 2, 2026.
In 2026, the Company and its subsidiaries are expected to procure equipment, needle coke, petroleum coke, and other materials from related parties, including Chongqing Fangda Aviation International Headquarters Co., Ltd. and its subsidiary Tianjin Department Store Business and Trade Corporation; the amount of these related-party transactions is approximately RMB	

31 million (excluding tax).	

② **Matters that have been disclosed in a temporary announcement but for which there is subsequent progress or changes in implementation.**

☑applicable ☐inapplicable

(1) The Company and its subsidiaries sold carbon-based products and provided services to Fangda Special Steel Technology Co., Ltd., Sichuan Dazhou Iron & Steel Group Co., Ltd., Jiangxi Pinggang Industrial Co., Ltd., and their subsidiaries (for detailed information, please refer to the "Announcement on Estimated Routine Related-Party Transactions for the Year 2026" issued by Fangda Carbon on April 2, 2026, which was disclosed on the Shanghai Stock Exchange website and published in the China Securities Journal, Shanghai Securities News, and Securities Times; Announcement No.2026-023). The actual sales revenue (excluding tax) for the first half of 2026 amounted to RMB 31,526,300.

(2) The Company and its subsidiaries sell carbon-based products, carbon raw materials, etc., to Beijing Fangda Carbon Technology Co., Ltd. and its subsidiaries (for specific details, please refer to the "Fangda Carbon Announcement on Expected Routine Related-Party Transactions for the Year 2026," disclosed on the Shanghai Stock Exchange website on April 2, 2026, and published in the China Securities Journal, Shanghai Securities News, and Securities Times; Announcement No.2026-023). The actual sales revenue (excluding tax) for the first half of 2026 amounted to RMB 6,000,700.

(3) The Company's subsidiaries provide warehouse leasing and related services to entities such as Tianjin Quancheng Logistics Distribution Co., Ltd., a subsidiary of Chongqing Fangda Aviation International Headquarters Co., Ltd. (for detailed information, please refer to the "Fangda Carbon Announcement on Expected Routine Related-Party Transactions for the Year 2026," disclosed on the Shanghai Stock Exchange website on April 2, 2026, and published in the China Securities Journal, Shanghai Securities News, and Securities Times; Announcement No.2026-023). The actual sales revenue (excluding tax) for the first half of 2026 amounted to RMB 8,798,000.

(4) The Company and its subsidiaries purchased coal tar pitch and other materials from Sichuan Daxing Chemical Co., Ltd. (for specific details, please refer to the "Fangda Carbon Announcement on Expected Routine Related-Party Transactions for the Year 2026," disclosed on the Shanghai Stock Exchange website on April 2, 2026, and published in the China Securities Journal, Shanghai Securities News, and Securities Times; Announcement No.2026-023). The actual procurement amount (excluding tax) for the first half of 2026 amounted to RMB 36,193,500.

(5) The Company and its subsidiaries shall purchase raw materials such as needle coke and other materials, as well as receive services, from Beijing Fangda Carbon Technology Co., Ltd. and its subsidiaries (for specific details, please refer to the "Announcement on the Expected Routine Related-Party Transactions for the Year 2026" issued by Fangda Carbon on April 2, 2026, which was

disclosed on the website of the Shanghai Stock Exchange and published in the China Securities Journal, Shanghai Securities News, and Securities Times; Announcement No.2026-023). The actual procurement amount (excluding tax) in the first half of 2026 amounted to RMB 34,516,100.

(6) The Company and its subsidiaries purchase raw materials such as needle coke and petroleum coke from Hainan Hantu Trading Co., Ltd. (For detailed information, please refer to the "Fangda Carbon Announcement on Expected Routine Related-Party Transactions for the Year 2026," disclosed on the Shanghai Stock Exchange website on April 2, 2026, and published in the China Securities Journal, Shanghai Securities News, and Securities Times; Announcement No.2026-023). The actual procurement amount (excluding tax) for the first half of 2026 amounted to RMB 21,629,200.

(7) The Company and its subsidiaries shall purchase petroleum coke, calcined coke, coal tar, etc., from Fangda Special Steel Technology Co., Ltd. (For specific details, please refer to the "Announcement on the Expected Routine Related-Party Transactions for the Year 2026" issued by Fangda Carbon Co., Ltd. and published on the website of the Shanghai Stock Exchange as well as in the China Securities Journal, Shanghai Securities News, and Securities Times on April 2, 2026; Announcement No.2026-023). The actual procurement amount (excluding tax) for the first half of 2026 amounted to RMB 21,190,400.

(8) The Company and its subsidiaries shall purchase electrical equipment, cables, refractory materials, etc., from Liaoning Fangda Equipment Manufacturing Group Co., Ltd. (for specific details, please refer to the "Announcement on the Expected Routine Related-Party Transactions for the Year 2026" issued by Fangda Carbon on April 2, 2026, which was disclosed on the website of the Shanghai Stock Exchange and published in the China Securities Journal, Shanghai Securities News, and Securities Times; Announcement No.2026-023). The actual procurement amount (excluding tax) for the first half of 2026 amounted to RMB 29,100.

(9) The Company and its subsidiaries conducted deposit transactions with Jiujiang Bank Co., Ltd. (for detailed information, please refer to the "Fangda Carbon Announcement on the Estimated Routine Related-Party Transactions for the Year 2026," disclosed on April 2, 2026, on the Shanghai Stock Exchange website and published in the China Securities Journal, Shanghai Securities News, and Securities Times, Announcement No.2026-023; and the "Fangda Carbon Announcement on Increasing the Estimated Limit for Routine Related-Party Transactions for the Year 2026," Announcement No.2026-069, both published on July 22,2026, on the Shanghai Stock Exchange website). As of June 30,2026, the total deposit amount amounted to RMB 165,900.

③ Matters not disclosed in the temporary announcement

☑applicable ☐inapplicable

Unit: Yuan; Currency: RMB

Related-party transaction part	Related party relationshi	Related-party transaction typ	Related-party transaction	Related-party transaction pricing principle	Related-party transaction pric	Related-party transaction amoun	Proportion of the transaction amount relative to similar transaction (%	Related-party transaction settlement metho	market hous pric	Reasons for a significant discrepancy between the transaction price and the market reference pric
Guizhou Fangda Huangguoshu Food and Beverage Co., Ltd.	Group subsidiaries	Buy Product	goods and materials	Market price or agreed price	Market price or agreed price	1,858.41		Agreement Terms		
Beijing Kehang Investment Co., Ltd.	Group subsidiaries	Buy Product	goods and materials	Market price or agreed price	Market price or agreed price	242,281.28		Agreement Terms		
Sanya Aviation and Tourism Vocational College	Group subsidiaries	Accepting services	serve	Market price or agreed price	Market price or agreed price	1,182,821.75		Agreement Terms		
Northern Heavy Industries Group Co., Ltd. Property Management Branch	Group subsidiaries	Buy Product	goods and materials	Market price or agreed price	Market price or agreed price	386,341.52		Agreement Terms		
Shenyang Fangdi Real Estate Co., Ltd. Hunnan Branch	Group subsidiaries	Buy Product	goods and materials	Market price or agreed price	Market price or agreed price	18,554.59		Agreement Terms		
ZTE – Shenyang Commercial Building (Group) Co., Ltd.	Group subsidiaries	Buy Product	goods and materials	Market price or agreed price	Market price or agreed price	28,015.14		Agreement Terms		

Related-party transaction part	Related party relationshi	Related-party transaction typ	Related-party transaction	Related-party transaction pricing principle	Related-party transaction pric	Related-party transaction amoun	Proportion of the transaction amount relative to similar transaction (%	Related-party transaction settlement metho	market hous pric	Reasons for a significant discrepancy between the transaction price and the market reference pric
Gansu Fangda Jiujianpeng Science and Technology Development Co., Ltd.	Group subsidiaries	Buy Product	goods and materials	Market price or agreed price	Market price or agreed price	15,876.12		Agreement Terms		
Gansu Fangdatong Special New Materials Co., Ltd.	Group subsidiaries	Buy Product	goods and materials	Market price or agreed price	Market price or agreed price	673,539.82		Agreement Terms		
Gansu Fangda Zhanyao New Material Packaging Co., Ltd.	Group subsidiaries	Buy Product	goods and materials	Market price or agreed price	Market price or agreed price	82,300.88		Agreement Terms		
Gansu Fangda Youert Animal Husbandry Development Co., Ltd.	Group subsidiaries	Buy Product	goods and materials	Market price or agreed price	Market price or agreed price	17,640.00		Agreement Terms		
Gansu Herpis Handicrafts Co., Ltd.	Group subsidiaries	Sell goods	goods and materials	Market price or agreed price	Market price or agreed price	134,410.62		Agreement Terms		
Dongxiang	Group subsidi	Sell goods	goods and	Market price or	Market price or	111,267.25		Agreement Terms		

Related-party transaction part	Related party relationshi	Related-party transaction typ	Related-party transaction	Related-party transaction pricing principle	Related-party transaction pric	Related-party transaction amoun	Proportion of the transaction amount relative to similar transaction (%	Related-party transaction settlement metho	market hous pric	Reasons for a significant discrepancy between the transaction price and the market reference pric
Autonomous County Xiyuhang Garments Co., Ltd.	aries		materials	agreed price	agreed price					
Liaoning Fangda Group Guomao Co., Ltd.	Group subsidiaries	Sell goods	goods and materials	Market price or agreed price	Market price or agreed price	107,525.87		Agreement Terms		
Northeast Pharmaceutical Group Co., Ltd.	Group subsidiaries	utility service	serve	Market price or agreed price	Market price or agreed price	1,150,081.11		Agreement Terms		
Shenyang Fangda Property Management Co., Ltd. Fushun Branch	Group subsidiaries	utility service	serve	Market price or agreed price	Market price or agreed price	54,278.76		Agreement Terms		
Gansu Fangda Zhanyao New Material Packaging Co., Ltd.	Group subsidiaries	Sell goods	goods and materials	Market price or agreed price	Market price or agreed price	173,028.73		Agreement Terms		
Liaoning Fangda General Hospital Co., Ltd.	Group subsidiaries	Sell goods	goods and materials	Market price or agreed price	Market price or agreed price	14,159.29		Agreement Terms		
Detailed information on large-value sales returns					not have					
Explanation of Related-Party Transactions					The aforementioned related-party transactions are transactions arising from the Company's normal生产经营 activities.					

(2) Related-party transactions arising from asset acquisitions or equity acquisitions/sales

1、 Matters that have been disclosed in a temporary announcement and for which there has been no subsequent progress or change in implementation.

☑applicable ☐inapplicable

2、 Matters that have been disclosed in a temporary announcement but for which there is subsequent progress or changes in implementation.

☑applicable ☐inapplicable

On February 9, 2026, the Company held the 19th Extraordinary Meeting of its Ninth Board of Directors, at which the "Proposal Concerning the Acquisition of Equity Interests and a Related Party Transaction" was reviewed and approved. The Board approved the Company's use of its own funds to acquire 100% of the equity interests in Tianjin Tongda Huanyu Logistics Co., Ltd. (hereinafter referred to as "Tongda Huanyu"), which are held by Tianjin Yishang Group Co., Ltd., for a transaction consideration of RMB 319,187,000. In March 2026, the Company completed all requisite industrial and commercial registration procedures related to this equity transaction in accordance with the terms of the "Equity Transfer Agreement for Tianjin Tongda Huanyu Logistics Co., Ltd." and paid the full consideration for the acquisition of 100% of the equity interests in Tongda Huanyu. Simultaneously, the Company included Tongda Huanyu within its scope of consolidated financial statements and adjusted the relevant opening balances in its financial statements for the first quarter of 2026 accordingly.

3、 Matters not disclosed in the temporary announcement

☐applicable ☑inapplicable

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

☐applicable ☑inapplicable

(3) Material related-party transactions arising from joint foreign investment

1、 Matters that have been disclosed in a temporary announcement and for which there has been no subsequent progress or change in implementation.

☐applicable ☑inapplicable

2、 Matters that have been disclosed in a temporary announcement but for which there is subsequent progress or changes in implementation.

☐applicable ☑inapplicable

3、 Matters not disclosed in the temporary announcement

☐applicable ☑inapplicable

(4) Related creditor-debtor transactions

1、 Matters that have been disclosed in a temporary announcement and for which there has been no subsequent progress or change in implementation.

□applicable ☑inapplicable

2、 Matters that have been disclosed in a temporary announcement but for which there is subsequent progress or changes in implementation.

□applicable ☑inapplicable

3、 Matters not disclosed in the temporary announcement

□applicable ☑inapplicable

(5) Financial transactions between the Company and its affiliated financial companies, or between the Company's controlled financial companies and their related parties.

□applicable ☑inapplicable

(6) Other significant related-party transactions

□applicable ☑inapplicable

(7) other

□applicable ☑inapplicable

11. Major contracts and their performance einsteinium management, contracting, and leasing matters

☑applicable □inapplicable

12. Hosting Status

□applicable ☑inapplicable

13. Contracting Status

□applicable ☑inapplicable

14. circumstances of tenancy

□applicable ☑inapplicable

15. Material guarantees undertaken or not yet fully performed during the reporting period

☑applicable ☐inapplicable

Unit: RMB million; Currency: Renminbi

Company's external guarantees (excluding guarantees provided to subsidiaries)															
Guarantor	**The relationship between the guarantor and the listed company**	**Guaranteed Party**	**amount guaranteed**	**Guarantee Effective Date (Date of Agreement Signing)**	**warrant Start Date**	**warrant date due**	**Guarantee Type**	**Primary debt status**	**Security (if applicable)**	**Has the guarantee been fully performed?**	**Is the guarantee overdue?**	**Overdue guarantee amount**	**Counter-guarantee situation**	**Is it a guarantee provided to an affiliated party?**	**relevance relation**
Fangda Carbon	Corporate Headquarters	Fangda Special Steel Technology Co., Ltd.	4	January 26,2025	January 26,2025	January 25,2027	Joint and several liability guarantee	Fangda Special Steel Technology Co., Ltd. provides a joint and several liability guarantee for the maximum loan principal not exceeding RMB 400 million, as well as interest and other payable	deny	deny	deny	0	The Company provides an anti-guarantee to Fangda Special Steel Technology Co., Ltd.	yes	Group subsidiaries

								amounts, under a loan extended to the Company by the Gansu Provincial Branch of the Export-Import Bank of China.							

Total amount of guarantees issued during the reporting period (excluding guarantees provided to subsidiaries)	4
Total outstanding guarantee balance as of the reporting period end (A) (excluding guarantees provided to subsidiaries)	5
The company's guarantees to its subsidiaries	
Total amount of guarantees provided to subsidiaries during the reporting period	1
Total outstanding guarantee balances for subsidiaries at the reporting period end (B)	6
Total amount of corporate guarantees (including guarantees provided to subsidiaries)	
Total Guarantee Amount (A+B)	11
Total guarantee amount as a percentage of the company's net assets (%)	6.64
among:	
Amount of guarantees provided to shareholders, actual controllers, and their affiliates (C)	5
The amount of debt guarantees provided, directly or indirectly, to guaranteed entities with an asset-liability ratio exceeding 70% (D)	0.5
The amount of the total guarantee exceeding 50% of the net assets (E)	0
The total amount of the aforementioned three guarantees (C + D + E)	5.5
Explanation: The unexpired guarantee may entail joint and several	not applicable

liability for repayment.	
Guarantee Statement	As of the end of the reporting period, 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 (of which RMB 400 million, representing the actual counter-guarantees provided by the Company to Fangda Special Steel Technology Co., Ltd., is included in the aforementioned mutual guarantee facility), representing 2.41% of the Company's net assets for the current period; the guarantee facility provided by the Company to its subsidiary amounted to RMB 600 million (with RMB 100 million actually provided as a guarantee), representing 3.62% of the Company's net assets for the current period. No overdue guarantee obligations or guarantee-related litigation matters have arisen. All of the aforementioned external guarantees have been issued in strict compliance with the relevant laws, regulations, and normative documents, and the requisite guarantee procedures have been duly followed.

16. Other major contracts

☐applicable ☑inapplicable

17. Progress Report on the Utilization of Raised Funds

☐applicable ☑inapplicable

(1) Overall utilization of raised funds

☑applicable ☐inapplicable

Unit: RMB 10,000

Source of raised capita	Fund receipt dat	Total amount of raised fund	Net proceeds from fundraising (1	Total committed investment amount for raised funds (2	Total excess fundraising amount (3) = (1) – (2	Total cumulative amount of raised funds invested as of the reporting period end (4	Where: The cumulative total amount of excess proceeds invested as of the end of the reporting period (5	Cumulative investment progress of raised funds as of the reporting period end (%) (6) = (4) / (1	Cumulative investment progress of excess raised funds as of the reporting period end (%) (7) = (5) / (3	This year's investment amount (8	This year's investment amount proportion (%) (9) = (8) / (1	Total amount of raised funds subject to a change in us
Issuance	June	182,239.96	179,601.54	179,601.54	0	79,221.69	0	44.10	0	954.03	0.53	112,362.00

Source of raised capita	Fund receipt dat	Total amount of raised fund	Net proceeds from fundraising (1	Total committed investment amount for raised funds (2	Total excess fundraising amount (3) = (1) – (2	Total cumulative amount of raised funds invested as of the reporting period end (4	Where: The cumulative total amount of excess proceeds invested as of the end of the reporting period (5	Cumulative investment progress of raised funds as of the reporting period end (%) (6) = (4) / (1	Cumulative investment progress of excess raised funds as of the reporting period end (%) (7) = (5) / (3	This year's investment amount (8	This year's investment amount proportion (%) (9) = (8) / (1	Total amount of raised funds subject to a change in us
of shares to specific investors	20,2013											
other	March 23,2023	130,358.32	130,358.32	130,358.32	0	0	0	-	-	-	-	-

Other Notes

☑applicable ☐inapplicable

Note: 1. The total amount of proceeds raised, RMB 1,303,583,200, includes undeducted other issuance expenses amounting to RMB 10,624,300.

2. For detailed information regarding the raised funds, please refer to the "Special Report on the Deposit and Actual Use of Raised Funds by Fangda Carbon for the First Half of 2026" disclosed on the Shanghai Stock Exchange website (http://www.sse.com.cn) as of August 31,2026.

18. Fundraising Project Details

☑applicable ☐inapplicable

(1) Detailed usage of raised funds

☑applicable ☐inapplicable

Unit: RMB 10,000

Source of raised capita	project nam	Project Natur	Whether it is an investment project committed to in the prospectus or the offering circula	Does it involve a change in investment direction	Total planned investment amount from raised funds (1	This year's investment amoun	Total cumulative amount of raised funds invested as of the reporting period end (2	Cumulative investment progress as of the reporting period end (%) (3) = (2)/(1	Project date when it reaches the predetermined usable stat	Has the project been completed	Does the project schedule align with the planned schedule	Specific reasons why the project schedule was not met as planne	This year's realized benefit	The benefits already realized or the R&D outcomes of this projec	Has there been any material change in the project's feasibility? If so, please specify the circumstances	Surplus amoun
Issuance of shares to specific investors	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 the use of raised capital for the implementation of 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	Production and Construction	deny	Yes, this is a new project.		954.03	7,690.30	6.43	deny	yes	not applicable	Reallocation of raised capital for the Green Factory Construction	not applicable	not applicable	not applicable	not applicable

Source of raised capita	project nam	Project Natur	Whether it is an investment project committed to in the prospectus or the offering circula	Does it involve a change in investment direction	Total planned investment amount from raised funds (1	This year's investment amoun	Total cumulative amount of raised funds invested as of the reporting period end (2	Cumulative investment progress as of the reporting period end (%) (3) = (2)/(1	Project date when it reaches the predetermined usable stat	Has the project been completed	Does the project schedule align with the planned schedule	Specific reasons why the project schedule was not met as planne	This year's realized benefit	The benefits already realized or the R&D outcomes of this projec	Has there been any material change in the project's feasibility? If so, please specify the circumstances	Surplus amoun
	Upgrading Project											and Intelligent Equipment Upgrading Project				
	Acquisition of equity in Xike Carbon Needle Charcoal	other	deny	Yes, this is a new project.	40,167.93	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.	34,500	0	31,363.46	90.91	September 2022	yes	not applicable	Settlement refunds and discrepancies arising from multiple foreign currency transfers	not applicable	not applicable	not applicable	not applicable

19. Detailed usage of excess raised funds

☐applicable ☑inapplicable

20. Specific details regarding the re-evaluation of fundraising-related investment projects during the reporting period

☐applicable ☑inapplicable

21. Changes or termination of fundraising-related investments during the reporting period

☐applicable ☑inapplicable

22. Other matters concerning the use of raised funds during the reporting period

(1) Initial investment and replacement status of fundraising-based investment projects

☐applicable ☑inapplicable

(2) Use of idle raised funds to temporarily supplement working capital

☑applicable ☐inapplicable

On May 22,2026, the Company held the 23rd Extraordinary Meeting of its Ninth Board of Directors, at which the "Proposal on the Temporary Use of Part of Idle Raised Funds to Supplement Working Capital" was reviewed and approved. The Board agreed that the Company may use RMB 250 million of its idle raised funds to temporarily supplement its working capital; the duration of such use shall not exceed 12 months from the date of approval by the Board. The Company's sponsoring institution has issued its consent opinion.

On August 25,2026, the Company held the 28th Extraordinary Meeting of its Ninth Board of Directors, at which the "Proposal on the Temporary Use of Certain Idle Raised Funds to Supplement Working Capital" was reviewed and approved. The Board agreed that the Company may use RMB 950 million of its idle raised funds to temporarily supplement its working capital; the duration of such use shall not exceed 12 months from the date of approval by the Board. The Company's sponsoring institution has issued a favorable opinion on this matter.

As of June 30,2026, the balance of the Special Temporary Working Capital Supplemental Account amounted to RMB 98,587,953.18.

23. Cash management of idle raised funds; details of investments in relevant products

☐applicable ☑inapplicable

24. other

☐applicable ☑inapplicable

25. Explanation regarding anomalies identified during the intermediary agency's verification of the storage and utilization of raised funds

☐applicable ☑inapplicable

26. Subsequent remediation measures regarding the unauthorized alteration of the use of raised funds or the illegal misappropriation of such funds

☐applicable ☑inapplicable

27. Description of Other Material Matters

☑applicable ☐inapplicable

Pursuant to the "2025 Annual Profit Distribution Proposal" approved at the Company's 2025 Annual Shareholders' Meeting, the 2025 profit distribution shall be calculated based on the total share capital of 4,025,970,368 shares as of the record date specified in the Share Distribution Implementation

Announcement, after deducting 209,311,465 shares held in the Company's dedicated share repurchase securities account; thus, using 3,816,856,903 shares as the base, a cash dividend of RMB 0.00732 per share (including tax) shall be distributed, amounting to a total cash dividend of RMB 27,939,392.53 (including tax). On June 18,2025, the Company issued the "Fangda Carbon 2025 Annual Equity Distribution Implementation Announcement," and the cash dividend distribution was completed on June 26,2026.

Section 6 Shareholding Changes and Shareholder Information

1. Equity changes

(1) Shareholding Changes Statement

① Shareholding Changes Statement

Unit: Shares

	Prior to this chang		Current change (+, -					Following this chang	
	quantit	Percentage (%	Issue new share	Bonus share	Housing Provident Fund Conversio	othe	subtota	quantit	Percentage (%
I. Unlisted shares									
1. Founder's Shares									
among:									
State ownership of shares									
Domestic legal entities holding shares									
Overseas legal entities holding shares									
other									
2. Issuance of corporate shares									
3. Internal Employee Shares									
4. Preferred shares or other									

	Prior to this chang		Current change (+, -					Following this chang	
	quantit	Percentage (%	Issue new share	Bonus share	Housing Provident Fund Conversio	othe	subtota	quantit	Percentage (%
II. Shares Already Traded on the Market	4,025,970,368	100						4,025,970,368	100
1. RMB ordinary shares	4,025,970,368	100						4,025,970,368	100
2. Foreign shares listed domestically									
3. Foreign-owned shares listed overseas									
4. Other									
III. Total Number of Shares	4,025,970,368	100						4,025,970,368	100

② **Shareholding Changes Explanation**

☐applicable ☑inapplicable

③ **The impact (if any) of shareholding changes occurring between the end of the reporting period and the date of disclosure of the interim report on financial metrics such as earnings per share and net asset value per share.**

☑applicable ☐inapplicable

As of June 30,2026, the number of shares held in the Company's dedicated share repurchase securities account amounted to 192,759,565 shares; from July 1 to July 2, 2026, the Company reduced its holdings by 23,905,800 shares; as of August 28,2026, the number of shares held in the Company's dedicated share repurchase securities account stood at 168,853,765 shares. In accordance with the relevant provisions of the "Shanghai Stock Exchange Listed Company Self-Regulatory Guidance No.7 – Share Repurchases," when calculating relevant indicators such as earnings per share disclosed in the periodic reports, the total outstanding share capital shall be determined as the share capital amount after deducting the shares held in the dedicated share repurchase account; this adjustment will result in a decrease in financial indicators including earnings per share and net asset value per share.

④ Where the Company deems it necessary, or where securities regulatory authorities require the disclosure of any other information

☐applicable ☑inapplicable

(2) Restricted Shareholdings Changes

☐applicable ☑inapplicable

2. Shareholder Information

(1) Total number of shareholders:

Total number of ordinary shareholding shareholders (number of households) as of the reporting period end	215,597
Total number of preferred shareholding shareholders (number of accounts) for whom voting rights were restored as of the reporting period end	not applicable

(2) Table of Shareholding Positions of the Top 10 Shareholders and Top 10 Circulating Shareholders (or Shareholders Without Restriction on Transfer) as of the End of the Reporting Period

Unit: Shares

Shareholding details of the top 10 shareholders (excluding shares lent through the share lending and borrowing facility)							
Shareholder Name (full name)	**Increase/Decrease during the reporting period**	**End-of-term shareholding quantity**	**Percentage (%)**	**Number of shares subject to purchase restrictions**	**Pledge, marking, or freezing status**		**nature of shareholders**
					Shareholding Status	**quantity**	
Liaoning Fangda Group Industrial Co., Ltd.	0	1,524,413,321	37.86	0	pledge	674,708,590	Domestic non-state legal persons
Fangda Carbon New Materials Technology Co., Ltd. – Special Securities Repurchase Account	-56,612,900	192759565	4.79	0	not have		Domestic non-state legal persons
Hong Kong Central Clearing Company Limited	-13,039,555	35,835,186	0.89	0	not have		other
China Everbright Bank Co., Ltd. – China Merchants Aberdeen Zengli Bond	32,927,454	32,927,454	0.82	0	not have		other

Securities Investment Fund							
China Pacific Life Insurance Co., Ltd. – Traditional – General Insurance Products	17,999,915	24,999,824	0.62	0	not have		other
Bank of China Limited – China Merchants Credit Enhancement Bond Securities Investment Fund	24505100	24,505,100	0.61	0	not have		other
Cao Yu	18,814,921	18,814,921	0.47	0	not have		Domestic natural persons
Fang Wei	0	18,480,200	0.46	0	not have		Domestic natural persons
China Pacific Property Insurance Co., Ltd. -Traditional-General Insurance Product-013C-CT001 (Shanghai)	13,000,000	13,000,000	0.32	0	not have		other
Agricultural Bank of China Co., Ltd. – CSI 500 Exchange-Traded Open-End Index Securities Investment Fund	-32,191,835	9,169,538	0.23	0	not have		other

Shareholding details of the top 10 unrestricted shareholders (excluding shares lent out through the share lending and borrowing facility)

Shareholder Name	Number of unrestricted tradable shares held	Types and number of shares	
		kind	quantity
Liaoning Fangda Group Industrial Co., Ltd.	1,524,413,321	RMB ordinary shares	1,524,413,321
Fangda Carbon New Materials Technology Co., Ltd. – Special Securities Repurchase Account	192,759,565	RMB ordinary shares	192,759,565

Hong Kong Central Clearing Company Limited	35,835,186	RMB ordinary shares	35,835,186
China Everbright Bank Co., Ltd. – China Merchants Aberdeen Zengli Bond Securities Investment Fund	32,927,454	RMB ordinary shares	32,927,454
China Pacific Life Insurance Co., Ltd. – Traditional – General Insurance Products	24,999,824	RMB ordinary shares	24,999,824
Bank of China Limited – China Merchants Credit Enhancement Bond Securities Investment Fund	24,505,100	RMB ordinary shares	24,505,100
Cao Yu	18,814,921	RMB ordinary shares	18,814,921
Fang Wei	18,480,200	RMB ordinary shares	18,480,200
China Pacific Property Insurance Co., Ltd. -Traditional-General Insurance Product-013C-CT001 (Shanghai)	13,000,000	RMB ordinary shares	13,000,000
Agricultural Bank of China Co., Ltd. – CSI 500 Exchange-Traded Open-End Index Securities Investment Fund	9,169,538	RMB ordinary shares	9,169,538
Explanation regarding the repurchase special account among the top ten shareholders	As of the end of the reporting period, the Company's Special Share Repurchase Securities Account (Fangda Carbon New Materials Technology Co., Ltd. Special Share Repurchase Securities Account) held 192,759,565 shares of the Company, representing 4.79% of the Company's total share capital.		
Explanation regarding the delegation of voting rights, entrusted voting rights, and waiver of voting rights by the aforementioned shareholders	not applicable		
Explanation of the aforementioned shareholder-related party relationships or concerted actions	Among the aforementioned shareholders, Liaoning Fangda Group Industrial Co., Ltd. and the natural person shareholder Mr.Fang Wei are parties acting in concert; however, the related-party relationships or any other concerted actions among the remaining shareholders remain unknown.		
Description of the preferred stockholders whose voting rights have been restored and the number of shares held by such shareholders	not applicable		

Information on the lending of shares by shareholders holding more than 5% of the total shares, the top ten shareholders, and the top ten shareholders holding unrestricted tradable shares in the share lending and borrowing business.

☐applicable ☑inapplicable

The top ten shareholders and the top ten shareholders holding non-transferable circulating shares have experienced changes compared to the previous period due to loan/repayment activities under the securities lending and borrowing arrangement.

☐applicable ☑inapplicable

The number of shares held by the top ten restricted-shareholders and the corresponding lock-up restrictions

☐applicable ☑inapplicable

Section 7 Bond-related information

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

☐applicable ☑inapplicable

2. Convertible corporate bonds

☐applicable ☑inapplicable

Section 8 financial reports

1. Audit report

☐applicable ☑inapplicable

2. Financial statements

aggregate balance sheet

June 30,2026

FangdaCarbonNewMaterialCo.,Ltd.

Unit: Yuan; Currency: RMB

project	notes appended to a book	June 30,2026	December 31,2025
circulating assets:			
monetary resources		5,199,677,440.76	5,586,047,008.19
Settlement Reserve Fund			
Disbursement of funds			
Trading financial assets		1,428,714,202.44	1,085,144,460.27
Derivative financial assets			
bill receivable		668,187,781.30	503,613,085.23
accounts receivable		549,997,283.78	410,621,061.35
Accounts Receivable Financing		110,788,964.75	188,078,872.75
advance payment		92,072,211.36	56,535,755.07
Premiums Receivable			
Contingent reinsurance receivables			
Reinsurance Contract Reserve			
accounts receivable-other		40,821,225.67	251,830,042.48
Where: Interest receivable			
dividends receivable			
Buy-back financial assets			
stock		1,675,026,209.97	1,578,434,462.23
Where: Data Resources			
Contractual Assets		14,461,373.21	14,461,373.21
Assets held for sale			
Non-current assets due within one year		466,748,690.43	460,244,893.67
other current assets		18,356,541.55	27,083,058.54
Total current assets		10,264,851,925.22	10,162,094,072.99
Non-current assets:			
Loans and advances			
Debt investments			
Other debt investments			
Long-term receivables			
Long-term equity investments		6,619,276,970.74	6,683,131,536.01
Investments in other equity instruments			
Other non-current financial assets		288,404,374.64	282,805,189.74

Investment property			
Property, plant and equipment		3,251,068,530.66	2,903,025,235.84
Construction in progress		231,453,613.51	179,684,654.29
Biological assets held for production or operation			
Oil and gas assets			
Right-of-use assets			
Intangible assets		588,937,415.50	597,483,613.04
Of which: Data resources			
Development expenditure			
Goodwill			
Deferred expenses		5,701,058.74	94,999.16
Deferred tax assets		75,810,507.00	83,480,664.81
Other non-current assets		42,641,010.42	53,613,352.26
Total non-current assets		11,103,293,481.21	10,783,319,245.15
Total assets		21,368,145,406.43	20,945,413,318.14
Current liabilities:			
Short-term borrowings		1,081,292,354.20	801,143,527.25
Borrowings from the central bank			
Interbank borrowings			
Financial liabilities held for trading			
Derivative financial liabilities			
Notes payable		351,640,734.32	156,659,498.99
Trade payables		435,507,234.24	449,206,073.71
Advances received			
Contract liabilities		177,464,187.85	202,955,434.98
Proceeds from financial assets sold under repurchase agreements			
Deposits and interbank placements			
Proceeds from securities trading on behalf of others			
Proceeds from underwriting securities on behalf of others			

Employee benefits payable		42,235,884.85	44,051,971.75
Taxes payable		31,524,965.01	17,444,073.42
Other payables		190,389,333.41	382,394,186.55
Of which: Interest payable			
Dividends payable		9,958,836.44	9,958,836.44
Fees and commissions payable			
Reinsurance accounts payable			
Liabilities held for sale			
Non-current liabilities due within one year		404,700,000.00	5,621,691.11
Other current liabilities		209,399,773.03	185,091,956.52
Total current liabilities		2,924,154,466.91	2,244,568,414.28
Non-current liability:			
Insurance contract reserves			
Long-term borrowings		222,500,000.00	624,600,000.00
Bonds payable			
Of which: Preference shares			
Perpetual bonds			
Lease liabilities			
Long-term payables			
Long-term employee benefits payable			
Provisions			
Deferred income		232,109,009.97	245,157,475.37
Deferred tax liabilities		66,085,629.48	62,567,141.51
Other non-current liabilities		73,590,247.79	65,688,505.31
Total non-current liabilities		594,284,887.24	998,013,122.19
Total liabilities		3,518,439,354.15	3,242,581,536.47
Owner's equity (or shareholders' equity):			
Paid-up capital (or share capital)		4,025,970,368.00	4,025,970,368.00
Other equity instruments			
Of which: Preference shares			
Perpetual bonds			
Capital reserve		1,987,358,499.43	2,270,239,004.79
Less: Treasury shares		1,004,907,813.63	1,300,035,900.58
Other comprehensive income		44,981,049.00	44,982,265.06

Special reserves		12,849,386.40	15,858,582.68
Retained earnings		1,444,762,859.21	1,444,762,859.21
General risk provision			
Retained earnings		10,060,359,264.01	9,917,353,960.89
Total equity attributable to the parent company (or shareholders′ equity)		16,571,373,612.42	16,419,131,140.05
Minority interests		1,278,332,439.86	1,283,700,641.62
Total equity (or shareholders′ equity)		17,849,706,052.28	17,702,831,781.67
Total liabilities and equity (or shareholders′ equity)		21,368,145,406.43	20,945,413,318.14

Company Representative: Zhang Tianjun; Person Responsible for Accounting Affairs: Gou Yanli; Head of the Accounting Department: Tan Hong

Parent company balance sheet

June 30,2026

Preparing entity: Fangda Carbon New Materials Co., Ltd.

Unit：Yuan Currency: RMB

project	notes appended to a book	June 30,2026	December 31,2025
Current assets:			
Cash and cash equivalents		3,240,172,390.49	3,751,224,451.32
Financial assets held for trading		480,031,353.89	485,543,676.95
Derivative financial assets			
Notes receivable		350,037,705.12	267,565,204.20
Trade receivables		306,071,669.96	258,523,939.84
Receivables financing		34,496,727.05	105,559,194.41
Prepayments		49,479,826.96	29,597,841.47
Other receivables		1,595,970,833.31	1,075,749,998.91
Of which: Interest receivable			
Dividends receivable		46,310,986.97	46,310,986.97
Stock		849,029,506.08	741,261,488.33
Of which: Data resources			
Contract assets		14,609,913.81	14,609,913.81
Assets held for sale			
Non-current assets due within one year		280,042,163.61	276,141,055.27

Other current assets		10,931,002.08	18,853,028.08
Total current assets		7,210,873,092.36	7,024,629,792.59
Non-current assets:			
Debt investments			
Other debt investments			
Long-term receivables			
Long-term equity investments		8,225,047,409.64	7,914,217,037.89
Investments in other equity instruments			
Other non-current financial assets		288,409,825.48	282,810,640.58
Investment property			
Fixed assets		776,394,413.14	813,841,398.68
Construction in progress		5,810,713.70	2,003,040.52
Biological assets held for production			
Oil and gas assets			
Right-of-use assets			
Intangible assets		88,888,758.02	90,607,403.78
Of which: Data resources			
Development expenditure			
Of which: Data resources			
Goodwill			
Deferred expenses			
Deferred tax assets		28,295,452.07	34,989,398.49
Other non-current assets		14,997,500.00	14,997,500.00
Total non-current assets		9,427,844,072.05	9,153,466,419.94
Total assets		16,638,717,164.41	16,178,096,212.53
Current liabilities:			
Short-term borrowings		1,000,814,262.03	780,517,549.99
Financial liabilities held for trading			
Derivative financial liabilities			
Notes payable		240,481,690.41	106,893,260.26
Trade payables		296,766,878.35	294,173,432.87
Advances received			
Contract liabilities		172,775,692.22	117,244,034.40
Employee benefits payable		23,418,534.48	24,440,723.72

Taxes payable		689,589.61	1,371,485.56
Other payables		909,993,280.94	1,217,768,817.14
Of which: Interest payable			
Dividends payable			
Liabilities held for sale			
Non-current liabilities due within one year		404,700,000.00	5,621,691.11
Other current liabilities		108,228,180.99	123,281,633.75
Total current liabilities		3,157,868,109.03	2,671,312,628.80
Non-current liabilities:			
Long-term borrowings		222,500,000.00	624,600,000.00
Bonds payable			
Of which: Preference shares			
Perpetual bonds			
Lease liabilities			
Long-term payables			
Long-term employee benefits payable			
Provisions			
Deferred income		3,892,650.04	4,502,644.90
Deferred tax liabilities		16,064,944.56	12,901,976.31
Other non-current liabilities			
Total non-current liabilities		242,457,594.60	642,004,621.21
Total liabilities		3,400,325,703.63	3,313,317,250.01
Equity			
Paid-up capital (or share capital)		4,025,970,368.00	4,025,970,368.00
Other equity instruments			
Of which: Preference shares			
Perpetual bonds			
Capital reserve		2,346,452,611.95	2,318,746,423.25
Less: Treasury shares		1,004,907,813.63	1,300,035,900.58
Other comprehensive income		45,018,155.61	45,018,155.61
Special reserve		1,247,367.71	3,978,393.32
Retained earnings		1,413,973,707.84	1,413,973,707.84
Undistributed profits		6,410,637,063.30	6,357,127,815.08

Total equity (or shareholders′ equity)		13,238,391,460.78	12,864,778,962.52
Total liabilities and equity (or shareholders′ equity)		16,638,717,164.41	16,178,096,212.53

Company Representative: Zhang Tianjun; Person Responsible for Accounting Affairs: Gou Yanli; Head of the Accounting Department: Tan Hong

Consolidated Income Statement

January–June 2026

Unit: Yuan; Currency: RMB

Item	Notes	2026 Half-Year Report	2025 – Half-Yearly Report
I. Total Operating Revenue		1,970,546,816.99	1,690,301,864.53
Where: Operating Revenue		1,970,546,816.99	1,690,301,864.53
interest revenue			
Earned premiums			
Service and Commission Income			
II. Total Operating Cost		1,986,181,345.52	1,723,893,272.11
Where: Cost of Goods Sold		1,731,904,577.54	1,502,071,219.53
interest expense			
Service and Commission Expenses			
Policy surrender payout			
net payments for insurance claims			
Net Insurance Liability Reserve Amount			
Policy dividend payment			
Reinsurance Cost			
Taxes and Surcharges		25,970,725.01	24,021,334.36
selling expenses		46,008,756.92	40,973,420.47
general expenses		176,626,455.31	169,971,531.39
research and development expenditure		38,282,978.43	32,081,206.01
cost of financing		-32,612,147.69	-45,225,439.65
Where: Interest expense		16,319,141.03	12,586,141.18
interest revenue		52,943,708.22	58,287,919.67
Add: Other Income		18,637,400.43	30,263,761.15
Investment income (losses should be recorded with a "-" sign)		144,200,531.59	33,680,292.94
Where: Investment income from associated enterprises and joint ventures			
Gain (or loss) from the derecognition of financial assets measured at amortized cost (recorded with a "-" sign)			
Foreign exchange gain (losses should be recorded with a "-" sign)			
Net exposure hedge gain (losses should be recorded with a "-" sign)			
Fair value change gain (losses should be presented with a "-" sign)		56,877,698.07	23,963,662.24

Credit impairment loss (loss should be presented with a "-" sign)		37,838,403.44	469,416.31
Asset impairment loss (loss should be recorded with a "-" sign)		-16,322,640.12	-2,316,416.90
Asset disposal gain (losses should be recorded with a "-" sign)		2,821,812.15	560,628.46
III. Operating Profit (Losses should be presented with a "-" sign)		228,418,677.03	53,029,936.62
Add: Non-operating income		3,656,891.91	7,554,443.96
Less: Non-operating expenses		2,390,015.86	4,663,888.55
IV. Total Profit (Total Loss should be reported with a "-" sign)		229,685,553.08	55,920,492.03
Deduct: Income Tax Expense		64,109,126.01	14,332,056.06
V. Net Profit (Net loss should be presented with a "-" sign)		165,576,427.07	41,588,435.97
(1) Classification by business continuity			
1. Continuing operations net profit (net loss should be presented with a "-" sign)			
2. Net profit from discontinued operations (net loss should be presented with a "-" sign)			
(2) Classification by ownership status			
1. Net profit attributable to the parent company's shareholders (net loss should be presented with a "-" sign)		170,944,628.83	54,532,693.19
2. Minority Shareholders' Profit or Loss (net loss should be presented with a "-" sign)		-5,368,201.76	-12,944,257.22
VI. After-tax net amount of other comprehensive income		-1,216.06	-785.85
(1) After-tax net amount of other comprehensive income attributable to the parent company's owners		-1,216.06	-785.85
1. Other comprehensive income that cannot be reclassified into profit or loss			
(1) Re-measurement of changes in defined benefit plans			
(2) Other comprehensive income that cannot be reclassified into profit or loss under the equity method			
(3) Changes in the fair value of other equity instrument investments			
(4) Changes in the fair value of a company's own credit risk			
2. Other comprehensive income reclassified into profit or loss		-1,216.06	-785.85
(1) Other comprehensive income that can be reclassified into profit or loss under the equity method			
(2) Fair value changes in other debt investments			
(3) The amount of financial assets reclassified into other comprehensive income			
(4) Other credit impairment provisions for debt investments			

(5) Cash Flow Hedge Reserve			
(6) Foreign currency financial statement translation difference		-1,216.06	-785.85
(7) Other			
(2) Net after-tax amount of other comprehensive income attributable to minority shareholders			
VII. Total Comprehensive Income		165,575,211.01	41,587,650.12
(1) Total comprehensive income attributable to the parent company's owners		170,943,412.77	54,531,907.34
(2) Total comprehensive income attributable to minority shareholders		-5,368,201.76	-12,944,257.22
8. Earnings per share:			
(1) Basic earnings per share (RMB per share)		0.0449	0.0144
(2) Diluted Earnings Per Share (RMB per share)		0.0449	0.0144

Company Representative: Zhang Tianjun; Person Responsible for Accounting Affairs: Gou Yanli; Head of the Accounting Department: Tan Hong

Parent Company Income Statement

January–June 2026

Unit: Yuan; Currency: RMB

projec	notes appended to a boo	2026 Half-Year Repor	2025 – Half-Yearly Repor
I. Operating Revenue		1,107,379,406.78	905,690,924.04
Less: Cost of Goods Sold		984,342,367.96	783,917,305.35
Taxes and Surcharges		9,528,481.14	9,128,614.13
selling expenses		26,557,972.02	25,593,501.50
general expenses		63,253,809.63	61,161,488.80
research and development expenditure		12,870,953.74	14,430,311.16
cost of financing		-13,848,952.13	-29,636,983.53
Where: Interest expense		14,982,545.27	10,520,089.03
interest revenue		32,486,602.62	41,179,155.30
Add: Other Income		3,872,393.43	3,829,182.03
Investment income (losses should be recorded with a "-" sign)		15,408,483.03	28,525,787.94
Where: Investment income from associated enterprises and joint ventures			
Gain (or loss) from the derecognition of financial assets measured at amortized cost (recorded with a "-" sign)			
Net exposure hedge gain (losses should be recorded with a "-" sign)			
Fair value change gain (losses should be presented with a "-" sign)		21,086,455.03	-1,182,901.37
Credit impairment loss (loss should be presented with a "-" sign)		41,644,998.54	
Asset impairment loss (loss should be recorded with a "-" sign)		-5,367,307.26	
Asset disposal gain (losses should be recorded with a "-" sign)			

projec	notes appended to a boo	2026 Half-Year Repor	2025 – Half-Yearly Repor
II. Operating Profit (Losses should be presented with a "-" sign)		101,319,797.19	72,268,755.23
Add: Non-operating income		1,575,096.56	5,471,489.79
Less: Non-operating expenses		900,696.75	4,300,867.48
III. Total Profit (Total Loss should be reported with a "-" sign)		101,994,197.00	73,439,377.54
Deduct: Income Tax Expense		20,545,623.07	7,855,077.97
IV. Net Profit (Net loss should be presented with a "-" sign)		81,448,573.93	65,584,299.57
(1) Continuing operations net profit (net loss should be presented with a "-" sign)		81,448,573.93	65,584,299.57
(2) Net profit from discontinued operations (net loss should be presented with a "-" sign)			
V. Net after-tax amount of other comprehensive income			
(1) Other comprehensive income that cannot be reclassified into profit or loss			
1. Re-measurement of changes in defined benefit plans			
2. Other comprehensive income that cannot be reclassified into profit or loss under the equity method			
3. Changes in the fair value of other equity instrument investments			
4. Changes in the fair value of a company's own credit risk			
(2) Other comprehensive income to be reclassified into profit or loss			
1. Other comprehensive income that may be reclassified into profit or loss under the equity method			
2. Fair value changes in other debt investments			
3. Amount recognized in other comprehensive income due to the reclassification of financial assets			
4. Other Credit Impairment Provisions for Debt Investments			
5. Cash Flow Hedge Reserve			
6. Foreign currency financial statement translation difference			
7. Other			
VI. Total Comprehensive Income		81,448,573.93	65,584,299.57
VII. Earnings per Share:			
(1) Basic earnings per share (RMB per share)			
(2) Diluted Earnings Per Share (RMB per share)			

Company Representative: Zhang Tianjun; Person Responsible for Accounting Affairs: Gou Yanli; Head of the Accounting Department: Tan Hong

Consolidated Cash Flow Statement

January–June 2026

Unit: Yuan; Currency: RMB

project	notes appended to a book	2026 Half-Year Report	2025 – Half-Yearly Report
I. Cash flows from operating activities:			
Cash received from the sale of goods or provision of services		2,059,572,816.55	1,650,672,133.93
Net increase in customer deposits and interbank deposits			
Net increase in borrowing from the central bank			
Net increase in borrowings from other financial institutions			
Cash received from the payment of premiums under the original insurance contract			
Received net cash amount from reinsurance transactions			
Net increase in policyholder deposits and investment funds			
Cash received for interest, service charges, and commissions			
Net increase in borrowed funds			
Net increase in repurchase transaction funds			
Net cash receipts from the agency trading of securities			
Received tax refund		46,231.92	1,214,919.09
Receipt of cash from other activities related to operating activities		473,654,050.29	184,850,513.50
Subtotal of operating activities cash inflows		2,533,273,098.76	1,836,737,566.52
Cash paid for the purchase of goods or the receipt of services		1,581,176,881.19	1,510,757,535.08
Net increase in customer loans and advances			
Net increase in deposits with the central bank and among banks			
Pay the indemnity amount under the original insurance contract in cash.			
Net increase in disbursement of funds			
Cash paid for interest, handling fees, and commissions			
Cash payment for policy dividends			
Cash paid to employees or on behalf of employees		359,151,181.61	355,650,496.37
Various taxes and fees payable		118,930,531.86	100,946,001.02
Cash payments for other items related to operating activities		444,971,337.60	160,142,645.32
Operating activities cash outflow subtotal		2,504,229,932.26	2,127,496,677.79
Net cash flow from operating activities		29,043,166.50	-290,759,111.27

II. Cash flows from investing activities:			
Cash received from the recovery of investments		9,874,947,976.63	880,784,621.83
Cash received from investment income		15,821,558.88	59,081,852.15
Net cash received from the disposal of fixed assets, intangible assets, and other long-term assets		1,310,729.48	1,603,792.99
Net cash receipts from subsidiaries and other operating units			
Receipt of cash from other investment-related activities			
Investment activities – Cash inflows (Subtotal)		9,892,080,264.99	941,470,266.97
Cash paid for the acquisition or construction of fixed assets, intangible assets, and other long-term assets		509,612,384.43	18,614,781.22
Cash paid for investment activities		10,301,858,145.32	1,090,219,299.51
Net increase in pledged loans			
Net cash received from subsidiaries and other operating units			
Cash payments related to other investment activities			
Subtotal of cash outflows from investing activities		10,811,470,529.75	1,108,834,080.73
Net cash flow from investing activities		-919,390,264.76	-167,363,813.76
III. Cash flows from financing activities:			
Cash received from the absorption of investment			
Where: Cash received from subsidiaries for the acquisition of minority shareholder investments			
Cash received from obtaining loans		1,089,407,872.22	1,529,659,996.85
Receipt of cash related to other financing activities		276,058,350.78	
Subtotal of cash inflows from financing activities		1,365,466,223.00	1,529,659,996.85
Cash paid to settle debts		915,204,147.18	1,392,752,350.87
Cash paid for the distribution of dividends or profits, or for the payment of interest		43,995,578.25	13,718,897.69
Where: dividends or profits paid by the subsidiary to minority shareholders			
Cash payments related to other financing activities			
Subtotal of cash outflows from financing activities		959,199,725.43	1,406,471,248.56
Net cash flow from financing activities		406,266,497.57	123,188,748.29
IV. The impact of exchange rate fluctuations on cash and cash equivalents		-3,511,664.63	5,289,208.98
V. Net increase in cash and cash equivalents		-487,592,265.32	-329,644,967.76
Add: Beginning balance of cash and cash equivalents		5,479,168,509.08	5,394,411,958.13
VI. End-of-Period Cash and Cash		4,991,576,243.76	5,064,766,990.37

Equivalents Balance			

Company Representative: Zhang Tianjun; Person Responsible for Accounting Affairs: Gou Yanli; Head of the Accounting Department: Tan Hong

Parent Company Cash Flow Statement

January–June 2026

Unit: Yuan; Currency: RMB

project	notes appended to a book	2026 Half-Year Report	2025 – Half-Yearly Report
I. Cash flows from operating activities:			
Cash received from the sale of goods or provision of services		1,208,513,783.03	790,067,200.20
Received tax refund			
Receipt of cash from other activities related to operating activities		189,245,809.73	500,611,843.87
Subtotal of operating activities cash inflows		1,397,759,592.76	1,290,679,044.07
Cash paid for the purchase of goods or the receipt of services		802,347,485.93	648,662,730.60
Cash paid to employees or on behalf of employees		178,969,554.12	179,735,656.94
Various taxes and fees payable		39,958,678.22	39,005,395.30
Cash payments for other items related to operating activities		1,008,188,532.69	1,019,454,452.10
Operating activities cash outflow subtotal		2,029,464,250.96	1,886,858,234.94
Net cash flow from operating activities		-631,704,658.20	-596,179,190.87
II. Cash flows from investing activities:			
Cash received from the recovery of investments		32,102,804.84	3,965,122.88
Cash received from investment income		13,289,266.23	1,967,665.66
Net cash received from the disposal of fixed assets, intangible assets, and other long-term assets			
Net cash receipts from subsidiaries and other operating units			
Receipt of cash from other investment-related activities			
Investment activities – Cash inflows (Subtotal)		45,392,071.07	5,932,788.54
Cash paid for the acquisition or construction of fixed assets, intangible assets, and other long-term assets		7,188,560.50	5,374,200.92
Cash paid for investment activities		339,197,507.54	310,819,997.95
Net cash received from subsidiaries and other operating units			
Cash payments related to other investment activities			
Subtotal of cash outflows from investing activities		346,386,068.04	316,194,198.87

Net cash flow from investing activities		-300,993,996.97	-310,261,410.33
III. Cash flows from financing activities:			
Cash received from the absorption of investment			
Cash received from obtaining loans		900,000,000.00	1,180,000,000.00
Receipt of cash related to other financing activities		276,058,350.78	
Subtotal of cash inflows from financing activities		1,176,058,350.78	1,180,000,000.00
Cash paid to settle debts		782,600,000.00	869,800,000.00
Cash paid for the distribution of dividends or profits, or for the payment of interest		43,861,112.08	11,161,980.28
Cash payments related to other financing activities			
Subtotal of cash outflows from financing activities		826,461,112.08	880,961,980.28
Net cash flow from financing activities		349,597,238.70	299,038,019.72
IV. The impact of exchange rate fluctuations on cash and cash equivalents		-3,042,024.36	5,125,130.69
V. Net increase in cash and cash equivalents		-586,143,440.83	-602,277,450.79
Add: Beginning balance of cash and cash equivalents		3,700,996,003.73	4,298,739,599.65
VI. End-of-Period Cash and Cash Equivalents Balance		3,114,852,562.90	3,696,462,148.86

Company Representative: Zhang Tianjun; Person Responsible for Accounting Affairs: Gou Yanli; Head of the Accounting Department: Tan Hong

Consolidated Statement of Changes in Equity

January–June 2026

Unit: Yuan; Currency: RMB

project	2026 Half-Year Report														
	Equity attributable to the parent company's owner													minority Equity	Total Owner's Equity
	Paid-in capital (or share capital	Other equity instrument			Capital Reserve	Deduct: Treasury Stocks	Other Comprehensive Income	Special Reserve	surplus public Reserve	General Risk Reserve	undistributed profits	other	subtotal		
		preferred stock	Preferred Shares	other											
I. Opening balance of the previous year	4,025,970,368.00				2,270,239,004.79	1,300,035,900.58	44,982,265.06	15,858,582.68	1,444,762,859.21		9,917,353,960.89		16,419,131,140.05	1,283,700,641.62	17,702,831,781.67
Add: Change in Accounting Policies															
Correction of prior period errors															
other															
II. Opening Balance for the Current	4,025,970,368.00				2,270,239,004.79	1,300,035,900.58	44,982,265.06	15,858,582.68	1,444,762,859.21		9,917,353,960.89		16,419,131,140.05	1,283,700,641.62	17,702,831,781.67

project	2026 Half-Year Report														
	Equity attributable to the parent company's owner													minority Equity	Total Owner's Equity
	Paid-in capital (or share capital	Other equity instrument			Capital Reserve	Deduct: Treasury Stocks	Other Comprehensive Income	Special Reserve	surplus public Reserve	General Risk Reserve	undistributed profits	other	subtotal		
		preferred stock	Preferred Shares	other											
Fiscal Year															
III. Current period change amount (reductions should be indicated with a "-" sign)					-282,880,505.36	-295,128,086.95	-1,216.06	-3,009,196.28			143,005,303.12		152,242,472.37	-5,368,201.76	146,874,270.61
(1) Total Comprehensive Income							-1,216.06				170,944,628.83		170,943,412.77	-5,368,201.76	165,575,211.01
(2) Owner's capital contribution and reduction						-295,128,086.95							-295,128,086.95		295,128,086.95
1. Common stock contributed by the owner															

project	2026 Half-Year Report														
	Equity attributable to the parent company's owner													minority Equity	Total Owner's Equity
	Paid-in capital (or share capital	Other equity instrument			Capital Reserve	Deduct: Treasury Stocks	Other Comprehensive Income	Special Reserve	surplus public Reserve	General Risk Reserve	undistributed profits	other	subtotal		
		preferred stock	Preferred Shares	other											
2. Capital contribution by holders of other equity instruments															
3. Amount of share-based payments recognized in owners' equity															
4. Other						-295,128,086.95							-295,128,086.95		295,128,086.95
(3) Profit Distribution											-27,939,325.71		-27,939,325.71		-27,939,325.71

project	2026 Half-Year Report														
	Equity attributable to the parent company's owner													minority Equity	Total Owner's Equity
	Paid-in capital (or share capital	Other equity instrument			Capital Reserve	Deduct: Treasury Stocks	Other Comprehensive Income	Special Reserve	surplus public Reserve	General Risk Reserve	undistributed profits	other	subtotal		
		preferred stock	Preferred Shares	other											
1. Withdrawal of surplus reserve															
2. Extract General Risk Reserve															
3. Distribution to the owner (or shareholders)											-27,939,325.71		-27,939,325.71		-27,939,325.71
4. Other															
(4) Internal Transfer of Owner's Equity															
1. Conversion of capital reserve into capital															

project	2026 Half-Year Report														
	Equity attributable to the parent company's owner													minority Equity	Total Owner's Equity
	Paid-in capital (or share capital	Other equity instrument			Capital Reserve	Deduct: Treasury Stocks	Other Comprehensive Income	Special Reserve	surplus public Reserve	General Risk Reserve	undistributed profits	other	subtotal		
		preferred stock	Preferred Shares	other											
(or share capital)															
2. Transfer of surplus reserve to capital (or share capital)															
3. Using retained earnings to cover losses															
4. Transfer of changes in defined benefit plans to retained earnings															
5. Transfer of other comprehensive income to															

project	2026 Half-Year Report														
	Equity attributable to the parent company's owner													minority Equity	Total Owner's Equity
	Paid-in capital (or share capital	Other equity instrument			Capital Reserve	Deduct: Treasury Stocks	Other Comprehensive Income	Special Reserve	surplus public Reserve	General Risk Reserve	undistributed profits	other	subtotal		
		preferred stock	Preferred Shares	other											
retained earnings															
6. Other															
(5) Special Reserve								-3,009,196.28					-3,009,196.28		-3,009,196.28
1. Current withdrawal								4,842,448.59					4,842,448.59		4,842,448.59
2. Current Use								7,851,644.87					7,851,644.87		7,851,644.87
(6) Other					-282,880,505.36								-282,880,505.36		-282,880,505.36
IV. Period-end balance	4,025,970,368.00				1,987,358,499.43	1,004,907,813.63	44,981,049.00	12,849,386.40	1,444,762,859.21		10,060,359,264.01		16,571,373,612.42	1,278,332,439.86	17,849,706,052.28

project	2025 – Half-Yearly Report														
	Equity attributable to the parent company's owner													minority Equity	Total Owner's Equity
	Paid-in capital (or share capital	Other equity Instruments			capital reserve	Deduct: Treasury Stock	Other Comprehensive Income	Special Reserve	Surplus Reserve	General Risk Reserve	undistributed profits	others	Subtotal		
		preferred stock	perpetual bonds	other											
I. Opening balance of the 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
Add: Change in Accounting Policies															
Correction of prior period errors															
other															
II. Opening Balance for the Current Fiscal 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. Current					-6,578,98		-785.85	-7,034,5			54,532,69		40,918,358	-12,944,2	27,974,101

project	2025 – Half-Yearly Report														
	Equity attributable to the parent company's owner													minority Equity	Total Owner's Equity
	Paid-in capital (or share capital	Other equity Instruments			capital reserve	Deduct: Treasury Stock	Other Comprehensive Income	Special Reserve	Surplus Reserve	General Risk Reserve	undistributed profits	others	Subtotal		
		preferred stock	perpetual bonds	other											
period change amount (reductions should be indicated with a "-" sign)					4.57			63.83			3.19		.94	57.22	.72
(1) Total Comprehensive Income							-785.85				54,532,693.19		54,531,907.34	-12,944,257.22	41,587,650.12
(2) Owner's capital contribution and reduction															
1. Common stock contributed by the owner															
2. Capital contribut															

project	2025 – Half-Yearly Report														
	Equity attributable to the parent company's owner													minority Equity	Total Owner's Equity
	Paid-in capital (or share capital	Other equity Instruments			capital reserve	Deduct: Treasury Stock	Other Comprehensive Income	Special Reserve	Surplus Reserve	General Risk Reserve	undistributed profits	others	Subtotal		
		preferred stock	perpetual bonds	other											
ion by holders of other equity instruments															
3. Amount of share-based payments recognized in owners' equity															
4. Other															
(3) Profit Distribution															
1. Withdrawal of surplus reserve															

project	2025 – Half-Yearly Report														
	Equity attributable to the parent company's owner													minority Equity	Total Owner's Equity
	Paid-in capital (or share capital	Other equity Instruments			capital reserve	Deduct: Treasury Stock	Other Comprehensive Income	Special Reserve	Surplus Reserve	General Risk Reserve	undistributed profits	others	Subtotal		
		preferred stock	perpetual bonds	other											
2. Extract General Risk Reserve															
3. Distribution to the owner (or shareholders)															
4. Other															
(4) Internal Transfer of Owner's Equity															
1. Conversion of capital reserve into capital (or share															

project	2025 – Half-Yearly Report														
	Equity attributable to the parent company's owner													minority Equity	Total Owner's Equity
	Paid-in capital (or share capital	Other equity Instruments			capital reserve	Deduct: Treasury Stock	Other Comprehensive Income	Special Reserve	Surplus Reserve	General Risk Reserve	undistributed profits	others	Subtotal		
		preferred stock	perpetual bonds	other											
capital)															
2. Transfer of surplus reserve to capital (or share capital)															
3. Using retained earnings to cover losses															
4. Transfer of changes in defined benefit plans to retained earnings															
5. Transfer of other compreh															

project	2025 – Half-Yearly Report														
	Equity attributable to the parent company's owner													minority Equity	Total Owner's Equity
	Paid-in capital (or share capital	Other equity Instruments			capital reserve	Deduct: Treasury Stock	Other Comprehensive Income	Special Reserve	Surplus Reserve	General Risk Reserve	undistributed profits	others	Subtotal		
		preferred stock	perpetual bonds	other											
ensive income to retained earnings															
6. Other															
(5) Special Reserve								-7,034,563.83					-7,034,563.83		-7,034,563.83
1. Current withdrawal								1,653,613.26					1,653,613.26		1,653,613.26
2. Current Use								8,688,177.09					8,688,177.09		8,688,177.09
(6) Other					-6,578,984.57								-6,578,984.57		-6,578,984.57
IV. Period-end balance	4,025,970,368.00				1,973,808,766.87	1,300,035,900.58	97,952,837.69	14,160,979.33	1,432,205,992.27		9,966,933,249.01		16,210,996,292.59	1,311,036,835.69	17,522,033,128.28

Company Representative: Zhang Tianjun; Person Responsible for Accounting Affairs: Gou Yanli; Head of the Accounting Department: Tan Hong

Parent Company Owners' Equity Statement

January–June 2026

Unit: Yuan; Currency: RMB

Item	2026 Half-Year Report										
	Paid-in capital (or share capital)	Other equity instrument			Provisions	Deduct: Treasury Stock	Other Comprehensive Income	Special Reserve	Surplus reserve	Undistributed profitss	Total owners' equity
		preferred stock	perpetual bond	other							
I. Balance at the end of the previous year	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
Add: Changes in accounting policies											
Correction of prior-period errors											
Other											
II. Opening balance for the current	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	2026 Half-Year Report										
	Paid-in capital (or share capital	Other equity instrument			Provisions	Deduct: Treasury Stock	Other Comprehensive Income	Special Reserve	Surplus reserve	Undistributed profitss	Total owners' equity
		preferred stock	perpetual bond	other							
year											
III. Changes for the current period (decreases shown with a '-' sign)					27,706,188.70	-295,128,086.95		-2,731,025.61		53,509,248.22	373,612,498.26
(a) Total comprehensive income										81,448,573.93	81,448,573.93
(b) Capital contributions and withdrawals by owners						-295,128,086.95					295,128,086.95
1. Contribution											

Item	2026 Half-Year Report										
	Paid-in capital (or share capital	Other equity instrument			Provisions	Deduct: Treasury Stock	Other Comprehensive Income	Special Reserve	Surplus reserve	Undistributed profitss	Total owners' equity
		preferred stock	perpetual bond	other							
s of ordinary shares by owners											
2. Capital contributions by holders of other equity instruments											
3. Amounts recognised in equity arising from share-based payments											
4. Other						-295,128,086.95					295,128,086.95
(c)										-27,939,325.7	-27,939,325.71

Item	2026 Half-Year Report										
	Paid-in capital (or share capital	Other equity instrument			Provisions	Deduct: Treasury Stock	Other Comprehensive Income	Special Reserve	Surplus reserve	Undistributed profitss	Total owners' equity
		preferred stock	perpetual bond	other							
Distribution of profits										1	
1. Allocation to retained earnings											
2. Distributions to owners (or shareholders)										-27,939,325.71	-27,939,325.71
3. Other											
(d) Internal transfers within equity											
1. Transfer of capital											

Item	2026 Half-Year Report										
	Paid-in capital (or share capital	Other equity instrument			Provisions	Deduct: Treasury Stock	Other Comprehensive Income	Special Reserve	Surplus reserve	Undistributed profitss	Total owners' equity
		preferred stock	perpetual bond	other							
reserve to capital (or share capital)											
2. Transfer of retained earnings to capital (or share capital)											
3. Offsetting losses against retained earnings											
4. Transfer of changes in defined											

Item	2026 Half-Year Report										
	Paid-in capital (or share capital	Other equity instrument			Provisions	Deduct: Treasury Stock	Other Comprehensive Income	Special Reserve	Surplus reserve	Undistributed profitss	Total owners' equity
		preferred stock	perpetual bond	other							
benefit plans to retained earnings											
5. Transfer of other comprehensive income to retained earnings											
6. Other											
(v) Special Reserves								-2,731,025.61			-2,731,025.61
1. Allocations for the period											
2. Utilisation								2,731,025.61			2,731,025.61

Item	2026 Half-Year Report										
	Paid-in capital (or share capital	Other equity instrument			Provisions	Deduct: Treasury Stock	Other Comprehensive Income	Special Reserve	Surplus reserve	Undistributed profitss	Total owners' equity
		preferred stock	perpetual bond	other							
for the period											
(vi) Other					27,706,188.70						27,706,188.70
IV. Balances at the end of the period	4,025,970,368				2,346,452,611.95	1,004,907,813.63	45,018,155.61	1,247,367.71	1,413,973,707.84	6,410,637,063.30	13,238,391,460.78

project	2025 – Half-Yearly Report										
	Paid-in capital (or share capital	Other equity instrument			capital reserve	Deduct: Treasury Stock	Other Comprehensive Income	Special Reserve	surplus public accumulation	undistributed Equity	Total Owner's Equity
		preferred stock	perpetual bond	other							
I. Opening balance of the 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
Add: Change in Accounting Policies											
Correction of prior period errors											
other											
II. Opening Balance for the Current Fiscal 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. Current period change amount (reductions should be indicated with a "-" sign)								-2,524,198.68		65,584,299.57	63,060,100.89
(1) Total Comprehensive Income										65,584,299.57	65,584,299.57
(2) Owner's capital											

project	2025 – Half-Yearly Report										
	Paid-in capital (or share capital	Other equity instrument			capital reserve	Deduct: Treasury Stock	Other Comprehensive Income	Special Reserve	surplus public accumulation	undistributed Equity	Total Owner's Equity
		preferred stock	perpetual bond	other							
contribution and reduction											
1. Common stock contributed by the owner											
2. Capital contribution by holders of other equity instruments											
3. Amount of share-based payments recognized in owners' equity											
4. Other											
(3) Profit Distribution											
1. Withdrawal of surplus reserve											
2. Distribution to the owner (or											

project	2025 – Half-Yearly Report										
	Paid-in capital (or share capital	Other equity instrument			capital reserve	Deduct: Treasury Stock	Other Comprehensive Income	Special Reserve	surplus public accumulation	undistributed Equity	Total Owner's Equity
		preferred stock	perpetual bond	other							
shareholders)											
3. Other											
(4) Internal Transfer of Owner's Equity											
1. Conversion of capital reserve into capital (or share capital)											
2. Transfer of surplus reserve to capital (or share capital)											
3. Using retained earnings to cover losses											
4. Transfer of changes in defined benefit plans to retained earnings											

project	2025 – Half-Yearly Report										
	Paid-in capital (or share capital	Other equity instrument			capital reserve	Deduct: Treasury Stock	Other Comprehensive Income	Special Reserve	surplus public accumulation	undistributed Equity	Total Owner's Equity
		preferred stock	perpetual bond	other							
5. Transfer of other comprehensive income to retained earnings											
6. Other											
(5) Special Reserve								-2,524,198.68			-2,524,198.68
1. Current withdrawal											
2. Current Use								2,524,198.68			2,524,198.68
(6) Other											
IV. Period-end balance	4,025,970,368.00				2,317,950,777.64	1,300,035,900.58	97,989,487.35	5,939,136.43	1,401,416,840.90	6,385,232,270.26	12,934,462,980.00

Company Representative: Zhang Tianjun; Person Responsible for Accounting Affairs: Gou Yanli; Head of the Accounting Department: Tan Hong

3. Company Profile

(1) Company Profile

☑applicable ☐inapplicable

Fangda Carbon New Materials Technology Co., Ltd. (English full name: Fangda Carbon New Materials Co., Ltd.; formerly Lanzhou Hailong New Materials Technology Co., Ltd.) is a joint-stock company established on December 16,1998, with the approval of Document No. Gan Zheng Han [1998] No.87 issued by the People's Government of Gansu Province and Document No. Gan Ti Gai Fa [1998] No.76 issued by the Gansu Provincial Economic System Reform Commission on December 24,1998. It was jointly initiated and established by Lanzhou Carbon Group Co., Ltd. as the lead sponsor, in collaboration with Yaojie Mining Bureau, Taixi Group Co., Ltd. (resulting from the comprehensive restructuring of Shitanzing Mining Bureau), Gansu Qilianshan Cement Co., Ltd., and Lanzhou Kejin Technology Co., Ltd. On August 20,2002, the Company issued 80,000,000 ordinary shares (A-shares) to the public through an online public offering conducted via a full-secondary-Market-Price-Setting Placement Method on the Shanghai Stock Exchange and the Shenzhen Stock Exchange. The shares were listed and traded on the Shanghai Stock Exchange on August 30,2002; the stock abbreviation is "Hailong Technology" (now renamed "Fangda Carbon"), and the stock trading code is 600516. On October 28,2022, the Company received approval from the China Securities Regulatory Commission to issue 22,000,000 Global Depositary Receipts (hereinafter referred to as GDRs). These GDRs represent 220,000,000 A-share stocks based on the conversion ratio determined by the Company, and they were listed on the Swiss Stock Exchange on March 15,2023.

Unified Social Credit Code: 91620000710375560A; Legal Representative: Zhang Tianjun; Registered Address: No.11 Tansu Road, Haishiwan Town, Honggu District, Lanzhou City, Gansu Province.

Primary business activities: The company is primarily engaged in the research, development, production, and sales of graphite and carbon-based new materials. Its product portfolio includes graphite electrodes, blast furnace carbon bricks, graphite-based cathode carbon blocks for electrolytic aluminum production, special graphite products, carbon/graphite materials for nuclear power applications, graphene and its downstream products, activated carbon for supercapacitors, high-end graphite anode materials for lithium-ion batteries, carbon–carbon composite materials, and other carbon-based new material products. The downstream demand for its flagship product, graphite electrodes, is primarily driven by industries such as electric arc furnace steelmaking, electric arc furnace smelting of yellow phosphorus, abrasives, and industrial silicon; among these, the electric arc furnace steelmaking sector represents the largest demand segment. The isostatic pressing graphite

products manufactured by the company's controlled subsidiary, Chengdu Fangda Carbon Composite Materials Co., Ltd., are widely used across various fields, including semiconductors, solar photovoltaics, mold manufacturing, nuclear energy, metallurgy, and the petrochemical industry.

4. Financial statement preparation basis

(1) Compilation Basis

The Company's financial statements are prepared on the going concern basis, in accordance with the actual transactions and events that have occurred, pursuant to the Accounting Standards for Business Enterprises – Basic Standards and other specific accounting standards issued by the Ministry of Finance (hereinafter referred to as the "Accounting Standards for Business Enterprises"), and based on the material accounting policies and accounting estimates adopted.

(2) continuous operation

☑applicable ☐inapplicable

During the 12-month period following the end of the reporting period, there were no events or circumstances that would give rise to any material doubt as to the Company's ability to continue as a going concern.

5. Material Accounting Policies and Accounting Estimates

Specific Accounting Policies and Accounting Estimates Note:

☐applicable ☑inapplicable

(1) Declaration of Compliance with the Chinese Accounting Standards for Business Enterprises

The financial statements prepared by the Company comply with the requirements of the Accounting Standards for Business Enterprises and fairly and comprehensively present information relating to the Company's financial position, operating results, changes in shareholders' equity, and cash flows.

(2) fiscal period

The Company's fiscal year shall be the Gregorian calendar year, i.e., from January 1 to December 31 of each year.

(3) trade cycle

☑applicable ☐inapplicable

The Company uses a 12-month period as its normal operating cycle and employs this operating cycle as the criterion for classifying the liquidity of its assets and liabilities.

(4) bookkeeping base currency

The company's functional currency is RMB.

(5) Methodology for determining materiality criteria and basis for selection

☑applicable ☐inapplicable

The Company determines the materiality threshold for the detailed items listed in the notes to the financial statements by either calculating it as a percentage of the respective item's total amount or by determining it based on the item's specific amount, while taking into account the nature of the item. Certain items may not be material to the financial statements but could be material to the notes; such items must still be disclosed separately in the notes. The materiality criteria applicable to the notes to financial statement items are as follows:

project	Importance Criterion
Significant individual accounts receivable for which a bad debt provision has been made	The amount of a single item exceeds RMB 10,000,000.00.
Recovery or reversal of provisions for doubtful accounts on significant receivables	Where the individual amount exceeds RMB 10,000,000.00, or where such amount affects the change in profit or loss for the current period.
Significant accounts receivable write-off	The amount of a single item exceeds RMB 10,000,000.00.
Significant ongoing construction projects	The current period's transaction amount constitutes more than 10% of the total current

	period's construction-in-progress transactions (or more than 10% of the ending balance), and the amount exceeds RMB 10,000,000.
Significant accounts payable and contract liabilities exceeding one year	Amount exceeding RMB 1,000,000
Subsidiary in which minority shareholders hold significant equity interests	Net assets: RMB 10,000,000.00

(6) Accounting treatment methods for business combinations under common control and under different control

☑applicable ☐inapplicable

1. Business combinations under common control

Where a long-term equity investment resulting from a business combination under common control is acquired in consideration of cash payment, transfer of non-cash assets, or assumption of debt, the initial investment cost of such long-term equity investment shall be determined as the share of the book value of the acquired entity's equity in the consolidated financial statements of the ultimate controlling party on the date of the combination. Where the combining entity acquires the long-term equity investment by issuing equity instruments as consideration, the total par value of the issued shares shall be recognized as equity. The difference between the initial investment cost of the long-term equity investment and the book value of the consideration (or the total par value of the issued shares) shall be adjusted against the capital reserve; if the capital reserve is insufficient to cover this difference, the difference shall be adjusted against retained earnings.

2. Business combinations not under common control

For business combinations not arising from common control, the merger consideration shall be the sum of the fair values of the assets, the liabilities incurred or assumed, and the equity securities issued by the purchasing entity in order to obtain control over the acquiree on the acquisition date. Identifiable assets, liabilities, or contingent liabilities acquired in a business combination not arising from common control that meet the recognition criteria shall be measured at their fair value on the acquisition date. If the purchasing entity's merger consideration exceeds its share of the fair value of the identifiable net assets of the acquiree obtained in the

combination, the difference shall be recognized as goodwill. If the purchasing entity's merger consideration is less than its share of the fair value of the identifiable net assets of the acquiree obtained in the combination, and after review the merger consideration remains less than this share of fair value, the difference shall be recognized as non-operating income for the current period.

(7) Control criteria and the preparation method for consolidated financial statements

☑applicable ☐inapplicable

1. Control Judgment Criteria

The scope of consolidation for consolidated financial statements is determined on the basis of control. An investee entity is deemed to be under the investor's control if it meets the following three criteria: the investor has power over the investee entity; the investor enjoys variable returns from participating in the relevant activities of the investee entity; and the investor has the ability to use its power over the investee entity to influence the amount of those returns.

2. Preparation Method for Consolidated Financial Statements

(1) Standardize the accounting policies of both the parent and subsidiary companies; standardize the balance sheet date and accounting periods for both the parent and subsidiary companies.

Where the accounting policies or accounting periods adopted by a subsidiary differ from those adopted by the Company, necessary adjustments shall be made to the subsidiary's financial statements in accordance with the Company's accounting policies or accounting periods when preparing the consolidated financial statements.

(2) Elimination transactions in consolidated financial statements

The consolidated financial statements are based on the financial statements of the parent company and its subsidiaries, with internal transactions between the parent company and its subsidiaries, as well as among the subsidiaries themselves, being eliminated. The portion of the subsidiary's equity that does not represent the parent company's equity is classified as minority interest and presented as a separate line item titled "Minority Interest" under the equity section of the consolidated balance sheet. Long-term equity investments held by a subsidiary in the parent company are treated as the parent company's treasury stock and are recorded as a reduction to equity; they are presented as a line item titled "Less: Treasury Stock" under the equity section of the consolidated balance sheet.

(3) Accounting treatment for the acquisition of a subsidiary through consolidation

For subsidiaries acquired through business combinations under common control, the business combination shall be deemed to have occurred when the final controlling party began exercising control; the company shall include the subsidiary's assets, liabilities, operating results, and cash flows in its consolidated financial statements as of the beginning of the period of the business combination. For subsidiaries acquired through business combinations not under common control, when preparing consolidated financial statements, the subsidiary's individual financial statements shall be adjusted based on the fair value of its identifiable net assets as of the acquisition date.

(4) Accounting treatment for the disposal of subsidiaries

When a company partially disposes of its long-term equity investments in a subsidiary without losing control of that subsidiary, the difference between the disposal proceeds and the share of the subsidiary's net assets (calculated on a pro-rata basis from the acquisition date or the consolidation date) is recognized in the consolidated financial statements and adjusted against the capital reserve; if the capital reserve is insufficient to cover this difference, the retained earnings are adjusted accordingly. Where control over the investee is lost as a result of the disposal of part of the equity investment or for other reasons, the remaining equity interest shall be re-measured at its fair value as of the date control is lost when preparing the consolidated financial statements. The difference between the sum of the consideration received from the disposal of the equity interest and the fair value of the remaining equity interest, less the share of the subsidiary's net assets (calculated on a pro-rata basis according to the original holding percentage from the acquisition date or the consolidation date) that the company was entitled to, shall be recognized as investment income for the period in which control is lost, and this amount shall be offset against goodwill. Other comprehensive income related to the original equity investment in the subsidiary shall be reclassified into current period investment income upon the loss of control.

(8) Joint Venture Arrangements Classification and Accounting Treatment Methods for Associated Enterprises

☑applicable □inapplicable

1. Classification of Joint Venture Arrangements

Joint arrangement arrangements are classified as either associated arrangements or joint ventures. A joint arrangement that is not established through a separate entity shall be classified as an associated arrangement. A separate entity refers to an entity with a separately identifiable financial structure, including a separate

legal entity as well as an entity that does not possess legal person status but is recognized by law. A joint arrangement established through a separate entity shall generally be classified as a joint venture. Where changes in relevant facts and circumstances result in changes to the rights enjoyed or obligations undertaken by a party to a joint arrangement, that party shall re-evaluate the classification of the joint arrangement.

2. Accounting treatment for joint operations

The Company is a participating entity in a joint operation; it recognizes the following items related to its share of interests in the joint operation and accounts for them in accordance with the relevant Accounting Standards for Business Enterprises: recognizing assets or liabilities held by the Company separately, as well as recognizing assets or liabilities jointly held by the Company based on its share; recognizing revenue arising from the sale of the Company's share of output from the joint operation; recognizing revenue from the sale of output from the joint operation based on the Company's share; and recognizing expenses incurred by the Company separately, as well as recognizing expenses incurred by the joint operation based on its share.

The Company shall be treated as a participating party that does not exercise joint control over a joint arrangement; where the Company holds assets related to such joint arrangement and assumes liabilities arising therefrom, its accounting treatment shall be conducted in accordance with the provisions applicable to participating parties in joint arrangements; otherwise, its accounting treatment shall be conducted in accordance with the relevant Accounting Standards for Business Enterprises.

3. Accounting Treatment for Joint Ventures

The Company is a joint venture party; accordingly, it accounts for its investment in the joint venture in accordance with the Accounting Standards for Business Enterprises No.2 – Long-term Equity Investments. The Company is not a joint venture party; therefore, it accounts for its involvement in the joint venture based on the extent of its influence over the joint venture.

(9) Criteria for determining cash and cash equivalents

The term "cash" as defined when preparing the Cash Flow Statement refers to cash on hand and deposits that can be readily used for payment. The term "cash equivalents" as defined when preparing the Cash Flow Statement refers to investments that are held for a short period, possess high liquidity, can be readily converted into known amounts of cash, and involve minimal risk of changes in value.

(10) Foreign currency transactions and translation of foreign currency financial statements

☑applicable □inapplicable

1. Foreign currency transaction translation

For foreign currency transactions that occur, the Company records them using the spot exchange rate prevailing on the transaction date to convert the amounts into its functional currency. Foreign currency monetary items at the balance sheet date are translated using the spot exchange rate prevailing on such date; any exchange differences arising from the difference between the spot exchange rate on such date and the spot exchange rate at the initial recognition date or at the preceding balance sheet date shall be recognized in the current period's profit or loss, except for exchange differences on foreign currency borrowings that meet the criteria for capitalization, which shall be capitalized and included in the cost of the related assets during the capitalization period. For foreign currency non-monetary items measured at historical cost, the translation is still performed using the spot exchange rate on the transaction date, without altering their amount in the reporting currency. For foreign currency non-monetary items measured at fair value, the translation is performed using the spot exchange rate on the date on which the fair value is determined; the difference between the translated amount in the reporting currency and the original amount in the reporting currency shall be treated as a change in fair value (including exchange rate fluctuations) and recognized in the current period's profit or loss or recognized as other comprehensive income.

2. Translation of foreign currency financial statements

Where a subsidiary, joint venture, associate or other entity of the Company uses a different functional currency than that of the Company, its foreign currency financial statements shall be converted before subsequent accounting treatment and the preparation of consolidated financial statements. The asset and liability items in the balance sheet shall be converted using the spot exchange rate prevailing as of the balance sheet date; for the equity items, all items except the "Undistributed Profits" item shall be converted using the spot exchange rate prevailing at the time of occurrence. The revenue and expense items in the statement of profit or loss shall be converted using the spot exchange rate on the date of the transaction or an approximate exchange rate thereto. The foreign currency translation differences arising from such conversion shall be presented in the "Other Comprehensive Income" line item under the equity section of the balance sheet. Foreign currency cash flows shall be measured using the spot exchange rate on the date the cash flow occurred. The impact of exchange rate fluctuations on cash flows shall be separately

presented in the statement of cash flows. Upon the disposal of an overseas operating segment, any foreign currency translation differences related to such operating segment shall be transferred entirely or in proportion to the proportion of the disposal to the profit or loss for the period of disposal.

(11) financial instruments

☑applicable ☐inapplicable

1. Recognition and derecognition of financial instruments

The Company recognizes a financial asset or financial liability when it becomes a party to a financial instrument contract.

For the regular trading of financial assets, accounting recognition and derecognition shall be carried out on the transaction date. "Regular trading of financial assets" refers to the receipt or delivery of financial assets within the period specified by applicable laws or industry practices, in accordance with the terms of the contract. The "transaction date" refers to the date on which the Company commits to purchasing or selling a financial asset.

When the following conditions are met, a financial asset (or a portion of a financial asset, or a portion of a group of similar financial assets) shall be derecognized, i.e., written off from its accounts and balance sheet:

(1) The maturity date of the right to collect cash flows from financial assets;

(2) The transfer of the right to collect cash flows from a financial asset, or the assumption of the obligation under a "handover agreement" to promptly pay the full amount of the collected cash flows to a third party; or, where, although virtually all risks and rewards associated with the ownership of the financial asset have neither been transferred nor retained, the entity has waived its control over such financial asset.

2. Classification and Measurement of Financial Assets

The Company's financial assets are classified at the time of initial recognition based on the business model adopted by the Company in managing those financial assets and the contractual cash flow characteristics of the financial assets into the following categories: financial assets measured at amortized cost; financial assets measured at fair value with changes recognized in other comprehensive income; and financial assets measured at fair value with changes recognized in profit or loss. The subsequent measurement of financial assets depends on their classification.

The Company classifies its financial assets based on the business model under which it manages those financial assets and on the cash flow characteristics of the financial assets.

(1) Financial assets measured at amortized cost

A financial asset shall be classified as a financial asset measured at amortized cost when it simultaneously meets the following conditions: the business model adopted by the Company in managing such financial asset is aimed at collecting contractual cash flows; and the contractual terms of the financial asset stipulate that the cash flows arising on a specified date constitute payments solely of principal and interest calculated on the outstanding principal amount. For such financial assets, the effective interest method shall be applied for subsequent measurement at amortized cost; any gains or losses arising from the amortization or impairment of such financial assets shall be recognized in profit or loss for the current period.

(2) Debt instrument investments measured at fair value with changes recognized in other comprehensive income

A financial asset shall be classified as a financial asset measured at fair value with changes recorded in other comprehensive income when it simultaneously meets the following conditions: the business model adopted by the Company for managing such financial asset is designed both to collect contractual cash flows and to sell the financial asset; and the contractual terms of the financial asset stipulate that the cash flows arising on a specific date consist solely of payments of principal and interest calculated on the outstanding principal amount. For such financial assets, subsequent measurement shall be based on fair value. Any discount or premium shall be amortized using the effective interest method and recognized as interest income or expense. Except for impairment losses and foreign currency exchange differences on monetary financial assets, which shall be recognized in profit or loss for the current period, changes in the fair value of such financial assets shall be recognized in other comprehensive income; upon the derecognition of such financial asset, the cumulative gain or loss shall be transferred to profit or loss for the current period. Interest income related to such financial assets shall be recognized in profit or loss for the current period.

(3) Equity instrument investments measured at fair value with changes recognized in other comprehensive income

The Company irrevocably elects to designate certain non-trading equity instrument investments as financial assets measured at fair value with changes in fair value recognized in other comprehensive income; the related dividend income is recognized in the current period's profit or loss, while changes in fair value are recognized as other comprehensive income; upon the derecognition of such financial assets, the cumulative gains or losses are transferred to retained earnings.

(4) Financial assets measured at fair value with changes recognized in profit or loss for the period

Financial assets other than those measured at amortized cost or those measured at fair value with changes recognized in other comprehensive income shall be classified as financial assets measured at fair value with changes recognized in profit or loss. At initial recognition, a financial asset may be designated as a financial asset measured at fair value with changes recognized in profit or loss in order to eliminate or significantly reduce accounting mismatches. For such financial assets, fair value shall be used for subsequent measurement, and all changes in fair value shall be recognized in profit or loss for the current period.

The Company shall reclassify all affected related financial assets if and only if it changes its business model for managing financial assets.

For financial assets measured at fair value with changes recognized in profit or loss, the related transaction costs shall be directly recognized in profit or loss for the current period; for other categories of financial assets, the related transaction costs shall be included in their initial recognition amount.

3. Classification and Measurement of Financial Liabilities

The Company's financial liabilities are classified at the time of initial recognition into: financial liabilities measured at amortized cost and financial liabilities measured at fair value with changes recognized in profit or loss.

A financial liability may be designated as a financial liability measured at fair value with changes recognized in profit or loss at the initial measurement if it meets one of the following conditions: (1) the designation helps eliminate or significantly reduce accounting mismatches; (2) in line with the company's risk management or investment strategies as set forth in formal written documentation, the portfolio of financial liabilities or the portfolio of financial assets and financial liabilities is managed and evaluated based on fair value, and this approach is used internally to report to key management personnel; (3) the financial liability contains embedded derivatives that must be separately classified.

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

The subsequent measurement of financial liabilities depends on their classification:

(1) Financial liabilities measured at amortized cost

For such financial liabilities, the effective interest method shall be applied, and subsequent measurement shall be carried out at amortized cost.

(2) Financial liabilities measured at fair value with changes recognized in profit or loss for the period

Financial liabilities measured at fair value with changes recognized in profit or loss include trading financial liabilities (including derivative instruments that qualify as financial liabilities) and financial liabilities designated at the time of initial recognition to be measured at fair value with changes recognized in profit or loss.

4. Financial Instrument Derecognition

Where all of the following conditions are satisfied, financial assets and financial liabilities shall be presented on the balance sheet at their net amount after offsetting: the entity has a legal right to offset the recognized amounts, and such legal right is currently enforceable; the entity plans to settle the transaction at net amount, or to simultaneously realize the financial assets and settle the financial liabilities.

5. Financial Asset Impairment

For financial assets measured at amortized cost, debt instrument investments measured at fair value with changes recognized in other comprehensive income, and financial guarantee contracts, the Company recognizes a loss provision based on expected credit losses. A credit loss refers to the difference between the total contract cash flows receivable under the contract, discounted at the original effective interest rate, and the total expected cash flows to be received – that is, the present value of the total cash shortfall.

The Company considers all reasonable and substantiated information, including forward-looking information, to estimate the expected credit losses on financial assets measured at amortized cost and on financial assets (debt instruments) measured at fair value with changes recognized in other comprehensive income, either on a standalone basis or in combination.

(1) Expected Credit Losses – General Model

If the credit risk associated with the financial instrument has increased significantly since its initial recognition, the Company shall measure its loss provision based on the amount equivalent to the expected credit loss over the entire life cycle of the financial instrument; if the credit risk associated with the financial instrument has not increased significantly since its initial recognition, the Company shall measure its loss provision based on the amount equivalent to the expected credit loss for the next 12 months. The increase or reversal of the loss provision arising therefrom shall be recognized as an impairment loss or gain in the current period's profit or loss. For details of the Company's specific assessment of credit risk, please refer to Note 10: Risks Related to Financial Instruments.

Specifically, the Company divides the process of credit impairment for financial instruments that did not experience credit impairment at the time of acquisition or origination into three distinct stages; different accounting treatment methods are applied to financial instruments at each of these stages:

Phase 1: Credit risk has not increased significantly since the initial recognition.

For financial instruments at this stage, enterprises shall measure the loss allowance based on the expected credit loss for the next 12 months, and calculate interest income based on their carrying amount (i.e., before any impairment provisions have been deducted) and the actual interest rate.

Phase II: The credit risk has increased significantly since the initial recognition, but no credit impairment has yet occurred.

For financial instruments at this stage, an enterprise shall measure the loss allowance based on the expected credit loss over the entire life cycle of the instrument, and shall recognize interest income calculated based on the carrying amount and the actual interest rate.

Phase III: Credit impairment arising after initial recognition

For financial instruments at this stage, an enterprise shall measure the loss allowance based on the expected credit loss over the entire life cycle of such instrument; however, the calculation of interest income differs from that applied to financial assets at the preceding two stages. For financial assets that have already experienced credit impairment, the enterprise shall calculate interest income based on their amortized cost (the carrying amount less the impairment provision, i.e., the carrying value) and the effective interest rate.

For financial assets for which credit impairment had already occurred at the time of purchase or origination, an enterprise shall recognize only the changes in the expected credit loss over the entire life cycle of such assets as a loss provision, and shall calculate interest income based on their amortized cost and the effectively borrowed interest rate adjusted for credit risk.

(2) For financial instruments with 较低 credit risk as of the balance sheet date, the Company chooses not to compare them with their credit risk at the time of initial recognition, but instead directly assumes that the credit risk of such instruments has not increased significantly since their initial recognition.

If an enterprise determines that the default risk associated with a financial instrument is low, the borrower has a strong ability to fulfill its contractual cash flow obligations in the short term, and even if adverse changes occur in the economic environment or operating conditions over a longer period, this does not necessarily impair the borrower's ability to fulfill its contractual cash flow obligations, then such financial instrument may be considered to have low credit risk.

(3) Accounts receivable and lease receivables

For accounts receivable that do not contain material financing components (including cases where the financing component in a contract with a term not exceeding one year is excluded under the Accounting Standards for Business Enterprises No.14 – Revenue), the Company applies a simplified expected credit loss model and consistently measures its credit loss provision based on the amount of expected credit loss over the entire life cycle of such receivables.

For receivables containing significant financing components and for lease receivables governed by Accounting Standards for Business Enterprises No.21 – Leases, the Company has made an accounting policy election to adopt a simplified expected credit loss model; that is, the loss allowance shall be measured based on the amount representing the expected credit loss over the entire life of the underlying asset.

6. Financial asset transfers

Where the Company has transferred virtually all risks and rewards associated with the ownership of the financial asset to the transferee, it shall derecognize such financial asset; where the Company retains virtually all risks and rewards associated with the ownership of the financial asset, it shall not derecognize such financial asset.

Where the Company has neither transferred nor retained virtually all of the risks and rewards associated with the ownership of a financial asset, the matter shall be handled as follows: if the Company has relinquished control over the financial asset, the financial asset shall be derecognized, and the resulting assets and liabilities shall be recognized; if the Company has not relinquished control over the financial asset, the relevant financial assets shall be recognized in proportion to the extent to which the Company continues to be involved in the transferred financial asset, and the relevant liabilities shall be recognized accordingly.

Where an entity continues to be involved in a transferred financial asset through the provision of a financial guarantee, the asset arising from such continued involvement shall be recognized at the lower of the carrying amount of the financial asset and the amount of the financial guarantee. The amount of the financial guarantee refers to the highest amount that is required to be repaid from the consideration received.

(12) bill receivable

☑applicable ☑inapplicable

Combination categories and the basis for determining the provision for bad debts based on the portfolio of credit risk characteristics

☑applicable ☑inapplicable

The Company measures the loss allowance for notes receivable based on the expected credit loss amount over the entire life of such notes. Depending on the credit risk profile of the notes receivable, they are classified into various portfolios:

Combination Category	Determining Basis
Notes Receivable Portfolio A	trade acceptance draft
Notes Receivable Portfolio B	Bank-accepted bill of exchange

For receivables classified as a bank-accepted bill portfolio, the Company generally does not recognize expected credit losses, taking into account its historical credit loss experience and the credit rating of the accepting bank, as well as the current circumstances and forecasts of future economic conditions. For receivables classified as a commercially accepted bill portfolio, the Company measures its loss allowance for such receivables in accordance with the Accounting Standards for Receivables Portfolio A – Receivables from External Customers.

Aaging calculation method based on a portfolio of credit risk characteristics for aging recognition
☐applicable ☑inapplicable

Single-Item Bad Debt Provision Recognition Criteria
☐applicable ☑inapplicable

(13) accounts receivable
☐applicable ☑inapplicable

Combination categories and the basis for determining the provision for bad debts based on the portfolio of credit risk characteristics
☑applicable ☐inapplicable

For receivables that do not contain significant financing components, the Company measures the loss allowance based on the amount of expected credit loss equivalent to the entire life cycle of such receivables; for receivables that contain significant financing components, the Company consistently measures the loss allowance based on the amount of expected credit loss equivalent to the life cycle of such receivables.

As part of its credit risk management framework, the Company uses the aging of accounts receivable to assess the expected credit losses associated with various categories of accounts receivable. Where there is objective evidence indicating that credit impairment has occurred – for example, in the case of accounts receivable involving disputes or litigation/arbitration proceedings with the counterparty, or accounts receivable for which there are clear indications that the debtor is highly likely unable to fulfill its repayment obligations – the Company classifies such accounts receivable as impaired and measures the loss allowance based on the expected credit loss over the entire life cycle of each individual financial instrument.

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

Combination Category	Determining Basis
Accounts Receivable Portfolio A	For receivables from external customers, this portfolio uses the age of the receivables as the credit risk characteristic.
Accounts Receivable Portfolio B	Accounts receivable from related parties within the consolidation scope

For accounts receivable classified into credit risk exposure portfolios, the Company calculates the expected credit loss by referencing historical credit loss experience, taking into account current conditions and forecasts of future economic conditions, and applying both the default risk exposure and the expected credit loss rate over the entire life cycle of the receivables.

For receivables classified as a group of related parties, the Company generally does not recognize expected credit losses, based on its historical credit loss experience, combined with current circumstances and forecasts of future economic conditions.

Aaging calculation method based on a portfolio of credit risk characteristics for aging recognition

☐applicable ☑inapplicable

Criteria for determining the need for individual bad debt provisioning

☐applicable ☑inapplicable

(14) Accounts Receivable Financing

☑applicable ☐inapplicable

Combination categories and the basis for determining the provision for bad debts based on the portfolio of credit risk characteristics

☑applicable ☐inapplicable

A financial asset shall be classified as a financial asset measured at fair value with changes recorded in other comprehensive income when it meets all of the following conditions: the business model adopted by the Company for managing such financial asset is designed both to collect contractual cash flows and to sell the financial asset; and the contractual terms of the financial asset stipulate that the cash flows arising on a specified date consist solely of payments of principal and interest calculated on the outstanding principal amount.

Where a Company transfers its accounts receivable through methods such as discounting or endorsement, and such transactions are frequent and involve substantial amounts, the underlying business model constitutes both the collection of contractual cash flows and the sale of such receivables; in accordance with the relevant provisions of the Financial Instruments Standards, such receivables shall be classified as financial assets measured at fair value with changes recognized in other comprehensive income.

Aaging calculation method based on a portfolio of credit risk characteristics for aging recognition

☐applicable ☑inapplicable

Single-Item Bad Debt Provision Recognition Criteria

☐applicable ☐inapplicable

(15) accounts receivable-other

☑applicable ☐inapplicable

Combination categories and the basis for determining the provision for bad debts based on the portfolio of credit risk characteristics

☑applicable ☐inapplicable

Other receivables include other receivables, interest receivables, and dividend receivables. Based on historical credit loss experience, combined with current conditions and forecasts of future economic conditions, the Company calculates the expected credit loss using the default risk exposure and the expected credit loss rate for the next 12 months or for the entire life cycle of the receivables.

Where objective evidence indicates that credit impairment has occurred – for example, in the case of other receivables that are subject to disputes or are involved in litigation or arbitration with the counterparty, or other receivables for which there are clear indications that the debtor is highly likely unable to fulfill its repayment obligations – the Company shall classify such other receivables as other receivables with recognized credit impairment and measure the loss provision based on the expected credit loss over the entire life cycle of each individual financial instrument.

Except for other receivables assessed separately for credit risk, these receivables are classified into different portfolios based on their credit risk characteristics:

Combination Category	Determining Basis
Other Receivables Portfolio A	Other receivables, such as deposits, security deposits, petty cash, etc. (excluding Other Receivables Group B)
Other Receivables Portfolio B	Accounts receivable from related parties within the consolidation scope

Aaging calculation method based on a portfolio of credit risk characteristics for aging recognition

☐applicable ☑inapplicable

Single-Item Bad Debt Provision Recognition Criteria

☐applicable ☑inapplicable

(16) stock

☑applicable ☐inapplicable

Inventory categories; issuance valuation method; inventory counting system; amortization method for low-value consumables and packaging materials
☑applicable □inapplicable

1. Inventory Classification

Inventory includes finished goods or merchandise held for sale in normal business activities, work-in-progress items, as well as materials and supplies consumed during the production or provision of services. It primarily comprises: raw materials, work-in-progress and self-made semi-finished products, consumable materials, finished goods, inventory goods, materials for contract manufacturing, and goods issued for sale, among others.

2. Inventory valuation method

The cost of inventory issued by the company is determined using the 月末 weighted average method.

3. Inventory Counting System

The inventory counting system is the perpetual inventory system.

4. Amortization method for low-value consumables and packaging materials

The company purchases low-value consumables and packaging materials based on actual usage requirements, and accounts for them in the cost of related assets or in the current period's profit or loss using the one-time write-off method.

Criteria for recognizing inventory impairment provisions and methods for their measurement
☑applicable □inapplicable

At the balance sheet date, inventory shall be measured at the lower of its cost or its net realizable value; a provision for inventory depreciation shall be recognized based on the difference between the cost of each individual item of inventory and its net realizable value. For inventory intended for direct sale, its net realizable value shall be determined as the estimated selling price of such inventory, less estimated selling expenses and relevant taxes, during the normal course of business operations; for inventory that requires further processing, its net realizable value shall be determined as the estimated selling price of the finished products resulting from such processing, less the estimated cost incurred until completion, estimated selling expenses, and relevant taxes. At the balance sheet date, where a portion of the same inventory is subject to a contract price and another portion does not have a contract price, the net realizable values of these two portions shall be

determined separately, compared with their respective costs, and the amount for recognizing or reversing a provision for inventory depreciation shall be determined accordingly.

The categories of inventories for which provision for inventory depreciation is made on a combined basis and the basis for determining such provision; the basis for determining the net realizable value of inventories across different categories

☐applicable ☑inapplicable

Calculation method and determination basis for the net realizable value of each warehouse-age group based on the confirmation of inventory net realizable value according to warehouse age

☐applicable ☑inapplicable

(17) Contractual Assets

☑applicable ☐inapplicable

Recognition Methods and Criteria for Contractual Assets

☑applicable ☐inapplicable

The Company shall present its right to collect consideration from customers unconditionally (i.e., solely dependent on the passage of time) as accounts receivable; whereas the right to collect consideration arising from the transfer of goods to customers, which is contingent upon factors other than the passage of time, shall be presented as contract assets.

For contract assets that do not contain material financing components (including cases where, under the Accounting Standards for Business Enterprises No.14 – Revenue, the financing component in contracts with a term not exceeding one year is excluded), the Company applies a simplified expected credit loss model; that is, the loss allowance is measured at the amount of the expected credit loss over the entire life of the asset. The increase or reversal of the loss allowance arising therefrom shall be recognized as an impairment loss or gain in the current period's profit or loss.

For contract assets that contain significant financing components, the Company has chosen to adopt a simplified expected credit loss model, whereby the loss allowance is measured at the amount of the expected credit loss for the entire life of the asset.

The Company's method for determining expected credit losses on contract assets and its corresponding accounting treatment shall refer to the method used for measuring expected credit losses on accounts receivable as described in the "Accounts Receivable" section of this Chapter.

Combination categories and the basis for determining the provision for bad debts based on the portfolio of credit risk characteristics
☐applicable ☑inapplicable

Aaging calculation method based on a portfolio of credit risk characteristics for aging recognition
☐applicable ☑inapplicable

Criteria for determining the need for individual bad debt provisioning
☐applicable ☑inapplicable

(18) Non-current assets or disposal groups held for sale
☑applicable ☐inapplicable

The Company shall classify the enterprise components (or non-current assets) that simultaneously satisfy the following conditions as held for sale: (1) such assets or disposal groups can be sold immediately under the current circumstances, in line with the practice of selling such assets or disposal groups in similar transactions; (2) a sale is highly probable, a resolution has been made regarding a sale plan, and a definite purchase commitment has been obtained (a definite purchase commitment refers to a legally binding purchase agreement entered into by the enterprise with another party; such an agreement contains material terms, including the transaction price, the timing thereof, and sufficiently stringent penalties for default, making it highly unlikely that the agreement will be materially amended or rescinded); the sale is expected to be completed within one year; and the requisite approval from the relevant authorities or regulatory bodies has been obtained in accordance with applicable regulations.

Recognition criteria and accounting treatment methods for non-current assets or disposal groups classified as held for sale
☑applicable ☐inapplicable

The Company shall adjust the estimated net salvage value of assets held for sale to reflect the net amount after deducting selling costs from their fair value (provided that this amount shall not exceed the original carrying amount of such assets held for sale). Any difference between the original carrying amount and the adjusted estimated net salvage value shall be recognized as an asset impairment loss in the current period's profit or loss, and a corresponding impairment provision shall be recognized for the assets held for sale. The amount of asset impairment loss recognized for an asset disposal group held for sale shall first be applied against the carrying amount of the goodwill within that disposal group; thereafter, it shall be proportionally applied against the carrying amount of the non-current assets within that disposal group, based on their respective share of the total carrying amount of the non-current assets measured in accordance with the measurement provisions of this Standard.

Where, on a subsequent balance sheet date, the net fair value of non-current assets held for sale (after deducting selling costs) increases, the amount previously written down shall be restored and reversed within the amount of asset impairment loss recognized upon classification of such assets as held for sale; the amount of such reversal shall be recognized in the current period's profit or loss. Asset impairment losses recognized prior to the classification of an asset as held for sale shall not be reversed. Where, on a subsequent balance sheet date, the net fair value of a disposal group held for sale (after deducting selling costs) increases, the amount previously written down shall be restored and reversed within the amount of asset impairment loss recognized for non-current assets measured in accordance with the measurement provisions of this Standard upon classification of such assets as held for sale; the amount of such reversal shall be recognized in the current period's profit or loss. The amount of goodwill carrying amount that has been written down, as well as any asset impairment losses recognized for non-current assets measured in accordance with the measurement provisions of this Standard prior to the classification of such assets as held for sale, shall not be reversed. The amount of asset impairment loss recognized for a disposal group held for sale that is subsequently reversed shall be added to the carrying amount of such group in proportion to its share of the total carrying amount of all non-current assets within the disposal group (excluding goodwill) measured in accordance with the measurement provisions of this Standard. Where an enterprise loses control of a subsidiary due to, for example, the sale of an investment in that subsidiary, regardless of whether the enterprise retains any remaining equity interest in the subsidiary, when the investment in the subsidiary intended for sale meets the criteria for classification as held for sale, the entire investment in the subsidiary shall be classified as held for sale in the parent company's standalone financial statements, and all assets and liabilities of the subsidiary shall be classified as held for sale in the consolidated financial statements.

Criteria for Identifying Discontinued Operations and Reporting Methods

☑applicable ☐inapplicable

A discontinued operation refers to a component of an enterprise that meets one of the following conditions, can be separately identified, and has been disposed of or classified as held for sale: (1) the component represents an independent primary business or a separate primary operating segment; (2) the component is part of an associated plan to dispose of an independent primary business or a separate primary operating segment; (3) the component is a subsidiary acquired solely for resale.

The definition of discontinued operations encompasses the following three aspects:

(1) A discontinued operation shall constitute a component of the enterprise that can be separately identified. The operations and cash flows of such component shall be clearly distinguishable from those of the remaining parts of the enterprise when the enterprise conducts its business activities or prepares its financial statements.

(2) A discontinued operation must involve a certain scale. It shall represent an independent primary business or a separate primary operating segment, or it shall be part of an associated plan intended to dispose of an independent primary business or a separate primary operating segment.

(3) A discontinued operation must meet specific timing requirements. The component qualifying as a discontinued operation must fall into one of the following two categories: the component was disposed of prior to the balance sheet date, including through sale or cessation of use (e.g., shutdown or scrapping); or the component was classified as "held for sale" prior to the balance sheet date.

(19) Long-term equity investments

☑applicable ☐inapplicable

1. Determination of investment cost

(1) Where an enterprise merger is effected under common control and the merging entity uses cash payment, transfer of non-cash assets, assumption of debt, or issuance of equity securities as consideration for the merger, the initial investment cost shall be determined as the share of the acquired entity's owners' equity at its book value in the consolidated financial statements of the ultimate controlling party on the date of the merger. 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 the shares issued shall be adjusted to the capital reserve (capital premium or share premium); if the capital reserve is insufficient to cover such difference, the difference shall be adjusted to retained earnings.

Where a business combination under common control is implemented in stages, the initial investment cost of such investment shall be determined as the share of the acquired entity's book value of owners' equity attributable to the investor as of the acquisition date, calculated based on the investor's shareholding percentage. The difference between the initial investment cost and the sum of the original carrying amount of the long-term equity investment and the carrying amount of any additional consideration paid to acquire additional shares on the acquisition date shall be recognized as an adjustment to the capital reserve (capital premium or share capital premium); if the capital reserve is insufficient to cover this difference, the shortfall shall be charged against retained earnings.

(2) For business combinations arising from separate control transactions, the fair value of the consideration paid shall be recognized as the initial investment cost on the acquisition date.

(3) For acquisitions other than those resulting from business combinations: if the acquisition is made by cash payment, the actual purchase price paid shall constitute the initial investment cost; if the acquisition is made by issuance of equity securities, the fair value of the issued equity securities shall constitute the initial investment cost; if the acquisition is made through an investment contribution by an investor, the value specified in the investment contract or agreement shall constitute the initial investment cost (except where such specified value is not fair).

2. Subsequent Measurement and Profit or Loss Recognition Method

Long-term equity investments in which the Company exerts control over the investee shall be accounted for using the cost method in the Company's individual financial statements; long-term equity investments in which the Company exerts joint control or significant influence shall be accounted for using the equity method.

When the cost method is applied, long-term equity investments are measured at their initial investment cost. Except for any declared but not yet distributed cash dividends or profits included in the actual consideration paid upon acquisition of the investment, the cash dividends or profits declared and distributed by the investee are recognized as investment income for the current period; simultaneously, it shall be determined whether the long-term investment has been impaired in accordance with the relevant asset impairment policies.

When the equity method is applied, if the initial investment cost of a long-term equity investment exceeds the share of the fair value of the investee's

identifiable net assets that the investor is entitled to at the time of investment, the excess shall be included in the initial investment cost of the long-term equity investment; if the initial investment cost of a long-term equity investment is less than the share of the fair value of the investee's identifiable net assets that the investor is entitled to at the time of investment, the difference shall be recognized in the current period's profit or loss, and the cost of the long-term equity investment shall be adjusted accordingly.

When applying the equity method, upon acquiring a long-term equity investment, the investor shall recognize investment income or expense based on its share of the investee's net profit or net loss, and adjust the carrying amount of the long-term equity investment accordingly. When recognizing the investor's share of the investee's net profit or net loss, the calculation shall be based on the fair value of all identifiable assets of the investee at the time of acquisition, in accordance with the Company's accounting policies and accounting periods; the portion attributable to the investing entity, calculated according to its shareholding percentage, shall be eliminated for internal transaction gains or losses arising between the investing entity and its associate or joint venture (however, if such internal transaction loss constitutes an asset impairment loss, it shall be recognized in full); the net profit of the investee shall then be adjusted before recognition. The share receivable shall be calculated based on the profits or cash dividends declared by the investee, and the carrying amount of the long-term equity investment shall be correspondingly reduced. Where the Company recognizes a net loss incurred by the investee, such recognition shall be limited to the extent that the carrying amount of the long-term equity investment and other long-term interests that substantially constitute the Company's net investment in the investee are reduced to zero, unless the Company has an obligation to absorb additional losses. For any other changes in the investee's equity (excluding net profit or net loss), the carrying amount of the long-term equity investment shall be adjusted and recorded in the equity section.

3. Determine the basis for determining that control or significant influence exists over the investee entity.

Control means having the power over an investee, enjoying variable returns by participating in the investee's relevant activities, and having the ability to use that power to influence the amount of such returns; Significant influence means having the power to participate in the decision-making process regarding the financial and operating policies of an investee, but without having control over or joint control with other parties over the formulation of such policies.

4. Disposal of long-term equity investments

(1) Partial disposal of long-term equity investments in a subsidiary without loss of control;

When a company disposes of its long-term equity investments in a subsidiary without losing control over that subsidiary, the difference between the disposal proceeds and the carrying amount of the investment shall be recognized as investment income for the current period.

(2) Situations where control over a subsidiary is lost due to the partial disposal of equity investments or for other reasons;

Where control over a subsidiary is lost due to the disposal of equity interests or for other reasons, the carrying amount of the long-term equity investment corresponding to the disposed equity interest shall be transferred; the difference between the proceeds from the sale and the carrying amount of the disposed long-term equity investment shall be recognized as investment income (loss); simultaneously, the remaining equity interest shall be recognized as a long-term equity investment or another relevant financial asset at its carrying amount. If the remaining equity interest after disposal enables the entity to exercise joint control or significant influence over the subsidiary, the transaction shall be accounted for in accordance with the relevant provisions governing the conversion from the cost method to the equity method.

5. Impairment testing methodology and impairment provision recognition methodology

Where there is objective evidence indicating that an investment in a subsidiary, associate or joint venture has been impaired as of the balance sheet date, an impairment provision shall be recognized based on the difference between the carrying amount and the recoverable amount.

(20) Investment property

not applicable

(21) fixed assets

（1） Confirmation Criteria

☑applicable □inapplicable

Fixed assets refer to tangible assets held for the production of goods, provision of services, leasing, or operational management, whose useful life exceeds one fiscal year. These assets are recognized when the following conditions are simultaneously satisfied: it is probable that economic benefits will flow into the enterprise from the fixed asset; and the cost of the fixed asset can be reliably measured.

（2） method of depreciation

☑applicable ☐inapplicable

class	method of depreciation	Depreciation Period (years)	ratio of remaining value	yearly depreciation
Houses and buildings	Straight-line method	25-45	5.00	2.11-3.80
dedicated device	Straight-line method	10-15	5.00	6.33-9.50
flexible unit	Straight-line method	5-18	5.00	5.28-19.00
conveyance	Straight-line method	8-12	5.00	7.92-11.88

The company's fixed assets are primarily categorized into: buildings and structures; specialized equipment; general-purpose equipment; transportation vehicles, etc.; the straight-line depreciation method is adopted. The useful life and estimated net salvage value of each category of fixed asset are determined based on its nature and usage pattern. At the end of each fiscal year, the useful life, estimated net salvage value, and depreciation method of the fixed assets are reviewed; if any discrepancies are identified compared to the originally estimated figures, corresponding adjustments are made. Depreciation is applied to all fixed assets, with the exception of those that remain in use after having been fully depreciated and of land that is accounted for separately.

(22) construction in process

☑applicable ☐inapplicable

The Company's construction in progress primarily consists of projects undertaken either through self-construction or through contract construction. The criteria and timing for transferring construction in progress to fixed assets are determined based on whether the construction in progress has reached its intended usable condition. The determination of the intended usable condition shall be based on any of the following circumstances: (1) the physical construction (including installation) work for the fixed asset has been fully completed or substantially completed; (2) the asset has undergone trial production or trial operation, and the results demonstrate that the asset can operate normally or can consistently produce 合格 products, or the results of the trial operation demonstrate that the asset can operate normally or be put into operation for business activities; (3) the expenditures incurred for constructing the fixed asset are minimal or no longer incurred; or (4) the fixed asset being constructed has met the design or contractual requirements, or is substantially consistent with such requirements.

(23) borrowing costs

☑applicable ☐inapplicable

1. Recognition Principles for the Capitalization of Borrowing Costs

When borrowing costs incurred by the Company can be directly attributable to the acquisition, construction, or production of an asset that meets the capitalization criteria, such costs shall be capitalized and included in the cost of the relevant asset; for all other borrowing costs, they shall be recognized as expenses upon occurrence and recorded in the current period's profit or loss. Assets that meet the capitalization criteria refer to fixed assets, investment property, inventories, and other assets that require a relatively long period of acquisition, construction, or production activities before they can be put into use or made available for sale.

2. Capitalization Amount Calculation Method

The capitalization period refers to the time span from the point when borrowing costs commence capitalization until the point when capitalization is discontinued; any period during which the capitalization of borrowing costs is suspended shall not be included in this period. Where an abnormal interruption occurs during the acquisition, construction, or production process and the duration of such interruption exceeds three months continuously, the capitalization of borrowing costs shall be suspended.

Where a special loan is obtained to purchase, construct, or produce an asset that meets the criteria for capitalization, the amount of interest that shall be capitalized shall be determined by subtracting from the actual interest expense incurred during the period on such special loan (including the amortization of any discount or premium determined using the effective interest rate method) the interest income earned from depositing the unused portion of the loan funds in a bank or the investment income obtained from making temporary investments; where a general loan is used to purchase, construct, or produce an asset that meets the criteria for capitalization, the amount of interest on the general loan that shall be capitalized shall be calculated by multiplying the weighted average of the asset expenditures exceeding those related to the special loan by the capitalization rate applicable to the general loan.

(24) Biological assets

☐applicable ☑inapplicable

(25) Oil and gas assets

□applicable ☑inapplicable

(26) immaterial assets

（1） Service life and the basis for its determination, estimation circumstances, amortization method, or review procedure

☑applicable □inapplicable

1. Valuation methods for intangible assets

The Company's intangible assets, including land use rights, patent rights, and non-patented technologies, are initially measured at cost. For intangible assets acquired through purchase, the actual cost is determined based on the actual consideration paid and any related expenses incurred. For intangible assets contributed by investors, the actual cost is determined according to the value specified in the investment contract or agreement; however, if such specified value is not fair, the actual cost shall be determined at fair value. For intangible assets developed internally, the cost is the total amount of expenditures incurred prior to putting the asset into use for its intended purpose.

2. Service life and the basis for its determination, estimation circumstances, amortization method or review procedure

For intangible assets with a limited useful life, amortization shall be systematically and rationally applied over the asset's useful life based on the expected pattern of economic benefits arising therefrom; where the expected pattern of economic benefits cannot be reliably determined, the straight-line method shall be used for amortization. The specific amortization periods are as follows:

assets class	Service life (years)
land use right	50
mineral rights	6-10
Land acquisition for forestry projects	8.75
Royalty	5
computer software	3

For intangible assets with a determined useful life, if there are indications that an impairment may have occurred as of the balance sheet date, an impairment provision shall be recognized based on the difference between the carrying amount and the recoverable amount; for intangible assets with an indefinite useful life or intangible assets that have not yet become available for use, an annual impairment test shall be conducted, regardless of whether any indications of impairment exist.

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

☑applicable □inapplicable

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

Expenses incurred during the development stage of an internal research and development project shall be recognized as an intangible asset if the following conditions are simultaneously satisfied: (1) it is technically feasible to complete the intangible asset so that it can be used or sold; (2) there is an intent to complete the intangible asset and to use or sell it; (3) the manner in which the intangible asset generates economic benefits—including evidence that there is a market for the products produced by utilizing the intangible asset or for the intangible asset itself, or, if the intangible asset is used internally, evidence of its usefulness; (4) there are sufficient technical, financial, and other resources available to support the development of the intangible asset and the ability to use or sell the intangible asset; (5) the expenses incurred during the development stage of the intangible asset can be reliably measured.

Expenses incurred in the company's internal research and development projects shall be classified into expenditures incurred during the research phase and expenditures incurred during the development phase.

1) The research phase of an internal research and development project refers to an original, planned investigation conducted to acquire or understand new scientific or technological knowledge. The company recognizes expenses incurred during the research phase in the current period's profit or loss upon occurrence.

2) The development phase of an internal research and development project refers to the stage in which research findings are applied to a specific plan or design prior to commercial production or deployment, with the aim of producing new or substantially improved materials, devices, products, etc.

Expenses incurred during the development stage of a project shall be recognized as intangible assets only when the following conditions are simultaneously satisfied:

(1) Complete the intangible asset so that it becomes technically feasible for use or sale;

(2) The intention to complete the acquisition of the intangible asset and to use or sell it;

(3) The manner in which intangible assets generate economic benefits includes: demonstrating that there is a market for the products produced using such intangible assets or that there is a market for the intangible asset itself; or, where the intangible asset is used internally, demonstrating its usefulness;

(4) Have sufficient technical, financial and other resources to support the development of the intangible asset, and be capable of using or selling the intangible asset;

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

Expenses incurred during the development stage that do not meet the above-mentioned conditions shall be recognized in the current period's profit or loss upon occurrence.

(27) Long-term asset impairment

☑applicable ☐inapplicable

For long-term assets—such as long-term equity investments, investment property measured under the cost model, fixed assets, construction in progress, use right assets, and intangible assets—where signs of impairment exist as of the balance sheet date, an impairment test shall be conducted. If the impairment test indicates that the recoverable amount of an asset is lower than its carrying amount, an impairment provision shall be recognized for the difference, and this amount shall be recorded as an impairment loss.

The recoverable amount is the higher of the net amount (the fair value of the asset less any disposal costs) and the present value of the asset's expected future cash flows. The impairment provision for an asset is calculated and recognized on an individual-asset basis; however, if it is difficult to estimate the recoverable amount for an individual asset, the recoverable amount of the asset group to which the asset belongs shall be determined. An asset group is the smallest group of assets that is capable of generating cash flows independently.

Goodwill separately presented in financial statements shall undergo an impairment test at least annually, regardless of whether any signs of impairment exist. During the impairment test, the carrying amount of the goodwill shall be allocated to the asset group or group of asset groups that are expected to benefit from the

synergies arising from the business combination. If the test indicates that the recoverable amount of the asset group or group of asset groups containing the allocated goodwill is lower than its carrying amount, the corresponding impairment loss shall be recognized. The impairment loss shall first be applied against the carrying amount of the goodwill allocated to that asset group or group of asset groups; thereafter, it shall be proportionally applied against the carrying amounts of the other assets within the asset group or group of asset groups, based on their respective share of the total carrying amount of those other assets.

The portion of the asset impairment loss that, once recognized, is not reversed in subsequent periods and reflects a recovery of the asset's value.

(28) Long-term deferred expenses

☑applicable □inapplicable

Long-term deferred expenses are recorded at their actual amount of incurrence and are amortized on a straight-line basis over their benefit period or the prescribed period. If a long-term deferred expense does not yield benefits in subsequent accounting periods, the entire remaining carrying amount of such expense shall be recognized in the current period's profit or loss. The Company's long-term deferred expenses include, among others, community housing renovation costs, rental costs for office space renovation, and forest land rental fees; these expenses are amortized using the straight-line method over the estimated benefit period.

(29) Contractual liabilities

☑applicable □inapplicable

The Company recognizes the obligation to transfer goods to customers for consideration already received or receivable from customers as a contract liability; this applies, for example, to payments received by the Company prior to the transfer of the committed goods.

The Company presents its contract assets and contract liabilities under a single contract on a net basis after offsetting them against each other.

(30) employee compensation

（1） Accounting treatment methods for short-term compensation

☑applicable □inapplicable

During the accounting period in which employees provide services to the Company, actual short-term compensation expenses shall be recognized as liabilities

and recorded in the current period's profit or loss, unless required or permitted by the Accounting Standards for Business Enterprises to be included in the cost of assets. Employee welfare expenses incurred by the Company shall, upon actual incurrence, be recorded in the current period's profit or loss or in the cost of relevant assets, depending on the actual amount incurred. Where employee welfare expenses constitute non-monetary benefits, they shall be measured at fair value. Social insurance contributions (including medical insurance, work-related injury insurance, and maternity insurance contributions) and Housing Provident Fund contributions paid by the Company on behalf of its employees, as well as trade union funds and employee education funds set aside in accordance with applicable regulations, shall, during the accounting period in which the employees provide services, have their corresponding employee compensation amounts calculated and determined based on the prescribed accrual basis and accrual ratio; the corresponding liabilities shall be recognized, and these amounts shall be recorded in the current period's profit or loss or in the cost of relevant assets.

(2) Accounting treatment methods for post-employment benefits

☑applicable ☐inapplicable

During the accounting period in which employees provide services, the amount payable under a defined contribution plan is recognized as a liability and recorded in the current period's profit or loss or in the cost of related assets. The welfare obligations arising from a defined benefit plan are allocated to the period during which the employees provided services, and such obligations are recorded in the current period's profit or loss or in the cost of related assets, in accordance with the formula used under the Expected Cumulative Benefit Unit (ECBU) method.

(3) Accounting treatment methods for termination benefits

☑applicable ☐inapplicable

When the Company provides termination benefits to its employees, the employee compensation liability arising from such termination benefits shall be recognized and recorded in the current period's profit or loss at the earlier of the following two events: (1) when the Company is unable to unilaterally withdraw the termination benefits provided in connection with a termination of employment plan or a redundancy proposal; or (2) when the Company recognizes costs or expenses related to the restructuring involving the payment of termination benefits.

（4）Accounting treatment methods for other long-term employee benefits

☑applicable ☐inapplicable

Where other long-term employee benefits provided by the Company to its employees satisfy the criteria for a defined contribution plan, such benefits shall be accounted for in accordance with the relevant provisions governing defined contribution plans; otherwise, the net liability or net asset associated with such other long-term employee benefits shall be recognized and measured in accordance with the relevant provisions governing defined benefit plans.

(31) anticipation liabilities

☑applicable ☐inapplicable

When an obligation arising from an contingent event constitutes a current obligation undertaken by the Company, and it is probable that the performance of such obligation will result in an outflow of economic benefits, and the amount thereof can be reliably measured, such obligation shall be recognized as a provision. The Company shall initially measure such obligation based on the best estimate of the expenditure required to perform the relevant current obligation. Where the required expenditure falls within a continuous range and the likelihood of each outcome occurring within that range is equal, the best estimate shall be determined as the midpoint of that range; where the obligation involves multiple components, the best estimate shall be determined by calculating it based on the various possible outcomes and their respective probabilities.

At the balance sheet date, the carrying amount of a contingent liability shall be reviewed; where there is conclusive evidence that such carrying amount does not fairly represent the current best estimate, it shall be adjusted accordingly based on the current best estimate.

(32) Share-based compensation

☑applicable ☐inapplicable

1. Types of equity-based compensation

This includes share-based payments settled in equity and share-based payments settled in cash.

2. Method for determining the fair value of equity instruments

(1) Where an active market exists, the price shall be determined based on the quoted price in such active market.

(2) Where an active market does not exist, the fair value shall be determined using valuation techniques, such as the prices used in recent market transactions conducted by parties with relevant knowledge and who engage in voluntary transactions, the current fair value of other financial instruments that are substantially similar, the discounted cash flow method, or option pricing models.

3. Basis for determining the best estimate of exercisable equity instruments

The estimate is based on subsequent information, such as the latest changes in the number of employees eligible for vesting.

4. Accounting treatment for the implementation, modification, or termination of share-based payment plans

(1) Share-based payments settled using equity

For share-based payments settled in equity that are exercisable immediately upon grant in exchange for employee services, the amount shall be recognized as related cost or expense at the grant date based on the fair value of the equity instrument, and the corresponding amount shall be adjusted to the capital reserve. For share-based payments settled in equity that are exercisable only upon completion of service during the vesting period or upon satisfaction of specified performance conditions in exchange for employee services, at each balance sheet date during the vesting period, the services received for the current period shall be recognized as the related cost or expense based on the fair value of the equity instrument at the grant date, and the corresponding amount shall be adjusted to the capital reserve, based on the best estimate of the number of exercisable equity instruments.

For share-based payments settled against the rights to receive services from another party, if the fair value of such services can be reliably measured, the measurement shall be based on the fair value of the services on the date of acquisition; if the fair value of the services cannot be reliably measured, but the fair value of the equity instruments can be reliably measured, the measurement shall be based on the fair value of the equity instruments on the date of acquisition, and the amount shall be recognized as relevant cost or expense, thereby increasing owners' equity accordingly.

(2) Share-based payments settled in cash

For cash-settled share-based payments exchanged for employee services that are exercisable immediately upon grant, the amount shall be recognized as related costs or expenses at the fair value of the Company's liability on the grant date, with a corresponding increase in the liability. For cash-settled share-based payments

exchanged for employee services that are exercisable only upon completion of service during the vesting period or upon satisfaction of specified performance conditions, at each balance sheet date during the vesting period, the services received for the current period shall be recognized as related costs or expenses and as the corresponding liability, based on the fair value of the Company's liability and derived from the best estimate of the likelihood of the award becoming exercisable.

(3) Amendment or termination of share-based payment plans

If a modification increases the fair value of the granted equity instruments, the Company shall recognize the corresponding increase in the provision of services based on the increase in the fair value of such equity instruments; if a modification increases the number of the granted equity instruments, the Company shall recognize the increased fair value of the additional equity instruments as a corresponding increase in the provision of services; if the Company modifies the vesting conditions in a manner that is beneficial to the employees, the Company shall take into account the modified vesting conditions when determining whether the vesting conditions have been satisfied.

If an amendment reduces the fair value of the granted equity instruments, the Company shall continue to recognize the amount of services received based on the fair value of the equity instruments on the grant date, without taking into account the reduction in the fair value of such equity instruments; if an amendment reduces the number of granted equity instruments, the Company shall treat the reduction as the cancellation of the granted equity instruments; if the vesting conditions are amended in a manner that is unfavorable to the employees, the amended vesting conditions shall not be taken into account when accounting for the vesting conditions.

If the Company cancels an awarded equity instrument or settles an awarded equity instrument during the vesting period (except where such cancellation occurs due to the failure to meet the vesting conditions), such cancellation or settlement shall be treated as an accelerated vesting, and the amount originally recognized during the remaining vesting period shall be recognized immediately.

(33) Preferential shares, perpetual bonds, and other financial instruments

☑applicable ☐inapplicable

(34) income

(a)Disclose the accounting policies adopted for the recognition and measurement of revenue, depending on the type of business activity.

☑applicable □inapplicable

1. Revenue Recognition

The Company recognizes revenue when it has fulfilled its performance obligations under the contract, that is, when the customer obtains control over the relevant goods. Obtaining control over the relevant goods means having the ability to direct the use of such goods and to derive virtually all of the economic benefits therefrom.

2. In accordance with the relevant revenue recognition standards, the Company determines whether the nature of a relevant performance obligation constitutes an "performance obligation to be performed over a period of time" or an "performance obligation to be performed at a specific point in time," and recognizes revenue accordingly under the following principles.

When the Company satisfies any one of the following conditions, it is deemed to be performing a performance obligation over a specified period:

1) When a customer performs its obligations to our Company, it simultaneously obtains and consumes the economic benefits arising from such performance.

2) The Customer has control over the assets under construction by the Company during its performance of the contract.

3) The assets arising from the Company's performance of the contract have an irreplaceable use, and the Company has the right to receive payment for the cumulative portion of the performance completed to date throughout the entire contract term.

For performance obligations fulfilled over a specific period, the Company recognizes revenue based on the performance progress during that period, unless the performance progress cannot be reasonably determined. Taking into account the nature of the goods, the Company uses either the output method or the input method to determine the appropriate performance progress.

For performance obligations that do not require fulfillment over a specific period but rather require fulfillment at a specific point in time, the Company recognizes revenue at the point when the customer obtains control of the relevant goods.

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

1) The Company has an immediate receivables right to such goods; that is, the Customer is under an immediate payment obligation with respect to such goods.

2) The Company has transferred the legal ownership of the goods to the Customer; accordingly, the Customer now holds the legal ownership of the goods.

3) The Company has physically transferred the goods to the Customer; that is, the Customer now possesses the goods in physical custody.

4) The Company has transferred the material risks and rewards associated with the ownership of the goods to the Customer; that is, the Customer has assumed the material risks and rewards associated with the ownership of the goods.

5) The customer has accepted the product.

6) Other signs indicating that the customer has assumed control of the goods.

3. Income Measurement

The Company shall measure revenue based on the transaction price allocated to each individual performance obligation. When determining the transaction price, the Company shall take into account the impact of factors such as variable consideration, material financing components present in the contract, non-cash consideration, and consideration payable to customers.

1) Variable consideration

The Company determines the best estimate of the variable consideration based on expected values or the most likely amount; however, the transaction price that includes the variable consideration shall not exceed the amount for which it is highly probable that the cumulative revenue already recognized will not be subject to a material reversal when the relevant uncertainties are eliminated. When assessing whether it is highly probable that the cumulative revenue already recognized will not be subject to a material reversal, an enterprise shall simultaneously consider both the likelihood and the proportion of such a revenue reversal.

2) Significant financing component

Where a contract contains a material financing component, the Company shall determine the transaction price based on the amount payable that would have been settled in cash by the customer upon obtaining control of the goods. The difference between this transaction price and the contract consideration shall be amortized 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 such non-cash consideration. Where the fair value of the non-cash consideration cannot be reasonably estimated, the Company shall indirectly determine the transaction price by reference to the

standalone selling price of the goods that the Company has committed to transfer to the customer.

4) Payable customer consideration

Where consideration payable to a customer exists, such consideration shall be deducted from the transaction price; the current-period revenue shall be recognized at the later of the date on which the relevant revenue is recognized and the date on which the consideration is paid (or the commitment to pay) to the customer, except where the consideration payable to the customer is intended to secure the receipt of other goods that can be clearly distinguished from such consideration.

When an enterprise is payable to a customer for consideration, and such consideration is intended to secure other separately identifiable goods or services from the customer, the purchased goods or services shall be recognized in accordance with the method consistent with that used for other procurement transactions by the enterprise. If the amount payable to the customer exceeds the fair value of the separately identifiable goods or services obtained from the customer, the excess amount shall be deducted from the transaction price. Where the fair value of the separately identifiable goods or services obtained from the customer cannot be reasonably estimated, the enterprise shall deduct the entire amount payable to the customer from the transaction price.

4. Specific Revenue Recognition Policy of the Company

For domestic sales, revenue is recognized upon customer acceptance of the goods; for international sales, revenue is recognized when the goods have been cleared for export (FOB), and the Company has obtained the corresponding invoice, packing list, and bill of lading for the transaction.

(2)When similar business activities employ different operating models, this entails varying revenue recognition methods and measurement approaches.

☐applicable ☑inapplicable

35.Contract Cost

☑applicable ☐inapplicable

Contract costs comprise both incremental costs incurred in obtaining a contract and costs incurred in performing the contract. Incremental costs incurred in obtaining a contract (referred to as "contract acquisition costs") refer to costs that would not have been incurred had the contract not been obtained. Where such costs are expected to be recoverable, the Company recognizes them as contract acquisition costs and records them as an asset.

Costs incurred in the performance of a contract, which do not fall within the scope of other enterprise accounting standards (such as the Accounting Standards for Business Enterprises) and simultaneously satisfy the following conditions, shall be recognized as an asset as a contract fulfillment cost: such cost is directly related to a current or anticipated contract; this includes direct labor, direct materials, manufacturing overhead, costs explicitly borne by the customer, and any other costs incurred solely as a result of the contract; such cost increases the resources that will be used in the future to fulfill the performance obligations; and such cost is expected to be recoverable.

Contract fulfillment costs recognized by the Company as assets shall, where the amortization period at the time of initial recognition does not exceed one year or one normal operating cycle, be classified as the "Inventory" item on the balance sheet; where the amortization period at the time of initial recognition exceeds one year or one normal operating cycle, such costs shall be classified as the "Other Non-current Assets" item on the balance sheet.

Where the contract acquisition cost to be recognized as an asset has an amortization period not exceeding one year or one normal operating cycle at the time of initial recognition, such cost shall be recorded in the "Other Current Assets" category on the balance sheet; where the amortization period at the time of initial recognition exceeds one year or one normal operating cycle, such cost shall be recorded in the "Other Non-Current Assets" category on the balance sheet.

The Company amortizes assets recognized for contract acquisition costs or contract performance costs using the same basis as applied to the recognition of revenue from goods related to such assets, and records such amortization in the current period's profit or loss. For assets formed from incremental costs incurred in obtaining a contract, if the amortization period does not exceed one year, such amortization shall be recorded in the current period's profit or loss upon occurrence.

When the carrying amount of an asset related to a contract exceeds the difference between the following two amounts, the Company shall recognize an impairment provision for the excess amount and record it as an asset impairment loss: the expected remaining consideration to be received from the transfer of the goods associated with the asset; and the estimated cost incurred in transferring such goods.

Where the factors giving rise to the impairment in a prior period have changed, resulting in the aforementioned difference being greater than the carrying amount of the asset, the previously recognized asset impairment provision shall be reversed and recognized in the current period's profit or loss; however, the carrying amount of the asset after such reversal shall not exceed the carrying amount of the asset on the reversal date as if no impairment provision had been recognized.

(35) public subsidy

☑applicable □inapplicable

1. Types of government grants and their accounting treatment

Government grants refer to monetary or non-monetary assets received by the Company from the government without consideration (excluding capital contributions made by the government as an owner). Where a government grant constitutes a monetary asset, it shall be measured at the amount received or receivable. Where a government grant constitutes a non-monetary asset, it shall be measured at its fair value; where the fair value cannot be reliably determined, it shall be measured at a nominal amount.

Government grants related to daily activities shall be recognized as other income, depending on the substance of the economic transaction; government grants unrelated to daily activities shall be recognized as non-operating income.

Governmental documents explicitly stipulate that government grants used to acquire or construct long-term assets, or to create long-term assets in any other manner, shall be recognized as government grants related to assets.

Government grants other than those related to assets shall be recognized as government grants related to income. Where a government grant related to income is intended to compensate an enterprise for relevant expenses or losses incurred in future periods, it shall be recognized as deferred income and recorded in the current period's profit or loss when the relevant expenses are recognized; where such a government grant is intended to compensate an enterprise for relevant expenses or losses already incurred, it shall be directly recorded in the current period's profit or loss.

Where the Company receives interest subsidy support for policy-based preferential loans – in which the fiscal authorities disburse the subsidy funds to the lending bank, and the lending bank then extends a loan to the Company at a policy-based preferential interest rate – the actual amount received as the loan amount shall be recognized as the book value of the loan; the relevant borrowing costs shall be calculated based on the loan principal and such policy-based preferential interest rate; where the fiscal authorities disburse the interest subsidy funds directly to the Company, the Company shall deduct the corresponding interest subsidy amount from the relevant borrowing costs.

2. Point in time for recognizing government grants

Government grants are recognized when the associated conditions are satisfied and the receipt of such grants is probable. Government grants measured at the

amount due are recognized at the period-end when there is reliable evidence that the relevant conditions specified in the fiscal support policy have been met and it is expected that the fiscal support funds will be received. For all other government grants, other than those measured at the amount due, recognition occurs upon the actual receipt of the grant amount.

(36) Deferred tax assets/Deferred tax liabilities

☑applicable ☑inapplicable

1. Recognition of deferred tax liabilities

Deferred income tax assets or deferred income tax liabilities shall be recognized by applying the applicable tax rate during the period in which the asset is expected to be recovered or the liability is expected to be settled, based on the difference between the carrying amount of assets or liabilities and their tax basis (where items not recognized as assets or liabilities can have their tax basis determined in accordance with tax law, such tax basis shall be determined as the said difference).

2. Measurement of Deferred Income Tax

The recognition of deferred tax assets is limited to the amount of taxable income that is likely to be available to offset deductible temporary differences. At the balance sheet date, if there is conclusive evidence that sufficient taxable income is likely to be available in future periods to offset deductible temporary differences, any deferred tax assets that had not been recognized in prior accounting periods shall be recognized. If it is likely that sufficient taxable income will not be available in future periods to offset the deferred tax assets, the carrying amount of the deferred tax assets shall be written down.

For taxable temporary differences arising from investments in subsidiaries and associates, deferred tax liabilities shall be recognized, unless the Company can control the timing of the reversal of such temporary differences and it is probable that such temporary differences will not be reversed in the foreseeable future. For deductible temporary differences arising from investments in subsidiaries and associates, deferred tax assets shall be recognized when it is probable that such temporary differences will be reversed in the foreseeable future and it is probable that taxable income will be available in the future to offset such deductible temporary differences.

3. Basis for net offsetting of deferred tax liabilities

When all of the following conditions are satisfied, the Company shall present its deferred tax assets and deferred tax liabilities at their net amount after

offsetting: the Company has the legal right to settle its current income tax assets and current income tax liabilities on a net basis; the deferred tax assets and deferred tax liabilities relate either to the income tax imposed by the same tax authority on the same taxable entity or to different taxable entities; and, in each period in which a significant reversal of any deferred tax asset or deferred tax liability is expected to occur, the relevant taxable entity intends to settle its current income tax assets and current income tax liabilities on a net basis or to simultaneously acquire assets or settle liabilities.

(37) rent

☑applicable ☐inapplicable

A criterion and accounting treatment method for the simplified treatment of short-term lease agreements and leases of low-value assets by the lessee.

☑applicable ☐inapplicable

(1) Basis for Determination

A short-term lease refers to a lease with a lease term not exceeding 12 months, as of the lease commencement date. Leases that include an option to purchase do not constitute short-term leases.

Low-value asset leasing refers to leasing arrangements in which the leased asset is a brand-new asset with a relatively low value.

When determining whether a lease involves a low-value asset, the lessee should assess the value of the leased asset based on its value in its as-new condition, without taking into account the asset's period of use.

(2) Accounting Treatment Methods

For short-term leases and leases of low-value assets, the Company chooses not to recognize right-of-use assets or lease liabilities; instead, the lease payments for such leases are allocated to the cost of the relevant assets or to current profit or loss on a straight-line basis over each period of the lease term.

Lease classification criteria and accounting treatment methods for the lessor

☑applicable ☐inapplicable

(1) Financial leasing

As the lessor, on the commencement date of the lease term, the Company shall recognize the receivables from the financial lease and derecognize the financial lease asset; it shall also calculate and recognize interest income for each period during the lease term using a fixed periodic interest rate.

(2) Operating lease

As the lessor, the Company recognizes the lease receivables from operating leases as rental income using the straight-line method for each period during the lease term. Any initial direct costs incurred in connection with the operating lease shall be capitalized and allocated over the lease term in accordance with the same basis as used for the recognition of rental income; such capitalized costs shall be recognized in the current period's profit or loss on a pro-rata basis.

For fixed assets under operating leases, the Company shall apply the same depreciation policy as that used for similar assets to calculate depreciation; for other operating lease assets, the Company shall use a systematic and reasonable method for amortization in accordance with the applicable Accounting Standards for Business Enterprises. The Company shall determine whether operating lease assets have incurred impairment and perform the corresponding accounting treatment in accordance with the provisions of Accounting Standards for Business Enterprises No.8 – Impairment of Assets.

(38) Other significant accounting policies and accounting estimates

☐applicable ☑inapplicable

(39) Changes in material accounting policies and accounting estimates

(40) other

☐applicable ☑inapplicable

6. Taxation

1、 Primary tax categories and rates

Primary tax categories and tax rates

☑applicable ☐inapplicable

categories of taxes	Taxable base	tax rate
added-value tax	Sale of goods or provision of taxable services	3%、6%、9%、13%
urban maintenance & construction tax	Actual amount of turnover tax paid	1%、5%、7%

business income taxes	taxable income	5%、15%、25%
extra charges of education funds	Actual amount of turnover tax paid	3%
Local Education Surcharge	Actual amount of turnover tax paid	2%
building taxes	Real estate rental income	12%
building taxes	70% of the original value of the owner-occupied property	1.20%
Land Use Tax	Land use area	3.00–10.50 RMB per square meter
resource tax	For goods taxed on a value-added basis, the tax shall be calculated at 70% of the product sales revenue after deducting freight costs.	5%

For taxpayers subject to different corporate income tax rates, a disclosure statement shall be provided.
☑applicable ☐inapplicable

Taxpayer Name	rate of income tax(%)
Fangda Carbon New Materials Technology Co., Ltd.	15
Fushun Carbon Co., Ltd.	25
Chengdu Rongguang Carbon Co., Ltd.	25
Meishan Fangdarongguang Carbon Co., Ltd.	25
Hefei Carbon Co., Ltd.	25
Changfeng Fangda Carbon Materials Co., Ltd.	25
Fushun Fangda High-Tech Materials Co., Ltd.	25
Chengdu Fangda Tantan Composite Materials Co., Ltd.	15

Fangda Xike Mo (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 (South Korea) International Trade Co., Ltd.	9-24
Chengdu Fangda Carbon Research Institute Co., Ltd.	5
Gansu Classical Shengdong Construction Poverty Alleviation and Development Co., Ltd.	5
Gansu Benju Handicrafts Development Co., Ltd.	5
Dongxiang Autonomous County Fangdatengda Garments Co., Ltd.	5
Tianjin Tongda Huanyu Logistics Co., Ltd.	25

2、 Tax preferences

☑applicable ☐inapplicable

(1) Corporate Income Tax

Pursuant to the "Notice of the State Administration of Taxation on Issues Concerning the Implementation of Income Tax Preferential Policies for High-Tech Enterprises" (Guo Shui Han [2009] No.203) and the "Notice of the Ministry of Science and Technology, the Ministry of Finance, and the State Administration of Taxation on the Issuance of the 'Administrative Measures for the Recognition of High-Tech Enterprises' " (Guo Ke Fa Huo [2008] No.172), the Company was recognized as a High-Tech Enterprise on September 29,2014. On October 16,2023, the Company passed the 2023 High-Tech Enterprise Re-evaluation and Recognition Process conducted by Gansu Province; this recognition is valid for a period of three years. During the reporting period, the Company filed its corporate income tax returns at a tax rate of 15%.

Pursuant to the "Announcement on Extending the Enterprise Income Tax Policies for the Western Development Initiative" (Ministry of Finance Announcement No.23 [2020]) issued by the Ministry of Finance, the State Taxation Administration, and the National Development and Reform Commission, from January 1, 2021, to December 31,2030, enterprises engaged in industries listed in the "Catalogue of Encouraged Industries for Western China" shall be subject to an enterprise income tax rate of 15%. The Company's controlled subsidiary, Chengdu Fangda Tantan Composite Materials Co., Ltd., whose primary business activities fall within the industrial categories specified in the "Catalogue of Encouraged Industries for Western China" and whose primary business revenue accounts for more than 60% of its total enterprise revenue, may file its enterprise income tax returns and pay taxes at the 15% rate. During the reporting period, the Company's controlled subsidiary, Chengdu Fangda Tantan Composite Materials Co., Ltd., filed its enterprise income tax returns and paid taxes at the 15% rate.

According to the conditions stipulated in the "Announcement of the Ministry of Finance and the State Taxation Administration on Income Tax Preferential Policies for Small and Micro Enterprises and Individual Industrial and Commercial Households" (Announcement No.6 [2023] of the Ministry of Finance and the State Taxation Administration), for the portion of the taxable income of small and low-profit enterprises that does not exceed RMB 1,000,000, the actual tax rate is 5%. The Company's controlled subsidiaries—Gansu Classical Shengdong Construction Poverty Alleviation and Development Co., Ltd., Gansu Benju Handicrafts Development Co., Ltd., Dongxiang Autonomous County Fangdatengda Garment Co., Ltd., and Chengdu Fangda Carbon Research Institute Co., Ltd.—qualify as small and low-profit enterprises and are therefore eligible to benefit from the income tax preferential policies for small and low-profit enterprises under the applicable regulations for the current period.

(2) Value Added Tax

① In accordance with the "Announcement on Improving the Value-Added Tax Policy for Comprehensive Utilization of Resources" (No.40 of 2021) issued by the Ministry of Finance and the State Taxation Administration, graphite custom-shaped components, graphite blocks, graphite powder, and graphite carbonizing agents produced using waste graphite as raw material are eligible for a 50% immediate refund policy on the value-added tax levied; therefore, our Company applies this 50% immediate refund policy to the VAT payable for the current period that meets the relevant criteria.

② According to the "Announcement on the Additional Deduction Policy for Value-Added Tax for Advanced Manufacturing Enterprises" issued by the Ministry of Finance and the State Taxation Administration (Announcement No.43 [2023] of the Ministry of Finance and the State Taxation Administration), from January 1, 2023, to December 31,2027, advanced manufacturing enterprises are permitted to apply an additional 5% deduction to their VAT payable amount based

on their deductible input tax for the current period. The Company and its controlled subsidiary, Chengdu Fangda Tantan Composite Materials Co., Ltd., are eligible to benefit from this preferential policy for the current period.

(3) Other Incentives

Pursuant to Paragraph 2, Item (4) of Article 6 of the Resource Tax Law of the People's Republic of China, for mineral resources extracted from mines that have reached their depletion stage (where the remaining service life does not exceed 5 years) and have an actual mining period of 15 years or more, the resource tax shall be reduced by 30%. The Company's controlled subsidiary, Fushun Laihe Mining Co., Ltd., has been eligible for this 30% resource tax reduction policy since July 1, 2016.

7. Consolidated Financial Statements – Item Notes

1、 monetary resources

☑applicable ☐inapplicable

Unit: Yuan; Currency: RMB

project	ending balance	Opening balance
cash holdings	56,413.37	63,143.95
bank deposit	5,134,913,823.38	5,479,742,474.83
other monetary funds	64,707,204.01	106,241,389.41
Depositing funds with a financial company		
Total	5,199,677,440.76	5,586,047,008.19
Where: Total amount of funds held overseas	2,300.22	2,535.92

2、 Trading financial assets

☑applicable ☐inapplicable

Unit: Yuan; Currency: RMB

project	ending balance	Opening balance	Specific reasons and legal basis
Financial assets measured at fair value with changes recognized in profit or loss	1,428,714,202.44	1,085,144,460.27	_
among:			
Equity instrument investments	1,428,714,202.44	1,085,144,460.27	_
Total	1,428,714,202.44	1,085,144,460.27	_

3、 Derivative financial assets

□applicable ☑inapplicable

4、 bill receivable

(1) Classification and presentation of notes receivable

☑applicable □inapplicable

Unit: Yuan; Currency: RMB

project	ending balance	Opening balance
Bank-accepted bill of exchange	563,243,576.85	467,490,308.56
Commercial acceptance bill	106,413,537.64	36,450,834.18
subtotal	669,657,114.49	503,941,142.74
Deduct: Provision for Bad Debts	1,469,333.19	328,057.51
Total	668,187,781.30	503,613,085.23

(2) The company's receivables notes pledged at the end of the period

☑applicable □inapplicable

Unit: Yuan; Currency: RMB

project	End-of-period pledged amount
Bank-accepted bill of exchange	13,392,849.64
Total	13,392,849.64

(3) Notes receivable that have been endorsed or discounted by the Company and have not yet matured as of the balance sheet date.

☑applicable ☐inapplicable

Unit: Yuan; Currency: RMB

project	End-of-period derecognition amount	Unrecognized balance at period-end
Bank-accepted bill of exchange		299,550,882.11
Commercial acceptance bill		13,753,560.29
Total		313,304,442.40

(4) Disclosure classified by bad debt provisioning method

☑applicable ☐inapplicable

Unit: Yuan; Currency: RMB

class	ending balance					Opening balance				
	book balance		bad debt provision		book value	book balance		bad debt provision		book value
	amount of money	Percentage (%)	amount of money	provisioning ratio (%		amount of money	Percentage (%)	amount of money	provisioning ratio (%	
Provision for bad debts is made on a per-item basis.										

among:										
Recognize a bad debt provision based on the combination of factors	669,657,114.49	100.00	1,469,333.19	0.22	668,187,781.30	503,941,142.74	100.00	328,057.51	0.07	503,613,085.23
among:										
Combination 1: Bank Acceptance Bill	563,243,576.85	84.11			563,243,576.85	467,490,308.56	92.77			467,490,308.56
Combination 2: Commercial acceptance bill of exchange	106,413,537.64	15.89	1,469,333.19	1.38	104,944,204.45	36,450,834.18	7.23	328,057.51	0.90	36,122,776.67
Total	669,657,114.49	/	1,469,333.19	/	668,187,781.30	503,941,142.74	/	328,057.51	/	503,613,085.23

Provision for bad debts made on a per-item basis:
☐applicable ☑inapplicable

Provision for bad debts recognized on a portfolio basis:
☐applicable ☑inapplicable

Recognize a bad debt provision using the expected credit loss model.
☐applicable ☑inapplicable

Explanation of the significant change in the carrying amount of accounts receivable notes attributable to changes in loss provisions for the current period:
☐applicable ☑inapplicable

(5) Bad debt provision status

☑applicable ☐inapplicable

Unit: Yuan; Currency: RMB

class	Opening balance	Current period change amount				ending balance
		Provision	Recapture or reversal	Write-off or cancellation	Other changes	
Notes receivable for which a bad debt provision is made based on a portfolio of credit risk characteristics	328,057.51	1,141,275.68				1,469,333.19
Total	328,057.51	1,141,275.68				1,469,333.19

Where the amount recovered or reversed from the current period's bad debt provision is material:
☐applicable ☑inapplicable

(6) Actual write-off of accounts receivable notes for this period

☐applicable ☑inapplicable

Important write-off of accounts receivable notes:
☐applicable ☑inapplicable

Notes Receivable Write-Off Explanation:
☐applicable ☑inapplicable

Other notes:
☐applicable ☑inapplicable

5、 accounts receivable

(1) Age-of-accounts disclosure

☑applicable ☐inapplicable

Unit: Yuan; Currency: RMB

Account Ageing	End-of-period book balance	Initial book balance
Within 1 year (including 1 year)	519,913,179.92	378,552,212.64
subtotal	519,913,179.92	378,552,212.64
1–2 years	38,627,006.23	38,627,006.23
2–3 years	3,769,945.29	3,769,945.29
Over 3 years	69,560,386.37	73,178,077.49
subtotal	631,870,517.81	494,127,241.65
Deduct: Provision for Bad Debts	81,873,234.03	83,506,180.30
Total	549,997,283.78	410,621,061.35

(2) Disclosure classified by bad debt provisioning method

☑applicable ☐inapplicable

Unit: Yuan; Currency: RMB

class	ending balance					Opening balance				
	book balance		bad debt provision		Ledger value	book balance		bad debt provision		Ledger value
	amount of money	Percentage (%)	amount of money	provisioning ratio (%		amount of money	Percentage (%)	amount of money	provisioning ratio (%	
Provision for bad debts is made on a per-item basis.	54,139,395.95	8.57	54,139,395.95	100.00		57,757,087.07	11.69	57,757,087.07	100.00	
among:										
Accounts receivable where the individual amount is material and a separate bad debt provision has been made.										
Accounts receivable for which a separate bad debt provision is made, even if the individual amount is not material.	54,139,395.95	100	54,139,395.95	100.00		57,757,087.07	100.00	57,757,087.07	100.00	
Recognize a bad debt provision based on the combination of factors	577,731,121.86	91.43	27,733,838.08	4.80	549,997,283.78	436,370,154.58	88.31	25,749,093.23	5.90	410,621,061.35
among:										
Accounts Receivable Portfolio A	577,731,121.86	100	27,733,838.08	4.80	549,997,283.78	436,370,154.58	100.00	25,749,093.23	5.90	410,621,061.35
Total	631,870,517.81	/	81,873,234.03	/	549,997,283.78	494,127,241.65	/	83,506,180.30	/	410,621,061.35

Provision for bad debts made on a per-item basis:
☐applicable ☑inapplicable

Provision for bad debts recognized on a portfolio basis:
☑applicable ☐inapplicable
Combined Provision Item: Accounts Receivable Portfolio A

Unit: Yuan; Currency: RMB

name	ending balance		
	book balance	bad debt provision	provisioning ratio (%
Within 1 year (including 1 year)	519,913,179.92	5,391,714.76	1.04
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	577,731,121.86	27,733,838.08	/

Explanation of the provision for bad debts made on a portfolio basis:
☐applicable ☑inapplicable

Recognize a bad debt provision using the expected credit loss model.
☐applicable ☑inapplicable

Explanation of significant changes in the book balance of accounts receivable resulting from changes in the loss provision for the current period:
☐applicable ☑inapplicable

(3) Bad debt provision status

☑applicable ☐inapplicable

Unit: Yuan; Currency: RMB

class	Opening balance	Current period change amount				ending balance
		Provision	Recapture or reversal	Write-off or cancellation	Other changes	
Provision for bad debts is made on a per-item basis.	57,757,087.07			3,617,691.12		54,139,395.95
Recognize a bad debt provision based on the combination of factors	25,749,093.23	1,984,744.85				27,733,838.08
Total	83,506,180.30	1,984,744.85		3,617,691.12		81,873,234.03

Where the amount recovered or reversed from the current period's bad debt provision is material:
☐applicable ☑inapplicable

(4) Actual write-off of accounts receivable for the current period

☑applicable ☑inapplicable

Unit: Yuan; Currency: RMB

project	Write-off amount
Actual written-off accounts receivable	3,617,691.12

Important accounts receivable write-off transactions
☐applicable ☑inapplicable

Accounts Receivable Write-Off Note:
☐applicable ☑inapplicable

(5) The top five accounts receivable and contract assets by the debtor's ending balance

☑applicable ☐inapplicable

Unit: Yuan; Currency: RMB

name of organization	Ending balance of accounts receivable	Contract assets – Period-end balance	Ending balances of accounts receivable and contract assets	Percentage of the total 期末余额 of accounts receivable and contract assets (%)	Bad debt provision – Period-end balance
Client 1	27,637,977.90		27,637,977.90	4.27	1,381,898.90
Client 2	20,850,510.04		20,850,510.04	3.22	1,042,525.50
Client 3	28,727,306.20	2,635,888.14	31,363,194.34	4.85	1,735,337.81
Client 4	28,244,546.84		28,244,546.84	4.37	254,200.92
Client 5	20,500,359.34		20,500,359.34	3.17	184,503.23
Total	125,960,700.32	2,635,888.14	128,596,588.46	19.89	4,598,466.37

Other notes:
☐applicable ☑inapplicable

6、 Contractual Assets

(1) Contractual Assets Status

☑applicable ☑inapplicable

Unit: Yuan; Currency: RMB

project	ending balance			Opening balance		
	book balance	bad debt provision	book value	book balance	bad debt provision	book value
Guarantee money	14,713,081.79	251,708.58	14,461,373.21	14,713,081.79	251,708.58	14,461,373.21
Total	14,713,081.79	251,708.58	14,461,373.21	14,713,081.79	251,708.58	14,461,373.21

(2) **Disclosure classified by bad debt provisioning method**

☑applicable ☐inapplicable

Unit: Yuan; Currency: RMB

Class	ending balance					Opening balance				
	book balance		bad debt provision		Ledger value	book balance		bad debt provision		Ledger value
	amount of money	Percentage (%)	amount of money	provisioning ratio (%		amount of money	Percentage (%)	amount of money	provisioning ratio (%	
Provision for bad debts is made on a per-item basis.										
among:										
Recognize a bad debt provision based on the combination of factors	14,713,081.79	100.00	251,708.58	1.71	14,461,373.21	14,713,081.79	100.00	251,708.58	1.71	14,461,373.21
among:										
Credit Risk Portfolio	14,713,081.79	100.00	251,708.58	1.71	14,461,373.21	14,713,081.79	100.00	251,708.58	1.71	14,461,373.21

7 .Accounts receivable financing

☑Applicable ☐Not applicable

Unit：Yuan Currency: RMB

Item	Closing balance	Opening balance
Bank acceptance bill	110,788,964.75	188,078,872.75
Total	110,788,964.75	188,078,872.75

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	368,787,785.12	
Total	368,787,785.12	

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	91,915,294.54	99.83	56,435,907.44	99.82
1-2 years	58,869.19	0.06	1,800.00	0.01
2-3 years	98,047.63	0.11	98,047.63	0.17
Total	92,072,211.36	100.00	56,535,755.07	100.00

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

☑Applicable ☐Not applicable

Entities name	Value	Proportion of total closing balance of accounts receivable (%)
State Grid Corporation of China	36,808,297.38	39.98
China National Petroleum Corporation	24,344,671.62	26.44
Chengdu Zhongyisheng Industrial Co., Ltd.	9,714,089.20	10.55
China Petroleum & Chemical Corporation	8,894,912.29	9.66
Liaoning Fangda Group Industrial Co., Ltd.	6,476,468.43	7.21
Total	86,238,438.92	93.84

9 . Other receivables

Illustration of items

☑Applicable ☐Not applicable

Unit：Yuan Currency: RMB

Item	Closing balance	Opening balance
Interest receivable		
Dividends receivable		
Other receivables	40,821,225.67	251,830,042.48
Total	40,821,225.67	251,830,042.48

Other receivables

(1).Disclosed by Age

☑Applicable ☐Not applicable

Unit：Yuan Currency: RMB

Aging	Book balance at the end of the reporting period	
Within 1 year (including 1 year)	26,619,461.08	
Within 1 year (including 1 year)	26,619,461.08	
1 to 2 years	12,653,688.58	
2 to 3 years	7,709,822.66	
More than 3 years	100,453,440.84	
Sub-total	147,436,413.16	
Less: Provision for bad debts		
Total		251,830,042.48

(2).Details of classification by nature of receivables

☐Applicable ☐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
Account current	4,625,904.71	989,551.79
Security deposit	16,765,349.22	66,574,195.61
Reserve fund	62,226,015.91	293,453,542.90
Other	63,819,143.32	38,392,363.64
Sub-total	147,436,413.16	399,409,653.94
Less: Provision for bad debts	106,615,187.49	147,579,611.46
Total	40,821,225.67	251,830,042.48

(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	11,953,521.29		135,626,090.17	147,579,611.46
Changes due to financial instruments recognised as at 1 January 2019				
--Transfer to stage II				
--Transfer to stage III				
--Reverse to stage II				
--Reverse to stage I				
Provision	1,113,056.87			1,113,056.87
Reversal			42,077,480.84	42,077,480.84
Transfer				
Write-off				
Other changes				
Balance as at 30 June 2023	13,066,578.16		93,548,609.33	106,615,187.49

Explanations on significant changes in the book balance of other receivables where there are changes in provision for the current period:

☐Applicable ☑Not applicable

Bad debt provision for the current period and basis for assessing whether there's significant increase in the credit risk of financial instruments:

☐Applicable ☑Not applicable

(4).Status of provision for bad debts

☑Applicable ☐Not applicable

Unit：Yuan Currency: RMB

Category	Opening	Changes in the current period	Closing

	balance	Provision	Recovery or reversal	Transfer or write-off	Other changes	balance
1st stage	11,953,521.29	1,113,056.87				13,066,578.16
2nd stage						
3rd stage	135,626,090.17		42,077,480.84			93,548,609.33
Total	147,579,611.46	1,113,056.87	42,077,480.84			106,615,187.49

Company Name	Amounts refunded or recovered	Reason for reversal	Payment method	Determining the basis for and the reasonableness of the original provision for bad debts
Jilin Guoxing Carbon Fibre Co., Ltd.	42,077,480.84	Reversed	Wire transfer	Individual provision for bad debts
Total	42,077,480.84	/	/	/

(6).Top five other receivables with closing balances, grouped by party owed money

☐Applicable ☐Not applicable

Unit：Yuan Currency: RMB

Entity	Closing balance	Proportion to the total closing balance of other receivables (%)	Nature	Age	Closing balance of bad debt provision
State-owned Assets Supervision and Administration Commission of the Fushun Municipal People's Government	21,274,485.07	14.43	Other	Within 1 year	1,063,724.25
International Trade Department, Fushun Carbon Co., Ltd.	16,238,277.11	11.01	Other	5 years or more	16,238,277.11
Sanmenxia Longxin Carbon Co., Ltd.	17,015,808.26	11.54	Accounts receivable and payable	Age of debt by period	17,015,808.26
Minhe Hongsheng Ready-mixed Concrete Co., Ltd.	12,000,000.00	8.14	Accounts receivable and payable	5 years or more	12,000,000.00

Shenyang Longhui Materials and Trade Co., Ltd.	10,068,251.18	6.83	Other	5 years or more	10,068,251.18
Total	76,596,821.62	51.95	/	/	56,386,060.80

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	256,968,945.89	9,339,616.31	247,629,329.58	244,184,703.27	3,712,896.64	240,471,806.63
Work in progress	1,006,954,782.64	50,180,527.75	956,774,254.89	1,054,742,370.36	63,715,197.34	991,027,173.02
Finished goods in stock	221,482,556.00	21,706,517.14	199,776,038.86	237,198,342.03	23,091,252.40	214,107,089.63
Reusable materials						
Consumable biological assets						
Contract fulfilment costs						
Packaging materials and low-value consumables	882,160.85		882,160.85	9,968,577.79		9,968,577.79
Goods sent out for processing on consignment	263,395,238.05	453,623.14	262,941,614.91	109,731,274.74	126,889.89	109,604,384.85
Goods dispatched	7,003,624.89		7,003,624.89	13,045,558.26	71,933.85	12,973,624.41
Construction in progress (completed but not yet settled)	19,185.99		19,185.99	281,805.90		281,805.90
Total	1,756,706,494.31	81,680,284.34	1,675,026,209.97	1,669,152,632.35	90,718,170.12	1,578,434,462.23

(2).Provision for impairment of inventories and provision for impairment of contract fulfilment costs

☑Applicable ☐Not applicable

Unit：Yuan Currency: RMB

Item	Opening balance	Increase in the current period		Decrease in the current period		Closing balance
		Provision	Others	Reversal or transfer	Others	
Raw materials	3,712,896.64	8,118,719.02		2,491,999.35		9,339,616.31
Work in progress	63,715,197.34	8,080,587.97		21,615,257.56		50,180,527.75
Finished goods in stock	23,091,252.40	2,793,845.51		4,178,580.77		21,706,517.14
Reusable materials						
Consumable biological assets						
Costs incurred in fulfilling contracts						
Goods sent out for processing on consignment	126,889.89	453,623.14		126,889.89		453,623.14
Goods dispatched	71,933.85			71,933.85		
Total	90,718,170.12	19,446,775.64		28,484,661.42		81,680,284.34

Reasons for the reversal or write-off of the provision for impairment of inventories in this period

☐Applicable ☑Not applicable

Projects	Specific basis for determining net	Reasons for the reversal	Reasons for the reversal

	realisable value	of the provision for impairment of inventories	of the provision for impairment of inventories
Finished goods in stock	The net realisable value is determined as the estimated selling price of the inventory less estimated selling expenses and related taxes and duties		Sold during the period
Raw materials, self-manufactured semi-finished products and work in progress	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 and duties		Consumed or sold during the period

11.Assets held for sale

☐Applicable ☑Not applicable

12 . Current portion of non-current assets

☑Applicable ☐Not applicable

Unit：Yuan Currency: RMB

Item	Closing balance	Opening balance
Debt investments due within one year		
Other debt investments due within one year		
Other non-current financial assets due within one year	466,748,690.43	460,244,893.67
Total	466,748,690.43	460,244,893.67

13 . Other current assets

☑Applicable ☐Not applicable

Unit：Yuan Currency: RMB

Item	Closing balance	Opening balance
Contract acquisition cost		
Cost of returns receivable		

Compensatory assets		
Input tax credit to be offset	6,238,841.19	7,197,028.21
Advance income tax	12,117,700.36	19,747,075.16
Advance surtaxes		
Total	18,356,541.55	27,083,058.54

Other explanations:

14. Debt investment

☐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

Portfolio companies	Opening balance	Opening balance of provision for impairment	Changes for the current period								Closing balance	Closing balance of provision for impairment
			Additional investment	Investment reduction	Investment income or losses recognised under equity method	Adjustments of other comprehensive income	Other equity changes	Declared cash dividend or profit	Provision for impairment	Others		
I. Joint ventures												
II. Associated company												
Baofang Carbon Materials Technology Co., Ltd.	488,273,823.16				-25,161,560.66						463,112,262.50	
Jiujiang Bank Co., Ltd.	1,170,645,068.11	425,684,011.01			18,680,001.00						1,189,325,069.11	425,684,011.01
Jilin Chemical Fibre Co., Ltd.	341,632,617.64			73,118,232.20	757,507.52						269,271,892.96	

Tianjin Haihe Fangda Industrial Investment Fund Partnership (Limited Partnership)	36,802,140.44				9,467.26						36,811,607.70	
Nanchang Huxu Steel Industry Investment Partnership (Limited Partnership)	4,645,777,886.66				14,978,251.81						4,660,756,138.47	
Subtotal	6,683,131,536.01	425,684,011.01		73,118,232.20	9,263,666.93						6,619,276,970.74	425,684,011.01
Total	6,683,131,536.01	425,684,011.01		73,118,232.20	9,263,666.93						6,619,276,970.74	425,684,011.01

Note: During the current period, the subsidiary Shanghai Fangda Investment Management Co., Ltd. disposed of 31,294,083 shares it held in Jilin Chemical Fibre Co., Ltd. Following this disposal, the number of shares held by Shanghai Fangda Investment Management Co., Ltd. in Jilin Chemical Fibre Co., Ltd. decreased from 146,393,500 to 115,099,417, and its shareholding ratio fell from 5.95 per cent to 4.68 per cent.

18 . Other equity instruments investments

☐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	288,404,374.64	282,805,189.74
Of which: investments in equity instruments	288,404,374.64	282,805,189.74
Total	288,404,374.64	282,805,189.74

20 . Investment properties

Model of valuation of investment properties

☐Applicable ☑Not applicable

21.Fixed assets

Presentation of items

☑Applicable ☐Not applicable

Unit：Yuan Currency: RMB

Item	Closing balance	Opening balance
Fixed assets	3,251,068,530.66	2,903,025,235.84
Disposal of fixed assets		
Total	3,251,068,530.66	2,903,025,235.84

Fixed assets

(1).Details of fixed assets

☑Applicable ☐Not applicable

Unit：Yuan Currency: RMB

Item	Houses and buildings	Machinery and equipment	Vehicles	Flexible unit	Total
I. Net book value：					
1. Opening balance	2,203,731,139.81	3,251,767,233.69	769,381,329.54	57,766,300.76	6,282,646,003.80
2. Additions during the period	471,084,215.51	15,837,063.10	4,520,088.07	3,841,030.56	495,282,397.24

(1) Purchases	469,584,428.57	1,530,422.34	3,490,489.51	3,841,030.56	478,446,370.98	
(2) Transfers from construction in progress	1,499,786.94	14,306,640.76	1,029,598.56	-	16,836,026.26	
(3) Additions arising from business combinations						
(4) Other						
3. Decreases during the period	1,320,129.46	11,603,737.46	2,482,180.07	4,809,373.63	20,215,420.62	
(1) Disposal or scrapping	1,320,129.46	1,921,625.19	2,482,180.07	4,809,373.63	10,533,308.35	
(2) Transfer to construction in progress	-	9,682,112.27	-	-	9,682,112.27	
(3) Transfer out for renewal or refurbishment of fixed assets						
(4) Decrease due to changes in the scope of consolidation						
(5) Other						
II.Accumulated depreciation						2,673,495,225
1.Opening balance	754,869,736.02	1,789,441,438.98	423,959,308.10	47,529,578.93	3,015,800,062.03	

2.Additions during the period	32,976,868.67	81,890,915.88	26,036,674.15	2,115,092.46	143,019,551.16
(1) Accumulated depreciation	32,976,868.67	81,890,915.88	26,036,674.15	2,115,092.46	143,019,551.16
3.Disposals during the period	1,241,016.90	8,982,449.13	1,699,968.48	4,072,434.85	15,995,869.36
(1) Disposal or scrapping	1,241,016.90	1,825,543.93	1,699,968.48	4,072,434.85	8,838,964.16
(2) Transfer out for renewal or refurbishment of fixed assets	-	7,156,905.20	-	-	7,156,905.20
(1) (3) Decrease due to changes in the scope of consolidation					
4.Closing balance	786,605,587.79	1,862,349,905.73	448,296,013.77	45,572,236.54	3,142,823,743.83
III. Provision for impairment					
1. Opening balance	48,002,060.21	314,120,002.25	1,541,748.50	156,894.97	363,820,705.93
2. Additions during the period					
(1) Accruals					
3. Disposals during the period					
(1) Disposal or write-off					
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	1,838,887,577.86	1,079,530,651.35	321,581,475.27	11,068,826.18	3,251,068,530.66

the reporting period					
2.Book value at the beginning of the period	1,400,859,343.58	1,148,205,792.46	343,880,272.94	10,079,826.86	2,903,025,235.84

(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 buildings	10,018,755.25	5,695,360.53	1,239,854.83	3,083,539.89	
Specialised equipment	404,634,393.92	293,497,313.45	94,000,827.12	17,136,253.35	
General-purpose equipment	5,657,926.69	3,839,023.66	765,877.74	1,053,025.29	
Transport equipment	890,075.60	845,571.82	-	44,503.78	
Total	421,201,151.46	303,877,269.46	96,006,559.69	21,317,322.31	

Fixed assets leased out through operating leases

☐Applicable ☑Not applicable

(4).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 Materials Technology Co., Ltd.	73,487,876.69	Pre-conversion (from state-owned enterprise to Private firm) building, which has not been processed.
Fushun Fangda Advanced Materials Co., Ltd.	4,901,588.21	Not yet done.
Chengdu Fangda Carbon-Carbon Composite Materials	187,221,878.98	New plant, to be processed simutaneously when the other plants are completed.

Co., Ltd.		
Fushun Laihe Mining Co., Ltd.	1,455,106.18	Self-constructed, can't get a real estate license.
Hefei Carbon Co., Ltd.	71,927,920.95	No land title.
Meishan Fangda Rongguang Carbon Co., Ltd.	83,359,883.88	Temporarily unavailable due to municipal planning.
Fushun Carbon Co., Ltd.	791,753.46	Restructuring 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.
Fangda Xike Mo (Jiangsu) Needle Coke Technology Co., Ltd.	11,954,947.88	Not yet processed
Total	435,100,956.23	

(5) Impairment testing of fixed assets

☑Applicable ☐Not applicable

The recoverable amount is determined as the net amount of the fair value less costs to sell.

☑Applicable ☐Not applicable

Unit：Yuan Currency: RMB

Projects	Carrying amount	Recoverable amount	Impairment loss	Methods for determining fair value and disposal costs	Key parameters	Basis for determining key parameters
300,000-metric-tonne tar treatment project and 60,000-metric-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 the costs associated with the disposal of the asset	Key paAcquisition cost, percentage of newness, disposal costs	① Replacement cost of building and structure assets: The replacement cost of a building is calculated based on the construction and installation costs (excluding VAT), preliminary and other expenses (excluding VAT), and the cost of capital. 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, roofing, doors and windows, interior and exterior wall finishes, ceilings, plumbing and sanitary facilities, and electrical and lighting systems; this forms the basis for a comprehensive assessment of 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.
Total	3,081,002,299.97	2,717,181,594.04	363,820,705.93	/	/	/

22.Construction in progress

Presentation of items

☑Applicable ☐Not applicable

Unit：Yuan Currency: RMB

Item	Closing balance	Opening balance
Construction in progress	231,283,950.37	179,656,008.75
Engineering supplies	169,663.14	28,645.54
Total	231,453,613.51	179,684,654.29

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
30,000 metric tonnes per annum special graphite manufacturing and processing project	7,532,438.87		7,532,438.87	7,812,206.43		7,812,206.43
50,000 metric tonnes per annum ultra-high-power graphite electrode and special graphite project	466,611.19		466,611.19	710,927.99		710,927.99
3,100 metric tonnes carbon fibre project	218,957,399.33	102,548,807.33	116,408,592.00	218,957,399.33	102,548,807.33	116,408,592.00
New factory in Xiatang Town, Changfeng County	42,002,608.90		42,002,608.90	47,053,727.18		47,053,727.18
Comprehensive site refurbishment project	45,149,948.34		45,149,948.34			
Flue gas treatment project for the graphitisation plant (desulphurisation project for Workshop 3)	2,990,064.86		2,990,064.86			
New automated machining production line	8,089,419.69		8,089,419.69			
Other projects	8,644,266.52		8,644,266.52	7,670,555.15		7,670,555.15
Total	333,832,757.70	102,548,807.33	231,283,950.37	282,204,816.08	102,548,807.33	179,656,008.75

(2).Changes in significant construction in progress

☑Applicable ☐Not applicable

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
30,000 metric tonnes per annum special graphite manufacturing and processing project	2,101,911,700.00	7,812,206.43	2,344,899.21	2,624,666.77		7,532,438.87	47.43	54.00				Self-raised funds
50,000 metric tonnes per annum ultra-high-power graphite electrode and special graphite project	715,921,300.00	710,927.99	7,806,242.30	8,050,559.10		466,611.19	93.60	100.00				Self-raised funds

3,100 metric tonnes carbon fibre project	1,470,000,000.00	218,957,399.33				218,957,399.33	28.35	35.00	51,762,672.18			Loans and self-raised funds
New factory in Xiatang Town, Changfeng County	446,250,700.00	47,053,727.18	2,306,393.06	7,357,511.34		42,002,608.90	93.69	100.00				Self-raised funds
Comprehensive site refurbishment project	580,000,000.00	3,570,698.01	41,579,250.33			45,149,948.34	4.42	6.23				
Flue gas treatment project for the graphitisation plant (desulphurisation project for Workshop 3)	5,600,000.00	1,349,943.18	1,640,121.68			2,990,064.86	53.00	100.00				
New automated machining production line	36,011,450.00		8,089,419.69			8,089,419.69	17.97	14.00				
Total	5,355,695,150.00	279,454,902.12	63,766,326.27	18,032,737.21		325,188,491.18	/	/	51,762,672.18		/	/
30,000 metric tonnes per annum special graphite manufacturing and processing project	5,065,237,300.00	447,621,549.73	242,519,483.96	268,017,456.08	24,923,884.98	397,199,692.63	/	/	51,762,672.18		/	/

Unit：Yuan Currency: RMB

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

☑Applicable ☐Not applicable

Unit：Yuan Currency: RMB

Project	Book amount	Recoverable amount	Impairment loss	Methods for determining fair value and disposal costs	Key parameters	Basis for determining key parameters
3,100-metric-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 relating to the disposal of the asset	Reset full value, overall condition rating and market transaction discount rate	① The full replacement cost of machinery and equipment generally comprises the following: the purchase price of the equipment, transport and miscellaneous charges, foundation costs, installation and commissioning costs, upfront costs, other expenses and the cost of capital; ② Composite condition rating: Determined by combining the age-based method and the on-site inspection method; ③ Market transaction discount rate: Determined by surveying successful auction cases on online auction platforms; ④ Disposal costs: Including legal fees related to asset disposal, relevant taxes and duties, and direct costs incurred in bringing the asset to a saleable condition, etc.
Total	218,957,399.33	116,408,592.00	102,548,807.33	/	/	/

Construction Materials

☑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
Construction Materials	198,322.10	28,658.96	169,663.14	57,304.50	28,658.96	28,645.54
Total	198,322.10	28,658.96	169,663.14	57,304.50	28,658.96	28,645.54

23 . Productive biological assets

☐Applicable ☑Not applicable

24.Oil and gas assets

☐Applicable ☑Not applicable

25 . Right-of-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	815,919,693.12	404,927.45	116,433,093.74	12,523,132.00	2,704,400.00	78,973,821.58	1,026,959,067.89
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	815,919,693.12	404,927.45	116,433,093.74	12,523,132.00	2,704,400.00	78,973,821.58	1,026,959,067.89
II. Accumulated amortization							
1.Opening balance	220,506,512.08	404,927.45	116,433,093.74	12,523,132.00	633,968.00	78,973,821.58	429,475,454.85

2.Increase in the current period	8,519,653.54				26,544.00		8,546,197.54
(1) Accruals	8,519,653.54				26,544.00		8,546,197.54
3.Decrease in the current period							
(1) Disposal							
4.Closing balance	229,026,165.62	404,927.45	116,433,093.74	12,523,132.00	660,512.00	78,973,821.58	438,021,652.39
III.Provision for impairment							
1.Opening balance							
2.Increase in the current period							
(1)Accruals							
3.Decrease in the current period							
(1)Disposal							
4.Closing balance							
IV. Book value							
1.Book value at the end of the reporting period	586,893,527.50				2,043,888.00		588,937,415.50
2.Book value at the beginning of the reporting period	595,413,181.04				2,070,432.00		597,483,613.04

27 . Goodwill

(1).Net book value of goodwill

☑Applicable ☐Not applicable

Unit：Yuan Currency: RMB

Name of the Portfolio companies or item resulting in goodwill	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
		Arising from company merge	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

(2).Provision for impairment of goodwill

☑Applicable ☐Not applicable

Unit：Yuan Currency: RMB

Name of the Portfolio companies 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	94,999.16	1,111,500.00	95,125.02		1,111,374.14
Fittings and technical maintenance costs		6,103,708.59	1,514,023.99		4,589,684.60
Total	94,999.16	7,215,208.59	1,609,149.01		5,701,058.74

Other explanations:

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	271,889,747.63	46,743,526.94	299,255,378.26	54,069,788.96
Unrealised profits on internal transactions	369,773.07	55,465.96	369,773.07	55,465.96
Tax-deductible losses	121,156,145.03	22,136,099.67	121,156,145.03	22,136,099.67
Government grants	29,986,415.05	6,656,558.76	31,933,836.13	7,000,454.55
Accrued but unpaid	875,422.67	218,855.67	875,422.67	218,855.67

remuneration				
Total	424,277,503.45	75,810,507.00	453,590,555.16	83,480,664.81

(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
Goodwill arising from business combinations between entities not under common control	219,598,581.40	32,939,787.21	219,598,581.40	32,939,787.21
Changes in the fair value of other debt investments				
Changes in the fair value of other equity instrument investments				
Depreciation and amortisation of fixed assets and intangible assets	106,550,859.27	16,091,587.84	106,550,859.27	16,091,587.84
Financial instruments held for trading	113,646,457.81	17,054,254.43	90,189,871.34	13,535,766.46
Total	439,795,898.48	66,085,629.48	416,339,312.01	62,567,141.51

(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	961,679,440.72
Deductible losses	632,408,602.10	632,408,602.10
Total	1,594,088,042.82	1,594,088,042.82

(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

Unit：RMB Yuan

Year	Amount at the end of the reporting period	Amount at the beginning of the reporting period	Notes
2026	129,607,352.23	129,607,352.23	
2027	96,041,110.38	96,041,110.38	
2028	130,695,742.05	130,695,742.05	
2029	164,035,859.20	164,035,859.20	
2030	112,028,538.24	112,028,538.24	
Total	632,408,602.10	632,408,602.10	/

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
Contract acquisition costs						
Contract fulfilment costs						
Costs of returns receivable						
Contract assets						
Compensatory assets						
Prepayments for long-term assets and land transfer fees	577,500.00		577,500.00	11,553,437.56		11,553,437.56
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	799,612.99		799,612.99	796,017.27		796,017.27
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	65,277,012.41	22,636,001.99	42,641,010.42	76,249,354.25	22,636,001.99	53,613,352.26

31 .Assets with restricted ownership or use

☑Applicable ☐Not applicable

Unit：Yuan Currency: RMB

Project	End of the period				期初			
	Book Balance	Book Value	Type of	Status of	Book Balance	Book Value	Type of	Status of

			restriction	restriction			restriction	restriction
Cash and cash equivalents	90,068,931.05	90,068,931.05	其他		69,284,840.78	69,284,840.78	Other	
Notes receivable	13,392,849.64	13,392,849.64	质押		16,357,271.66	16,357,271.66	Pledged	
Total	103,461,780.69	103,461,780.69	/	/	85,642,112.44	85,642,112.44	/	/

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		
Guaranteed loans	10,000,000.00	
Unsecured loans	929,993,921.56	780,000,000.00
Accrued interest		517,549.99
Discounted bills not yet due	141,298,432.64	20,625,977.26
Total	1,081,292,354.20	801,143,527.25

33 . Financial liabilities held for trading

☐Applicable ☑Not applicable

34 . Derivative financial liabilities

☐Applicable ☑Not applicable

35 . Notes payable

(1).Notes payable

☐Applicable ☐Not applicable

Unit：Yuan Currency: RMB

Category	Closing balance	Opening balance
commercial acceptance bill		1,257,074.44
Bank acceptances bill	312,640,734.32	155,402,424.55
Domestic letter of credit	39,000,000.00	
Total	351,640,734.32	156,659,498.99

36 . Accounts payable

(1).Accounts payable

☑Applicable ☐Not applicable

Unit：Yuan Currency: RMB

Item	Closing balance	Opening balance
Up to 1 year (including 1 year)	322,949,104.37	313,924,445.45
More than 1 year	112,558,129.87	135,281,628.26
Total	435,507,234.24	449,206,073.71

(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	Construction of the project has not yet been completed;
Sakmi Machinery (Foshan Nanhai) Co., Ltd.	7,075,221.24	Construction of the project has not yet been completed;
Xingrun Construction Group Co., Ltd.	4,988,744.28	Settlement has not yet been finalised;
Hongyang Metallurgical and Chemical Engineering Technology Co., Ltd.	4,665,392.44	Settlement has not yet been finalised;
Fushun Fuxin Carbon Co., Ltd.	3,427,040.24	Payment conditions have not been met;
Pengzhou Caoba Coal Gangue Power Station	3,372,843.50	Arising prior to the restructuring;
Anhui Suofeng Power Engineering Co., Ltd.	3,240,000.00	Settlement has not yet been finalised;
Xuji Electric Co., Ltd.	3,210,000.00	Settlement has not yet been finalised
Ruhstrat GmbH	3,138,763.17	Construction of the project has not yet been completed;
EISENMANN Anlagenbau GmbH & Co. KG	2,234,416.99	Construction of the project has not yet been completed;
Chengdu Chujiang Coal Mine	2,030,183.14	Arisen prior to the restructuring;
Sichuan Dujiangyan Xima Carbon Co., Ltd.	1,894,758.00	The other party has not requested payment;
Beipiao City Bodi Machinery	1,888,717.93	The other party has not requested payment;

Manufacturing Co., Ltd.		
Gansu Province Seventh Construction Engineering Group Co., Ltd.	1,446,191.32	Arisen prior to the restructuring;
Hunan Shituo Technology Development Co., Ltd.	1,390,000.00	The other party has not requested payment;
Japan (SUMITOMO CORPORATION)	1,362,450.28	The other party has not requested payment;
Pizhou Zhongchuang Sewage Treatment Co., Ltd.	1,248,425.01	The other party has not requested payment;
Kexing Construction Engineering Group Co., Ltd.	1,158,982.45	Settlement has not yet been finalised
Total	55,961,800.09	/

Other explanations:

☐Applicable ☑Not applicable

37 . Receipts in advance

☐Applicable ☑Not applicable

38. Contract liabilities

(1) Contract liabilities

☑Applicable ☐Not applicable

Unit：Yuan Currency: RMB

Item	Closing balance	Initial balance
Advance payments	177,464,187.85	202,955,434.98
Total	177,464,187.85	202,955,434.98

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	27,725,458.75	330,680,615.07	333,370,562.28	25,035,511.54

II.Post-employment benefits–Defined deposit plan	16,267,458.22	41,077,755.33	40,203,895.02	17,141,318.53
III. Termination benefits	59,054.78			59,054.78
IV.Other benefits due within one year				-
Total	44,051,971.75	371,758,370.40	373,574,457.30	42,235,884.85

(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	22,312,380.46	259,504,003.81	264,222,290.36	17,594,093.91
II. Staff welfare		20,139,968.75	18,556,242.95	1,583,725.80
III.Social security contributions	623,286.42	24,081,260.95	23,579,149.84	1,125,397.53
Including: Medical insurance	623,019.91	21,299,526.45	20,829,651.75	1,092,894.61
Work injury insurance	266.51	2,697,479.36	2,665,242.95	32,502.92
Maternity insurance		84,255.14	84,255.14	-
IV. Housing funds	1,710,358.00	21,878,558.00	22,071,734.60	1,517,181.40
V.Labor union and employee education costs	3,079,433.87	5,076,823.56	4,941,144.53	3,215,112.90
VI. Short-term paid leave				
VII.Short-term profit-sharing plan				
Total	27,725,458.75	330,680,615.07	333,370,562.28	25,035,511.54

(3).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	13,797,711.10	39,499,703.45	38,666,878.36	14,630,536.19
2.Unemployment insurance	2,469,747.12	1,578,051.88	1,537,016.66	2,510,782.34
3. Enterprise annuity				

Total	16,267,458.22	41,077,755.33	40,203,895.02	17,141,318.53

Others:

☐Applicable ☑Not applicable

40 .Taxes payable

☑Applicable ☐Not applicable

Unit：Yuan Currency: RMB

Item	Closing balance	Opening balance
Value Added Tax	8,715,753.98	3,537,107.65
Corporation Tax	17,787,863.35	9,714,831.13
Income Tax	548,976.01	814,015.03
Urban Maintenance and Construction Tax	539,585.89	184,606.51
Asset Tax	3,466.80	50,016.73
Property Tax	1,542,834.83	1,056,967.78
Land Use Tax	1,075,917.22	1,070,594.97
Education Surcharge	282,725.89	139,305.87
Stamp Duty	703,185.24	666,492.90
Other Taxes and Charges	324,655.80	210,134.85
Total	31,524,965.01	17,444,073.42

Other explanations:

41. Other payables

Presentation of items

☑Applicable ☐Not applicable

Unit：Yuan Currency: RMB

Item	Closing balance	Opening balance
Interest payable		
Dividends payable	9,958,836.44	9,958,836.44
Other payables	180,430,496.97	372,435,350.11
Total	190,389,333.41	382,394,186.55

Interest payable

☑Applicable ☐Not applicable

Unit：Yuan Currency: RMB

Item	Closing balance	Opening balance
Dividends on ordinary shares	9,958,836.44	9,958,836.44
Total	9,958,836.44	9,958,836.44

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	1,695,737.53	2,625,395.79
Receivables and payables	62,071,438.54	263,350,908.15
Security deposits	60,773,190.46	45,014,980.65
Other payments	55,890,130.44	61,444,065.52
Total	180,430,496.97	372,435,350.11

(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 Works	8,991,588.29	Arising prior to the restructuring
China Academy of Mechanical Engineering Group Haixi (Fujian) Branch Co., Ltd.	3,392,000.00	Not yet due for settlement
Zhengzhou Jing Tian Environmental Protection Equipment Co., Ltd.	2,623,000.00	Not yet due for settlement
Bank of Communications Wanghua Branch	2,000,000.00	Arising prior to the restructuring
Xingrun Construction Group Co., Ltd.	1,903,000.00	Not yet due for settlement
Gansu Energy Investment Hongyuan Power Co., Ltd.	1,500,000.00	Not yet due for settlement
Lanzhou Haiyang Chuangye Industry and Trade Co., Ltd.	1,254,685.94	Not yet due for settlement
Wuhu Ande Zhilian Technology Co., Ltd.	1,200,000.00	Not yet due for settlement
Jiahui Express (Shanghai) Co., Ltd.	1,000,000.00	Not yet due for settlement
Total	23,864,274.23	/

Other explanations:

☐Applicable ☑Not applicable

42 . Liabilities classified as 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 loans due within one year	404,700,000.00	5,621,691.11
Bonds payable due within one year		
Long-term payables due within one year		
Lease liabilities due within one year		
Total	404,700,000.00	5,621,691.11

44 . Other current liabilities

Other current liabilities

☑Applicable ☐Not applicable

Unit：Yuan Currency: RMB

Item	Closing balance	Opening balance
Short-term bonds payable		
Returns payable		509,683.22
Sales tax pending transfer	28,459,794.64	28,946,254.81
Receivables financing non-derecognized	171,893,708.64	155,636,018.49
Overhaul costs	9,046,269.75	
Total	209,399,773.03	185,091,956.52

45 . Long-term borrowings

(1). Categories of long-term borrowings

☑Applicable ☐Not applicable

Unit：Yuan Currency: RMB

Item	Closing balance	Opening balance
Loans secured by pledge		
Loans secured by mortgage		
Guaranteed loans	399,700,000.00	399,800,000.00
Unsecured loans	227,500,000.00	230,000,000.00
Accrued interest not yet due		421,691.11
Sub-total	627,200,000.00	630,221,691.11
Less: Long-term loans due within one year	404,700,000.00	5,621,691.11

Total	222,500,000.00	624,600,000.00

46. Bonds payable

☐Applicable ☑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 . Provisions

☐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 subsidies	244,233,395.37	0.00	12,586,425.38	231,646,969.99	Formation of Appropriations
Government subsidies(Profit relevant)	924,080.00	98,825.59	560,865.61	462,039.98	Formation of Appropriations
Total	245,157,475.37	98,825.59	13,147,290.99	232,109,009.97	/

52 . Other non-current liabilities

☑Applicable ☐Not applicable

Unit：Yuan Currency: RMB

Item	Closing balance	Opening balance
Contract Liabilities		
Relocation compensation	73,590,247.79	65,688,505.31
Total	73,590,247.79	65,688,505.31

53 . Paid-in capital

☑Applicable ☐Not applicable

Unit：Yuan Currency: RMB

	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

54 . Other equity instruments

☐Applicable ☑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)	2,244,748,257.05	44,568,976.36	319,076,378.45	1,970,240,854.96
Other capital reserves	25,490,747.74		8,373,103.27	17,117,644.47
Total	2,270,239,004.79	44,568,976.36	327,449,481.72	1,987,358,499.43

56 . Treasury shares

☐Applicable ☑Not applicable

57 . Other comprehensive income

☐Applicable ☐Not applicable

Unit：Yuan Currency: RMB

Item	Opening balance	Amount incurred in the current period						Closing balance
		Amount incurred before income tax in the current period	Less: Amount included in other comprehensive income in the prior periods that is transferred to profit or loss for the current period	Less: Amount included in other comprehensive income in the prior periods that is transferred to retained earnings for the current period	Less: Income tax expenses	Attributable to the Company after tax	Attributable to minority interests after tax	
I.Other comprehensive income that cannot be reclassified to profit or loss								
Including: Remeasurement of changes in defined benefit plan								
Other comprehensive income that cannot be transferred to profit or loss under equity method								
Changes in fair value of investments in other equity instruments								

Changes in fair value of the Company's own credit risk								
II. Other comprehensive income to be reclassified to profit or loss	44,982,265.06	-1,216.06						44,981,049.00
Including: Other comprehensive income that may be transferred to profit or loss under equity method	45,018,155.61							45,018,155.61
Changes in fair value of other debt investments								
Amount of financial assets reclassified to other comprehensive income								
Provision for credit impairment of other debt investments								
Effective portion of gains or losses on cash flow hedging								
Translation differences of financial statements denominated in foreign currencies	-35,890.55	-1,216.06				-1,216.06		-37,106.61
Total other comprehensive income	44,982,265.06	-1,216.06				-1,216.06		44,981,049.00

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
Workplace Safety Fees	6,305,190.32	4,842,448.59	7,851,644.87	3,295,994.04
Environmental Remediation and Restoration Fund	9,553,392.36			9,553,392.36
Total	15,858,582.68	4,842,448.59	7,851,644.87	12,849,386.40

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	1,444,762,859.21			1,444,762,859.21
Discretionary surplus reserve				
Reserve fund				
Enterprise development fund				
Others				
合计 Total	1,444,762,859.21			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	9,917,353,960.89	9,912,400,555.82

Adjustment: Total retained earnings at the beginning of the reporting period (increase “+”, decrease “-”)		
After adjustment: retained earnings at the beginning of the reporting period	9,917,353,960.89	9,912,400,555.82
Add: Net profit attributable to owners of the Company for the current period	170,944,628.83	93,042,230.07
Less: Transfer to statutory surplus reserve		12,556,866.94
Transfer to discretionary surplus reserve		
Transfer to general risk reserve		
Declaration of dividends on ordinary shares	27,939,325.71	75,531,958.06
Conversion of ordinary shares' dividends into share capital		
Total	10,060,359,264.01	9,917,353,960.89

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
Main operating activities	1,887,985,393.56	1,691,377,043.60	1,577,841,947.94	1,446,601,471.73
Others	82,561,423.43	40,527,533.94	112,459,916.59	55,469,747.80
Total	1,970,546,816.99	1,731,904,577.54	1,690,301,864.53	1,502,071,219.53

(2) Breakdown of operating revenue and cost of sales

☐Applicable ☑Not applicable

Item	Amount incurred in the current period		Amount incurred in the prior period	
	Revenue	Cost	Revenue	Cost
By industry type				

Carbon products for steel production	1,661,784,616.21	1,538,174,769.04	1,393,463,686.07	1,310,379,074.93
New materials for non-steel applications	214,348,682.54	150,563,301.86	181,173,586.60	133,471,118.78
Other	11,852,094.81	2,638,972.70	3,204,675.27	2,751,278.02
Total	1,887,985,393.56	1,691,377,043.60	1,577,841,947.94	1,446,601,471.73
By product type				
Carbon products for steel production	1,661,784,616.21	1,538,174,769.04	1,393,463,686.07	1,310,379,074.93
New materials for non-steel applications	214,348,682.54	150,563,301.86	181,173,586.60	133,471,118.78
Other	11,852,094.81	2,638,972.70	3,204,675.27	2,751,278.02
Total	1,887,985,393.56	1,691,377,043.60	1,577,841,947.94	1,446,601,471.73
By region				
Domestic	1,511,529,052.43	1,360,909,540.04	1,152,927,061.61	1,087,967,476.07
Overseas	376,456,341.13	330,467,503.56	424,914,886.33	358,633,995.66
Total	1,887,985,393.56	1,691,377,043.60	1,577,841,947.94	1,446,601,471.73

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	3,146,494.26	2,952,071.88
Education Surcharge	1,519,837.91	1,447,955.34
Resource Tax	44,204.00	377,143.08
Property Tax	9,392,829.08	7,092,893.46

Land Use Tax	9,087,277.37	8,967,906.57
Vehicle and Vessel Use Tax	29,267.52	43,236.72
Stamp Duty	1,523,559.91	1,968,418.17
Environmental Protection Tax	403,197.15	382,351.28
Other	824,057.81	789,357.86
Total	25,970,725.01	24,021,334.36

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	19,736,869.56	16,463,421.22
Entertainment expenses	5,752,766.40	5,975,038.60
Sales and service fees	11,206,785.31	10,134,812.19
Business development and tendering expenses	315,721.87	258,551.89
Travel expenses	2,806,720.41	2,348,310.82
Office expenses	508,787.49	327,670.04
Loading and unloading charges	453,065.30	
Advertising and exhibition expenses	433,746.76	326,960.28
Depreciation and amortisation expenses	69,011.12	90,553.84
Commissions	2,337,310.31	2,873,881.24
Other	2,387,972.39	2,174,220.35
Total	46,008,756.92	40,973,420.47

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	101,151,794.87	95,872,155.85
Depreciation and amortisation expenses	39,718,600.37	31,287,270.57
Repair costs	3,854,910.31	5,358,504.90
Losses due to work stoppages	8,566,549.27	10,050,977.44

Work safety expenses	3,335,835.49	2,159,698.21
Utility charges (energy)	2,426,690.79	1,846,287.99
Service charges	4,341,161.97	4,025,258.40
Business entertainment expenses	1,573,534.92	2,055,078.53
Travel expenses	1,609,798.78	1,126,205.74
Office expenses	1,174,108.31	1,839,476.67
Consumption of materials	993,811.27	895,580.74
Insurance premiums	915,112.28	779,679.90
Lease payments	592,605.15	1,403,528.70
Transport costs	708,731.30	735,851.94
Contract labour costs	807,120.59	694,241.55
Waste disposal charges	179,558.26	481,431.35
Other	4,676,531.38	9,360,302.91
Total	176,626,455.31	169,971,531.39

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	30,295,842.42	21,808,841.63
Commissioned external research and development costs	247,353.47	
Material cost	2,884,516.73	6,060,174.46
Depreciation and amortization	2,720,460.25	3,298,725.18
Other expenses	2,134,805.56	913,464.74
Total	38,282,978.43	32,081,206.01

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	16,319,141.03	12,586,141.18
Less: Interest income	52,943,708.22	58,287,919.67

Gain or loss on Currency Exchange	3,538,312.44	-471,834.57
Commission fee	474,107.06	344,161.04
Unrecognized financing costs		604,012.37
Others	-32,612,147.69	-45,225,439.65
Total	16,319,141.03	12,586,141.18

67 . Other income

☑Applicable ☐Not applicable

Item	Amount incurred in the current period	Amount incurred in the prior period
Science and technology funding for the 3,100-metric-tonne carbon fibre production project	3,171,741.84	3,171,741.84
Government subsidy for the site levelling works of Phase I of the factory premises	1,700,628.72	1,700,628.72
East-West Effluent Outlet Project	1,388.88	1,388.88
Reward for 'Advanced Collective in Environmental Protection' and 'Safety Standardisation Construction' from the Ganmei Industrial Park Management Committee		50,000.00
High-Temperature Gas-Cooled Reactor Project	291,402.72	291,402.72
Tax refund for comprehensive resource utilisation (collected and refunded immediately) from the Honggu District Tax Bureau	166,721.43	309,995.97
Amortisation of fiscal support funds for the 30,000-metric-tonne project	819,600.00	819,600.00
Amortisation of provincial special funds for the development of strategic emerging industries	746,500.00	746,500.00
Amortisation of fiscal support funds for the 50,000-metric-tonne project	3,499,999.98	3,499,999.99
Natural Gas Boiler Project	111,111.12	111,111.12
Land use right compensation payments	31,092.12	31,092.12
Tax incentives for demobilised military personnel	18,000.00	14,050.00
Tax reductions and exemptions	123,017.31	334,252.36
Employment stabilisation subsidies	161,825.51	1,012,519.06

New Electrode Connector Line Project	175,000.02	175,000.02
Amortisation of Central Special Funds for Strategic Emerging Industries	2,500,000.00	2,500,000.00
Gains from debt restructuring	891,133.00	2,744,937.18
Refund of personal income tax handling fees	63,729.89	153,348.87
Receipt of policy incentive funds for enterprise technological transformation subsidies for 2024, disbursed by the Luyang District Bureau of Industry and Information Technology, Hefei City	510,700.00	
Receipt of the 2024 Central Government Special Funds for SME Development (New Round of Specialised, Refined, Unique and Innovative Enterprises) from the Longquanyi District Bureau of Economy and Information Technology		2,850,000.00
Production Incentive Grant from the Municipal Bureau of Economy and Information Technology for the successful conclusion of the 14th Five-Year Plan and a strong start to the 15th Five-Year Plan	100,000.00	
Provincial fiscal subsidy for listing on the 'New Third Board'		500,000.00
Grant from the Chengdu Municipal Bureau of Economy and Information Technology for the 2023 market application of the first batch of new materials		3,000,000.00
2026 Municipal Special Fund for the Development of Advanced Manufacturing	30,000.00	
Research on the preparation of high-performance sodium-ion battery hard carbon anode materials based on walnut shells	263,650.00	75,766.75
2024 First Batch of Incentive Payments for Advanced Manufacturing Enterprises Meeting Scale and Statistical Inclusion Criteria		100,000.00
Receipt of '14th Five-Year Plan' fiscal support funds disbursed by the Lujiazui Administration Bureau of the (Shanghai) Pilot Free Trade Zone Management Committee	100,000.00	2,000,000.00

Additional deduction of input VAT for advanced manufacturing	2,962,337.09	4,002,425.55
Other	197,820.80	68,000.00
Total	18,637,400.43	30,263,761.15

Unit：Yuan Currency: RMB

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	9,263,666.93	28,224,449.92
Gains arising from the disposal of long-term equity investments	84,892,054.87	59,589,798.06
Investment gains on trading financial assets during the holding period	1,610,191.05	4,105,426.04
Dividend income received from other equity instrument 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 the disposal of financial assets held for trading	36,302,183.18	-59,382,029.56
Investment gains on the disposal of other equity instrument investments		
Investment gains on the disposal of debt investments		
Investment gains on the disposal of other debt investments		
Gains on debt restructuring	-1,136,453.32	-791,807.24

Investment gains from holding other non-current assets	13,268,888.88	1,940,212.82
Other		-5,757.10
Total	144,200,531.59	33,680,292.94

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	32,671,911.57	24,990,854.70
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	24,205,786.50	-1,027,192.46
Total	56,877,698.07	23,963,662.24

71 . Credit impairment losses

☐Applicable ☐Not applicable

Unit：Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the prior period
Bad debt losses on notes receivable	-1,141,275.68	-300,039.57

Bad debt losses on accounts receivable	-1,984,744.85	-120,027.52
Bad debt losses on other receivables	40,964,423.97	-49,349.22
Impairment losses on debt investments		
Impairment loss on other debt investments		
Bad debt losses on long-term receivables		
Impairment losses on contract assets		
Total	37,838,403.44	-469,416.31

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. Bad debt provision		
II. Loss on impairment of inventories and impairment loss on contract fulfillment costs	-16,322,640.12	-2,316,416.90
III. Impairment losses on long-term equity investments		
IV. Impairment losses on investment real estate		
V. Impairment losses on fixed assets		
VI.Impairment losses on construction materials		
VII. Impairment losses on construction-in-progress		
VIII. Impairment losses on productive biological assets		

IX. Impairment losses on oil and gas assets		
X. Impairment losses on intangible assets		
XI. Impairment loss on goodwill		
XII. Others		
Total	-16,322,640.12	-2,316,416.90

73 . Gains from disposal of assets

☑Applicable ☐Not applicable

Unit：Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the prior period
Gains on disposal of Other non-current assets	2,821,812.15	560,628.46
Total	2,821,812.15	560,628.46

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	477,034.36	7,601.98	477,034.36
Of which: Gains on disposal of	477,034.36	7,601.98	477,034.36

fixed assets			
Gains on disposal of intangible assets			
Gains on debt restructuring			
Gains on exchange of non-monetary assets			
Donations received			
Government grants	98,825.59	78,967.32	98,825.59
Gains from fines and confiscations	2,210,334.02	1,256,552.36	2,210,334.02
Other	870,697.94	6,211,322.30	870,697.94
Total	3,656,891.91	7,554,443.96	3,656,891.91

75 . Non-operating expenses

☑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 for the current period
Total losses on disposal of non-current assets	928,921.80	4,298,654.86	928,921.80
Of which: Losses on disposal of fixed assets	928,921.80	4,298,654.86	928,921.80
Losses on disposal of intangible assets			
Fines and late payment penalties	1,204,537.66		1,204,537.66
Losses on debt restructuring			

Losses on exchange of non-monetary assets			
Donations to external parties			
Other	256,556.40	365,233.69	256,556.40
Total	2,390,015.86	4,663,888.55	2,390,015.86

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	56,029,627.06	11,438,243.63
Deferred tax expenses	8,079,498.95	2,893,812.43
Total	64,109,126.01	14,332,056.06

(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	229,685,553.08
Income tax expenses calculated at statutory/applicable tax rate	34,452,832.96
Effect of different tax rates applicable to subsidiaries	12,070,733.43
Effect of adjustment to income tax of prior periods	35,789,959.42
Effect of non-taxable income	-1,465,300.79

Effect of non-deductible costs, expenses and losses	158,040.82
Effect of using deductible losses for which deferred tax assets were previously not recognised	15,578,511.08
Effect of deductible temporary differences or deductible losses unrecognized in the current period	-32,475,650.91
Income tax expenses	64,109,126.01

77 . Other comprehensive income

☐Applicable ☐Not applicable

See Appendices for details

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	417,103,381.22	114,678,157.92
Government subvention received	1,396,626.83	10,752,157.52
Interest income received	52,943,708.22	58,163,645.70
Income received from fines and settlements, etc.	2,210,334.02	1,256,552.36
Total	473,654,050.29	184,850,513.50

(2).Cash paid 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
Cash paid for administrative expenses and research and development expenses	18,710,940.38	26,385,639.14
Cash paid for selling expenses	33,846,148.43	34,807,075.87
Commissions and similar payments made	474,107.06	344,161.04
Payments for trade receivables and payables, petty cash and security deposits	391,940,141.73	98,605,769.27
Total	444,971,337.60	160,142,645.32

(6).Cash payments relating to other financing activities

☑Applicable ☐Not applicable

Unit：Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the prior period
Sale of treasury shares	276,058,350.78	1,109,027.50
Total	276,058,350.78	1,109,027.50

Explanation of other cash received in relation to financing activities:

The Company convened the 13th extraordinary meeting of the 9th Board of Directors on 6 November 2025 and the 24th extraordinary meeting of the 9th Board of Directors on 3 June 2026, at which the ‘Proposal on the Plan for the Repurchase and Sale of Shares via Centralised Auction’ was considered and approved. During the reporting period, the Company’s dedicated share repurchase securities account sold a cumulative total of 56,612,900 repurchased shares, representing 1.41 per cent of the Company’s total issued share capital.

Changes in liabilities arising from financing activities

☑Applicable ☐Not applicable

Unit：Yuan Currency: RMB

Project	Opening balance	Increase		Decrease		Closing balance
		Changes in cash	Changes in non-cash	Changes in cash	Changes in non-cash	
Short-term borrowings	801,143,527.25					
Dividends payable	9,958,836.44					
Long-term borrowings	624,600,000.00					
Non-current liabilities due within one year	5,621,691.11					
Total	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
I. Reconciliation of net profit to cash flow from operating activities:	165,576,427.07	41,588,435.97
Net profit	-16,322,640.12	-2,316,416.90
Plus: Provision for impairment losses of assets	-37,838,403.44	-469,416.31
Depreciation of fixed assets, depletion of oil and gas assets, depreciation of productive biological assets	143,019,551.16	143,089,440.23
Amortization of right-of-use assets		0.00

Amortization of intangible assets	8,546,197.54	6,297,513.16
Amortization of long-term prepaid expenses	1,609,149.01	1,417,594.38
Losses on disposal of fixed assets, intangible assets and other long-term assets (gains are indicated by "－")	2,821,812.15	560,628.46
Losses on retirement of fixed assets (gains are indicated by "－")		
Losses on changes in fair values (gains are indicated by "－")	-56,877,698.07	-23,963,662.24
Financial expenses (income is indicated by "－")	16,319,141.03	12,586,141.18
Losses arising from investments (gains are indicated by "－")	-144,200,531.59	-33,680,292.94
Decrease in deferred tax assets (increase is indicated by "－")	7,670,157.81	-344,139.62
Increase in deferred tax liabilities (decrease is indicated by "－")	3,518,487.97	6,008,379.88
Decrease in inventories (increase is indicated by "－")	-96,591,747.74	-14,170,408.94
Decrease in receivables from operating activities (increase is indicated by "－")	-177,501,892.91	-184,210,181.46
Increase in payable from operating activities (decrease is indicated by "－")	209,295,156.63	-243,152,726.12
Others		
Net cash flow from operating activities	29,043,166.50	-290,759,111.27
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	4,991,576,243.76	5,064,766,990.37
Less: Opening balance of cash	5,479,168,509.08	5,394,411,958.13

Plus: Closing balance of cash equivalents		
Less: Opening balance of cash equivalents		
Net increase in cash and cash equivalents	-487,592,265.32	-329,644,967.76

(2).Net cash paid to acquire subsidiaries in the current period

☑Applicable ☐Not applicable

Unit：Yuan Currency: RMB

	Amount
Cash or cash equivalents paid during the current period in respect of business combinations occurring during the current period	319,187,000.00
Less: Cash and cash equivalents held by the subsidiary at the acquisition date	1,012.50
Plus: Cash or cash equivalents paid during the current period in respect of business combinations occurring in prior periods	
Net cash paid to acquire the subsidiary	319,185,987.50

(3).Net cash received for disposal of subsidiaries in the current period

☐Applicable ☑Not applicable

(4).Composition of cash and cash equivalents

☑Applicable ☐Not applicable

Unit：Yuan Currency: RMB

Items	Closing balance	Opening balance
I. Cash	4,991,576,243.76	5,479,168,509.08
Of which: Cash on hand	56,413.37	63,143.95
Bank deposits available for immediate payment	4,991,519,830.39	5,418,448,643.62
Other monetary funds available for immediate payment		60,656,721.51
Balances with the central bank available for payment		
Balances with other banks		
Loans to other banks		
II. Cash equivalents		
Of which: Bond investments maturing within three months		
III. Closing balance of cash and cash equivalents	4,991,576,243.76	5,479,168,509.08
Of which: Restricted cash and cash equivalents held by the parent company or subsidiaries within the group		

(6) Monetary funds other than cash and cash equivalents

☐Applicable ☑Not applicable

Unit：Yuan Currency: RMB

Item	Closing balance	Opening balance	理由
Bill deposit	64,707,204.01	37,884,667.90	Restricted use
Accrued interest		37,593,658.33	Not available for immediate withdrawal

Letter of credit deposit	51,696,953.75	7,700,000.00	Restricted use
Funds frozen in connection with legal proceedings	25,231,323.55	23,570,065.55	Restricted use
Other	66,465,715.69	130,107.33	Restricted use
Total	208,101,197.00	106,878,499.11	/

80 . Notes to items in the statement of changes in owners' equity

Specify the name of the "Other" item and the amount of the adjustment to the closing balance of the previous year:

☐Applicable ☑Not applicable

81 . Foreign currency monetary items

(1).Foreign currency monetary items

☑Applicable ☐Not applicable

Unit：Yuan Currency: RMB

Item	Closing balances of foreign currencies	Exchange rates for translation	Closing balance of RMB
Cash and Cash equivalents			45,881,490.27
Including: USD	3,224,498.04	6.8109	21,961,733.70
EUR	3,079,329.01	7.7671	23,917,456.35
South Korean won	522,425.00	0.0044	2,300.22
Japanese yen		0.0420	-

Accounts receivable			97,007,308.52
Including: USD	13,901,280.64	6.8109	94,680,232.31
EUR	299,606.83	7.7671	2,327,076.21
Accounts Receivable			12,791,453.38
Including: EUR	1,646,876.36	7.7671	12,791,453.38
Other payable			628,684.89
Including: USD	92,305.70	6.8109	628,684.89

82 . Leases

☐Applicable ☑Not applicable

83 . Government subsidies

☐Applicable ☑Not applicable

84 . Others

☐Applicable ☑Not applicable

VIII. R&D expenditures

☑Applicable ☐Not applicable

Unit：Yuan Currency: RMB

Item	Transactions for the current period	Transactions for the previous period
Employee remuneration	30,295,842.42	21,808,841.63
External research and development costs	247,353.47	
Cost of materials	2,884,516.73	6,060,174.46

Depreciation and amortisation	2,720,460.25	3,298,725.18
Other expenses	2,134,805.56	913,464.74
Total	38,282,978.43	32,081,206.01
Of which: R&D expenditure expensed	38,282,978.43	32,081,206.01
R&D expenditure capitalised		

IX.Changes of the scope of consolidation

1. Company merger of which companies are not controlled by same entity

☐Applicable ☑Not applicable

2. Company merger of which companies are controlled by same entity

☑Applicable ☐Not applicable

Unit：Yuan Currency: RMB

Name of the acquired entity	Percentage of equity interest acquired in a business combination	Basis for the classification of a business combination as one under common control	Merger Date	Basis for determining the date of consolidation	Revenue of the acquiree from the beginning of the current period to the date of consolidation	Net profit of the acquiree from the beginning of the current period to the date of consolidation	Revenue of the acquiree for the comparative period	Net profit of the acquiree for the comparative period
Tianjin Tongda	100%	Acquisitions under common	2026.2.12	The date on which the consolidating party	1,781,065.81	110,452.68	0	0

Huanyu Logistics Co., Ltd.		control		obtained full control; the date on which the commercial registration changes were completed				

Further details:

On 9 February 2026, the Company convened the 19th extraordinary meeting of the 9th Board of Directors. The meeting considered and approved the 'Proposal on the Acquisition of Equity Interests and Related-Party Transactions', agreeing that the Company should use its own funds to acquire 100 per cent of the equity interests 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 319,187,000 yuan. In March 2026, the Company completed the relevant commercial registration procedures for this equity transaction and paid the full purchase price for 100 per cent of the equity in Tongda Huanyu in accordance with the terms of the 'Equity Transfer Agreement concerning Tianjin Tongda Huanyu Logistics Co., Ltd.'.

(2)Merger cost

☑Applicable ☐Not applicable

Unit：Yuan Currency: RMB

Combination costs	Tianjin Tongda Huanyu Logistics Co., Ltd.
--Cash	319,187,000.00
--Carrying amount of non-cash assets	
--Carrying amount of debt issued or assumed	
--Nominal value of equity securities issued	

--Contingent consideration	

(2) The book amounts of the assets and liabilities of the acquiree as at the date of the merger

☑Applicable ☐Not applicable

Unit：Yuan Currency: RMB

	天津通达环宇物流有限公司	
	Merger date	**Value as at end of previous period**
Assets:		
Cash and cash equivalents	1,012.50	453.46
Receivables	49,563.69	124,651,984.93
Stock	101,382.79	101,382.79
Fixed assets	185,623,099.74	185,843,641.80
Intangible assets	193,761,634.89	194,511,196.35
Liabilities:		
Loans		
Payables	77,122,246.26	203,711,016.95
Equity		
Less: Minority interests		
Net assets acquired	302,324,043.47	302,213,590.79

3. Reverse acquisition

☐Applicable ☑Not applicable

4. Disposal of subsidiaries

Whether there is the situation that loss of control is from a single disposal of subsidiaries

☐Applicable ☑Not applicable

Other explanations:

☐Applicable ☑Not applicable

5. Changes in consolidation scope due to other reasons

Explain the changes in the consolidation scope caused by other reasons (such as the establishment of new subsidiaries, liquidation of subsidiaries, etc.) and relevant situations:

☐Applicable ☑Not applicable

6. Others

☐Applicable ☑Not applicable

X. Equity in other entities

1. Equity in subsidiaries

(1). Composition of the Group

☑Applicable ☐Not applicable

Subsidiary	Main place of	Place of	Business nature	Shareholding percentage	Acquisition method

	business	registration		(%)		
				Directly	Indirectly	
Fushun Fangda Advanced Materials Co., Ltd.	Liaoning Fushun	Liaoning Fushun	Manufacturing companies	60.00		Newly established
Shanghai Fangda Investment Management Co., Ltd.	Shanghai	Shanghai	Investment companies	100.00		Newly established
Fushun Laihe Mining Co., Ltd.	Liaoning Fushun	Liaoning Fushun	Manufacturing companies	97.99		Consolidation under common control
Chengdu Fangda Carbon-Carbon Composite Materials Co., Ltd.	Sichuan Chengdu	Sichuan Chengdu	Manufacturing companies	89.20		Consolidation under common control
Fushun Fangtai Precision Carbon Materials Co., Ltd.	Liaoning Fushun	Liaoning Fushun	Manufacturing companies	99.99		Consolidation under common control
Fushun Carbon Co., Ltd.	Liaoning Fushun	Liaoning Fushun	Manufacturing companies	65.54		Consolidation not under common control
Hefei Carbon Co., Ltd.	Anhui Hefei	Anhui Hefei	Manufacturing companies	99.99		Consolidation not under common control
Chengdu Rongguang Carbon Co., Ltd.	Sichuan Chengdu	Sichuan Chengdu	Manufacturing companies	60.00		Consolidation not under common control
Chengdu Fangda Carbon Research Institute Co., Ltd.	Sichuan Chengdu	Sichuan Chengdu	Scientific research	99.99		Newly established
Gansu Guodian Shengdong Construction	Gansu Province	Gansu Province	Construction	76.92		Newly established

Poverty Alleviation and Development Co., Ltd.	Linxia County	Linxia County				
Gansu Benju Handicraft Development Co., Ltd.	Gansu Province Linxia County	Gansu Province Linxia County	Manufacturing companies	85.71		Newly established
Dongxiang Autonomous County Fangda Tengda Garments Co., Ltd.	Gansu Province Linxia County	Gansu Province Linxia County	Manufacturing companies	54.12		Newly established
Fangda Xike Mo (Jiangsu) Needle Coke Technology Co., Ltd.	Jiangsu Xuzhou	Jiangsu Xuzhou	Manufacturing companies	65.00		Consolidation not under common control
Fangda (South Korea) International Trading Co., Ltd.	South Korea	South Korea	Trading companies	100.00		Newly established
Fangda Carbon and Industrial Products Trading Co., Ltd.	Russia	Russia	Trading companies	100.00		Newly established
Tianjin Tongda Huanyu Logistics Co., Ltd.	Turkey	Turkey	Warehousing and logistics	100.00		Consolidation under common control

Other notes:

1. The shareholding percentage represents the proportion of paid-up capital.

2. The Company has subscribed for a 40 per cent equity interest in Gansu Guodian Shengdong Construction Poverty Alleviation and Development Co., Ltd.; however, as the Company is able to determine its production and operations, returns, fundraising, investments and asset disposal, the Company has included it within the scope of its 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	Divi distr sharehold
Fushun Fangda High-tech and New Material Co.,Ltd.	40.00	1,248,806.41	
Fushun Laihe mining Co.,Ltd	2.01	-166,492.88	
Fushun Carbon Co.,Ltd.	34.46	-5,672,696.89	
Chengdu Rongguang Carbon Co., Ltd.	40.00	2,225,219.09	
Fangda Xike Mo (Jiangsu) Needle Coke Technology Co., Ltd.	35.00	-4,289,738.23	

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

☑Applicable ☐Not applicable

Unit：Yuan Currency: RMB

Subsidiary	Closing balance							
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Current assets	Non-curr nt assets
Fushun Fangda High-tech and New Material Co.,Ltd.	176,115,371.12	42,530,000.48	218,645,371.60	63,749,013.58	272,397.38	64,021,410.96	173,091,069.85	44,300,86 9.95
Fushun Laihe mining Co.,Ltd	843,254,605.57	116,205,885.22	959,460,490.79	16,503,525.13	-	16,503,525.13	854,352,402.41	112,022,3 59.83
Fushun Carbon Co.,Ltd.	1,059,648,295.13	59,524,883.22	1,119,173,178.35	116,961,794.26	18,214.39	116,980,008.65	1,090,731,097.73	40,289,72 4.52
Chengdu Rongguang Carbon Co., Ltd.	869,445,513.27	619,097,754.28	1,488,543,267.55	153,905,758.87	44,391,642.51	198,297,401.38	811,169,570.30	629,860,4 90.99
Fangda Xike Mo (Jiangsu) Needle Coke Technology Co., Ltd.	164,002,267.18	153,812,919.32	317,815,186.50	29,081,058.44		29,081,058.44	162,546,534.82	288,296,3 72.52

Subsidiary	Current period				Prior period			
	Operating	Net profit	Total compre	Cash flow from	Revenue	Net profit	Total compreh	Cash flow

	revenue		**hensive income**	**operating activities**			**ensive income**	**from operating activities**
Fushun Fangda High-tech and New Material Co.,Ltd.	205,138,110.20	3,122,016.03	3,122,016.03	72,310,206.70	244,070,932.02	4,972,341.90	4,972,341.90	118,060,712.28
Fushun Laihe mining Co.,Ltd	912,470.54	-8,283,227.98	-8,283,227.98	-18,914,273.14	11,217,502.12	-3,654,526.34	-3,654,526.34	612,433,937.38
Fushun Carbon Co.,Ltd.	99,555,664.30	-16,461,685.70	-16,461,685.70	111,721,167.87	116,992,644.49	-9,982,953.23	-9,982,953.23	-1,941,655.37
Chengdu Rongguang Carbon Co., Ltd.	379,864,882.95	5,563,047.72	5,563,047.72	-44,145,944.44	215,279,694.84	-5,085,647.68	-5,085,647.68	-311,281,832.99
Fangda Xike Mo (Jiangsu) Needle Coke Technology Co., Ltd.	200,956,004.10	-12,256,394.94	-12,256,394.94	920,260.12	100,221,244.87	-29,890,621.55	-29,890,621.55	-2,349,986.97

(4) Major restrictions on the use of Group assets and repayment of Group debts

☐Applicable ☑Not applicable

(5) Financial support or other support provided to structured entities included in the consolidated financial statements

☐Applicable ☑Not applicable

Other explanations:

☐Applicable ☑Not applicable

2. The owner's equity share of the subsidiary changes and still controls the transactions of the subsidiary

☐Applicable ☑Not applicable

3. Equity in joint-ventures or associates

☑Applicable ☐Not applicable

(1). Vital joint venture 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
				Directly	Indirectly	
Baofang Carbon Materials Technology Co., Ltd.	Lanzhou, Gansu Province	Jiatang Village, Ping'an Town, Honggu District, Lanzhou City, Gansu Province	Manufacturing enterprises	49.00		Equity method
Jilin Chemical Fibre Co., Ltd.	Jilin	No. 216 Kunlun Street, Jilin Economic and	Manufacturin	5.95		Equity method

	City, Jilin Province	Technological Development Zone, Jilin City, Jilin Province	g sector			
Jiujiang Bank Co., Ltd.	Jiujiang City, Jiangxi Province	No. 619 Changhong Avenue, Lianxi District, Jiujiang City, Jiangxi Province	Financial sector	4.78		Equity method
Nanchang Huxu Steel Industry Investment Partnership (Limited Partnership)	Hongkou District, Shanghai	No. 527 Yejin Avenue, Nangang Subdistrict, Qingshanhu District, Nanchang City, Jiangxi Province	Private equity sector	49.17		Equity method

Explanation of the discrepancy between the shareholding ratio and the voting rights ratio in joint ventures or associated companies:

1. In accordance with the provisions of the Articles of Association of Baofang Carbon Materials Technology Co., Ltd., the Board of Directors of Baofang Carbon Materials Technology Co., Ltd. consists of seven members. Baowu Carbon Industry Technology Co., Ltd. (formerly Baowu Carbon Materials Technology Co., Ltd. and Shanghai Baosteel Chemical Co., Ltd.) and the Company each nominate three members. Resolutions of 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 its investment in Baofang Carbon Materials Technology Co., Ltd. using the equity method and does not include it in the scope of consolidation.

2. Nanchang Huxu Iron and Steel Industry Investment Partnership (Limited Partnership) has a registered capital of 12 billion yuan, of which the Company has subscribed for 4.5 billion yuan, representing 37.50 per cent of the registered capital. The Company has made the required capital contribution in accordance with the

partnership agreement. Pursuant to the partnership agreement, profits generated during the entity's term of 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 per cent.

(2) Main financial information of important joint ventures

☑Applicable ☐Not applicable

Unit：Yuan Currency: RMB

	Closing balance/ current period				Ope	
	Baofang Carbon Materials Technology Co., Ltd.	Jilin Chemical Fibre Co., Ltd.	Jiujiang Bank Co., Ltd.	Nanchang Huxu Steel Industry Investment Partnership (Limited Partnership)	Baofang Carbon Materials Technology Co., Ltd.	Jilin C Fibre
Current assets	305,768,804.53	3,915,469,235.05	518,700,859,000.00	5,950,714,552.96	346,758,181.55	3,309,8
Non-current assets	2,002,629,566.76	11,026,616,308.58	15,572,938,000.00	3,527,321,985.53	2,020,937,096.63	11,331,
Total assets	2,308,398,371.29	14,942,085,543.63	534,273,797,000.00	9,478,036,538.49	2,367,695,278.18	14,640,
Current liabilities	906,614,984.68	7,376,538,841.26	453,799,765,000.00	130,000.00	783,510,023.38	6,536,9
Non-current liabilities	423,187,527.20	2,617,643,790.82	38,820,911,000.00		555,220,552.02	2,450,0
Total liabilities	1,329,802,511.88	9,994,182,632.08	492,620,676,000.00	130,000.00	1,338,730,575.40	8,987,0
Minorities interests		502,672,815.66	655,994,000.00			508,2
Equity attributable to owners of the parent	978,595,859.41	4,445,230,095.89	40,997,127,000.00	9,477,906,538.49	1,028,964,702.78	5,145,7
Share of net assets calculated by	479,511,971.11	208,036,768.49	1,642,153,703.48	4,660,756,138.47	504,192,704.36	306,1

shareholding ratio						
Adjustments	-16,399,708.61	61,235,124.47	-452,828,634.37		-15,918,881.22	35,46
--Goodwill		61,235,124.47				35,46
----Unrealized profit of internal transaction	-16,399,708.61				-15,918,881.22	
--Others			-452,828,634.37			
Carrying value of equity investment in joint venture	463,112,262.50	269,271,892.96	1,189,325,069.11	4,660,756,138.47	488,273,823.16	341,6
Fair value of investments in associates for which a quoted market price is available		466,152,638.85	271,822,276.55			663,1
Operating revenue	84,245,302.15	2,754,017,946.92	5,221,375,000.00		74,520,068.04	2,635,1
Financial expenses	14,482,093.61	151,109,028.80		-2,879,098.35	6,311,499.44	128,0
Income tax expense	-3,481,184.27	-4,794,543.78				6,23
Net profit	-51,350,123.79	30,854,478.01	390,795,000.00	30,459,107.18	-43,204,819.96	20,66
Net profit from discontinuing operations						
Other			136,005,000.00			

comprehensive income						
Total comprehensive income	-51,350,123.79	30,854,478.01	526,800,000.00	30,459,107.18	-43,204,819.96	20,66
Dividends received from joint ventures in the current year						

The figures for the first half of 2026 for Jilin Chemical Fibre Co., Ltd. are unaudited.

(4) Summary financial information of trivial joint ventures and associates

☑Applicable ☐Not applicable

Unit：Yuan Currency: RMB

	Closing balance/ current period	**Opening balance/ prior period**
Joint ventures:		
Associates:		
Total book value of investment	36,811,607.70	36,802,140.44
Items calculated according to shareholding ratio		
--Net profit	9,467.26	2,594,441.77
--Other comprehensive income		
--Total comprehensive income	9,467.26	2,594,441.77

Other explanations:

The above associate is: Tianjin Haihe Fangda Industrial Investment Fund Partnership (Limited Partnership).

4. Important co-operation

☐Applicable ☑Not applicable

5. Equity in structured entities not included in the consolidated financial statements

Related description of structured entities not included in the scope of consolidated financial statements:

☐Applicable ☑Not applicable

6. Others

☐Applicable ☑Not applicable

XI. Government subsidies

2. Liabilities relating to government grants

☑Applicable ☐Not applicable

Unit：Yuan Currency: RMB

Financial statement items	Opening balance	Amount of new subsidies for this period	Amount recognised as non-operating income for the current period	Transferred to other income in this period	Other changes	Closing balance	Relating to assets/income
Deferred income	924,080.00	98,825.59	98,825.59	462,040.02		462,039.98	与收益相关
Deferred income	244,233,395.37			12,586,425.38		231,646,969.99	与资产相关
Total	245,157,475.37	98,825.59	98,825.59	13,048,465.40		232,109,009.97	/

3. Government grants recognised in profit or loss for the period

☑Applicable ☐Not applicable

Unit：Yuan Currency: RMB

Type	Transactions for this period Transactions for the previous period	Transactions for this period Transactions for the previous period
Asset-related	12,586,425.38	12,586,425.39
Income-related	1,924,861.92	11,614,740.94
Total	14,511,287.30	24,201,166.33

XII.Risks relevant to financial instruments

☑Applicable ☐Not applicable

The Company’s principal financial instruments include cash and cash equivalents, financial assets held for trading, receivables, payables and borrowings; details of each financial instrument are set out in the relevant items of Note 5 hereto. The risks associated with these financial instruments,

and the risk management policies adopted by the Company to mitigate such risks, are described below. The Company's management manages and monitors these risk exposures to ensure that the aforementioned risks are kept within defined limits.

Risk Management Objectives and Policies: The Company's objective in conducting risk management is to strike an appropriate balance between risk and return, minimise the adverse impact of risk on the Company's operating performance, and maximise the interests of shareholders and other equity investors. Based on this risk management objective, the Company's fundamental risk management strategy is to identify and analyse the various risks faced by the Company, establish appropriate risk tolerance thresholds and implement risk management measures, and monitor various risks in a timely and reliable manner to keep them within defined limits.

The principal risks arising from the Company's financial instruments are credit risk, liquidity risk and market risk.

Financial instruments classification

(1) Book value of each class of financial assets at the balance sheet date

(a)30 June 2026

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	5,199,677,440.76			5,199,677,440.76
Financial assets held for trading		1,428,714,202.44		1,428,714,202.44
Notes receivable	668,187,781.30			668,187,781.30
Account receivable	549,997,283.78			549,997,283.78
Financing receivable			110,788,964.75	110,788,964.75
Other receivable	40,821,225.67			40,821,225.67
Other		755,153,065.07		755,153,065.07

non-current financial assets				
Total	6,458,683,731.51	2,183,867,267.51	110,788,964.75	8,753,339,963.77

(b)31 December 2025

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	5,586,047,008.19			5,586,047,008.19
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	251,830,042.48			251,830,042.48
Other non-current financial assets		743,050,083.41		743,050,083.41
Total	6,752,111,197.25	1,828,194,543.68	188,078,872.75	8,768,384,613.68

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

(a) 30 June 2026

Unit：Yuan Currency: RMB

Financial liabilities items	**Financial liabilities at fair value included in profit or loss**	**Other financial liabilities**	**Total**
Short term borrowings		1,081,292,354.20	1,081,292,354.20
Notes payable		351,640,734.32	351,640,734.32

Accounts payable		435,507,234.24	435,507,234.24
Other payable		180,430,496.97	180,430,496.97
Total		627,200,000.00	627,200,000.00
		2,676,070,819.73	2,676,070,819.73

(b) 31 December 2025

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		372,435,350.11	372,435,350.11
Total		630,221,691.11	630,221,691.11

Note: Financial instruments do not include prepayments, advance receipts, taxes payable, and provision for liabilities, amongst others.

(2) Credit risk

The greatest credit risk exposure at the end of the current period that could result in financial losses for the Company primarily arises from losses on the Company's financial assets due to the counterparty's failure to fulfil its obligations. To mitigate credit risk, the Company has established credit policies for customers, conducts credit assessments of customers, and implements other monitoring procedures to ensure that necessary measures are taken to recover overdue receivables. Furthermore, at each balance sheet date, the Company reviews the recoverability of each individual receivable to ensure that adequate provisions for bad debts are made for amounts deemed uncollectible. Consequently, the Company's management considers that the credit risk borne by the Company has been significantly mitigated.

The Company's working capital is held with banks possessing high credit ratings; consequently, the credit risk associated with working capital is low.

(3) Liquidity Risk

Liquidity risk is the risk that the Company will be unable to meet its financial obligations when they fall due. The Company manages liquidity risk by ensuring it has sufficient liquidity to meet its maturing obligations without incurring unacceptable losses or damaging its reputation.

Maturity analysis of financial liabilities based on undiscounted contractual cash flows:

Items	30 Jun 2026			
	Within 1 year	1-3 years	More than 3 years	Total
Short term borrowings	1,081,292,354.20			1,081,292,354.20
Notes payable	351,640,734.32			351,640,734.32
Account payable	300,225,605.98	89,410,340.94	45,871,287.32	435,507,234.24
Other Payable	95,235,757.61	32,788,996.79	52,405,742.57	180,430,496.97
Total	404,700,000.00	222,500,000.00		627,200,000.00
	2,233,094,452.11	344,699,337.73	98,277,029.89	2,676,070,819.73

Continue the above table:

Items	31 December 2022			
	Within 1 year	1-3 years	More than 3 years	Total
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	287,240,610.75	32,788,996.79	52,405,742.57	372,435,350.11
Total	5,621,691.11	624,600,000.00		630,221,691.11
	1,564,589,773.55	746,799,337.73	98,277,029.89	2,409,666,141.17

1. Interest Rate Risk

Interest rate risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. The Company's exposure to interest rate risk arises primarily from bank borrowings. Interest expense on the Company's bank borrowings at variable interest rates is recognised in profit or loss for the period, and reasonable changes in interest rates may affect profit or loss and shareholders' equity.

2. Foreign Exchange Risk

Foreign exchange risk refers to the risk that the fair value or future cash flows of financial instruments may fluctuate due to changes in foreign exchange rates. The Company endeavours to match foreign currency receipts with foreign currency payments as far as possible to mitigate foreign exchange risk. The Company's exposure to foreign exchange risk relates primarily to the US dollar and the euro; apart from the Company and several of its subsidiaries conducting

purchases and sales in US dollars and euros, the Company's other principal business activities are denominated and settled in Renminbi.

The table below presents a sensitivity analysis of foreign exchange risk, reflecting the impact on total profit (arising from changes in the fair value of monetary assets and liabilities) in the event of reasonable and possible fluctuations in foreign exchange rates, assuming all other variables remain constant.

Items	Current period		
	[USD]Exchange rate premium/discount	Total profit/Net income premium/discount	Shareholders' equity increase/decrease
RMB depreciated against [USD]	5.00%	5,800,664.06	5,800,664.06
RMB appreciated against [USD]	5.00%	-5,800,664.06	-5,800,664.06
RMB depreciated against [Euro]	5.00%	672,653.96	672,653.96
RMB appreciated against [Euro]	5.00%	-672,653.96	-672,653.96
RMB depreciated against [Won]	5.00%	115.01	115.01
RMB appreciated against [Won]	5.00%	-115.01	-115.01

Continue with the above table:

Items	Previous period		
	[USD]Exchange rate premium/discount	Total profit/Net income premium/discount	Shareholders' equity increase/decrease
RMB depreciated against [USD]	5.00%	1,942,037.53	1,942,037.53
RMB appreciated against [USD]	5.00%	-1,942,037.53	-1,942,037.53
RMB depreciated against [Euro]	5.00%	181,076.71	181,076.71
RMB appreciated	5.00%	-181,076.71	-181,076.71

against [Euro]			
RMB depreciated against [Won]	5.00%	126.80	126.80
RMB appreciated against [Won]	5.00%	-126.80	-126.80

3. Price risk on equity instrument investments

Price risk on equity instrument investments refers to the risk that the fair value of equity securities may decrease as a result of changes in stock index levels and the value of individual securities.

As at 30 June 2026, 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 instruments are listed on the Shanghai, Shenzhen and Hong Kong Stock Exchanges and are measured at market quotations as at the balance sheet date.

The market share indices at the close of trading on the trading day 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:

Securities Exchange	Closing balance	Highest/Lowest in current period	Opening balance	Highest/Lowest in previous period
Shanghai-A-share index	3,202.06	3418.95/3144.25	3,089.26	3651.89/2863.65
Shenzhen-A-share index	11,026.59	12246.01/10648.14	11,015.99	14941.19/10087.53
Hong Kong — Hang Seng Index	22,881.02	28,056.1/22,518	25,630.54	27,381.84/18,671.49

The table below illustrates the sensitivity of the Company's net profit and shareholders' equity to a 5 per cent change in the fair value of investments in equity instruments (based on their carrying amounts at the balance sheet date), assuming all other variables remain constant.

Financial Year 2026

Unit: Yuan Currency: RMB

Items	Book value	Total Profit/Net income increase/decrease	Shareholders' equity increase/decrease
Investments of listed equity instruments	1,110,353,864.84	53,802,396.06	53,802,396.06
Shanghai	994,536,401.84	48,128,680.41	48,128,680.41
Investments in trading equity	994,536,401.84	48,128,680.41	48,128,680.41

instruments			
Shenzhen	115,817,463.00	5,673,715.65	5,673,715.65
Investments in trading equity instruments	115,817,463.00	5,673,715.65	5,673,715.65
Hongkong			
Investments in trading equity instruments			
Investments in unlisted equity instruments measured at fair value	606,764,712.24	26,263,153.13	26,263,153.13

2025 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

The primary objective of the Company's capital management is to ensure its ability to continue as a going concern and to maintain sound capital ratios in order to support business development and maximise shareholder value.

The Company manages its capital structure and adjusts it in response to changes in economic conditions and the risk profiles of its relevant assets. To maintain or adjust its capital structure, the Company may adjust profit distributions to shareholders, return capital to shareholders, issue new shares or dispose of assets to reduce debt. The Company is not subject to external mandatory capital requirements and monitors its capital using return on capital.

As at 31 December 2025 and 30 June 2026, the Company's return on capital was as follows:

Items	Ratio at the end of the period	Ratio at the beginning of the period
ROC(%)	2.77	1.55

2.Hedge

(1) The company carries out hedging transactions for risk management purposes

☑Applicable ☐Not applicable

On 22 May 2026 and 8 June 2026 respectively, the Company convened the 23rd Extraordinary Meeting of the 9th Board of Directors and the 4th Extraordinary General Meeting of 2026. The meetings considered and approved the 'Proposal on Conducting Foreign Exchange Derivatives Hedging Transactions', agreeing that the trading value on any single trading day for the Company and its controlled subsidiaries engaging in foreign exchange derivatives trading shall not exceed US$60 million or the equivalent in foreign currency. As at the end of the reporting period, neither the Company nor its controlled subsidiaries had engaged in foreign exchange derivative hedging activities.

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. Measurement at Fair Value on a Continuous Basis				

(1) Financial Assets Held for Trading	1,110,353,864.84		318,360,337.60	1,428,714,202.44
1. Financial assets measured at fair value through profit or loss	1,110,353,864.84		318,360,337.60	1,428,714,202.44
(1) Investments in debt instruments				
(2) Investments in equity instruments	1,110,353,864.84		318,360,337.60	1,428,714,202.44
(3) Derivative financial assets				
2. Financial assets designated as measured at fair value through profit or loss				
(1) Investments in debt instruments				
(2) Investments in equity instruments				
(2) Other debt investments				
(3) Other equity investments				
(4) Investment property				
1. Land use rights held for letting				
2. Buildings held for letting				
3. Land use rights held with a view to appreciation before disposal				
(5) Biological assets				
1. Consumable				

biological assets				
2. Production biological assets				
(VI) Receivables financing		110,788,964.75		110,788,964.75
(VII) Other non-current financial assets			288,404,374.64	288,404,374.64
(VIII) Non-current financial assets due within one year			466,748,690.43	466,748,690.43
Total assets measured at fair value on a continuous basis	1,110,353,864.84	110,788,964.75	1,073,513,402.67	2,294,656,232.26
(IX) Financial liabilities held for trading				
1. Financial liabilities measured at fair value through profit or loss				
Of which: Trading bonds issued				
Derivative financial liabilities				
Other				
2. Financial liabilities designated as measured at fair value through profit or loss				
Total liabilities measured at fair value on a continuous basis				
II. Non-continuous fair value measurement				
(I) Assets held for sale				

Total assets not measured at fair value on a continuous basis				

2. The basis for determining the market price of continuous and non-continuous level 1 fair value measurement items:

☑Applicable ☐Not applicable

The Company's financial assets measured at fair value through profit or loss consist of shares in listed companies, the fair value of which is determined by the closing price on the stock exchange at the end of the period.

3. Qualitative and quantitative information on the valuation techniques used and important parameters for continuous and non-continuous level 2 fair value measurement items

☑Applicable ☐Not applicable

For receivables held for financing purposes, their fair value is determined on the basis of their face value.

4. Qualitative and quantitative information on the valuation techniques used and important parameters for continuous and non-continuous level 3 fair value measurement items

☑Applicable ☐Not applicable

1. Holdings of perpetual capital bonds issued by Hainan Bank Co., Ltd. are measured in accordance with bond market valuations.

2. The equity investment held in Northeast Special Steel is measured using the Portfolio companies's audited net assets as a reasonable estimate of fair value.

3. As there have been changes in the operating environment, business performance and financial position of the Portfolio companies, Ningbo Meishan Free Trade Zone Fosun Weiying Equity Investment Fund Partnership (Limited Partnership), the Company measures this investment using the audited net assets attributable to the partners as a reasonable estimate of fair value.

5. Continuous level 3 fair value measurement items, adjustment information between the opening and closing carrying value and sensitivity analysis of unobservable parameters

☐Applicable ☑Not applicable

6. Continuous fair value measurement items, if there is a conversion between various levels during the current period, the reasons for the conversion and the policy for determining the timing of the conversion

☐Applicable ☑Not applicable

7. Changes in valuation technology during the current period and reasons for the changes

☐Applicable ☑Not applicable

8. The fair value of financial assets and financial liabilities not measured at fair value

☐Applicable ☑Not applicable

9. Others

☐Applicable ☑Not applicable

XIV. Related parties and related party transactions

1. The company's parent company

☑Applicable ☐Not applicable

Unit：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

Liaoning Fangda Group Industrial Co., Ltd. holds 1,524,413,321 shares in the Company, representing 37.86 per cent of the Company's total issued share capital.

The ultimate controlling party of the Company is Fang Wei.

2. Subsidiaries of the company

Please refer to the appendix for details of the company's subsidiaries

☑Applicable ☐Not applicable

See appendix "IX. Interests 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

☑Applicable ☐Not applicable

Name of joint ventures/associates	Relationship with the company
Jiujiang Bank Co., Ltd.	The Company appoints directors to its associates
Baofang Carbon Materials Technology Co., Ltd.	A former director of the Company has served as a director or senior executive of an associate for less than 12 months

4. Other affiliated parties

☑Applicable ☐Not applicable

Name of other related parties	Relationship with the company

Jingfangda (Tianjin) International Trade Co., Ltd.	Controlled subsidiaries of the parent company
Zhongxing-Shenyang Commercial Building (Group) Co., Ltd.	Controlled subsidiaries of the parent company
China Xinhua Airlines Group Co., Ltd.	Controlled subsidiaries of the parent company
Yunnan Xiangxi Property Management Co., Ltd.	Controlled subsidiaries of the parent company
Tianjin Huantong Electrical Equipment Co., Ltd.	Controlled subsidiaries of the parent company
Tianjin Department Store Commercial Trade General Corporation	Controlled subsidiaries of the parent company
Sichuan Dazhou Iron and Steel Group Co., Ltd.	Controlled subsidiaries of the parent company
Sichuan Daxing Baohua Chemical Co., Ltd.	Controlled subsidiaries of the parent company
Shenyang Fangdi Real Estate Co., Ltd.	Controlled subsidiaries of the parent company
Shenyang Northeast Pharmaceutical Equipment Manufacturing and Installation Co., Ltd.	Controlled subsidiaries of the parent company
Shenyang Northeast Pharmacy Chain Co., Ltd.	Controlled subsidiaries of the parent company
Sanya Aviation and Tourism Vocational College	Controlled subsidiaries of the parent company
Pingxiang Pinggang Anyuan Iron & Steel Co., Ltd.	Controlled subsidiaries of the parent company
Liaoning Fangda General Hospital Co., Ltd.	Controlled subsidiaries of the parent company
Liaoning Fangda Equipment Manufacturing Group Co., Ltd.	Controlled subsidiaries of the parent company
Jiujiang Pinggang Iron & Steel Co., Ltd.	Controlled subsidiaries of the parent company
Hainan Airlines Holding Co., Ltd.	Controlled subsidiaries of the parent company
Hainan Hantou Trading Co., Ltd.	Controlled subsidiaries of the parent company
Guizhou Fangda Huangguoshu Food & Beverage Co., Ltd.	Controlled subsidiaries of the parent company
Gansu Yuerong Garments Co., Ltd.	Controlled subsidiaries of the parent company
Gansu Herpis Arts & Crafts Products Co., Ltd.	Controlled subsidiaries of the parent company
Gansu Fangda Zhanyao New Materials Packaging Co., Ltd.	Controlled subsidiaries of the parent company
Gansu Fangda Tongte New Materials Co., Ltd.	Controlled subsidiaries of the parent company
Gansu Fangda Jiujianpeng Technology Development Co., Ltd.	Controlled subsidiaries of the parent company
Gansu Fangda Fuhuang East-West Cooperation Garment Co., Ltd.	Controlled subsidiaries of the parent company
Fangda Special Steel Technology Co., Ltd.	Controlled subsidiaries of the parent company
Dongxiang Autonomous County Xiyuxing Garments Co., Ltd.	Controlled subsidiaries of the parent company
Dongxiang Autonomous County Fangda Liming Textiles Co., Ltd.	Controlled subsidiaries of the parent company
Dongxiang Autonomous County East-West Cooperation Shengweitang Food Co., Ltd.	Controlled subsidiaries of the parent company
Dongxiang Autonomous County East-West Cooperation Meijiayu Hardware Co., Ltd.	Controlled subsidiaries of the parent company
Dongxiang Autonomous County Baosui Industrial Co., Ltd.	Controlled subsidiaries of the parent company

Northeast Pharmaceutical Group Shenyang No. 1 Pharmaceutical Co., Ltd.	Controlled subsidiaries of the parent company
Beijing Kehang Investment Co., Ltd.	Controlled subsidiaries of the parent company
Beijing Fangda Carbon Technology Co., Ltd.	Controlled subsidiaries of the parent company
Northern Heavy Industries Group Co., Ltd.	Controlled subsidiaries of the parent company
Gansu Fangda Baiquan Agricultural Technology Co., Ltd.	Controlled subsidiaries of the parent company
Shenyang Fangda Property Management Co., Ltd.	Controlled subsidiaries of the parent company
Jiujiang Fangda Hotel Co., Ltd.	Controlled subsidiaries of the parent company
Benxi Manchu Autonomous County Tongda Iron Ore Beneficiation Co., Ltd.	Controlled subsidiaries of the parent company
Liaoning Fangda Real Estate Group Co., Ltd.	Controlled subsidiaries of the parent company
Liaoning Baishadao Industrial Development Co., Ltd.	Controlled subsidiaries of the parent company
Jiangxi Fangda Iron and Steel Group Co., Ltd.	Controlled subsidiaries of the parent company
Gansu Fangda Yuerta Animal Husbandry Development Co., Ltd.	Controlled subsidiaries of the parent company
Tianjin Quancheng Logistics and Distribution Co., Ltd.	Controlled subsidiaries of the parent company
Sichuan Desheng Group Vanadium and Titanium Co., Ltd.	Controlled subsidiaries of the parent company
Northeast Pharmaceutical Group Co., Ltd.	Controlled subsidiaries of the parent company
Xinyu Zhongchuang Mining Co., Ltd.	Controlled subsidiaries of the parent company
Sanya Fangda Sun City Real Estate Development Co., Ltd.	Controlled subsidiaries of the parent company
Yihang Technology Co., Ltd.	Controlled subsidiaries of the parent company

5. Related party transaction

(1) Related party transactions of purchase and sales of goods, render and accept services

Purchase of goods / accept of services

☑Applicable ☐Not applicable

Unit：Yuan Currency: RMB

Affiliated party	Affiliated transaction content	Value occurred in Current period	Value of approved transactions (if applicable)	Whether the transaction limit is exceeded (if applicable)	Value occurred in Previous period
Fangda Special Steel Technology Co., Ltd.	Sale of goods	39,816,333.45			54,832,655.55
Pingxiang Pinggang Anyuan Iron & Steel Co., Ltd.	Sale of goods	36,750,689.56			35,612,352.10

Beijing Fangda Carbon Technology Co., Ltd.	Sale of goods	30,896,953.99			
Baofang Carbon Materials Technology Co., Ltd.	Sale of goods				56,102,305.68
Shenyang No. 1 Pharmaceutical Co., Ltd. (Northeast Pharmaceutical Group)	Sale of goods	16,460.18			2,654.87
Jiujiang Pinggang Iron & Steel Co., Ltd.	Sale of goods	41,537,652.88			35,327,842.04
Hainan Hantou Trading Co., Ltd.	Sale of goods	525,423.97			885,601.99
Dongxiang Autonomous County East-West Cooperation Meijiayu Hardware Co., Ltd.	Sale of goods				25,711,397.17
Dongxiang Autonomous County Xiyuxing Garments Co., Ltd.	Sale of goods	551,061.92			907,699.10
Gansu Herpis Craft Products Co., Ltd.	Sale of goods				65,825.00
Dongxiang Autonomous County Fangda Liming Textiles Co., Ltd.	Sale of goods				28,355.75
Gansu Fangda Zhanyao New Materials Packaging Co., Ltd.	Sale of goods				14,818.36
Beijing Fangda (Tianjin) International Trade Co., Ltd.	Sale of goods	361,061.95			148,672.57
Benxi Manchu Autonomous County Tongda Iron Ore Beneficiation Co., Ltd.	Provision of services	5,098.11			141,023.10

Northeast Pharmaceutical Group Co., Ltd.	Provision of services				5,125.15
Liaoning Fangda Group International Trade Co., Ltd.	Sale of goods	31,221.24			
Shenyang Fangda Property Management Co., Ltd.	Provision of services	89,459,885.89			47,755,597.76
Sichuan Dazhou Iron and Steel Group Co., Ltd.	Sale of goods				
Tianjin Quancheng Logistics and Distribution Co., Ltd.	Sale of goods				
Liaoning Fangda General Hospital Co., Ltd.	Sale of goods				
Total	Sale of goods				

Sales of goods / render of services

☑Applicable ☐Not applicable

Unit：Yuan Currency: RMB

Affiliated party	Affiliated party transaction	Value in the current period	Value in the prior period
Fangda Special Steel Technology Co., Ltd.	Sales of goods	17,916,711.00	13,816,588.25
Pingxiang Pinggang Anyuan Iron & Steel Co., Ltd.	Sales of goods	907,681.37	619,979.99
Beijing Fangda Carbon Technology Co., Ltd.	Sales of goods	5,938,587.61	1,179,609.74
Baofang Carbon Materials Technology Co., Ltd.	Sales of goods		15,110,937.52
Shenyang No. 1 Pharmaceutical Co., Ltd. (Northeast Pharmaceutical Group)	Sales of goods		1,778,710.61
Jiujiang Pinggang Iron & Steel Co., Ltd.	Sales of goods	8,182,944.52	9,375,767.29
Hainan Hantou Trading Co., Ltd.	Sales of goods		
Dongxiang Autonomous County East-West Cooperation Meijiayu Hardware Co., Ltd.	Sales of goods		49,961.06
Dongxiang Autonomous County Xiyuxing Garments Co., Ltd.	Sales of goods	111,267.25	102,272.56

Gansu Herpis Arts and Crafts Products Co., Ltd.	Sales of goods	134,410.62	203,644.25
Dongxiang Autonomous County Fangda Liming Textiles Co., Ltd.	Sales of goods		
Gansu Fangda Zhanyao New Materials Packaging Co., Ltd.	Sales of goods	173,028.73	206,371.69
Beijing Fangda (Tianjin) International Trade Co., Ltd.	Sales of goods	62,070.80	1,217,973.72
Benxi Manchu Autonomous County Tongda Iron Ore Beneficiation Co., Ltd.	Sales of goods	177,946.56	
Northeast Pharmaceutical Group Co., Ltd.	Sales of goods	1,150,081.11	
Liaoning Fangda Group International Trade Co., Ltd.	Sales of goods	107,525.87	
Shenyang Fangda Property Management Co., Ltd.	Sales of goods	54,278.76	
Sichuan Dazhou Iron and Steel Group Co., Ltd.	Sales of goods	2,249,784.95	
Tianjin Quancheng Logistics and Distribution Co., Ltd.	Sales of goods	8,798,009.78	
Liaoning Fangda General Hospital Co., Ltd.	Sales of goods	14,159.29	
Total	Sales of goods	45,978,488.22	43,661,816.68

(3) Related lease

The company as the lessor

☐Applicable ☑Not applicable

The company as the lessee

☑Applicable ☐Not applicable

Unit：Yuan Currency: RMB

Lessor	Types of leased assets	Rental costs for short-term leases and leases of low-value assets with simplified treatment (if applicable)		Variable lease payments not included in the measurement of the lease liability (if applicable)		Rent paid		Interest expense on lease liabilities assumed		Increased right-to-use assets	
		Current value	Previous value	Current value	Previous value	Current value	Previous value	Current value	Previous value	Current value	Previous value
Jiangxi Fangda Steel Group Co., Ltd.	Houses	0		0			25,588.20		25,588.20		
Total		0		0			25,588.20		25,588.20		

Description of related lease

☐Applicable ☑Not applicable

(4) Related party guarantee

The company as the guarantor

☐Applicable ☑Not applicable

The company as the guarantee

☑Applicable ☐Not applicable

Unit：Yuan Currency: RMB

Guarantor	Guarantee Value	Guarantee start date	Guarantee expiry date	Whether the guarantee has been fulfilled
Fangda Special Steel Technology Co., Ltd.	400,000,000.00	26 January 2027	25 January 2030	No

Description of affiliated guarantees

☑Applicable ☐Not applicable

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 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 should either party issue corporate bonds or apply for a comprehensive credit facility from a bank within the limit of RMB 1 billion, it 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 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 bears the guarantee liability shall not exceed the term of the bonds (or loan) plus three years from the date of maturity of the bonds (or loan).

On 16 December 2025, Fangda Carbon passed a resolution at its second extraordinary general meeting of 2025 on 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’, whilst the other terms of the agreement remained unchanged.

On 26 January 2025, 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 HETO228000007202501000000020BZ01, with the Company as the guaranteed party and a maximum guarantee amount of RMB 400,000,000.00.

(7). Remuneration of key management personnel

☑Applicable ☐Not applicable

Unit：Yuan Currency: RMB

Item	Amount in the current period	Amount in the prior period
Remuneration of key management personnel	182.31	214.17

(8) Other affiliated party transactions

☑Applicable ☐Not applicable

As at 30 June 2026, Liaoning Fangda Group Industrial Co., Ltd. held 1,524,413,321 shares in the Company, representing 37.86 per cent of the Company's total issued share capital. Of these, 674,708,590 shares were pledged, accounting for 44.26 per cent of its total shareholding and 16.76 per cent of the Company's total issued share capital.

6. Receivables and payable of related parties

(1) Receivables

☑Applicable ☐Not applicable

Unit：Yuan Currency: RMB

Item	Affiliated party	Closing balance		Opening balance	
		Book value	Bad debts	Book value	Bad debts
Trade receivables	Fangda Special Steel Technology Co., Ltd.	14,325,882.28	109,998.55	12,222,061.68	109,998.55
Trade receivables	Jiujiang Pinggang Iron & Steel Co., Ltd.	4,539,044.03	43,864.57	4,873,841.05	43,864.57
Trade receivables	Pingxiang Pinggang Anyuan Iron & Steel Co., Ltd.	704,453.97	14,502.37	1,611,374.26	14,502.37
Trade receivables	Sichuan Dazhou Iron & Steel Group Co., Ltd.	1,057,392.00			
Trade receivables	Gansu Herpis Craft Products Co., Ltd.			141,602.00	1,274.42
Trade receivables	Sichuan Desheng Group Vanadium-Titanium Co., Ltd.	2,022.52			

Trade receivables	Shenyang Fangdi Real Estate Co., Ltd.	100,000.00			
Trade receivables	Gansu Fangda Zhanyao New Materials Packaging Co., Ltd.	48,282.50	883.80	98,200.00	883.8
Trade receivables	Liaoning Fangda Equipment Manufacturing Group Co., Ltd.	42,814.86	10,097.57	1,121,952.00	10,097.57
Prepayments	Sichuan Daxing Baohua Chemical Co., Ltd.	6,647,060.06		990,105.06	
Prepayments	Fangda Special Steel Technology Co., Ltd.	894,586.95		10,097.68	
Prepayments	Northern Heavy Industries Group Co., Ltd.	63,600.00			
Prepayments	Beijing Fangda Carbon Technology Co., Ltd.	5,516,700.00			
Prepayments	Beijing Fangda (Tianjin) International Trade Co., Ltd.	1,581.48			
Prepayments	Yihang Technology Co., Ltd.	165,000.00			
Other receivables	Jiujiang Pinggang Iron & Steel Co., Ltd.	59,234.15	50,000.00	500,000.00	50,000.00
Other receivables	Fangda Special Steel Technology Co., Ltd.	300,000.00	29,000.00	300,000.00	29,000.00
Other receivables	Shenyang Fangdi Real Estate Co., Ltd.	191,061.40	1,931.70	9,615.99	1,931.70
Other receivables	Sichuan Dazhou Iron and Steel Group Co., Ltd.	100,000.00	10,000.00	100,000.00	10,000.00
Other receivables	Pingxiang Pinggang Anyuan Iron and Steel Co., Ltd.	100,000.00	5,000.00	100,000.00	5,000.00
Other receivables	Beijing Kehang Investment Co., Ltd.	45,000.00	2,250.00	45,000.00	2,250.00
Other receivables	Northern Heavy Industries Group Co., Ltd.	85,435.36			
Other receivables	Benxi Manchu Autonomous County Tongda Iron Ore Beneficiation Co., Ltd.	447,660.14			

Other receivables	Northeast Pharmaceutical Group Co., Ltd.	1,219,085.98			
Other receivables	Liaoning Fangda Group International Trade Co., Ltd.	113,977.43			
Other receivables	Shenyang Fangda Property Management Co., Ltd.	57,535.48			
Other receivables	Xinyu Zhongchuang Mining Co., Ltd.	14,682.06			
Other receivables	Sanya Fangda Sun City Real Estate Development Co., Ltd.	12,506.16			
Total	Fangda Special Steel Technology Co., Ltd.	36,854,598.81	277,528.56	38,579,222.93	2,987,824.34

(2)Payable

☑Applicable ☐Not applicable

Unit：Yuan Currency: RMB

Item	Affiliated party	Closing balance	Opening balance
Accounts Payable	Tianjin Department Store Commerce and Trade Corporation	1,168,800.00	1,168,800.00
Accounts Payable	Fangda Special Steel Technology Co., Ltd.		90,000.00
Accounts Payable	Hainan Hantou Trading Co., Ltd.	6,365,275.50	
Accounts Payable	Gansu Fangda Tongte New Materials Co., Ltd.	98,880.00	
Accounts Payable	Liaoning Fangda Equipment Manufacturing Group Co., Ltd.	32,850.00	
Accounts Payable	Jingfangda (Tianjin) International Trading Co., Ltd.	9,150.00	12,200.00
Other Payables	Northern Heavy Industries Group Co., Ltd.	10,600.00	
Other Payables	Tianjin Huantong Electrical Equipment Co., Ltd.	250,000.00	250,000.00
Other	Beijing Kehang Investment Co., Ltd.	1,994.68	

Payables			
Other Payables	Gansu Fangda Baiquan Agricultural Technology Co., Ltd.	4,500.00	
Other Payables	Yihang Technology Co., Ltd.	27,500.00	
Other Payables	Tianjin Department Store Commercial and Trading Corporation	292,200.00	292,200.00
Contract Liabilities	Beijing Fangda Carbon Technology Co., Ltd.		968,495.58
Contract Liabilities	Pingxiang Pinggang Anyuan Iron & Steel Co., Ltd.		238,811.05
Contract Liabilities	Beijing Fangda Carbon Technology Co., Ltd.		968,495.58
Contract Liabilities	Pingxiang Pinggang Anyuan Iron & Steel Co., Ltd.		238,811.05
Contract Liabilities	Beijing Fangda (Tianjin) International Trading Co., Ltd.	188,646.02	188,646.02
Contract Liabilities	Hainan Hantou Trading Co., Ltd.	266.78	266.78
Other Current Liabilities	Baofang Carbon Materials Technology Co., Ltd.		284,182.04
Other Current Liabilities	Beijing Fangda Carbon Technology Co., Ltd.		125,904.42
Other Current Liabilities	Pingxiang Pinggang Anyuan Iron & Steel Co., Ltd.		31,045.44
Other Current Liabilities	Beijing Fangda (Tianjin) International Trade Co., Ltd.	24,523.98	24,523.98
Other Current Liabilities	Hainan Hantu Trading Co., Ltd.	34.68	34.68

Total	Tianjin Department Store Commerce and Trade Corporation	8,480,099.78	22,600,743.68

7. Commitment of related parties

☑Applicable ☐Not applicable

Due to factors such as local policies and government relocation plans, the Company's subsidiaries, Fushun Carbon and Hefei Carbon, have been unable to obtain the relevant title deeds. In accordance with relevant government documents, the subsidiaries Fushun Carbon and Hefei Carbon will jointly apply for land use rights certificates and property ownership certificates once the relocation process has been completed. The specific circumstances are as follows:

(1) Hefei Carbon shares the same plot of land with its former shareholder, Hefei Aluminium Co., Ltd., and operates from the same premises. The land use rights remain with Hefei Aluminium Co., Ltd., and the land is state-allocated. In 2002, in accordance with the requirements of the Hefei Municipal Government, all state-owned land title deeds were 收回 by Hefei Industrial Investment Holding Co., Ltd. for centralised management. In July 2004, Hefei Aluminium Co., Ltd. underwent a policy-driven bankruptcy, and the land used by Hefei Carbon has since been held on a lease basis. To accelerate the optimisation of the layout in the city centre, the government has required Hefei Carbon to relocate in its entirety to an industrial cluster for business development, and Hefei Carbon has already drawn up a relocation plan. The company has not experienced any disputes regarding ownership, nor has this affected its normal production and operations. The land use rights and property ownership certificates for Hefei Carbon will be processed once the relocation is complete. In October 2017, the Company successfully acquired the 47.89 per cent equity stake in Hefei Carbon held by CITIC Investment Holdings Co., Ltd., making Hefei Carbon a wholly-owned subsidiary of the Company. In November 2025, the equity structure of Hefei Carbon was adjusted, with the Company holding 99.99 per cent of its shares. In accordance with the spirit of the 'Opinions on Accelerating the Optimisation of Industrial Layout and Transformative Development in Hefei's Central Urban Area', in 2019 Hefei Carbon signed the 'Changfeng County Investment Promotion Project Cooperation Agreement' with the People's Government of Xiata Town, Changfeng County. Hefei Carbon relocated to Xiata Town, Changfeng County, to invest in and construct a project with an annual production capacity of 50,000 metric tonnes of carbon products. The overall relocation has now been completed; the land title deed for the new factory has been processed; the project as a whole is currently undergoing audit and acceptance; and the property ownership certificates are in the process of being issued.

(2) Fushun Carbon was established in 2002 following a restructuring led by the local government. At the time of restructuring, the transfer procedures for certain land use rights and property ownership had not been completed due to historical reasons. To date, there have been no disputes regarding the ownership of these land and property rights, nor have they affected the company's normal production and operations. Since 2006, Fushun Carbon has taken measures to actively advance the transfer of the aforementioned land and property rights, completing the necessary preparatory work for the transfer procedures and engaging in repeated communications with the municipal government and land administration departments; however, due to policy constraints, these efforts ultimately proved unsuccessful. In 2008, the Liaoning Provincial Party Committee and Provincial Government proposed the implementation of the Shenyang–Fushun Integration Strategy. Given that Fushun Carbon is situated in the core area of this integration, the Fushun Municipal Government has included the relocation and restructuring plan for Fushun Carbon in its government work agenda. In 2010, the Fushun Municipal Government formally included the relocation of Fushun Carbon in the 'Outline of the Twelfth Five-Year Plan for National Economic and Social Development of Fushun City', and Fushun Carbon also drew up a 'Technical Plan for Relocation and Redevelopment'. Fushun Carbon has now commenced the redevelopment of its original site and completed the processing of the land title deed in early April 2026; the property title deed will be processed once the redevelopment project has been audited and accepted upon completion.

8. Others

☐Applicable ☑Not applicable

XV. Share based payment

☐Applicable ☑Not applicable

XVI. Commitments and contingencies

1. Significant commitments

☐Applicable ☑Not applicable

2. Contingent event

(1) Important contingent event on the balance sheet date

☑Applicable ☐Not applicable

In 2023, the Company received, by post, a 'Civil Statement of Claim' and other documents from the People's Court of Qingyuan Manchu Autonomous County, Liaoning Province, under case number [(2023) Liao 0423 Min Chu No. 1247]. Fushun Xinfu Steel Co., Ltd. (hereinafter referred to as 'Xinfu Steel'), a shareholder of the subsidiary Fushun Laihe Mining Co., Ltd. (hereinafter referred to as 'Laihe Mining'), is seeking the restoration of its 22.2 per cent equity interest in

Laihe Mining, as well as dividend payments calculated at 22.2 per cent from the date of Laihe Mining's establishment to the present, 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 Xin Fushun Steel. As at the end of the reporting period, no judgement had yet been handed down in the case, and the final outcome remains uncertain.

(2) If the company does not need to disclose significant contingent event, it shall also explain

☐Applicable ☑Not applicable

3. Others

☐Applicable ☑Not applicable

XVII. Subsequent agenda after balance sheet date

1. Important non-adjustment events

☐Applicable ☑Not applicable

Unit：Yuan Currency: RMB

Items	**Content**	Impact on financial position and operating results	Reasons why it is impossible to estimate the number of people affected Reasons
Issues of shares and bonds			
Significant overseas investments			
Significant debt restructuring			
Natural disasters			
Significant fluctuations in foreign exchange rates			
Recovery of significant overseas investments	Withdrawal from Nanchang Huxu Steel Industry Investment Partnership (Limited Partnership) via a targeted capital reduction	450,509.79	

In accordance with the Company's overall capital planning, and in order to more effectively concentrate resources to support the development of the Company's key core businesses, optimise the efficiency of capital allocation, and ensure the steady implementation of the Company's overall strategic plan; furthermore, given that the investment period for the exit from Nanchang Huxu Steel Industry Investment Partnership (Limited Partnership) (hereinafter referred to as 'Nanchang Huxu') via a targeted capital reduction has expired and its operating term is due to expire, following consultation and mutual agreement with all partners and the signing of the 'Withdrawal Agreement', the parties have agreed as follows: Fangda Carbon shall withdraw from Nanchang Huxu through a capital reduction, relinquishing its property interest in Nanchang Huxu (corresponding to both the subscribed and paid-up capital of 4.5 billion yuan). Following this targeted capital reduction and withdrawal, the Company will no longer hold any interest in Nanchang Huxu. On 21 July 2026, the Company received a capital reduction payment of 4.5 billion yuan from Nanchang Huxu, as well as a distribution of profits amounting to 5.0979 million yuan for the period from 1 April 2026 to the date of withdrawal, 20 July 2026. As at 4 August 2026, Nanchang Huxu had completed the commercial registration changes relating to the targeted capital reduction and withdrawal.

2. Profit distribution

☑Applicable ☐Not applicable

Proposed distribution of profits or dividends	
Profits or dividends declared following consideration and approval	

On 28 August 2026, the Company convened the ninth meeting of its ninth Board of Directors, at which the 'Proposal on the 2026 Interim Profit Distribution Scheme' was considered and approved. The Company has drawn up the following 2026 interim profit distribution scheme: the Company intends to pay a cash dividend of * yuan per share (including tax) to all shareholders; no bonus shares will be issued, nor will capital reserves be converted into share capital.

3. Sales return

☐Applicable ☑Not applicable

4. Notes to other subsequent events after the balance sheet date

☑Applicable ☐Not applicable

On 9 January 2026, 1 April 2026 and 17 April 2026 respectively, the Company convened board meetings and general meetings of shareholders, at which resolutions were passed approving the Company's application to the National Association of Financial Market Institutional Investors

(NAFMII) for the registration and issuance of a unified registered debt financing instrument with a maximum principal amount not exceeding RMB 1 billion (including RMB 1 billion). In July 2026, the Company received the 'Notice of Acceptance of Registration' (No. Zhongshi Xie Zhu [2026] PDFI15) issued by the National Association of Financial Market Institutional Investors.

XVIII. Other significant matters

1. Correction of prior accounting errors

（1） Retrospective Restatement

☐Applicable ☑Not applicable

(2) Prospective Application

☐Applicable ☑Not applicablelicable

2. Debt restructuring

☐Applicable ☑Not applicable

3. Exchange of assets

(1) Exchange of non-monetary assets

☐Applicable ☑Not applicable

(2) Exchange of other assets

☐Applicable ☑Not applicable

4. Pension plan

☐Applicable ☑Not applicable

5. Discontinued operations

☐Applicable ☑Not applicable

6. Segment information

(1) Determination basis and accounting policy of reporting segment

☑Applicable ☐Not applicabl

(a) Basis for determining reportable segments and accounting policies

In accordance with the Company's internal organisational structure, management requirements and internal reporting system, the Company's business operations are organised into operating segments by region. The Company's management regularly evaluates the operating results of these segments to determine the allocation of resources to them and to assess their performance. The Company has identified five reporting segments: the North-West, the North-East, the South-West, East China and Overseas. These reporting segments are defined on a regional basis.

(b) Segment reporting information is disclosed in accordance with the accounting policies and measurement criteria used by each segment when reporting to management; these measurement bases are consistent with the accounting and measurement bases used in the preparation of the financial statements.

(2) Financial information by region

☐Applicable ☐Not applicable

Unit：Yuan Currency: RMB

Item	North West region	North East region	South West region	Eastern China region	Overseas region	Inter-segment elimination	Total
Revenue from operations	1,056,089,988.80	296,338,690.58	494,880,693.96	331,778,472.26	8,848,095.86		-299,950,547.90
Main operating costs	966,025,440.00	283,571,625.20	392,081,200.19	327,340,726.43			-277,641,948.22
Total assets	16,660,281,028.95	2,492,097,453.29	3,273,457,655.20	2,758,699,393.30	380,079,828.29	2,300.22	-4,196,472,252.82
Total liabilities	3,404,257,673.92	570,852,212.15	388,625,810.14	1,486,104,085.30	77,623,331.61		-2,409,023,758.97

XIV. Notes to major account of the company's financial statements

1. Accounts receivable

(1) Disclosure by aging

☑Applicable ☐Not applicable

Unit：Yuan Currency: RMB

Aging	Closing balance	Opening balance
Up to 1 year (including 1 year)	275,036,670.50	226,983,081.08
Sub-total	275,036,670.50	226,983,081.08
1 to 2 years	36,381,384.63	36,454,761.63
2 to 3 years	3,769,945.29	3,769,945.29
3 years or more	31,823,342.65	31,823,342.65
Total	347,011,343.07	299,031,130.65

(2).Disclosed by bad debt provision methods

☐Applicable ☐Not applicable

Unit：Yuan Currency: RMB

Category	Closing balance					Opening balance				
	Book balance		Bad debt provision		Carrying amount	Book balance		Bad debt provision		Carrying amount
	Amount	Proportion (%)	Amount	Proportion (%)		Amount	Proportion (%)	Amount	Proportion (%)	
Bad debt provision assessed individually	20,849,937.96	6.01%	20,849,937.96	100.00%		20,849,937.96	6.97	20,849,937.96	100.00	
Including:										
Of which: trade receivables for which the individual amounts are not material but for which bad debt provisions are recognised on an individual basis	20,849,937.96	100.00%	20,849,937.96	100.00%		20,849,937.96	100.00	20,849,937.96	100.00	
Bad debt provisions are recognised on a collective basis	326,161,405.11	93.99%	20,089,735.15	6.16%	306,071,669.96	278,181,192.69	93.03	19,657,252.85	7.07	258,523,939.84
Including:										

Accounts receivable portfolio A	326,161,405.11	100.00%	20,089,735.15	6.16%	306,071,669.96	278,107,815.69	99.97	19,657,252.85	7.07	258,450,562.84
Accounts receivable portfolio B						73,377.00	0.03			73,377.00
Total	347,011,343.07	/	40,939,673.11	/	306,071,669.96	299,031,130.65	/	40,507,190.81	/	258,523,939.84

Bad debt provision assessed individually：

☑Applicable ☐Not applicable

Unit：Yuan Currency: RMB

Name	Closing balance			
	Book balance	Bad debt provision	Proportion (%)	Reason
Accounts receivable at the end of the period that are individually significant and for which a separate provision for bad debts has been made	20,849,937.96	20,849,937.96	100	Expected to be irrecoverable
Total	20,849,937.96	20,849,937.96	100	/

Explanations on bad debt provision assessed individually:

☐Applicable ☐Not applicable

Bad debt provision assessed by groups:

☐Applicable ☑Not applicable

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)	275,036,670.50	2,474,669.64	0.90
1-2 years (including 2 years)	36,381,384.63	4,666,209.49	12.83
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	326,161,405.11	20,089,735.15	/

(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	20,849,937.96					20,849,937.96

debts						
Accounts receivable that are individually insignificant but individually provided for bad debts	19,657,252.85	432,482.30				20,089,735.15
Accounts receivable portfolio A	40,507,190.81	432,482.30				40,939,673.11
Total	54,091,865.93		3,366,643.42			50,725,222.51

Significant recovery or reversal of bad debt provision for the current period:

☐Applicable ☑Not applicable

(4).Accounts receivable written off as at the end of the reporting period

☐Applicable ☑Not applicable

(5).Top five accounts receivable based on debtors

☑Applicable ☐Not applicable

Entity name	Closing balance of trade receivables	Closing balance of contract assets	Closing balances of trade receivables and contract assets	Percentage of total closing balance of accounts receivable (%)	Closing balance of provision for bad debts
MCC Jingcheng Engineering Technology Co., Ltd.	28,727,306.20	2,635,888.14	31,363,194.34	8.67	1,735,337.81
Jianlong Steel Holdings Limited	28,244,546.84		28,244,546.84	7.81	254,200.92
Rio Tinto-Fer et Titane Inc. (Rio Tinto)	20,500,359.34		20,500,359.34	5.67	184,503.23
BTR MEDITERRANEAN ANODE NEW	15,051,473.70		15,051,473.70	4.16	135,463.26

MATERIAL TECHNOLOGY					
MCC CCID Engineering Technology Co., Ltd.	13,445,428.50	679,830.00	14,125,258.50	3.90	2,097,503.24
Total	105,969,114.58	3,315,718.14	109,284,832.72	30.20	4,407,008.47

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	46,310,986.97
Other receivables	1,549,659,846.34	1,029,439,011.94
Total	1,595,970,833.31	1,075,749,998.91

Other explanations:

☐Applicable ☑Not applicable

Dividends receivable

(1).Dividends receivable

☑Applicable ☐Not applicable

Unit：Yuan Currency: RMB

Item (or Portfolio companies)	Closing balance	Opening balance
Fushun Fangda High-tech Material Co., Ltd.	46,310,986.97	46,310,986.97
Total	46,310,986.97	46,310,986.97

(2).Significant dividends receivable aged over 1 year

☐Applicable ☑Not applicable

(3).Details of bad debt provision

☐Applicable ☑Not applicable

Other explanations:

☐Applicable ☑Not applicable

Other receivables

(1).Aging analysis

☐Applicable ☐Not applicable

Unit：Yuan Currency: RMB

Aging	Closing balance	Opening balance
Within 1 year (Including 1 year)	1,170,623,449.11	372,889,020.54
Subtotal	1,170,623,449.11	372,889,020.54
1 to 2 years	209,305,896.61	219,774,136.80
2 to 3 years	8,629,960.42	8,629,960.42
More than 3 years	217,095,206.61	526,218,041.43
Total	1,605,654,512.75	1,127,511,159.19

(2).Details of classification by nature

☐Applicable ☐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	2,813,510.54	249,678.18
Security deposit	8,899,460.98	60,731,004.93
Trade receivables and payables	46,783,863.27	145,492,826.69
Trade receivables and payables from related parties within the scope of consolidation	1,547,157,677.96	921,037,649.39
Sub-total	1,605,654,512.75	1,127,511,159.19
Less: Provision for bad debts	55,994,666.41	98,072,147.25
Total	1,549,659,846.34	1,029,439,011.94
Contingency fund	2,813,510.54	249,678.18
Security deposit	8,899,460.98	60,731,004.93

(3).Details of 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)	
As at 30 June 2023	5,866,637.69		92,205,509.56	98,072,147.25
Changes due to financial instruments recognised as at 30 June 2023	5,866,637.69		92,205,509.56	98,072,147.25
--Transfer to stage II				
--Transfer to stage III				
--Reverse to stage II				
--Reverse to stage I				
Provision				
Reversal			42,077,480.84	42,077,480.84
Elimination				
Write-off				
Other changes				
As at 30 June 2023	5,866,637.69		50,128,028.72	55,994,666.41

Explanations on significant changes in the book balance of other receivables where there are changes in provision for the current period:

☐Applicable ☑Not applicable

Bad debt provision for the current period and basis for assessing whether there's significant increase in the credit risk of financial instruments:

☐Applicable ☑Not applicable

(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	Elimination or write-off	Other changes	

1st stage	5,866,637.69					5,866,637.69
2nd stage						
3rd stage	92,205,509.56		42,077,480.84			50,128,028.72
Total	98,072,147.25		42,077,480.84			55,994,666.41

Significant recovery or reversal of bad debt provision for the current period:

☑Applicable ☑Not applicable

Unit：Yuan Currency: RMB

Company Name	Amounts refunded or recovered	Reason for return	Methods of collection	Determining the basis for and the reasonableness of the original provision for bad debts
Jilin Guoxing Carbon Fibre Co., Ltd.	42,077,480.84	Return	Wire transfer	
Total	42,077,480.84	/	/	/

(6).Top five other receivables based on debtors

☑Applicable ☐Not applicable

Unit：Yuan Currency: RMB

Company Name	Closing balance	Percentage of the total closing balance of other receivables (%)	Nature	Age	Provision for bad debts Closing balance
Shanghai Fangda Investment Management Co., Ltd.	1,159,608,134.92	72.22	Receivables and payables	Ageing by Period	
Fushun Fangtai Precision Carbon Materials Co., Ltd.	310,096,569.89	19.31	Receivables and payables	Ageing by Period	
Tianjin Tongda Huanyu Logistics Co., Ltd.	77,400,000.00	4.82	Receivables and payables	Up to 1 year	
Sanmenxia Longxin Carbon Co., Ltd.	17,015,808.26	1.06	Receivables and payables	Ageing by Period	17,015,808.26
Minhe Hongsheng Ready-mixed Concrete Co., Ltd.	12,000,000.00	0.75	Receivables and payables	Ageing by Period	12,000,000.00

Total	1,576,120,513.07	98.16	/	/	29,015,808.26

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	2,035,419,144.76	160,376,812.90	1,875,042,331.86	1,733,094,932.42	160,376,812.90	1,572,718,119.52
Investments in associates and joint ventures	6,775,689,088.79	425,684,011.01	6,350,005,077.78	6,767,182,929.38	425,684,011.01	6,341,498,918.37
Total	8,811,108,233.55	586,060,823.91	8,225,047,409.64	8,500,277,861.80	586,060,823.91	7,914,217,037.89

(1) Investment on subsidiaries

☑Applicable ☐Not applicable

Portfolio companies	Opening balance	Increase in current period	Decrease in current period	Closing balance	Provision for impairment for the period	Closing balance of provision for impairment
Chengdu Rongguang Carbon Co., Ltd.	71,721,550.34					
Chengdu Fangda Carbon Composite Materials Co., Ltd.	446,816,768.89					
Hefei Carbon Co., Ltd.	150,635,263.74					
Fushun Carbon Co., Ltd.	159,874,721.44					
Fushun Fangda High-Tech Materials Co., Ltd.	30,000,000.00					
Fushun Fangtai Precision Carbon Materials Co., Ltd.		160,376,812.90				
Fushun Laihe Mining	185,510,031.75					

Co., Ltd.							
Shanghai Fangda Investment Management Co., Ltd.	52,008,530.00						
Fangda Xike Mo (Jiangsu) Needle Coke Technology Co., Ltd.	461,437,854.56						
Gansu Guodian Shengdong Construction Poverty Alleviation and Development Co., Ltd.	10,000,000.00						
Gansu Benju Handicraft Development Co., Ltd.	600,000.00						
Dongxiang Autonomous County Fangda Tengda Garments Co., Ltd.	2,760,000.00						
Fangda (South Korea) International Trading Co., Ltd.	1,353,398.80						
Tianjin Tongda Huanyu Logistics Co., Ltd.			302,324,212.34				
Total	1,572,718,119.52	160,376,812.90	302,324,212.34				

(2)Investment on Associates and Joint ventures

☑Applicable ☐Not applicable

Portfolio companies	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	
Joint ventures											
Associates											
Baofang Carbon Materials Technology Co., Ltd.	488,273,823.16				-25,161,560.66						463,112,26
Jiujiang Bank Co., Ltd.	1,170,645,068.11	425,684,011.01			18,680,001.00						1,189,325,0
Tianjin Haihe Fangda Industrial Investment Fund Partnership (Limited	36,802,140.44				9,467.26						36,811,60

Partnership)											
Nanchang Huxu Steel Industry Investment Partnership (Limited Partnership)	4,645,777,886.66				14,978,251.81						4,660,756,1
Sub-total	6,341,498,918.37	425,684,011.01			8,506,159.41						6,350,005,0
Total	6,341,498,918.37	425,684,011.01			8,506,159.41						6,350,005,0

Other explanations:

☐Applicable ☐Not applicable

7. 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	1,053,085,989.85	963,386,467.30	858,241,009.46	768,036,051.19
Others	54,293,416.93	20,955,900.66	47,449,914.58	15,881,254.16
Total	1,107,379,406.78	984,342,367.96	905,690,924.04	783,917,305.35

(2) Breakdown of operating revenue and cost 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
Carbon products	1,053,085,989.85	963,386,467.30	858,241,009.46	768,036,051.19
Total	1,053,085,989.85	963,386,467.30	858,241,009.46	768,036,051.19

Item	Amount incurred in the current period		Amount incurred in the prior period	
	Revenue	Cost	Revenue	Cost
Domestic	752,719,395.61	700,812,392.96	515,982,231.85	489,123,876.03
Overseas	300,366,594.24	262,574,074.34	342,258,777.61	278,912,175.16
Total	1,053,085,989.85	963,386,467.30	858,241,009.46	768,036,051.19

8. Investment income

☑Applicable ☐Not applicable

Unit：Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the prior period
Income from long-term equity investments under equity method		

Long term equity investment income measured by cost method	8,506,159.41	27,807,875.72
Long term equity investment income measured by equity method		
Investment income on disposal of long-term equity investments	1,548,230.24	
Investment income during the holding period of trading financial assets		
Dividend income from investments in other equity instruments during the holding period		
Interest income earned on debt investments during the holding period		
Interest income earned on other debt investments during the holding period	-6,033,091.26	-211,099.07
Investment income during the holding period of trading financial assetsInvestment income from disposal of trading financial assets		
Investment income from disposal of other equity instrument investments		
Investment income from disposal of debt investments		
Investment income from disposal of other debt investments	-1,881,704.24	-1,011,201.53
Gain on debt restructuring Investment income from holding other non-current assets	13,268,888.88	1,940,212.82
Total	15,408,483.03	28,525,787.94

9. Others

☐Applicable ☑Not applicable

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 on such assets	-451,887.44	
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	18,736,226.02	
Gains and losses arising from changes in the fair value of financial assets and financial liabilities held by non-financial enterprises, and gains and losses arising from the disposal of financial assets and financial liabilities, other than those arising from effective hedging transactions related to the company's normal business operations;	191,063,163.16	
Charges for the use of funds received from non-financial enterprises, recognised in profit or loss for the period;		
Gains and losses arising from entrusting others to invest or manage assets;		
Gains and 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 separate impairment testing;		
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 exchanges of non-monetary assets;		
Gains and losses arising from debt restructuring;		
One-off expenses incurred by an enterprise due to the discontinuation of relevant		

business activities, such as expenditure on employee redundancy arrangements;		
One-off effects on profit or loss for the period arising from adjustments to laws and regulations relating to taxation, accounting and other matters;		
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 manifestly unfair		
Gains or losses arising from contingent events unrelated to the company’s normal business operations		
Fiduciary management fee income received from entrusted management activities		
Other non-operating income and expenses not included in the above items	1,619,937.90	
Other items of gain or loss that meet the definition of non-recurring gains and losses		
Less: Income tax effect	48,782,974.26	
Impact on minority interests (after tax)	1,338,469.23	
Total	160,845,996.15	

The reasons shall be explained for the non-recurring profit and loss items defined by the company according to the definition of "explanatory Announcement No. 1 of information disclosure of companies offering securities to the public - non recurring profit and loss" and the items of non-recurring profit and loss listed in the explanatory announcement of information disclosure of companies offering securities to the public No. 1 - non recurring profit and loss as recurring profit and loss items.

2. Return on net assets and earnings per share

☑Applicable ☐Not applicable

Profit in the reporting period	Weighted average return on net assets	Earnings per share	
		Basic earnings per share	Diluted earnings per share
Net profit attributable to	1.0357	0.0449	0.0449

ordinary shareholders of the company			
Net profit attributable to ordinary shareholders of the company after deducting non-recurring profit and loss	0.0615	0.0027	0.0027

3. Differences of accounting data under domestic and foreign accounting standards

☐Applicable ☑Not applicable

4. Others

☐Applicable ☑Not applicable

Legal Representative: Zhang Tianjun

Board Approval to File: 28 August 2026

Revision information

☐Applicable ☑Not applicable